

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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







### **Dock in the Indian River Lagoon**

The Indian River Lagoon (IRL) system includes three main water bodies, Mosquito Lagoon, Banana River, and Indian River Lagoon. These distinct, but interconnected, estuarine systems, extend 156 miles from Ponce de Leon Inlet to Jupiter Inlet on Florida's east coast. The IRL is home to a rich array of plants and animals whose existence depends on the quality of water within the lagoon. The District and the St. Johns River Water Management District share responsibility for restoring and protecting this lagoon.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

**Fiscal Year Ended September 30, 2017**

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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, 2017**

***TABLE OF CONTENTS***

---

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS .....	II-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED) .....	II-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position .....	III-1
Statement of Activities.....	III-2
FUND FINANCIAL STATEMENTS	
Governmental Funds Financial Statements	
Balance Sheet .....	III-3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	III-6
Statement of Revenues, Expenditures and Changes in Fund Balances.....	III-7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	III-10
Proprietary Funds Financial Statements	
Statement of Position .....	III-11
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	III-12
Statement of Cash Flows .....	III-13
NOTES TO THE BASIC FINANCIAL STATEMENTS.....	III-15

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

***TABLE OF CONTENTS***

**FINANCIAL SECTION (Continued)**

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A (UNAUDITED)

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

General Fund .....	IV-1
Okeechobee Basin SR .....	IV-3
Lake Belt Mitigation Trust SR .....	IV-5
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE	
OF THE NET PENSION LIABILITY - FRS .....	IV-6
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - FRS .....	IV-7
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE	
OF THE NET PENSION LIABILITY - HIS .....	IV-8
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - HIS .....	IV-9
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB .....	IV-10
SCHEDULE OF FUNDING PROGRESS - OPEB .....	IV-10
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION .....	IV-11

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Descriptions of the Nonmajor Governmental Funds .....	V-1
Combining Balance Sheet .....	V-5
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ...	V-14
Budget to Actual Comparison - Other Major and Nonmajor Governmental Funds	
Special Revenue Funds	
Big Cypress Basin .....	V-23
Save Our Rivers .....	V-24
State Appropriations .....	V-25
Invasive Aquatic Plant Control .....	V-26
Upland Invasive Plant Control .....	V-27
Wetland Mitigation .....	V-28
Indian River Lagoon Restoration .....	V-29
Federal Land Management .....	V-30
External Grants .....	V-31
Everglades Restoration Trust .....	V-32
Everglades License Plate .....	V-34
Lake Okeechobee .....	V-35
Save Our Everglades .....	V-36
Land Acquisition Trust .....	V-37
Federal Emergency Management Agency .....	V-38
Florida Bay .....	V-39

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

***TABLE OF CONTENTS***

---

**FINANCIAL SECTION (Continued)**

OTHER SUPPLEMENTARY INFORMATION (Continued)

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

Capital Projects Funds

District.....	V-40
Okeechobee Basin .....	V-42
Big Cypress Basin .....	V-43
Save Our Rivers .....	V-44
State Appropriations .....	V-45
Everglades Trust Fund .....	V-46
Federal Emergency Management Agency .....	V-47
Florida Bay .....	V-48
Wetland Mitigation .....	V-49
Comprehensive Everglades Restoration Plan (CERP) .....	V-50
Federal Land Acquisition .....	V-51
Save Our Everglades .....	V-52
Comprehensive Everglades Restoration Plan – Other Creditable Fund .....	V-53
COPS – Everglades Forever Act.....	V-54
COPS – Comprehensive Everglades Restoration Plan.....	V-55
Lake Belt Mitigation .....	V-56
Lake Okeechobee .....	V-57
External Grants .....	V-57
Land Acquisition Trust Fund .....	V-59

Permanent Fund

Wetland Mitigation .....	V-60
--------------------------	------

Internal Service Funds

Descriptions of the Internal Service Funds.....	V-61
Combining Statement of Net Position .....	V-62
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	V-63
Combining Statement of Cash Flows.....	V-64



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

***TABLE OF CONTENTS***

---

**STATISTICAL SECTION (UNAUDITED)**

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

**DISCLOSURE SECTION (UNAUDITED)**

**SEC RULE 15c2-12 DISCLOSURES**

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

***TABLE OF CONTENTS***

---

**SINGLE AUDIT**

**MANAGEMENT LETTER**

**ATTESTATION REPORT**



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# **INTRODUCTORY SECTION**





## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

**TO: Governing Board Members and Ernest Marks, Executive Director**

**SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2017**

Florida Statutes require an external audit of the financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the South Florida Water Management District (District) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, the comprehensive annual financial report for the District is hereby issued for the fiscal year ended September 30, 2017.

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

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

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the South Florida Water Management District's basic financial statements for the fiscal year ended September 30, 2017 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 8.1 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 71 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection. The man-made water management system undergoes continuous enlargement and refinement with new construction, acquisitions, and upgrades to the existing network. This enhances the system's ability to provide flood control and water supply protection as well as preserve water quality and environmental values.

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

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

### **REGULATORY POWERS**

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

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

### **OTHER DISTRICT PROGRAMS**

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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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 1.7 percent increase, compared to the prior year's increase of 1.7 percent. The District's population is expected to steadily increase by 7.8 percent from 2017 through 2022, with the largest numerical increases through 2022 occurring in Miami-Dade, Broward, and Palm Beach Counties and the highest percentage growth rates occurring in Osceola, Lee, and Orange Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida, along with the nation, continues to manage the slow economic conditions. The October 2017 unemployment rate for Florida was 3.6 percent compared to 4.9 percent (adjusted) from a year ago; and 3.9 percent for the entire United States compared to 4.7 (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 2017 and even experiencing a slight increase over values of recent past.

The District's adopted ad valorem millage rates decreased for fiscal year 2017, to a District-wide rate of .1359 for fiscal year 2017 compared to .1459 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 2017 budget reflected a 0.99 percent increase in ad valorem property taxes levied, which equates to an increase of \$2.6 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 eighteen years, phosphorus control programs consisting of Stormwater Treatment Areas and best farming/management practices together have prevented over 5,387 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. Implementation is currently estimated to cost \$13.5 billion (at 2009 price levels, including subsequently authorized CERP revisions), according to the 2010 Report to Congress, half of which will be paid by the federal government. The estimated costs for CERP have increased to \$16.4 billion, based on price level (inflation) adjustments to 2014 dollars.

During 2005, the District launched an expedited initiative to be financed by Certificates of Participation to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. Through fiscal year 2017, 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 2017 totaled \$37.5 million.

## **FINANCIAL POLICIES**

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

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

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

### **BUDGET ADOPTION AND CONTROLS**

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

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

### **DEBT ADMINISTRATION**

In February 2016, the District advance refunded \$442,025,000 of the par value of its Series 2006 Certificates of Participation (COPs). This in-substance defeasance was financed through the issuance of the Series 2015 Refunding COPs with a par value of \$385,425,000 together with a net premium of \$70,872,796.80. The refunding did not include \$12,750,000 of the Series 2006 debt, which matured on October 1, 2016. The Series 2006 COPs were issued to provide funds for the construction of projects in furtherance of Everglades restoration. At September 30, 2017, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively. The total liability for the Series 2015 revenue bonds at September 30, 2017 is \$385.4 million. The District is obligated for payments on the COPS through fiscal year 2037.

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

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded their Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the twenty-sixth consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, satisfying both generally accepted accounting principles and applicable legal requirements.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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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 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ACKNOWLEDGMENTS

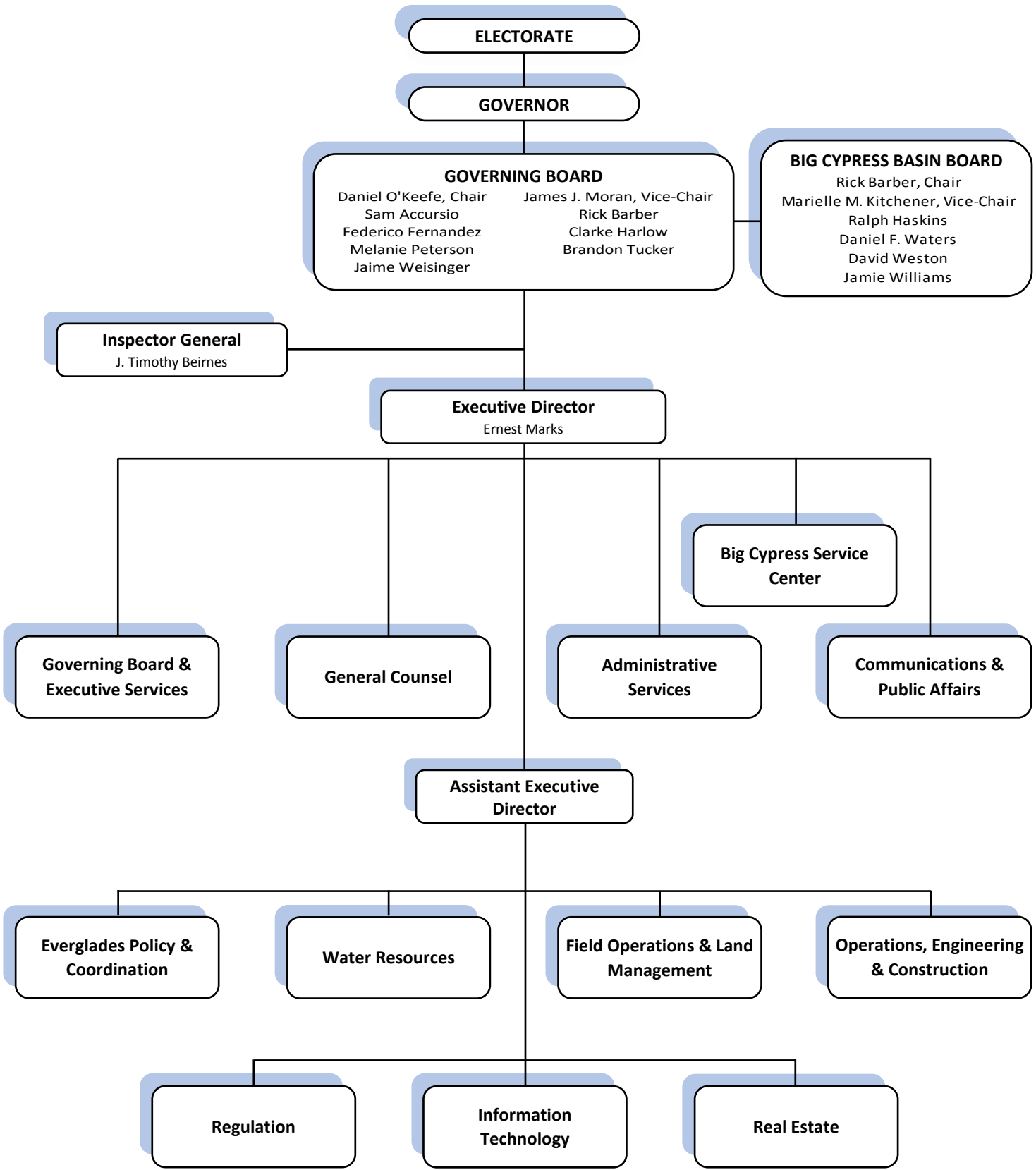
Management extends its sincere appreciation to the many District employees who provide their dedicated efforts to complete the research and analysis necessary for the preparation of this report. Special thanks go to the employees of the Finance Bureau for their diligence in the production of this report.

Respectfully submitted,

  
Dorothy Bradshaw  
Director of Administrative Services  
March 30, 2018

  
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  
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Presented to

**South Florida  
Water Management District**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*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**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of the proportionate share of net pension liability for the Florida Retirement System Plan (FRS) and Health Insurance Subsidy Plan (HIS), schedules of contributions for FRS and HIS, schedule of funding progress for other post-employment benefits, and schedule of employer contributions for other post-employment benefits, and the budgetary comparison schedules – General Fund, the Okeechobee Basin Special Revenue Fund, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 30, 2018, 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  
March 30, 2018

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

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, 2017. Please read it in conjunction with the transmittal letter beginning on page I-1 and the District's basic financial statements, which begin on page III-1.

**FINANCIAL HIGHLIGHTS**

- District assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at fiscal year-end 2017 by approximately \$5.25 billion.
- Net position increased approximately \$297.4 million, or approximately 6.0 percent during the year, remaining relatively stable at \$5.25 billion at September 30, 2017.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7.2 million, or about 7.7 percent of total General Fund expenditures.
- The District's total capital assets increased by \$300.2 million during the current fiscal year. This increase is the net of \$307.1 million in additions resulting primarily from construction of various projects, and \$6.9 million in retirements resulting primarily from the sale of District land.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**Government-wide financial statements**

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave). The government-wide financial statements can be found on pages III-1 to III-2 of this report.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**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, Lake Belt Mitigation Special Revenue Fund, Okeechobee Basin Capital Projects Fund, Everglades Trust Capital Projects Fund, Save Our Everglades Capital Projects Fund, and Land Acquisition Trust Capital Projects Fund, all of which are considered to be major funds. Data from the other 32 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 32 non-major governmental funds is provided in the form of combining statements on pages V-5 to V-22 of this report.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

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-62 to V-64 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, and Lake Belt Mitigation Special Revenue Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these three 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-5. Budgetary comparison schedules for the other governmental funds are presented on pages V-23 to V-60 of this report.

**Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages III-15 to III-56 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position is \$5.25 billion at the close of the most recent fiscal year, an increase of \$297.5 million from the prior fiscal year. By far, the largest portion of the District's net position (92.9 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. All of the remaining net position plus an additional \$37.9 million are subject to external restrictions on how they may be used. As such, the District is reporting a negative unrestricted net position of \$37.9 million at the end of fiscal year 2017, which was primarily caused by the recording of a net pension liability related to the Florida Retirement System as part of the adoption of GASB Statement Nos. 68 and 71.

The balance of current and other assets at the end of fiscal year 2017 decreased from the prior year balance, reflecting a net decrease of \$9.9 million. A number of variances contributed to the decrease, the most significant of which are decreases in cash and investments and restricted cash of \$15.8 million offset by an increase in amounts due from other governments of \$6.9 million. The decrease in the District's cash balances is primarily a result of expenditures incurred for the acquisition and construction of capital assets. The increase in amounts due from other governments relates to amounts due from the U.S. Army Corps of Engineers and the Florida

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

Department of Environmental Protection for pending reimbursements for shared projects. Total liability obligations saw a decrease of \$20.2 million which reflects a decrease in the Series 2006 Certificates of Participation (COPS), which were paid in full in fiscal year 2017 and a decrease in the unamortized balance of premiums and discounts related to the Series 2015 COPS of \$12.8 million and \$7.4 million, respectively. In addition, the District experienced decreases in both deferred outflows of resources (\$10.2 million) and deferred inflows of resources (\$3.6 million) due to pension related items required by the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68. Together, the changes in current 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 \$20.0 million. The increase of \$317.4 million in net investment in capital assets is primarily a result of capital assets, net of depreciation increasing by \$300.4 million from fiscal year 2016 to fiscal year 2017, and the outstanding debt items associated with capital assets being reduced by \$20.2 million during the same period. Additional information relative to capital asset and long-term debt activity during fiscal year 2017 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**

	2017	2016
Current and Other Assets	\$ 566,534,795	\$ 576,522,147
Capital Assets, Net	5,320,496,864	5,020,247,806
<b>Total Assets</b>	<b>5,887,031,659</b>	<b>5,596,769,953</b>
<b>Deferred Outflows of Resources</b>	<b>34,212,590</b>	<b>44,374,009</b>
Current and Other Liabilities	63,664,704	57,214,695
Long-term Liabilities Outstanding	590,384,188	610,550,446
<b>Total Liabilities</b>	<b>654,048,892</b>	<b>667,765,141</b>
<b>Deferred Inflows of Resources</b>	<b>15,047,288</b>	<b>18,687,800</b>
Net Position:		
Net Investment in Capital Assets	4,877,884,765	4,560,442,644
Restricted	412,116,772	423,646,678
Unrestricted	(37,853,468)	(29,398,301)
<b>Total Net Position</b>	<b>\$ 5,252,148,069</b>	<b>\$ 4,954,691,021</b>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

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

	2017	2016
Revenues		
Program Revenues		
Charges for Services	\$ 24,161,965	\$ 30,714,951
Operating Grants and Contributions	28,533,261	30,567,086
Capital Grants and Contributions	275,155,751	150,725,670
General Revenues		
Property Taxes	283,694,280	280,496,778
Investment Earnings	3,996,201	5,628,628
Other	5,529,309	4,624,231
Total Revenues	621,070,767	502,757,344
Expenses		
Water Resources Planning and Monitoring	40,887,636	44,269,794
Acquisition, Restoration and Public Works	47,360,644	41,794,713
Operations & Maintenance of Lands/Works	160,629,721	167,388,368
Regulation	27,825,040	21,350,565
Outreach	1,998,917	2,183,103
District Management and Administration	33,171,938	37,047,896
Interest on Long-Term Debt	11,739,823	14,594,348
Total Expenses	323,613,719	328,628,787
Increase (Decrease) in Net Position	297,457,048	174,128,557
Net Position at Beginning of Year	4,954,691,021	4,780,562,464
Net Position at End of Year	\$ 5,252,148,069	\$ 4,954,691,021

**Property taxes** continue as the District's primary source of revenue. For fiscal year 2017, revenue from property taxes totaled \$283.7 million of which \$10.9 million represents Agricultural Privilege Taxes. Total property taxes experienced a slight decrease of \$3.4 million, or 7.6 percent, from fiscal year 2016.

The Agricultural Privilege Tax is one of the dedicated funding sources identified in the Everglades Forever Act (EFA) and is used to fund Everglades Construction Project and Long-Term Plan expenditures. Agricultural Privilege Tax revenues are based on tax roll information received from Palm Beach and Hendry counties' property appraisers. The Agricultural Privilege Tax continues to be a steady source of revenue for the Everglades Trust Fund and it is calculated based on the assessed tax-per-acre on the number of agricultural acres reflected on the tax rolls. Acres can be taken off the tax rolls due to construction and change in land status to non-agricultural use tax

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

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 2017 tax revenues derived from the Agricultural Privilege Tax remained consistent with the prior fiscal year's level of \$11.2 million.

**Charges for services** totaled \$24.1 million for fiscal year 2017, a decrease of \$6.6 million from the prior fiscal year. A major portion of this decrease (\$5.7 million) is due to decreases in mitigation fees (\$0.25/ton in 2016 to \$0.15/ton in 2017) received from limerock and sand mining in the Miami-Dade County Lake Belt Area. Additionally, during fiscal year 2017 the District recorded a decrease in estimated self-insurance liability of \$2.2 million which was offset by an increased of \$1.7 million related to mining fees received from White Rock Quarries.

**Operating grants and contributions** totaled \$28.5 million for fiscal year 2017, a decrease of approximately \$2 million from the prior fiscal year. This decrease is attributable to a \$2 million decrease in funds from the Florida Department of Protection for the Dispersed Water Management Program. No similar revenue was recognized in fiscal year 2017.

**Capital grants and contributions** totaled \$275.1 million for fiscal year 2017, an increase of \$124.4 million from fiscal year 2016. The majority of this increase is due to a \$75.2 million increase in donated assets, with the largest amounts related to S-65X1, Merritt PS S-488, L-40 levee, coupled with an increase in funding related from the Land Acquisition Trust Fund.

**Investment earnings** during fiscal year 2017 decreased by \$1.6 million to \$4.0 million from the previous fiscal year 2016 level of \$5.6 million. During fiscal year the District recognized approximately \$8.6 million of interest income, which was offset by market losses totaling \$4.6 million recognized in the fourth quarter of fiscal year 2017 due to the fall in bond yields.

**Other Revenue** consists primarily of miscellaneous revenue not otherwise designated. The total of \$5.5 million for fiscal year 2017 represents an increase of \$0.9 million from the prior year. This increase is mainly attributable to the sale of surplus District assets.

**Program Expenses** totaled \$323.6 million for fiscal year 2017, a decrease of approximately \$5.0 million from fiscal year 2016. 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 \$248.9 million or 76.9 percent of the \$323.6 million in total expenses for fiscal year 2017. This is a decrease of \$4.6 million from the prior fiscal year. The other program expenses totaled \$74.7 for fiscal year 2017 and reflected a decrease of approximately \$0.4 million over the previous year. The three largest District programs and the most significant reasons for variances from prior fiscal year 2016 program expenses are discussed below.

**Water Resources Planning and Monitoring** expenses decreased \$3.4 million, or 7.6 percent, from \$44.3 million in fiscal year 2016 to \$40.9 million in fiscal year 2017. The most significant variances contributing to the net decrease resulted from decreases in salary and fringes, related healthcare costs, and various interagency expenses.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

This program includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resources planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review). Program accomplishments include executing 68 of 71 Cooperative Funding Program agreements with local partners, completed field monitoring, laboratory analyses, and reports to support various regulatory-driven mandates/agreements, and published the 2017 Florida Environmental Report.

**Acquisition, Restoration and Public Works** expenses for fiscal year 2017 were \$47.4 million when compared to the \$41.8 million expensed in the prior year resulted in an overall increase of \$5.6 million. This variance is mainly a result of a \$1.5 million decrease in repairs and maintenance coupled with a \$1.4 million decrease in salaries and fringe. These decreased were offset by \$1.1 million in debt issuance related costs.

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

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

**Operations and Maintenance of Lands and Works Program** expenses incurred during fiscal year 2017 were \$160.6 million, a decrease of \$6.8 million from the \$167.4 million expensed in fiscal year 2016. This variance is primarily due to a \$9.1 million decrease in Lake Belt Mitigation projects as approved by the Lake Belt Mitigation Committee offset by increases related to tree management services, maintenance and repairs, and professional services.

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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

Projects completed or significantly under way included ongoing construction on the G-450 repairs, S-46 Enhancements, North Shore Command and Control and Trash Rake Projects, BCB Scour and Riprap Repairs, S-2/S-3/S-4 Service Bridge refurbishments, and various C-4 Canal Bank Improvements. The program is also responsible for 11 major gate overhauls, replacement of 22 project culverts, completion of 30,037 feet of side-bank stabilization, and 5,415 acres of terrestrial vegetation, 7,739 acres of floating and emerged vegetation, and 5,891 acres of submerged variation.

## **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 \$62.4 million, of which \$40.5 million was either assigned or unassigned and \$21.8 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 42.9 percent of the General Fund expenditures totaling \$94.1 million, while total fund balance represents 67.0 percent of that same amount. Revenues exceeded expenditures by \$25.7 million and the General Fund had net operational transfers to other funds amounting to \$26.4 million resulting in a slight decrease in fund balance of \$0.7 million.

Total revenues in the General Fund increased slightly by approximately \$1.0 million from the prior year. This increase is attributable to slight increases in property tax revenue of \$1.5 million and intergovernmental revenues of \$0.5 million offset by a decrease of \$0.8 million in investment earnings.

Total expenditures decreased approximately \$3.7 million, or 3.8 percent, in fiscal year 2017 to \$94.1 million. The most significant variances contributing to the net decrease resulted from a \$4.1 million reduction in salaries and fringe benefits and a \$1.0 million reduction in self-insurance charges offset by an increase of \$1.2 million in various contractual services, including maintenance and repairs and computer software licenses.

Operating transfers from the fund netted to a total of \$26.4 million for fiscal year 2017. Of significance, transfers-out in the amount of \$26.4 million 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**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, 2017 was \$89.9 million, a decrease of \$7.5 million from fiscal year 2016. Of the \$89.9 million in total fund balance, \$85.3 is restricted due to the Governing Board obligating these funds for future fiscal years (FY2018-FY2021) and the remaining \$4.6 million in non-spendable inventory reserve.

Revenues in excess of expenditures of \$28.8 million were offset by a \$36.4 million decrease related to net transfers out of the Fund. Total revenues recorded in the Okeechobee Basin Special Revenue Fund of \$117.2 million represent a minimal decrease of \$0.6 million from the prior year total of \$117.8 million.

Total expenditures increased by \$1.4 million, or 1.6 percent in fiscal year 2017 to \$88.3 million. This increase was primarily due to an increase in various contract services costs, comprised of maintenance and repairs, and professional services of \$4.4 million, which were offset by a decrease in operating expenditures and personnel costs totaling \$3 million.

In fiscal year 2017, operating transfers-out were recorded within the fund totaling \$36.4 million. The fund that received the transfer was the Okeechobee Basin Capital Projects Fund for the purpose of supporting scheduled capital improvement projects.

**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, 2017, total fund balance was \$66.0 million, of which the entire amount is restricted. The restriction is due to the Governing Board obligating these funds for future fiscal year (FY2018-FY2021) acquisition, restoration and/or management of environmentally sensitive lands and for Lake Belt Wetland creation, restoration and management. Fund balance decreased \$3.7 million, comprised of revenues in excess of expenditures of \$5.3 million and net transfers-out of \$8.9 million.

Total revenues recorded in the Lake Belt Mitigation Special Revenue Fund of \$7.6 million represent a decrease of \$5.7 million. This decrease is primarily attributable to a decrease in mitigation fees (\$0.25/ton in 2016 to \$0.15/ton in 2017) received from limerock and sand mining activities in the Miami-Dade County Lake Belt Area.

During fiscal year 2017, expenditures decreased by \$9.4 million to \$2.4 million. Fiscal year 2016 expenditures included over \$9 million related to L-31N Phase II, which, included three additional miles of seepage barrier. This project was completed in April 2016.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

Operating transfers out of the fund netted to a total of \$8.9 million for fiscal year 2017. Of significance, \$9.7 million was transferred out of the Lake Belt Mitigation Special Revenue Fund into the Lake Belt Mitigation Capital Projects Fund to support capital expenditures and the purchase of approximately 1,100 acres within the Pennsuco Wetlands Area in northwestern Miami-Dade County, as approved by the Lake Belt Mitigation Committee.

**Okeechobee Basin Capital Projects Fund**

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

The total fund balance of the Okeechobee Basin Capital Projects Fund at September 30, 2017 was \$43.1 million, a decrease of \$5.0 million from fiscal year 2016. The entire fund balance is restricted with \$40.7 million earmarked for future projects and \$2.4 million for the acquisition, restoration or management of environmentally sensitive lands.

In fiscal year 2017, net operating transfers in the fund totaled \$36.4 million. Transfers in totaled \$36.4, all of which came from the Okeechobee Basin Special Revenue Fund for the purpose of supporting scheduled capital improvement projects.

**Everglades Restoration Trust Capital Projects Fund**

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

During fiscal year 2017, the fund balance of the Everglades Trust Capital Projects Fund decreased \$7.2 million to \$79.5 million at fiscal year-end.

Total revenues in the fund decreased by \$0.5 million to \$0.5 million. This decrease relates primarily to sale of District property which experienced a \$0.3 million decrease and investment earnings which experienced a \$0.1 million decrease.

Total expenditures decreased by approximately \$1.9 million in fiscal year 2017 to \$21 million. This decrease was primarily due to lower interest expenditures related to the Series 2015 COPS.

For fiscal year 2017, transfers-in from other funds totaled \$13.3 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  
SEPTEMBER 30, 2017**

**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 2017, the fund balance of the Save Our Everglades Capital Projects Fund decreased \$2.1 million to \$5.4 million deficit from the previous fiscal year deficit of \$3.4 million. This deficit is expected to be funded by pending and future reimbursements from Florida Department of Environmental Protection.

Revenues in the fund decreased \$27.0 million from the prior fiscal year to \$49.2 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.

During fiscal year 2017, operating transfers into the fund amounted to \$0.1 million while operating transfers-out were recorded at \$0.2 the Save Our Everglades Capital Projects Fund.

**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, 2017 was \$5.2 million. This deficit is due to capital outlay expenditures exceeding intergovernmental revenue, namely reimbursements from Florida Department of Environmental Protection which are pending for \$12.8 million as of fiscal year end.

Revenues in the fund increased \$68.0 million from the prior fiscal year to \$90.7 million. This increase 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.

Expenditures within the fund increased \$46.3 million to \$82.4 million at fiscal year end. This increase is due to capital expenditures related to various projects, including C-44, Disbursed Water Management, STA1W and several land acquisitions.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Final budgeted revenues and expenditures in the final General Fund budget were \$119.9 million and \$136.7 million, respectively. Budgeted revenues increased by \$5,684 from the original adopted budget for fiscal year 2017, while budgeted expenditures decreased approximately \$1.8 million from the original budget. The revenue adjustment was related to a transfer between the General Funds and its related capital fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

At the end of fiscal year 2017, the General Fund budget for Administrative Services and Executive Offices reflected a remaining available balance of \$4.2 million. This was primarily due to outstanding encumbrances in the District Management and Administration Program, the Acquisition, Restoration and Public Works Program and the Operations and Maintenance of Lands and Works Program totaling approximately \$3.8 million. The majority of the outstanding encumbrances in District Management and Administration related to the Information Technology and General 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 Operations and Maintenance of Lands and Works Program is related outstanding encumbrances for equipment rentals and Information Technology services.

