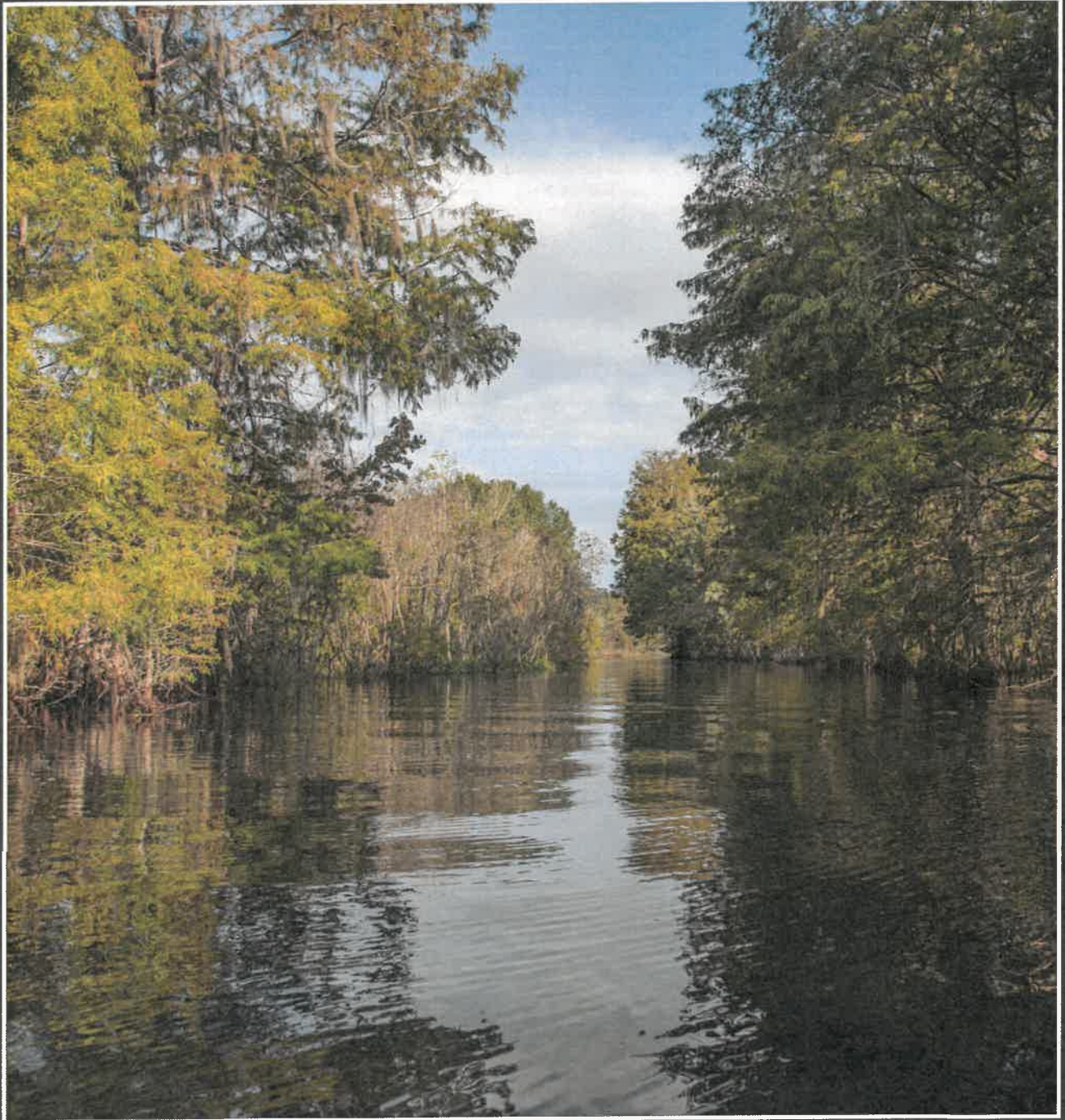


SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

**Fiscal Year 2020-2021**

# Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021



*A Component Unit of The State of Florida*

Southwest Florida  
Water Management District



WATERMATTERS.ORG · 1-800-423-1476

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*Fiscal Year Ended September 30, 2021*

*Prepared by: Finance Bureau*

Southwest Florida  
*Water Management District*



WATERMATTERS.ORG · 1-800-423-1476

*A Component Unit of the State of Florida*

**Mission Statement:**

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

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

The Southwest Florida Water Management District (District) does not discriminate on the basis of disability. This nondiscrimination policy involves every aspect of the District's functions, including access to and participation in the District's programs, services and activities. Anyone requiring reasonable accommodation, or who would like information as to the existence and location of accessible services, activities, and facilities, as provided for in the Americans with Disabilities Act, should contact the Human Resources Office Chief, at 2379 Broad St., Brooksville, FL 34604-6899; telephone (352) 796-7211 or 1-800-423-1476 (FL only), ext. 4747; or email [ADACoordinator@WaterMatters.org](mailto:ADACoordinator@WaterMatters.org). If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice). If requested, appropriate auxiliary aids and services will be provided at any public meeting, forum, or event of the District. In the event of a complaint, please follow the grievance procedure located at [WaterMatters.org/ADA](http://WaterMatters.org/ADA).

**Southwest Florida Water Management District  
Annual Comprehensive Financial Report  
Fiscal Year Ended September 30, 2021**

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## Introductory Section

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



An Equal Opportunity Employer

# Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899  
(352) 796-7211 or 1-800-423-1476 (FL only)  
WaterMatters.org

**Bartow Office**  
170 Century Boulevard  
Bartow, Florida 33830-7700  
(863) 534-1448 or  
1-800-492-7862 (FL only)

**Sarasota Office**  
78 Sarasota Center Boulevard  
Sarasota, Florida 34240-9770  
(941) 377-3722 or  
1-800-320-3503 (FL only)

**Tampa Office**  
7601 U.S. 301 North (Fort King Highway)  
Tampa, Florida 33637-6759  
(813) 985-7481 or  
1-800-836-0797 (FL only)

May 24, 2022

**Kelly S. Rice**  
Chair, Citrus, Lake, Levy, Sumter

**Joel Schleicher**  
Vice Chair, Charlotte, Sarasota

**Michelle Williamson**  
Secretary, Hillsborough

**Ed Armstrong**  
Treasurer, Pinellas

**Ashley Bell Barnett**  
Polk

**Jack Blsphem**  
Manatee

**John Hall**  
Polk

**William Hogarth**  
Pinellas

**John Mitten**  
Hernando, Marion

**Seth Weightman**  
Pasco

**Brian J. Armstrong, P.G.**  
Executive Director

To the Governing Board and Citizens of the Southwest Florida Water Management District:

The Annual Comprehensive Financial Report of the Southwest Florida Water Management District (District) for the fiscal year ended September 30, 2021, is hereby submitted.

State law requires that local governmental entities publish within nine months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2021.

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

James Moore & Co., P.L. Certified Public Accountants and Consultants has issued an unmodified opinion on the District's financial statements for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

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

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

## About the District

Approximately one quarter of the state's population (5.6 million) resides within the District. The District was established in 1961 by a special act of the Florida Legislature to serve as local sponsor of the Four River Basins, Florida Project. This was a major flood control project sponsored by the U.S. Army Corps of Engineers after Hurricane Donna caused extensive damage in west-central Florida in 1960.

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

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

The District's operations are directed by a 13-member Governing Board. Appointed by the Governor and confirmed by the Senate, Governing Board members are unpaid volunteers representing diverse backgrounds and interests. Board members, who must live within the District, serve four-year terms. The Governing Board determines the District's overall policies, executes its statutory and regulatory responsibilities, administers contracts, and authorizes tax levies and budgets in accordance with the Truth in Millage (TRIM) statutory budgetary hearing process. The Governing Board appoints the District's Executive Director, subject to approval by the Governor and the Florida Senate, and appoints the District's Inspector General.

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

The annual budget serves as the foundation for the District's financial planning and control. The TRIM Act enacted by state legislation requires disclosure of information regarding the ad valorem millage rate and budget adoption. Each year, following the required disclosures, the District conducts two public hearings on the budget for taxpayer comment. After the first budget hearing, written disapproval of any portion of the budget, if any, is received from the Executive Office of the Governor (EOG) or the Legislative Budget Commission at least five business days prior to the final budget hearing where, the Governing Board sets the millage rate and adopts a budget. The appropriated budget is prepared by fund, bureau and expenditure category and reported programmatically. Pursuant to Section 373.536(4), the District's legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is set at the fund level. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls providing total expenditures do not exceed total appropriations for the fund. The Governing Board delegates authority to the Executive Director or his/her designees to execute transfers of budgeted funds not to exceed \$75,000 that change the original intent of an appropriation. Delegated transfers are presented to the Governing Board for ratification at their next regular scheduled meeting. All budget amendments require Governing Board approval. Any amendment greater than \$1 million must be reviewed and approved by the EOG.



## The Reporting Entity

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

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

The District's financial statements for the fiscal year ended September 30, 2021, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2022, as a discretely presented component unit. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government, which is the State of Florida, and to differentiate their financial position, results of operations and cash flows, where applicable.

## Factors Affecting Financial Condition

*Economic Conditions and Outlook.* The District's 2021 economic experience was not unlike a common summertime occurrence in Florida: one minute it's raining, the next brings sunshine. Despite the upheaval wrought by the pandemic, gross regional product grew 8.55 percent year-over-year in the District in 2021 and 8.77 percent year-over-year in Florida<sup>1</sup>. The housing market in both the District and state continues to remain strong. Still, the threat of stormy weather, so to speak, is not entirely diminished. The prospect of sustained higher inflation and continued waves of the pandemic could hamper growth in the near-term.

Between 2020 and 2021, the permanent population of the District increased by approximately 75,885 residents, representing 1.22 percent growth. Similarly, the state of Florida grew in permanent population by 1.19 percent, outpacing the national pace of 0.69 percent. Going forward, growth in Florida is expected to steadily increase, averaging slightly more than 750 persons per day through 2030, or 1.2 percent average annual growth<sup>2</sup>. This growth will stem from net migration, affirming the state and District's ability to attract out-of-state residents. There was substantial recovery in the labor market, with Florida's unemployment rate reaching 4.9 percent in September 2021 compared to 7.8 percent in September 2020<sup>3</sup>. Another key economic barometer, taxable sales, trended in an encouraging direction. Through June 2021, taxable sales were up 17.1 percent over the comparable time period for 2019, indicating that economic conditions are approaching pre-pandemic levels<sup>4</sup>.

The housing market, a vital source of ad valorem revenue for the District, continued to remain hot in 2021. Through the third quarter of 2021, closed sales of single-family homes increased by 18.6 percent year-to-date and the median sale price increased by 19.3 percent. Closed sales for condominiums and townhouses increased by 49.0 percent and the median sale price rose by 17.9 percent over the same time horizon<sup>5</sup>. Documentary stamp tax collections in FY 2020-21 topped the FY 2005-06 peak reached at the height of Florida's housing boom<sup>6</sup>. Fewer homes being added to the market is contributing to sizable price increases, with inventory down 51.1 percent year-over-year through the third quarter of 2021 for single family homes and a 47.4 percent decline for townhomes and condominiums. The path forward to a more sustainable market lies in greater

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<sup>1</sup> Except as noted all data are based on countywide data and are derived from Woods and Poole Economics. 2021 State Profile: State and County Projections to 2050

<sup>2</sup> State of Florida Long-Range Financial Outlook, Fiscal Years 2022-23 through 2024-25. Legislative Office of Economic and Demographic Research. Published September 3, 2021, p. 40.

<sup>3</sup> Florida Department of Economic Opportunity. November 19, 2021. <http://floridajobs.org>

<sup>4</sup> Florida Office of Economic and Demographic Research. November 19, 2021. <http://edr.state.fl.us>

<sup>5</sup> Sales, price, and inventory data retrieved from Quarterly Market Detail-Q3 2021. Florida Association of Realtors. <https://www.floridarealtors.org/ResearchAndStatistics/Florida-Market-Reports/Index.cfm>

<sup>6</sup> Florida: An Economic Overview. Legislative Office of Economic and Demographic Research. Published August 31, 2021, p. 12.

housing supply. As a positive indicator, the National Association of Home Builders' Builder Sentiment Housing Market Index (HMI) points to an upward trend in builder sentiment in the Southern United States, which grew by 3.6 percent month-over-month in November 2021. However, on a year-over-year basis, sentiment is down 3.3 percent, particularly in terms of outlook on prospective buyers and single-family home sales, pointing to ongoing affordability challenges and supply shortages in the housing market<sup>7</sup>. Across the board, due to disruptions in the supply chain, new homes are taking about a month longer to build and cost 20.0 percent more to construct than in pre-pandemic times<sup>8</sup>. Fortunately, supply chain woes are expected to ease over the next year. Additionally, with mortgage rates expected to rise in 2022, demand may fall, which could help temper the more rapid price appreciation in the market<sup>9</sup>.

A discussion of economic conditions in the District in 2021 would not be complete without mentioning inflation. Through October 2021, year-over-year inflation in the United States reached 6.24 percent, the highest rate in more than three decades<sup>10</sup>. Even stripping away more volatile items like food and energy, inflation has grown 4.1 percent year-over-year<sup>11</sup>. For context, the Federal Reserve targets an inflation rate of 2.0 percent. A variety of factors, both supply and demand, are contributing to the rise in price levels. On the supply side, supply chain disruptions have loomed large, with scarcity created from factory shutdowns and shipping delays. Numerous businesses have struggled to staff up to normal levels, as high wage costs and lower participation rates have made it difficult to find workers. Overall, the lower labor force participation rate translates to approximately 4.3 million missing workers nationwide<sup>12</sup>. Soaring demand has been another culprit of inflation too. October 2021 consumer spending data reveal that consumers are purchasing at a 9.5 percent year-over-year increased rate, even after adjusting for inflation<sup>13</sup>. Collectively households are sitting on savings of \$2.5 trillion. Changing consumption patterns, shaped in part by the pandemic, are contributing to inflation, as demand for goods outpaces services. Orders for durable goods in 2021 were up 26.6 percent compared to 2019<sup>14</sup>.

A key, albeit difficult, question is how long accelerated inflation is expected to last. According to consumer research from the New York Federal Reserve Bank, the median one-year ahead expected inflation rate is 5.65 percent and the median three-year ahead expected inflation rate is 4.21 percent<sup>15</sup>. Consumer expectations are an important factor, as long-lasting inflation can become a self-fulfilling prophecy if it is anticipated. Otherwise known as the wage-price spiral, in an inflationary environment, workers demand higher compensation to account for higher price levels, which in turn can trigger price increases emanating from higher labor costs. In general, higher inflationary periods can dampen consumer confidence and spending. According to estimates from the Bureau of Economic and Business Research (BEBR), consumer sentiment in September 2021 reached its lowest level in nearly 8 years<sup>16</sup>. Yet, there is reason for optimism going forward. On the supply chain front, factory closures, energy shortages, and port-capacity limits are easing in the fourth quarter of

---

<sup>7</sup> Housing market index (HMI). NAHB. Retrieved November 22, 2021, from <https://www.nahb.org/news-and-economics/housing-economics/indices/housing-market-index>.

<sup>8</sup> Trapasso, C. (2021, October 27). Why supply chain bottlenecks are keeping home prices sky high. Realtor.Com. <https://www.realtor.com/news/trends/why-supply-chain-bottlenecks-are-keeping-home-prices-sky-high/>

<sup>9</sup> Fairweather, D. (2021, November 17). Redfin Predicts a More Balanced Housing Market in 2022. Redfin Real Estate News. <https://www.redfin.com/news/housing-market-predictions-2022/>

<sup>10</sup> The Economist. (2021, November 11). A three-decade high in inflation sows concerns about America's recovery. <https://www.economist.com/finance-and-economics/a-three-decade-high-in-inflation-sows-concerns-about-americas-recovery/21806221>

<sup>11</sup> Personal Income and Outlays, October 2021 | U.S. Bureau of Economic Analysis (BEA). (2021, November 24). Bureau of Economic Analysis. <https://www.bea.gov/news/2021/personal-income-and-outlays-october-2021>

<sup>12</sup> Mitchell, J., Weber, L., & Cambon, S. C. (2021, October 14). 4.3 Million Workers Are Missing. Where Did They Go? WSJ. <https://www.wsj.com/articles/labor-shortage-missing-workers-jobs-pay-raises-economy-11634224519>

<sup>13</sup> Casselman, B., Maheshwari, S., & Marcos, C. M. (2021, November 17). Retail Sales Jumped 1.7 Percent in October. The New York Times. <https://www.nytimes.com/2021/11/16/business/retail-sales-october.html>

<sup>14</sup> Lahart, J. (2021, November 22). Today's Shortages Could Soon Become Tomorrow's Gluts. WSJ. <https://www.wsj.com/articles/todays-shortages-could-soon-become-tomorrow-s-gluts-11637580600>

<sup>15</sup> Survey of Consumer Expectations - FEDERAL RESERVE BANK of NEW YORK. (2021, November 8). Federal Reserve Bank of New York. <https://www.newyorkfed.org/microeconomics/sce#/hpuncert-1>

<sup>16</sup> Florida Consumer Sentiment - BEBR. (2021, September 28). Bureau of Economic and Business Research. <https://www.bebr.ufl.edu/florida-consumer-sentiment/>

2021, presaging a return to more-normal conditions in 2022<sup>17</sup>. The U.S. Energy Information Administration forecasts a 15.95 percent year-over-year decrease in retail gasoline prices by the fourth quarter of 2022<sup>18</sup>. Thus, while there may appear to be no end in sight, positive developments on the supply front are anticipated to ease the upward pressure on prices over the next year.

Going forward, prospects for Florida and the District appear bright in the near term. Labor force growth in Florida will average 2.1 percent from 2021-2024, which may counter the low participation rate. If current economic conditions hold, the state unemployment rate is forecasted to fall even further, reaching 3.3 percent in 2023. At the sector level, average state job growth from 2021 to 2024 is projected to be the highest in Professional and Business Services (3.3 percent), Leisure and Hospitality (2.5 percent), and Financial Activities (1.8 percent)<sup>19</sup>. At the county level, in terms of gross regional product, Hernando, Pasco, and Sumter are on pace to have the highest growth rates in the District over the next five years.

Thus, 2021 brought the District closer to pre-pandemic economic conditions. Between a thriving housing market and bounce-back economic growth, there are many positive economic indicators. The tourism industry is also recovering more quickly than anticipated. Overall visitors to Florida were up 51.9 percent year-over-year through the third quarter of 2021<sup>20</sup>. Tourism can serve as a vital source of revenue for District counties; through September 2021, tourist taxes in Hillsborough County increased by more than 15.0 percent compared to 2019<sup>21</sup>. Looking ahead to 2022, the Conference Board estimates U.S. gross domestic product growth of 3.5 percent<sup>22</sup>. The course of the pandemic, Federal Reserve policy, and inflation are three essential factors that will impact economic growth going forward.

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

The development of the District's Funding Plan is an example of long-term financial planning for the future water supply needs. This plan is a pay-as-you-go funding strategy for initiatives outlined in the Regional Water Supply Plan. The Regional Water Supply Plan projects water demands and needed water supply sources for a 20-year period and is updated on a five-year cycle. The most recent update, covering years 2020-2040, was approved by the District's Governing Board in November 2020. The Funding Plan currently demonstrates that fiscal resources, supplemented with project reserves, maintain a healthy investment in water resources over the next several years. To ensure the plan keeps pace with evolving water supply and resource development initiatives and potential revenue impacts of economic fluctuations and legislative changes, the District examines the plan on an ongoing basis.

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<sup>17</sup> Xie, S. Y., Emont, J., & MacDonald, A. (2021, November 21). Supply-Chain Problems Show Signs of Easing. WSJ. <https://www.wsj.com/articles/supply-chain-problems-show-signs-of-easing-11637496002>

<sup>18</sup> Energy & Financial Markets - Petprod - U.S. Energy Information Administration (EIA). (2021, November 9). U.S. Energy Information Administration. <https://www.eia.gov/finance/markets/products/consumption.php>

<sup>19</sup> UCF Institute for Economic Forecasting. (2021, July). 2021-2024 Florida & Metro Forecast.

<sup>20</sup> Florida Visitor Estimates. (2021, November 15). Visit Florida. <https://www.visitflorida.org/resources/research/>

<sup>21</sup> Bowen, C. T. (2021, November 16). Hillsborough County tourism tops pre-pandemic revenue. Tampa Bay Times.

<https://www.tampabay.com/news/business/2021/11/16/hillsborough-county-tourism-tops-pre-pandemic-revenue/>

<sup>22</sup> The Conference Board Economic Forecast for the US Economy. (2021, November 10). The Conference Board. <https://www.conference-board.org/research/us-forecast>

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the 33<sup>rd</sup> consecutive year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

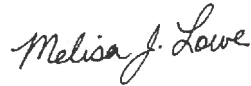
A Certificate of Achievement is valid for a period of one year only. We believe that the District's current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association of the United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

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

Sincerely,



Mandi Rice  
Assistant Executive Director



Melisa J. Lowe  
Finance Bureau Chief



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

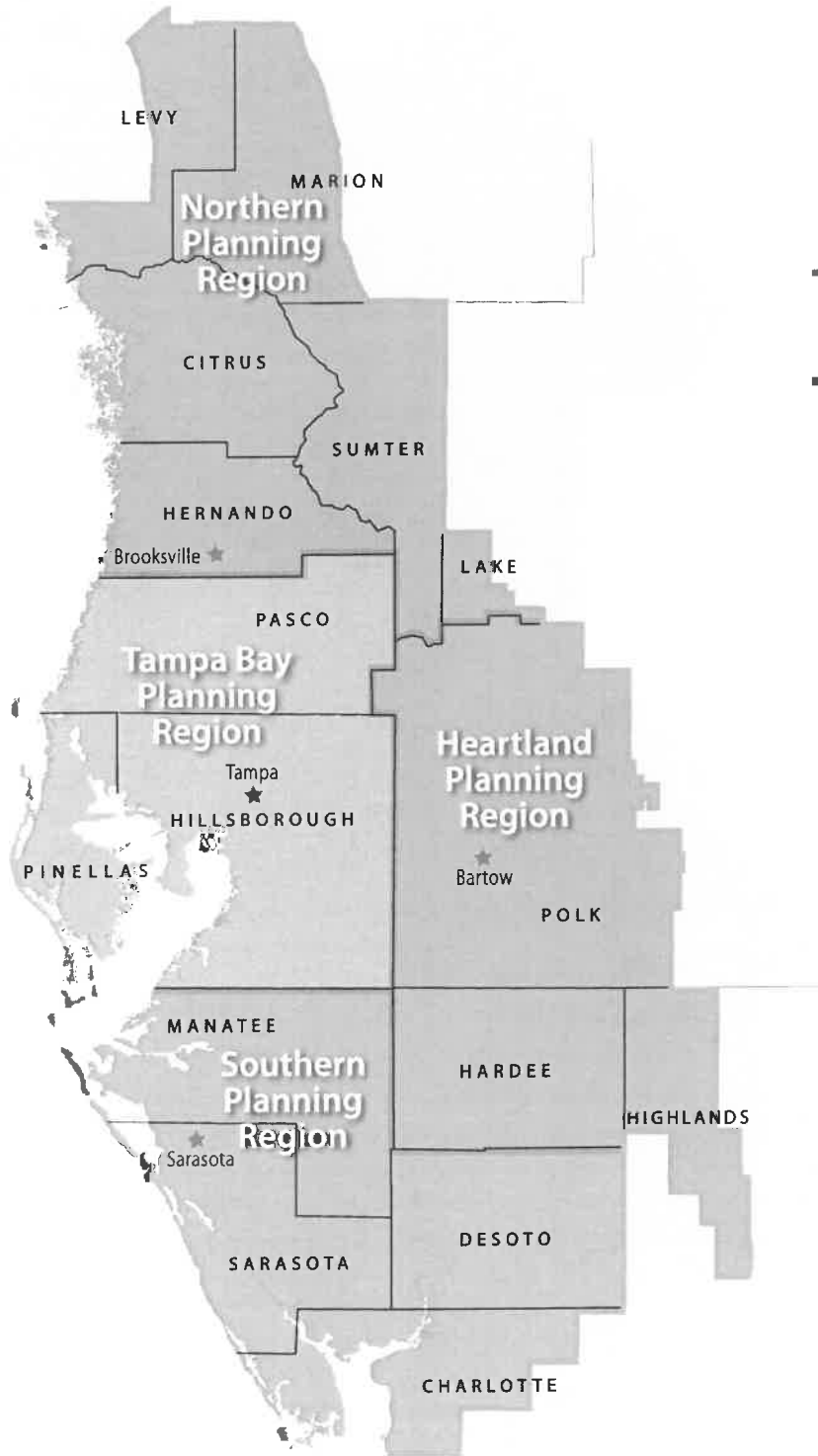
**Southwest Florida Water Management District**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

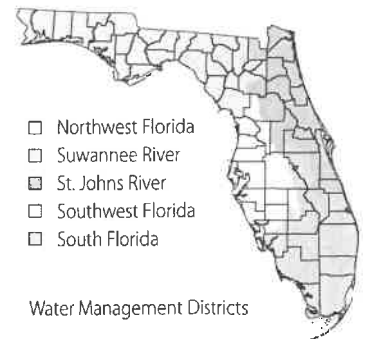
September 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

