

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Fiscal Year 2022-2023
**Annual Comprehensive
Financial Report**
Fiscal Year Ended September 30, 2023



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, 2023

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); or email 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.

**Southwest Florida Water Management District
Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2023**

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Introductory Section

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- 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

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1-800-836-0797 (FL only)

Ed Armstrong
Chair, Pinellas

Michelle Williamson
Vice Chair, Hillsborough

John Mitten
Secretary, Hernando, Marion

Jack Blapham
Treasurer, Manatee

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

Joel Schleichner
Former Chair, Charlotte,
Sarasota

Ashley Bell Barnett
Polk

John Hall
Polk

James Holton
Pinellas

Dustin Rowland
Pasco

Robert Stern
Hillsborough

Nancy Watkins
Hillsborough, Pinellas

Brian J. Armstrong, P.G.
Executive Director

April 23, 2024

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, 2023, 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, 2023.

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 United States 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 fiscal year ended September 30, 2023. 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 (5.8 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 budget 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 are 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. At least five business days prior to the final budget hearing where the Governing Board sets the millage rate and adopts a budget, written disapproval, if any, of any portion of the budget is received from the Executive Office of the Governor (EOG) or the Legislative Budget Commission. The appropriated budget is prepared by fund, bureau and expenditure category and reported by the District's statutorily mandated programs and four areas of responsibility. 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 of a fund in one or more bureaus does not constitute a violation of budgetary control providing the District's total expenditures do not exceed total appropriations for the fund. The Governing Board delegates authority to the Executive Director or his/her designee(s) to execute transfers of budgeted funds up to \$75,000 that change the original intent of an appropriation. Delegated transfers are presented to the Governing Board for review at their next regularly 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, 2023, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2024, 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

The District generates revenues from ad valorem taxes levied on the assessed value of real estate within the District's boundaries. These property values can fluctuate depending on current and projected economic conditions. Factors that contribute to property valuation include population growth, economic activity, housing market conditions, and employment. Monitoring these critical aspects of the economy will allow the District to anticipate and budget future revenues to achieve its mission.

From 2022 to 2023, the permanent population within the District increased by 67,744 people, a growth of 1.18 percent¹. District population growth outpaced the state of Florida, which grew by 1.17 percent, and the nation, which saw a growth of only 0.68 percent. While these numbers may seem modest, in December 2022, the U.S. Census Bureau announced that Florida was the nation's fastest growing state for the first time since 1957². This significant and steady influx of residents into Florida is not expected to slow down anytime soon. As we look to the future, Florida will continue to see net migration as a key driver of population growth, despite negative natural increases. Between 2022 to 2030, Florida is forecasted to have an average annual population growth of 1.27 percent, nearly double the national expected growth rate of 0.64 percent³.

At a macroeconomic level, the economy continues to show resilience against inflationary pressures and recession expectations. Florida's real gross domestic product (GDP), the total value of goods and services produced, grew 2.3 percent year-over-year in the second quarter of 2023⁴. Florida's economic growth scored in the second highest quintile, outpacing the national average real GDP growth of 2.1 percent. Tourism, a vital driver of Florida's economy, also experienced steady growth. Total visitors grew from 34.57 to 35.11 million in the third quarter of 2023, an expansion of 1.6 percent from the previous year⁵. Visitors from domestic regions grew modestly at a pace of 0.4 percent year over year. Foreign visitation, however, has flourished following the lifting of the remaining COVID-19 travel restrictions. Third quarter overseas visitors increased 15.3 percent year over year in 2023 while visitors from Canada increased by 18.8 percent over the same period. Taxable sales, a barometer of economic activity, increased statewide by 1.9 percent year over year in July 2023⁶. While overall taxable sales growth is relatively tepid, sales tax is levied on the sale of goods and does not include most services. Due to the consumption pattern shift from goods to services, taxable sales may not paint the full picture of consumer spending. Real personal consumption expenditures (PCE), another economic metric for

¹ Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. 2023 State Profile: State and County Projections to 2050

² Annual and Cumulative Estimates of Resident Population Change for the United States, Regions, States, District of Columbia, and Puerto Rico and Region and State Rankings: April 1, 2020 to July 1, 2022. U.S. Census Bureau, Population Division. Published December 2022.

³ Florida: An Economic Overview. Legislative Office of Economic and Demographic Research. Published August 22, 2023, p. 9.

⁴ Gross Domestic Product by State and Personal Income by State, 2nd Quarter 2023. U.S. Bureau of Economic Analysis. Published December 5, 2023. <https://www.bea.gov/>.