At the end of fiscal year 2017, the General Fund budget for Water Resources reflected a remaining available balance \$5.4 million, of which \$2.3 million is within the Water Resources Planning and Monitoring Program and \$3.2 million is in the Acquisition, Restoration and Public Works Program. This amount is related to outstanding encumbrances related to intergovernmental agreements for the C-111, USACE project coordination, and Indian River Lagoon Projects.

The final amended General Fund budget included \$19.6 million in reserves comprised of managerial reserves of \$3.9 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, 2017, the District's investment in capital assets was \$5.3 billion, up \$466.8 million from the end of fiscal year 2016. 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>2017</u>	<u>2016</u>
Land	\$ 2,601,031,043	\$ 2,584,696,415
Easements	81,487,730	81,487,026
Canals and Levees	795,299,325	735,720,818
Buildings	100,718,969	94,248,123
Intangibles	4,889,788	6,189,440
Equipment	39,415,056	35,442,018
Improvements	19,867,423	20,481,306
Water Control Structures	1,166,536,536	808,089,312
Construction in Progress	<u>511,250,994</u>	<u>653,893,348</u>
Total	<u>\$ 5,320,496,864</u>	<u>\$ 5,020,247,806</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

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

**Construction in Progress Highlights**

The District's investment in construction in progress decreased \$142.6 million during fiscal year 2017. This change is primarily due to the net effect of the following:

- \$184.3 million expended on continuing projects as follows:
  - \$52.9 million expended on C-44 Reservoir/STA
  - \$37.8 million expended on Restoration Strategies STA 1W Expansion #1
  - \$18 million expended on Lakeside Ranch STA
  - \$17.9 million expended on C-43 West Storage
  - \$57.7 million expended on other projects
- \$323 million related to completed projects which were transferred out of construction in progress, the most significant of which are:
  - \$253.4 million for A-1 FEB P0801
  - \$21.6 million for CP North Shore Trash Rakes, Gates, Paving
  - \$8.1 million for CP S-13 Repowering and Automation
  - \$7.9 million for BCB Field Station Relocation
  - \$32 million for other projects
- \$3.9 million related to retirements.

**Land Highlights**

The District's investment in land increased \$11.7 million during fiscal year 2017. This change is primarily due to the net effect of the following:

- \$13.3 million expended on new land acquisitions:
  - \$4.3 million recorded for Pennsuco Wetlands Component of the East Coast Buffer Project
  - \$6.1 million expended on lands acquired within the Lake Cypress Component of the KCOL Project in Osceola County

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

- \$2.9 million expended on other lands
- \$1.6 million related to retirements of unused lands and other adjustments

**Canals and Levees Highlights**

The District's investment in equipment increased \$60.2 million during fiscal year 2017. This change is primarily due to the net effect of the following:

- \$49.7 million recorded for the transfer of the completed Comprehensive Everglades Restoration Plan, Site 1 Impoundment, L-40, Phase 1
- \$10.5 million expended on other canals and levees

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

**LONG-TERM DEBT ADMINISTRATION**

At the end of fiscal year 2017, the District had \$444 million in total outstanding long-term debt, representing a decrease of \$20.1 million from the prior year. The balance is comprised of Certificates of Participation (COPS).

**Long-term Debt Outstanding**

	2017	2016
Certificates of Participation	\$ 444,068,682	\$ 464,255,306
Total	\$ 444,068,682	\$ 464,255,306

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 \$444 million at September 30, 2017.

At September 30, 2017, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively. A bond rating indicates the investment quality of the bonds, which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District strives to maintain superior bond rating for its obligations in order to realize more favorable borrowing costs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**Debt Management Policy**

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

The policy directs the District to:

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

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

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

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**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 36 percent of the District's fiscal year 2018 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District increased by 8.4 percent from \$804.3 billion in 2016 to \$872.2 billion in 2017. Ad valorem taxes projected for fiscal year 2018 are \$274.0 million, an estimated \$4.4 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 2018 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 \$267.9 million in baseline revenues, plus \$6.1 million of new construction, for total ad valorem revenue of \$274.0 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 \$309.0 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 2018 fiscal year.

**Property Values**

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**Foreclosures**

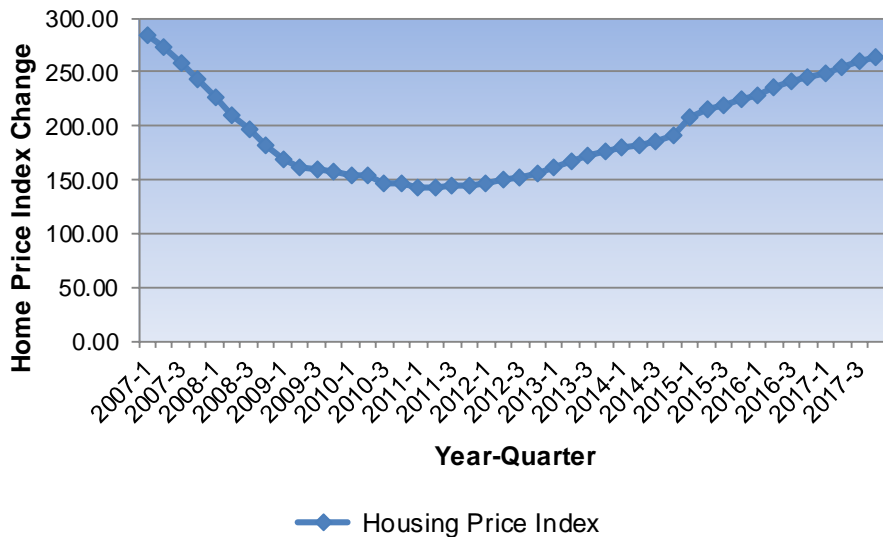
According to RealtyTrac®, the leading online marketplace for foreclosure properties, foreclosure filings, which include default notices, scheduled auctions, and bank repossessions, were reported on 574,202 properties in the United States as of the report date, compared to the prior year of 810,125 properties. Their report shows a nationwide foreclosure rate of one in every 1,907 U.S. housing units, compared to one in every 1,609 twelve months prior. Florida, reflected a foreclosure rate of one in every 1,887 units, compared to one in every 1,182 units reported last year. Of the five top counties in Florida, in terms of foreclosure rates, no counties are within the District’s boundaries.

In summary, while foreclosure rates decreased nationwide and Florida’s foreclosure rates decreased as well over the past year, Florida continues to lead the nation in foreclosures. Out of the 16 counties residing within the District’s tax base, 4 of them have foreclosure rates higher than the national average rate and 4 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 2016 and Q3 2017. While home prices continue to be below the peaks of late 2007, trends indicate a continual upward movement in value. The Federal Housing Finance Agency Home Price Index, graphically depicted below, measures the average change in value of residential real estate in central and southern Florida given a constant level of quality.

**Florida Home Price Index 2007 - 2017**



Source: fhfa.gov

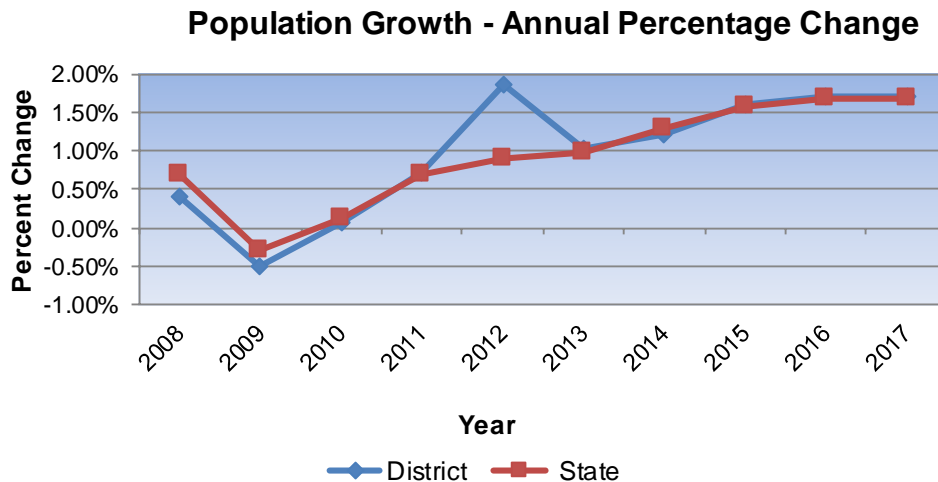


**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**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 2017, the District's population increased by 1.71 percent, compared to the prior year's increase of 1.71 percent. Over the past ten years (2008 to 2017) the population growth across the District averaged .98 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 2017, the total assigned and unassigned fund balance in the General Fund was \$40.5 million. This represents a decrease of \$5.9 million or approximately 12.7 percent from the comparable fund balance reported in fiscal year 2016. The District has appropriated \$33.3 million of the \$40.5 million for spending in the fiscal year 2018 budget.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2017**

**NEXT YEAR'S BUDGETS AND RATES**

The District's fiscal year 2018 adopted millage rates are lower than fiscal year 2017 rates. In fiscal year 2018, all property owners within the District's boundaries will be assessed a District-at-Large millage rate of .1275 mills, reduced from the prior year's rate of .1359 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1384 mills and the Everglades Construction Project tax rate of .0441 mills, both of which are reduced from the fiscal year 2017 rates of .1477 mills and .0471, mills, respectively, for a combined tax assessment of .31 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .1270 mills, which represents a reduction from the fiscal year 2017 rate of .1336 mills, and the District-at-Large tax rate of .1275 mills, for a combined tax assessment of .2545 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 2018 totals \$758.3 million, an increase of approximately \$31.7 million from the fiscal year 2017 amended budget of \$726.6 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.



[sfwmd.gov](http://sfwmd.gov)

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# **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**



**South Florida Water Management District  
Statement of Net Position  
September 30, 2017**

	<u>Total Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 363,859,705
Accounts Receivable	1,428,340
Due from Other Governments	46,086,271
Inventory	4,795,130
Other Assets	7,693,580
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	127,179,712
Permanently Restricted	
Cash and Investments	15,492,057
Capital Assets	
Land and Easements	2,682,518,773
Construction In Progress	511,250,994
Canals and Levees	795,299,325
Other Capital Assets, Net of Depreciation	1,331,427,772
Total Assets	<u>5,887,031,659</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	32,756,008
Deferred Loss on Debt Refunding	1,456,582
Total Deferred Outflows of Resources	<u>34,212,590</u>
<b>LIABILITIES</b>	
Accounts Payable	61,592,231
Due to Other Governments	1,024,161
Unearned Revenue	1,048,312
Due Within One Year	
Certificates of Participation Payable	11,740,000
Compensated Absences	8,887,000
Self Insurance Claims Payable	2,728,618
Due in More Than One Year	
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	432,328,682
Compensated Absences	3,878,800
OPEB Obligation	34,973,613
Self Insurance Claims Payable	2,338,382
Net Pension Liability	93,509,093
Total Liabilities	<u>654,048,892</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	15,047,288
Total Deferred Inflows of Resources	<u>15,047,288</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,877,884,765
Restricted for:	
Debt Service	21,221,875
Wetlands Mitigation	
Expendable	18,065,677
Nonexpendable	14,650,412
Environmental Programs	308,351,134
Capital Construction	49,827,674
Unrestricted	(37,853,468)
Total Net Position	<u>\$ 5,252,148,069</u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2017**

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	\$ 40,887,636	\$ -	\$ 1,892,712	\$ 76,108,330	\$ 37,113,406
Acquisition, Restoration and Public Works	47,360,644	4,924,613	14,919,056	94,675,532	67,158,557
Operations and Maintenance of Lands and Wc	160,629,721	9,386,938	11,689,820	104,371,889	(35,181,074)
Regulation	27,825,040	3,379,441	2,390	-	(24,443,209)
Outreach	1,998,917	-	-	-	(1,998,917)
District Management and Administration	33,171,938	6,470,973	29,283	-	(26,671,682)
Interest on Long Term Debt	11,739,823	-	-	-	(11,739,823)
<b>Total</b>	<b>\$ 323,613,719</b>	<b>\$ 24,161,965</b>	<b>\$ 28,533,261</b>	<b>\$ 275,155,751</b>	<b>\$ 4,237,258</b>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	236,802,155
Property Taxes, Levied for Everglades Restoration	46,892,125
Investment Earnings	3,996,201
Miscellaneous	5,529,309

Total General Revenues 293,219,790

Change in Net Position 297,457,048

Net Position at Beginning of Year 4,954,691,021

Net Position at End of Year \$ 5,252,148,069

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2017**

	<u>General</u>	<u>Okeechobee Basin Special Revenue</u>	<u>Lake Belt Mitigation Special Revenue</u>
<b>ASSETS</b>			
Cash and Investments	\$ 69,433,426	\$ 68,619,232	\$ 59,090,284
Cash Held by Trustee	-	-	-
Accounts Receivable	313,506	281,503	166,211
Due from Other Governments	1,238,946	2,805,306	-
Due from Other Funds	-	22,505,967	-
Inventory	-	4,562,632	-
Other Assets	62,554	-	6,715,651
Total Assets	<u>\$ 71,048,432</u>	<u>\$ 98,774,640</u>	<u>\$ 65,972,146</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 7,708,732	\$ 6,609,860	\$ 6,008
Due to Other Governments	350,058	403,542	-
Due to Other Funds	94,898	78,408	219
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	501,993	1,786,188	-
Total Liabilities & Deferred Inflows of Resources	<u>8,655,681</u>	<u>8,877,998</u>	<u>6,227</u>
 <b>FUND BALANCES</b>			
Nonspendable	-	4,562,632	-
Restricted	-	85,334,010	65,965,919
Committed	21,854,988	-	-
Assigned	33,304,441	-	-
Unassigned	7,233,322	-	-
Total Fund Balances	<u>62,392,751</u>	<u>89,896,642</u>	<u>65,965,919</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 71,048,432</u>	<u>\$ 98,774,640</u>	<u>\$ 65,972,146</u>

See Accompanying Notes to the Financial Statements

Continued



**South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2017**

	<u>Okeechobee Basin Capital Projects</u>	<u>Everglades Trust Capital Projects</u>	<u>Save Our Everglades Capital Projects</u>
<b>ASSETS</b>			
Cash and Investments	\$ 44,394,404	\$ 68,659,501	\$ -
Cash Held by Trustee	2,224,128	11,736,334	-
Accounts Receivable	36,258	166,195	-
Due from Other Governments	7,520,568	-	17,075,564
Due from Other Funds	-	-	-
Inventory	-	-	-
Other Assets	375	-	-
Total Assets	<u>\$ 54,175,733</u>	<u>\$ 80,562,030</u>	<u>\$ 17,075,564</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 6,222,474	\$ 1,088,976	\$ 12,803,488
Due to Other Governments	-	-	-
Due to Other Funds	-	-	9,713,484
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	4,819,868	-	-
Total Liabilities & Deferred Inflows of Resources	<u>11,042,342</u>	<u>1,088,976</u>	<u>22,516,972</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	43,133,391	79,473,054	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	(5,441,408)
Total Fund Balances (Deficits)	<u>43,133,391</u>	<u>79,473,054</u>	<u>(5,441,408)</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 54,175,733</u>	<u>\$ 80,562,030</u>	<u>\$ 17,075,564</u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2017**

	Land Acquisition Trust Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ 154,028,657	\$ 464,225,504
Cash Held by Trustee	-	9,485,541	23,446,003
Accounts Receivable	-	395,616	1,359,289
Due from Other Governments	12,789,033	4,656,854	46,086,271
Due from Other Funds	-	1,853	22,507,820
Inventory	-	232,498	4,795,130
Other Assets	-	-	6,778,580
Total Assets	\$ 12,789,033	\$ 168,801,019	\$ 569,198,597
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 7,778,736	\$ 9,134,639	\$ 51,352,913
Due to Other Governments	-	270,561	1,024,161
Due to Other Funds	10,261,550	2,556,204	22,704,763
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	26,410	7,134,459
Total Liabilities & Deferred Inflows of Resources	18,040,286	11,987,814	82,216,296
<b>FUND BALANCES</b>			
Nonspendable	-	15,331,923	19,894,555
Restricted	-	123,110,977	397,017,351
Committed	-	416,947	22,271,935
Assigned	-	22,874,593	56,179,034
Unassigned	(5,251,253)	(4,921,235)	(8,380,574)
Total Fund Balances (Deficits)	(5,251,253)	156,813,205	486,982,301
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 12,789,033	\$ 168,801,019	\$ 569,198,597

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, 2017**

Fund balances - total governmental funds		\$ 486,982,301
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	5,782,816,908	
Less accumulated depreciation	<u>(462,337,703)</u>	5,320,479,205
Long term liabilities not due and payable with current available resources are not reported in the governmental funds.		
Certificates of Participation Series 2015	(385,425,000)	
Certificates of Participation Series 2015 - premium	(58,643,682)	
Compensated absences	(12,765,800)	
Other post employment benefits (OPEB)	(34,973,613)	
	<u>(93,509,093)</u>	(585,317,188)
Bond and Certificates of Participation interest due October 1, 2017 are not reported as a liability of the governmental funds.		
Accrued interest payable - Certificates of Participation Series 2015		(9,481,876)
Assets not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the liability and recognition of revenue increases net assets in the Statement of Net Position.		
		6,086,147
Deferred outflows (inflows) of resources are not reported in the governmental funds.		
Net effect of pensions	17,708,720	
Certificates of Participation Series 2015 - deferred loss on refunding	<u>1,456,582</u>	19,165,302
Internal Service Funds are used by management to charge the costs of certain activities, such as worker's compensation, general and automobile liability, and health benefits to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.		
		<u>14,234,178</u>
Net position of governmental activities		<u><u>\$ 5,252,148,069</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, 2017**

	General	Okeechobee Basin Special Revenue	Lake Belt Mitigation Special Revenue
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 113,983,359	\$ 112,873,270	\$ -
Agricultural Privilege Taxes	-	-	-
Intergovernmental	1,074,345	2,253,632	-
Investment Earnings	573,217	996,332	542,537
Licenses, Permits and Fees	3,385,441	132,765	7,131,663
Sale of District Property	49,177	334,840	-
Leases	436,459	182,439	-
Other	363,682	421,842	-
Total Revenues	<u>119,865,680</u>	<u>117,195,120</u>	<u>7,674,200</u>
<b>EXPENDITURES</b>			
Current Operating			
Water Resources Planning and Monitoring	22,387,975	2,165,644	-
Acquisition, Restoration and Public Works	12,483,240	6,106,739	-
Operations and Maintenance of Lands and Worl	20,479,112	77,433,372	2,431,596
Regulation	16,195,917	139,313	-
Outreach	1,998,507	-	-
District Management and Administration	20,599,243	2,510,630	-
Capital Outlay	-	-	-
Debt Service			
COPS Bond Principal Retirement	-	-	-
COPS Bond Interest	-	-	-
Total Expenditures	<u>94,143,994</u>	<u>88,355,698</u>	<u>2,431,596</u>
Revenues in Excess of (Less than) Expenditures	<u>25,721,686</u>	<u>28,839,422</u>	<u>5,242,604</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,293	84,707	1,026,942
Transfers Out	(26,388,827)	(36,442,263)	(9,968,394)
Debt Issue	-	-	-
Total Other Financing Sources (Uses)	<u>(26,387,534)</u>	<u>(36,357,556)</u>	<u>(8,941,452)</u>
Net Change in Fund Balances	(665,848)	(7,518,134)	(3,698,848)
Fund Balances at Beginning of Year	63,058,599	97,414,776	69,664,767
Fund Balances at End of Year	<u>\$ 62,392,751</u>	<u>\$ 89,896,642</u>	<u>\$ 65,965,919</u>

**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2017**

	<u>Okeechobee Basin Capital Projects</u>	<u>Everglades Trust Capital Projects</u>	<u>Save Our Everglades Capital Projects</u>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-
Intergovernmental	2,756,140	-	47,796,368
Investment Earnings	134,038	504,880	16,745
Licenses, Permits and Fees	-	-	-
Sale of District Property	1,117,295	3,688	1,375,047
Leases	-	-	-
Other	88,499	-	-
Total Revenues	<u>4,095,972</u>	<u>508,568</u>	<u>49,188,160</u>
<b>EXPENDITURES</b>			
Current Operating			
Water Resources Planning and Monitoring	-	-	-
Acquisition, Restoration and Public Works	-	-	-
Operations and Maintenance of Lands and Worl	-	-	-
Regulation	-	-	-
Outreach	-	-	-
District Management and Administration	-	-	-
Capital Outlay	45,457,574	4,306,269	51,152,091
Debt Service			
COPS Bond Principal Retirement	-	7,051,132	-
COPS Bond Interest	-	9,688,098	-
Total Expenditures	<u>45,457,574</u>	<u>21,045,499</u>	<u>51,152,091</u>
Revenues in Excess of (Less than) Expenditures	<u>(41,361,602)</u>	<u>(20,536,931)</u>	<u>(1,963,931)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	36,442,263	13,323,708	129,474
Transfers Out	(84,707)	-	(230,301)
Debt Issue	-	-	-
Total Other Financing Sources (Uses)	<u>36,357,556</u>	<u>13,323,708</u>	<u>(100,827)</u>
Net Change in Fund Balances	(5,004,046)	(7,213,223)	(2,064,758)
Fund Balances (Deficit) at Beginning	<u>48,137,437</u>	<u>86,686,277</u>	<u>(3,376,650)</u>
Fund Balances (Deficit) End of Year	<u>\$ 43,133,391</u>	<u>\$ 79,473,054</u>	<u>(\$ 5,441,408)</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, 2017**

	Land Acquisition Trust Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$ 45,960,870	\$ 272,817,499
Agricultural Privilege Taxes	-	10,876,781	10,876,781
Intergovernmental	90,682,400	32,222,574	176,785,459
Investment Earnings	-	1,038,304	3,806,053
Licenses, Permits and Fees	-	690,300	11,340,169
Sale of District Property	-	1,647,865	4,527,912
Leases	-	5,731,924	6,350,822
Other	-	51,490	925,513
Total Revenues	<u>90,682,400</u>	<u>98,220,108</u>	<u>487,430,208</u>
<b>EXPENDITURES</b>			
Current Operating			
Water Resources Planning and Monitoring	-	8,302,675	32,856,294
Acquisition, Restoration and Public Works	-	19,513,728	38,103,707
Operations and Maintenance of Lands and Wc	-	38,098,971	138,443,051
Regulation	-	1,449,470	17,784,700
Outreach	-	-	1,998,507
District Management and Administration	-	203,279	23,313,152
Capital Outlay	82,444,293	26,065,466	209,425,693
Debt Service			
COPS Bond Principal Retirement	-	5,698,868	12,750,000
COPS Bond Interest	-	9,591,427	19,279,525
Total Expenditures	<u>82,444,293</u>	<u>108,923,884</u>	<u>493,954,629</u>
Revenues in Excess of (Less than) Expenditures	<u>8,238,107</u>	<u>(10,703,776)</u>	<u>(6,524,421)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	43,448,634	94,457,021
Transfers Out	-	(21,342,529)	(94,457,021)
Debt Issue	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>22,106,105</u>	<u>-</u>
Net Change in Fund Balances	8,238,107	11,402,329	(6,524,421)
Fund Balances at Beginning of Year	(13,489,360)	145,410,876	493,506,722
Fund Balances (Deficit) End of Year	<u>(\$ 5,251,253)</u>	<u>\$ 156,813,205</u>	<u>\$ 486,982,301</u>

See Accompanying Notes to the Financial Statements

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended September 30, 2017**

Net change in fund balances - total governmental funds		\$ (6,524,421)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital outlay	209,425,693	
Current year depreciation expense	<u>(38,226,868)</u>	171,198,825
<p>The net effect of various transactions involving capital assets is a decrease to net position.</p>		
Donations	135,788,070	
Disposals, transfers and adjustments	<u>(6,733,591)</u>	129,054,479
<p>Repayment or refunding of long term debt is a use of financial resources in governmental funds, but reduces long term liabilities in the statement of net position.</p>		
COPs loan principal payment		12,750,000
<p>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.</p>		
Change in long term compensated absences	280,800	
Change in OPEB payable	(3,210,071)	
Change in COPs interest payable - Series 2006	315,775	
Amortization of deferred loss - Certificates Series 2015	(212,701)	
Amortization of discount on debt - Certificates Series 2015	(18,132)	
Amortization of premium on debt - Certificates Series 2015	7,454,756	
Change in pension liability and related deferred balances	<u>(3,576,304)</u>	1,034,123
<p>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.</p>		
		(8,884,517)
<p>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.</p>		
		<u>(1,171,441)</u>
Change in net position of governmental activities		<u><u>\$ 297,457,048</u></u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Net Position  
Proprietary Funds  
September 30, 2017**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 18,859,967
Accounts Receivable	69,051
Due from Other Funds	197,214
Other Assets	915,000
Total Current Assets	20,041,232
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,459
Vehicles	36,224
Accumulated Depreciation	(46,024)
Total Noncurrent Assets	17,659
Total Assets	20,058,891
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 757,442
Due to Other Funds	271
Claims Payable	2,728,618
Total Current Liabilities	3,486,331
Noncurrent Liabilities	
Claims Payable	2,338,382
Total Noncurrent Liabilities	2,338,382
Total Liabilities	5,824,713
<b>NET POSITION</b>	
Net Investment in Capital Assets	17,658
Unrestricted	14,216,520
Total Net Position	\$ 14,234,178

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, 2017**

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 28,511,071
Other Operating Revenue	75,884
Total Operating Revenues	28,586,955
<b>OPERATING EXPENSES</b>	
Salaries	345,734
Benefits	134,285
Claims	25,761,388
Purchased Services	141,999
Administrative Fees	1,973,808
Other	1,587,084
Depreciation	4,246
Total Operating Expenses	29,948,544
<b>OPERATING LOSS</b>	(1,361,589)
<b>NONOPERATING REVENUES</b>	
Investment Earnings	190,148
Total Nonoperating Revenues	190,148
Change in Net Position	(1,171,441)
Net Position at Beginning of Year	15,405,619
Net Position at End of Year	\$ 14,234,178

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2017**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Receipts from Participants and Other Funds	\$ 28,473,498
Cash Payments to Suppliers	(3,804,218)
Cash Payments for Salaries, Benefits	(480,020)
Claims Paid	(25,938,388)
Other Receipts (Payments)	3,213
Net Cash Used in Operating Activities	(1,745,915)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment Earnings	190,148
Net Cash Provided by Investing Activities	190,148
Net Increase (Decrease) in Cash and Cash Equivalents	(1,555,767)
Cash and Cash Equivalents, Beginning of Year	20,415,734
Cash and Cash Equivalents, End of Year	18,859,967
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating Loss	(1,361,589)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities	
Depreciation	4,246
<b>CHANGES IN ASSETS AND LIABILITIES:</b>	
Decrease (Increase) in Accounts Receivable	(37,573)
Decrease (Increase) in Due from Other Funds	(72,671)
Increase (Decrease) in Accounts Payable	(101,369)
Increase (Decrease) in Due to Other Funds	43
Increase (Decrease) in Estimated Unpaid Claims	(177,000)
Net Cash Used in Operating Activities	\$ (1,745,915)

See Accompanying Notes to the Financial Statements



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT .....	III-16
(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	III-16
(a) Reporting Entity .....	III-16
(b) Government-wide and Fund Financial Statements.....	III-17
(c) Measurement Focus and Basis of Accounting .....	III-17
(d) Major Governmental Funds and Other Fund Types .....	III-18
(e) Budgetary Information .....	III-19
(f) Cash and Investments .....	III-19
(g) Prepaid Items .....	III-20
(h) Inventory.....	III-20
(i) Capital Assets.....	III-20
(j) Long-Term Obligations .....	III-21
(k) Compensated Absences.....	III-22
(l) Deferred Inflows/Outflows of Resources .....	III-22
(m) Wetland Mitigation .....	III-23
(n) Fund Balances / Net Position .....	III-23
(o) Use of Estimates .....	III-24
(p) Impact of Recently Issued Accounting Pronouncements .....	III-25
(q) Retirement Plans .....	III-27
(3) CASH AND INVESTMENTS.....	III-28
(4) ACCOUNTS RECEIVABLE .....	III-32
(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS.....	III-33
(6) OPERATING LEASE RENTAL REVENUES.....	III-34
(7) PROPERTY TAXES.....	III-34
(8) INTERGOVERNMENTAL TRANSACTIONS .....	III-35
(9) CAPITAL ASSETS ACTIVITY .....	III-36
(10) LONG-TERM LIABILITIES .....	III-37
(11) FUND BALANCE REPORTING.....	III-39
(12) DEFICIT FUND BALANCES.....	III-41
(13) OPERATING LEASES .....	III-41
(14) RETIREMENT PLANS .....	III-41
(15) OTHER POST-EMPLOYMENT BENEFITS (OPEB).....	III-50
(16) INSURANCE ACTIVITIES .....	III-52
(17) CONDEMNATION PROCEEDINGS.....	III-54
(18) MAJOR CONSTRUCTION COMMITMENTS.....	III-54
(19) OTHER COMMITMENTS AND CONTINGENCIES .....	III-56

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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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. For the most part, the effect of interfund activity has been removed from these statements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

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

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

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

*(c) Measurement Focus and Basis of Accounting*

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

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

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

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

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

---

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

The Okeechobee Basin Special Revenue Fund is used to record revenues from within all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by a .1477 mill property tax levy, intergovernmental revenues and permitting fees, which must be used for expenditures within the Okeechobee Basin.