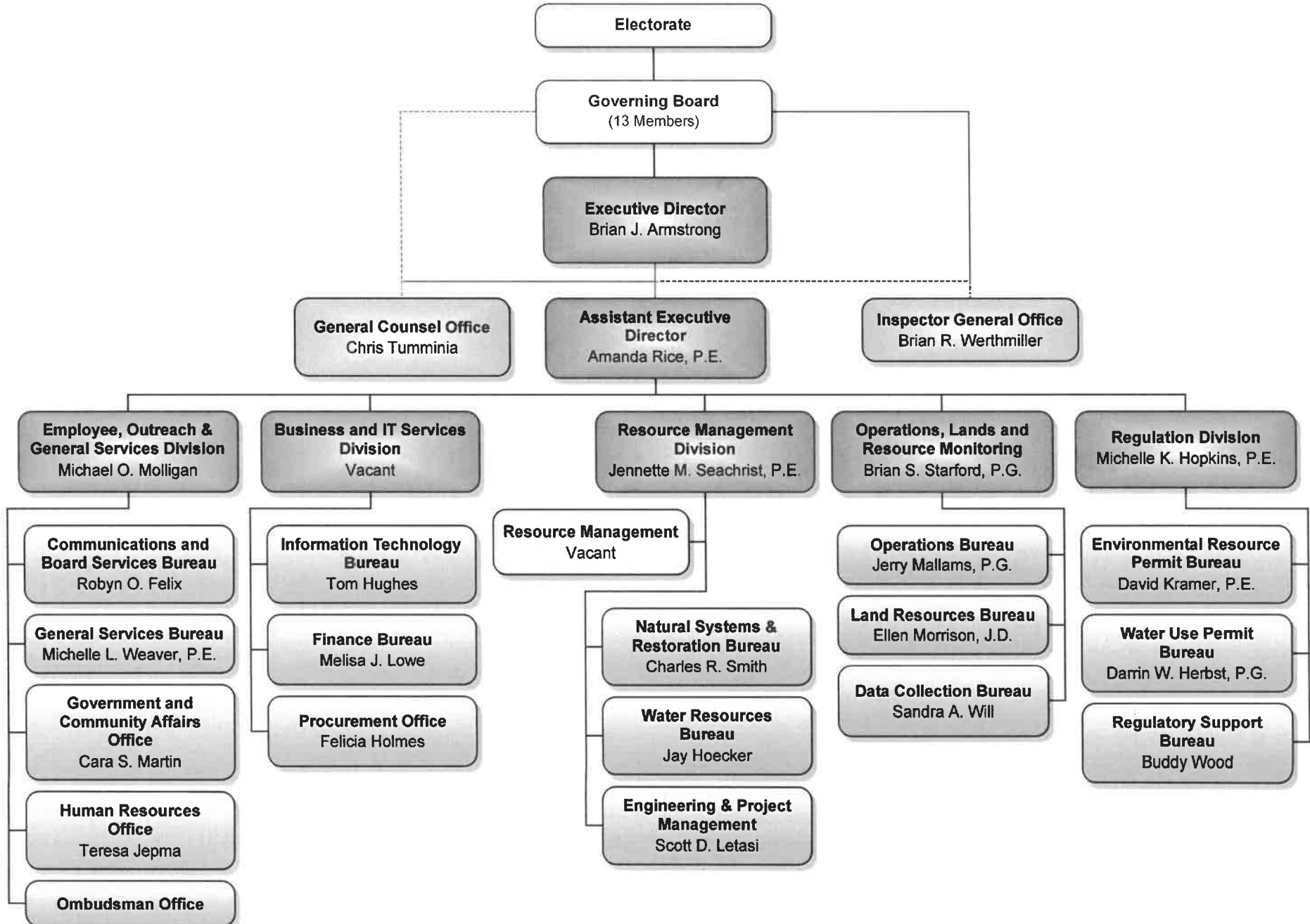


- Portion of county outside SWFWMD
- District Boundary
- ★ Location of Service Offices
- Planning Regions



Organization Chart

As of April 30, 2022



**Southwest Florida Water Management District**

**List of Appointed Officials**

at time of publication, May 24, 2022

Governing Board Chair	Kelly S. Rice
Governing Board Vice Chair	Joel Schleicher
Governing Board Secretary	Michelle Williamson
Governing Board Treasurer	Ed Armstrong
Board Member	Ashley Bell Barnett
Board Member	Jack Bispham
Board Member	John Hall
Board Member	William Hogarth
Board Member	John Mitten
Board Member	Seth Weightman
Board Member	Vacant
Board Member	Vacant
Board Member	Vacant





## Financial Section

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



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), as of and for the year ended September 30, 2021, 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***

The District's 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.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 and each major fund of the District, as of September 30, 2021, and the respective changes in financial position, and the respective budgetary comparison for the General fund and DOT Mitigation special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter – Implementation of New Accounting Standard and Prior Period Adjustment*

As discussed in Note I(F) to the financial statements, the District adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, (GASB 87), a restatement of \$207,437 of beginning net position was required as a result of the implementation of GASB 87. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

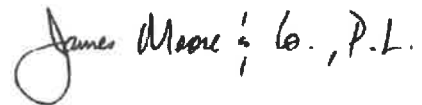
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, statistical section, and schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 215.97, Florida Statutes, *Florida Single Audit Act*, and Chapter 10.550, Rules of the Florida Auditor General, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Moore & Co., P.L." The signature is written in dark ink and is positioned to the right of the main body of text.

Gainesville, Florida  
April 27, 2022

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## **Management's Discussion and Analysis** (unaudited)

The Southwest Florida Water Management District's (District) discussion and analysis is designed to offer readers of the District's financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021. Readers are encouraged to read the Management's Discussion and Analysis in conjunction with the transmittal letter beginning on page i and the District's financial statements, which begin on page 19.

### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.3 billion (net position). Of this amount, \$377.7 million may be used to meet the District's ongoing obligations to citizens and creditors. It is the District's intent to use these assets to: satisfy contracts and purchase orders in the amount of \$101.3 million; fund board and management designations in the amount of \$57.9 million; fund future long- and short-term projects in the amount of approximately \$145.2 million; maintain an economic stabilization reserve of \$33.0 million; support land management activities in the amount of \$1.7 million; capital project reserves of \$9.7 million; pay claims associated with the District's workers' compensation and medical self-insurance programs in the amount of \$4.0 million; and carry forward \$24.9 million into the fiscal year 2022-23 budget.
- The District's total net position increased by \$29,169,697 (2.3 percent) during the year, remaining relatively stable at \$1.3 billion at September 30, 2021.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$462.8 million, an increase of \$25.2 million in comparison with the prior year. Of this total amount, \$1.4 million is classified as non-spendable; \$40.7 million is restricted for the watershed basins and land acquisition; and \$420.7 million is available for spending at the District's discretion, with the majority committed or assigned.
- The District continues to have no bonded debt.

### **Overview of the Financial Statements**

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

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

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

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

## **Management's Discussion and Analysis** (unaudited)

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

The government-wide financial statements can be found on pages 19 and 20 of this report.

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

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

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

The District maintained one general fund, one special revenue fund and two capital projects funds, all of which were considered major funds during fiscal year 2020-21. Information for all funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for all funds. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds in accordance with GASB Statement No. 34, *Basic Financial Statement—And Management's Discussion and Analysis—For State and Local Governments*. Although not required, budgetary comparison schedules for the District's capital projects funds have been provided on pages 75 and 76 of this report as other supplementary information.

The governmental funds financial statements can be found on pages 21 and 22 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 65 of this report.

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

**Management's Discussion and Analysis**  
(unaudited)

**Government-wide Overall Financial Analysis**

For fiscal year 2020-21, the overall condition of the District remained constant compared with fiscal year 2019-20.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$1.3 billion at September 30, 2021, which was \$0.1 billion more than fiscal year ending September 30, 2020 as detailed below.

**Southwest Florida Water Management District's Net Position**

	Governmental Activities	
	2021	2020
Current and Other Assets	\$ 513,497,936	\$ 496,755,268
Long-term Receivables	252,445	1,229,631
Capital Assets	858,043,412	856,177,453
Total Assets	1,371,793,793	1,354,162,352
Deferred Outflows of Resources	10,141,269	12,702,623
Current and Other Liabilities	50,493,363	58,939,977
Long-term Liabilities	30,467,341	58,617,250
Total Liabilities	80,960,704	117,557,227
Deferred Inflows of Resources	25,328,506	2,831,593
Net Position:		
Net Investment in Capital Assets	857,264,209	855,068,497
Restricted for:		
Watershed Basins	10,079,192	14,040,957
Land Acquisition	30,605,484	14,778,137
Unrestricted	377,696,957	362,588,564
Total Net Position	\$ 1,275,645,842	\$ 1,246,476,155

By far, the largest portion of the District's net position, at September 30, 2021, in the amount of approximately \$857.3 million (67.2 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, intangible assets). The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

Restricted net position in the amount of approximately \$40.7 million (3.2 percent) represents resources that are subject to external restrictions on how they may be used. These resources represent the net position restricted for land acquisition and the restricted net position of the former seven watershed basins that must be spent within the geographical boundaries of each watershed basin.

It is the District's intent to use the net position restricted for the former seven watershed basins to satisfy contracts and purchase orders and fund future long and short-term projects that fall within the specific geographical boundaries of the basins.



## **Management's Discussion and Analysis** (unaudited)

The balance of net position restricted for watershed basins at the end of fiscal year 2020-21 decreased from the prior year balance by \$4.0 million (28.2 percent). The decrease is attributable to the use of restricted funds for watershed basin projects for which the ad valorem property taxes were collected prior to fiscal year 2011-12. The basins no longer exist as ad valorem taxing units and no longer levy ad valorem tax.

The balance of net position restricted for land acquisition at the end of fiscal year 2020-21 increased from the prior year balance by \$15.8 million (107.1 percent). The increase is attributable to the District's sales of land in the amount of \$15.8 million.

Unrestricted net position in the amount of \$377.7 million (29.6 percent) may be used to meet the District's ongoing obligations to citizens and creditors. As noted earlier, it is the District's intent to use these assets to: satisfy contracts and purchase orders; fund board and management designations; fund future long and short-term projects; support land management activities; fund capital project reserves; pay claims associated with the District's Workers' Compensation and Medical self-insurance programs; fund an economic stabilization reserve; and carry forward funding for allocation in subsequent years budgets.

Total assets at the end of fiscal year 2020-21 increased from the prior year, reflecting a net increase of \$17.6 million (1.3 percent). The increase in current and other assets of \$16.7 million (3.4 percent) was offset by a decrease in long-term receivables by \$1.0 million (79.5 percent). Cash and investments increased \$17.9 million (3.7 percent). This is due to increased ad valorem and gains on sales of capital assets. Receivables (non-long term) decreased \$1.4 million (17.7 percent), which is primarily due to the payment of a \$1.0 million invoice to the Florida Department of Environmental Protection for a springs initiative contract.

The total liability obligation decreased by \$36.6 million (31.1 percent). This is partly due to a decrease in Long-term Liabilities of \$28.1 million (48.0 percent). This is mainly due to the decrease in pension liability (FRS and HIS) of \$26.9 million (59.3 percent).

At September 30, 2021, the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For fiscal year 2020-21, the District's total net position increased by \$29.2 million (2.3 percent). The reasons for this increase are discussed in the following section for governmental activities.

**Management's Discussion and Analysis**  
(unaudited)

**Governmental activities.** Governmental activities increased the District's net position by \$29.0 million (\$29.2 million including prior period adjustment).

**Southwest Florida Water Management District's Changes in Net Position**

	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,324,004	\$ 3,234,530
Operating Grants and Contributions	6,695,583	8,170,077
Capital Grants and Contributions	9,895,633	19,648,754
General Revenues:		
Ad Valorem Property Taxes	116,500,584	113,824,170
Unrestricted Investment Earnings	394,173	14,114,612
Gain on Sale of Capital Assets	4,993,931	4,219,008
Other	222,258	281,024
Total Revenues	<u>142,026,166</u>	<u>163,492,175</u>
Expenses:		
Water Resource Planning and Monitoring	26,090,028	26,670,170
Land Acquisition, Restoration and Public Works	38,946,335	68,607,233
Operation and Maintenance of Works and Lands	17,674,228	19,737,875
Regulation	17,260,188	19,345,097
Outreach	1,969,083	2,123,905
Management and Administration	11,069,761	11,431,719
Interest	54,283	48,499
Total Expenses	<u>113,063,906</u>	<u>147,964,498</u>
Change in Net Position	28,962,260	15,527,677
Prior Period Adjustment*	207,437	725
Net Position - Beginning of Year	<u>1,246,683,592</u>	<u>1,230,948,478</u>
Net Position - End of Year	<u>\$ 1,275,645,852</u>	<u>\$ 1,246,476,155</u>

\*see note I.F. on the GASB 87 and resulting restatement (increase) of beginning net position.

Total revenues decreased by \$21.5 million (13.1 percent) from the previous year. Unrestricted investment earnings decreased by \$13.7 million (97.2 percent). In accordance with governmental accounting standards, Unrestricted investment earnings is calculated by summing the change in net income earned during the year and the change in unrealized gains or losses for the period. The significant decline in interest rates during 2020 and the first half of 2021 resulted in decreased interest earnings of \$3.8 million (43.8 percent, which is 27.5 percent of the change) from the prior year. The District recorded a reduction in the change of unrealized gains of \$4.5 million in fiscal year 2021, as compared to recording an increase in the change in unrealized gains of \$5.4 million in fiscal year 2020. The difference in the change in unrealized gains and losses are a result of securities previously carried at unrealized gains matured at par, and the general rise in interest rates over the second half of 2021 resulted in a comparative decline in the portfolio's market value. This resulted in a \$9.9 million (183.3 percent, which is 72.5 percent of the change) change in unrealized gains and losses from fiscal year 2020 to 2021.

## **Management's Discussion and Analysis** (unaudited)

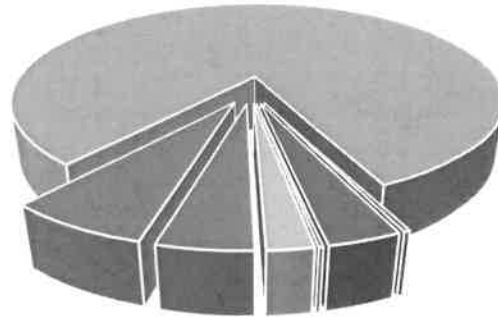
Capital grants and contributions decreased by \$9.8 million (49.6 percent), due to a decrease in donated land parcels. Ad valorem property taxes increased by \$2.7 million (2.4 percent), primarily due to an increase in assessed property values offset by a reduction in the millage rate. Operating grants and contributions decreased by \$1.5 million (18.0 percent) primarily due to a decrease in operating grants in Water Resource Planning and Monitoring by \$0.4 million (22.9 percent), Land Acquisition, Restoration and Public Works by \$0.7 million (19.4 percent), and Operation and Maintenance of Works and Lands by \$0.4 million (15.4 percent). Charges for services, Gain on Sales of Capital Assets, and Other Revenue had a combined increase of \$0.8 million (10.4 percent).

Total expenses decreased by \$34.9 million (23.6 percent) from the previous year. This is mainly the result of a decrease in Land Acquisition, Restoration and Public Works of \$29.7 million (43.2 percent) primarily due to decreases in the following projects: N780-City of Punta Gorda Brackish Wellfield Investigation for \$8.3 million; N823-Peace River Manasota Regional Water Supply Authority Integrated Loop System Phase 3B for \$6.2 million; N748-City of Tampa Dale Mabry Turnpike Drainage Improvement for \$4.8 million; N191-Pinellas County Lake Seminole Sediment Removal for \$3.8 million; N416-Peace River/Manasota Regional Water Supply Authority Integrated Loop System Phase 1 for \$3.4 million; N773-City of Tampa Cypress Street Outfall Regional Stormwater Improvements for \$2.8 million; and N905-Polk Regional Water Cooperative Southwest Wellfield Brackish Ground Water Development for \$2.5 million, offset by an increase in H089-Flatford Swamp Aquifer Recharge for \$2.5 million.

**Management's Discussion and Analysis**  
(unaudited)

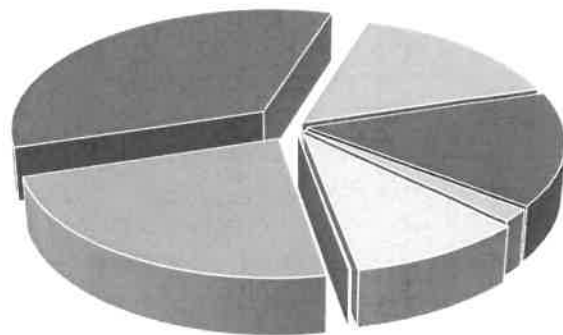
**Fiscal Year 2020-21 Revenues by Source – Governmental Activities**

- Charges for Services 2.3%
- Operating Grants and Contributions 4.7%
- Capital Grants and Contributions 7.0%
- Ad Valorem Property Taxes 82.0%
- Unrestricted Investment Earnings 0.3%
- Gain on Sale of Capital Assets 3.5%
- Other 0.2%



**Fiscal Year 2020-21 Expenses by Program – Governmental Activities**

- Water Resource Planning & Monitoring 23.1%
- Land Acquisition, Restoration & Public Works 34.5%
- Operation & Maintenance of Works & Lands 15.6%
- Regulation 15.3%
- Outreach 1.7%
- Management & Administration 9.8%
- Interest Less Than 0.1%



## Management's Discussion and Analysis (unaudited)

### Financial Analysis of the Government's Funds

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

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

At September 30, 2021, the District's governmental funds reported combined fund balances of \$462.8 million, an increase of \$25.2 million in comparison with fiscal year 2019-20. Unassigned fund balance of \$13.2 million represents 2.8 percent of the entire fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed or assigned to indicate that it is: 1) not in spendable form (\$1.4 million), 2) restricted where constraints are placed on the use of resources (\$40.7 million), 3) committed for specific purposes (\$131.0 million), or 4) assigned for specific purposes (\$276.5 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2020-21, unassigned fund balance of the general fund was \$13.2 million, while the total fund balance increased to \$422.0 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. Unassigned fund balance represents 11.36 percent of the total general fund expenditures, while total general fund balance represents 362.0 percent of that same amount.

The fund balance of the general fund increased \$10.7 million from the previous fiscal year. The increase is primarily attributable to a decrease in revenues of \$13.1 million offset by a greater decrease in expenditures of \$24.4 million.

Ad valorem property tax revenue and other revenue increased by \$6.3 million and \$0.1 million respectively. Intergovernmental revenues, interest on invested funds, and license and permit fees decreased by \$5.9 million, \$13.5 million, and \$0.2 million respectively. The decrease in intergovernmental revenues is primarily due to the completion or near completion of the following:

- 4008-Springs Initiative decreased by \$2.4 million
- 4092-Alternative Water Supply projects on Southeast Wellfield, West Polk County Lower Aquifer Deep Wells, and Statewide Potable Reuse Outreach Program decreased by \$2.5 million
- 3888-Mulberry Phosphate Spill decreased by \$1.7 million
- 4078-Palm River Restoration increased by \$0.8 million

The decrease in interest on invested funds revenue was primarily due to a decrease of interest earnings of \$3.7 million and the recording of a reduction in unrealized gains of \$4.5 million in fiscal year 2021 as compared to the recording of a change in unrealized gain of \$5.4 million in fiscal year 2020. The total effect resulted in a \$9.9 million (179.8 percent, which is 73.2 percent of the change) net change from an increase in unrealized gains of \$5.4 million in fiscal year 2020 to a decrease in unrealized gains of \$4.5 million in fiscal year 2021. The difference in the change in unrealized gains and losses are a result of as securities previously carried at unrealized gains matured at par, and the general rise in interest rates over the second half of 2021 resulted in a comparative decline in the portfolio's market value.

## **Management's Discussion and Analysis** (unaudited)

These decreases in revenue were offset by decreases in expenditures of Land Acquisition, Restoration and Public Works by \$25.1 million primarily due to decreases of \$31.8 million of expenditures from the following:

- N780-City of Punta Gorda Brackish Wellfield Investigation for \$8.3 million
- N823-Peace River Manasota Regional Water Supply Authority Integrated Loop System Phase 3B for \$6.2 million
- N748-City of Tampa Dale Mabry Turnpike Drainage Improvement for \$4.8 million
- N191-Pinellas County Lake Seminole Sediment Removal for \$3.8 million
- N416-Peace River/Manasota Regional Water Supply Authority Integrated Loop System Phase 1 for \$3.4 million
- N773-City of Tampa-Cypress Street Outfall Regional Stormwater Improvements for \$2.8 million
- N905-Polk Regional Water Cooperative Southwest Wellfield Brackish Ground Water Development for \$2.5 million

Offset by increases in expenditures of \$6.3 million primarily due to the following:

- H089-Flatford Swamp Aquifer Recharge for \$2.5 million
- W367-Palm River Restoration for \$1.7 million
- N730-City of St. Petersburg 8<sup>th</sup> Avenue South at 44<sup>th</sup> Street South and Vicinity Storm Drainage Improvements for \$1.2 million
- N998-Tampa Bay Regional Treatment Facility Pumping Expansion for \$0.9 million

Water Resource Planning and Monitoring, Operations and Maintenance of Works and Lands, Regulation, Outreach, Management & Administration, and Debt Service totaled an increase in expenditures of \$0.8 million.

The fund balance of the Florida Forever capital projects fund increased \$15.2 million. This is mostly attributable to an increase in sale of capital assets revenue of \$15.1 million, which is due to the sale of two parcels of land totaling \$15.1 million.

The fund balance of the Capital Projects fund decreased \$0.7 million due to expenditures exceeding revenues by \$0.7 million primarily due to increased expenditures in C392-Tampa Service Office Utilization Renovations by \$0.1 million and C203-Brooksville Building 4 Heating, Venting, and Air Conditioning Replacement by \$0.4 million.

### **General Fund Budgetary Highlights**

The District's general fund budget was amended once during fiscal year 2020-21 to incorporate the District receiving \$15.8 million in additional revenue from the State of Florida's Department of Environmental Protection. Transfers were executed between the six program areas.

In total, the general fund revenue budget was \$172.5 million with actual revenues of \$126.8 million, resulting in a variance of \$45.8 million (26.5 percent). The variance is primarily due to a reduction in intergovernmental revenues and interest on invested funds.

Intergovernmental revenues are recognized at the time related expenditures are incurred, if such amounts are expected to be collected within one year. For fiscal year 2020-21, the general fund intergovernmental revenues budget was \$50.8 million and actual revenues were \$7.7 million, resulting in a variance of \$43.1 million (84.8 percent). From year to year, the budgeted amount of intergovernmental revenue compared to the recognized amount can fluctuate for various reasons; projects can be in the planning stages and have not incurred a significant number of billable expenditures, or anticipated projects may be cancelled, withdrawn, or completed under budget.

## **Management's Discussion and Analysis** (unaudited)

Interest on invested funds was budgeted at \$3.8 million and actual revenues were \$0.3 million, resulting in a variance of \$3.4 million (90.8 percent). The interest earnings budget was based on a 0.78 percent expected rate of return. The District earned 0.98 percent yield on investments and recognized \$4.7 million. In accordance with governmental accounting standards, interest earnings have been adjusted to reflect the changes in the fair value of investments. Therefore, interest earnings have been adjusted by a reduction of unrealized gains of approximately \$4.5 million for fiscal year 2021 compared to an unrealized gain of approximately \$5.4 million in fiscal year 2020, decreasing interest earnings on invested funds to \$0.3 million, representing 7.9 percent of the budget.

Other revenues were budgeted at \$0.6 million and actual revenues were \$1.1 million, resulting in a variance of \$0.4 million (66.7 percent). Each year, items that fall within the "Other" revenue category are conservatively budgeted due to the uncertainty of the amounts to be collected. For example, revenues from timber sales, hog hunts, and miscellaneous recoveries can vary significantly from year to year. The variance is primarily due to the District receiving \$0.2 million of unanticipated revenue for enforcement item penalties, \$0.4 million of unanticipated revenue for sales of capital assets.

The District's program areas include a variety of projects and initiatives that are necessary to carry out the District's mission to preserve and protect the state's water resources (see note I.D. on page 27). The general fund budget-to-actual expenditure variances are primarily due to encumbrances that exist at year-end for projects that are often multi-year, resulting in expenditures that do not always coincide with the budget period. After removing the encumbrances from the budget-to-actual variances, the programmatic area below showed a significant variance.

The Land Acquisition, Restoration and Public Works program budget was \$232.7 million and actual expenditures were \$39.0 million. After adjusting for encumbrances of \$179.8 million, a variance of \$13.8 million (26.1 percent) remains. The variance is primarily due to projects that are cancelled, withdrawn, had scope of work changes, or were completed under budget.

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

### **Capital Asset and Debt Administration**

**Capital assets.** The District's investment in capital assets at September 30, 2021, amounted to \$858.0 million (net of accumulated depreciation) an increase from prior year of \$1.9 million (0.2 percent). This investment in capital assets includes land, land interests, land acquisitions in progress, buildings, machinery and equipment, infrastructure, construction in progress, software, and other capital assets.

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

- The District received 3,789 acres of donated conservation easements valued at \$7.4 million.
- The District purchased a conservation easement of 1,135 acres in the Upper Myakka River Watershed for \$2.5 million.
- The District sold two parcels of land, one in Lake Hancock and one in Cypress Creek, totaling \$15.1 million.
- The State increased the capitalization threshold from \$1,000 to \$5,000. As a result, the District removed 2,068 assets at a value of \$3.8 million from the capital assets registry.

**Management's Discussion and Analysis**  
(unaudited)

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

	2021	2020
Land	\$ 596,676,168	\$ 606,156,346
Land Interests (less-than-fee)	150,972,227	141,046,892
Land Acquisition in Progress	71,645	181,126
Construction in Progress	9,852,109	4,442,013
Buildings	15,293,226	15,718,021
Machinery and Equipment	6,045,421	5,554,540
Leased Machinery and Equipment	287,197	226,108
Financed Machinery and Equipment	462,739	552,702
Infrastructure	77,876,070	81,622,299
Software	457,814	612,921
Other Capital Assets	48,796	64,485
<b>Total Capital Assets</b>	<b>\$ 858,043,412</b>	<b>\$ 856,177,453</b>

Additional information on the District's capital assets can be found in note I.E.3. on page 28 and note IV.D. on page 43.