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.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

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

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-11.

*(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 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.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

*(f) Cash and Investments (continued)*

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

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

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

*(g) Prepaid Items*

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

*(h) Inventory*

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

*(i) Capital Assets*

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

*(i) Capital Assets (continued)*

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

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

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

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

*(j) Long-term Obligations*

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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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 in this section and deferred loss on refunded debt.

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

The sources of unavailable revenue are:

<u>Description</u>	<u>Governmental Balances</u>
Intergovernmental Sources:	
Reimbursement	\$ 7,134,459
Total Unavailable Revenue	<u>\$ 7,134,459</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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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  
SEPTEMBER 30, 2017**

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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 or long-term borrowings.

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

Restricted for Environmental Programs - Represents the portion of net position which is restricted for specific environmental programs through legally enforceable requirements stipulated in legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of September 30, 2017, the District has approximately \$308.4 million in restricted net position through enabling legislation.

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

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

*(o) Use of Estimates*

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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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 August 2015, GASB issued Statement No. 77 “Tax Abatement Disclosures”. This Statement requires state and local governments to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government’s tax revenues. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2017. The implementation had no effect on the District’s financial statements.

In December 2015, GASB issued Statement No. 78 “Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans”. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2017. The implementation had no effect on the District’s financial statements.

In January 2016, GASB issued Statement No. 80 “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14”. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in Statement No. 14, “The Financial Reporting Entity”, as amended. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. The District implemented the provisions of this Statement during the fiscal year ended September 30, 2017. The implementation had no effect on the District’s financial statements.

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

In June 2015, GASB issued Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to accounting and financial reporting for OPEB. The implementation of this statement will result in a significant liability at the government-wide level. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The District is required to implement this Statement in its fiscal year beginning October 1, 2017.

In 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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

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

for financial statements for periods beginning after December 15, 2016. The District is required to implement this Statement in its fiscal year beginning October 1, 2017.

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

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

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

In March 2017, GASB issued Statement No. 85 “Omnibus 2017”. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics: blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation; reporting amounts previously reported as goodwill and “negative” goodwill; classifying real estate held by insurance entities; measuring certain money

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

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

market investments and participating interest-earning investment contracts at amortized cost; timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus; recognizing on-behalf payments for pensions or OPEB in employer financial statements; presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB; classifying employer-paid member contributions for OPEB; simplifying certain aspects of the alternative measurement method for OPEB; accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The District is required to implement this Statement in its fiscal year beginning October 1, 2017.

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 is required to implement this Statement in its fiscal year beginning October 1, 2017.

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.

*(q) Retirement Plans*

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

*(q) Retirement Plans (continued)*

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*(3) CASH AND INVESTMENTS*

**Statement of Policy**

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

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. 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, 2017, the District had placed approximately 41% of its investments in U.S. government agencies backed by the full faith and credit of the United States government, 39% in U.S. government-sponsored agencies, 8% in Florida Prime and the Local Government Investment Pool and 12% in the Florida Local Government Investment Trust.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(3) CASH AND INVESTMENTS (continued)*

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

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

**Interest Rate Risk**

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

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

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

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

**Fair Value**

In accordance with the implementation of 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  
SEPTEMBER 30, 2017**

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

As of September 30, 2017, 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	\$ 178,562,965	\$ 178,562,965	2.36
Investments in Mortgage Backed Securities	<u>170,326,832</u>	<u>170,326,832</u>	4.36
Total Investments by Fair Value Level	348,889,797	<u>\$ 348,889,797</u>	
Portfolio Effective Duration			<b>3.33</b>
<u>Investments Measured at the Net Asset Value (NAV)</u>			
Florida Local Government Investment Trust	53,898,459		
<u>Investments Measured at Amortized Cost</u>			
Florida Prime	<u>34,524,203</u>		
Total Investments	<u>\$ 437,312,459</u>		

**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 2017 were rated AA+ by Standard and Poor's, AAA by Fitch ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage Backed Securities were rated AAA by at least two of the three listed rating services. This applies to the direct agency obligations as well as the investment into non-agency mortgages and CMO's.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

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

Investment Type	Credit Rating	Fair Value
Fannie Mae – Mortgage Backed Securities	AAA	\$ 82,838,701
Fannie Mae – U.S. Agency Obligations	AAA	29,859,000
Florida Local Government Investment Trust	AAAf	53,898,459
Florida Prime	AAAm	34,524,203
Freddie Mac – Mortgage Backed Securities	AAA	41,453,915
Freddie Mac – U.S. Agency Obligations	AAA	69,673,000
Federal Farm Credit Bank – U.S. Agency Obligations	AAA	29,070,965
Federal Home Loan Bank – U.S. Agency Obligations	AAA	49,960,000
Ginnie Mae – Mortgage Backed Securities	AAA	39,162,342
Small Business Administration – Certificates	Unrated	6,871,874
		<u>\$ 437,312,459</u>

**Custodial Credit Risk - Deposits**

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balance held with these institutions at September 30, 2017 is \$45,772,737.

The District's "Cash and Investments Held by Trustee" at September 30, 2017 includes \$2,224,128 representing amounts related to joint projects with the Florida Department of Transportation and \$21,221,875 representing debt service on the COPs due October 1, 2017.

**Custodial Credit Risk – Investments**

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

**Concentration of Credit Risk**

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

**Percentage Allocation by Issuer as of September 30, 2017**

Issuer	Percent of Total
Fannie Mae	25.78%
Florida Local Government Investment Trust	12.32%
Florida Prime	7.89%
Freddie Mac	25.41%
Federal Farm Credit Bank	6.65%
Federal Home Loan Bank	11.42%
Ginnie Mae	8.96%
Small Business Administration	1.57%

Cash and investments as of September 30, 2017 are comprised of the following:

*Cash Deposits:*

Demand Deposit Accounts	\$ 13,957,617
Money Market Accounts	31,775,146
Petty Cash	40,250
Total Cash Deposits	<u>45,773,012</u>

*Cash and Investments Held by Trustee:* 23,446,003

*Investments:*

Florida Local Government Investment Trust	53,898,459
Florida Prime	34,524,203
Investments in Mortgage Backed Securities	170,326,832
U.S. Agency Obligations	178,562,965
Total Investments	<u>437,312,459</u>
Total Cash and Investments	<u>\$ 506,531,474</u>

**(4) ACCOUNTS RECEIVABLE**

Accounts receivable at September 30, 2017 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Lake Belt Mitigation SR Fund	Okeechobee Basin CP Fund	Everglades Restoration Trust CP Fund	Non Major / Internal Service Funds	Total
Leases	\$ 9,283	\$ 8,360	\$ -	\$ -	\$ -	\$ 71,905	\$ 89,548
Interest	298,307	269,166	166,211	36,258	166,195	381,725	1,317,862
Other	5,916	3,977	-	-	-	11,037	20,930
	<u>\$ 313,506</u>	<u>\$ 281,503</u>	<u>\$ 166,211</u>	<u>\$ 36,258</u>	<u>\$ 166,195</u>	<u>\$ 464,667</u>	<u>\$ 1,428,340</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

**(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables as of September 30, 2017 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 94,898
Okeechobee Basin SR Fund	22,505,967	78,408
Lake Belt Mitigation SR Fund	-	219
Save Our Everglades Trust (SOETF) CP Fund	-	9,713,484
Land Acquisition Trust Fund (LATF) CP Fund	-	10,261,550
Other Governmental Funds	1,853	2,556,204
Internal Service Funds	197,214	271
	\$ 22,705,034	\$ 22,705,034

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

Interfund transfers during the year are as follows:

	<i>To:</i>							
<i>From:</i>	General Fund	Okeechobee Basin SR Fund	Lake Belt Mitigation SR Fund	Okeechobee Basin CP Fund	Everglades Restoration Trust CP Fund	Save Our Everglades Trust (SOETF) CP Fund	Other Governmental Funds	Totals
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$26,388,827	\$ 26,388,827
Okee. Basin SR Fund	-	-	-	36,442,263	-	-	-	36,442,263
Okeechobee Basin CP Fund	-	84,707	-	-	-	-	-	84,707
Lake Belt Mitigation SR Fund	-	-	-	-	-	-	9,968,394	9,968,394
Save Our Ever. Trust CP Fund	-	-	-	-	-	-	230,301	230,301
Other Governmental Funds	1,293	-	1,026,942	-	13,323,708	129,474	6,861,112	21,342,529
	\$ 1,293	\$ 84,707	\$ 1,026,942	\$36,442,263	\$13,323,708	\$ 129,474	\$43,448,634	\$ 94,457,021

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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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 \$563.5 million as of September 30, 2017.

**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 2017, contingent revenues were \$-0-.

Year Ending September 30:

2018	\$	4,301,559
2019		3,526,241
2020		2,731,193
2021		2,621,068
2022		2,362,788
Thereafter		<u>1,072,821</u>
Total minimum future revenues	\$	<u><u>16,615,670</u></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 2017 was .3307 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, 2016, upon which the fiscal year 2017 levy was based, was approximately \$872.2 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, 2017, is \$232,481 and is included in tax revenues. Property appraiser and tax collector fees credits totaled \$1,580,358 at September 30, 2017.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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**(8) INTERGOVERNMENTAL TRANSACTIONS**

Amounts due from other governments at September 30, 2017 and intergovernmental revenues for 2017 consist of the following:

	<u>Due From Other Governments</u>	<u>Intergovernmental Revenues</u>
U.S. Army Corps of Engineers	\$ 9,429,498	\$ 5,467,847
U.S. Customs & Border Protection	3,141	-
U.S. Department of the Interior	151,336	288,913
U.S. Department of Agriculture & Consumer Affairs	807,122	942,298
Federal Emergency Management Agency	376,858	14,764
Florida Department of Environmental Protection	33,306,521	156,893,418
Florida Department of Environmental Resource Mgmt.	12,361	13,701
Florida Department of Motor Vehicles	-	318,234
Florida Department of Transportation	1,018	8,010,386
Florida Fish and Wildlife Conservation Commission	174,197	4,731,994
Collier County	5,755	-
Southwest Florida Water Management District	5,625	103,904
Ad Valorem Taxes	232,481	- *
Property Appraiser/Tax Collector Fee Credits	1,580,358	- *
	<u>\$ 46,086,271</u>	<u>\$ 176,785,459</u>
<b>Total</b>		

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

**(9) CAPITAL ASSETS ACTIVITY**

	Balance at October 1, 2016	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2017
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$2,584,696,415	\$ 17,974,021	\$ (1,638,689)	\$ (704)	\$2,601,031,043
Easements (Intangibles)	81,487,026	-	-	704	81,487,730
Construction in Process	653,893,348	184,359,536	(3,978,496)	(323,023,394)	511,250,994
Canals and Levees	735,720,818	55,625,365	-	3,953,142	795,299,325
	<u>4,055,797,607</u>	<u>257,958,922</u>	<u>(5,617,185)</u>	<u>(319,070,252)</u>	<u>3,989,069,092</u>
<i>Capital Assets Being Depreciated:</i>					
Buildings	140,574,534	1,017,693	(499,405)	10,368,782	151,461,604
Intangibles	48,994,039	378,339	(5,247)	14,699	49,381,830
Equipment	134,802,692	6,638,391	(7,248,728)	4,487,856	138,680,211
Improvements	37,992,113	10,431	(64,941)	969,519	38,907,122
Water Control Structures	1,033,504,807	79,359,987	(713,458)	303,229,396	1,415,380,732
	<u>1,395,868,185</u>	<u>87,404,841</u>	<u>(8,531,779)</u>	<u>319,070,252</u>	<u>1,793,811,499</u>
<i>Less Accumulated Depreciation:</i>					
Buildings	(46,326,411)	(4,709,548)	300,093	(6,769)	(50,742,635)
Intangibles	(42,804,599)	(1,692,690)	5,247	-	(44,492,042)
Equipment	(99,360,674)	(6,557,159)	6,652,678	-	(99,265,155)
Improvements	(17,510,807)	(1,581,384)	52,492	-	(19,039,699)
Water Control Structures	(225,415,495)	(23,690,333)	254,863	6,769	(248,844,196)
	<u>(431,417,986)</u>	<u>(38,231,114)</u>	<u>7,265,373</u>	<u>-</u>	<u>(462,383,727)</u>
<i>Capital Assets Being Depreciated, Net</i>					
	<u>964,450,199</u>	<u>49,173,727</u>	<u>(1,266,406)</u>	<u>319,070,252</u>	<u>1,331,427,772</u>
Capital Assets, Net	<u>\$5,020,247,806</u>	<u>\$307,132,649</u>	<u>\$ (6,883,591)</u>	<u>\$ -</u>	<u>\$5,320,496,864</u>

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

Water Resources Planning & Monitoring	\$ 777,653
Acquisition, Restoration & Public Works	14,697,436
Operations & Maintenance of Lands & Works	19,688,282
Regulations	234,873
Outreach	409
District Management & Administration	2,811,121
District Revenues	17,094
	<u>38,226,868</u>

Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function 4,246

Total Depreciation Expense \$ 38,231,114

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

**(10) LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2017:

	Balance at October 1, 2016	Additions	Retirements And Adjustments	Balance at September 30, 2017	Amounts Due Within One Year
COPS Series 2006	\$ 12,750,000	\$ -	\$ (12,750,000)	\$ -	\$ -
COPS Series 2006 Premium / Discount	-	-	-	-	-
COPS Series 2015	385,425,000	-	-	385,425,000	11,740,000
COPS Series 2015 Premium / Discount	66,080,306	-	(7,436,624)	58,643,682	-
Compensated Absences	13,046,600	7,635,000	(7,915,800)	12,765,800	8,887,000
Other Post Emp Benefits	31,763,542	3,210,071	-	34,973,613	-
Pensions	96,240,998	41,847,266	(44,579,171)	93,509,093	-
Self Insurance Claims	5,244,000	25,761,389	(25,938,389)	5,067,000	2,728,618
	<u>\$ 610,550,446</u>	<u>\$ 78,453,726</u>	<u>\$ (98,619,984)</u>	<u>\$ 590,384,188</u>	<u>\$ 23,355,618</u>

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

COPs are statutorily-authorized tax-exempt certificates evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the South Florida Water Management District Leasing Corporation (the "Corporation"), a not-for-profit entity. As stated in Note (2)(a) the Corporation is a blended component unit and as such this transaction is not recorded in the District's financial report. The COPs are secured by and payable from the Trust Estate established for the Series 2015 Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2015 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2015 Lease and the Trust Agreement 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, 2017**

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

Fiscal year requirements to amortize the COPs Series 2015 as of September 30, 2017 are as follows:

	Principal	Interest	Total
2018	\$ 11,740,000	\$ 18,670,250	\$ 30,410,250
2019	12,325,000	18,068,625	30,393,625
2020	12,935,000	17,437,125	30,372,125
2021	13,580,000	16,774,250	30,354,250
2022	14,270,000	16,078,000	30,348,000
2023-2027	82,670,000	68,674,000	151,344,000
2028-2032	105,265,000	45,430,375	150,695,375
2033-2037	132,640,000	17,223,750	149,863,750
	<u>\$ 385,425,000</u>	<u>\$ 218,356,375</u>	<u>\$ 603,781,375</u>

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

**(11) FUND BALANCE REPORTING**

The following is the governmental fund balances in detail as of September 30, 2017 (in thousands):

	General Fund	Okeechobee Basin SR Fund	Lake Belt Mitigation CP Fund	Okeechobee Basin CP Fund	Everglades Trust CP Fund
<b><i>Nonspendable:</i></b>					
Inventory	\$ -	\$ 4,563	\$ -	\$ -	\$ -
Permanent fund principal	-	-	-	-	-
<b><i>Restricted for:</i></b>					
NEEPP and EFA source control projects	-	30	-	-	-
Okeechobee Basin operations	-	67,930	-	-	-
Water protection, ecosystem management, and restoration proje	-	-	-	-	-
Everglades conservation and natural resource protection	-	-	-	-	-
Big Cypress Basin operations	-	-	-	-	-
Debt service	-	-	-	-	11,736
Indian River Lagoon/St. Lucie Restoration	-	-	-	-	-
Everglades conservation and natural resource protection	-	145	-	-	-
Lake Okeechobee restoration	-	-	-	-	-
Big Cypress Basin capital projects	-	-	-	-	-
Acquisition, restoration or management of environmentally sensit	-	-	28,045	-	-
Florida Bay restoration	-	-	-	-	-
Lake Belt Wetland creation, restoration and management	-	-	37,921	-	-
Alligator Alley	-	-	-	-	-
Restoration strategies projects	-	-	-	-	21,194
Land management activities	-	-	-	-	-
Aquatic plant control	-	-	-	-	-
Operations and maintenance new works projects	-	3,944	-	-	-
Land Acquisitions (Surplus Land Sales)	-	-	-	2,449	818
Other Future projects	-	13,285	-	40,684	45,725
<b><i>Committed for:</i></b>					
Future Expenditures	16,079	-	-	-	-
Operations and maintenance new works projects	4,706	-	-	-	-
IRL National Estuary Program Projects	1,000	-	-	-	-
NEEPP & EFA Source Controls	70	-	-	-	-
<b><i>Assigned to:</i></b>					
District operations	33,304	-	-	-	-
Other capital projects	-	-	-	-	-
Everglades restoration	-	-	-	-	-
<b><i>Unassigned:</i></b>					
	7,233	-	-	-	-
	<u>\$ 62,393</u>	<u>\$ 89,897</u>	<u>\$ 65,966</u>	<u>\$ 43,133</u>	<u>\$ 79,473</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

*(11) FUND BALANCE REPORTING (continued)*

	Save Our Everglades CP Fund	Land Acquisition Trust CP Fund	Other Governmental Funds	Total Governmental Funds
<b><i>Nonspendable:</i></b>				
Inventory	\$ -	\$ -	\$ 232	\$ 4,795
Permanent fund principal	-	-	15,099	15,099
<b><i>Restricted for:</i></b>				
NEEPP and EFA source control projects	-	-	20	50
Okeechobee Basin operations	-	-	5,551	73,481
Water protection, ecosystem management, and restoration proje	-	-	2,513	2,513
Everglades conservation and natural resource protection	-	-	-	-
Big Cypress Basin operations	-	-	3,953	3,953
Debt service	-	-	9,486	21,222
Indian River Lagoon/St. Lucie Restoration	-	-	368	368
Everglades conservation and natural resource protection	-	-	5,609	5,754
Lake Okeechobee restoration	-	-	1,314	1,314
Big Cypress Basin capital projects	-	-	6,663	6,663
Acquisition, restoration or management of environmentally sensit	-	-	11,059	39,104
Florida Bay restoration	-	-	14,022	14,022
Lake Belt Wetland creation, restoration and management	-	-	21,296	59,217
Alligator Alley	-	-	847	847
Restoration strategies projects	-	-	21,188	42,382
Land management activities	-	-	10,052	10,052
Aquatic plant control	-	-	32	32
Operations and maintenance new works projects	-	-	3,200	7,144
Land Acquisitions (Surplus Land Sales)	-	-	2,633	5,900
Other Future projects	-	-	3,306	103,000
<b><i>Committed for:</i></b>				
Future Expenditures	-	-	417	16,496
Operations and maintenance new works projects	-	-	-	4,706
IRL National Estuary Program Projects	-	-	-	1,000
NEEPP & EFA Source Controls	-	-	-	70
<b><i>Assigned to:</i></b>				
District operations	-	-	-	33,304
Other capital projects	-	-	21,357	21,357
Everglades restoration	-	-	1,517	1,517
<b><i>Unassigned:</i></b>				
	(5,441)	(5,251)	(4,921)	(8,381)
	(5,441)	(5,251)	156,813	486,982

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(12) DEFICIT FUND BALANCES*

At September 30, 2017, the following fund has a deficit fund balance:

External Grants Fund	\$	27,905
Federal Emergency Management Agency		203,311
Lake Okeechobee Capital Projects Fund		1,853
Land Acquisition Trust Capital Projects Fund		5,251,253
Save Our Everglades Capital Projects Fund		5,441,408
State Appropriations Capital Projects Fund		1,567,181
Upland Invasive Plant Control Special Revenue Fund		297,025

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

*(13) OPERATING LEASES*

The District is committed under various operating leases for building, office space, vehicles, office equipment and data processing equipment. The majority of the operating leases contain renewal options that the District may exercise. Lease expenditures for the year ended September 30, 2017 amounted to approximately \$782,216. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2018	\$	802,644
2019		646,475
2020		659,926
2021		325,062
2022		119,536
		<u>119,536</u>
	\$	<u>2,553,643</u>

*(14) RETIREMENT PLAN*

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(14) RETIREMENT PLAN (continued)*

**Florida Retirement System**

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(14) RETIREMENT PLAN (continued)*

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

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

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

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(14) RETIREMENT PLAN (continued)*

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during fiscal year 2016 - 2017 are as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	7.52
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.77
FRS, Special Risk Regular	3.00	22.57
FRS, Special Risk Administrative	3.00	28.06
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.99
FRS, Reemployed Retiree	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 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 \$5.5 million and employee contributions totaled \$2.67 million for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2017, the District reported a liability of \$93.5 million for its proportionate share of the FRS and HIS Plan's net pension liability which consists of \$62.3 million for FRS and \$31.2 for HIS. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2017 fiscal year contributions relative to the 2017 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was .23 percent, which was a decrease of .02 percent from its proportionate share measured as of June 30, 2016. The change in discount rate resulted in an increase in deferred outflows related to changes in assumptions as shown in the table below.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(14) RETIREMENT PLAN (continued)*

For the fiscal year ended September 30, 2017, the District recognized pension expense of \$9.1 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	\$ 5,715,234	\$ 344,965
Change of assumptions	20,928,386	-
Net difference between projected and actual earning on FRS pension plan investments	-	1,543,300
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	5,737,928
District FRS contributions subsequent to the measurement date	<u>1,346,786</u>	<u>-</u>
	<u>\$ 27,990,406</u>	<u>\$ 7,626,193</u>

The deferred outflows of resources related to pensions, totaling \$1.35 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, 2018. 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:

2018	\$ 1,823,452
2019	7,727,329
2020	4,917,510
2021	(105,929)
2022	3,381,372
Thereafter	1,273,693

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	7.10 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, 2017 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

*(14) RETIREMENT PLAN (continued)*

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.80%
Fixed income	18.00%	4.50%	4.40%	4.20%
Global equity	53.00%	7.80%	6.60%	17.00%
Real estate (property)	10.00%	6.60%	5.90%	12.80%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	<u>12.00%</u>	6.10%	5.60%	970.00%
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 7.10%. 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 7.10% rate of return assumption used in the June 30, 2017 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 7.10 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1.00% Decrease (6.10%)	Current Discount Rate (7.10%)	1.00% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 112,711,780	\$ 62,273,780	\$ 20,188,152

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(14) RETIREMENT PLAN (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 September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2017, 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 \$1.60 million for fiscal year 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2017, the District reported a net pension liability of \$31.2 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-2017 fiscal year contributions relative to the total 2016-2017 fiscal year contributions of all participating members. At September 30, 2017, the District's proportionate share was .29 percent, which was a decrease of .03 percent from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the District recognized pension expense of \$1.4 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:

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

*(14) RETIREMENT PLAN (continued)*

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ -	\$ 65,037
Change of assumptions	4,390,611	2,700,951
Net difference between projected and actual earnings on HIS pension plan investments	17,322	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	-	4,655,107
District HIS contributions subsequent to measurement date	357,669	-
	<u>\$ 4,765,602</u>	<u>\$ 7,421,095</u>

The deferred outflows of resources related to pensions, totaling \$357,669, 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, 2018. 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:

2018	\$ (405,893)
2019	(409,518)
2020	(411,259)
2021	(377,668)
2022	(398,051)
Thereafter	(1,010,773)

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	3.58 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 3.58 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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(14) RETIREMENT PLAN (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 3.58 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 (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1.00% Decrease (2.58%)	Current Discount Rate (3.58%)	1.00% Increase (4.58%)
District's proportionate share of the net pension liability	\$ 35,643,628	\$ 31,235,313	\$ 27,563,430

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

**FRS – Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2016-17 fiscal year were as follows:

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(14) RETIREMENT PLAN (continued)*

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2017, 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, 2017.

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

**Plan Description**

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

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

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

**Funding Policy**

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

**Annual OPEB Costs and Net OPEB Obligation**

For the fiscal year ended September 30, 2017, the District's annual OPEB cost of \$5,653,327 was equal to the annual required contribution (ARC) for the fiscal year, one year's interest on the net OPEB obligation, and an adjustment equal to the discounted present value of the balance of the net OPEB obligation at the beginning of the year. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2017, 2016, and 2015 are as follows:

	2017	2016	2015
Normal Cost (Service cost for one year)	\$ 1,896,054	\$ 1,816,693	\$ 1,968,628
Amortization of Unfunded Actuarial Accrued Liability	4,016,648	3,862,162	3,066,411
Interest on Normal Cost and Amortization	58,260	55,956	49,612
Annual Required Contribution (ARC)	5,970,962	5,734,811	5,084,651
Interest on NOO	1,270,542	1,162,976	1,052,918
Adjustment to ARC	(1,588,177)	(1,384,496)	(1,144,477)
Annual OPEB Cost (Expense)	5,653,327	5,513,291	4,993,092
Employer Contributions Made	(2,443,256)	(2,824,158)	(2,241,643)
Increase (decrease) in NOO	3,210,071	2,689,133	2,751,449
Net OPEB Obligation (NOO) at beginning of year	31,763,542	29,074,409	26,322,960
Estimated NOO at end of year	<u>\$ 34,973,613</u>	<u>\$ 31,763,542</u>	<u>\$ 29,074,409</u>
Percentage of annual OPEB Cost Contributed	43.22%	51.22%	44.89%



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

**Funded Status and Funding Progress**

The funded status of the plan as of September 30, 2017 was as follows:

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

Actuarial valuations of an OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continued revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, a 2.5% rate of general price inflation, and an annual healthcare cost trend rate of 7.0% in 2017, followed by 6.5% and 6.25% trend rates the next two years, respectively, followed by a trending down to an ultimate rate of 4.71% per year after 25 years, or 2044. The actuarial value of assets was not determined as the District has not advanced funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 20-year period with a closed amortization method. The assumed rate of payroll growth is 4.0% per year.

The required schedule of funding progress, as shown in the Notes to the Required Supplementary Information (see page IV-10), presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

*(16) INSURANCE ACTIVITIES*

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(16) INSURANCE ACTIVITIES (continued)*

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

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

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

The claims liabilities are based on actuarial valuations performed by independent actuaries as of September 30, 2017, 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, 2017 are as follows:

	Balance 9/30/2017	Amounts Due Within One Year
Workers' Compensation	\$ 3,126,000	\$ 787,618
General and Automobile	49,000	49,000
Health Insurance	<u>1,892,000</u>	<u>1,892,000</u>
	<u>\$ 5,067,000</u>	<u>\$ 2,728,618</u>

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

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2016	\$ 5,083,219	\$ 28,121,674	\$ (27,960,893)	\$ 5,244,000
2017	\$ 5,244,000	\$ 25,761,389	\$ (25,938,389)	\$ 5,067,000

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(16) INSURANCE ACTIVITIES (continued)*

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

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

*(17) CONDEMNATION PROCEEDINGS*

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

At September 30, 2017, the court had yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District is unable to estimate the potential financial exposure relative to these rulings, if any.

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

*(18) MAJOR CONSTRUCTION COMMITMENTS*

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

The ECP is one of the largest public works projects in the nation for environmental restoration. The total cost associated with implementing the ECP is shared among the District, state and federal governments, and the agricultural community. Major funding sources for the EFA include a one-tenth mill ad valorem property tax levy (0.0471 mill for FY2017), agricultural privilege taxes, state funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds. The original 1994 ECP capital projects were completed in fiscal year 2007 for a total cost of \$514.8 million (local share), however, subsequent ECP projects are on-going. When combined with the federal share of \$198.9 million, the total capital cost associated with the 1994 ECP is \$713.7 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

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

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

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

In fiscal year 2017, a total of \$50.5 million was expended for work associated with the Everglades Forever Act. Of this amount, \$7.8 million was expended for Restoration Strategies – Regional Projects Conceptual Planning and Design, \$1 million for construction on Restoration Strategies project in EAA and \$22.1 million for STA Operations and Maintenance. Debt Service payments related to Certificates of Participation issued in 2006 (FY2007) to fund construction totaled \$16.7 million. The remaining \$2.9 million was spent on other EFA-related components such as program support, monitoring, assessment, research, and evaluation in the EPA. The District's estimated remaining commitment for the ECP and Long-Term Plan is \$162.2 million.

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

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the South Florida Water Management District have invested approximately \$2.2 billion toward this effort. Through September 30, 2017, 253,193 acres or 66 percent of the estimated lands needed to implement CERP have been acquired.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

In fiscal year 2017, a total of \$122.6 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 \$38 million dollars. The District's estimated remaining commitment for the CERP is \$641 million.

*(19) OTHER COMMITMENTS AND CONTINGENCIES*

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

# **FINANCIAL SECTION**

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A  
(UNAUDITED)



**South Florida Water Management District  
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 112,604,028	\$ 112,604,028	\$ 113,983,359	\$ 1,379,331
Intergovernmental	1,155,714	1,161,398	1,074,345	(87,053)
Investment Earnings	1,895,000	1,895,000	573,217	(1,321,783)
Licenses, Permits and Fees	3,143,000	3,143,000	3,385,441	242,441
Sale of District Property	75,000	75,000	49,177	(25,823)
Leases	580,276	580,276	436,459	(143,817)
Other	434,700	434,700	363,682	(71,018)
Total Revenues	<u>119,887,718</u>	<u>119,893,402</u>	<u>119,865,680</u>	<u>(27,722)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Water Resources Planning and Monitoring	779,073	706,073	550,388	155,685
Acquisition, Restoration and Public Works	3,544,225	3,445,525	2,697,998	747,527
Operations and Maintenance of Lands and Works	416,995	515,408	314,367	201,041
Regulation	535,586	714,240	593,271	120,969
Outreach	1,938,899	1,929,987	1,895,877	34,110
District Management and Administration	15,729,302	14,989,658	12,088,999	2,900,659
Total Administrative Services and Executive Offices	<u>22,944,080</u>	<u>22,300,891</u>	<u>18,140,900</u>	<u>4,159,991</u>
<b>Everglades Policy and Coordination</b>				
Water Resources Planning and Monitoring	1,005,119	1,138,259	462,636	675,623
Acquisition, Restoration and Public Works	7,713,530	5,874,578	3,021,590	2,852,988
Operations and Maintenance of Lands and Works	-	7,504	7,578	(74)
Outreach	82,119	101,917	102,630	(713)
District Management and Administration	103,943	91,832	76,807	15,025
Total Everglades Policy and Coordination	<u>8,904,711</u>	<u>7,214,090</u>	<u>3,671,241</u>	<u>3,542,849</u>
<b>Field Operations and Land Management</b>				
Water Resources Planning and Monitoring	461,882	431,994	268,792	163,202
Acquisition, Restoration and Public Works	186,612	385,058	329,577	55,481
Operations and Maintenance of Lands and Works	7,977,871	8,572,708	5,644,032	2,928,676
Regulation	621,610	524,251	324,583	199,668
District Management and Administration	957,783	832,013	574,356	257,657
Total Field Operations and Land Management	<u>10,205,758</u>	<u>10,746,024</u>	<u>7,141,340</u>	<u>3,604,684</u>
<b>Operations, Maintenance and Construction</b>				
Water Resources Planning and Monitoring	5,165,577	5,051,834	4,660,327	391,507
Acquisition, Restoration and Public Works	3,557,815	4,355,968	2,175,689	2,180,279
Operations and Maintenance of Lands and Works	3,331,106	4,461,657	4,201,872	259,785
Regulation	127,911	128,911	91,419	37,492
District Management and Administration	17,552	16,988	16,446	542
Total Operations, Maintenance and Construction	<u>12,199,961</u>	<u>14,015,358</u>	<u>11,145,753</u>	<u>2,869,605</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Regulation				
Water Resources Planning and Monitoring	64,419	75,869	41,564	34,305
Acquisition, Restoration and Public Works	13,722	11,272	27,516	(16,244)
Operations and Maintenance of Lands and Works	18,378	18,374	16,550	1,824
Regulation	13,920,003	13,175,306	12,503,372	671,934
District Management and Administration	-	91,264	-	91,264
Total Regulation	<u>14,016,522</u>	<u>13,372,085</u>	<u>12,589,002</u>	<u>783,083</u>
Water Resources				
Water Resources Planning and Monitoring	19,196,548	16,091,132	13,834,304	2,256,828
Acquisition, Restoration and Public Works	5,463,608	5,395,760	2,219,239	3,176,521
Regulation	297,497	267,958	260,473	7,485
Total Water Resources	<u>24,957,653</u>	<u>21,754,850</u>	<u>16,314,016</u>	<u>5,440,834</u>
Real Estate				
Water Resources Planning and Monitoring	-	42	-	42
Acquisition, Restoration and Public Works	322,416	350,082	201,249	148,833
Operations and Maintenance of Lands and Works	557,439	524,441	538,321	(13,880)
Total Real Estate	<u>879,855</u>	<u>874,565</u>	<u>739,570</u>	<u>134,995</u>
Information Technology				
Water Resources Planning and Monitoring	3,189,249	2,699,462	2,569,965	129,497
Acquisition, Restoration and Public Works	1,575,151	1,985,867	1,811,301	174,566
Operations and Maintenance of Lands and Works	11,958,609	10,646,483	9,755,473	891,010
Regulation	2,885,048	2,531,680	2,422,798	108,882
District Management and Administration	9,089,756	8,908,674	7,842,637	1,066,039
Total Information Technology	<u>28,697,813</u>	<u>26,772,166</u>	<u>24,402,174</u>	<u>2,369,994</u>
Contingency				
Managerial Reserve	-	3,914,747	-	3,914,747
Managerial Reserve-Contingency	15,742,735	15,742,735	-	15,742,735
Total Contingency	<u>15,742,735</u>	<u>19,657,482</u>	<u>-</u>	<u>19,657,482</u>
Total Expenditures	<u>138,549,088</u>	<u>136,707,511</u>	<u>94,143,994</u>	<u>42,563,517</u>
Revenues in Excess of (Less than) Expenditures	<u>(18,661,370)</u>	<u>(16,814,109)</u>	<u>25,721,686</u>	<u>42,535,795</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,584	1,293	(1,291)
Transfers Out	(24,524,464)	(26,388,827)	(26,388,827)	-
Total Other Financing Sources (Uses)	<u>(24,524,464)</u>	<u>(26,386,243)</u>	<u>(26,387,534)</u>	<u>(1,291)</u>
Net Change in Fund Balance	<u>(43,185,834)</u>	<u>(43,200,352)</u>	<u>(665,848)</u>	<u>42,534,502</u>
Fund Balance at Beginning of Year	63,058,599	63,058,599	63,058,599	-
Fund Balance at End of Year	<u>\$ 19,872,765</u>	<u>\$ 19,858,247</u>	<u>\$ 62,392,751</u>	<u>\$ 42,534,502</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 111,543,840	\$ 111,543,840	\$ 112,873,270	\$ 1,329,430
Intergovernmental	3,057,023	3,057,023	2,253,632	(803,391)
Investment Earnings	1,466,000	1,466,000	996,332	(469,668)
Licenses, Permits and Fees	60,000	60,000	132,765	72,765
Sale of District Property	175,000	175,000	334,840	159,840
Leases	307,893	307,893	182,439	(125,454)
Other	25,000	25,000	421,842	396,842
Total Revenues	<u>116,634,756</u>	<u>116,634,756</u>	<u>117,195,120</u>	<u>560,364</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Acquisition, Restoration and Public Works	200,925	103,425	24,199	79,226
Operations and Maintenance of Lands and Works	1,036,415	1,017,409	326,561	690,848
Outreach	2,200	2,200	-	2,200
District Management and Administration	3,071,587	3,171,587	2,506,638	664,949
Total Administrative Services and Executive Offices	<u>4,311,127</u>	<u>4,294,621</u>	<u>2,857,398</u>	<u>1,437,223</u>
<b>Everglades Policy and Coordination</b>				
Water Resources Planning and Monitoring	4,277,500	4,106,500	103,579	4,002,921
Acquisition, Restoration and Public Works	6,669,751	5,860,591	1,250,133	4,610,458
Operations and Maintenance of Lands and Works	299,534	340,126	292,250	47,876
Total Everglades Policy and Coordination	<u>11,246,785</u>	<u>10,307,217</u>	<u>1,645,962</u>	<u>8,661,255</u>
<b>Field Operations and Land Management</b>				
Water Resources Planning and Monitoring	29,287	27,287	11,073	16,214
Acquisition, Restoration and Public Works	153,944	512,912	326,822	186,090
Operations and Maintenance of Lands and Works	57,186,581	55,631,113	49,303,895	6,327,218
District Management and Administration	-	5,273	3,992	1,281
Total Field Operations and Land Management	<u>57,369,812</u>	<u>56,176,585</u>	<u>49,645,782</u>	<u>6,530,803</u>
<b>Operations, Maintenance and Construction</b>				
Water Resources Planning and Monitoring	1,373,425	1,473,530	1,303,276	170,254
Acquisition, Restoration and Public Works	1,368,755	1,601,797	1,117,631	484,166
Operations and Maintenance of Lands and Works	26,784,922	28,394,264	25,907,188	2,487,076
Total Operations, Maintenance and Construction	<u>29,527,102</u>	<u>31,469,591</u>	<u>28,328,095</u>	<u>3,141,496</u>
<b>Regulation</b>				
Acquisition, Restoration and Public Works	-	1,000	777	223
Operations and Maintenance of Lands and Works	5,350	5,356	4,967	389
Regulation	47,482	18,482	13,650	4,832
Total Regulation	<u>52,832</u>	<u>24,838</u>	<u>19,394</u>	<u>5,444</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Water Resources</b>				
Water Resources Planning and Monitoring	908,104	842,523	747,542	94,981
Acquisition, Restoration and Public Works	7,258,284	7,134,317	3,337,037	3,797,280
Operations and Maintenance of Lands and Works	51,447	52,724	2,676	50,048
Regulation	177,873	177,873	125,663	52,210
<b>Total Water Resources</b>	<b>8,395,708</b>	<b>8,207,437</b>	<b>4,212,918</b>	<b>3,994,519</b>
<b>Real Estate</b>				
Water Resources Planning and Monitoring	-	174	174	-
Acquisition, Restoration and Public Works	124,109	107,113	48,611	58,502
Operations and Maintenance of Lands and Works	1,727,974	1,809,195	1,492,698	316,497
<b>Total Real Estate</b>	<b>1,852,083</b>	<b>1,916,482</b>	<b>1,541,483</b>	<b>374,999</b>
<b>Information Technology</b>				
Acquisition, Restoration and Public Works	-	2,000	1,530	470
Operations and Maintenance of Lands and Works	150,000	104,197	103,136	1,061
District Management and Administration	5,000	5,000	-	5,000
<b>Total Information Technology</b>	<b>155,000</b>	<b>111,197</b>	<b>104,666</b>	<b>6,531</b>
<b>Contingency</b>				
Managerial Reserve	-	167,259	-	167,259
Managerial Reserve-Contingency	40,512,602	40,512,602	-	40,512,602
<b>Total Contingency</b>	<b>40,512,602</b>	<b>40,679,861</b>	<b>-</b>	<b>40,679,861</b>
<b>Total Expenditures</b>	<b>153,423,051</b>	<b>153,187,829</b>	<b>88,355,698</b>	<b>64,832,131</b>
Revenues in Excess of (Less than) Expenditures	(36,788,295)	(36,553,073)	28,839,422	65,392,495
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	169,414	84,707	(84,707)
Transfers Out	(36,304,853)	(36,442,264)	(36,442,263)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(36,304,853)</b>	<b>(36,272,850)</b>	<b>(36,357,556)</b>	<b>(84,707)</b>
Net Change in Fund Balance	(73,093,148)	(72,825,922)	(7,518,134)	65,307,788
Fund Balance at Beginning of Year	97,414,776	97,414,776	97,414,776	-
Fund Balance at End of Year	<b>\$ 24,321,628</b>	<b>\$ 24,588,854</b>	<b>\$ 89,896,642</b>	<b>\$ 65,307,788</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	-	-	542,537	542,537
Licenses, Permits and Fees	4,500,000	4,500,000	7,131,663	2,631,663
<b>Total Revenues</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>7,674,200</b>	<b>3,174,200</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Everglades Policy and Coordination				
Operations and Maintenance of Lands and Works	89,868	89,868	39,255	50,613
<b>Total Everglades Policy and Coordination</b>	<b>89,868</b>	<b>89,868</b>	<b>39,255</b>	<b>50,613</b>
Field Operations and Land Management				
Operations and Maintenance of Lands and Works	10,862,555	9,662,191	2,243,142	7,419,049
<b>Total Field Operations and Land Management</b>	<b>10,862,555</b>	<b>9,662,191</b>	<b>2,243,142</b>	<b>7,419,049</b>
Operations, Maintenance and Construction				
Operations and Maintenance of Lands and Works	911,768	659,768	138,949	520,819
<b>Total Operations, Maintenance and Construction</b>	<b>911,768</b>	<b>659,768</b>	<b>138,949</b>	<b>520,819</b>
Real Estate				
Operations and Maintenance of Lands and Works	81,822	81,822	10,250	71,572
<b>Total Real Estate</b>	<b>81,822</b>	<b>81,822</b>	<b>10,250</b>	<b>71,572</b>
Contingency				
Managerial Reserve	-	1,452,364	-	1,452,364
<b>Total Contingency</b>	<b>-</b>	<b>1,452,364</b>	<b>-</b>	<b>1,452,364</b>
<b>Total Expenditures</b>	<b>11,946,013</b>	<b>11,946,013</b>	<b>2,431,596</b>	<b>9,514,417</b>
Revenues in Excess of (Less than) Expenditures	(7,446,013)	(7,446,013)	5,242,604	12,688,617
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,200,000	2,200,000	1,026,942	(1,173,058)
Transfers Out	(9,968,394)	(9,968,394)	(9,968,394)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(7,768,394)</b>	<b>(7,768,394)</b>	<b>(8,941,452)</b>	<b>(1,173,058)</b>
Net Change in Fund Balance	(15,214,407)	(15,214,407)	(3,698,848)	11,515,559
Fund Balance at Beginning of Year	69,664,767	69,664,767	69,664,767	-
Fund Balance at End of Year	<b>\$ 54,450,360</b>	<b>\$ 54,450,360</b>	<b>\$ 65,965,919</b>	<b>\$ 11,515,559</b>

**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, 2017**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's proportion of the FRS net pension liability	0.2320%	0.2320%	0.2500%	0.2630%
District's proportionate share of the FRS net pension liability	\$ 62,273,780	\$ 58,584,976	\$ 32,288,072	\$ 16,048,859
District's covered-employee payroll	\$ 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-employee payroll	65.16%	58.96%	31.98%	15.37%
FRS Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%

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, 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, 2017**

**LAST TEN FISCAL YEARS (UNAUDITED)**

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

Note: The amounts presented for each fiscal year were determined as of September 30<sup>th</sup>. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal year ending September 30, 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, 2017**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability	0.2921%	0.3231%	0.3278%	0.3471%
District's proportionate share of the HIS net pension liability	\$ 31,235,313	\$ 37,656,022	\$ 33,431,413	\$ 32,453,571
District's covered-employee payroll	\$ 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	32.69%	37.89%	33.12%	31.08%
HIS Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%

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, 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, 2017**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required HIS contribution	\$ 1,546,008	\$ 1,656,096	\$ 1,253,092	\$ 1,189,007
HIS contributions in relation to the contractually required contribution	(1,546,008)	(1,656,096)	(1,253,092)	(1,189,007)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	95,988,337	98,786,721 <span style="color: green;">▲</span>	103,723,669	103,356,785
HIS contributions as a percentage of covered-employee payroll	1.61%	1.68%	1.21%	1.15%

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFIT PLANS  
SEPTEMBER 30, 2017**

Schedule of Employer Contributions

Year Ended September 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2015	\$2,241,643	\$5,084,651	44.09%
2016	\$2,824,158	\$5,734,811	49.25%
2017	\$2,443,256	\$5,970,962	40.92%

Schedule of Funding Progress

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2017**

**BUDGETARY INFORMATION**

- Budgets are legally adopted for all funds and are adopted on a basis consistent with generally accepted accounting principles. The adopted budget represents a fiscal-year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. There are six Programs: Water Resources Planning and Monitoring; Acquisition, Restoration and Public Works; Operations and Maintenance of Lands and Works; Regulations; Outreach; and District Management and Administration. The District is organized by six main resource areas: Administrative Services and Executive Offices; Everglades Policy and Coordination; Field Operations and Land Management; Operations, Maintenance, and Construction; Regulation; and Water Resources.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. During fiscal year 2017, the Governing Board approved one budget amendment which effected governmental funds. The budget amendment recognized \$350,000 of unanticipated state revenues from the Florida Department of Environmental Protection. 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 2017, General Fund realized decreases in budgeted expenditures of \$1,467,580, the Okeechobee Basin Special Revenue Fund realized increases in budgeted expenditures \$1,912,948, and the Lake Belt Mitigation Special Revenue Fund realized no change. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

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

- The employer contributions reported on the Schedule of Employer Contributions (see page IV-10) represents the current amount paid by the District for the current year cost of the benefits, which were entirely paid to or on behalf of retirees. Accordingly, no assets have been placed in trust to advance fund the employer's obligation.



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# **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 .1336 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 Restoration Trust 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 .0471 mill tax levy; non-ad valorem assessments to property owners in the Everglades Agricultural Area (EAA); State and Federal Contributions; and interest earnings.

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

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

#### **Lake Okeechobee Fund**

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

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

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

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

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

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

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

#### **Florida Bay Fund**

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Capital Projects Funds**

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

#### **District Fund**

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

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

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

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

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

#### **State Appropriations Fund**

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

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

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

#### **Florida Bay Fund**

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

#### **Wetland Mitigation Fund**

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

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

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

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

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



# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

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

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

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

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

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

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

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

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

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

#### **Lake Okeechobee Fund**

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

#### **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.

### **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, 2017**

Special Revenue Funds (Continued)

	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
<b>ASSETS</b>				
Cash and Investments	\$ 10,778,347	\$ 4,384,089	\$ 2,511,182	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	23,708	27,661	-	-
Due from Other Governments	82,569	15,502	-	91,500
Due from Other Funds	-	-	1,853	-
Inventory	229,088	-	-	-
Total Assets	<u>\$ 11,113,712</u>	<u>\$ 4,427,252</u>	<u>\$ 2,513,035</u>	<u>\$ 91,500</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,280,068	\$ 244,337	\$ -	\$ 27,467
Due to Other Governments	125,633	-	-	-
Due to Other Funds	3,260	-	-	31,913
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	12,361	-	-
Total Liabilities & Deferred Inflows of Resources	<u>1,408,961</u>	<u>256,698</u>	<u>-</u>	<u>59,380</u>
<b>FUND BALANCES</b>				
Nonspendable	229,088	-	-	-
Restricted	9,475,663	4,170,554	2,513,035	32,120
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>9,704,751</u>	<u>4,170,554</u>	<u>2,513,035</u>	<u>32,120</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 11,113,712</u>	<u>\$ 4,427,252</u>	<u>\$ 2,513,035</u>	<u>\$ 91,500</u>

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

Special Revenue Funds (Continued)

	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 12,137,418	\$ 467,275	\$ 7,250,682
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	34,868	1,133	9,657
Due from Other Governments	-	4,250	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 12,176,536</u>	<u>\$ 468,408</u>	<u>\$ 7,260,339</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 288,443	\$ 124,315	\$ 100,000	\$ 184,201
Due to Other Governments	-	-	-	-
Due to Other Funds	8,582	188	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	4,250	-	-
Total Liabilities & Deferred Inflows of Resources	<u>297,025</u>	<u>128,753</u>	<u>100,000</u>	<u>184,201</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	12,047,783	368,408	7,076,138
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(297,025)	-	-	-
Total Fund Balances (Deficit)	<u>(297,025)</u>	<u>12,047,783</u>	<u>368,408</u>	<u>7,076,138</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ -</u>	<u>\$ 12,176,536</u>	<u>\$ 468,408</u>	<u>\$ 7,260,339</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

Special Revenue Funds (Continued)

	External Grants	Everglades Restoration Trust	Everglades License Plate	Lake Okeechobee
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 23,792,696	\$ 700,059	\$ 1,342,518
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	92,307	1,682	-
Due from Other Governments	845,958	342,888	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 845,958	\$ 24,227,891	\$ 701,741	\$ 1,342,518
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 113,918	\$ 907,724	\$ 25,000	\$ -
Due to Other Governments	40,000	104,928	-	-
Due to Other Funds	719,945	19,971	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	873,863	1,032,623	25,000	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	26,019,228	676,741	1,342,518
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(27,905)	(2,823,960)	-	-
Total Fund Balances (Deficit)	(27,905)	23,195,268	676,741	1,342,518
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 845,958	\$ 24,227,891	\$ 701,741	\$ 1,342,518

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

Special Revenue Funds (Continued)

	Save Our Everglades	Land Acquisition Trust	Federal Emergency Management Agency	Florida Bay
<b>ASSETS</b>				
Cash and Investments	\$ 2,256,651	\$ 3,759,734	\$ -	\$ 7,853,874
Cash Held by Trustee	-	-	-	-
Accounts Receivable	38,680	5,000	-	29,753
Due from Other Governments	247,701	3,020,480	-	-
Due from Other Funds	-	-	-	-
Inventory	-	3,410	-	-
Total Assets	<u>\$ 2,543,032</u>	<u>\$ 6,788,624</u>	<u>\$ -</u>	<u>\$ 7,883,627</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,176,082	\$ 1,578,114	\$ -	\$ 38,412
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	203,311	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	7,999	-	-
Total Liabilities & Deferred Inflows of Resources	<u>1,176,082</u>	<u>1,586,113</u>	<u>203,311</u>	<u>38,412</u>
<b>FUND BALANCES</b>				
Nonspendable	-	3,410	-	-
Restricted	1,366,950	5,199,101	-	7,845,215
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(203,311)	-
Total Fund Balances (Deficit)	<u>1,366,950</u>	<u>5,202,511</u>	<u>(203,311)</u>	<u>7,845,215</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 2,543,032</u>	<u>\$ 6,788,624</u>	<u>\$ -</u>	<u>\$ 7,883,627</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

	Special Revenue Funds (Concluded)	Capital Projects Funds (Continued)		
	Total	District	Big Cypress Basin	Save Our Rivers
<b>ASSETS</b>				
Cash and Investments	\$ 77,234,525	\$ 20,933,021	\$ 7,200,746	\$ 9,238,043
Cash Held by Trustee	-	9,485,541	-	-
Accounts Receivable	264,449	22,488	14,530	22,280
Due from Other Governments	4,650,848	-	-	-
Due from Other Funds	1,853	-	-	-
Inventory	232,498	-	-	-
Total Assets	<u>\$ 82,384,173</u>	<u>\$ 30,441,050</u>	<u>\$ 7,215,276</u>	<u>\$ 9,260,323</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,088,081	\$ 1,186,940	\$ 520,993	\$ 144,899
Due to Other Governments	270,561	-	-	-
Due to Other Funds	987,170	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	24,610	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>7,370,422</u>	<u>1,186,940</u>	<u>520,993</u>	<u>144,899</u>
<b>FUND BALANCES</b>				
Nonspendable	232,498	-	-	-
Restricted	78,133,454	9,485,944	6,694,283	9,115,424
Committed	-	416,947	-	-
Assigned	-	19,351,219	-	-
Unassigned	(3,352,201)	-	-	-
Total Fund Balances (Deficit)	<u>75,013,751</u>	<u>29,254,110</u>	<u>6,694,283</u>	<u>9,115,424</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 82,384,173</u>	<u>\$ 30,441,050</u>	<u>\$ 7,215,276</u>	<u>\$ 9,260,323</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

Capital Projects Funds (Continued)

	State Appropriations	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 27	\$ 6,683,622	\$ 5,156,988
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	10,689	19,260
Due from Other Governments	1,800	-	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 1,800</u>	<u>\$ 27</u>	<u>\$ 6,694,311</u>	<u>\$ 5,176,248</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 378,037	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	1,567,181	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	1,800	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>1,568,981</u>	<u>-</u>	<u>378,037</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	27	6,316,274	5,176,248
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(1,567,181)	-	-	-
Total Fund Balances (Deficit)	<u>(1,567,181)</u>	<u>27</u>	<u>6,316,274</u>	<u>5,176,248</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,800</u>	<u>\$ 27</u>	<u>\$ 6,694,311</u>	<u>\$ 5,176,248</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

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	\$ 2,158,385	\$ 3,744,742	\$ 1,541,630	\$ 933,988
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 2,158,385</u>	<u>\$ 3,744,742</u>	<u>\$ 1,541,630</u>	<u>\$ 933,988</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 148,756	\$ -	\$ 24,411	\$ 569,372
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>148,756</u>	<u>-</u>	<u>24,411</u>	<u>569,372</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	3,474	3,744,742	-	364,616
Committed	-	-	-	-
Assigned	2,006,155	-	1,517,219	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>2,009,629</u>	<u>3,744,742</u>	<u>1,517,219</u>	<u>364,616</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 2,158,385</u>	<u>\$ 3,744,742</u>	<u>\$ 1,541,630</u>	<u>\$ 933,988</u>



**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

Capital Projects Funds (Continued)

	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation	Lake Okeechobee	External Grants
<b>ASSETS</b>				
Cash and Investments	\$ 12	\$ 3,752,655	\$ -	\$ 136
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Governments	-	-	-	4,206
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>\$ 12</u>	<u>\$ 3,752,655</u>	<u>\$ -</u>	<u>\$ 4,342</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 73,150	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	1,853	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>73,150</u>	<u>1,853</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	12	3,679,505	-	4,342
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(1,853)	-
Total Fund Balances (Deficit)	<u>12</u>	<u>3,679,505</u>	<u>(1,853)</u>	<u>4,342</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 12</u>	<u>\$ 3,752,655</u>	<u>\$ -</u>	<u>\$ 4,342</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017**

	<u>Capital Projects Funds (Concluded)</u>	<u>Permanent Fund</u>	
	<u>Total</u>	<u>Wetland Mitigation</u>	<u>Total Nonmajor Governmental</u>
<b>ASSETS</b>			
Cash and Investments	\$ 61,343,995	\$ 15,450,137	\$ 154,028,657
Cash Held by Trustee	9,485,541	-	9,485,541
Accounts Receivable	89,247	41,920	395,616
Due from Other Governments	6,006	-	4,656,854
Due from Other Funds	-	-	1,853
Inventory	-	-	232,498
Total Assets	<u>\$ 70,924,789</u>	<u>\$ 15,492,057</u>	<u>\$ 168,801,019</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 3,046,558	\$ -	\$ 9,134,639
Due to Other Governments	-	-	270,561
Due to Other Funds	1,569,034	-	2,556,204
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	1,800	-	26,410
Total Liabilities & Deferred Inflows of Resources	<u>4,617,392</u>	<u>-</u>	<u>11,987,814</u>
 <b>FUND BALANCES</b>			
Nonspendable	-	15,099,425	15,331,923
Restricted	44,584,891	392,632	123,110,977
Committed	416,947	-	416,947
Assigned	22,874,593	-	22,874,593
Unassigned	(1,569,034)	-	(4,921,235)
Total Fund Balances (Deficit)	<u>66,307,397</u>	<u>15,492,057</u>	<u>156,813,205</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 70,924,789</u>	<u>\$ 15,492,057</u>	<u>\$ 168,801,019</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

Special Revenue Funds (Continued)

	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 9,945,526	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	-	113,029	(8,841)	1,087,793
Investment Earnings	74,019	25,921	590	-
Licenses, Permits and Fees	7,675	-	-	-
Sale of District Property	10,989	35,662	-	-
Leases	68,078	3,573,047	-	-
Other	5,869	1,286	-	-
<b>Total Revenues</b>	<b>10,112,156</b>	<b>3,748,945</b>	<b>(8,251)</b>	<b>1,087,793</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	2,312,148	-	54,410	-
Acquisition, Restoration and Public Works	658,125	-	1,380,064	-
Operations and Maintenance of Lands and Work:	6,570,210	1,051,813	-	1,087,793
Regulation	11,897	-	-	-
District Management and Administration	203,279	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>9,755,659</b>	<b>1,051,813</b>	<b>1,434,474</b>	<b>1,087,793</b>
Revenues in Excess of (Less than) Expenditures	356,497	2,697,132	(1,442,725)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	37,636	-
Transfers Out	(1,267,136)	(50,576)	-	-
Debt Issue	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,267,136)</b>	<b>(50,576)</b>	<b>37,636</b>	<b>-</b>
Net Change in Fund Balances	(910,639)	2,646,556	(1,405,089)	-
Fund Balances (Deficits) at Beginning of Year	10,615,390	1,523,998	3,918,124	32,120
Fund Balances (Deficits) at End of Year	\$ 9,704,751	\$ 4,170,554	\$ 2,513,035	\$ 32,120