**Long-term Debt Administration.** At September 30, 2021, the District had \$292,563 of lease obligations outstanding and obligations from financed purchases in the amount of \$486,640. The remainder of the District's long-term obligations is comprised of net pension liabilities, compensated absences, OPEB, and claims.

Additional information on the District's long-term obligations can be found in note IV.F. on page 45.

**Southwest Florida Water Management District Outstanding Debt**

	2021	2020 <sup>(1)</sup>
Leases With No Transfer Of Ownership	\$ 292,563	\$ 230,899
Financed Purchases (Debt)	486,640	670,621
	<b>\$ 779,203</b>	<b>\$ 901,520</b>

<sup>(1)</sup> The 2020 payable balances were restated by a reduction of \$207,437 due to the implementation of GASB 87.

In fiscal year 2020-21, the District entered into a lease agreement with Key Government Finance as lessee for pure storage area network equipment valued at \$142,450. The present value of the future minimum lease payable balance as of September 30, 2021, is \$106,190. The new lease offset by the paydown of principal on all leases and finance purchases and the reduction of the payable beginning balances due to the implementation of GASB 87 is the reason for the decrease of \$122,317 of obligations (13.6 percent).



## **Management's Discussion and Analysis** (unaudited)

### **Economic Factors and Next Year's Budget and Millage Rate**

After nearly two years of pandemic-related tumult, 2021 drew to a close amidst a backdrop of cautious optimism and growing hopes that the darkest days of the pandemic have passed. The United States made great progress towards recovery and reopening over the year even as the healing process was at times uneven and beset by recurring outbreaks of the virus. Supported by expansionary monetary policy and aggressive fiscal stimulus, the U.S. economy grew by 5.6 percent in 2021, its strongest growth rate since 1984. The rollout of vaccines and improving public health outlook helped to unleash pent-up consumer demand and propel the economy to its fastest rate of growth in over a quarter century. As the U.S. economy re-opened, this surge in consumer demand collided with low inventories and stretched global supply chains to stir a meaningful uptick in inflation pressures that accelerated throughout the year. The consumer price index climbed 7.0 percent in 2021, the largest 12-month gain since June 1982. Labor markets continued to heal throughout the year with the economy recovering 18.7 million of the nearly 22.0 million jobs that were lost in March and April of 2020 while the unemployment rate fell to a post-pandemic low of 3.9 percent. (www.Bloomberg.com)

Despite growing concerns surrounding supply chain bottlenecks, tightening labor market conditions, and rising inflation, the Federal Reserve (Fed) held strong to its view that price pressures would prove transitory and maintained the Federal Funds rate in a range of between zero and 0.25 percent throughout the year while continuing its programmatic buying of \$120 billion per month of U.S. treasury and mortgage-backed securities. As inflation pressures accelerated in the fourth quarter, the Fed was compelled to alter its stance on inflation and amended its characterization of rising prices from “transitory” to “persistent”. This change in the Fed’s forward guidance triggered a repricing of market expectations to include three 25 basis point (0.25 percent) rate hikes in 2022, up from just one expected rate hike as of midyear. In response to this more aggressive rate outlook and bolstered by the persistency of rising inflation, interest rates closed the year notably higher as market participants adjusted to the prospect of less accommodative financial conditions in the year ahead. (www.Bloomberg.com)

The District’s primary source of funding is ad valorem property taxes. The fiscal year 2021-22 budget of \$118.8 million in ad valorem property taxes represents 96 percent of the taxes to be levied on taxable property values as certified by the District’s 16 counties, which is based on historical collections. This represents an increase of approximately \$2.8 million compared to fiscal year 2020-21.

On September 28, 2021, the District’s Governing Board adopted a final millage, the rolled-back rate of 0.2535 mill for fiscal year 2021-22, resulting in a reduction of 5.0 percent below the rate levied for fiscal year 2020-21. This will save taxpayers approximately \$6.5 million.

The adopted budget for fiscal year 2021-22 is \$198.0 million, compared to \$183.5 million for fiscal year 2020-21. The operating portion of the fiscal year 2021-22 budget is \$83.5 million. Holding operating expenditures low at 70 percent of ad valorem revenue for fiscal year 2021-22 provides the District with the funding capacity to sustain a significant investment in its Cooperative Funding Initiative (CFI) and District projects where the dollars are leveraged to the benefit of the environment. The District continues to look for opportunities to improve efficiencies and further streamline processes while improving the services provided to the public.

The District’s fiscal resources, supplemented with project reserves, can adequately maintain a healthy investment in the water resources and economy over the next five years. It is anticipated that as the economy continues to grow, the requests for cooperative funding and other District projects will outpace the current ad valorem revenue available to the District. Project reserves will be allocated through the budget development process to fund these projects until ad valorem revenue increases through normal growth, allowing the District to continue to operate on a pay-as-you-go basis.

**Management's Discussion and Analysis**  
(unaudited)

**Requests for Information**

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

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# Basic Financial Statements

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

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

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

**Southwest Florida Water Management District**  
**Statement of Net Position**  
**September 30, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 442,364,665
Receivables	6,170,737
Deposits	867,000
Inventories	18,755
Prepays	549,008
Other Assets	387,483
Restricted Assets:	
Cash and Investments	62,857,591
Intergovernmental Receivable	282,697
Long Term-Receivables	252,445
Capital Assets Not Being Depreciated:	
Land	596,676,168
Land Interests	150,972,227
Land Acquisition in Progress	71,645
Construction in Progress	9,852,109
Capital Assets (Net of Accumulated Depreciation):	
Buildings	15,293,226
Machinery and Equipment	6,045,421
Machinery and Equipment - Leased Assets	287,197
Machinery and Equipment - Financed Assets	462,739
Infrastructure	77,876,070
Software	457,814
Other Capital Assets	48,796
Total Assets	<u>1,371,793,793</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB	705,896
Pension	9,435,373
Total Deferred Outflows of Resources	<u>10,141,269</u>
 <b>LIABILITIES</b>	
Accounts and Contracts Payable	24,372,282
Payroll and Related Costs	2,077,446
Contracts Payable-Retainage	714,194
Unearned Revenue	873,829
Liabilities Payable from Restricted Assets:	
Accounts and Contracts Payable	5,359,610
Payroll and Related Costs	1,186
Contracts Payable-Retainage	84,093
Unearned Revenue	17,010,605
Interest Payable	118
Non-Current Liabilities:	
Due Within One Year	1,747,722
Due in More Than One Year	28,719,619
Total Liabilities	<u>80,960,704</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB	1,890,742
Pension	23,437,764
Total Deferred Inflows of Resources	<u>25,328,506</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	857,264,209
Restricted for:	
Watershed Basins	10,079,192
Land Acquisition	30,605,484
Unrestricted	377,696,967
Total Net Position	<u>\$ 1,275,645,852</u>

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

**Southwest Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Primary government:</b>					
Governmental Activities:					
Water Resource Planning and Monitoring	\$ 26,090,028	\$ -	\$ 1,200,120	\$ -	\$ (24,889,908)
Land Acquisition, Restoration and Public Works	38,946,335	678,932	2,984,242	9,895,633	(25,387,528)
Operation and Maintenance of Works and Lands	17,674,228	813,012	2,276,471	-	(14,584,745)
Regulation	17,260,188	1,809,539	-	-	(15,450,649)
Outreach	1,969,083	-	-	-	(1,969,083)
Management and Administration	11,069,761	22,521	234,750	-	(10,812,490)
Interest					
Water Resource Planning and Monitoring	3,770	-	-	-	(3,770)
Land Acquisition, Restoration and Public Works	1,479	-	-	-	(1,479)
Operation and Maintenance of Works and Lands	16,905	-	-	-	(16,905)
Regulation	4,597	-	-	-	(4,597)
Outreach	363	-	-	-	(363)
Management and Administration	27,169	-	-	-	(27,169)
Total Governmental Activities	<u>\$ 113,063,906</u>	<u>\$ 3,324,004</u>	<u>\$ 6,695,583</u>	<u>\$ 9,895,633</u>	<u>\$ (93,148,686)</u>
General Revenues:					
Ad Valorem Property Taxes					116,500,584
Unrestricted Investment Earnings					394,173
Gain on Sale of Capital Assets					4,993,931
Other					222,258
Total General Revenues					<u>122,110,946</u>
Change in Net Position					28,962,260
Net Position - Beginning					1,246,476,155
Prior Period Adjustment - (see note F, page 33)					207,437
Net Position - Beginning - Restated (see note F, page 33)					<u>1,246,683,592</u>
Net Position - Ending					<u>\$ 1,275,645,852</u>

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

**Southwest Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2021**

	General Fund	DOT Mitigation	Florida Forever	Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 448,772,457	\$ 15,476,206	\$ 27,403,864	\$ 13,569,729	\$ 505,222,256
Due From Other Governments	5,676,341	-	-	-	5,676,341
Interest Receivable	1,029,538	-	-	-	1,029,538
Deposits	867,000	-	-	-	867,000
Inventories	18,755	-	-	-	18,755
Prepays	549,008	-	-	-	549,008
Other Assets	387,483	-	-	-	387,483
Total Assets	<u>457,300,582</u>	<u>15,476,206</u>	<u>27,403,864</u>	<u>13,569,729</u>	<u>513,750,381</u>
<b>LIABILITIES</b>					
Accounts and Contracts Payable	29,388,813	150,030	-	193,167	29,732,010
Payroll and Related Costs	2,077,446	1,186	-	-	2,078,632
Contracts Payable-Retainage	782,710	-	-	15,577	798,287
Unearned Revenue	2,559,444	15,324,990	-	-	17,884,434
Total Liabilities	<u>34,808,413</u>	<u>15,476,206</u>	<u>-</u>	<u>208,744</u>	<u>50,493,363</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue-Property Taxes	237,891	-	-	-	237,891
Unavailable Revenue-Intergovernmental Revenue	252,445	-	-	-	252,445
Total Deferred Inflows of Resources	<u>490,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490,336</u>
<b>FUND BALANCES</b>					
Nonspendable	1,434,763	-	-	-	1,434,763
Restricted	14,273,206	-	26,411,468	-	40,684,674
Committed	130,978,036	-	-	-	130,978,036
Assigned	262,130,157	-	992,396	13,360,985	276,483,538
Unassigned	13,185,671	-	-	-	13,185,671
Total Fund Balances	<u>422,001,833</u>	<u>-</u>	<u>27,403,864</u>	<u>13,360,985</u>	<u>462,766,682</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 457,300,582</u>	<u>\$ 15,476,206</u>	<u>\$ 27,403,864</u>	<u>\$ 13,569,729</u>	

Amounts reported for governmental activities in the statement of net position (page 19) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	858,043,412
Deferred outflows are applicable to future periods and, therefore, are not reported in the funds.	10,141,269
Deferred inflows are applicable to future periods and, therefore, are not reported in the funds.	(25,328,506)
Delinquent taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	237,891
Earned but unavailable intergovernmental revenues should be recognized in the statement of activities regardless of whether they are available.	252,445
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(30,467,341)</u>
Net position of governmental activities	<u>\$ 1,275,645,852</u>

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

**Southwest Florida Water Management District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2021**

	General Fund	DOT Mitigation	Florida Forever	Capital Projects	Total Governmental Funds
<b>REVENUES</b>					
Ad Valorem Property Taxes	\$ 115,812,461	\$ -	\$ -	\$ 700,000	\$ 116,512,461
Intergovernmental Revenues	7,745,222	625,627	2,479,542	-	10,850,391
Interest on Invested Funds	346,310	21,676	26,187	-	394,173
License and Permit Fees	1,793,722	-	-	-	1,793,722
Other	1,054,144	-	-	-	1,054,144
<b>Total Revenues</b>	<u>126,751,859</u>	<u>647,303</u>	<u>2,505,729</u>	<u>700,000</u>	<u>130,604,891</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Water Resource Planning and Monitoring	27,440,540	-	-	-	27,440,540
Land Acquisition, Restoration and Public Works	39,027,222	647,303	2,526,168	1,057,265	43,257,958
Operation and Maintenance of Works and Lands	16,849,626	-	-	344,238	17,193,864
Regulation	19,451,781	-	-	-	19,451,781
Outreach	2,062,176	-	-	-	2,062,176
Management and Administration	11,418,770	-	-	-	11,418,770
<b>Debt Service:</b>					
<b>Principal</b>					
Water Resource Planning and Monitoring	38,196	-	-	-	38,196
Land Acquisition, Restoration and Public Works	14,984	-	-	-	14,984
Operation and Maintenance of Works and Lands	111,323	-	-	-	111,323
Regulation	46,569	-	-	-	46,569
Outreach	3,673	-	-	-	3,673
Management and Administration	50,022	-	-	-	50,022
<b>Interest</b>					
Water Resource Planning and Monitoring	3,770	-	-	-	3,770
Land Acquisition, Restoration and Public Works	1,479	-	-	-	1,479
Operation and Maintenance of Works and Lands	16,905	-	-	-	16,905
Regulation	4,597	-	-	-	4,597
Outreach	363	-	-	-	363
Management and Administration	27,169	-	-	-	27,169
<b>Total Expenditures</b>	<u>116,569,165</u>	<u>647,303</u>	<u>2,526,168</u>	<u>1,401,503</u>	<u>121,144,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,182,694</u>	<u>-</u>	<u>(20,439)</u>	<u>(701,503)</u>	<u>9,460,752</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Sale of Capital Assets	403,219	-	15,184,691	9,731	15,597,641
Issuance of Debt	142,450	-	-	-	142,450
Insurance Proceeds	316	-	-	-	316
<b>Total Other Financing Sources (Uses)</b>	<u>545,985</u>	<u>-</u>	<u>15,184,691</u>	<u>9,731</u>	<u>15,740,407</u>
<b>Net Change in Fund Balances</b>	<u>10,728,679</u>	<u>-</u>	<u>15,164,252</u>	<u>(691,772)</u>	<u>25,201,159</u>
Fund Balances - Beginning	411,273,154	-	12,239,612	14,052,757	437,565,523
<b>Fund Balances - Ending</b>	<u>\$ 422,001,833</u>	<u>\$ -</u>	<u>\$ 27,403,864</u>	<u>\$ 13,360,985</u>	<u>\$ 462,766,682</u>

Amounts reported for governmental activities in the statement of activities (page 20) are different because:

Net change in fund balances - total governmental funds	\$ 25,201,159
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.	5,053,578
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in a decrease to net position.	(3,187,619)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of transactions (i.e. delinquent taxes, intergovernmental revenue) resulted in a net decrease to net position.	(989,063)
The borrowing of resources associated with leases and financed purchases provides current financial resources to governmental funds, while the repayment of the principal of the long-term borrowing consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences associated with the long-term borrowing.	122,317
Some increases and decreases in expenses reported in the statement of activities do not increase or decrease the inflows and/or outflows of current financial resources, and therefore, are not reported in governmental funds.	<u>2,761,888</u>
<b>Change in net position of governmental activities</b>	<u>\$ 28,962,260</u>

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



**Southwest Florida Water Management District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 115,257,364	\$ 115,257,364	\$ 115,812,461	\$ 555,097
Intergovernmental Revenues	35,001,745	50,799,245	7,745,222	(43,054,023)
Interest on Invested Funds	3,750,000	3,750,000	346,310	(3,403,690)
License and Permit Fees	2,100,391	2,100,391	1,793,722	(306,669)
Other	635,723	635,723	1,054,144	418,421
Total Revenues	<u>156,745,223</u>	<u>172,542,723</u>	<u>126,751,859</u>	<u>(45,790,864)</u>
<b>EXPENDITURES</b>				
Current:				
Water Resource Planning and Monitoring	50,188,849	50,290,575	27,440,540	22,850,035
Land Acquisition, Restoration and Public Works	216,816,244	232,656,494	39,027,222	193,629,272
Operation and Maintenance of Works and Lands	25,955,641	26,124,461	16,849,626	9,274,835
Regulation	22,051,117	22,191,028	19,451,781	2,739,247
Outreach	3,045,830	3,053,127	2,062,176	990,951
Management and Administration	12,299,375	12,241,371	11,418,770	822,601
Debt Service:				
Principal				
Water Resource Planning and Monitoring	-	-	38,196	(38,196)
Land Acquisition, Restoration and Public Works	-	-	14,984	(14,984)
Operation and Maintenance of Works and Lands	-	-	111,323	(111,323)
Regulation	-	-	46,569	(46,569)
Outreach	-	-	3,673	(3,673)
Management and Administration	-	-	50,022	(50,022)
Interest				
Water Resource Planning and Monitoring	-	-	3,770	(3,770)
Land Acquisition, Restoration and Public Works	-	-	1,479	(1,479)
Operation and Maintenance of Works and Lands	-	-	16,905	(16,905)
Regulation	-	-	4,597	(4,597)
Outreach	-	-	363	(363)
Management and Administration	-	-	27,169	(27,169)
Total Expenditures	<u>330,357,056</u>	<u>346,557,056</u>	<u>116,569,165</u>	<u>229,987,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(173,611,833)</u>	<u>(174,014,333)</u>	<u>10,182,694</u>	<u>184,197,027</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	403,219	403,219
Issuance of Debt	-	-	142,450	142,450
Insurance Proceeds	-	-	316	316
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>545,985</u>	<u>545,985</u>
Net Change in Fund Balance	<u>(173,611,833)</u>	<u>(174,014,333)</u>	<u>10,728,679</u>	<u>184,743,012</u>
Fund Balance - Beginning	173,611,833	174,014,333	411,273,154	237,258,821
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,001,833</u>	<u>\$ 422,001,833</u>

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

**Southwest Florida Water Management District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**DOT Mitigation Special Revenue Fund**  
**For the Year Ended September 30, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 1,823,031	\$ 625,627	\$ (1,197,404)
Interest on Invested Funds	-	21,676	21,676
Total Revenues	<u>1,823,031</u>	<u>647,303</u>	<u>(1,175,728)</u>
<b>EXPENDITURES</b>			
Current:			
Land Acquisition, Restoration and Public Works	<u>1,823,031</u>	<u>647,303</u>	<u>1,175,728</u>
Total Expenditures	<u>1,823,031</u>	<u>647,303</u>	<u>1,175,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Net Change In Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



# Notes to the Financial Statements

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

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Description**

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

**I. Summary of Significant Accounting Policies**

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

**A. Reporting entity**

The District is an independent special district of the State of Florida and is governed by a 13-member board, which is appointed by the Governor of Florida and confirmed by the Florida Senate. As required by GAAP, these financial statements include all operations for which the District is financially accountable. The District is a component unit of the State of Florida for financial reporting purposes and these financial statements will be included in the State of Florida's Annual Comprehensive Financial Report (ACFR) as a discretely presented component unit for the fiscal year ending June 30, 2022. The State of Florida's ACFR can be found at <https://www.myfloridacfo.com/transparency/state-financial-reports/fl-acfr>

**B. Government-wide and fund financial statements**

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

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

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

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

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

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

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

The District reports the following major governmental funds:

**1. General Fund**

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

**2. DOT Mitigation Fund**

This fund is a special revenue fund that accounts for revenue sources received from the State of Florida that are restricted for mitigation activities, pursuant to Section 373.4137, Florida Statutes. The state-mandated Florida Department of Transportation (FDOT) program requires that mitigation to offset the adverse wetland impacts of transportation projects be funded by the FDOT and be carried out by mitigation banks and any other mitigation options that satisfy state and federal requirements. (See note I.E.8., page 32).

**3. Capital Projects Fund**

This fund is a capital project fund that accounts for financial resources from the District's general fund to be used for the acquisition, construction, or renovation of major capital projects of the District's facilities and structures.

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**4. Florida Forever Fund**

This fund is a capital project fund that accounts for financial resources received from the State of Florida for the acquisition of lands necessary for water management, water supply, and conservation of water resources under the Florida Forever land acquisition program (see note I.E.8., page 32).

**D. Classification of expenditures**

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

**1.0 Water Resource Planning and Monitoring**

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

**2.0 Land Acquisition, Restoration and Public Works**

This program includes the development and construction of all capital projects (except for those contained in Programs 1.0 and 3.0), including water resource development projects, water supply development assistance, water control projects, support and administrative facilities construction, cooperative projects, land acquisition, and the restoration of lands and water bodies.

**3.0 Operation and Maintenance of Works and Lands**

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

**4.0 Regulation**

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

**5.0 Outreach**

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

**6.0 Management and Administration**

This program includes all governing board support; executive support; management information systems; and general counsel, ombudsman, human resources, finance, audit, risk management, procurement, and administrative services.

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

**1. Cash and investments**

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

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

**2. Inventories and prepaid items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**3. Capital assets**

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

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

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

**4. *Compensated absences***

District employees accrue annual and sick leave benefits based on hours worked and length of service. Annual leave is vested after one year of service. Regular employees can carry forward from one fiscal year to the next up to 360 hours of accrued annual leave but the maximum hours that will be paid upon separation in good standing is 240 hours. Employees in the administrative pay schedule may carry up to 480 hours of accrued annual leave and the maximum hours to be paid upon separation in good standing is 480 hours. Sick leave benefits do not vest until an employee has earned six years of creditable service with the District if hired on or before 9/30/12. For employees hired on or after 10/1/12 it is 10 years of creditable service upon retirement, death, resignation or separation in good standing, an employee is eligible to receive, at his/her current rate of pay, 100 percent of accrued annual leave (up to a maximum of 240 or 480 hours as per above) and 25 percent of accrued sick leave benefits (up to a maximum of 480 hours).

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

**5. *Pensions***

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



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**6. *Deferred outflows and deferred inflows of resources***

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

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

**7. *Fund balances / Net position***

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

The classifications are as follows:

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

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

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

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

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In accordance with the District's Fund Balance Policy, assigned fund balance shall reflect management's intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditures in the subsequent year depending on the timing of the project/reserve for which it was assigned (see note IV.H., page 47 and note V.C., page 50).

**Unassigned.** This classification includes the residual classification for the general fund and represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund and will be used in a subsequent year's budget. The general fund is the only fund that it is appropriate to report a positive unassigned fund balance.

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

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflow 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 reduced by the outstanding balance of debt related to the acquisition or construction of those assets.

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

- Restricted due to external restrictions of enabling legislation limiting the use of net position of the former seven watershed basins to be spent within the geographical boundaries of each watershed basin. The balance of the net position restricted for watershed basins on September 30, 2021, was \$10,079,192.
- Restricted due to external restrictions of enabling legislation limiting the use of net position for land acquisition. The amount of restricted net position for land acquisition on September 30, 2021, was \$30,605,484.

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

The District reduces restricted net position amounts first when restricted and unrestricted net position balances are available if the expenditures incurred are for the purposes for which amounts in the restricted fund balance meets the requirements set forth by the enabling legislation.

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**8. State trust funds**

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

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

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

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

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

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

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

**9. Use of estimates**

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

**F. New accounting pronouncements**

***GASB Statement No. 87, Leases***

GASB Statement No. 87, *Leases* 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 District evaluated the effect of the implementation of the new standard and have reduced the District's lease liability by \$142,507 and reduced the District's financed purchases liability by \$64,930 resulting in an increase to beginning net position of \$207,437.

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***GASB Statement No. 96, Subscription-Based Information Technology Arrangements***

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, to be effective for fiscal years beginning after June 15, 2022, providing guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

**II. Reconciliation of Government-wide and Fund Financial Statements**

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

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

One element of that reconciliation states that, “Deferred outflows are applicable to future periods and, therefore, are not reported in the funds.”

The details of the \$10,141,269 difference are as follows:

Other Postemployment benefits (OPEB)	\$ 705,896
Pension-FRS	7,882,868
Pension-HIS	1,552,505
Net Adjustment to increase fund balance - total governmental funds to arrive at net position of governmental activities	\$ 10,141,269

One element of that reconciliation states that, “Deferred inflows are applicable to future periods and, therefore, are not reported in the funds.”

The details of the \$25,328,506 difference are as follows:

OPEB	\$ 1,890,742
Pension-FRS	22,367,463
Pension-HIS	1,070,301
Net adjustment to decrease fund balance - total governmental funds to arrive at net position of governmental activities	\$ 25,328,506

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

The details of the \$30,467,341 difference are as follows:

Pension-FRS	\$	6,300,214
Pension-HIS		12,144,579
Compensated Absences		5,013,735
OPEB		4,986,610
Claims		1,243,000
Leases		292,563
Financed Purchases		486,640
Net Adjustment to decrease fund balance - total governmental funds to arrive at net position of governmental activities	\$	30,467,341

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances—total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period."

The details of this \$5,053,578 difference are as follows:

Capital Outlay	\$	11,685,600
Depreciation Expense (\$6,631,958 plus \$64 depreciation adjustment)		(6,632,022)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$	5,053,578

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

The details of this \$3,187,619 difference are as follows:

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 7,416,091
The statement of activities reports losses or reductions arising from the sales, trade-ins, modifications, or removal of capital assets. Conversely, governmental funds do not report any gain or loss associated with these types of transactions.	<u>(10,603,710)</u>
Net Adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (3,187,619)</u>

Another element of the reconciliation states that, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of transactions (i.e., delinquent taxes, intergovernmental revenue) resulted in a net decrease to net position."

The details of the \$989,063 decrease are as follows:

Delinquent Taxes (less than prior year-end)	\$ (11,877)
Long-Term Receivable-Intergovernmental Revenue	<u>(977,186)</u>
Net Adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (989,063)</u>

Another element of the reconciliation states that, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds."

The details of this decrease of expenditures of \$2,761,888 difference are as follows:

Compensated Absences	\$ (135,078)
Claims (medical)	(242,000)
Pension Liability and Related Deferred Balances-FRS	3,123,910
Pension Liability and Related Deferred Balances-HIS	(108,555)
Total OPEB Liability and Related Deferred Balances	<u>123,611</u>
Net Adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 2,761,888</u>

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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**III. Stewardship, Compliance and Accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with GAAP using the modified accrual basis of accounting. It is mandated by state law that the budget be balanced (total appropriations are equal to total revenues). It is assumed at the time of adoption that all budget revenues will be realized, and all expenditures will be incurred. Annual appropriated budgets are adopted by the District's Governing Board for all governmental funds. After the adoption of the final budget, the District's Governing Board may amend its budget, pursuant to Section 373.536(4), Florida Statutes.