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

Special Revenue Funds (Continued)

	Upland Invasive Plant Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	3,561,505	3,434	87,998	-
Investment Earnings	-	110,207	4,002	77,933
Licenses, Permits and Fees	-	675,405	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	1,492,275
Other	358	-	-	-
<b>Total Revenues</b>	<b>3,561,863</b>	<b>789,046</b>	<b>92,000</b>	<b>1,570,208</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	113,443	-
Acquisition, Restoration and Public Works	-	129,494	-	-
Operations and Maintenance of Lands and Work: Regulation	3,619,252	973,302	-	501,899
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>3,619,252</b>	<b>1,102,796</b>	<b>113,443</b>	<b>501,899</b>
Revenues in Excess of (Less than) Expenditures	(57,389)	(313,750)	(21,443)	1,068,309
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	141,060	-	187,973
Transfers Out	-	(22,189)	-	-
Debt Issue	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>118,871</b>	<b>-</b>	<b>187,973</b>
Net Change in Fund Balances	(57,389)	(194,879)	(21,443)	1,256,282
Fund Balances (Deficits) at Beginning of Year	(239,636)	12,242,662	389,851	5,819,856
Fund Balances (Deficits) at End of Year	(\$ 297,025)	\$ 12,047,783	\$ 368,408	\$ 7,076,138

Continued

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

Special Revenue Funds (Continued)

	<u>External Grants</u>	<u>Everglades Restoration Trust</u>	<u>Everglades License Plate</u>	<u>Lake Okeechobee</u>
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ 36,015,344	\$ -	\$ -
Agricultural Privilege Taxes	-	10,876,781	-	-
Intergovernmental	1,818,957	1,000,000	230,235	-
Investment Earnings	-	338,627	5,393	4,352
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	38,462	-	2,476
Leases	-	-	-	-
Other	-	2,818	-	-
	<u>1,818,957</u>	<u>48,272,032</u>	<u>235,628</u>	<u>6,828</u>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	4,729,159	120,422	-
Acquisition, Restoration and Public Works	1,444,813	1,948,509	-	14,100
Operations and Maintenance of Lands and Work:	-	20,217,798	-	-
Regulation	-	1,437,573	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
	<u>1,444,813</u>	<u>28,333,039</u>	<u>120,422</u>	<u>14,100</u>
Total Expenditures	<u>1,444,813</u>	<u>28,333,039</u>	<u>120,422</u>	<u>14,100</u>
Revenues in Excess of (Less than) Expenditures	<u>374,144</u>	<u>19,938,993</u>	<u>115,206</u>	<u>(7,272)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(4,206)	(13,323,708)	-	-
Debt Issue	-	-	-	-
	<u>(4,206)</u>	<u>(13,323,708)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,206)</u>	<u>(13,323,708)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	369,938	6,615,285	115,206	(7,272)
Fund Balances (Deficits) at Beginning of Year	<u>(397,843)</u>	<u>16,579,983</u>	<u>561,535</u>	<u>1,349,790</u>
Fund Balances (Deficits) at End of Year	<u>(\$ 27,905)</u>	<u>\$ 23,195,268</u>	<u>\$ 676,741</u>	<u>\$ 1,342,518</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

Special Revenue Funds ( Continued)

	Save Our Everglades	Lake Acquisition Trust	Federal Emergency Management Agency	Florida Bay
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	1,362,384	15,899,210	-	1,000,000
Investment Earnings	17,721	-	-	90,486
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	593,524	5,000	-	-
Other	-	2,138	-	445
<b>Total Revenues</b>	<b>1,973,629</b>	<b>15,906,348</b>	<b>-</b>	<b>1,090,931</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	199,792	773,301
Acquisition, Restoration and Public Works	1,123,025	12,137,942	-	677,656
Operations and Maintenance of Lands and Work: Regulation	226,904	3,850,000	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>1,349,929</b>	<b>15,987,942</b>	<b>199,792</b>	<b>1,450,957</b>
Revenues in Excess of (Less than) Expenditures	623,700	(81,594)	(199,792)	(360,026)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	230,301	-	-	440,918
Transfers Out	(129,474)	-	-	(4,762,838)
Debt Issue	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>100,827</b>	<b>-</b>	<b>-</b>	<b>(4,321,920)</b>
<b>Net Change in Fund Balances</b>	<b>724,527</b>	<b>(81,594)</b>	<b>(199,792)</b>	<b>(4,681,946)</b>
Fund Balances (Deficits) at Beginning of Year	642,423	5,284,105	(3,519)	12,527,161
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 1,366,950</b>	<b>\$ 5,202,511</b>	<b>(\$ 203,311)</b>	<b>\$ 7,845,215</b>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

	Special Revenue Funds (Concluded)	Capital Projects Funds (Continued)		
	Total	District	Big Cypress Basin	Save Our Rivers
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 45,960,870	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	10,876,781	-	-	-
Intergovernmental	26,155,704	-	-	-
Investment Earnings	749,251	(21,558)	48,900	70,276
Licenses, Permits and Fees	683,080	-	-	-
Sale of District Property	87,589	19,627	1,198,536	310,051
Leases	5,731,924	-	-	-
Other	12,914	-	375	-
<b>Total Revenues</b>	<b>90,258,113</b>	<b>(1,931)</b>	<b>1,247,811</b>	<b>380,327</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	8,302,675	-	-	-
Acquisition, Restoration and Public Works	19,513,728	-	-	-
Operations and Maintenance of Lands and Work:	38,098,971	-	-	-
Regulation	1,449,470	-	-	-
District Management and Administration	203,279	-	-	-
Capital Outlay	-	10,225,311	1,326,154	839,749
Debt Service				
COPS Bond Principal Retirement	-	5,698,868	-	-
COPS Bond Interest	-	8,617,370	-	-
<b>Total Expenditures</b>	<b>67,568,123</b>	<b>24,541,549</b>	<b>1,326,154</b>	<b>839,749</b>
Revenues in Excess of (Less than) Expenditures	22,689,990	(24,543,480)	(78,343)	(459,422)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,037,888	26,376,802	1,267,136	50,576
Transfers Out	(19,560,127)	(1,292)	-	-
Debt Issue	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(18,522,239)</b>	<b>26,375,510</b>	<b>1,267,136</b>	<b>50,576</b>
Net Change in Fund Balances	4,167,751	1,832,030	1,188,793	(408,846)
Fund Balances (Deficits) at Beginning of Year	70,846,000	27,422,080	5,505,490	9,524,270
Fund Balances (Deficits) at End of Year	<u>\$ 75,013,751</u>	<u>\$ 29,254,110</u>	<u>\$ 6,694,283</u>	<u>\$ 9,115,424</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

Capital Projects Funds (Continued)

	State Appropriations	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	54,782	-	6,007,882	-
Investment Earnings	-	-	11,408	42,548
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	8	-	-
Leases	-	-	-	-
Other	-	-	64	-
<b>Total Revenues</b>	<b>54,782</b>	<b>8</b>	<b>6,019,354</b>	<b>42,548</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Work:	-	-	-	-
Regulation	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	1,122,143	-	5,852,526	1,255,407
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>1,122,143</b>	<b>-</b>	<b>5,852,526</b>	<b>1,255,407</b>
Revenues in Excess of (Less than) Expenditures	(1,067,361)	8	166,828	(1,212,859)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	4,762,838	22,189
Transfers Out	(37,636)	-	(440,918)	(5,200)
Debt Issue	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(37,636)</b>	<b>-</b>	<b>4,321,920</b>	<b>16,989</b>
Net Change in Fund Balances	(1,104,997)	8	4,488,748	(1,195,870)
Fund Balances (Deficits) at Beginning of Year	(462,184)	19	1,827,526	6,372,118
Fund Balances (Deficits) at End of Year	(\$ 1,567,181)	\$ 27	\$ 6,316,274	\$ 5,176,248



**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

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	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Investment Earnings	-	-	-	1,636
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	25,316	-	-	6,738
Leases	-	-	-	-
Other	-	-	-	38,137
	<u>25,316</u>	<u>-</u>	<u>-</u>	<u>46,511</u>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Work:	-	-	-	-
Regulation	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	-	66,908	-
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	974,057
	<u>-</u>	<u>-</u>	<u>66,908</u>	<u>974,057</u>
Total Expenditures	-	-	66,908	974,057
Revenues in Excess of (Less than) Expenditures	<u>25,316</u>	<u>-</u>	<u>(66,908)</u>	<u>(927,546)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	12,024	82,441
Transfers Out	-	(187,973)	-	-
Debt Issue	-	-	-	-
	<u>-</u>	<u>(187,973)</u>	<u>12,024</u>	<u>82,441</u>
Total Other Financing Sources (Uses)	-	(187,973)	12,024	82,441
Net Change in Fund Balances	25,316	(187,973)	(54,884)	(845,105)
Fund Balances (Deficits) at Beginning of Year	1,984,313	3,932,715	1,572,103	1,209,721
Fund Balances (Deficits) at End of Year	<u>\$ 2,009,629</u>	<u>\$ 3,744,742</u>	<u>\$ 1,517,219</u>	<u>\$ 364,616</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

Capital Projects Funds (Continued)

	COPS Comprehensive Everglades Restoration	Lake Belt Mitigation	Lake Okeechobee	External Grants
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	-	-	-	4,206
Investment Earnings	-	-	-	136
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,342</b>
<b>EXPENDITURES</b>				
Current Operating				
Water Resources Planning and Monitoring	-	-	-	-
Acquisition, Restoration and Public Works	-	-	-	-
Operations and Maintenance of Lands and Work: Regulation	-	-	-	-
District Management and Administration	-	-	-	-
Capital Outlay	-	5,373,062	-	4,206
Debt Service				
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>5,373,062</b>	<b>-</b>	<b>4,206</b>
Revenues in Excess of (Less than) Expenditures	-	(5,373,062)	-	136
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	9,724,460	-	4,206
Transfers Out	(82,441)	-	-	-
Debt Issue	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(82,441)</b>	<b>9,724,460</b>	<b>-</b>	<b>4,206</b>
Net Change in Fund Balances	(82,441)	4,351,398	-	4,342
Fund Balances (Deficits) at Beginning of Year	82,453	(671,893)	(1,853)	-
Fund Balances (Deficits) at End of Year	<u>\$ 12</u>	<u>\$ 3,679,505</u>	<u>(\$ 1,853)</u>	<u>\$ 4,342</u>

Continued

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2017**

	Capital Projects Fund (Concluded)	Permanent Fund	Total Nonmajor Governmental Funds
	Total	Wetland Mitigation	
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$ -	\$ 45,960,870
Agricultural Privilege Taxes	-	-	10,876,781
Intergovernmental	6,066,870	-	32,222,574
Investment Earnings	153,346	135,707	1,038,304
Licenses, Permits and Fees	-	7,220	690,300
Sale of District Property	1,560,276	-	1,647,865
Leases	-	-	5,731,924
Other	38,576	-	51,490
<b>Total Revenues</b>	<b>7,819,068</b>	<b>142,927</b>	<b>98,220,108</b>
<b>EXPENDITURES</b>			
Current Operating			
Water Resources Planning and Monitoring	-	-	8,302,675
Acquisition, Restoration and Public Works	-	-	19,513,728
Operations and Maintenance of Lands and Work:	-	-	38,098,971
Regulation	-	-	1,449,470
District Management and Administration	-	-	203,279
Capital Outlay	26,065,466	-	26,065,466
Debt Service			
COPS Bond Principal Retirement	5,698,868	-	5,698,868
COPS Bond Interest	9,591,427	-	9,591,427
<b>Total Expenditures</b>	<b>41,355,761</b>	<b>-</b>	<b>108,923,884</b>
Revenues in Excess of (Less than) Expenditures	(33,536,693)	142,927	(10,703,776)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	42,302,672	108,074	43,448,634
Transfers Out	(755,460)	(1,026,942)	(21,342,529)
Debt Issue	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>41,547,212</b>	<b>(918,868)</b>	<b>22,106,105</b>
<b>Net Change in Fund Balances</b>	<b>8,010,519</b>	<b>(775,941)</b>	<b>11,402,329</b>
Fund Balances (Deficits) at Beginning of Year	58,296,878	16,267,998	145,410,876
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 66,307,397</b>	<b>\$ 15,492,057</b>	<b>\$ 156,813,205</b>

**Special Revenue Fund**  
**Big Cypress Basin**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 9,854,493	\$ 9,945,526	\$ 91,033
Investment Earnings	150,000	74,019	(75,981)
Licenses, Permits and Fees	8,000	7,675	(325)
Sale of District Property	-	10,989	10,989
Leases	67,938	68,078	140
Other	1,500	5,869	4,369
Total Revenues	<u>10,081,931</u>	<u>10,112,156</u>	<u>30,225</u>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	3,150,014	2,268,432	881,582
Acquisition, Restoration and Public Works	1,410,475	658,125	752,350
Operations and Maintenance of Lands and Works	116,691	83,828	32,863
Regulation	14,544	11,897	2,647
District Management and Administration	309,285	203,279	106,006
Total Administrative Services and Executive Offices	<u>5,001,009</u>	<u>3,225,561</u>	<u>1,775,448</u>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	4,895,797	4,272,433	623,364
District Management and Administration	2,220	-	2,220
Total Field Operations and Land Management	<u>4,898,017</u>	<u>4,272,433</u>	<u>625,584</u>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	38,885	38,885	-
Operations and Maintenance of Lands and Works	2,831,746	2,213,949	617,797
Total Operations, Maintenance, and Construction	<u>2,870,631</u>	<u>2,252,834</u>	<u>617,797</u>
Water Resources			
Water Resources Planning and Monitoring	4,831	4,831	-
Total Water Resources	<u>4,831</u>	<u>4,831</u>	<u>-</u>
Contingency			
Managerial Reserve	465,369	-	465,369
Managerial Reserve-Contingency	760,401	-	760,401
Total Contingency	<u>1,225,770</u>	<u>-</u>	<u>1,225,770</u>
Total Expenditures	<u>14,000,258</u>	<u>9,755,659</u>	<u>4,244,599</u>
Revenues in Excess of (Less than) Expenditures	<u>(3,918,327)</u>	<u>356,497</u>	<u>4,274,824</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(1,267,136)	(1,267,136)	-
Total Other Financing Sources (Uses)	<u>(1,267,136)</u>	<u>(1,267,136)</u>	<u>-</u>
Net Change in Fund Balance	<u>(5,185,463)</u>	<u>(910,639)</u>	<u>4,274,824</u>
Fund Balance at Beginning of Year	10,615,390	10,615,390	-
Fund Balance at End of Year	<u>\$ 5,429,927</u>	<u>\$ 9,704,751</u>	<u>\$ 4,274,824</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, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 515,000	\$ 113,029	(\$ 401,971)
Investment Earnings	-	25,921	25,921
Sale of District Property	-	35,662	35,662
Leases	952,351	3,573,047	2,620,696
Other	-	1,286	1,286
Total Revenues	<u>1,467,351</u>	<u>3,748,945</u>	<u>2,281,594</u>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	705,312	675,535	29,777
Total Field Operations and Land Management	<u>705,312</u>	<u>675,535</u>	<u>29,777</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	408,780	376,278	32,502
Total Real Estate	<u>408,780</u>	<u>376,278</u>	<u>32,502</u>
Total Expenditures	<u>1,614,092</u>	<u>1,051,813</u>	<u>562,279</u>
Revenues in Excess of (Less than) Expenditures	<u>(146,741)</u>	<u>2,697,132</u>	<u>2,843,873</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(50,576)	(50,576)	-
Total Other Financing Sources (Uses)	<u>(50,576)</u>	<u>(50,576)</u>	<u>-</u>
Net Change in Fund Balance	<u>(197,317)</u>	<u>2,646,556</u>	<u>2,843,873</u>
Fund Balance at Beginning of Year	1,523,998	1,523,998	-
Fund Balance at End of Year	<u>\$ 1,326,681</u>	<u>\$ 4,170,554</u>	<u>\$ 2,843,873</u>

**Special Revenue Fund**  
**State Appropriations**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 2,350,000	(\$ 8,841)	(\$ 2,358,841)
Investment Earnings	-	590	590
<b>Total Revenues</b>	<b>2,350,000</b>	<b>(8,251)</b>	<b>(2,358,251)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	231,252	54,410	176,842
Acquisition, Restoration and Public Works	3,714,322	1,380,064	2,334,258
<b>Total Everglades Policy and Coordination</b>	<b>3,945,574</b>	<b>1,434,474</b>	<b>2,511,100</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>
<b>Total Expenditures</b>	<b>6,295,574</b>	<b>1,434,474</b>	<b>4,861,100</b>
Revenues in Excess of (Less than) Expenditures	(3,945,574)	(1,442,725)	2,502,849
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	75,272	37,636	(37,636)
<b>Total Other Financing Sources (Uses)</b>	<b>75,272</b>	<b>37,636</b>	<b>(37,636)</b>
Net Change in Fund Balance	(3,870,302)	(1,405,089)	2,465,213
Fund Balance at Beginning of Year	3,918,124	3,918,124	-
Fund Balance at End of Year	\$ 47,822	\$ 2,513,035	\$ 2,465,213

**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, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 3,990,400	\$ 1,087,793	(\$ 2,902,607)
Total Revenues	<u>3,990,400</u>	<u>1,087,793</u>	<u>(2,902,607)</u>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	2,049,031	1,087,793	961,238
Total Field Operations and Land Management	<u>2,049,031</u>	<u>1,087,793</u>	<u>961,238</u>
Contingency			
Managerial Reserve	2,081,701	-	2,081,701
Total Contingency	<u>2,081,701</u>	<u>-</u>	<u>2,081,701</u>
Total Expenditures	<u>4,130,732</u>	<u>1,087,793</u>	<u>3,042,939</u>
Revenues in Excess of (Less than) Expenditures	<u>(140,332)</u>	<u>-</u>	<u>140,332</u>
Net Change in Fund Balance	<u>(140,332)</u>	<u>-</u>	<u>140,332</u>
Fund Balance at Beginning of Year	32,120	32,120	-
Fund Balance at End of Year	<u><u>(\$ 108,212)</u></u>	<u><u>\$ 32,120</u></u>	<u><u>\$ 140,332</u></u>

**Special Revenue Fund**  
**Upland Invasive Plant Control**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 5,000,000	\$ 3,561,505	(\$ 1,438,495)
Other	-	358	358
Total Revenues	<u>5,000,000</u>	<u>3,561,863</u>	<u>(1,438,137)</u>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	4,379,116	3,619,252	759,864
Total Field Operations and Land Management	<u>4,379,116</u>	<u>3,619,252</u>	<u>759,864</u>
Contingency			
Managerial Reserve	654,643	-	654,643
Total Contingency	<u>654,643</u>	<u>-</u>	<u>654,643</u>
Total Expenditures	<u>5,033,759</u>	<u>3,619,252</u>	<u>1,414,507</u>
Revenues in Excess of (Less than) Expenditures	<u>(33,759)</u>	<u>(57,389)</u>	<u>(23,630)</u>
Net Change in Fund Balance	<u>(33,759)</u>	<u>(57,389)</u>	<u>(23,630)</u>
Fund Balance at Beginning of Year	(239,636)	(239,636)	-
Fund Balance at End of Year	<u><u>(\$ 273,395)</u></u>	<u><u>(\$ 297,025)</u></u>	<u><u>(\$ 23,630)</u></u>



**Special Revenue Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 3,434	\$ 3,434
Investment Earnings	-	110,207	110,207
Licenses, Permits and Fees	-	675,405	675,405
<b>Total Revenues</b>	<b>-</b>	<b>789,046</b>	<b>789,046</b>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Acquisition, Restoration and Public Works	129,494	129,494	-
Operations and Maintenance of Lands and Works	1,269,399	968,102	301,297
<b>Total Field Operations and Land Management</b>	<b>1,398,893</b>	<b>1,097,596</b>	<b>301,297</b>
Real Estate			
Operations and Maintenance of Lands and Works	17,217	5,200	12,017
<b>Total Real Estate</b>	<b>17,217</b>	<b>5,200</b>	<b>12,017</b>
Contingency			
Managerial Reserve	489,700	-	489,700
<b>Total Contingency</b>	<b>489,700</b>	<b>-</b>	<b>489,700</b>
<b>Total Expenditures</b>	<b>1,905,810</b>	<b>1,102,796</b>	<b>803,014</b>
Revenues in Excess of (Less than) Expenditures	(1,905,810)	(313,750)	1,592,060
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	282,120	141,060	(141,060)
Transfers Out	(22,189)	(22,189)	-
<b>Total Other Financing Sources (Uses)</b>	<b>259,931</b>	<b>118,871</b>	<b>(141,060)</b>
Net Change in Fund Balance	(1,645,879)	(194,879)	1,451,000
Fund Balance at Beginning of Year	12,242,662	12,242,662	-
Fund Balance at End of Year	<b>\$ 10,596,783</b>	<b>\$ 12,047,783</b>	<b>\$ 1,451,000</b>

**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, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 87,998	\$ 87,998
Investment Earnings	-	4,002	4,002
Total Revenues	<u>-</u>	<u>92,000</u>	<u>92,000</u>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	318,239	113,443	204,796
Total Everglades Policy and Coordination	<u>318,239</u>	<u>113,443</u>	<u>204,796</u>
Contingency			
Managerial Reserve	67,025	-	67,025
Total Contingency	<u>67,025</u>	<u>-</u>	<u>67,025</u>
Total Expenditures	<u>385,264</u>	<u>113,443</u>	<u>271,821</u>
Revenues in Excess of (Less than) Expenditures	<u>(385,264)</u>	<u>(21,443)</u>	<u>363,821</u>
Net Change in Fund Balance	<u>(385,264)</u>	<u>(21,443)</u>	<u>363,821</u>
Fund Balance at Beginning of Year	389,851	389,851	-
Fund Balance at End of Year	<u>\$ 4,587</u>	<u>\$ 368,408</u>	<u>\$ 363,821</u>

**Special Revenue Fund  
Federal Land Management  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 77,933	\$ 77,933
Leases	301,414	1,492,275	1,190,861
Total Revenues	<u>301,414</u>	<u>1,570,208</u>	<u>1,268,794</u>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	628,833	501,899	126,934
Total Field Operations and Land Management	<u>628,833</u>	<u>501,899</u>	<u>126,934</u>
Contingency			
Managerial Reserve	116,365	-	116,365
Total Contingency	<u>116,365</u>	<u>-</u>	<u>116,365</u>
Total Expenditures	<u>745,198</u>	<u>501,899</u>	<u>243,299</u>
Revenues in Excess of (Less than) Expenditures	<u>(443,784)</u>	<u>1,068,309</u>	<u>1,512,093</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	375,946	187,973	(187,973)
Total Other Financing Sources (Uses)	<u>375,946</u>	<u>187,973</u>	<u>(187,973)</u>
Net Change in Fund Balance	<u>(67,838)</u>	<u>1,256,282</u>	<u>1,324,120</u>
Fund Balance at Beginning of Year	5,819,856	5,819,856	-
Fund Balance at End of Year	<u>\$ 5,752,018</u>	<u>\$ 7,076,138</u>	<u>\$ 1,324,120</u>

**Special Revenue Fund  
External Grants  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 3,288,577	\$ 1,818,957	(\$ 1,469,620)
Total Revenues	<u>3,288,577</u>	<u>1,818,957</u>	<u>(1,469,620)</u>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	3,624,592	1,083,205	2,541,387
Total Everglades Policy and Coordination	<u>3,624,592</u>	<u>1,083,205</u>	<u>2,541,387</u>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	235,335	214,186	21,149
Total Field Operations and Land Management	<u>235,335</u>	<u>214,186</u>	<u>21,149</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	4,862	4,862	-
Total Operations, Maintenance, and Construction	<u>4,862</u>	<u>4,862</u>	<u>-</u>
Water Resources			
Acquisition, Restoration and Public Works	280,000	50,000	230,000
Total Water Resources	<u>280,000</u>	<u>50,000</u>	<u>230,000</u>
Real Estate			
Acquisition, Restoration and Public Works	115,745	92,560	23,185
Total Real Estate	<u>115,745</u>	<u>92,560</u>	<u>23,185</u>
Total Expenditures	<u>4,260,534</u>	<u>1,444,813</u>	<u>2,815,721</u>
Revenues in Excess of (Less than) Expenditures	<u>(971,957)</u>	<u>374,144</u>	<u>1,346,101</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(4,206)	(4,206)	-
Total Other Financing Sources (Uses)	<u>(4,206)</u>	<u>(4,206)</u>	<u>-</u>
Net Change in Fund Balance	(976,163)	369,938	1,346,101
Fund Balance at Beginning of Year	(397,843)	(397,843)	-
Fund Balance at End of Year	<u>(\$ 1,374,006)</u>	<u>(\$ 27,905)</u>	<u>\$ 1,346,101</u>

**Special Revenue Fund**  
**Everglades Restoration Trust**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 35,570,244	\$ 36,015,344	\$ 445,100
Agricultural Privilege Taxes	10,815,000	10,876,781	61,781
Intergovernmental	1,000,000	1,000,000	-
Investment Earnings	439,000	338,627	(100,373)
Sale of District Property	-	38,462	38,462
Other	-	2,818	2,818
Total Revenues	47,824,244	48,272,032	447,788
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	1,618,856	1,041,363	577,493
Acquisition, Restoration and Public Works	2,440	1,259	1,181
Total Administrative Services and Executive Offices	1,621,296	1,042,622	578,674
Everglades Policy and Coordination			
Water Resources Planning and Monitoring	40,445	34,276	6,169
Acquisition, Restoration and Public Works	317,805	288,042	29,763
Operations and Maintenance of Lands and Works	343,105	60,149	282,956
Total Everglades Policy and Coordination	701,355	382,467	318,888
Field Operations and Land Management			
Water Resources Planning and Monitoring	594,177	446,297	147,880
Acquisition, Restoration and Public Works	12,544	2,483	10,061
Operations and Maintenance of Lands and Works	16,332,194	14,014,345	2,317,849
Total Field Operations and Land Management	16,938,915	14,463,125	2,475,790
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	802,975	573,103	229,872
Acquisition, Restoration and Public Works	820,224	564,998	255,226
Operations and Maintenance of Lands and Works	5,630,591	4,834,964	795,627
Regulation	255,409	221,537	33,872
Total Operations, Maintenance, and Construction	7,509,199	6,194,602	1,314,597
Regulation			
Acquisition, Restoration and Public Works	8,800	6,264	2,536
Operations and Maintenance of Lands and Works	-	535	(535)
Regulation	1,427,524	1,043,451	384,073
Total Regulation	1,436,324	1,050,250	386,074
Water Resources			
Water Resources Planning and Monitoring	2,658,807	2,489,513	169,294
Acquisition, Restoration and Public Works	2,492,737	1,045,913	1,446,824
Operations and Maintenance of Lands and Works	1,412,510	1,280,681	131,829
Regulation	178,966	163,761	15,205
Total Water Resources	6,743,020	4,979,868	1,763,152
Real Estate			
Acquisition, Restoration and Public Works	36,235	38,868	(2,633)
Operations and Maintenance of Lands and Works	27,541	27,124	417
Total Real Estate	63,776	65,992	(2,216)

**Special Revenue Fund  
Everglades Restoration Trust  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Information Technology			
Water Resources Planning and Monitoring	151,349	144,607	6,742
Acquisition, Restoration and Public Works	1,700	683	1,017
Regulation	12,039	8,823	3,216
Total Information Technology	<u>165,088</u>	<u>154,113</u>	<u>10,975</u>
Contingency			
Managerial Reserve-Contingency	3,000,000	-	3,000,000
Total Contingency	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
Total Expenditures	<u>38,178,973</u>	<u>28,333,039</u>	<u>9,845,934</u>
Revenues in Excess of (Less than) Expenditures	<u>9,645,271</u>	<u>19,938,993</u>	<u>10,293,721</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(13,323,708)	(13,323,708)	-
Total Other Financing Sources (Uses)	<u>(13,323,708)</u>	<u>(13,323,708)</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,678,437)</u>	<u>6,615,285</u>	<u>10,293,721</u>
Fund Balance at Beginning of Year	16,579,983	16,579,983	-
Fund Balance at End of Year	<u>\$ 12,901,546</u>	<u>\$ 23,195,268</u>	<u>\$ 10,293,721</u>

South Florida Water Management District

Special Revenue Fund

Everglades License Plate

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 200,000	\$ 230,235	\$ 30,235
Investment Earnings	-	5,393	5,393
Total Revenues	<u>200,000</u>	<u>235,628</u>	<u>35,628</u>
EXPENDITURES			
Water Resources			
Water Resources Planning and Monitoring	225,000	120,422	104,578
Total Water Resources	<u>225,000</u>	<u>120,422</u>	<u>104,578</u>
Total Expenditures	<u>225,000</u>	<u>120,422</u>	<u>104,578</u>
Revenues in Excess of (Less than) Expenditures	<u>(25,000)</u>	<u>115,206</u>	<u>140,206</u>
Net Change in Fund Balance	<u>(25,000)</u>	<u>115,206</u>	<u>140,206</u>
Fund Balance at Beginning of Year	561,535	561,535	-
Fund Balance at End of Year	<u>\$ 536,535</u>	<u>\$ 676,741</u>	<u>\$ 140,206</u>