Appropriations that are properly encumbered at year-end are carried forward into the following fiscal year's budget. Appropriations that are not expended or encumbered lapse at year-end and return to fund balance. These balances (identified to the Governing Board as "Balance from Prior Years") are used as a resource in the subsequent fiscal year's budget to fund the District's programs, activities, and priorities.

The District maintains extensive budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Governing Board. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

Management controls have been established within the District's financial system to control spending consistent with budgeted line items by bureaus, sections, activities/projects, and expenditure categories. Encumbrance accounting is used, which allows the District to reserve or encumber a portion of the budgeted appropriations for purchase orders, contracts, and other commitments for goods and services that have not yet been received. The Governing Board is provided with monthly financial reports, and the District undergoes an annual financial audit by independent auditors at the end of each fiscal year. The District also maintains a legislatively mandated Inspector General reporting functionally to the Governing Board to conduct ongoing performance and compliance audits.



**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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**IV. Detailed Notes**

**A. Cash and investments**

As of September 30, 2021, the District had the following cash and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasuries	\$ 160,052,191	2.06
Corporate Notes	48,799,104	1.72
Federal Instrumentalities	148,281,686	1.83
Municipal Bonds	3,216,002	2.75
State Board of Administration Florida PRIME	78,408,211 <sup>(1)</sup>	0.13
Money Market Funds	62,119,168	liquid daily
Total Financial Fair Value of Investments	<u>500,876,362</u>	
Portfolio Weighted Average Maturity		1.41
Total Investments	<u>500,876,362</u>	
Demand Deposit Accounts	4,345,594 <sup>(2)</sup>	
Petty Cash	300	
Total Cash and Investments	<u>\$ 505,222,256</u>	

<sup>(1)</sup> The District participates in the State Board of Administration's Florida PRIME, which reports investments at amortized cost. See "Investments reported at amortized cost" (note IV.A.6, page 41).

<sup>(2)</sup> At September 30, 2021, the carrying amount of the District's cash demand deposit account was \$4,345,594 and the bank balance was \$6,864,487. The District actively manages its cash balance and invests excess cash daily.

**1. Interest rate risk**

In accordance with the District's investment policy, the exposure to declines in fair values is managed by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and limiting the weighted average maturity of its investment portfolio to five years or less. Of the District's investments, \$12,528,759 is callable by the issuers and is subject to the risk of being called prior to maturity. For purposes of calculating the weighted average maturity in years, the callable date was used in the calculation.

**2. Credit risk**

In accordance with the District's investment policy, the District minimizes credit risk, the risk of loss due to the failure of the security, by limiting investments to the authorized investments in the investment policy (see note I.E.1., page 28), pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business, and diversifying the investment portfolio to protect against losses on individual securities. The State Board of Administration (SBA) Florida PRIME was rated by Standard and Poor's (S & P). The rating at September 30, 2021 was AAAM. The money market funds in which the District has invested funds were rated AAAM by S & P and Aaa by Moody's Investor Services. The investments in corporate notes were rated A through AAA by S & P and A2 through Aaa by Moody's Investor Services.

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The investment in municipal bonds is rated AA+ by S & P and Aa1 by Moody's Investor Services. The investments in Government Sponsored Enterprise securities (Federal Instrumentalities) include Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB). These Federal Instrumentalities had ratings of AA+ and Aaa by S&P and Moody's, respectively.

**3. Custodial credit risk – deposits**

At September 30, 2021, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

**4. Custodial credit risk – investments**

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

**5. Concentration of credit risk**

The District's investment policy authorizes investment allocation limits on security types, maturity and issuer limitations which may be further restricted by the Director of Business and IT Services from time to time based on market conditions, risk, and diversification investment strategies. Of the District's total investments, more than 5 percent are in Federal Home Loan Bank (8.34 percent), Federal Home Loan Mortgage Corporation (8.08 percent), Federal National Mortgage Association (6.83 percent), and Federal Farm Credit Bank (6.36 percent).

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For the financial investments held at September 30, 2021, the District's policy had the following limitations:

Security Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation Limit	Maximum Issuer Limit
Florida PRIME	AAAm	N/A	50%	N/A
United States Government Securities	N/A	5 Years	100%	N/A
United States Government Agencies (full faith and credit of the United States Government)	N/A	5 Years	50%	25%
Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE") which are non-full faith and credit). *	N/A	5 Years	75%	40%
Mortgage-Backed Securities (MBS) *	N/A	5 Years	30%	20%
Non-Negotiable Interest Bearing Time Deposits or Savings Accounts	N/A	1 Year	25%	15%
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs**	5 Years	25%	10%
Registered Investment Companies (Money Market Mutual Funds)	AAAm	N/A	50%	25%
Registered Investment Companies (Mutual Funds)	AAAf	N/A	25%	15%
Repurchase Agreements	N/A	90 Days	50%	25%
Bankers' Acceptances	Highest rating by two NRSROs**	180 Days	35%	10%
Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
Corporate Notes***	Single "A" category by any two NRSROs**	5 Years	35%	5%
Intergovernmental Investment Pool	AAAm	N/A	25%	N/A

\*The combined maximum amount of available funds invested in Federal Instrumentalities and mortgage-backed securities, if applicable, will not exceed seventy-five percent (75 percent).

\*\*National Recognized Statistical Rating Organization (NRSRO).

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

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**6. Investments reported at amortized cost**

The District has investments in the SBA Florida Prime, which maintains a stable net asset value per share. Florida PRIME is not required to register (and has not registered) with the Securities and Exchange Commission. Sections 218.40 through 218.415, Florida Statutes, and SBA Rules 19-7.002 through 19-7.016, Florida Administrative Code, promulgated pursuant to Section 218.405(4), Florida Statutes, govern the operation of Florida PRIME. As a Florida PRIME participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities. Governmental Accounting Standards Board (GASB) Statement No. 79, which amended GASB Statement No. 31, paragraphs 11 and 16, and Statement No. 59, paragraph 5, established criteria for external investment pools to qualify for reporting investments at amortized cost, and if so, states that participants in the pool should do so as well. Florida PRIME meets the qualifications and reports the amortized cost of investments; therefore, the District's balance in Florida PRIME is reported at amortized cost. As of September 30, 2021, the District had \$78,408,211 invested in the Florida PRIME.

Florida PRIME currently has no limitations or restrictions on withdrawals. As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. Section 218.409(8)(a), Florida Statutes, provides that the SBA executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the external investment pool, may limit contributions to or withdrawals from the external investment pool for 48 hours, and could be extended up to 15 days by trustee vote, to ensure that the SBA can invest monies entrusted to it in exercising its fiduciary responsibility. Regarding liquidity fees, Section 218.409(4), Florida Statutes, provide authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. As of September 30, 2021, no such disclosure has been made. All Florida PRIME investment policies can be found at [www.sbafla.com/prime](http://www.sbafla.com/prime).

**7. Fair value measurement**

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

The District has the following fair value measurements as of September 30, 2021:

- U.S. treasury securities of \$160,052,191 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).
- Corporate Notes of \$48,799,104 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).
- Federal instrumentalities of \$148,281,686 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).

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- Municipal Bonds of \$3,216,002 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level two inputs).
- Money markets of \$62,119,168 are valued using the quoted market prices (Level one inputs).

	9/30/2021	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments Measured at Fair Value</b>				
Debt Securities				
U.S. Treasuries	\$ 160,052,191	\$ -	\$ 160,052,191	\$ -
Corporate Notes	48,799,104	-	48,799,104	-
Federal Instrumentalities	148,281,686	-	148,281,686	-
Municipal Bonds	3,216,002	-	3,216,002	-
Total Debt Securities	360,348,983	-	360,348,983	-
Money Market Funds	62,119,168	62,119,168	-	-
Total Investments Measured at Fair Value	422,468,151	<u>\$ 62,119,168</u>	<u>\$ 360,348,983</u>	<u>\$ -</u>
<b>Investments Measured at Amortized Cost</b>				
State Board of Administration Florida PRIME	78,408,211			
<b>Total Investments Measured at Fair Value and Amortized Cost</b>	<u>\$ 500,876,362</u>			

**B. Property taxes**

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

**C. Unearned revenue**

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

	Unearned Revenue
<b>General</b>	
Grant drawdowns prior to meeting all eligibility requirements	\$ 2,559,444
<b>DOT Mitigation</b>	
Fund drawdowns prior to meeting all eligibility requirements	15,324,990
<b>Total Unearned Revenue for Governmental Funds</b>	<u>\$ 17,884,434</u>

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**D. Capital assets**

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance				Ending Balance
	October 1, 2020	Increases	Decreases	Reclassifications	September 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 606,156,346	\$ 34,596	\$ (9,514,774)	\$ -	\$ 596,676,168
Land Interests	141,046,892	9,907,582	-	17,753	150,972,227
Land Acquisitions in Progress	181,126	34,350	(126,078)	(17,753)	71,645
Construction in Progress	4,442,013	5,501,530	-	(91,434)	9,852,109
<b>Total Capital Assets, Not Being Depreciated</b>	<b>751,826,377</b>	<b>15,478,058</b>	<b>(9,640,852)</b>	<b>(91,434)</b>	<b>757,572,149</b>
Capital Assets, Being Depreciated:					
Buildings	31,803,085	324,907	(107,639)	-	32,020,353
Machinery & Equipment	24,710,405	2,666,390	(6,662,563)	(64)	20,714,168
Leased Machinery & Equipment	726,724	142,450	(502,902)	-	366,272
Financed Machinery & Equipment	705,394	-	-	-	705,394
Infrastructure	170,047,668	341,449	(1,141,357)	91,434	169,339,194
Software	50,256,604	141,343	-	-	50,397,947
Other	223,409	7,095	(68,430)	-	162,074
<b>Total Capital Assets Being Depreciated</b>	<b>278,473,289</b>	<b>3,623,634</b>	<b>(8,482,891)</b>	<b>91,370</b>	<b>273,705,402</b>
Less Accumulated Depreciation for:					
Buildings	16,085,067	712,998	(70,938)	-	16,727,127
Machinery & Equipment	19,155,865	1,473,694	(5,960,876)	64	14,668,747
Leased Machinery & Equipment	500,616	81,306	(502,847)	-	79,075
Financed Machinery & Equipment	152,692	89,963	-	-	242,655
Infrastructure	88,425,367	3,959,991	(922,234)	-	91,463,124
Software	49,643,683	296,450	-	-	49,940,133
Other	158,924	17,556	(63,202)	-	113,278
<b>Total Accumulated Depreciation</b>	<b>174,122,214</b>	<b>6,631,958</b>	<b>(7,520,097)</b>	<b>64</b>	<b>173,234,139</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>104,351,075</b>	<b>(3,008,324)</b>	<b>(962,794)</b>	<b>91,306</b>	<b>100,471,263</b>
Governmental Activities Capital Assets, Net	\$ 856,177,452	\$ 12,469,734	\$ (10,603,646)	\$ (128)	\$ 858,043,412

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

Governmental activities	
Water Resource Planning and Monitoring	\$ 751,719
Land Acquisition, Restoration and Public Works	3,067,721
Operation and Maintenance of Works and Lands	2,389,721
Regulation	251,710
Outreach	12,940
Management and Administration	158,147
Total Depreciation Expense - Governmental Activities	<u>\$ 6,631,958</u>

**E. Leases**

The District is lessee in three lease agreements. A right-to-use asset was added to the District's capital asset records for each of the assets which are included in the machinery and equipment class. The total beginning value of the right-to-use assets at September 30, 2020 was \$726,724. In 2021, an additional asset valued at \$142,450 was added. The assets had an accumulated depreciation of \$573,698 at September 30, 2021. The details of the leases are below.

In fiscal year 2019-20, the District entered into a lease agreement with Milner Corporation as lessee for print shop equipment valued at \$223,822. A right to use asset was added to the District's capital assets in that amount. The accumulated depreciation as of September 30, 2021, was \$50,727. The lease has an effective interest rate of 12.48 percent. The equipment has a five-year life. The present value of the future minimum lease payable on September 30, 2021 is \$186,373.

In fiscal year 2020-21, the District entered into a lease agreement with Key Government Finance as lessee for pure storage area network equipment valued at \$142,450. The equipment has a five-year life. The right to use asset in the amount of \$142,450 was added to the District's capital assets at lease inception and the accumulated depreciation on the asset as of September 30, 2021, was \$28,348. The lease has an effective interest rate of 8.48 percent. The present value of the future minimum lease payments is \$106,190.

In fiscal year 2015-16, the District entered into a lease agreement as lessee for Ricoh printers valued at \$238,226. The equipment had a five-year life and was disposed of in February of 2021 therefore, the asset value at September 30, 2021 was \$0.00. The effective interest rate of the lease was 8.99 percent. The present value of the future minimum lease payments as of September 30, 2021, was \$0.00 and the asset had an accumulated depreciation of \$229,947 and a residual value of \$8,279 at disposal.

In fiscal year 2014-15, the District entered into a lease agreement as lessee for Xerox copiers valued at \$264,676. The equipment had a five-year life. The lease's effective interest rate was 4.65 percent. The last payment on the lease was made in March of 2020, therefore, the present value of the future minimum lease payments was \$0.00 on September 30, 2021, and the asset value was zero. The asset was disposed of in January of 2021, with an accumulated depreciation at that time of \$264,676.

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The amortization expense related to these leases are included in note IV.D. on page 43. The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

Fiscal Year Ending September 30,	Minimum Lease Payments
2022	\$ 96,665
2023	91,275
2024	91,275
2025	86,241
2026	-
<b>Total Minimum Lease Payments</b>	<b>365,456</b>
<b>Less: Amount Representing Interest</b>	<b>(72,893)</b>
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 292,563</b>

**F. Long-term obligations**

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated Absences	\$ 4,878,657	\$ 5,506,974	\$ 5,371,896	\$ 5,013,735 <sup>(1)</sup>	\$ 501,374
Total OPEB Liability	6,264,019	341,523	1,618,932	4,986,610 <sup>(1)</sup>	-
Workers' Compensation	390,000	39,826	39,826	390,000 <sup>(1)</sup>	134,599
Medical Claims	611,000	8,714,952	8,472,952	853,000 <sup>(1)</sup>	853,000
Leases - Vehicles & Equipment <sup>(2)</sup>	230,899	142,450	80,786	292,563 <sup>(1)</sup>	66,625
Financed Purchases - Vehicles & Equipment <sup>(2)</sup>	670,621	-	183,981	486,640 <sup>(1)</sup>	192,124
<b>Net Pension Liabilities:</b>					
FRS	33,330,071	7,810,884	34,840,741	6,300,214 <sup>(1)</sup>	-
HIS	12,034,546	3,727,261	3,617,228	12,144,579 <sup>(1)</sup>	-
<b>Total</b>	<b>\$ 58,409,813</b>	<b>\$ 26,283,870</b>	<b>\$ 54,226,342</b>	<b>\$ 30,467,341</b>	<b>\$ 1,747,722</b>

<sup>(1)</sup> The general fund has typically been used to satisfy these obligations.

<sup>(2)</sup> With the implementation of GASB 87 and GASB 88, leases that transfer ownership of an asset are considered financed purchases, separate from leased assets. The GASBs redefined the valuation of the obligations and the beginning balances of the leased vehicles and equipment and financed vehicles and equipment were adjusted by \$142,507 and \$64,930 respectively.

**G. Debt**

With the implementation of GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, agreements that transfer ownership of the asset to the District at the end of the agreement are considered financed purchases and are a form of direct borrowing debt. The District's outstanding debt as of September 30, 2021, in the form of financed purchases under direct borrowing debt related to governmental activities is \$486,640.



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Assets in the amount of \$705,394 were added to the District's capital assets for machinery and equipment financed. The accumulated depreciation as of September 30, 2021, on those assets was \$242,655.

In fiscal year 2018-19, the District entered into an agreement with Leasing 2, Incorporated for financing the acquisition of five Freightliner Transport Trucks. The agreement qualifies as a financed purchase for accounting purposes. The assets were valued at \$510,548 at inception and the accumulated depreciation of those assets at September 30, 2021 was \$137,918. Payments are due every six months in the amount of \$48,619 including interest at an effective interest rate of 4.23 percent. The present value of the future minimum lease payments was \$271,283 on September 30, 2021. The maturity date is September 2024.

In fiscal year 2018-19, the District entered into an agreement with Leasing 2, Incorporated for financing the acquisition of Cisco servers and components. The agreement qualifies as a financed purchase for accounting purposes. The assets were added to the District's capital assets for a value of \$194,846 at the inception of the agreement. The accumulated depreciation as of September 30, 2021, was \$104,737. Payments are due annually in the amount of \$115,253 including interest at an effective interest rate of 4.55 percent. The present value of the future minimum lease payments was \$215,357 on September 30, 2021. The maturity date is January 2024.

Both direct borrowings in the form of financed purchases have clauses stipulating that the agreements shall terminate at the end of the then current original term or renewal term without penalty or liability if the District Governing Board does not appropriate enough funds for the next budget year to make the contract payments for the next renewal term if the non-appropriation is not from an act of omission by the District.

Upon default, all payments, and other amounts payable by the District at the end of the current budget year may be declared immediately due. Upon default or termination due to non-appropriation, the District will redeliver the equipment to be sold by the obligee. If the District fails to deliver the equipment to obligee, the District pledges to make such payments using all available revenue sources except revenues obtained from ad valorem taxes. Any such payment obligation is subject to appropriation by the District Governing Board.

For more information on the District's leases, please refer to note IV.E., page 44.

The District has not pledged any assets as collateral for debt and does not have any outstanding lines of credit.

Debt service requirements on long-term debt, according to GASB 88, at September 30, 2021 are as follows:

<u>Year Ending</u> <u>September 30,</u>	Governmental Activities Direct Borrowings	
	Principal	Interest
2022	\$ 192,124	\$ 20,367
2023	200,278	12,214
2024	94,238	3,000
2025	-	-
2026	-	-
Total	\$ 486,640	\$ 35,580

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**H. Fund balance**

Fund balances for all major funds at September 30, 2021 were as follows:

	General Fund	Florida Forever	Capital Projects	Total All Funds
<b>Nonspendable:</b>				
Inventory	\$ 18,755	\$ -	\$ -	\$ 18,755
Deposits	867,000	-	-	867,000
Prepays	549,008	-	-	549,008
Total Nonspendable	<u>1,434,763</u>	<u>-</u>	<u>-</u>	<u>1,434,763</u>
<b>Restricted for:</b>				
Alafia River Basin	310,418	-	-	310,418
Hillsborough River Basin	1,079,405	-	-	1,079,405
Coastal Rivers Basin	280,425	-	-	280,425
Pinellas-Anclote River Basin	5,831,752	-	-	5,831,752
Withlacoochee River Basin	788,099	-	-	788,099
Peace River Basin	400,704	-	-	400,704
Manasota Basin	1,388,388	-	-	1,388,388
Land Acquisition	4,194,015	26,411,468	-	30,605,483
Total Restricted	<u>14,273,206</u>	<u>26,411,468</u>	<u>-</u>	<u>40,684,674</u>
<b>Committed to:</b>				
Economic Stabilization Reserve	33,000,000	-	-	33,000,000
Long-term Projects Reserve	50,000,000	-	-	50,000,000
Central Florida Water Resource Development Project	45,715,529	-	-	45,715,529
Self-Funded Medical Reserve	1,700,000	-	-	1,700,000
Land Acquisition	562,507	-	-	562,507
Total Committed	<u>130,978,036</u>	<u>-</u>	<u>-</u>	<u>130,978,036</u>
<b>Assigned to:</b>				
District Water Management Planning	9,901,453	-	-	9,901,453
Research, Data Collection, Analysis and Monitoring	4,423,348	-	-	4,423,348
Technical Assistance	14,803	-	-	14,803
Technology and Information Services	1,518,869	-	-	1,518,869
Land Acquisition	18,407	992,396	-	1,010,803
Water Source Development	137,674,570	-	-	137,674,570
Surface Water Projects	75,302,018	-	-	75,302,018
Facilities Construction and Major Renovations	-	-	7,470,695	7,470,695
Land Management & Use	250,798	-	-	250,798
Works	4,049,913	-	5,890,290	9,940,203
Facilities	26,441	-	-	26,441
Invasive Plant Control	9,425	-	-	9,425
Fleet Services	492,478	-	-	492,478
Consumptive Use Permitting	398,188	-	-	398,188
Water Well Construction, Permitting and Contractor Licenses	4,661	-	-	4,661
Environmental Resource and Surface Water Permitting	378,421	-	-	378,421
Regulatory and Enforcement Activities	107,365	-	-	107,365
Water Resource Education	565,303	-	-	565,303
Public Information	16,263	-	-	16,263
Administrative and Operations Support	801,631	-	-	801,631
Workers' Compensation Reserve	390,000	-	-	390,000
Self-Funded Medical Reserve	1,887,980	-	-	1,887,980
Subsequent Years Budget	23,897,822	-	-	23,897,822
Total Assigned	<u>262,130,157</u>	<u>992,396</u>	<u>13,360,985</u>	<u>276,483,538</u>
<b>Unassigned:</b>				
	<u>13,185,671</u>	<u>-</u>	<u>-</u>	<u>13,185,671</u>
Total Fund Balances	<u>\$ 422,001,833</u>	<u>\$ 27,403,864</u>	<u>\$ 13,360,985</u>	<u>\$ 462,766,682</u>

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Through a Governing Board resolution that identifies and describes a circumstance under which a need for use of funds arises, the District established an Economic Stabilization Fund from the committed general fund balance to maintain enough working capital for a two-month period. The amount of the reserve is established annually through the resolution to adopt the final budget for the next fiscal year and will fluctuate (increase/decrease) based on the amount of funds needed to maintain enough working capital for a two-month period. For September 30, 2021, the amount has been reset to \$33 million. The reserve is to provide enough funds for circumstances that are not expected to occur routinely and ensure the District's continued orderly operational and financial stability. The District's Governing Board would have to approve the use of the Economic Stabilization Fund and the District's budget would be amended for any of the following specific reasons: when the President of the United States or the Governor of Florida declares an emergency by executive order and the District's funds are not sufficient to continue operations for no less than a two month period; or when the Governing Board determines through adoption of a resolution that damages and/or losses have directly impacted the citizens and/or the environment within District boundaries, including structural emergencies for which remedial action cannot wait until the next fiscal year; or when projected ad valorem tax collections are two percent less than 96 percent of the taxable property values as certified by the District's 16 counties multiplied by the Governing Board approved millage rate. Projections are based on historical collections (e.g., due to refunds of prior year tax collections resulting from successful challenges of property assessments, the District is unable to sell sufficient tax certificates for unpaid property taxes).

**V. Other Information**

**A. Risk management**

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

The District has a self-insurance program for its workers' compensation exposure, with excess coverage purchased for claims more than \$500,000 per occurrence. During the year ended September 30, 2021, there were no significant reductions in insurance coverage for the workers' compensation plan from the prior year. In addition, no claims settlement has exceeded the insurance coverage amounts for the past three fiscal years. Current expenditures related to the workers' compensation self-insurance program are accounted for in the District's General Fund.

The District moved to a self-insurance program for health benefits as of January 1, 2016. To mitigate this risk, the District purchased Stop Loss insurance that will cover higher-than-anticipated claims. In addition, no claims settlement has exceeded the insurance coverage amounts for the past three fiscal years. Current expenditures related to the health benefits self-insurance program are accounted for in the District's General Fund.

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

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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The estimated claims liabilities by risk category at September 30, 2021 are as follows:

	Year ended 9/30/2021	Amounts Due Within One Year
Workers' Compensation	\$ 390,000	\$ 134,599
Medical Claims	853,000	853,000
Claims Liabilities, End of Fiscal Year	<u>\$ 1,243,000</u>	<u>\$ 987,599</u>

	Workers Compensation	Medical Claims
Liability - September 30, 2019	\$ 560,000	\$ 374,000
Claims incurred	341,290	7,321,359
Claims payments	<u>(511,290)</u>	<u>(7,084,359)</u>
Liability - September 30, 2020	\$ 390,000	\$ 611,000
Claims incurred	39,826	8,714,952
Claims payments	<u>(39,826)</u>	<u>(8,472,952)</u>
Liability - September 30, 2021	<u>\$ 390,000</u>	<u>\$ 853,000</u>

To minimize the financial impact of potential unforeseen demands, the District policy allows a fund balance reserve for the self-insurance programs. At September 30, 2021, general fund assets of \$390,000 were assigned for the purpose of funding future workers' compensation claims liabilities, with a corresponding assignment of the General Fund's fund balance. General fund assets of \$867,000 were classified as non-spendable (deposits), \$1,700,000 were committed, and \$1,887,980 were assigned for the purpose of funding future health benefits claims liabilities, with a corresponding classification of the General Fund's fund balance.

**B. Mitigation bank financial responsibility assurances**

The District is authorized by Section 373.4136, Florida Statutes, to permit the establishment of mitigation banks. A permit applicant proposing the establishment of a mitigation bank is required to demonstrate the financial ability to conduct the mitigation activities, any necessary site management, monitoring of the mitigation, and any necessary corrective action indicated by the monitoring.

The mitigation banks can provide the demonstrated financial assurance by obtaining a surety bond, performance bond, irrevocable letter of credit, or establishing a trust fund. If a bond or an irrevocable letter of credit is used, a standby trust fund shall be established in which all payments under the bonds or letters of credit shall be directly deposited. If the mitigation banks fail to comply with the terms and conditions of the permit, the District may draw upon the financial assurance provided by the mitigation bank. As of September 30, 2021, the District estimates the value of the financial assurances provided by the various mitigation banks is \$21.2 million.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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**C. Commitments and contingencies**

At September 30, 2021, the District had unrestricted net position of approximately \$377.7 million that may be used to meet the government's ongoing commitments to citizens and creditors. It is the District's intent to use these assets to satisfy contracts and purchase orders in the amount of \$101.3 million; fund board and management designations in the amount of \$57.9 million; fund future long- and short-term projects in the amount of approximately \$145.2 million; maintain an economic stabilization reserve of \$33.0 million; support land management and acquisition activities in the amount of \$1.7 million; capital project reserves of \$9.7 million; pay claims associated with the District's Workers' Compensation and Medical Claims Self-Insurance Program in the amount of \$4.0 million; and carry forward \$24.9 million into the fiscal year 2021-22 budget.

The District had restricted net position of \$40.7 million. Of this amount, \$10.1 million must be used for projects in the seven former watershed basins and \$30.6 million for land acquisition.

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

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

**D. Retirement plans**

**Florida Retirement System**

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

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

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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**1. Pension plan**

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

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

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

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

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

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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**Contributions.** Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employee and employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021, and from July 1, 2021 through September 30, 2021, were:

<i>Job Class</i>	<i>Employee October 2020 through September 2021</i>	<i>Employer October 2020 through June 2021 (1)</i>	<i>Employer July 2021 through September 2021 (1)</i>
Regular	3.00%	10.00%	10.82%
Senior Management Service	3.00%	27.29%	29.01%
Drop Participants	-	16.98%	18.34%

<sup>(1)</sup> The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent for the postemployment health insurance subsidy. The employer rates, other than for the DROP participants, also include 0.06 percent for administrative costs of the Investment Plan.

The District's contributions to FRS for the Pension Plan and Investment Plan, excluding employee contributions, totaled \$3,263,515 for the fiscal year ended September 30, 2021. Employee contributions collected by the District and remitted to FRS for the Pension Plan and Investment Plan were \$899,393, making the total contributions \$4,162,908.

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.** At September 30, 2021, the District reported a liability of \$6,300,214 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was calculated using accrued retirement contributions related to the reporting periods included in FRS fiscal years June 30, 2013 through June 30, 2021 for employers that were members of the FRS and HIS during those fiscal years relative to the contributions of all participating members for the same period. Beginning on July 1, 2014, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. At June 30, 2021, the District's proportionate share of the pension plan liability was 0.083403859 percent, which was an increase of 0.006502756 percent from its proportionate share measured as of June 30, 2020.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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For the fiscal year ended September 30, 2021, the District recognized pension expense of \$139,605. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 1,079,867	\$ -
Change of Assumptions	4,310,918	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	21,979,861
Changes in Proportion and Differences Between District Pension Plan Contributions and Proportionate Share of Contributions	1,675,918	387,602
District Pension Plan Contributions Subsequent to the Measurement Date	816,165	-
<b>Total</b>	<b>\$ 7,882,868</b>	<b>\$ 22,367,463</b>

The deferred outflows of resources related to the Pension Plan, totaling \$816,165 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 ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<b>Fiscal Year Ending September 30,</b>	<b>Amount Recognized</b>
2022	\$ (2,732,110)
2023	(3,174,985)
2024	(4,230,987)
2025	(5,448,110)
2026	285,432
Thereafter	-
<b>Total</b>	<b>\$ (15,300,760)</b>

**Actuarial assumptions.** The total pension liability in the July 1, 2021 actuarial valuation for the June 30, 2021 measurement date was determined using the following actuarial assumptions, applied to all periods included in the June 30, 2021 measurement date:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.80 percent, net of pension plan investment expense, including inflation
Cash Flows	To determine the fiduciary's net position sufficient to make projected benefit payments the depletion date projection used the assumption that cash flows occur on average halfway through the year
Actuarial Cost Method	Individual Entry Age
Mortality rates	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report



**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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The actuarial assumptions used in the July 1, 2021 valuation for the measurement date of June 30, 2021, were based on an FRS experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return assumption of 6.80 percent used in GASB discount rate calculations consists of two building-block components: (1) a long-term average annual inflation assumption of 2.4 percent as most recently adopted in October 2021 by the FRS Actuarial Assumption Conference; and (2) an inferred real (in excess of inflation) return of 4.3 percent, which is consistent with the 4.17 percent real return from the capital market outlook model developed by FRS's consulting actuary, Milliman, for 2021. Geometrically combining those building blocks using the formula  $(1 + .024) \times (1 + .0430) - 1$  generates an expected nominal return of 6.8 percent. It is Milliman's opinion, both building block components and the overall 6.8 percent return assumption are reasonable and appropriate per Actuarial Standard of Practice.

For reference, the table below contains a summary of return assumptions for various asset classes in which the plan was invested at that time based on the long-term target asset allocation. The six specific asset classes displayed are summarized results of a more detailed market outlook model with additional asset classes. Each asset class assumption is based on a consistent set of underlying real return assumptions from Milliman's model combined with the FRS Actuarial Assumption Conference's 2.4 percent inflation assumption. Milliman assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation <sup>(1,2)</sup></u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
<b>Total</b>	<u>100%</u>			
<b>Assumed Inflation - Mean</b>			2.4%	1.2%

<sup>(1)</sup> As outlined in the FRS Pension Plan's investment policy available on the State of Board of Administration's website at [www.sbafla.com](http://www.sbafla.com).

<sup>(2)</sup> The target allocation policy was provided by Aon Hewitt Investment Consulting.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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**Discount rate.** 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 if future experience follows assumptions and the Actuarially Determined Contribution is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.80 percent rate of return assumption used in the June 30, 2021, calculations, in Milliman's professional opinion is reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2020 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://www.frs.myflorida.com).

**Sensitivity of the District's proportionate share of the net position liability to changes in the discount rate.** The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80 percent) or one percentage point higher (7.80 percent) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
District's Proportionate Share of the Net Pension Liability	\$ 28,174,977	\$ 6,300,214	\$ (11,984,636)

**Pension plan fiduciary net position.** FRS pension plans report operations and fiduciary net position on a full accrual basis of accounting and a focus on economic resources. Information on the Pensions Plan's investments and how they are valued, along with detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

**2. HIS plan**

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

**Benefits provided.** For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by five dollars. The minimum HIS payment is \$30 and the maximum HIS payment is \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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**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, 2021, the HIS contribution was 1.66 percent. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$587,152 for the fiscal year ended September 30, 2021.

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.** At September 30, 2021, the District reported a liability of \$12,144,579 for its proportionate share of the HIS Plan's net pension liability.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. Liabilities originally calculated as of the actuarial valuation date are recalculated as of a later GASB Measurement Date using a standard actuarial roll-forward technique. The District's proportionate share of the net pension liability was based on the contributions from July 1, 2012 through June 30, 2021 relative to the contributions of all participating members for the same period. Beginning July 1, 2014, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. At June 30, 2021, the District's proportionate share was 0.099006034 percent, which was an increase of 0.000441690 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the District recognized pension expense of \$695,707. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 406,388	\$ 5,087
Change of Assumptions	954,292	500,388
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	12,660	-
Changes in Proportion and Differences Between District HIS Plan Contributions and Proportionate Share of Contributions	42,896	564,826
District HIS Plan Contributions Subsequent to the Measurement Date	136,269	-
<b>Total</b>	<b>\$ 1,552,505</b>	<b>\$ 1,070,301</b>

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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The deferred outflows of resources related to the HIS Plan, totaling \$136,269 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 ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount Recognized
2022	\$ 93,204
2023	(68,558)
2024	32,266
2025	143,521
2026	119,499
Thereafter	26,003
Total	<u>\$ 345,935</u>

**Actuarial assumptions.** The total pension liability was determined using a July 1, 2021, actuarial valuation and was recalculated as of a later GASB Measurement Date using a standard actuarial roll-forward technique for a measurement date of June 30, 2021. The liability used the below assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.16 percent (Bond Buyer General Obligation 20-Bond Municipal Bond Index)
Actuarial Cost Method	Individual entry age
Mortality	Generational PUB-2010 with Projection Scale MP-2018; details in valuation report

The municipal bond rate decreased from 2.21 percent to 2.16 percent as of June 30, 2021.

The plan has not had a formal actuarial experience study performed. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

**Discount rate.** In general, the discount rate used for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rate used was updated from 2.21 percent to 2.16 percent as of June 30, 2021, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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***Sensitivity of the District's proportionate share of the net position liability to changes in the discount rate.*** The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 2.16 percent, as well as what the District's proportionate share of the HIS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16 percent) or one percentage point higher (3.16 percent) than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
District's Proportionate Share of the Net Pension Liability	\$ 14,040,309	\$ 12,144,579	\$ 10,591,451

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

**3. Investment plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class and Senior Management Service class) as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Programs are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

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

<i>Job Class</i>	<i>Employee October 2020 through September 2021</i>	<i>Employer October 2020 through June 2021 <sup>(1)</sup></i>	<i>Employer July 2021 Through September 2021 <sup>(1)</sup></i>
Regular	3.00%	10.00%	10.82%
Senior Management Service	3.00%	27.29%	29.01%

<sup>(1)</sup>The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent for the postemployment health insurance subsidy. The employer rates also include 0.06 percent for administrative costs of the Investment Plan.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, information on the forfeitures amounts was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$730,489 for the fiscal year ended September 30, 2021.

**4. Aggregate financial pension disclosure**

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

	Proportionate Share of Pension Liabilities	Pension Expense	Pension Deferred Outflows of Resources	Pension Deferred Inflows of Resources
FRS Pension Plan	\$ 6,300,214	\$ 139,605	\$ 7,882,868	\$ 22,367,463
HIS Plan	12,144,579	695,707	1,552,505	1,070,301
Total	<u>\$ 18,444,793</u>	<u>\$ 835,312</u>	<u>\$ 9,435,373</u>	<u>\$ 23,437,764</u>

**E. Other postemployment benefits (OPEB)**

**1. Plan description**

The District administers the District OPEB Plan, a single-employer healthcare plan that provides medical and dental benefits utilizing Florida Blue and Cigna, as well as a voluntary vision plan through National Vision Administrators, LLC. to eligible retired employees. Coverage is extended to qualifying dependents of retirees. If the retiree predeceases the spouse, coverage for the surviving spouse and qualifying dependents continues.

A participant is eligible to receive benefits from the District's plan upon retirement under the Florida Retirement System plan provisions.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
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Employees enrolled in FRS prior to July 1, 2011.

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

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

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

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

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

To be eligible for retiree medical or dental benefits, the participant must have been covered under the plan as an active employee immediately prior to retirement. Also, participants not eligible for retirement at the time of their termination are not eligible for immediate future benefits from the plan. In addition, the District provides a premium subsidy to reduce the cost of medical coverage for retirees until age 65 to participants who retired prior to December 31, 2012 and elected medical coverage. The subsidy consists of a reduction to the medical premium paid by retirees equal to five dollars per month for each year of service. A minimum of six years of service at retirement was necessary to qualify for the subsidy. The subsidy has a maximum amount payable of \$150 per month with no cost-of-living adjustments. The subsidy ceases at age 65 or Medicare enrollment, whichever is earlier. Retiree and spousal coverage is available for the lifetime of the participant. However, the subsidy benefit is only payable until age 65, as the option of enrolling in Medicare is a much more attractive option at a lower cost. The District accounts for this plan in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75). The Plan does not issue a separate financial report.

As of October 1, 2021 (valuation date), there were 97 retirees (inactive employees) and 519 active employees covered by the benefits terms.

Participants qualifying for retirement are eligible to elect to enter a deferred retirement option (DROP) feature of the FRS for a period of up to 60 months. For valuation, medical claims incurred while a retiree is in the DROP are not considered a liability under GASB Statement No. 75.

The contribution requirements of plan members are established and may be amended by the District's Governing Board. The District's employer OPEB contributions consist of an implicit rate subsidy and the cost of the premium subsidy. The District, in accordance with Section 112.0801, Florida Statutes, makes the health and dental benefits available for retired employees at a premium cost of no more than applicable to active employees. However, the retirees pay 100 percent of their premium costs less the premium subsidy.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2021**

To determine the healthcare plan costs, the District is required to commingle the claims experience of the retiree group with that of the active employees. The table listed below summarizes monthly retiree contributions for the measurement period ending September 30, 2020.

Period	Plan	Retiree	Retiree + Spouse	Retiree + Family
October 2019 through September 2020	Cigna Open Access Plus Copay	\$823.22	\$1,613.50	\$1,778.16
October 2019 through September 2020	Cigna Open Access High Deductible	\$ 682.76	\$1,338.18	\$1,474.74

Upon Medicare eligibility retirees are offered the option of enrolling in the Florida Blue Medicare PPO.

**2. Date relationships and funded status**

The *valuation date* is October 1, 2021. This is the date as of which the actuarial valuation is performed. The *measurement date* is September 30, 2020. This is the date as of which the total OPEB liability is determined. The *reporting date* is September 30, 2021. This is the plan's and/or District's fiscal year ending date. There is a one-year lag between the measurement date and the reporting date, as allowed by GASB 75. There have been no significant changes between the valuation date and fiscal year ending date.

As of October 1, 2021, the most recent actuarial valuation date, the OPEB plan is funded on a pay-as-you-go basis with no accumulated net position in a GASB-compliant trust. The actuarial total OPEB liability was determined by an actuarial valuation as of October 1, 2021.

**3. OPEB liability, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB**

**Total OPEB liability.** The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 75.

Total OPEB Liability	Reporting Date	9/30/2021
	Measurement Date	<u>9/30/2020</u>
Total OPEB Liability		\$ 4,986,610
Covered Employee Payroll		\$ 34,316,428
Total OPEB Liability as a % of Covered Employee Payroll		14.53%



**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Changes in Total OPEB Liability.** The schedule of changes in Total OPEB Liability shown below is as of the reporting date of September 30, 2021, with a measurement date of September 30, 2020.

	Amount Recognized
	Increase (Decrease) Total OPEB Liability
Balance as of September 30, 2020	\$ 6,264,019
Changes for the Year:	
Service Cost	213,935
Interest on Total OPEB Liability	127,588
Effect of Economic/Demographic Gains or Losses <sup>1</sup>	(1,256,734)
Effect of Assumptions Changes or Inputs	(133,950)
Benefit Payments	(228,248)
Balance as of September 30, 2021	\$ 4,986,610

<sup>(1)</sup> A separate experience study has not been performed for the OPEB plan. FRS demographic assumptions have been used. While these do not necessarily represent the District's actuary, Milliman's, best estimate of future experience under the plans, they believe that these assumptions are reasonable assumptions.

**OPEB Expense.** As of September 30, 2021, the District's OPEB expense for the reporting period is as follows:

	10/01/20 to 9/30/21
OPEB Expense for Reporting Period	
Service Cost	\$ 213,935
Interest on Total OPEB Liability	127,588
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	(84,211)
Recognition of Assumption Changes or Inputs	(95,274)
OPEB Expense	\$ 162,038

**OPEB Deferred Inflow and Deferred Outflows of Resources.** As of September 30, 2021, the deferred inflows and outflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Inflows/Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 268,769	\$ (1,120,132)
Changes of Assumptions	151,478	(770,610)
Employer Contributions Subsequent to the Measurement Date	285,649	-
Total	\$ 705,896	\$ (1,890,742)

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2021**

The deferred outflows of resources related to OPEB, totaling \$285,649 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of total OPEB liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense, amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan beginning in the current period. The amounts to be recognized in the next five years and thereafter are as follows:

Fiscal Year Ending September 30,	Amount Recognized
2022	\$ (179,485)
2023	(179,485)
2024	(193,519)
2025	(224,161)
2026	(184,895)
Thereafter	(508,950)
Total	<u>\$ (1,470,495)</u>

**4. Actuary valuations and assumptions**

Actuary valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

**Discount rate.** The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The discount rate used for the September 30, 2019 measurement date was 2.66 percent and the discount rate used for the September 30, 2020 measurement date was 2.21 percent.

**Inflation rate.** The inflation rate trend assumption was developed in compliance with Actuarial Standards of Practice 27 (ASOP 27) and GASB 75. The inflation rate assumption has changed from the prior valuation due to updates in the trend model based on the Society of Actuaries' (SOA) published report on long-term medical trend. It's Milliman's belief actuary valuations use this model as a foundation to predict long-term medical trends more accurately. The trend rates assume that overtime, deductibles and out of pocket maximums will be periodically increased as trends increase. Accordingly, the inflation assumption decreased to 2.30 percent in fiscal year 2021.

**Other key actuarial assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The provisions of the Plan were assumed to remain in place in future years. No improvements to post-retirement benefits in future years were assumed.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2021**

The actuarial demographic assumptions that determined the total OPEB liability as of September 30, 2020, measurement date was based on demographic assumptions as provided by the District's pension actuary for the Florida Retirement System as adopted by the Florida Retirement System Board under which District employees are covered. The FRS assumptions used were based on an experience study completed in 2019 for the period July 1, 2013, through June 30, 2018.

Valuation Date	October 1, 2021
Measurement Date	September 30, 2020
Inflation	2.30%
Salary Increases Including Inflation	3.25%
Mortality	Pub-2010 General Retirees Headcount-Weighted Mortality using MP-2021 Scale
Actuarial cost method	Entry Age Normal

The trend assumptions for medical and pharmacy costs are summarized below:

<u>Year</u>	<u>Percentage</u>	<u>Trend</u>
2021	5.50	5.50
2022	5.20	5.20
2023	5.00	5.00
2024	4.80	4.80
2025	4.70	4.70
2026	4.60	4.60
2027	4.50	4.50
2028	4.40	4.40
2029	4.30	4.30
2030	4.30	4.30

The ultimate healthcare trend rate of 3.70 percent is reached for the first time in 2072. This trend is not applied to the premium subsidy.

The retiree (inactive employees) contributions assumption is that current and future retirees are assumed to pay a weighted average of the currently available medical plans for the year ending 2021 as shown below:

	Retiree	Retiree + Spouse	Retiree + Family
Annual Contribution	\$ 11,911	\$ 23,345	\$ 25,727

Upon Medicare eligibility, retirees are assumed to elect coverage under the District sponsored Medicare Advantage Plan.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Sensitivity Analysis.** The following presents the total OPEB liability of the District, calculated using the discount rate of 2.21 percent, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21 percent) or one percentage point higher (3.21 percent) than the current rate:

Discount Rate Sensitivity			
	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 5,401,560	\$ 4,986,610	\$ 4,600,554

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates:

Health Trend Rate Sensitivity			
	1% Decrease	Current Trend Rate	1 % Increase
Total OPEB Liability	\$ 4,482,367	\$ 4,986,610	\$ 5,586,524

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## Required Supplementary Information (unaudited)

**Southwest Florida Water Management District**  
**Required Supplementary Information**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
Last Five Fiscal Years\*  
(in 1,000s)  
(unaudited)

	Fiscal Year Ending September 30,				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service Cost	\$ 214	\$ 354	\$ 384	\$ 288	\$ 238
Interest on Total OPEB Liability	128	271	223	196	221
Effect of Economic/Demographic Gains or (Losses)	(1,257)	-	426	-	-
Effect of Assumption Changes or Inputs	(134)	(343)	(357)	(338)	371
Benefit Payments	(228)	(275)	(344)	(677)	(293)
Net Change in Total OPEB Liability	(1,277)	7	332	(531)	537
Total OPEB Liability, Beginning	6,264	6,257	5,925	6,456	5,919
Total OPEB Liability, Ending	<u>\$ 4,987</u>	6,264	6,257	5,925	6,456
Covered Employee Payroll	34,316	34,002	33,446	33,256	33,515
Total OPEB Liability as a % of Covered Employee Payroll	14.53%	18.42%	18.71%	17.82%	19.26%

The amounts presented for each fiscal year were determined as of the measurement date. The measurement date is one fiscal year prior to the reporting date.

\*Schedule is intended to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

	2021	2020	2019(2)	2018	2017(1)	2016	2015	2014
Southwest Florida Water Management District's Proportion of the Net Pension Liability	0.083403859%	0.076901103%	0.077050140%	0.078304150%	0.080874564%	0.081597672%	0.085221195%	0.085241884%
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability	\$ 6,300,214	\$ 33,330,071	\$ 26,534,271	\$ 23,585,616	\$ 23,930,364	\$ 20,603,476	\$ 11,007,460	\$ 5,201,008
Southwest Florida Water Management District's Covered Payroll	\$ 33,327,587	\$ 34,217,382	\$ 33,872,873	\$ 33,502,577	\$ 34,253,733	\$ 33,767,303	\$ 33,220,502	\$ 32,864,918
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	18.90%	97.41%	78.33%	70.40%	69.86%	61.02%	33.13%	15.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability(3)	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

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

(1) The District's 2017 net pension liability was restated by an increase of \$8,211 due to FRS restating their 6/30/17 net pension liability by an increase of \$10,152,810.

(2) The District's 2019 net pension liability was restated by a decrease of \$725 due to FRS restating their 6/30/19 net pension liability by a decrease of \$940,602.

(3) Information on the plan's fiduciary net position and investments can be found at [https://www.dms.myflorida.com/workforce\\_operations/retirement/publications](https://www.dms.myflorida.com/workforce_operations/retirement/publications).

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.



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

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 3,263,515	\$ 2,708,737	\$ 2,413,668	\$ 2,274,694	\$ 2,026,784	\$ 2,009,828	\$ 2,156,423	\$ 2,072,728
Contribution in Relation to the Contractually Required Contribution	\$ (3,263,515)	\$ (2,708,737)	\$ (2,413,668)	\$ (2,274,694)	\$ (2,026,784)	\$ (2,009,828)	\$ (2,156,423)	\$ (2,072,728)
Contribution Deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Southwest Florida Water Management District's Covered Payroll	\$ 34,694,990	\$ 34,316,428	\$ 34,002,285	\$ 33,445,671	\$ 33,255,767	\$ 33,515,421	\$ 33,285,688	\$ 32,638,819
Contributions as a Percentage of Covered Payroll	9.41%	7.89%	7.10%	6.80%	6.09%	6.00%	6.48%	6.35%

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

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

	2021	2020	2019	2018	2017	2016	2015	2014
Southwest Florida Water Management District's Proportion of the Net Pension Liability	0.099006034%	0.098564344%	0.101290251%	0.102579275%	0.107447100%	0.109284595%	0.109188576%	0.110038842%
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability	\$ 12,144,579	\$ 12,034,546	\$ 11,333,365	\$ 10,857,106	\$ 11,488,740	\$ 12,736,667	\$ 11,135,517	\$ 10,288,900
Southwest Florida Water Management District's Covered Payroll	\$ 33,327,587	\$ 34,217,382	\$ 33,872,873	\$ 33,502,577	\$ 34,253,733	\$ 33,767,303	\$ 33,220,502	\$ 32,864,918
Southwest Florida Water Management District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	36.44%	35.17%	33.46%	32.41%	33.54%	37.72%	33.52%	31.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 587,152	\$ 569,629	\$ 564,658	\$ 555,487	\$ 551,958	\$ 554,958	\$ 454,612	\$ 398,549
Contribution in Relation to the Contractually Required Contribution	<u>(587,152)</u>	<u>(569,629)</u>	<u>(564,658)</u>	<u>(555,487)</u>	<u>(551,958)</u>	<u>(554,958)</u>	<u>(454,612)</u>	<u>(398,549)</u>
Contribution Deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Southwest Florida Water Management District's Covered Payroll	\$ 34,694,990	\$ 34,316,428	\$ 34,002,285	\$ 33,445,671	\$ 33,255,767	\$ 33,515,421	\$ 33,285,688	\$ 32,638,819
Contributions as a Percentage of Covered Payroll	1.69%	1.66%	1.66%	1.66%	1.66%	1.66%	1.37%	1.22%

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

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

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District**  
**Notes to Required Supplementary Information**  
for the Year Ended September 30, 2021  
(unaudited)

**Florida Retirement System (FRS) Pension Plan**

*Changes in assumptions* - There were no changes in assumptions used for the FRS pension plan from fiscal year 2020 to fiscal year 2021.

Mortality rates for the FRS Pension Plan in fiscal year 2021 were based on PUB2010 in which the base table varies by member category and sex, projected generationally with Scale MP-2018 details in the FRS Pension Plan valuation report available from Valuations on the Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://www.frs.myflorida.com).

**Florida Retirement System (FRS) Pension Plan Contribution Rates**

For information on the actuarial methods and assumptions used in the July 1, 2021 funding valuation, refer to the valuation report dated December 1, 2021 located on the Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://www.frs.myflorida.com).

**Health Insurance Subsidy (HIS) Program**

*Changes in assumptions* - The discount rate used to measure the total pension liability decreased from 2.21 percent to 2.16 percent as of June 30, 2021. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2021.

**Health Insurance Subsidy (HIS) Program Contribution Rates**

The HIS essentially uses a "pay-as-you-go" funding structure. As of the June 30, 2021, accumulated HIS assets constituted approximately nine months of projected benefit payments. The ability of the current statutory contribution rate to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

**Southwest Florida Water Management District**  
**Notes to Required Supplementary Information**  
for the Year Ended September 30, 2021  
(unaudited)

**Other Postemployment Benefits (OPEB)**

*Changes in assumptions* - The inflation rate assumption decreased from 2.60 percent in fiscal year 2020 to 2.30 percent in fiscal year 2021. The discount rate decreased from 2.66 percent as of the September 30, 2019 measurement date to 2.21 percent as of the September 30, 2020 measurement date reflected in the September 30, 2021 reporting date. The District has not performed an experience study and as such, the demographic assumptions used were provided by the District's pension actuary for the Florida Retirement System under which employees of the District are covered. While these do not necessarily represent the District actuary's (Milliman) best estimate of future experience under the plans, they believe that these assumptions are reasonable assumptions for calculating the total OPEB liability. Provisions of the plans were assumed to remain unchanged in future years.

The mortality assumption for the OPEB Plan in fiscal year 2021 was based on the PUB-2010 General Retirees Headcount-Weighted Mortality using MP-2021 Scale.