Special Revenue Fund

Lake Okeechobee

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 4,352	\$ 4,352
Sale of District Property	-	2,476	2,476
Total Revenues	-	6,828	6,828
EXPENDITURES			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	1,319,134	14,100	1,305,034
Total Everglades Policy and Coordination	1,319,134	14,100	1,305,034
Total Expenditures	1,319,134	14,100	1,305,034
Revenues in Excess of (Less than) Expenditures	(1,319,134)	(7,272)	1,311,862
Net Change in Fund Balance	(1,319,134)	(7,272)	1,311,862
Fund Balance at Beginning of Year	1,349,790	1,349,790	-
Fund Balance at End of Year	\$ 30,656	\$ 1,342,518	\$ 1,311,862



**Special Revenue Fund  
Save Our Everglades  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 4,507,964	\$ 1,362,384	(\$ 3,145,580)
Investment Earnings	-	17,721	17,721
Leases	276,218	593,524	317,306
<b>Total Revenues</b>	<b>4,784,182</b>	<b>1,973,629</b>	<b>(2,810,553)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	7,328,942	964,261	6,364,681
<b>Total Everglades Policy and Coordination</b>	<b>7,328,942</b>	<b>964,261</b>	<b>6,364,681</b>
Field Operations and Land Management			
Acquisition, Restoration and Public Works	61,748	61,748	-
Operations and Maintenance of Lands and Works	133,760	129,172	4,588
<b>Total Field Operations and Land Management</b>	<b>195,508</b>	<b>190,920</b>	<b>4,588</b>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	230,301	-	230,301
Acquisition, Restoration and Public Works	3,661,871	97,016	3,564,855
<b>Total Operations, Maintenance, and Construction</b>	<b>3,892,172</b>	<b>97,016</b>	<b>3,795,156</b>
Real Estate			
Acquisition, Restoration and Public Works	25,200	-	25,200
Operations and Maintenance of Lands and Works	160,143	97,732	62,411
<b>Total Real Estate</b>	<b>185,343</b>	<b>97,732</b>	<b>87,611</b>
<b>Total Expenditures</b>	<b>11,601,965</b>	<b>1,349,929</b>	<b>10,252,036</b>
Revenues in Excess of (Less than) Expenditures	(6,817,783)	623,700	7,441,483
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	460,602	230,301	(230,301)
Transfers Out	(129,474)	(129,474)	-
<b>Total Other Financing Sources (Uses)</b>	<b>331,128</b>	<b>100,827</b>	<b>(230,301)</b>
Net Change in Fund Balance	(6,486,655)	724,527	7,211,182
Fund Balance at Beginning of Year	642,423	642,423	-
Fund Balance at End of Year	<u><u>(\$ 5,844,232)</u></u>	<u><u>\$ 1,366,950</u></u>	<u><u>\$ 7,211,182</u></u>

**Special Revenue Fund  
Land Acquisition Trust  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 58,204,681	\$ 15,899,210	(\$ 42,305,471)
Leases	-	5,000	5,000
Other	-	2,138	2,138
<b>Total Revenues</b>	<b>58,204,681</b>	<b>15,906,348</b>	<b>(42,298,333)</b>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	57,838,034	10,886,287	46,951,747
<b>Total Everglades Policy and Coordination</b>	<b>57,838,034</b>	<b>10,886,287</b>	<b>46,951,747</b>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	3,850,000	3,850,000	-
<b>Total Field Operations and Land Management</b>	<b>3,850,000</b>	<b>3,850,000</b>	<b>-</b>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	816,647	816,647	-
<b>Total Operations, Maintenance, and Construction</b>	<b>816,647</b>	<b>816,647</b>	<b>-</b>
Real Estate			
Acquisition, Restoration and Public Works	785,432	435,008	350,424
<b>Total Real Estate</b>	<b>785,432</b>	<b>435,008</b>	<b>350,424</b>
<b>Total Expenditures</b>	<b>63,290,113</b>	<b>15,987,942</b>	<b>47,302,171</b>
Revenues in Excess of (Less than) Expenditures	(5,085,432)	(81,594)	5,003,838
Net Change in Fund Balance	(5,085,432)	(81,594)	5,003,838
Fund Balance at Beginning of Year	5,284,105	5,284,105	-
Fund Balance at End of Year	<b>\$ 198,673</b>	<b>\$ 5,202,511</b>	<b>\$ 5,003,838</b>

**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, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	\$ 292,481	\$ 199,792	\$ 92,689
Total Operations, Maintenance, and Construction	292,481	199,792	92,689
Total Expenditures	292,481	199,792	92,689
Revenues in Excess of (Less than) Expenditures	(292,481)	(199,792)	92,689
Net Change in Fund Balance	(292,481)	(199,792)	92,689
Fund Balance at Beginning of Year	(3,519)	(3,519)	-
Fund Balance at End of Year	(\$ 296,000)	(\$ 203,311)	\$ 92,689

Special Revenue Fund

Florida Bay

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

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ -
Investment Earnings	-	90,486	90,486
Other	-	445	445
<b>Total Revenues</b>	<b>1,000,000</b>	<b>1,090,931</b>	<b>90,931</b>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Water Resources Planning and Monitoring	8,101	-	8,101
<b>Total Administrative Services and Executive Offices</b>	<b>8,101</b>	<b>-</b>	<b>8,101</b>
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	7,046,397	206,620	6,839,777
<b>Total Everglades Policy and Coordination</b>	<b>7,046,397</b>	<b>206,620</b>	<b>6,839,777</b>
Water Resources			
Water Resources Planning and Monitoring	1,217,788	773,300	444,488
Acquisition, Restoration and Public Works	779,938	471,037	308,901
<b>Total Water Resources</b>	<b>1,997,726</b>	<b>1,244,337</b>	<b>753,389</b>
<b>Total Expenditures</b>	<b>9,052,224</b>	<b>1,450,957</b>	<b>7,601,267</b>
Revenues in Excess of (Less than) Expenditures	(8,052,224)	(360,026)	7,692,198
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	881,836	440,918	(440,918)
Transfers Out	(4,762,838)	(4,762,838)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,881,002)</b>	<b>(4,321,920)</b>	<b>(440,918)</b>
Net Change in Fund Balance	(11,933,226)	(4,681,946)	7,251,280
Fund Balance at Beginning of Year	12,527,161	12,527,161	-
Fund Balance at End of Year	<b>\$ 593,935</b>	<b>\$ 7,845,215</b>	<b>\$ 7,251,280</b>

## Capital Projects Fund

## District

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

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	(\$ 21,558)	(\$ 21,558)
Sale of District Property	-	19,627	19,627
Other	-	-	-
Total Revenues	-	(1,931)	(1,931)
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Acquisition, Restoration and Public Works	506,650	60,524	446,128
Outreach	5,898	5,898	-
Total Administrative Services and Executive Offices	512,548	66,422	446,128
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	72,044	72,044	-
Total Everglades Policy and Coordination	72,044	72,044	-
Field Operations and Land Management			
Water Resources Planning and Monitoring	38,797	35,317	3,480
Acquisition, Restoration and Public Works	222,527	186,527	36,000
Operations and Maintenance of Lands and Works	291,974	102,325	189,649
Regulation	97,275	50,000	47,275
District Management and Administration	59,493	59,493	-
Total Field Operations and Land Management	710,066	433,662	276,404
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	1,813	1,813	-
Acquisition, Restoration and Public Works	23,925,800	4,088,663	19,837,137
Operations and Maintenance of Lands and Works	3,236,788	3,010,529	226,259
Total Operations, Maintenance, and Construction	27,164,401	7,101,005	20,063,396
Regulation			
Regulation	19,720	-	19,720
District Management and Administration	79,193	79,193	-
Total Regulation	98,913	79,193	19,720
Water Resources			
Water Resources Planning and Monitoring	308,576	68,620	239,956
Acquisition, Restoration and Public Works	27,288	12,337	14,951
Total Water Resources	335,864	80,957	254,907
Real Estate			
Acquisition, Restoration and Public Works	24,108	136,340	(112,232)
Operations and Maintenance of Lands and Works	22,000	16,687	5,313
Total Real Estate	46,108	153,027	(106,919)
Information Technology			
Water Resources Planning and Monitoring	5,880	5,880	-
Acquisition, Restoration and Public Works	11,858	11,858	-
Operations and Maintenance of Lands and Works	432,053	402,830	29,223
Regulation	10,649	10,649	-
District Management and Administration	2,054,112	1,807,784	246,328
Total Information Technology	2,514,552	2,239,001	275,551

Capital Projects Fund

District

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

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Debt Service			
COPS Bond Principal Retirement	5,840,010	5,698,868	141,142
COPS Bond Interest	8,476,228	8,617,370	(141,142)
Total Debt Service	<u>14,316,238</u>	<u>14,316,238</u>	<u>-</u>
Contingency			
Managerial Reserve	75,600	-	75,600
Total Contingency	<u>75,600</u>	<u>-</u>	<u>75,600</u>
Total Expenditures	<u>45,846,333</u>	<u>24,541,549</u>	<u>21,304,787</u>
Revenues in Excess of (Less than) Expenditures	<u>(45,846,334)</u>	<u>(24,543,480)</u>	<u>21,302,854</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	52,753,605	26,376,802	(26,376,803)
Transfers Out	(1,292)	(1,292)	-
Total Other Financing Sources (Uses)	<u>52,752,313</u>	<u>26,375,510</u>	<u>(26,376,803)</u>
Net Change in Fund Balance	<u>6,905,979</u>	<u>1,832,030</u>	<u>(5,073,947)</u>
Fund Balance at Beginning of Year	27,422,080	27,422,080	-
Fund Balance at End of Year	<u>\$ 34,328,059</u>	<u>\$ 29,254,110</u>	<u>(\$ 5,073,947)</u>

**Capital Projects Fund  
Okeechobee Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 622,600	\$ 2,756,140	\$ 2,133,540
Investment Earnings	-	134,038	134,038
Sale of District Property	-	1,117,295	1,117,295
Other	-	88,499	88,499
Total Revenues	<u>622,600</u>	<u>4,095,972</u>	<u>3,473,372</u>
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	1,911,211	1,259,420	651,791
Total Everglades Policy and Coordination	<u>1,911,211</u>	<u>1,259,420</u>	<u>651,791</u>
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	3,630,297	2,489,740	1,140,557
Total Field Operations and Land Management	<u>3,630,297</u>	<u>2,489,740</u>	<u>1,140,557</u>
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	19,708	19,708	-
Acquisition, Restoration and Public Works	35,865,915	10,748,418	25,117,497
Operations and Maintenance of Lands and Works	33,033,110	30,766,227	2,266,883
Total Operations, Maintenance, and Construction	<u>68,918,733</u>	<u>41,534,353</u>	<u>27,384,380</u>
Water Resources			
Water Resources Planning and Monitoring	49,506	45,956	3,550
Total Water Resources	<u>49,506</u>	<u>45,956</u>	<u>3,550</u>
Real Estate			
Acquisition, Restoration and Public Works	7,088,715	-	7,088,715
Operations and Maintenance of Lands and Works	111,100	80,816	30,284
Total Real Estate	<u>7,199,815</u>	<u>80,816</u>	<u>7,118,999</u>
Information Technology			
Operations and Maintenance of Lands and Works	50,444	47,289	3,155
Total Information Technology	<u>50,444</u>	<u>47,289</u>	<u>3,155</u>
Contingency			
Managerial Reserve	9,303	-	9,303
Total Contingency	<u>9,303</u>	<u>-</u>	<u>9,303</u>
Total Expenditures	<u>81,769,309</u>	<u>45,457,574</u>	<u>36,311,735</u>
Revenues in Excess of (Less than) Expenditures	<u>(81,146,709)</u>	<u>(41,361,602)</u>	<u>39,785,107</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	72,884,526	-	(36,442,263)
Transfers Out	(84,707)	(84,707)	-
Total Other Financing Sources (Uses)	<u>72,799,819</u>	<u>(84,707)</u>	<u>(36,442,263)</u>
Net Change in Fund Balance	<u>(8,346,890)</u>	<u>(5,004,046)</u>	<u>3,342,844</u>
Fund Balance at Beginning of Year	48,137,437	48,137,437	-
Fund Balance at End of Year	<u>\$ 39,790,547</u>	<u>\$ 43,133,391</u>	<u>\$ 3,342,844</u>

**Capital Projects Fund  
Big Cypress Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 48,900	\$ 48,900
Sale of District Property	-	1,198,536	1,198,536
Other	-	375	375
Total Revenues	-	1,247,811	1,247,811
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	561,550	561,550	-
Total Field Operations and Land Management	561,550	561,550	-
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	1,605,342	764,604	840,738
Total Operations, Maintenance, and Construction	1,605,342	764,604	840,738
Total Expenditures	2,166,892	1,326,154	840,738
Revenues in Excess of (Less than) Expenditures	(2,166,892)	(78,343)	2,088,549
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,534,272	1,267,136	(1,267,136)
Total Other Financing Sources (Uses)	2,534,272	1,267,136	(1,267,136)
Net Change in Fund Balance	367,380	1,188,793	821,413
Fund Balance at Beginning of Year	5,505,490	5,505,490	-
Fund Balance at End of Year	\$ 5,872,870	\$ 6,694,283	\$ 821,413



Capital Projects Fund

Save Our Rivers

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

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 2,670,328	\$ -	(\$ 2,670,328)
Investment Earnings	-	70,276	70,276
Sale of District Property	-	310,051	310,051
<b>Total Revenues</b>	<b>2,670,328</b>	<b>380,327</b>	<b>(2,290,001)</b>
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	34,522	27,822	6,700
<b>Total Field Operations and Land Management</b>	<b>34,522</b>	<b>27,822</b>	<b>6,700</b>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	798,842	798,842	-
<b>Total Operations, Maintenance, and Construction</b>	<b>798,842</b>	<b>798,842</b>	<b>-</b>
Real Estate			
Acquisition, Restoration and Public Works	5,967,102	13,085	5,954,017
<b>Total Real Estate</b>	<b>5,967,102</b>	<b>13,085</b>	<b>5,954,017</b>
Contingency			
Managerial Reserve	2,670,328	-	2,670,328
<b>Total Contingency</b>	<b>2,670,328</b>	<b>-</b>	<b>2,670,328</b>
<b>Total Expenditures</b>	<b>9,470,794</b>	<b>839,749</b>	<b>8,631,045</b>
Revenues in Excess of (Less than) Expenditures	(6,800,466)	(459,422)	6,341,044
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	101,152	50,576	(50,576)
<b>Total Other Financing Sources (Uses)</b>	<b>101,152</b>	<b>50,576</b>	<b>(50,576)</b>
Net Change in Fund Balance	(6,699,314)	(408,846)	6,290,468
Fund Balance at Beginning of Year	9,524,270	9,524,270	-
Fund Balance at End of Year	<b>\$ 2,824,956</b>	<b>\$ 9,115,424</b>	<b>\$ 6,290,468</b>

**Capital Projects Fund  
State Appropriations  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 54,782	\$ 54,782
Total Revenues	-	54,782	54,782
<b>EXPENDITURES</b>			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	13,554	13,554	-
Total Everglades Policy and Coordination	13,554	13,554	-
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,486,626	1,108,589	378,037
Total Operations, Maintenance, and Construction	1,486,626	1,108,589	378,037
Total Expenditures	1,500,180	1,122,143	378,037
Revenues in Excess of (Less than) Expenditures	(1,500,180)	(1,067,361)	432,819
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(37,636)	(37,636)	-
Total Other Financing Sources (Uses)	(37,636)	(37,636)	-
Net Change in Fund Balance	(1,537,816)	(1,104,997)	432,819
Fund Balance at Beginning of Year	(462,184)	(462,184)	-
Fund Balance at End of Year	(\$ 2,000,000)	(\$ 1,567,181)	\$ 432,819

## Capital Projects Fund

## Everglades Trust

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

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ 700,000	\$ 504,880	(\$ 195,120)
Sale of District Property	-	3,688	3,688
Total Revenues	700,000	508,568	(191,432)
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	48,562	47,161	1,401
Total Field Operations and Land Management	48,562	47,161	1,401
Operations, Maintenance and Construction			
Water Resources Planning and Monitoring	53,200	4,990	48,210
Acquisition, Restoration and Public Works	21,388,402	3,233,099	18,155,303
Operations and Maintenance of Lands and Works	952,664	903,159	49,505
Total Operations, Maintenance, and Construction	22,394,266	4,141,248	18,253,018
Water Resources			
Water Resources Planning and Monitoring	11,198	4,768	6,430
Operations and Maintenance of Lands and Works	144,279	113,092	31,187
Total Water Resources	155,477	117,860	37,617
Real Estate			
Acquisition, Restoration and Public Works	8,306,217	-	8,306,217
Total Real Estate	8,306,217	-	8,306,217
Debt Service			
COPS Bond Principal Retirement	6,251,709	7,051,132	(799,424)
COPS Bond Interest	10,487,522	9,688,098	799,424
Total Debt Service	16,739,231	16,739,230	-
Total Expenditures	47,643,753	21,045,499	26,598,253
Revenues in Excess of (Less than) Expenditures	(46,943,752)	(20,536,931)	26,406,821
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	26,647,416	13,323,708	(13,323,708)
Total Other Financing Sources (Uses)	26,647,416	13,323,708	(13,323,708)
Net Change in Fund Balance	(20,296,337)	(7,213,223)	13,083,113
Fund Balance at Beginning of Year	86,686,277	86,686,277	-
Fund Balance at End of Year	\$ 66,389,940	\$ 79,473,054	\$ 13,083,113

**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, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Sale of District Property	\$ -	\$ 8	\$ 8
Total Revenues	-	8	8
EXPENDITURES			
Revenues in Excess of (Less than) Expenditures	-	8	8
Net Change in Fund Balance	-	8	8
Fund Balance at Beginning of Year	19	19	-
Fund Balance at End of Year	\$ 19	\$ 27	\$ 8

## Capital Projects Fund

## Florida Bay

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

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,064,000	\$ 6,007,882	\$ 943,882
Investment Earnings	-	11,408	11,408
Other	-	64	64
Total Revenues	<u>5,064,000</u>	<u>6,019,354</u>	<u>955,354</u>
EXPENDITURES			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	257,491	148,241	109,250
Total Everglades Policy and Coordination	<u>257,491</u>	<u>148,241</u>	<u>109,250</u>
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	9,621,553	5,669,758	3,951,795
Total Operations, Maintenance, and Construction	<u>9,621,553</u>	<u>5,669,758</u>	<u>3,951,795</u>
Water Resources			
Water Resources Planning and Monitoring	47,427	34,527	12,900
Total Water Resources	<u>47,427</u>	<u>34,527</u>	<u>12,900</u>
Real Estate			
Acquisition, Restoration and Public Works	1,000,000	-	1,000,000
Total Real Estate	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Expenditures	<u>10,926,471</u>	<u>5,852,526</u>	<u>5,073,945</u>
Revenues in Excess of (Less than) Expenditures	<u>(5,862,471)</u>	<u>166,828</u>	<u>6,029,299</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	9,525,675	4,762,838	(4,762,837)
Transfers Out	(440,918)	(440,918)	-
Total Other Financing Sources (Uses)	<u>9,084,757</u>	<u>4,321,920</u>	<u>(4,762,837)</u>
Net Change in Fund Balance	3,222,286	4,488,748	1,266,462
Fund Balance at Beginning of Year	1,827,526	1,827,526	-
Fund Balance at End of Year	<u>\$ 5,049,812</u>	<u>\$ 6,316,274</u>	<u>\$ 1,266,462</u>

**Capital Projects Fund**  
**Wetland Mitigation**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 42,548	\$ 42,548
<b>Total Revenues</b>	<b>-</b>	<b>42,548</b>	<b>42,548</b>
<b>EXPENDITURES</b>			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,211,857	1,211,857	-
<b>Total Operations, Maintenance, and Construction</b>	<b>1,211,857</b>	<b>1,211,857</b>	<b>-</b>
Real Estate			
Operations and Maintenance of Lands and Works	94,800	43,550	51,250
<b>Total Real Estate</b>	<b>94,800</b>	<b>43,550</b>	<b>51,250</b>
<b>Total Expenditures</b>	<b>1,306,657</b>	<b>1,255,407</b>	<b>51,250</b>
Revenues in Excess of (Less than) Expenditures	(1,306,657)	(1,212,859)	93,798
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	44,377	22,189	(22,188)
Transfers Out	(5,200)	(5,200)	-
<b>Total Other Financing Sources (Uses)</b>	<b>39,177</b>	<b>16,989</b>	<b>(22,188)</b>
Net Change in Fund Balance	(1,267,480)	(1,195,870)	71,610
Fund Balance at Beginning of Year	6,372,118	6,372,118	-
Fund Balance at End of Year	<b>\$ 5,104,638</b>	<b>\$ 5,176,248</b>	<b>\$ 71,610</b>

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, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Sale of District Property	\$ -	\$ 25,316	\$ 25,316
Total Revenues	-	25,316	25,316
EXPENDITURES			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,980,840	-	1,980,840
Total Operations, Maintenance, and Construction	1,980,840	-	1,980,840
Total Expenditures	1,980,840	-	1,980,840
Revenues in Excess of (Less than) Expenditures	(1,980,840)	25,316	2,006,156
Net Change in Fund Balance	(1,980,840)	25,316	2,006,156
Fund Balance at Beginning of Year	1,984,313	1,984,313	-
Fund Balance at End of Year	\$ 3,473	\$ 2,009,629	\$ 2,006,156

Capital Projects Fund

Federal Land Acquisition

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Transfers Out	(\$ 187,973)	(\$ 187,973)	\$ -
Total Other Financing Sources (Uses)	(187,973)	(187,973)	-
Net Change in Fund Balance	(187,973)	(187,973)	-
Fund Balance at Beginning of Year	3,932,715	3,932,715	-
Fund Balance 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, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 101,570,715	\$ 47,796,368	(\$ 53,774,347)
Investment Earnings	-	16,745	16,745
Sale of District Property	-	1,375,047	1,375,047
<b>Total Revenues</b>	<b>101,570,715</b>	<b>49,188,160</b>	<b>(52,382,555)</b>
<b>EXPENDITURES</b>			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	92,299,061	49,685,501	42,613,560
<b>Total Operations, Maintenance, and Construction</b>	<b>92,299,061</b>	<b>49,685,501</b>	<b>42,613,560</b>
Real Estate			
Acquisition, Restoration and Public Works	6,395,489	1,466,590	4,928,899
<b>Total Real Estate</b>	<b>6,395,489</b>	<b>1,466,590</b>	<b>4,928,899</b>
Contingency			
Managerial Reserve	22,000,000	-	22,000,000
<b>Total Contingency</b>	<b>22,000,000</b>	<b>-</b>	<b>22,000,000</b>
<b>Total Expenditures</b>	<b>120,694,550</b>	<b>51,152,091</b>	<b>69,542,459</b>
Revenues in Excess of (Less than) Expenditures	(19,123,835)	(1,963,931)	17,159,904
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	258,948	129,474	(129,474)
Transfers Out	(230,301)	(230,301)	-
<b>Total Other Financing Sources (Uses)</b>	<b>28,647</b>	<b>(100,827)</b>	<b>(129,474)</b>
Net Change in Fund Balance	(19,095,188)	(2,064,758)	17,030,430
Fund Balance at Beginning of Year	(3,376,650)	(3,376,650)	-
Fund Balance at End of Year	(\$ 22,471,838)	(\$ 5,441,408)	\$ 17,030,430

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, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Everglades Policy and Coordination			
Acquisition, Restoration and Public Works	\$ 2,212	\$ -	\$ 2,212
Total Everglades Policy and Coordination	2,212	-	2,212
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	1,579,789	64,784	1,515,005
Total Operations, Maintenance, and Construction	1,579,789	64,784	1,515,005
Water Resources			
Acquisition, Restoration and Public Works	2,124	2,124	-
Total Water Resources	2,124	2,124	-
Total Expenditures	1,584,125	66,908	1,517,217
Revenues in Excess of (Less than) Expenditures	(1,584,125)	(66,908)	1,517,217
OTHER FINANCING SOURCES (USES)			
Transfers In	24,048	12,024	(12,024)
Total Other Financing Sources (Uses)	24,048	12,024	(12,024)
Net Change in Fund Balance	(1,560,077)	(54,884)	1,505,193
Fund Balance at Beginning of Year	1,572,103	1,572,103	-
Fund Balance at End of Year	\$ 12,026	\$ 1,517,219	\$ 1,505,193

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, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 1,636	\$ 1,636
Sale of District Property	-	6,738	6,738
Other	-	38,137	38,137
Total Revenues	-	46,511	46,511
EXPENDITURES			
Debt Service			
COPS Bond Principal Retirement	974,057	-	974,057
COPS Bond Interest	-	974,057	(974,057)
Total Debt Service	974,057	974,057	-
Total Expenditures	974,057	974,057	-
Revenues in Excess of (Less than) Expenditures	(974,057)	(927,546)	46,511
OTHER FINANCING SOURCES (USES)			
Transfers In	164,882	82,441	(82,441)
Total Other Financing Sources (Uses)	164,882	82,441	(82,441)
Net Change in Fund Balance	(809,175)	(845,105)	(35,930)
Fund Balance at Beginning of Year	1,209,721	1,209,721	-
Fund Balance at End of Year	\$ 400,546	\$ 364,616	(\$ 35,930)

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, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(\$ 82,441)	(\$ 82,441)	\$ -
Total Other Financing Sources (Uses)	(82,441)	(82,441)	-
Net Change in Fund Balance	(82,441)	(82,441)	-
Fund Balance at Beginning of Year	82,453	82,453	-
Fund Balance at End of Year	\$ 12	\$ 12	\$ -

**Capital Projects Fund  
Lake Belt Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance and Construction			
Operations and Maintenance of Lands and Works	\$ 5,657,431	\$ 808,755	\$ 4,848,676
Total Operations, Maintenance, and Construction	5,657,431	808,755	4,848,676
Real Estate			
Operations and Maintenance of Lands and Works	11,775,890	4,564,307	7,211,583
Total Real Estate	11,775,890	4,564,307	7,211,583
Contingency			
Managerial Reserve	10,000	-	10,000
Total Contingency	10,000	-	10,000
Total Expenditures	17,443,321	5,373,062	12,070,259
Revenues in Excess of (Less than) Expenditures	(17,443,321)	(5,373,062)	12,070,259
OTHER FINANCING SOURCES (USES)			
Transfers In	19,448,920	9,724,460	(9,724,460)
Total Other Financing Sources (Uses)	19,448,920	9,724,460	(9,724,460)
Net Change in Fund Balance	2,005,599	4,351,398	2,345,799
Fund Balance at Beginning of Year	(671,893)	(671,893)	-
Fund Balance at End of Year	\$ 1,333,706	\$ 3,679,505	\$ 2,345,799

Capital Projects Fund

Lake Okeechobee

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

For the Year Ended September 30, 2017

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

Capital Projects Fund

External Grants

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

For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 4,206	\$ 4,206
Investment Earnings	-	136	136
Total Revenues	<u>-</u>	<u>4,342</u>	<u>4,342</u>
EXPENDITURES			
Field Operations and Land Management			
Acquisition, Restoration and Public Works	4,206	4,206	-
Total Field Operations and Land Management	<u>4,206</u>	<u>4,206</u>	<u>-</u>
Total Expenditures	<u>4,206</u>	<u>4,206</u>	<u>-</u>
Revenues in Excess of (Less than) Expenditures	<u>(4,206)</u>	<u>136</u>	<u>4,341</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	8,411	4,206	(4,206)
Total Other Financing Sources (Uses)	<u>8,411</u>	<u>4,206</u>	<u>(4,206)</u>
Net Change in Fund Balance	<u>4,205</u>	<u>4,342</u>	<u>136</u>
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ 4,205</u>	<u>\$ 4,342</u>	<u>\$ 136</u>

**Capital Projects Fund  
Land Acquisition Trust  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 67,183,353	\$ 90,682,400	\$ 23,499,047
Total Revenues	<u>67,183,353</u>	<u>90,682,400</u>	<u>23,499,047</u>
EXPENDITURES			
Operations, Maintenance and Construction			
Acquisition, Restoration and Public Works	88,882,666	75,429,726	13,452,940
Total Operations, Maintenance, and Construction	<u>88,882,666</u>	<u>75,429,726</u>	<u>13,452,940</u>
Real Estate			
Acquisition, Restoration and Public Works	44,022,800	7,014,567	37,008,233
Total Real Estate	<u>44,022,800</u>	<u>7,014,567</u>	<u>37,008,233</u>
Total Expenditures	<u>132,905,466</u>	<u>82,444,293</u>	<u>50,461,173</u>
Revenues in Excess of (Less than) Expenditures	(65,722,113)	8,238,107	73,960,220
Net Change in Fund Balance	<u>(65,722,113)</u>	<u>8,238,107</u>	<u>73,960,220</u>
Fund Balance at Beginning of Year	(13,489,360)	(13,489,360)	-
Fund Balance at End of Year	<u><u>(\$ 79,211,473)</u></u>	<u><u>(\$ 5,251,253)</u></u>	<u><u>\$ 73,960,220</u></u>