*Actuarial Valuation* - Actuarial cost estimates depend on the assumptions and methods made relative to various occurrences, such as rates of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. The OPEB plan is funded on a "pay-as-you-go" basis; there are no assets accumulated in a trust to pay related benefits. Liability for retiree dental and vision benefits are reflected as zero in the valuation. The estimated impact of including dental and vision benefits is less than one percent. Retiree and covered dependent medical liability after age 65 has been reflected as zero in the valuation. Participants are assumed to enter the group rated Medicare Advantage Plan and pay 100 percent of the group rated premium.

See accompanying Independent Auditors' Report.

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## Other Supplementary Information

**Southwest Florida Water Management District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Florida Forever Capital Projects Fund**  
**For the Year Ended September 30, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 3,075,000	\$ 2,479,542	\$ (595,458)
Interest on Invested Funds	<u>-</u>	<u>26,187</u>	<u>26,187</u>
Total Revenues	<u>3,075,000</u>	<u>2,505,729</u>	<u>(569,271)</u>
<b>EXPENDITURES</b>			
Current:			
Land Acquisition, Restoration and Public Works	<u>15,257,025</u>	<u>2,526,168</u>	<u>12,730,857</u>
Total Expenditures	<u>15,257,025</u>	<u>2,526,168</u>	<u>12,730,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,182,025)</u>	<u>(20,439)</u>	<u>12,161,586</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from Sale of Capital Assets	<u>-</u>	<u>15,184,691</u>	<u>15,184,691</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>15,184,691</u>	<u>15,184,691</u>
Net Change in Fund Balance	<u>(12,182,025)</u>	<u>15,164,252</u>	<u>27,346,277</u>
Fund Balance - Beginning	<u>12,182,025</u>	<u>12,239,612</u>	<u>57,587</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 27,403,864</u>	<u>\$ 27,403,864</u>

See accompanying Independent Auditors' Report.



**Southwest Florida Water Management District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Capital Projects Fund**  
**For the Year Ended September 30, 2021**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 700,000	\$ 700,000	\$ -
Total Revenues	<u>700,000</u>	<u>700,000</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Land Acquisition, Restoration and Public Works	4,604,139	1,057,265	3,546,874
Operation and Maintenance of Works and Lands	1,258,723	344,238	914,485
Total Expenditures	<u>5,862,862</u>	<u>1,401,503</u>	<u>4,461,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,162,862)</u>	<u>(701,503)</u>	<u>4,461,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Capital Assets	-	9,731	9,731
Total Other Financing Sources and Uses	<u>-</u>	<u>9,731</u>	<u>9,731</u>
Net Change In Fund Balance	(5,162,862)	(691,772)	4,471,090
Fund Balance - Beginning	5,162,862	14,052,757	8,889,895
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 13,360,985</u>	<u>\$ 13,360,985</u>

See accompanying Independent Auditors' Report.



## Statistical Section (unaudited)

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

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

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

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

	Fiscal Year									
	2021	2020 (Restated) (4)	2019 (Restated) (3)	2018	2017	2016	2015 (Restated) (2)	2014 (Restated) (1)	2013	2012
Governmental Activities										
Net Investment in Capital Assets	\$ 857,264,209	\$ 855,068,497	\$ 837,625,127	\$ 836,928,761	\$ 839,115,561	\$ 840,273,029	\$ 844,106,551	\$ 833,973,713	\$ 862,299,507	\$ 873,503,349
Restricted for Watershed Basins	10,079,192	14,040,957	22,097,353	36,001,332	49,377,736	64,437,412	76,996,964	117,325,873	168,721,598	226,419,010
Restricted for Land Acquisition	30,605,484	14,778,137	11,241,473	11,066,577	4,656,996	885,918	308,593	282,593	282,593	266,900
Unrestricted	377,696,967	362,796,001	359,984,525	347,182,429	334,030,354	316,517,288	309,018,322	311,615,149	305,453,821	292,083,075
Total Governmental Activities Net Position	<u>\$ 1,275,645,852</u>	<u>\$ 1,246,683,592</u>	<u>\$ 1,230,948,478</u>	<u>\$ 1,231,179,099</u>	<u>\$ 1,227,180,647</u>	<u>\$ 1,222,114,227</u>	<u>\$ 1,230,430,430</u>	<u>\$ 1,263,197,326</u>	<u>\$ 1,336,757,519</u>	<u>\$ 1,392,271,334</u>

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

(2) GASB Statement No. 72, *Fair Value Measurement and Application*, was implemented in 2016 with fiscal year 2015 classification of assets being restated within net position.

(3) On July 1, 2019 the Florida Retirement System restated the beginning pension net position. Our proportionate share of the increase to net position was \$725.

(4) GASB Statement No. 87, *Leases*, was implemented in fiscal year 2021 with fiscal year 2020 ending net position being restated by a \$207,437 increase.

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2021	2020 (3)	2019 (2)	2018	2017	2016	2015	2014 (1)	2013	2012
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Water Resource Planning and Monitoring	\$ 26,090,028	\$ 26,653,288	\$ 26,031,937	\$ 25,834,345	\$ 24,175,165	\$ 25,430,506	\$ 24,231,338	\$ 24,781,457	\$ 26,091,663	\$ 28,879,406
Land Acquisition, Restoration and Public Works	38,946,335	68,600,610	63,539,354	54,494,495	48,603,804	55,410,475	81,105,056	84,313,964	89,628,606	75,567,095
Operation and Maintenance of Works and Lands	17,674,228	19,725,409	20,047,715	18,306,423	16,855,006	17,278,585	16,399,449	18,095,218	16,942,966	16,439,958
Regulation	17,260,188	19,324,514	20,788,418	18,061,178	17,693,132	17,878,010	17,865,629	17,967,157	15,793,721	14,872,887
Outreach	1,969,083	2,122,282	2,320,589	1,989,576	1,821,893	1,805,306	1,734,614	1,788,953	3,201,426	3,885,569
Management and Administration	11,069,761	11,282,459	11,553,869	11,022,775	11,461,878	12,042,102	15,560,357	23,104,354	26,897,280	31,552,308
<b>Interest</b>										
Water Resource Planning and Monitoring	3,770	800	3,966	2,813	2,349	2,342	-	-	-	-
Land Acquisition, Restoration and Public Works	1,479	182	1,262	639	671	669	-	-	-	-
Operation and Maintenance of Works and Lands	16,905	18,001	23,458	1,662	2,181	2,175	-	-	-	-
Regulation	4,597	1,054	5,061	3,707	3,692	3,681	-	-	-	-
Outreach	363	-	220	2,046	503	502	-	-	-	-
Management and Administration	27,169	28,462	6,044	7,304	15,235	17,567	5,668	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>113,063,906</b>	<b>147,757,061</b>	<b>144,321,893</b>	<b>129,726,963</b>	<b>120,635,509</b>	<b>129,871,920</b>	<b>156,902,111</b>	<b>170,051,103</b>	<b>178,555,662</b>	<b>171,197,223</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Water Resource Planning and Monitoring	-	-	70	-	35	561	81	802	976	217,587
Land Acquisition, Restoration and Public Works	678,932	434,334	773,388	1,110,619	1,594,803	1,858,419	-	-	-	-
Operation and Maintenance of Works and Lands	813,012	720,416	704,479	903,740	1,387,289	1,236,976	1,208,416	922,462	1,029,695	842,426
Regulation	1,809,539	2,074,259	2,133,917	1,957,545	1,539,531	1,630,106	1,418,539	1,261,166	1,856,607	1,641,624
Management and Administration	22,521	5,521	9,693	21,167	10,690	10,360	15,479	18,907	32,960	49,687
Operating Grants and Contributions	6,695,583	8,170,077	9,219,934	10,180,579	7,078,459	3,844,120	9,210,329	8,037,156	15,957,283	32,271,976
Capital Grants and Contributions	9,895,633	19,648,754	3,447,139	2,367,176	8,221,450	38,025	2,668,152	6,903,513	98,625	1,419,281
<b>Total Governmental Activities Program Revenues</b>	<b>19,915,220</b>	<b>31,053,361</b>	<b>16,288,620</b>	<b>16,540,826</b>	<b>19,832,257</b>	<b>8,618,567</b>	<b>14,520,996</b>	<b>17,144,006</b>	<b>18,976,146</b>	<b>36,442,581</b>
<b>Net (Expense) Revenue</b>	<b>(93,148,686)</b>	<b>(116,703,700)</b>	<b>(128,033,273)</b>	<b>(113,186,137)</b>	<b>(100,803,252)</b>	<b>(121,253,353)</b>	<b>(142,381,115)</b>	<b>(152,907,097)</b>	<b>(159,579,516)</b>	<b>(134,754,642)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Ad Valorem Property Taxes	116,500,584	113,824,170	111,161,407	108,831,823	106,799,746	104,865,699	103,031,684	101,630,987	100,463,104	104,722,421
Unrestricted Investment Earnings	394,173	14,114,612	15,679,824	4,691,293	3,095,242	4,726,663	4,691,530	1,684,031	2,333,735	5,197,926
Gain on Sale of Capital Assets	4,993,931	4,219,008	676,273	2,024,897	464,675	-	348,325	206,258	138,990	316,321
Other	222,258	281,024	285,148	1,644,787	326,294	3,344,788	1,542,678	107,347	1,129,872	1,280,767
<b>Total Governmental Activities General Revenues</b>	<b>122,110,946</b>	<b>132,438,814</b>	<b>127,802,652</b>	<b>117,192,800</b>	<b>110,685,957</b>	<b>112,937,150</b>	<b>109,614,217</b>	<b>103,628,623</b>	<b>104,065,701</b>	<b>111,517,435</b>
<b>Change in Net Position</b>	<b>\$ 28,962,260</b>	<b>\$ 15,735,114</b>	<b>\$ (230,621)</b>	<b>\$ 4,006,663</b>	<b>\$ 9,882,705</b>	<b>\$ (8,316,203)</b>	<b>\$ (32,766,898)</b>	<b>\$ (49,278,474)</b>	<b>\$ (55,513,815)</b>	<b>\$ (23,237,207)</b>

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

(2) On July 1, 2019 the Florida Retirement System restated the beginning pension net position. Our proportionate share of the increase to net position was \$725.

(3) GASB Statement No. 87, *Leases*, was implemented in fiscal year 2021 with fiscal year 2020 ending net position being restated by a \$207,437 increase.

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Nonspendable	\$ 1,434,763	\$ 1,417,855	\$ 1,328,840	\$ 659,455	\$ 470,681	\$ 38,535	\$ 46,608	\$ 50,113	\$ 59,042	\$ 40,128
Restricted	14,273,206	17,557,172	22,097,353	35,478,889	49,377,736	64,437,412	76,996,964	117,325,873	169,364,063	230,161,294
Committed	130,978,036	126,141,039	120,184,570	113,844,650	105,419,328	95,727,884	85,791,884	73,596,312	73,976,535	69,429,780
Assigned	262,130,157	237,947,389	219,959,622	238,318,284	230,001,122	215,881,378	218,703,879	218,230,649	207,660,056	182,313,883
Unassigned	13,185,671	28,209,699	46,083,253	18,046,873	21,722,283	24,254,230	22,619,335	23,469,974	19,404,270	36,219,868
Total General Fund	<u>422,001,833</u>	<u>411,273,154</u>	<u>409,653,638</u>	<u>406,348,151</u>	<u>406,991,150</u>	<u>400,339,439</u>	<u>404,158,670</u>	<u>432,672,921</u>	<u>470,463,966</u>	<u>518,164,953</u>
All Other Governmental Funds										
Restricted	26,411,468	11,273,404	11,241,473	11,066,577	4,656,996	885,918	308,593	282,593	282,593	265,900
Committed	-	-	-	-	4,900,593	4,549,167	4,549,167	4,552,855	4,608,293	4,601,071
Assigned										
Capital Projects Funds	14,353,381	15,018,965	8,107,376	7,530,765	5,956,047	5,170,342	5,078,466	5,327,122	5,351,476	5,392,595
Total All Other Governmental Funds	<u>40,764,849</u>	<u>26,292,369</u>	<u>19,348,849</u>	<u>18,597,342</u>	<u>15,513,636</u>	<u>10,605,427</u>	<u>9,936,226</u>	<u>10,162,570</u>	<u>10,242,362</u>	<u>10,259,566</u>
Total Fund Balances	<u>\$462,766,682</u>	<u>\$437,565,523</u>	<u>\$429,002,487</u>	<u>\$424,945,493</u>	<u>\$422,504,786</u>	<u>\$410,944,866</u>	<u>\$414,094,896</u>	<u>\$442,835,491</u>	<u>\$480,706,328</u>	<u>\$528,424,519</u>

See accompanying Independent Auditors' Report.

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 116,512,461	\$ 113,800,513	\$ 111,242,466	\$ 108,886,220	\$ 106,826,289	\$ 104,913,453	\$ 103,109,563	\$ 101,719,555	\$ 100,906,682	\$ 104,686,640
Intergovernmental Revenues	10,850,391	14,640,088	10,144,761	6,924,933	13,620,275	6,236,199	12,371,605	8,529,281	16,535,307	34,418,211
Interest on Invested Funds (3)	394,173	14,114,612	15,679,824	4,691,293	3,095,242	4,726,663	4,691,530	1,684,031	2,333,735	5,197,926
License and Permit Fees	1,793,722	2,041,996	2,103,647	1,935,987	1,529,854	1,601,742	1,408,269	1,261,166	1,856,608	1,641,623
Other	1,054,144	917,500	1,224,627	1,773,519	1,265,699	3,215,700	1,273,921	562,793	1,622,360	1,571,454
<b>Total Revenues</b>	<b>130,604,891</b>	<b>145,514,709</b>	<b>140,395,325</b>	<b>124,211,952</b>	<b>126,337,359</b>	<b>120,693,757</b>	<b>122,854,888</b>	<b>113,756,826</b>	<b>123,254,692</b>	<b>147,515,854</b>
<b>EXPENDITURES</b>										
<b>Current:</b>										
Water Resource Planning and Monitoring	27,440,540	27,086,035	25,848,677	26,059,656	24,186,941	26,327,263	25,491,396	26,331,532	26,846,452	30,651,290
Land Acquisition, Restoration and Public Works	43,257,958	67,329,324	60,661,258	51,335,721	51,321,025	53,010,382	79,071,775	81,407,622	95,795,322	110,969,655
Operation and Maintenance of Works and Lands	17,193,864	17,546,989	18,744,488	16,788,176	15,307,352	14,988,424	16,008,895	14,342,811	15,450,118	15,363,015
Regulation	19,451,781	18,908,111	19,649,743	17,252,328	16,713,860	17,438,409	17,352,740	18,232,776	17,979,240	16,781,607
Outreach	2,062,176	2,005,354	2,212,815	1,962,926	1,776,414	1,771,379	1,743,887	1,853,799	3,247,319	3,909,820
Management and Administration	11,418,770	10,953,551	10,850,548	10,554,876	10,628,370	11,741,135	12,395,777	11,447,107	11,803,103	26,044,043
<b>Debt Service / Capital Leases (2)</b>										
<b>Principal</b>										
Water Resource Planning and Monitoring	38,196	12,260	45,638	10,247	5,962	4,566	-	-	-	-
Land Acquisition, Restoration and Public Works	14,984	2,787	16,240	2,330	1,703	1,305	-	-	-	-
Operation and Maintenance of Works and Lands	111,323	86,954	108,588	6,055	5,536	4,239	-	-	-	-
Regulation	46,569	16,160	57,445	13,507	9,368	7,174	-	-	-	-
Outreach	3,673	-	3,589	7,452	1,277	978	-	-	-	-
Management and Administration	50,022	147,253	84,731	61,333	70,617	63,876	22,761	-	-	-
<b>Interest</b>										
Water Resource Planning and Monitoring	3,770	800	3,966	2,813	2,349	2,342	-	-	-	-
Land Acquisition, Restoration and Public Works	1,479	182	1,262	639	671	669	-	-	-	-
Operation and Maintenance of Works and Lands	16,905	18,001	23,458	1,662	2,181	2,175	-	-	-	-
Regulation	4,597	1,054	5,061	3,707	3,692	3,681	-	-	-	-
Outreach	363	-	220	2,046	503	502	-	-	-	-
Management and Administration	27,169	28,462	6,044	7,304	15,235	17,567	5,668	-	-	-
<b>Total Expenditures</b>	<b>121,144,139</b>	<b>144,143,277</b>	<b>138,323,771</b>	<b>124,072,778</b>	<b>120,053,056</b>	<b>125,386,066</b>	<b>152,092,899</b>	<b>153,615,647</b>	<b>171,121,554</b>	<b>203,719,430</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,460,752	1,371,432	2,071,554	139,174	6,284,303	(4,692,309)	(29,238,011)	(39,858,821)	(47,866,862)	(56,203,576)
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Sale of Capital Assets	15,597,641	6,822,942	846,631	2,301,533	5,275,617	1,292,602	244,191	1,987,984	148,671	5,057,137
Issuance of Debt	142,450	368,662	1,138,809	-	-	249,677	253,225	-	-	-
Insurance Proceeds	316	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>15,740,407</b>	<b>7,191,604</b>	<b>1,985,440</b>	<b>2,301,533</b>	<b>5,275,617</b>	<b>1,542,279</b>	<b>497,416</b>	<b>1,987,984</b>	<b>148,671</b>	<b>5,057,137</b>
<b>Net Change In Fund Balances</b>	<b>25,201,159</b>	<b>8,563,036</b>	<b>4,056,994</b>	<b>2,440,707</b>	<b>11,559,920</b>	<b>(3,150,030)</b>	<b>(28,740,595)</b>	<b>(37,870,837)</b>	<b>(47,718,191)</b>	<b>(51,146,439)</b>
<b>Fund Balances - Beginning</b>	<b>437,565,523</b>	<b>429,002,487</b>	<b>424,945,493</b>	<b>422,504,786</b>	<b>410,944,866</b>	<b>414,094,896</b>	<b>442,835,491</b>	<b>480,706,328</b>	<b>528,424,519</b>	<b>579,570,958</b>
<b>Fund Balances - Ending</b>	<b>\$ 462,766,682</b>	<b>\$ 437,565,523</b>	<b>\$ 429,002,487</b>	<b>\$ 424,945,493</b>	<b>\$ 422,504,786</b>	<b>\$ 410,944,866</b>	<b>\$ 414,094,896</b>	<b>\$ 442,835,491</b>	<b>\$ 480,706,328</b>	<b>\$ 528,424,519</b>
Debt Service as a Percentage of Non-Capital Expenditures (2)	0.29%	0.23%	0.27%	0.10%	0.11%	0.09%	0.02%	0.00%	0.00%	0.00%

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

(2) The District satisfied its capital lease debt as of September 30, 2011. Capital lease debt began again in 2015.

(3) Please refer to the Management Discussion and Analysis for detail on the decrease in Interest on Invested Funds.

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

<b>Fiscal Year</b>	<b>Water Resource Planning and Monitoring</b>	<b>Land Acquisition, Restoration and Public Works</b>	<b>Operation and Maintenance of Works and Lands</b>	<b>Regulation</b>	<b>Outreach</b>	<b>Management and Administration</b>	<b>Debt Service (2)</b>	<b>Total Expenditures</b>
2021	\$ 27,440,540 22.65%	\$ 43,257,958 35.71%	\$ 17,193,864 14.19%	\$ 19,451,781 16.06%	\$ 2,062,176 1.70%	\$ 11,418,770 9.43%	\$ 319,050 0.26%	\$ 121,144,139 100.00%
2020	27,086,035 18.79%	67,329,324 46.71%	17,546,989 12.17%	18,908,111 13.12%	2,005,354 1.39%	10,953,551 7.60%	313,913 0.22%	144,143,277 100.00%
2019	25,848,677 18.69%	60,661,258 43.85%	18,744,488 13.55%	19,649,743 14.21%	2,212,815 1.60%	10,850,548 7.84%	356,242 0.26%	138,323,771 100.00%
2018	26,059,656 21.00%	51,335,721 41.38%	16,788,176 13.53%	17,252,328 13.90%	1,962,926 1.58%	10,554,876 8.51%	119,095 0.10%	124,072,778 100.00%
2017	24,195,252 20.15%	51,323,399 42.75%	15,315,069 12.77%	16,726,920 13.93%	1,778,194 1.48%	10,714,222 8.92%		120,053,056 100.00%
2016	26,327,263 21.00%	53,010,382 42.28%	14,988,424 11.95%	17,438,409 13.91%	1,771,379 1.41%	11,850,209 9.45%		125,386,066 100.00%
2015	25,491,396 16.76%	79,071,775 51.98%	16,008,895 10.53%	17,352,740 11.41%	1,743,887 1.15%	12,424,206 8.17%		152,092,899 100.00%
2014	26,331,532 17.14%	81,407,622 52.99%	14,342,811 9.34%	18,232,776 11.87%	1,853,799 1.21%	11,447,107 7.45%		153,615,647 100.00%
2013	26,846,452 15.69%	95,795,322 55.97%	15,450,118 9.03%	17,979,240 10.51%	3,247,319 1.90%	11,803,103 6.90%		171,121,554 100.00%
2012	30,651,290 15.05%	110,969,655 54.47%	15,363,015 7.54%	16,781,607 8.24%	3,909,820 1.92%	26,044,043 12.78%		203,719,430 100.00%

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

(2) New accounting format in 2018 to show debt service expenditures separately.

See accompanying Independent Auditors' Report.

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

<u>Fiscal Year</u>	<u>Ad Valorem Property Taxes</u>	<u>Inter-Governmental Revenues</u>	<u>Interest on Invested Funds</u>	<u>License and Permit Fees</u>	<u>Other Revenues</u>	<u>Total Revenues</u>
2021	\$ 116,512,461 89.21%	\$ 10,850,391 8.31%	\$ 394,173 0.30%	\$ 1,793,722 1.37%	\$ 1,054,144 0.81%	\$ 130,604,891 100.00%
2020	113,800,513 78.21%	14,640,088 10.06%	14,114,612 9.70%	2,041,996 1.40%	917,500 0.63%	145,514,709 100.00%
2019	111,242,466 79.23%	10,144,761 7.23%	15,679,824 11.17%	2,103,647 1.50%	1,224,627 0.87%	140,395,325 100.00%
2018	108,886,220 87.65%	6,924,933 5.58%	4,691,293 3.78%	1,935,987 1.56%	1,773,519 1.43%	124,211,952 100.00%
2017	106,826,289 84.56%	13,620,275 10.78%	3,095,242 2.45%	1,529,854 1.21%	1,265,699 1.00%	126,337,359 100.00%
2016	104,913,453 86.92%	6,236,199 5.17%	4,726,663 3.92%	1,601,742 1.33%	3,215,700 2.66%	120,693,757 100.00%
2015	103,109,563 83.92%	12,371,605 10.07%	4,691,530 3.82%	1,408,269 1.15%	1,273,921 1.04%	122,854,888 100.00%
2014	101,719,555 89.42%	8,529,281 7.50%	1,684,031 1.48%	1,261,166 1.11%	562,793 0.49%	113,756,826 100.00%
2013	100,906,682 81.86%	16,535,307 13.42%	2,333,735 1.89%	1,856,608 1.51%	1,622,360 1.32%	123,254,692 100.00%
2012	104,686,640 70.97%	34,418,211 23.33%	5,197,926 3.52%	1,641,623 1.11%	1,571,454 1.07%	147,515,854 100.00%

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

See accompanying Independent Auditors' Report.



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

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Capital Projects</b>	<b>Total</b>	<b>Percent Base Year</b>	<b>Annual Change in Percent</b>
2021	\$ 115,812,461	\$ 700,000	\$ 116,512,461	111.3 %	2.6 %
2020	109,481,287	4,319,226	113,800,513	108.7	2.4
2019	110,500,212	742,254	111,242,466	106.3	2.3
2018	107,257,120	1,629,100	108,886,220	104.0	2.0
2017	105,516,186	1,310,103	106,826,289	102.0	1.8
2016	104,305,103	608,350	104,913,453	100.2	1.7
2015	103,109,563	-	103,109,563	98.5	1.3
2014	101,719,555	-	101,719,555	97.2	0.8
2013	100,906,682	-	100,906,682	96.4	(3.6)
2012	103,686,640	1,000,000	104,686,640	100.0	0.0

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

See accompanying Independent Auditors' Report.

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

<b>Fiscal Year</b>	<b>Charlotte County</b>	<b>Citrus County</b>	<b>DeSoto County</b>	<b>Hardee County</b>	<b>Hernando County</b>	<b>Highlands County</b>	<b>Hillsborough County</b>	<b>Lake County</b>	<b>Levy County</b>
2021	\$ 4,817,129 4.13%	\$ 2,756,580 2.37%	\$ 512,629 0.44%	\$ 456,250 0.39%	\$ 2,623,963 2.25%	\$ 1,199,062 1.03%	\$ 29,062,847 24.95%	\$ 33,302 0.03%	\$ 279,772 0.24%
2020	4,733,172 4.16%	2,756,272 2.42%	510,026 0.45%	451,265 0.40%	2,542,548 2.23%	1,184,319 1.04%	28,025,559 24.62%	33,730 0.03%	275,458 0.24%
2019	4,654,707 4.18%	2,608,474 2.34%	515,452 0.46%	467,595 0.42%	2,494,877 2.24%	1,200,166 1.08%	27,121,684 24.39%	35,338 0.03%	274,670 0.25%
2018	4,566,870 4.19%	2,627,626 2.41%	493,669 0.45%	473,594 0.43%	2,486,181 2.28%	1,239,199 1.14%	26,173,781 24.05%	23,405 0.02%	265,649 0.24%
2017	4,494,413 4.21%	2,663,083 2.49%	463,320 0.43%	499,114 0.47%	2,484,776 2.33%	1,275,889 1.19%	25,521,890 23.89%	21,494 0.02%	265,563 0.25%
2016	4,376,198 4.17%	2,726,279 2.60%	479,024 0.46%	522,943 0.50%	2,557,584 2.44%	1,299,804 1.24%	24,889,171 23.71%	22,040 0.02%	268,731 0.26%
2015	4,399,265 4.27%	2,789,197 2.71%	501,914 0.49%	516,935 0.50%	2,611,476 2.53%	1,349,554 1.31%	24,281,453 23.55%	25,480 0.02%	275,246 0.27%
2014	4,398,449 4.32%	3,099,107 3.05%	517,209 0.51%	560,777 0.55%	2,731,630 2.69%	1,400,290 1.38%	23,685,450 23.28%	25,370 0.02%	285,451 0.28%
2013	4,439,833 4.40%	3,064,224 3.04%	535,737 0.53%	586,380 0.58%	2,856,043 2.83%	1,486,962 1.47%	23,018,798 22.80%	25,856 0.03%	305,034 0.30%
2012	4,738,013 4.53%	3,538,541 3.38%	551,236 0.53%	575,607 0.55%	2,899,571 2.77%	1,555,751 1.49%	23,977,333 22.88%	28,068 0.03%	346,074 0.33%

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

Source: District records - Finance Bureau.

See accompanying Independent Auditors' Report.

(continued)

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

<b>Fiscal Year</b>	<b>Manatee County</b>	<b>Marion County</b>	<b>Pasco County</b>	<b>Pinellas County</b>	<b>Polk County</b>	<b>Sarasota County</b>	<b>Sumter County</b>	<b>Total</b>
2021	\$ 10,743,807 9.22%	\$ 1,947,612 1.67%	\$ 8,178,648 7.02%	\$ 23,641,988 20.29%	\$ 9,831,887 8.44%	\$ 16,810,150 14.43%	\$ 3,616,835 3.10%	\$ 116,512,461 100.00%
2020	10,532,808 9.26%	1,842,828 1.62%	7,949,418 6.99%	23,121,533 20.32%	9,541,385 8.38%	16,818,045 14.78%	3,482,147 3.06%	113,800,513 100.00%
2019	10,308,934 9.27%	1,779,431 1.60%	7,702,081 6.92%	22,658,814 20.37%	9,356,749 8.41%	16,741,346 15.05%	3,322,148 2.99%	111,242,466 100.00%
2018	10,102,891 9.28%	1,717,532 1.58%	7,466,915 6.86%	22,251,743 20.44%	9,135,250 8.39%	16,577,390 15.22%	3,284,525 3.02%	108,886,220 100.00%
2017	9,801,307 9.17%	1,705,869 1.60%	7,360,871 6.89%	21,936,862 20.54%	8,733,467 8.18%	16,240,213 15.20%	3,358,158 3.14%	106,826,289 100.00%
2016	9,543,536 9.10%	1,697,734 1.62%	7,251,245 6.91%	21,506,782 20.50%	8,648,019 8.24%	15,805,700 15.07%	3,318,663 3.16%	104,913,453 100.00%
2015	9,199,208 8.92%	1,716,687 1.66%	7,205,123 6.99%	21,121,428 20.48%	8,558,823 8.30%	15,396,243 14.93%	3,161,531 3.07%	103,109,563 100.00%
2014	8,933,153 8.78%	1,748,697 1.72%	7,177,123 7.06%	20,749,595 20.40%	8,505,587 8.36%	15,049,552 14.80%	2,852,115 2.80%	101,719,555 100.00%
2013	8,846,636 8.77%	1,775,453 1.76%	7,322,772 7.26%	20,671,314 20.49%	8,418,238 8.34%	14,893,474 14.76%	2,659,928 2.64%	100,906,682 100.00%
2012	9,045,647 8.64%	1,964,342 1.88%	7,728,312 7.38%	21,257,754 20.31%	8,903,633 8.51%	15,061,380 14.39%	2,515,378 2.40%	104,686,640 100.00%

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

Source: District records - Finance Bureau.

See accompanying Independent Auditors' Report.

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

<u>Fiscal Year</u>	<u>Assessed Valuation (1)</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collection to Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collection to Tax Levy</u>
2021	\$ 452,562,459,564	\$ 120,788,921	\$ 116,239,946	96.23 %	\$ 272,515	\$ 116,512,461	96.46 %
2020	420,808,466,281	117,868,451	113,254,993	96.09	545,520	113,800,513	96.55
2019	389,873,894,825	115,207,735	111,010,338	96.36	232,128	111,242,466	96.56
2018	359,696,987,434	112,621,124	108,541,136	96.38	345,084	108,886,220	96.68
2017	332,737,468,699	110,369,017	106,405,854	96.41	420,435	106,826,289	96.79
2016	310,698,838,982	108,371,754	104,478,438	96.41	435,015	104,913,453	96.81
2015	291,190,079,928	106,517,331	102,706,790	96.42	402,773	103,109,563	96.80
2014	276,826,961,838	105,692,534	101,046,156	95.60	673,399	101,719,555	96.24
2013	266,456,598,757	104,664,153	100,265,203	95.80	641,479	100,906,682	96.41
2012	274,339,074,461	107,760,388	103,383,339	95.94	1,303,301	104,686,640	97.15

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

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

See accompanying Independent Auditors' Report.

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

Fiscal Year	Charlotte County		Citrus County		DeSoto County	
	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2021	\$ 18,653,679,594 4.12%	\$ 26,258,205,706	\$ 10,680,135,778 2.36%	\$ 14,420,053,551	\$ 1,900,067,568 0.42%	\$ 3,475,447,218
2020	17,535,455,944 4.17%	24,932,245,640	10,092,421,239 2.40%	13,627,421,360	1,802,964,423 0.43%	3,385,046,284
2019	16,319,888,582 4.19%	23,509,648,546	9,083,824,193 2.33%	12,589,094,733	1,740,497,194 0.45%	3,094,904,668
2018	15,071,915,389 4.19%	21,703,648,562	8,667,429,638 2.41%	11,589,076,918	1,582,539,731 0.44%	2,969,983,455
2017	13,975,021,267 4.20%	20,118,099,624	8,295,995,306 2.49%	11,062,230,447	1,421,376,969 0.43%	2,842,926,509
2016	13,094,055,757 4.21%	18,380,046,623	8,141,277,447 2.62%	10,467,365,984	1,376,749,230 0.44%	2,794,206,683
2015	12,447,569,866 4.27%	17,152,302,768	7,893,519,372 2.71%	10,310,375,084	1,371,423,824 0.47%	2,761,442,878
2014	11,915,060,252 4.30%	15,817,517,470	10,177,235,077 3.68%	10,370,361,138	1,358,399,626 0.49%	2,737,769,467
2013	11,721,083,416 4.40%	15,113,914,001	8,977,977,542 3.37%	10,591,756,106	1,371,139,288 0.51%	2,738,089,973
2012	12,433,871,062 4.53%	15,775,252,608	9,336,411,252 3.40%	11,073,753,128	1,424,521,662 0.52%	2,820,729,089

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 of the calendar year preceding the applicable District fiscal year.
- (3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Real Property Just Value and Growth Rate table as of January 1 on the calendar year preceding the applicable District fiscal year.

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

See accompanying Independent Auditors' Report.

(continued)

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

Fiscal Year	Hardee County		Hernando County		Highlands County	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
2021	\$ 1,715,415,370 0.38%	\$ 3,067,746,012	\$ 10,170,085,964 2.25%	\$ 16,563,589,182	\$ 4,535,021,177 1.00%	\$ 7,790,409,747
2020	1,629,916,373 0.39%	2,703,760,949	9,362,021,124 2.22%	15,207,173,646	4,337,320,355 1.03%	7,389,432,578
2019	1,613,870,541 0.41%	2,539,488,892	8,896,007,634 2.28%	13,295,216,852	4,151,810,253 1.06%	7,023,765,828
2018	1,552,709,350 0.43%	2,468,964,335	8,355,458,015 2.32%	12,246,279,297	4,040,327,165 1.12%	6,848,286,668
2017	1,536,340,746 0.46%	2,453,155,173	7,751,031,009 2.33%	11,204,074,858	3,959,066,082 1.19%	6,600,205,822
2016	1,545,475,660 0.50%	2,424,527,126	7,558,410,640 2.43%	10,788,322,558	3,825,336,750 1.23%	6,165,132,955
2015	1,454,748,937 0.50%	2,307,430,304	7,270,531,735 2.50%	10,337,411,303	3,774,772,032 1.30%	6,061,467,078
2014	1,498,817,937 0.54%	2,317,075,360	7,164,529,714 2.59%	9,971,034,670	3,781,492,104 1.37%	6,045,740,002
2013	1,527,328,126 0.57%	2,318,038,347	7,323,902,726 2.75%	9,936,963,891	3,860,234,259 1.45%	6,167,846,381
2012	1,508,413,982 0.55%	2,328,351,267	7,721,977,752 2.81%	10,579,974,346	4,048,756,058 1.48%	6,545,545,717

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- (2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 of the calendar year preceding the applicable District fiscal year.
- (3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Real Property Just Value and Growth Rate table as of January 1 on the calendar year preceding the applicable District fiscal year.

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

See accompanying Independent Auditors' Report.

(continued)

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

Fiscal Year	Hillsborough County		Lake County		Levy County	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
2021	\$ 113,537,914,365 25.09%	\$ 155,042,535,599	\$ 128,853,186 0.03%	\$ 35,107,015,689	\$ 1,064,368,372 0.24%	\$ 4,143,651,085
2020	104,113,912,510 24.73%	143,845,625,326	124,428,198 0.03%	32,240,506,021	995,851,161 0.24%	3,574,182,399
2019	95,380,054,168 24.47%	132,817,853,635	123,715,447 0.03%	30,157,486,790	941,075,482 0.24%	3,402,322,129
2018	86,658,918,351 24.10%	119,050,151,029	76,142,480 0.02%	25,620,563,521	849,636,409 0.24%	3,172,395,138
2017	79,604,960,746 23.94%	109,303,928,935	75,656,383 0.02%	23,433,911,362	814,236,925 0.24%	2,996,435,858
2016	73,914,983,814 23.80%	99,532,728,290	72,215,578 0.02%	21,921,683,305	794,125,516 0.26%	2,909,165,089
2015	68,645,393,560 23.56%	91,081,152,547	69,868,889 0.02%	20,529,670,110	779,563,179 0.27%	3,016,489,621
2014	64,099,889,092 23.16%	83,705,327,661	67,521,327 0.02%	19,331,115,179	765,121,003 0.28%	2,835,513,830
2013	60,812,026,614 22.82%	77,317,991,363	67,842,756 0.04%	19,108,024,743	799,492,293 0.30%	2,946,228,268
2012	62,336,980,209 22.72%	79,628,695,108	71,781,864 0.03%	20,285,676,118	899,834,945 0.33%	3,524,592,792

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

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

See accompanying Independent Auditors' Report.

(continued)

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

Fiscal Year	Manatee County		Marion County		Pasco County	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2021	\$ 41,698,757,227 9.21%	\$ 52,000,158,289	\$ 7,574,416,285 1.67%	\$ 31,755,986,527	\$ 31,636,014,818 6.99%	\$ 46,266,523,459
2020	38,867,053,517 9.24%	49,288,031,401	6,809,831,998 1.62%	29,625,267,758	29,523,620,128 7.02%	43,574,604,184
2019	36,134,997,641 9.27%	45,810,419,886	6,238,644,622 1.60%	27,435,234,956	27,014,184,958 6.93%	39,948,940,432
2018	33,250,651,340 9.24%	42,859,691,433	5,670,696,858 1.58%	25,614,496,971	24,676,449,043 6.86%	35,865,581,609
2017	30,629,756,922 9.21%	39,441,841,707	5,332,197,008 1.60%	24,473,280,525	22,904,410,680 6.88%	32,791,557,832
2016	28,156,175,348 9.06%	35,972,553,249	5,061,437,014 1.63%	22,932,571,056	21,369,674,657 6.88%	30,333,752,643
2015	26,001,571,459 8.93%	31,726,387,356	4,888,382,095 1.68%	22,535,216,991	20,261,141,679 6.96%	28,719,366,391
2014	24,206,711,462 8.74%	28,569,565,875	4,768,167,109 1.72%	21,657,987,283	19,338,148,774 6.99%	26,845,762,025
2013	23,322,999,512 8.75%	27,271,851,487	4,758,708,259 1.79%	21,695,907,937	19,116,580,564 7.17%	26,541,368,860
2012	23,820,210,422 8.68%	28,200,290,660	5,181,774,461 1.89%	24,093,602,773	20,323,341,802 7.41%	28,013,760,041

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

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

See accompanying Independent Auditors' Report.

(continued)



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

Fiscal Year	Pinellas County		Polk County		Sarasota County	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)	Taxable Assessed Value (1)	Estimated Just Value (3)
2021	\$ 91,683,159,071 20.26%	\$ 131,677,397,605	\$ 38,019,033,228 8.40%	\$ 54,549,524,711	\$ 65,506,244,776 14.47%	\$ 85,642,404,100
2020	85,328,871,674 20.28%	122,855,829,199	35,022,131,021 8.32%	49,571,619,025	62,335,369,916 14.81%	82,650,051,700
2019	79,417,253,029 20.37%	114,344,156,013	32,590,462,095 8.36%	45,633,781,643	58,608,216,255 15.03%	79,087,762,400
2018	73,608,585,221 20.46%	105,484,436,848	30,161,744,033 8.39%	41,522,564,110	54,602,350,765 15.18%	74,690,974,800
2017	68,281,357,984 20.52%	97,600,853,665	27,233,022,934 8.18%	37,775,852,975	50,437,295,408 15.16%	70,341,153,300
2016	63,699,624,181 20.50%	90,100,695,133	25,637,633,469 8.25%	35,066,615,991	46,615,834,307 15.00%	63,106,915,600
2015	59,767,624,833 20.53%	82,011,208,919	24,111,126,225 8.28%	32,453,751,594	43,496,280,912 14.94%	57,622,573,000
2014	56,193,988,907 20.30%	73,899,681,892	22,958,987,131 8.29%	29,792,113,559	40,812,665,951 14.74%	52,273,456,800
2013	54,425,420,037 20.43%	70,485,578,787	22,180,556,410 8.32%	27,995,854,184	39,170,913,940 14.70%	49,359,975,511
2012	55,608,566,276 20.27%	72,683,171,813	23,369,108,379 8.52%	29,429,384,408	39,585,676,326 14.43%	49,842,203,473

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 of the calendar year preceding the applicable District fiscal year.
- (3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Real Property Just Value and Growth Rate table as of January 1 on the calendar year preceding the applicable District fiscal year.

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

See accompanying Independent Auditors' Report.

(continued)

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

Fiscal Year	Sumter County		Total	
	Taxable Assessed Value (1)	Estimated Just Value (3)	Taxable Assessed Value (2)	Estimated Just Value (3)
2021	\$ 14,059,292,785 3.11%	\$ 19,427,572,949	\$ 452,562,459,564 100.00%	\$ 687,188,221,429
2020	12,927,296,700 3.07%	18,020,921,742	420,808,466,281 100.00%	642,491,719,212
2019	11,619,392,731 2.98%	15,473,807,966	389,873,894,825 100.00%	596,163,885,369
2018	10,871,433,646 3.02%	14,650,152,932	359,696,987,434 100.00%	546,357,247,626
2017	10,485,742,330 3.15%	14,199,655,685	332,737,468,699 100.00%	506,639,164,277
2016	9,835,829,614 3.17%	13,456,221,610	310,698,838,982 100.00%	466,352,503,895
2015	8,956,561,331 3.08%	12,305,148,331	291,190,079,928 100.00%	430,931,394,275
2014	7,720,226,372 2.79%	10,443,725,800	276,826,961,838 100.00%	396,613,748,011
2013	7,020,393,015 2.63%	9,442,513,580	266,456,598,757 100.00%	379,031,903,419
2012	6,667,848,009 2.43%	9,041,889,537	274,339,074,461 100.00%	393,866,872,878

- (1) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values and are as of January 1 on the calendar year preceding the applicable District fiscal year.
- (2) Taxable Assessed Value is calculated at 100 percent of market value less exempt and immune values, represents only those portions of counties within District boundaries and are as of January 1 of the calendar year preceding the applicable District fiscal year.
- (3) The Estimated Just Value represents the estimated total value of taxable property within the 16-county area encompassed by the District, and is updated based on the Department of Revenue Real Property Just Value and Growth Rate table as of January 1 on the calendar year preceding the applicable District fiscal year.

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

See accompanying Independent Auditors' Report.

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

		<u>Maximum Legal Rate (1)</u>
Fiscal Year	General Fund (Districtwide)	Districtwide
2021	0.2669	1.0000
2020	0.2801	1.0000
2019	0.2955	1.0000
2018	0.3131	1.0000
2017	0.3317	1.0000
2016	0.3488	1.0000
2015	0.3658	1.0000
2014	0.3818	1.0000
2013	0.3928	1.0000
2012	0.3928	1.0000

(1) The maximum legal millage rate for the District's ad valorem taxes is established under Chapter 373.503, Florida Statutes.

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

See accompanying Independent Auditors' Report.

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

County	Fiscal Year					
	2021			2012		
	Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value (1) (Thousands)	Rank	Percent of Total Taxable Assessed Value
Hillsborough	\$ 113,537,914	1	25.09 %	\$ 62,336,980	1	22.72 %
Pinellas	91,683,159	2	20.26	55,608,566	2	20.27
Sarasota	65,506,245	3	14.47	39,585,676	3	14.43
Manatee	41,698,757	4	9.21	23,820,210	4	8.68
Polk	38,019,033	5	8.40	23,369,108	5	8.52
Pasco	31,636,015	6	6.99	20,323,342	6	7.41
Charlotte	18,653,680	7	4.12	12,433,871	7	4.53
Sumter	14,059,293	8	3.11	6,667,848	10	2.43
Citrus	10,680,136	9	2.36	9,336,411	8	3.40
Hernando	10,170,086	10	2.25	7,721,978	9	2.81
Marion	7,574,416	11	1.67	5,181,775	11	1.89
Highlands	4,535,021	12	1.00	4,048,756	12	1.48
DeSoto	1,900,068	13	0.42	1,424,522	14	0.52
Hardee	1,715,415	14	0.38	1,508,414	13	0.55
Levy	1,064,368	15	0.24	899,835	15	0.33
Lake	128,853	16	0.03	71,782	16	0.03
	<u>\$ 452,562,459</u>		<u>100.00 %</u>	<u>\$ 274,339,074</u>		<u>100.00 %</u>

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

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

See accompanying Independent Auditors' Report.

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

Fiscal Year (1)	Governmental Activities		Total Debt	District Population	Per Capita
	Leases - Vehicles & Equipment	Direct Borrowings (3) Financed Purchases - Vehicles & Equipment			
2021	\$ 292,563	\$ 486,640	\$ 779,203	5,610,458	0.14
2020	373,406	735,551	1,108,957	5,545,227	0.20
2019	94,740	930,453	1,025,193	5,485,612	0.19
2018	202,615	-	202,615	5,394,461	0.04
2017	303,539	-	303,539	5,295,103	0.06
2016	398,003	-	398,003	5,184,426	0.08
2015	230,464	-	230,464	5,061,978	0.05
2014	-	-	-	4,959,502	0.00
2013	-	-	-	4,876,847	0.00
2012	-	-	-	4,816,068	0.00

(1) The District's capital lease debt was paid in full as of September 30, 2011. New capital leases were entered into in fiscal year 2015.

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

(3) Governmental Accounting Standard 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was implemented in fiscal year 2019. Leases that transfer ownership of the leased asset to the District are classified as financed purchases under direct borrowings accordingly. Fiscal year 2019 is the first year the District had capital lease financed purchases.

Sources: Historical (2012-2020) and projected (2021) population figures were obtained and updated from Woods & Poole Economics, [2021 Florida State Profile: State and County Projections to 2050](#).

County proportional populations were developed from data obtained by GIS Associates, Inc.

See accompanying Independent Auditors' Report.

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

<u>Calendar Year</u>	<u>Charlotte * County</u>	<u>Citrus County</u>	<u>DeSoto County</u>	<u>Hardee County</u>	<u>Hernando County</u>	<u>Highlands * County</u>	<u>Hillsborough County</u>	<u>Lake * County</u>
2021	190,825 3.40%	152,541 2.72%	38,486 0.69%	27,041 0.48%	200,200 3.57%	98,916 1.76%	1,505,668 26.84%	1,315 0.02%
2020	188,616 3.40%	151,092 2.72%	38,243 0.69%	26,989 0.49%	197,035 3.55%	98,258 1.77%	1,487,378 26.83%	1,247 0.02%
2019	186,789 3.41%	149,657 2.73%	38,001 0.69%	26,937 0.49%	193,920 3.54%	97,167 1.77%	1,471,968 26.83%	1,233 0.02%
2018	183,121 3.39%	147,682 2.74%	37,368 0.69%	27,168 0.50%	190,582 3.53%	95,602 1.77%	1,451,919 26.93%	1,205 0.02%
2017	180,167 3.40%	145,415 2.75%	37,241 0.70%	27,154 0.51%	186,704 3.53%	94,235 1.78%	1,426,736 26.94%	1,174 0.02%
2016	176,679 3.41%	142,804 2.75%	36,255 0.70%	27,219 0.53%	182,459 3.52%	92,219 1.78%	1,396,693 26.94%	1,145 0.02%
2015	171,745 3.39%	140,287 2.77%	35,648 0.70%	27,177 0.54%	177,900 3.51%	90,134 1.78%	1,364,073 26.96%	1,118 0.02%
2014	167,413 3.38%	138,828 2.80%	35,338 0.71%	27,266 0.55%	175,298 3.53%	88,820 1.79%	1,332,298 26.88%	1,065 0.02%
2013	164,048 3.36%	138,829 2.85%	34,905 0.72%	27,311 0.56%	173,639 3.56%	88,448 1.81%	1,304,131 26.73%	1,022 0.02%
2012	162,121 3.37%	139,180 2.89%	35,005 0.73%	27,439 0.57%	172,718 3.59%	88,663 1.84%	1,279,639 26.57%	991 0.02%

Permanent Population = Year-round residents only

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

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

Sources: Historical (2012-2020) and projected (2021) population data was obtained and updated from Woods & Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

(continued)

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

<b>Calendar Year</b>	<b>Levy * County</b>	<b>Manatee County</b>	<b>Marion * County</b>	<b>Pasco County</b>	<b>Pinellas County</b>	<b>Polk * County</b>	<b>Sarasota County</b>	<b>Sumter County</b>	<b>Total</b>
2021	23,358 0.42%	413,634 7.37%	121,357 2.16%	572,659 10.21%	980,933 17.48%	700,518 12.49%	442,712 7.89%	140,295 2.50%	5,610,458 100.00%
2020	23,174 0.42%	408,021 7.36%	119,550 2.16%	562,717 10.15%	977,077 17.62%	691,742 12.47%	437,787 7.89%	136,301 2.46%	5,545,227 100.00%
2019	23,149 0.42%	403,253 7.35%	117,738 2.15%	553,947 10.10%	974,996 17.77%	680,695 12.41%	433,742 7.91%	132,420 2.41%	5,485,612 100.00%
2018	22,867 0.42%	394,387 7.31%	115,241 2.14%	539,090 9.99%	973,058 18.04%	660,123 12.24%	426,329 7.90%	128,719 2.39%	5,394,461 100.00%
2017	22,684 0.43%	385,506 7.28%	113,015 2.13%	525,141 9.92%	968,341 18.29%	636,916 12.03%	419,680 7.93%	124,995 2.36%	5,295,104 100.00%
2016	22,546 0.43%	375,373 7.24%	110,755 2.14%	509,937 9.84%	959,874 18.51%	615,491 11.87%	412,968 7.97%	122,009 2.35%	5,184,426 100.00%
2015	22,522 0.44%	362,548 7.16%	108,695 2.15%	494,895 9.78%	947,060 18.71%	596,339 11.78%	404,761 8.00%	117,076 2.31%	5,061,978 100.00%
2014	22,331 0.45%	350,865 7.07%	106,860 2.15%	483,399 9.75%	936,400 18.88%	584,722 11.79%	396,363 7.99%	112,236 2.26%	4,959,502 100.00%
2013	22,391 0.46%	341,855 7.01%	105,435 2.16%	474,352 9.73%	928,414 19.04%	575,227 11.80%	389,941 8.00%	106,898 2.19%	4,876,846 100.00%
2012	22,595 0.47%	333,844 6.93%	104,557 2.17%	469,637 9.75%	921,642 19.14%	569,931 11.83%	386,437 8.02%	101,669 2.11%	4,816,068 100.00%

Permanent Population = Year-round residents only

\* Data is for portion of the county located within the District boundaries.  
County proportional populations were developed from data provided by GIS Associates, Inc.

Sources: Historical (2012-2020) and projected (2021) population data was obtained and updated from Woods & Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

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

<u>Calendar Year (1)</u>	<u>Total County Population (Thousands)</u>	<u>Within District Population (Thousands)</u>	<u>Population Within District Increase</u>	<u>Population Within District Percent Increase</u>
2021	6,314,349	5,610,458	65,231	1.18 %
2020	6,238,464	5,545,227	59,615	1.09
2019	6,172,949	5,485,612	91,151	1.69
2018	6,069,261	5,394,461	99,358	1.88
2017	5,956,702	5,295,103	110,677	2.13
2016	5,833,345	5,184,426	122,448	2.42
2015	5,699,404	5,061,978	102,476	2.07
2014	5,581,955	4,959,502	82,655	1.69
2013	5,488,145	4,876,847	60,779	1.26
2012	5,421,050	4,816,068	0	0.00

(1) Data is for calendar years.

Sources: Historical (2012-2020) and projected (2021) population data was obtained and updated from Woods & Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

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

See accompanying Independent Auditors' Report.