**Permanent Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2017**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 135,707	135,707
Licenses, Permits and Fees	-	7,220	7,220
Total Revenues	-	142,927	142,927
<b>EXPENDITURES</b>			
Field Operations and Land Management			
Operations and Maintenance of Lands and Works	108,074	-	108,074
Total Field Operations and Land Management	108,074	-	108,074
Total Expenditures	108,074	-	108,074
Revenues in Excess of (Less than) Expenditures	(108,074)	142,927	251,001
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	216,148	108,074	(108,074)
Transfers Out	(1,100,000)	(1,026,942)	73,058
Total Other Financing Sources (Uses)	(883,852)	(918,868)	(35,016)
Net Change in Fund Balance	(991,926)	(775,941)	215,985
Fund Balance at Beginning of Year	16,267,998	16,267,998	-
Fund Balance at End of Year	\$ 15,276,072	\$ 15,492,057	\$ 215,985

# **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, 2017**

	Self Insurance Fund	Health Benefits Fund	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 7,241,491	\$ 11,618,476	\$ 18,859,967
Accounts Receivable	55,660	13,391	69,051
Due from Other Funds	-	197,214	197,214
Other Assets	140,000	775,000	915,000
Total Current Assets	7,437,151	12,604,081	20,041,232
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,459	-	27,459
Vehicles	36,224	-	36,224
Accumulated Depreciation	(46,024)	-	(46,024)
Total Noncurrent Assets	17,659	-	17,659
Total Assets	7,454,810	12,604,081	20,058,891
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 1,429	\$ 756,013	\$ 757,442
Due to Other Funds	271	-	271
Claims Payable	836,618	1,892,000	2,728,618
Total Current Liabilities	838,318	2,648,013	3,486,331
Noncurrent Liabilities			
Claims Payable	2,338,382	-	2,338,382
Total Noncurrent Liabilities	2,338,382	-	2,338,382
Total Liabilities	3,176,700	2,648,013	5,824,713
<b>NET POSITION</b>			
Net Position			
Net Investment in Capital Assets	17,658	-	17,658
Unrestricted	4,260,452	9,956,068	14,216,520
Total Net Position	\$ 4,278,110	\$ 9,956,068	\$ 14,234,178

**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, 2017**

	Self Insurance Fund	Health Benefits Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ 28,511,071	\$ 28,511,071
Other Operating Revenue	74,333	1,551	75,884
Total Operating Revenues	<u>74,333</u>	<u>28,512,622</u>	<u>28,586,955</u>
<b>OPERATING EXPENSES</b>			
Salaries	235,224	110,510	345,734
Benefits	87,187	47,098	134,285
Claims	745,821	25,015,567	25,761,388
Purchased Services	132,999	9,000	141,999
Administrative Fees	-	1,973,808	1,973,808
Other	865,335	721,749	1,587,084
Depreciation	4,246	-	4,246
Total Operating Expenses	<u>2,070,812</u>	<u>27,877,732</u>	<u>29,948,544</u>
OPERATING INCOME (LOSS)	(1,996,479)	634,890	(1,361,589)
<b>NONOPERATING REVENUES</b>			
Investment Earnings	62,799	127,349	190,148
Total Nonoperating Revenues	<u>62,799</u>	<u>127,349</u>	<u>190,148</u>
Change in Net Position	(1,933,680)	762,239	(1,171,441)
Net Position at Beginning of Year	<u>6,211,790</u>	<u>9,193,829</u>	<u>15,405,619</u>
Net Position at End of Year	<u>\$ 4,278,110</u>	<u>\$ 9,956,068</u>	<u>\$ 14,234,178</u>

**South Florida Water Management District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2017**

	Self Insurance Fund	Health Benefits Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Participants and Other Funds	\$ (14,493)	\$ 28,487,991	\$ 28,473,498
Cash Payments to Suppliers	(1,001,636)	(2,802,582)	(3,804,218)
Cash Payments for Salaries, Benefits	(322,411)	(157,609)	(480,020)
Claims Paid	(693,821)	(25,244,567)	(25,938,388)
Other Receipts (Payments)	74,333	(71,120)	3,213
Net Cash Provided by (Used in) Operating Activities	<u>(1,958,028)</u>	<u>212,113</u>	<u>(1,745,915)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment Earnings	62,799	127,349	190,148
Net Cash Provided by Investing Activities	<u>62,799</u>	<u>127,349</u>	<u>190,148</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,895,229)	339,462	(1,555,767)
Cash and Cash Equivalents, Beginning of Year	<u>9,136,720</u>	<u>11,279,013</u>	<u>20,415,733</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 7,241,491</u></u>	<u><u>\$ 11,618,476</u></u>	<u><u>\$ 18,859,967</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	(1,996,479)	634,890	(1,361,589)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Depreciation	4,246	-	4,246
<b>CHANGES IN ASSETS AND LIABILITIES:</b>			
Decrease (Increase) in Accounts Receivable	(14,493)	(23,080)	(37,573)
Decrease (Increase) in Due from Other Funds	-	(72,671)	(72,671)
Increase (Decrease) in Accounts Payable	(3,344)	(98,025)	(101,369)
Increase (Decrease) in Due to Other Funds	43	-	43
Increase (Decrease) in Estimated Unpaid Claims	52,000	(229,000)	(177,000)
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (1,958,028)</u></u>	<u><u>\$ 212,113</u></u>	<u><u>\$ (1,745,915)</u></u>

# **STATISTICAL SECTION**



## Statistical Section

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

### FINANCIAL TRENDS.....VI-2

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

### REVENUE CAPACITY .....VI-8

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

### DEBT CAPACITY .....VI-17

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION .....VI-19

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

### OPERATING INFORMATION .....VI-23

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

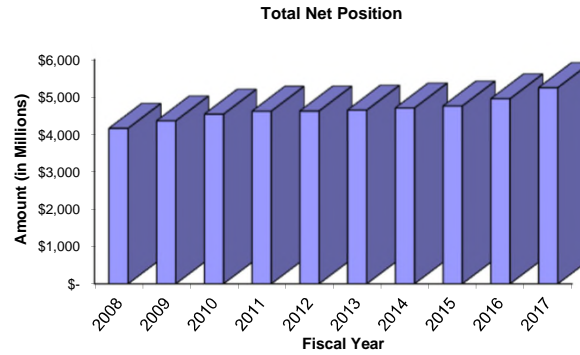
**Sources:** *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.*



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

	Fiscal Year									
	2008 <sup>1</sup>	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net investment in capital assets	\$ 3,679,678,118	\$ 3,788,956,243	\$ 3,889,860,428	\$ 4,157,311,051	\$ 4,172,534,665	\$ 4,213,896,550	\$ 4,278,898,454	\$ 4,377,051,337	\$ 4,560,442,644	\$ 4,877,884,765
Restricted for:										
Debt Service	28,235,089	28,523,676	28,802,266	30,327,489	29,482,154	29,834,800	30,249,638	30,676,809	22,547,650	21,221,875
Wetlands Mitigation										
Expendable	13,790,936	16,476,384	23,272,435	23,290,831	22,168,650	21,723,599	22,584,805	23,862,645	19,225,590	18,065,677
Nonexpendable	7,687,077	10,262,096	12,707,636	13,988,620	14,016,126	14,037,630	14,967,099	15,650,189	15,657,189	14,650,412
Environmental Programs	57,195,146	51,814,854	233,501,723	267,486,175	278,835,411	287,183,215	290,169,479	331,566,384	312,683,321	308,351,134
Capital Construction	-	-	-	63,511,269	27,848,557	27,416,896	27,081,874	29,429,975	53,532,928	49,827,674
Totals for Restricted	106,908,248	107,077,010	298,284,060	398,604,384	372,350,898	380,196,140	385,052,895	431,186,002	423,646,678	412,116,772
Unrestricted	379,896,285	471,387,884	355,459,774	68,008,071	83,455,740	58,479,678	45,580,540	(45,540,145)	(29,398,301)	(37,853,468)
Total Net Position	<u>\$ 4,166,482,651</u>	<u>\$ 4,367,421,137</u>	<u>\$ 4,543,604,262</u>	<u>\$ 4,623,923,506</u>	<u>\$ 4,628,341,303</u>	<u>\$ 4,652,572,368</u>	<u>\$ 4,709,531,889</u>	<u>\$ 4,762,697,194</u>	<u>\$ 4,954,691,021</u>	<u>\$ 5,252,148,069</u>

<sup>1</sup> Ending net position restated by \$41,053,467.



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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Functions/Programs</b>										
<b>Expenses</b>										
Water Resources Planning and Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,269,794	\$ 40,887,636
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	41,794,713	47,360,644
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	-	167,388,368	160,629,721
Regulation	-	-	-	-	-	-	-	-	21,350,565	27,825,040
Outreach	-	-	-	-	-	-	-	-	2,183,103	1,998,917
District Management and Administration	-	-	-	-	-	-	-	-	37,047,896	33,171,938
Land Stewardship	-	-	-	-	17,230,408	11,221,915	13,762,682	20,981,317	-	-
Mission Support	103,599,908	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	146,532,283	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	195,459,257	179,584,139	170,045,556	115,552,532	106,379,179	146,728,178	85,037,648	86,042,884	-	-
Water Supply	73,680,009	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	27,496,071	26,880,613	26,264,799	25,608,163	24,896,558	26,521,567	23,272,985	22,536,959	14,594,348	11,739,823
<b>Total Expenses</b>	<b>546,767,528</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>Program Revenues</b>										
<b>Operating Grants &amp; Contributions</b>										
Water Resources Planning and Monitoring	-	-	-	-	-	-	-	-	1,209,914	1,892,712
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	10,631,820	14,919,056
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	-	18,686,808	11,689,820
Regulation	-	-	-	-	-	-	-	-	4,860	2,390
District Management and Administration	-	-	-	-	-	-	-	-	33,684	29,283
<b>Total Operating Grants &amp; Contributions</b>	<b>87,562,691</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>Capital Grants &amp; Contributions:</b>										
Water Resources Planning and Monitoring	-	-	-	-	-	-	-	-	215,543	76,108,330
Acquisition, Restoration and Public Works	-	-	-	-	-	-	-	-	104,312,004	94,675,532
Operations and Maintenance of Lands and Works	-	-	-	-	-	-	-	-	46,198,123	104,371,889
<b>Total Capital Grants &amp; Contributions</b>	<b>248,199,285</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>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
Regulation	-	-	-	-	-	-	-	-	3,583,024	3,379,441
District Management and Administration	-	-	-	-	-	-	-	-	8,581,888	6,470,973
<b>Total Charges for Services</b>	<b>11,167,494</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>Total Program Revenues</b>	<b>346,929,470</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>Net (Expense)/Revenue</b>	<b>(199,838,058)</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>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues</b>										
Taxes:										
Property Taxes, Levied for General Purposes	475,621,991	451,384,521	394,194,577	347,234,986	236,860,170	232,838,276	233,527,102	233,437,089	233,728,031	236,802,155
Property Taxes, Levied for Everglades Construction	84,388,098	81,045,067	72,185,795	64,381,190	47,798,117	47,242,100	47,140,188	46,700,646	46,768,747	46,892,125
Investment Earnings	37,834,818	28,483,350	14,467,902	13,693,847	8,611,844	385,038	6,058,186	8,079,756	5,628,628	3,996,201
Other	13,707,833	26,747,397	8,391,237	2,162,878	1,051,963	1,092,105	2,087,127	6,019,966	4,624,231	5,529,309
Total General Revenues	<u>611,552,740</u>	<u>587,660,335</u>	<u>489,239,511</u>	<u>427,472,901</u>	<u>294,322,094</u>	<u>281,557,519</u>	<u>288,812,603</u>	<u>294,237,457</u>	<u>290,749,637</u>	<u>293,219,790</u>
Total Revenue	<u>958,482,210</u>	<u>696,919,943</u>	<u>639,352,809</u>	<u>504,793,427</u>	<u>389,882,790</u>	<u>392,966,497</u>	<u>432,623,361</u>	<u>455,117,810</u>	<u>502,757,344</u>	<u>621,070,767</u>
<b>Change in Net Position</b>	<u>\$ 411,714,682</u>	<u>\$ 200,938,486</u>	<u>\$ 176,183,125</u>	<u>\$ 80,319,244</u>	<u>\$ 4,417,797</u>	<u>\$ (21,669,520)</u>	<u>\$ 102,860,106</u>	<u>\$ 125,115,720</u>	<u>\$ 174,128,557</u>	<u>\$ 297,457,048</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.

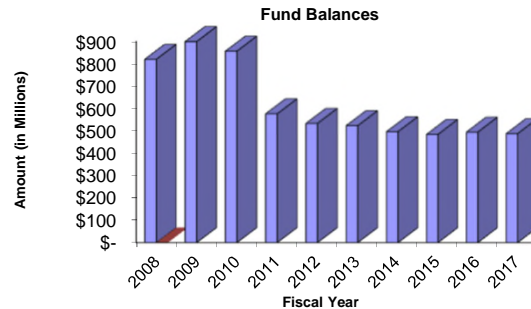
At the beginning of fiscal year 2012, the District reorganized its resource area and major program structure.

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 9,296,735	\$ 7,631,800	\$ 11,120,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	84,982,169	81,084,241	76,659,888	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	201,145	201,145	-	-	-	-
Restricted	-	-	-	1,190,857	-	-	-	-	-	-
Committed	-	-	-	13,571,806	20,532,474	27,514,703	14,919,347	7,703,792	16,700,045	21,854,988
Assigned	-	-	-	50,267,731	48,616,088	32,914,652	42,477,518	46,652,734	43,130,042	33,304,441
Unassigned	-	-	-	22,761,839	12,774,338	2,485,387	6,022,833	9,287,577	3,228,512	7,233,322
<b>Total General Fund</b>	<u>94,278,904</u>	<u>88,716,041</u>	<u>87,780,556</u>	<u>87,792,233</u>	<u>82,124,045</u>	<u>63,115,887</u>	<u>63,419,698</u>	<u>63,644,103</u>	<u>63,058,599</u>	<u>62,392,751</u>
<b>All Other Governmental Funds</b>										
Reserved	95,628,437	100,455,114	128,352,468	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	126,025,864	137,081,191	116,393,784	-	-	-	-	-	-	-
Capital Project Funds	504,835,607	572,503,303	523,243,561	-	-	-	-	-	-	-
Permanent Fund	(902,266)	(37,783)	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	19,858,805	20,196,060	20,088,942	20,685,277	20,930,044	20,310,113	19,894,555
Restricted	-	-	-	418,023,868	386,520,197	397,978,668	412,681,591	392,477,836	407,885,311	397,017,351
Committed	-	-	-	31,991,986	12,223,594	57,610	-	10,642,924	6,551,624	416,947
Assigned	-	-	-	32,464,433	34,453,856	41,804,359	22,923,057	27,339,886	14,348,013	22,874,593
Unassigned	-	-	-	(13,880,130)	(2,213,847)	(73,179)	(23,947,554)	(31,467,143)	(18,642,938)	(15,613,896)
<b>Total All Other Governmental Funds</b>	<u>725,587,642</u>	<u>810,001,825</u>	<u>767,989,813</u>	<u>488,458,962</u>	<u>451,179,860</u>	<u>459,856,400</u>	<u>432,342,371</u>	<u>419,923,547</u>	<u>430,452,123</u>	<u>424,589,550</u>
<b>Grand Total</b>	<u>\$ 819,866,546</u>	<u>\$ 898,717,866</u>	<u>\$ 855,770,369</u>	<u>\$ 576,251,195</u>	<u>\$ 533,303,905</u>	<u>\$ 522,972,287</u>	<u>\$ 495,762,069</u>	<u>\$ 483,567,650</u>	<u>\$ 493,510,722</u>	<u>\$ 486,982,301</u>

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810	\$ 269,227,569	\$ 269,056,878	\$ 269,317,745	\$ 272,817,499
Agricultural Privilege Taxes	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721	11,080,857	11,179,033	10,876,781
Intergovernmental	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812	103,360,352	137,453,501	176,785,459
Investment Earnings	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856	7,852,547	5,474,506	3,806,053
Licenses, Permits and Fees	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882	24,544,820	16,732,989	11,340,169
Self-Insurance Premiums	3,109,956	2,548,463	-	-	-	-	-	-	-	-
Sale of District Property	1,521,780	342,759	603,025	1,868,263	507,382	450,251	274,146	4,442,084	2,952,891	4,527,912
Indirect Costs Recovered	8,460,722	6,885,448	5,445,432	5,420,591	-	-	-	-	-	-
Leases	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753	4,372,061	5,400,073	6,350,822
Other	1,502,932	11,173,458	2,934,236	895,996	959,735	922,227	1,995,553	5,113,114	1,604,275	925,513
<b>Total Revenues</b>	<b>910,086,790</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>EXPENDITURES</b>										
Current Operating	549,741,552	422,077,480	399,429,299	382,014,723	282,692,406	273,201,406	261,781,219	249,029,375		
Water Resources Planning and Monitoring									35,755,217	32,856,294
Acquisition, Restoration and Public Works									31,333,631	38,103,707
Operations and Maintenance of Lands and Works									147,171,478	138,443,051
Regulation									20,345,451	17,784,700
Outreach									2,182,825	1,998,507
District Management and Administration									25,399,365	23,313,152
Capital Outlay	379,030,673	143,169,182	183,126,292	370,729,580	66,970,460	48,449,472	128,064,854	150,931,310	138,438,651	209,425,693
Debt Service										
Bond Principal Retirement	4,785,000	4,975,000	5,190,000	5,415,000	5,655,000	5,865,000	6,120,000	6,400,000	6,705,000	-
Bond Interest and Other Fiscal Charges	2,143,086	1,940,171	1,722,396	1,489,721	1,265,749	1,035,786	768,598	474,200	160,538	-
1 Bank Loan Principal Payments	3,247,469	1,832,482	1,832,482	2,975,339	1,142,857	-	-	-	-	-
Bank Loan Interest	390,991	279,620	206,172	180,724	19,867	-	-	-	-	-
Capital Lease Principal Payments	502,187	193,161	200,330	-	-	-	-	-	-	-
Capital Lease Interest	25,894	12,712	5,543	-	-	-	-	-	-	-
COPS Principal Retirement	7,675,000	9,015,000	9,370,000	9,705,000	10,135,000	10,610,000	11,060,000	11,610,000	12,165,000	12,750,000
COPS Interest	26,579,294	26,268,593	25,923,546	25,539,177	25,088,037	24,626,167	24,125,840	23,572,247	21,601,255	19,279,525
<b>Total Expenditures</b>	<b>974,121,146</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>
Revenues in Excess of (Less Than) Expenditures	(64,034,356)	78,851,320	(31,736,439)	(285,168,448)	(37,298,016)	(17,331,618)	(27,210,219)	(12,194,419)	8,856,602	(6,524,421)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	214,646,804	454,498,325	163,744,472	143,735,575	72,862,774	110,969,774	144,193,867	114,499,205	117,299,062	94,457,021
Transfers Out	(214,646,804)	(454,498,325)	(174,955,529)	(143,735,575)	(72,862,774)	(103,969,774)	(144,193,867)	(114,499,205)	(117,299,062)	(94,457,021)
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	<u>\$ (64,034,356)</u>	<u>\$ 78,851,320</u>	<u>\$ (42,947,496)</u>	<u>\$ (285,168,448)</u>	<u>\$ (37,298,016)</u>	<u>\$ (10,331,618)</u>	<u>\$ (27,210,219)</u>	<u>\$ (12,194,419)</u>	<u>\$ 9,939,072</u>	<u>\$ (6,524,421)</u>
Debt Service as a percentage of noncapital expenditures <sup>1</sup>	7.62%	9.54%	10.01%	10.60%	13.28%	13.36%	13.85%	14.45%	13.42%	11.26%

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

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

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

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

<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-11) from the total expenditure amount shown above.

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Property Taxes	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810	\$ 269,227,569	\$ 269,056,878	\$ 269,317,745	\$ 272,817,499
Agricultural Privilege Taxes	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721	11,080,857	11,179,033	10,876,781
Intergovernmental	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812	103,360,352	137,453,501	176,785,459
Investment Earnings	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856	7,852,547	5,474,506	3,806,053
Licenses, Permits & Fees	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882	24,544,820	16,732,989	11,340,169
Leases	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753	4,372,061	5,400,073	6,350,822
Other	14,595,390	20,950,128	8,982,693	8,184,850	1,467,117	1,372,478	2,269,699	9,555,198	4,557,166	5,453,427
<b>Total</b>	<u>\$ 910,086,790</u>	<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>\$ 487,430,210</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>
2008	<b>106,200</b> 18.96%	<b>222</b> 0.04%	<b>38,430</b> 6.86%	<b>145,653</b> 26.01%	<b>449</b> 0.08%	<b>3,103</b> 0.55%	<b>555</b> 0.10%	<b>58,010</b> 10.36%	<b>13,724</b> 2.45%
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%

\* 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>
2008	<b>17,254</b> 3.08%	<b>1,399</b> 0.25%	<b>29,268</b> 5.23%	<b>15,810</b> 2.82%	<b>112,805</b> 20.15%	<b>1,568</b> 0.28%	<b>15,560</b> 2.78%	<b>560,010</b> 100.00%
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%

\* 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
2008	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2009	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2010	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2011	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2012	0.1785	0.2578	0.4363	0.1785	0.1633	0.3418
2013	0.1757	0.2532	0.4289	0.1757	0.1633	0.3390
2014	0.1685	0.2425	0.4110	0.1685	0.1593	0.3278
2015	0.1577	0.2265	0.3842	0.1577	0.1520	0.3097
2016	0.1459	0.2092	0.3551	0.1459	0.1429	0.2888
2017	0.1359	0.1948	0.3307	0.1359	0.1336	0.2695

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>
2008	0.2549	0.3691	0.2265	549,484,359	539,248,357	98.1%	5,829,932	545,078,289	99.2%
2009	0.2549	0.3691	0.2265	525,229,365	514,311,078	97.9%	5,256,004	519,567,082	98.9%
2010	0.2549	0.3691	0.2265	459,945,322	442,168,909	96.1%	11,526,724	453,695,633	98.6%
2011	0.2549	0.3691	0.2265	399,025,958	384,381,001	96.3%	18,915,088	403,296,089	101.1%
2012	0.1785	0.2578	0.1633	270,685,220	268,398,410	99.2%	6,535,361	274,933,771	101.6%
2013	0.1757	0.2532	0.1633	268,114,920	261,778,333	97.6%	4,988,476	266,766,809	99.5%
2014	0.1685	0.2425	0.1593	267,142,178	265,299,466	99.3%	4,019,743	269,319,209	100.8%
2015	0.1577	0.2265	0.1520	265,935,610	267,424,328	100.6%	1,233,280	268,657,608	101.0%
2016	0.1459	0.2092	0.1429	266,942,829	268,841,236	100.7%	1,808,186	270,649,422	101.4%
2017	0.1359	0.1948	0.1336	269,572,605	269,887,432	100.1%	2,662,290	272,549,722	101.1%

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	\$ 262,062,334,473	\$ 163,432,951,279	62.36%
Charlotte *	23,032,300,159	98,823,033	0.43%
Collier	108,901,650,155	77,236,518,648	70.92%
Glades	3,463,261,763	582,826,801	16.83%
Hendry	5,578,411,698	1,869,518,094	33.51%
Highlands *	7,469,919,359	702,112,557	9.40%
Lee	105,588,873,339	68,230,995,387	64.62%
Martin	30,305,515,562	19,644,778,623	64.82%
Miami-Dade	405,405,383,283	253,337,152,718	62.49%
Monroe	36,071,629,769	22,984,314,495	63.72%
Okeechobee *	3,824,731,614	1,567,684,430	40.99%
Orange *	172,556,018,704	56,617,835,411	32.81%
Osceola *	35,430,593,856	20,988,889,414	59.24%
Palm Beach	251,910,372,483	165,509,256,071	65.70%
Polk *	48,404,656,590	1,716,234,921	3.55%
St. Lucie	31,205,434,334	17,669,334,631	56.62%
	<u>\$ 1,531,211,087,141</u>	<u>\$ 872,189,226,513</u>	<u>56.96%</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 2017 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>
2008	892,858,395,941	42,892,968,298	300,886,190	936,052,250,429	2.55	3.69	6.24
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	3.69	6.24
2010	742,675,388,669	40,715,092,253	399,210,940	783,789,691,862	2.55	3.69	6.24
2011	645,555,800,822	41,283,680,011	312,424,992	687,151,905,825	2.55	3.69	6.24
2012	625,090,457,818	40,201,298,218	323,038,790	665,614,794,826	1.79	2.58	4.37
2013	628,500,005,272	41,359,190,647	347,320,003	670,206,515,922	1.76	2.53	4.29
2014	650,125,288,770	44,379,393,336	374,049,428	694,878,731,534	1.69	2.43	4.12
2015	694,842,337,568	45,776,571,365	404,691,347	741,023,600,280	1.58	2.27	3.85
2016	755,447,186,369	48,376,528,292	449,608,611	804,273,323,272	1.46	2.09	3.55
2017	822,087,442,869	49,621,132,055	480,651,589	872,189,226,513	1.36	1.95	3.31

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.

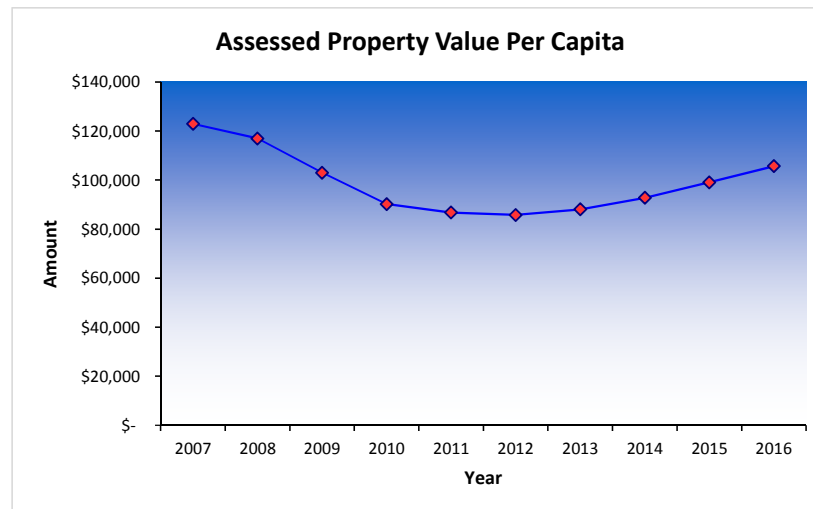
Source: South Florida Water Management District Budget Bureau, Form DR-420s.

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

	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Property Value <sup>1</sup> (in Billions)	\$ 936.1	\$ 894.7	\$ 783.8	\$ 687.2	\$ 665.6	\$ 670.2	\$ 694.9	\$ 741.0	\$ 804.3	\$ 872.2
District Population <sup>2</sup>	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851	7,986,730	8,114,014	8,253,146
Assessed Property Value Per Capita	\$ 122,885	\$ 116,974	\$ 102,998	\$ 90,235	\$ 86,787	\$ 85,795	\$ 88,053	\$ 92,779	\$ 99,125	\$ 105,681

<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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	\$ 19,236,975,410	1	2.21%	\$ 8,917,367,722	1	0.95%
Walt Disney Company	10,065,071,992	2	1.15%	7,338,475,094	2	0.78%
Duke Energy	2,451,207,532	3	0.28%	-		0.00%
Universal Studios	2,429,935,867	4	0.28%	1,458,276,158	4	0.16%
Marriott Resorts/ Ritz Carlton/ / Hilton Res	1,770,346,242	5	0.20%	1,067,889,245	7	0.11%
Westgate Resorts	1,617,442,164	6	0.19%	1,127,714,284	6	0.12%
Astoria	1,310,213,697	7	0.15%	-		0.00%
Tampa Electric	900,753,879	8	0.10%	-		0.00%
Orange Lake Contry Club	875,791,475	9	0.10%	615,184,717	9	0.07%
Wyndham Resorts	873,990,221	10	0.10%	-		0.00%
BellSouth Telecommunications Inc	-		-	2,246,577,897	3	0.24%
Progress Energy <sup>1</sup>	-		-	1,429,441,782	5	0.15%
Vistana	-		-	647,264,986	8	0.07%
R H Resorts/Rosen Hotels	-		-	557,133,020	10	0.06%
Totals	<u>\$ 41,531,728,479</u>		<u>4.76%</u>	<u>\$ 25,405,324,905</u>		<u>2.71%</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> Florida Power Corporation and Progress Energy now operates as Duke Energy.

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

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

Fiscal Year Ended Sept. 30	Governmental Activities					Total Outstanding Debt	Percentage of Personal Income <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				
2008	47,361,563	40,910,434	393,491	7,783,160	561,239,106	657,687,754	0.2235%	85.99	0.0703%
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	0.1107%	52.90	0.0509%

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.

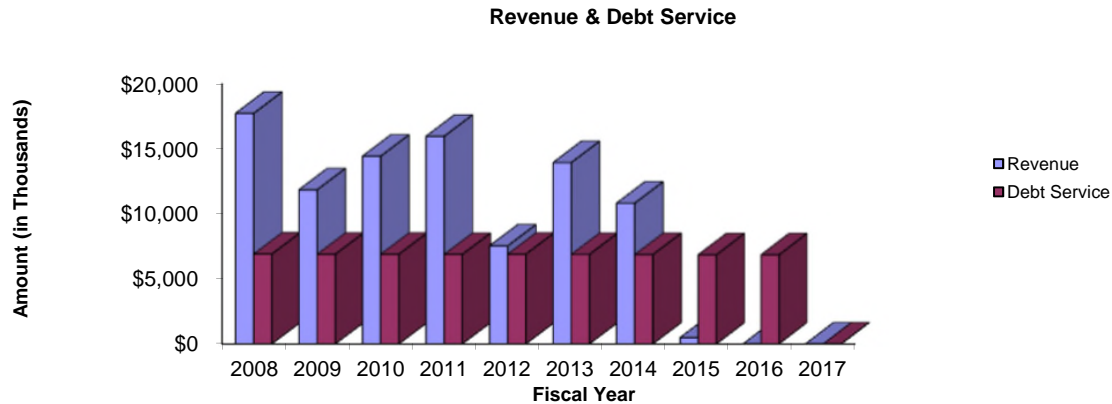
<sup>4</sup> Refer to Schedule 10 for assessed value information.



**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	
2008	15,193,803	1,037,381	1,507,927	17,739,111	4,785,000	2,143,086	6,928,086	2.56
2009	10,909,497	450,011	522,616	11,882,124	4,975,000	1,940,171	6,915,171	1.72
2010	13,972,497	46,147	437,404	14,456,048	5,190,000	1,722,396	6,912,396	2.09
2011	15,760,042	12,956	208,320	15,981,318	5,415,000	1,489,721	6,904,721	2.31
2012	7,354,939	20,000	183,055	7,557,994	5,655,000	1,265,749	6,920,749	1.09
2013	13,775,608	18,081	168,925	13,962,614	5,865,000	1,035,786	6,900,786	2.02
2014	10,652,283	24,835	175,378	10,852,496	6,120,000	768,598	6,888,598	1.58
2015	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	-	-	-	-	-	-	-	-

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

<b>Calendar Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income (in thousands) <sup>2</sup></b>	<b>Per Capita Personal Income</b>	<b>School Enrollment K - 12 <sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2008	7,648,679	294,230,623	38,468	1,071,876	6.1%
2009	7,609,852	295,589,133	38,843	1,073,728	10.6%
2010	7,615,667	295,290,827	38,774	1,084,184	11.7%
2011	7,669,381	310,253,970	40,454	1,096,048	10.5%
2012	7,811,608	334,574,240	42,830	1,109,444	8.7%
2013	7,891,851	336,889,341	42,688	1,122,567	7.4%
2014	7,986,730	348,572,876	43,644	1,136,965	6.3%
2015	8,114,014	360,499,091	44,429	1,149,334	5.4%
2016	8,253,146	391,140,049	47,393	1,160,065	5.0%
2017	8,394,209	401,268,705	47,803	1,163,622	4.4%

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Broward	1,758,494	1,744,922	1,742,891	1,748,066	1,771,099	1,784,715	1,803,903	1,827,367	1,854,513	1,873,970
Charlotte *	6,300	6,287	6,302	6,079	6,208	6,220	6,250	6,351	6,477	6,563
Collier	332,854	333,032	333,554	321,520	329,849	333,663	336,783	343,802	350,202	357,470
Miami-Dade	2,477,289	2,472,344	2,476,289	2,496,435	2,551,290	2,582,375	2,613,692	2,653,934	2,700,794	2,743,095
Glades	11,323	11,311	11,330	12,884	12,671	12,658	12,852	12,853	13,047	13,087
Hendry	41,216	41,320	41,026	39,140	38,132	37,808	37,895	38,096	38,370	39,057
Highlands *	8,718	8,675	8,677	8,594	8,609	8,621	8,684	8,765	8,833	8,886
Lee	623,725	615,124	616,626	618,754	638,029	643,367	653,485	665,845	680,539	698,468
Martin	143,868	143,856	143,848	146,318	147,203	148,077	148,585	150,062	150,870	153,022
Monroe	76,081	77,925	78,150	73,090	72,897	73,560	74,044	74,206	76,047	76,889
Okeechobee *	39,203	38,909	38,918	39,196	39,009	38,967	39,031	39,251	39,990	40,317
Orange *	269,825	268,349	268,860	277,321	284,578	291,121	297,175	303,080	309,854	317,959
Osceola *	270,972	270,060	270,541	265,998	278,057	285,477	292,597	305,244	319,633	334,238
Palm Beach	1,294,654	1,287,344	1,286,778	1,320,134	1,335,415	1,345,652	1,360,238	1,378,417	1,391,741	1,414,144
Polk *	17,572	17,530	17,514	18,063	18,207	18,419	18,695	18,992	19,410	19,410
St. Lucie	276,585	272,864	274,363	277,789	280,355	281,151	282,821	287,749	292,826	297,634
<b>Total</b>	<u>7,648,679</u>	<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>

\* 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 - 2017).

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

<u>Calendar Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate (%)</u>
2008	3,844,561	3,610,123	234,438	6.1
2009	3,844,536	3,438,418	406,118	10.6
2010	3,876,208	3,423,749	452,459	11.7
2011	3,857,912	3,454,296	403,616	10.5
2012	3,973,042	3,629,273	343,769	8.7
2013	4,017,108	3,720,853	296,255	7.4
2014	4,090,424	3,833,179	257,245	6.3
2015	4,103,764	3,882,339	221,425	5.4
2016 <sup>1</sup>	4,186,752	3,979,157	207,595	5.0
2017 <sup>2</sup>	4,283,172	4,095,270	187,902	4.4

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 2017 is currently not available. The 2017 figures are based on the yearly average, final data from January through November and preliminary data for December 2017.

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

2016				2007			
Employers	Rank	Number of Employees	% of Total	Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World Co.	1	77,700	2.0%	Walt Disney World Co.	1	61,500	1.7%
Broward County School Board	2	32,600	0.8%	Miami-Dade County Public Schools	2	50,000	1.4%
Miami-Dade County Public Schools	3	31,000	0.8%	Broward County School Board	3	36,853	1.0%
Miami-Dade County	4	24,692	0.6%	Miami-Dade County	4	32,000	0.9%
Orange County Public Schools	5	22,347	0.6%	Orange County Public Schools	5	26,000	0.7%
Palm Beach County School Board	6	21,656	0.5%	Palm Beach County School Board	6	21,707	0.6%
Universal Orlando Resort	7	21,000	0.5%	U.S. Federal Government	7	19,800	0.5%
Florida Hospital/Adventist Health System	8	20,413	0.5%	Publix Supermarkets	8	17,641	0.5%
Publix Supermarkets	9	19,954	0.5%	Florida State Government	9	16,200	0.4%
U.S. Federal Government	10	19,300	0.5%	Florida Hospital/Adventist Health System	10	16,002	0.4%
Total		<u>290,662</u>	<u>7.3%</u>	Total		<u>297,703</u>	<u>8.1%</u>
Total Employment in District Boundaries		<u>3,971,657</u>		Total Employment in District Boundaries		<u>3,685,668</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 2016 is shown on Schedule 17.

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

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of Authorized Positions <sup>1</sup>	1,808	1,828	1,842	1,933	1,651	1,620	1,588	1,528	1,530	1,475
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
Authorized Positions per 100,000 Population	24	24	24	25	21	21	20	19	19	18

<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	11	3.86%	0.81%
District Management and Administration	144	50.54%	10.60%
Operations & Maintenance of Lands and Works	74	25.96%	5.45%
Outreach	16	5.61%	1.18%
Regulations	17	5.96%	1.25%
Water Resources Planning and Monitoring	23	8.07%	1.69%
<b>Administrative Services and Executive Offices Total</b>	<b>285</b>	<b>100.00%</b>	<b>20.98%</b>
<b>Office of Everglades Policy &amp; Coordination</b>			
Acquisition, Restoration and Public Works	24	54.54%	1.77%
Operations & Maintenance of Lands and Works	6	13.64%	0.44%
Outreach	1	2.27%	0.07%
Regulations	11	25.00%	0.81%
Water Resources Planning and Monitoring	2	4.55%	0.15%
<b>Office of Everglades Policy &amp; Coordination Total</b>	<b>44</b>	<b>100.00%</b>	<b>3.24%</b>
<b>Operations, Maintenance &amp; Construction</b>			
Acquisition, Restoration and Public Works	12	1.74%	0.88%
Operations & Maintenance of Lands and Works	626	90.59%	46.06%
Regulations	3	0.43%	0.22%
Water Resources Planning and Monitoring	50	7.24%	3.68%
<b>Operations, Maintenance &amp; Construction Total</b>	<b>691</b>	<b>100.00%</b>	<b>50.83%</b>
<b>Regulations</b>			
Regulations	130	100.00%	9.57%
<b>Regulation Total</b>	<b>130</b>	<b>100.00%</b>	<b>9.57%</b>
<b>Water Resources</b>			
Acquisition, Restoration and Public Works	18	8.61%	1.32%
Operations & Maintenance of Lands and Works	13	6.22%	0.96%
Regulations	2	0.96%	0.15%
Water Resources Planning and Monitoring	176	84.21%	12.95%
<b>Water Resources Total</b>	<b>209</b>	<b>100.00%</b>	<b>15.38%</b>
<b>District Total</b>	<b>1,359</b>		<b>100.00%</b>

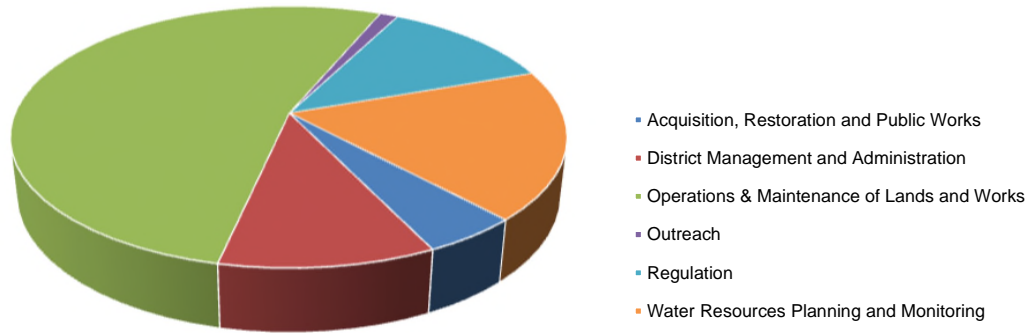
<sup>1</sup> Number of employees includes all filled positions (including shared positions) at the end of the fiscal year.

**Schedule 21**  
**South Florida Water Management District**  
**District Employees by Major Program**  
 Last Ten Fiscal Years

Major Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Acquisition, Restoration and Public Works	138	138	155	106	68	86	77	74	72	65
District Management and Administration	440	368	376	277	242	175	159	149	141	144
Operations & Maintenance of Lands and Works	650	656	653	651	768	786	739	707	707	719
Outreach	-	55	57	31	27	23	20	17	17	17
Regulation	214	209	223	199	207	209	197	182	170	163
Water Resources Planning and Monitoring	354	368	340	303	255	265	265	264	251	251
<b>District Total</b>	<b>1,796</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>

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.

**District Employees by Major Program**  
**Current Fiscal Year**





**Schedule 22**  
**South Florida Water Management District**  
**Permit Applications Received**  
Last Ten Fiscal Years

<u>Permit Category</u>	<u>Fiscal Year</u>									
	<u>2008</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>
Environmental Resource	1,673	1,423	1,917	1,656	2,232	2,094	2,114	2,392	2,376	2,605
Consumptive Use	3,037	2,638	2,818	2,144	1,970	1,737	1,964	2,020	2,117	1,863
SWIM & Everglades Works Of The District	12	4	5	26	33	6	14	16	38	32
Total Applications Received	<u>4,722</u>	<u>4,065</u>	<u>4,740</u>	<u>3,826</u>	<u>4,235</u>	<u>3,837</u>	<u>4,092</u>	<u>4,428</u>	<u>4,531</u>	<u>4,500</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.

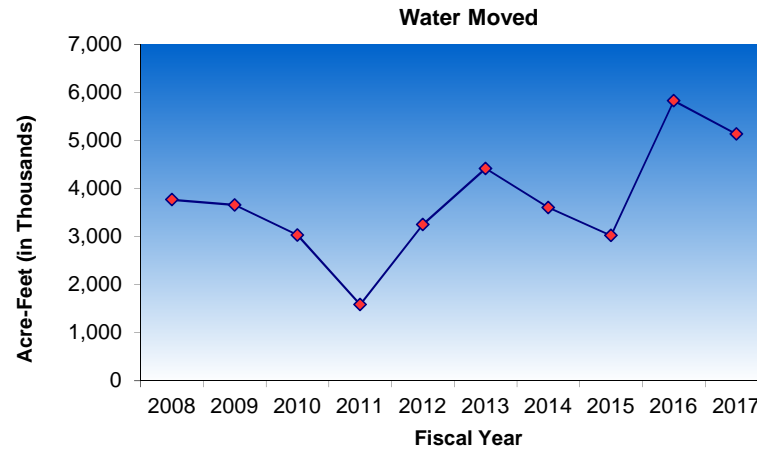
**Schedule 23**  
**South Florida Water Management District**  
**Water Moved by District Pump Stations**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>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>
Acre-Feet (Thousands)	3,768	3,660	3,032	1,584	3,254	4,419	3,604	3,023	5,830	5,135

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 rainfull and it is much wetter than normal years.

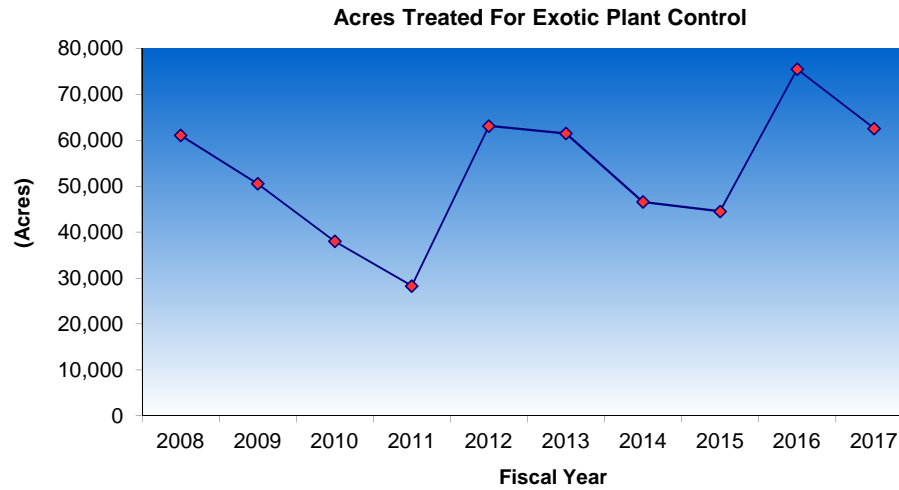
Source: Operations, Engineering & Construction Division of South Florida Water Management District.



**Schedule 24**  
**South Florida Water Management District**  
**Exotic Plant Control**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>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>
Acres treated	61,070	50,538	38,015	28,284	63,111	61,489	46,580	44,525	75,500	62,565

Source: Land Stewardship Section of South Florida Water Management District.

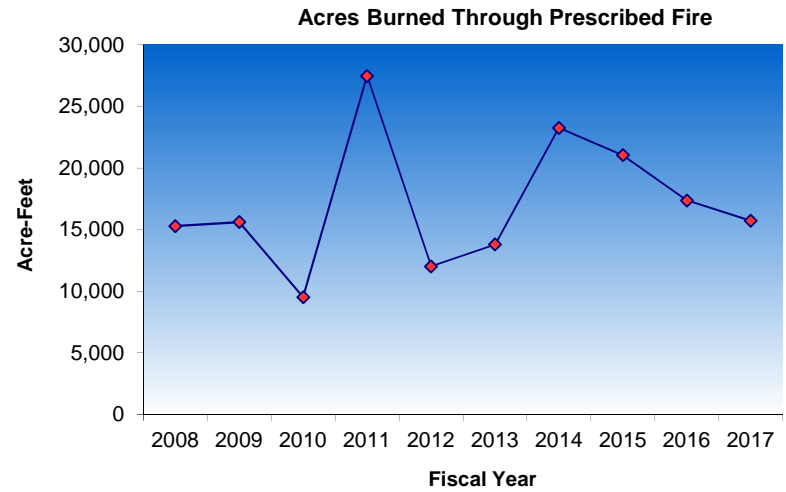


**Schedule 25**  
**South Florida Water Management District**  
**Prescribed Burns**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>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>
Acres burned	15,283	15,609	9,523	27,479	12,010	13,794	23,262	21,038	17,363	15,719

\* 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>Water Year</b>									
	<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>
Metric tons of phosphorus removed	100	400	300	300	260	210	312	278	266	261
Percentage reduction of phosphorus										

Notes: The District is directed by the Everglades Forever Act to reduce phosphorus levels from storm runoff and other sources before it enters the Everglades Protection Area. These reductions, which began in 1994, are achieved through Stormwater Treatment Areas (STA) and Best Management Practices.

A water year is the period from May 1 through April 30.

Source: South Florida Water Management District Environment Report.

**Schedule 27**  
**South Florida Water Management District**  
**Capital Assets by Major Program**  
Current Fiscal Year

<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	\$ -	\$ -	\$ -	\$ 11,438,040	\$ -	\$ 1,521,361	\$ 6,784	\$ 2,578,159	\$ 52,771,325
Acquisition, Restoration & Public Works	1,542,359,742	54,523,292	450,775,438	239,147,222	15,657,427	2,091,837	11,255,464	12,929,970	687,977,134	3,016,717,526
Operations & Maintenance of Land Works	1,021,442,797	26,964,438	59,226,078	556,152,103	51,616,499	2,145,020	22,175,180	6,929,963	475,981,243	2,222,633,321
Regulation	-	-	-	-	-	255,207	208,804	-	-	464,011
Outreach	-	-	-	-	-	-	7,422	-	-	7,422
District Management and Administration	1,523	-	1,249,478	-	22,007,003	397,724	4,246,825	706	-	27,903,259
<b>District Total</b>	<b>\$ 2,601,031,043</b>	<b>\$ 81,487,730</b>	<b>\$ 511,250,994</b>	<b>\$ 795,299,325</b>	<b>\$ 100,718,969</b>	<b>\$ 4,889,788</b>	<b>\$ 39,415,056</b>	<b>\$ 19,867,423</b>	<b>\$ 1,166,536,536</b>	<b>\$ 5,320,496,864</b>

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><u>\$ 603.78</u></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 \$1.1 million was paid for the costs of issuance. Remaining debt service for the defeased Series 2006 COPs is \$724.4 million while remaining debt service for the Series 2015 Refunding COPs is \$625.5 million for a total savings over the remaining life of the debt of \$98.9 million. The economic gain on the refunding is a net present value savings of \$72.2 million through fiscal year 2037.



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# **SINGLE AUDIT**





# **South Florida Water Management District, a Component Unit of the State of Florida**

Single Audit Reports in Accordance With the Uniform Guidance  
and Chapter 10.550, Rules of the Auditor General of the  
State of Florida  
Year Ended September 30, 2017



## Contents

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Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
Report on compliance for each major federal program and state project; report on internal control over compliance; and report on the schedule of expenditures of federal awards and state financial assistance required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General, State of Florida</i>	3-5
<hr/>	
Schedule of expenditures of federal awards and state financial assistance	6-7
Notes to schedule of expenditures of federal awards and state financial assistance	8
Schedule of findings and questioned costs	9-10
Summary schedule of prior audit findings	11

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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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 30, 2018.

**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  
March 30, 2018

**Report on Compliance for Each Major Federal Program and State Project;  
Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures  
of Federal Awards and State Financial Assistance Required by the Uniform Guidance  
and Chapter 10.550, *Rules of the Auditor General, State of Florida***

**Independent Auditor's Report**

The Governing Board  
South Florida Water Management District  
West Palm Beach, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the South Florida Water Management District's (the District) compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the District's major federal program and its major state projects for the year ended September 30, 2017. The District's major federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal program and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 program and major state projects for the year ended September 30, 2017.

### **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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 30, 2018, 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 6, 2018, except for our report on the Schedule of Expenditures of Federal Awards and State Financial Assistance, for which the date is March 30, 2018.

## South Florida Water Management District

### Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended September 30, 2017

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		\$ 28,546	\$ -
Everglades Watershed Restoration-Program Income	15*	LWCF-1		473,354	-
National Park Service Conservation, Protection, Outreach and Education	15.954	P15AC00665		288,913	-
Talisman-Program Income	15*	FB-4		1,293,857	-
<b>Total U.S. Department of Interior</b>				<b>2,084,670</b>	<b>-</b>
U.S. Department of Agriculture:					
NRCS Wetlands Reserve Program:					
Allapattah Ranch Wetlands Reserve Program	10.072	WRP 66-4209-12-809		652,992	-
Williamson Ranch & Turnpike Dairy Wetlands Reserve Program	10.072	WRP 66-4209-12-806		127,842	-
<b>Total U.S. Department of Agriculture</b>				<b>780,834</b>	<b>-</b>
U.S. Department of Transportation – Federal Highway Administration:					
Pass-through Florida Department of Transportation:					
Highway Planning and Construction	20.205		BDH 68	2,390	-
<b>Total U.S. Department of Transportation</b>				<b>2,390</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	242,879	-
<b>Total U.S. Environmental Protection Agency</b>				<b>242,879</b>	<b>-</b>
Federal Emergency Management Agency:					
Pass-through Florida Division of Emergency Management	97.047		05-PA-G%-13-00-00-789	14,764	-
Pass-through Florida Division of Emergency Management	97.047		FEMA-15DM-K1-10-60-16-452	199,792	-
<b>Total Federal Emergency Management Agency</b>				<b>214,556</b>	<b>-</b>
<b>Total cash federal awards</b>				<b>\$ 3,325,329</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, 2017

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	\$ 1,313,698	\$ -
SOETF FY14 NEEPP/CERP/Restoration Strategies	37.022	SOETF14 NEEPP/CERP/RS	5,778,905	-
SOETF FY15 CERP/Restoration Strategies	37.022	SOETF15 CERP/RS	12,475,861	-
LATF FY16 CERP/Restoration Strategies	37.022	LATF 16 CERP/RS	42,490,462	-
LATF FY16 Kissimmee River Restoration	37.022	LATF 16 CERP/RS	6,166,903	-
SOETF FY16 CERP/Restoration Strategies	37.022	SOETF15 CERP/RS	32,696,343	-
LATF FY17 Restoration Strategies	37.022	LATF FY17 RS	24,755,911	-
LATF FY17 Land Acquisition NEEPP/CERP	37.022	LATF FY17 NEEPP/CERP	1,282,673	-
LATF FY17 NEEPP Lakeside Ranch	37.022	LATF FY17 NEEPP	9,000,000	-
LATF FY17 NEEPP Public Private Partnership-Water Storage/Quality	37.022	LATF FY17 NEEPP	7,336,533	-
Dispersed Water Management	37.022	SA1622B DWS	1,393,618	-
Dispersed Water Management	37.022	SA1616 DWS	3,549,755	-
C-43 West Basin Storage Reservoir	37.022	S0913 C-43 WEST BASIN	1,108,589	-
WMLTF	37.022	WMLTF	-	-
			<u>149,349,251</u>	<u>-</u>
Water Management District Operations:				
CERP Water Quality Studies	37.037	SA FY2012-2013	250,263	-
			<u>250,263</u>	<u>-</u>
Surface Water Restoration and Wastewater Projects:				
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW61	14,100	9,100
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW71	6,200	6,200
Various Surface Water Rest. & Waste Water Projects-CBIR	37.039	SFW81	48,211	48,211
			<u>68,511</u>	<u>63,511</u>
<b>Total Florida Department of Environmental Protection</b>			<u>149,668,025</u>	<u>63,511</u>
Florida Department of Motor Vehicles:				
Indian River Lagoon License Plate Revenue	76.010	IRL License Plate	113,444	-
Everglades River of Grass License Plate Project	76.013	Everglades License	120,423	-
<b>Total Florida Department of Motor Vehicles</b>			<u>233,867</u>	<u>-</u>
Florida Department of Transportation:				
Everglades Restoration Program:				
DOT Alligator Alley Toll Fees	55.025	C-7425	8,419,765	-
<b>Total Florida Department of Transportation</b>			<u>8,419,765</u>	<u>-</u>
<b>Total state financial assistance</b>			<u>158,321,657</u>	<u>63,511</u>
<b>Total expenditures of federal awards and state financial assistance</b>			<u>\$ 161,646,986</u>	<u>\$ 63,511</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, 2017

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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, 2017. 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 recognized following the cost principles in the Uniform Guidance, 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 \$20,440 for fiscal year ended September 30, 2017.

#### 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, 2017**

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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>
10.072	U.S. Department of Agriculture: NRCS Wetland Reserve Program

Dollar threshold used to distinguish between type A and type B programs:		_____ \$750,000 _____
Auditee qualified as low-risk auditee?	_____ X _____ Yes	_____ _____ No

(Continued)

**South Florida Water Management District**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2017**

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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:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*?

_____ Yes	_____ X _____ No
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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

55.025

Florida Department of Transportation:  
Everglades Restoration Program

Dollar threshold used to distinguish between type A and type B projects:

\_\_\_\_\_ \$4,749,650

**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, 2017**

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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, 2017



## Contents

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Management letter in accordance with the <i>Rules of the Auditor General of the State of Florida</i>	12-14
Index of current year findings	15
Appendix A—Current year's recommendations to improve financial management	16
Appendix B—Status of prior year findings and recommendations	17

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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, 2017, and have issued our report thereon dated March 30, 2018.

**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 Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance For Each Major Federal Program and State Project and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*; the Schedule of Findings and Questioned Costs and our Independent Accountant's Report on an examination conducted in accordance with *AICPA 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 B to this report under the heading "Status of Prior Year Findings and Recommendations."

**Official Title and Legal Authority**

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



### **Financial Condition**

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. The recommendations to improve the District's financial management have been addressed in "Current Year's Recommendations to Improve Financial Management" in Appendix A to this report.

### **Annual Financial Report**

Section 10.554(1)(i)5.b and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

### **Monthly Financial Statements**

Section 10.554(1)(i)6.a and 10.556(9), Rules of the Auditor General, 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

March 30, 2018, except for the report on compliance for each major federal program and state project, report on internal control over compliance and the independent accountant's report, for which the date of each report is April 6, 2018.

**South Florida Water Management District**

**Index of Current Year Findings**

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<b>No.</b>	<b>Current Year's Observations and Recommendations</b>
2017-01	User Access Reviews

## South Florida Water Management District

### Appendix A—Current Year’s Recommendations to Improve Financial Management

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#### **2017-01 User Access Reviews**

**Criteria:** Access rights to the organization’s relevant financial reporting applications or data are reviewed periodically by management.

**Condition:** Although the District has IT policies in place stating that user accounts and access privileges are reviewed periodically, we noted that access reviews are not consistently performed and documented. Specifically, we noted the following observations over the user access review monitoring process:

- SAP: Although access reviews were performed by business units, noted that access reviews are not consistently performed by all business units to gain comfort that all users with SAP access are appropriate.
- Active Directory: Although access reviews are performed for network users with administrative privileges and users with SAP access, we noted that no documentation is retained to evidence the review and if any changes were identified from the review.

**Cause:** The District’s IT policies over access and authorizations are not consistently followed.

**Effect:** Risks include unauthorized use, disclosure of proprietary information, modification, damage or loss of data.

**Recommendation:** Management should consider performing user access reviews for all Active Directory and SAP users, including users with administrative access at least annually. The user access reviews should determine that only active employees have active system ID’s and that configured access rights are appropriate based on the employee’s roles and responsibilities. As part of this process, management should document who performed the review, when the review was performed and if any access changes are required.

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with the recommendation. IT will continue to lead the periodic user reviews and ensure consistency across all business units. As part of any user review, IT will retain documentation for evidence of who performed the review including changes made due to the review process.

## South Florida Water Management District

### Appendix B—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>
2016-01	User Access Reviews	See current year's comment at 2017-01	
2016-02	Accounting and Financial Reporting		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, 2016 to September 30, 2017. 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, 2017.

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 6, 2018

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