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

Calendar Year	Charlotte County			Citrus County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 7,795.15	\$ 40,315	4.7 %	\$ 5,626.21	\$ 36,883	5.9 %
2020	7,920.16	41,441	6.7	5,785.40	38,291	7.7
2019	7,359.01	38,955	3.8	5,320.71	35,553	5.0
2018	7,137.67	38,614	4.1	5,187.65	35,127	5.3
2017	6,899.07	38,007	4.8	5,078.26	34,923	6.2
2016	6,744.86	37,963	5.3	4,948.78	34,654	6.8
2015	6,410.57	37,188	6.1	4,842.69	34,520	7.8
2014	5,982.80	35,603	7.1	4,639.06	33,416	8.8
2013	5,647.81	34,298	8.4	4,538.03	32,688	10.0
2012	5,562.22	34,178	9.9	4,505.44	32,371	11.2

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	DeSoto County			Hardee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 945.99	\$ 24,580	4.0 %	\$ 764.28	\$ 28,264	5.2 %
2020	993.69	25,984	4.6	797.38	29,545	6.1
2019	903.84	23,785	3.7	724.49	26,896	5.3
2018	858.44	22,973	3.9	703.65	25,900	5.1
2017	851.61	22,868	4.7	725.60	26,722	6.6
2016	831.47	22,934	5.6	685.32	25,178	6.1
2015	837.69	23,499	6.3	711.54	26,182	7.1
2014	796.75	22,546	7.4	679.81	24,932	8.0
2013	757.73	21,708	8.7	657.85	24,087	8.6
2012	760.30	21,720	10.3	688.55	25,094	9.3

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, [2021 Florida State Profile: State and County Projections to 2050](#).

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	Hernando County			Highlands County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 7,195.25	\$ 35,940	5.3 %	\$ 3,531.19	\$ 32,773	6.0 %
2020	7,275.97	36,927	7.4	3,612.79	33,770	6.7
2019	6,747.52	34,795	4.4	3,334.07	31,388	4.7
2018	6,514.04	34,180	4.6	3,252.34	30,994	5.1
2017	6,323.05	33,867	5.6	3,234.66	31,147	5.9
2016	6,144.84	33,678	6.0	3,144.19	30,813	6.6
2015	5,848.31	32,874	7.1	3,091.98	30,877	7.7
2014	5,560.00	31,717	8.2	2,946.80	29,891	8.7
2013	5,370.77	30,931	9.4	2,877.79	29,342	9.8
2012	5,451.51	31,563	11.1	2,938.16	29,913	10.6

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, [2021 Florida State Profile: State and County Projections to 2050](#).

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	Hillsborough County			Lake County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 68,652.53	\$ 45,596	4.5 %	\$ 15,590.61	\$ 40,970	5.1 %
2020	68,045.04	45,748	6.2	15,115.02	40,481	8.0
2019	64,924.08	44,107	3.2	14,512.33	39,530	3.8
2018	62,793.32	43,249	3.4	13,919.76	39,022	3.9
2017	60,520.18	42,419	4.1	13,339.64	38,617	4.4
2016	58,149.58	41,634	4.4	12,724.23	37,993	4.8
2015	57,015.34	41,798	5.2	11,916.39	36,648	5.7
2014	53,864.35	40,430	6.0	11,190.89	35,488	6.6
2013	51,664.07	39,616	6.9	10,535.45	34,209	7.8
2012	52,926.76	41,361	8.3	10,402.50	34,250	9.3

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	Levy County			Manatee County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 1,458.71	\$ 34,660	4.6 %	\$ 18,887.76	\$ 45,663	4.2 %
2020	1,509.48	36,155	5.5	18,484.96	45,304	6.1
2019	1,423.58	34,301	3.3	17,847.11	44,258	3.2
2018	1,359.43	33,321	3.6	17,356.78	44,010	3.4
2017	1,353.36	33,602	4.7	16,779.47	43,526	4.1
2016	1,288.79	32,352	5.2	16,154.57	43,036	4.5
2015	1,272.65	32,137	6.0	15,515.30	42,795	5.2
2014	1,212.62	30,858	7.2	14,168.57	40,382	5.9
2013	1,160.47	29,429	8.5	13,072.95	38,241	7.1
2012	1,166.24	29,286	9.7	12,749.67	38,191	8.5

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	Marion County			Pasco County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 13,502.73	\$ 36,072	5.1 %	\$ 22,960.34	\$ 40,094	4.7 %
2020	13,802.21	37,310	6.2	22,727.24	40,388	6.6
2019	12,743.64	34,859	4.0	21,214.93	38,298	3.6
2018	12,346.72	34,386	4.4	20,310.09	37,675	3.9
2017	12,048.99	34,100	5.3	19,380.65	36,906	4.7
2016	11,604.87	33,398	5.8	18,674.83	36,622	5.2
2015	11,154.74	32,599	6.6	17,723.41	35,812	6.0
2014	10,726.88	31,736	7.6	16,542.21	34,221	6.9
2013	10,338.68	30,854	9.0	15,856.39	33,427	8.1
2012	10,616.93	31,799	10.7	15,856.88	33,764	9.5

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	Pinellas County			Polk County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 51,729.71	\$ 52,735	4.2 %	\$ 25,692.37	\$ 34,620	5.6 %
2020	51,686.09	52,899	6.3	26,487.20	36,152	8.2
2019	49,354.66	50,620	3.1	24,180.67	33,363	3.8
2018	48,331.44	49,670	3.3	23,363.49	33,065	4.1
2017	47,065.96	48,605	4.0	22,593.57	32,966	5.1
2016	45,225.22	47,116	4.3	21,461.57	32,233	5.6
2015	44,343.39	46,822	5.1	21,096.36	32,530	6.5
2014	42,019.20	44,873	6.0	20,138.70	31,745	7.4
2013	39,761.51	42,827	7.0	19,386.26	31,136	8.6
2012	39,919.98	43,314	8.4	19,565.61	31,791	10.0

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.

(continued)

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

Calendar Year	Sarasota County			Sumter County		
	Personal Income (Millions)	Per Capita Income	Unemployment Rate	Personal Income (Millions)	Per Capita Income	Unemployment Rate
2021	\$ 27,949.62	\$ 63,133	4.1 %	\$ 6,422.15	\$ 45,776	5.8 %
2020	27,165.28	62,051	6.3	6,402.06	46,970	7.0
2019	26,406.66	60,881	3.2	5,832.78	44,048	4.8
2018	25,942.37	60,851	3.4	5,632.62	43,759	5.3
2017	24,863.50	59,244	4.1	5,276.64	42,215	6.3
2016	23,545.79	57,016	4.5	4,984.27	40,852	6.8
2015	22,836.63	56,420	5.2	4,562.33	38,969	7.7
2014	21,195.09	53,474	6.1	4,215.06	37,555	8.5
2013	19,360.38	49,650	7.4	3,932.40	36,786	9.6
2012	19,184.17	49,644	8.8	3,717.46	36,564	11.0

All data is based on county-wide data and income figures are presented in 2012 dollars.

Sources: Unemployment data were obtained from Bureau of Labor Statistics, U.S. Department of Labor and is an average for the fiscal year. Personal and Per Capita Income historical (2012-2020) and projected (2021) were obtained and updated from Woods and Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.

See accompanying Independent Auditors' Report.



**Southwest Florida Water Management District  
Demographic Statistics  
Top Ten Non-Government Employers Within a Single County  
Current Year and Nine Years Ago  
(unaudited)**

Employer	Fiscal Year							
	2021				2012			
	County	Number of Employees	Rank	Percent of Total Workforce	County	Number of Employees	Rank	Percent of Total Workforce
Publix Super Markets	Polk	12,500	1	0.40 %	Polk	9,300	1	0.39 %
Publix Super Markets	Hillsborough	8,918	2	0.29	-	-	-	-
Tampa General Hospital	Hillsborough	7,548	3	0.24	-	-	-	-
Publix Super Markets	Pinellas	7,000	4	0.23	-	-	-	-
Baycare Health System	Hillsborough	6,800	5	0.22	-	-	-	-
H. Lee Moffitt Cancer Center	Hillsborough	6,700	6	0.22	Hillsborough	3,218	7	0.13
Lakeland Regional Medical Center	Polk	5,575	7	0.18	Polk	4,600	4	0.19
AdventHealth West Florida Division	Hillsborough	4,690	8	0.15	-	-	-	-
Walmart	Polk	4,250	9	0.14	Polk	5,100	2	0.21
Publix Super Markets	Sarasota	4,041	10	0.13	-	-	-	-
JPMorgan Chase	-	-	-	-	Hillsborough	4,733	3	0.20
Home Shopping Network	-	-	-	-	Pinellas	4,000	5	0.17
Fidelity Information Service	-	-	-	-	Pinellas	4,000	6	0.17
Nielsen Media Research	-	-	-	-	Pinellas	3,000	8	0.12
Citi	-	-	-	-	Hillsborough	2,900	9	0.12
Raymond James Financial	-	-	-	-	Pinellas	2,600	10	0.11
Total		<u>68,022</u>		<u>2.20 %</u>		<u>43,451</u>		<u>1.81 %</u>
District 16-County Total Workforce		3,089,635				2,403,018		

Number of employees are tallied within each individual county, not Districtwide. Employers listed represent the top ten non-government county employers within all 16 District counties. Schedule is intended to show information for the current fiscal year and nine years ago. Fiscal year data is for the previous calendar year.

Sources: 2021 total workforce from Woods and Poole Economics, 2021 Florida State Profile: State and County Projections to 2050.  
2021 employers obtained from individual counties.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District**  
**Actual Personnel Full Time Equivalents (FTEs) by Program**  
**For the Last Ten Fiscal Years**  
(unaudited)

<u>Fiscal Year</u>	<u>Water Resource Planning and Monitoring</u>	<u>Land Acquisition, Restoration and Public Works</u>	<u>Operation and Maintenance of Works and Lands</u>	<u>Regulation</u>	<u>Outreach</u>	<u>Management and Administration</u>	<u>Total Actual Personnel (FTE's)</u>
2021	143 25.54%	56 10.00%	104 18.57%	178 31.78%	13 2.32%	66 11.79%	560 100.00%
2020	140 25.64%	51 9.34%	107 19.60%	175 32.05%	13 2.38%	60 10.99%	546 100.00%
2019 (1)	140 25.41%	52 9.44%	107 19.42%	176 31.94%	14 2.54%	62 11.25%	551 100.00%
2018	151 26.31%	59 10.28%	111 19.34%	182 31.71%	13 2.26%	58 10.10%	574 100.00%
2017	148 25.78%	56 9.76%	108 18.82%	184 32.05%	12 2.09%	66 11.50%	574 100.00%
2016	150 26.13%	55 9.58%	109 18.99%	179 31.19%	12 2.09%	69 12.02%	574 100.00%
2015	148 25.78%	56 9.76%	104 18.12%	186 32.40%	12 2.09%	68 11.85%	574 100.00%
2014	152 25.98%	60 10.26%	104 17.78%	185 31.62%	14 2.39%	70 11.97%	585 100.00%
2013	154 24.96%	48 7.78%	118 19.12%	193 31.28%	22 3.57%	82 13.29%	617 100.00%
2012	164 24.16%	44 6.48%	127 18.70%	218 32.11%	25 3.68%	101 14.87%	679 100.00%

(1) Beginning in fiscal year 2019, this schedule reports actual FTEs by Program. For years prior to 2019, budgeted FTEs were reported.

Source: District records - Finance Bureau

See accompanying Independent Auditors' Report.

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

Fiscal Year	Water Use		Environmental Resource		Well Construction		Total	
	Permit Applications	Permits Issued	Permit Applications	Permits Issued	Permit Applications	Permits Issued	Permit Applications	Permits Issued
2021	767 7.47%	645 6.94%	3,079 29.98%	2,279 24.52%	6,423 62.55%	6,372 68.54%	10,269 100.00%	9,296 100.00%
2020	773 8.26%	764 8.50%	2,820 30.13%	2,481 27.62%	5,767 61.61%	5,738 63.88%	9,360 100.00%	8,983 100.00%
2019	892 10.01%	821 9.75%	2,995 33.61%	2,617 31.07%	5,024 56.38%	4,984 59.18%	8,911 100.00%	8,422 100.00%
2018	1,025 11.66%	954 11.33%	3,028 34.44%	2,792 33.16%	4,738 53.90%	4,674 55.51%	8,791 100.00%	8,420 100.00%
2017	904 10.47%	781 9.67%	2,829 32.76%	2,423 30.00%	4,902 56.77%	4,873 60.33%	8,635 100.00%	8,077 100.00%
2016	910 11.84%	855 11.67%	2,368 30.82%	2,102 28.68%	4,406 57.34%	4,372 59.65%	7,684 100.00%	7,329 100.00%
2015	988 14.04%	897 13.36%	2,114 30.04%	1,896 28.24%	3,935 55.92%	3,922 58.40%	7,037 100.00%	6,715 100.00%
2014	970 14.29%	927 14.26%	2,043 30.11%	1,840 28.31%	3,773 55.60%	3,732 57.43%	6,786 100.00%	6,499 100.00%
2013	1,062 15.13%	929 13.98%	1,967 28.02%	1,754 26.39%	3,991 56.85%	3,963 59.63%	7,020 100.00%	6,646 100.00%
2012	1,113 14.88%	1,111 15.09%	1,878 25.11%	1,815 24.65%	4,489 60.01%	4,438 60.26%	7,480 100.00%	7,364 100.00%

Source: Data obtained from the District Water Management Information System, Regulatory Support.

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District**  
**Estimated Total Water Use by County**  
(million gallons per day)  
**September 30, 2021**  
(unaudited)

<u>County</u>	<u>Agricultural</u>	<u>Industrial/ Commercial</u>	<u>Mining/ Dewatering</u>	<u>Public Supply (Withdrawal)</u>	<u>Domestic Self-Supply</u>	<u>Landscape/ Recreation</u>	<u>Institutional and Other Uses</u>	<u>Total (Withdrawal) (1)</u>	<u>Public Supply (Use) (2)</u>	<u>Total (Use) (3)</u>
Charlotte *	7.125	0.037	0.156	8.914	0.421	1.917	0.013	18.583	17.419	27.088
Citrus	1.653	1.813	0.044	14.783	4.248	3.296	0.008	25.845	14.613	25.675
DeSoto	47.643	0.687	0.006	35.071	0.763	0.167	0.000	84.337	1.467	50.733
Hardee	34.101	3.121	1.760	1.185	0.454	0.127	0.263	41.011	1.152	40.978
Hernando	1.652	3.318	0.016	20.840	3.415	3.274	0.000	32.515	20.574	32.249
Highlands *	35.593	0.103	0.009	8.306	0.839	2.137	0.019	47.006	8.148	46.848
Hillsborough	41.288	9.342	2.015	243.587	8.943	9.922	1.025	316.122	165.185	237.720
Lake *	0.867	0.000	0.000	0.000	0.095	0.000	0.000	0.962	0.000	0.962
Levy *	10.852	0.015	0.000	0.796	0.847	0.151	0.001	12.662	0.649	12.515
Manatee	40.786	0.369	3.912	50.187	0.740	9.907	0.000	105.901	45.265	100.979
Marion *	3.015	0.021	0.023	11.709	4.216	2.695	0.034	21.713	11.664	21.668
Pasco	5.650	1.165	0.063	48.595	6.074	4.266	0.480	66.293	49.150	66.848
Pinellas	0.017	0.144	0.000	25.538	0.315	3.413	0.001	29.428	90.236	94.126
Polk *	69.095	33.434	9.488	73.272	2.030	7.160	0.214	194.693	74.239	195.660
Sarasota	2.410	0.137	0.003	20.167	0.758	7.810	0.024	31.309	35.256	46.398
Sumter	6.103	0.745	0.092	25.497	5.945	3.057	0.000	41.439	25.254	41.196
	<u>307.850</u>	<u>54.451</u>	<u>17.587</u>	<u>588.447</u>	<u>40.103</u>	<u>59.299</u>	<u>2.082</u>	<u>1,069.819</u>	<u>560.271</u>	<u>1,041.643</u>

Data collection is based on calendar year 2020.

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

(1) Total (Withdrawal) - Represents the sum of the preceding seven columns and represents total water withdrawals from natural resources by county for all categories.

(2) Public Supply (Use) - The difference from "Public Supply (Withdrawal)" is the accounting of imports and exports of publicly supplied water among counties, treatment losses, and net change of storage in off-stream reservoirs or ASR systems.

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

Source: District records - Table 9 - 2020 Estimated Water Use Report, December 2021, [www.watermatters.org](http://www.watermatters.org)

See accompanying Independent Auditors' Report.

**Southwest Florida Water Management District**  
**Nature of Capital Assets by Program**  
**Net of Accumulated Depreciation**  
**September 30, 2021**  
(unaudited)

<b>Capital Assets</b>	<b>Water Resource Planning and Monitoring</b>	<b>Land Acquisition, Restoration and Public Works</b>	<b>Operation and Maintenance of Works and Lands</b>	<b>Regulation</b>	<b>Outreach</b>	<b>Management and Administration</b>	<b>Total Capital Assets</b>
<b>Capital Assets Not Subject to Depreciation:</b>							
Land	\$ 6,887	\$ 594,123,427	\$ 1,795,854	\$ -	\$ -	\$ 750,000	\$ 596,676,168
Land Interests	2,940,708	148,031,519	-	-	-	-	150,972,227
Land - Acquisition in Progress	935	70,711	-	-	-	-	71,646
Construction in Progress	2,904,168	3,426,809	314,219	3,206,913	-	-	9,852,109
<b>Capital Assets Subject to Depreciation:</b>							
Buildings	2,726	7,978,208	7,208,998	-	-	103,298	15,293,230
Machinery & Equipment	1,036,745	1,104,311	3,495,907	752,340	55,190	356,737	6,801,230
Infrastructure	7,816,272	53,149,652	16,896,606	-	-	13,538	77,876,068
Software	361,175	5,331	17,495	36,472	11,315	26,026	457,814
Other	29,984	12,043	6,768	-	-	-	48,795
<b>Total Capital Assets by Program</b>	<b>\$ 15,099,600</b>	<b>\$ 807,902,011</b>	<b>\$ 29,735,847</b>	<b>\$ 3,995,725</b>	<b>\$ 66,505</b>	<b>\$ 1,249,599</b>	<b>\$ 858,049,287</b>
Percent of Total	1.76%	94.15%	3.47%	0.46%	0.01%	0.15%	100.00%

**Land Ownership  
(acres)  
Fiscal Year**

Type of Ownership:	2021	2020	2019	2018	2017	2016	2015	2014	2013 (1)	2012
<b>Land</b>										
Acquired or Surplused	(1,119)	870	(187)	(1,087)	(623)	117	479	(7)	(1,872)	86
Cumulative	341,773	342,892	342,022	342,209	343,296	343,919	343,802	343,323	343,330	345,202
<b>Land Interests</b>										
Acquired or Surplused	1,314	409	164	701	1,849	86	11	(55)	991	124
Cumulative	110,016	108,702	108,293	108,129	107,428	105,579	105,493	105,482	105,537	104,546
<b>Total Acres</b>	<b>451,789</b>	<b>451,594</b>	<b>450,315</b>	<b>450,338</b>	<b>450,724</b>	<b>449,498</b>	<b>449,295</b>	<b>448,805</b>	<b>448,867</b>	<b>449,748</b>

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

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

Source: District records - Finance Bureau, Property Administration and Operations and Land Management Bureau, Real Estate Section.

See accompanying Independent Auditors' Report.

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# Single Audit Compliance

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited, 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, the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 27, 2022.

***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) as a basis for designing 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.

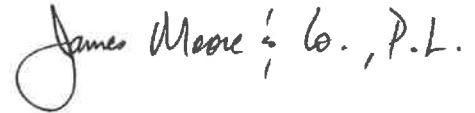
***Compliance and Other Matters***

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 financial statements. 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Gainesville, Florida  
April 27, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

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

We have audited the Southwest Florida Water Management District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Project Compliance Supplement*, that could have a direct and material effect on each of the District's major federal programs and state projects for the fiscal year ended September 30, 2021. The District's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its major federal awards and state projects applicable to its federal programs and state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

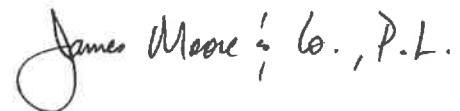
### **Report on Internal Control over Compliance**

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, we considered the District's internal control over compliance with the 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 Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 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 and 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, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.



Gainesville, Florida  
April 27, 2022

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year ended September 30, 2021

<u>Grantor/Pass through Agency</u>	<u>Assistance Listing Number</u>	<u>Grant ID #</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<b>FEDERAL AWARDS</b>				
<b><u>Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component Program</u></b>				
<b><u>Passed through Florida Department of Environmental Protection (FDEP)</u></b>				
Palm River Habitat Restoration Project	87.051	W367	RES07 / 2019REV06 \$ 821,458	-
Total FDEP			821,458	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 821,458</b>	<b>\$ -</b>
<hr/>				
<u>Grantor/Pass through Agency</u>	<u>CSFA Number</u>	<u>Grant ID #</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<b>STATE AWARDS</b>				
<b><u>Florida Department of Environmental Protection</u></b>				
Water Management Districts - Land Acquisition and Improvement:				
Florida Forever Trust Fund (FFTF) - Preacquisition	37.022	various	FFTF \$ 28,079	-
Florida Forever Trust Fund (FFTF) - Land Acquisition	37.022	various	FFTF 2,451,463	-
Land Acquisition Trust Fund (LATF)	37.022	various	LATF 2,239,111	201,291
SWIM Water Management Land Trust Fund	37.022	W367	WMLTF 9,134	-
Total Program			4,727,787	201,291
Statewide Surface Water Restoration and Wastewater Projects:				
Ecosystem Trust Fund	37.039	W367	ECO 124,101	-
Total Program			124,101	-
Florida Springs Grant Program:				
Southwest Florida Springs Initiative Project Citrus County	37.052	P117	S0922 / 2016REV06 1,798,598	835,539
Southwest Florida Springs Initiative Project Polk Regional Water Cooperative	37.052	P920,1,2	LP42115 / 2017REV06 10,694	10,694
Total Program			1,809,292	846,233
Water Protection and Sustainability Program:				
Surface Water Improvement and Management (SWIM)	37.066	W367	WPSTF 127,258	-
Total Program			127,258	-
Alternative Water Supply				
Statewide Potable Reuse Campaign	37.100	P265	WS010 / 2020REV12 63,795	-
Water Supply and Water Resources Development	37.100	Q146	WP005 / 2021REV13 500,000	-
Total Program			563,795	-
<b>Total FDEP</b>			<b>7,352,233</b>	<b>1,047,524</b>
<b>Total State Financial Assistance</b>			<b>\$ 7,352,233</b>	<b>\$ 1,047,524</b>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<b>\$ 8,173,691</b>	<b>\$ 1,047,524</b>

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

## SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

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

September 30, 2021

### **(1) Basis of Presentation**

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

### **(2) Administrative Cost Allowance**

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

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**A. Summary of Auditors' Results:**

**Financial Statements**

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards:**

Internal control over major Federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditors' 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  No

Auditee qualified as a low-risk auditee?  Yes  No

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Identification of major Federal programs:

Assistance Listing Number	Project Name
87.051	Gulf Coast Ecosystem Restoration Council

**State Financial Assistance:**

Internal control over major State projects:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditors' report issued on compliance for major state projects: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?  Yes  None reported

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Identification of major State projects:

CSFA Number	Project Name
37.022	Water Management Districts - Land Acquisition and Improvement

- B. Financial Statement Findings:** None.
- C. Federal Program Findings and Questioned Costs:** None.
- D. State Project Findings and Questioned Costs:** None.
- E. Summary Schedule of Prior Audit Findings:** There were no audit findings for the year ended September 30, 2020.
- F. Corrective Action Plan:** Not applicable as no findings were reported.

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# Management Letter





**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY  
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE  
OF THE AUDITOR GENERAL**

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

**Report on the Financial Statements**

We have audited the financial statements of the Southwest Florida Water Management District (the District) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 27, 2022.

**Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountants' 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, which are dated April 27, 2022, 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 financial audit report. The District has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

**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 disclosure of this information is included in the notes to the financial statements.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. 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 or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. 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 review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

## **Specific Special District Information – Southwest Florida Water Management District**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 574
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 9
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$52,527,134
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$896,361
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

1. District Works - TBC Culvert Replacement – Budgeted: \$200,000 – Expended: \$5,460
2. Structures - New Nettles WC Structure – Budgeted: \$300,000 – Expended: \$0
3. Fac - Districtwide - Building Automation and Access Control – Budgeted: \$357,000 – Expended: \$59,000
4. Structures - Lake Pretty WC Structure Replacement – Budgeted: \$400,000 – Expended: \$223,687
5. Structures - S-160 FC Structure Rehabilitation – Budgeted: \$460,000 – Expended: \$0
6. Structures - S-551 FC Structure Rehabilitation – Budgeted: \$460,000 – Expended: \$0

f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: the district’s original budget totaled \$353,299,973 and was amended by the total amount of \$16,200,000, for final budgeted expenditures of \$369,499,973.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported the following unaudited data:

- a) The mileage rate or rates imposed by the district: 0.2669
- b) The total amount of ad valorem taxes collected by or on behalf of the district: \$116,512,461
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds: \$0.

### **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 Web site. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its Web site.

### **Transparency**

Sections 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 Web site to the Florida Department of Financial Service’s Web site 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 Web site to the Florida Department of Financial Service’s Web site.

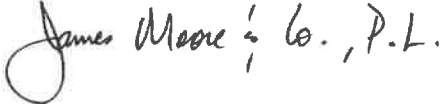
Sections 10.554(1)(i)6.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its Web site. In connection with our audit, we determined that the District posted its tentative and final budgets on its Web site.

**Additional Matters**

Section 10.554(1)(i)3, Rules of the Auditor General, requires 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 note 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, the Board of Governors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial "J".

Gainesville, Florida  
April 27, 2022



# Independent Accountants' Report

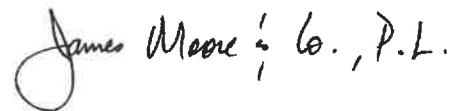
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Southwest Florida Water Management District's (the District) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. The District's management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the District's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Southwest Florida Water Management District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.



Gainesville, Florida  
April 27, 2022

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