⁵ Florida tourism statistics retrieved from Florida Visitor Estimates. Visit Florida. <https://www.visitflorida.org/resources/research/>.

⁶ Florida Office of Economic and Demographic Research. Retrieved November 6, 2023. <http://edr.state.fl.us>.

consumer spending, reported an increase of 2.23 percent year over year in October 2023, with the increase in services spending (2.28 percent) outpacing the increase in goods spending (2.13 percent)⁷.

Inflation, a key stressor of the current economy, remains elevated above the Federal Reserve's annual target of 2 percent, yet has cooled significantly over the last year. According to the Consumer Price Index (CPI) report for the all-items index, inflation year-over-year has dropped from the relative peak of 8.9 percent in June 2022 down to 3.2 percent in October 2023⁸. The shelter index remained elevated, growing 6.7 percent during 2023 and accounted for over 70 percent of the overall increase in the core CPI. However, the food index slowed to 3.3 percent in October 2023, significantly lower than the 10.9 percent inflation witnessed a year prior. Additionally, the energy index decreased by 4.5 percent from October 2022 to October 2023, due to strong declines across the gasoline, natural gas, and fuel oil indexes. However, despite cooling inflation and robust economic growth, consumer confidence has remained troubled, clocking in at the third-lowest year since the Florida Consumer Attitude Survey began in 1985⁹. The somber mood of consumers is not unfathomable when considering the additional effects of growing credit card balances and the reintroduction of student loan payments. In fact, these factors were primary drivers of the \$228 billion-dollar (1.3 percent) quarterly increase in total household debt for the third quarter of 2023, which now stands at \$17.29 trillion¹⁰. Of the total debt increase, national credit card debt rose \$48 billion (21.1 percent), and student loan debt rose \$30 billion (13.2 percent)¹¹. With households facing both rising costs and rising debt, it is clear more work beyond quieting inflation will be necessary to bring consumer spirits back from the trenches.

The labor force participation rate within the state has risen to 59.8 percent in October 2023, a growth rate of 0.4 percent year-over-year¹². Florida's unemployment rate was reported at 2.8 percent in October 2023, notably lower than the national rate of 3.9 percent¹³. While Florida's rate is slightly elevated from 2.6 percent seen earlier in the calendar year, we remain well above full employment, where unemployment rests around 4.6 percent¹⁴. For comparison, pre-pandemic unemployment rates reached a trough of 3.0 percent in February 2020¹⁵. Average state job growth is also expected to be strong. Through 2023 to 2026, the fastest growing sectors are forecast to be Education & Health Services (2.6 percent), Leisure & Hospitality (1.9 percent) and Financial Services (1.7 percent)¹⁶.

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 a 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 necessary water supply sources for a 20-year period and is updated on a five-year cycle. The most recent update, covering the 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.

⁷ Real Personal Consumption Expenditures by Type of Product, Chained Dollars. Bureau of Economic Analysis. Published November 30, 2023.

⁸ Consumer price index and expenditure data retrieved from Consumer Price Index for All Urban Consumers. U.S. Bureau of Labor Statistics. <https://fred.stlouisfed.org/>

⁹ Florida Consumer Sentiment Index. (2023, October 31). Bureau of Economic and Business Research. <https://bebr.ufl.edu/florida-consumer-sentiment>.

¹⁰ Federal Reserve Bank of New York. (November 7, 2023). Total household debt reaches \$17.29 trillion in Q3 2023; driven by mortgage, credit card, and student loan balances.

<https://www.newyorkfed.org/newsevents/news/research/2023/20231107>.

¹¹ Household debt balance data retrieved from Quarterly Report on Household Debt and Credit, Center for Microeconomic Data, Federal Reserve Bank of New York.

<https://www.newyorkfed.org/microeconomics/databank.html>.

¹² Labor Force Participation rate data retrieved from U.S. Bureau of Labor Statistics, Labor Force Participation Rate for Florida, Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/LBSSA12>.

¹³ Bureau of Workforce Statistics and Economic Research. Retrieved November 17, 2023. <https://www.floridajobs.org/workforce-statistics>.

¹⁴ Full Employment and Stable Prices: Pursuing the Dual Mandate in a Changing Economy. Joint Economic Committee. Published November 13, 2019, p. 2.

¹⁵ U.S. Bureau of Labor Statistics, Unemployment Rate in Florida, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/FLUR>, November 9, 2023.

¹⁶ 2023-2026 Florida & Metro Forecast. UCF Institute for Economic Forecasting. Published October 1, 2023.

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, 2022. This was the 36th 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,



Brandon Baldwin
Business and Information Technology
Services Division Director



Melisa J. Lowe
Finance Bureau Chief



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

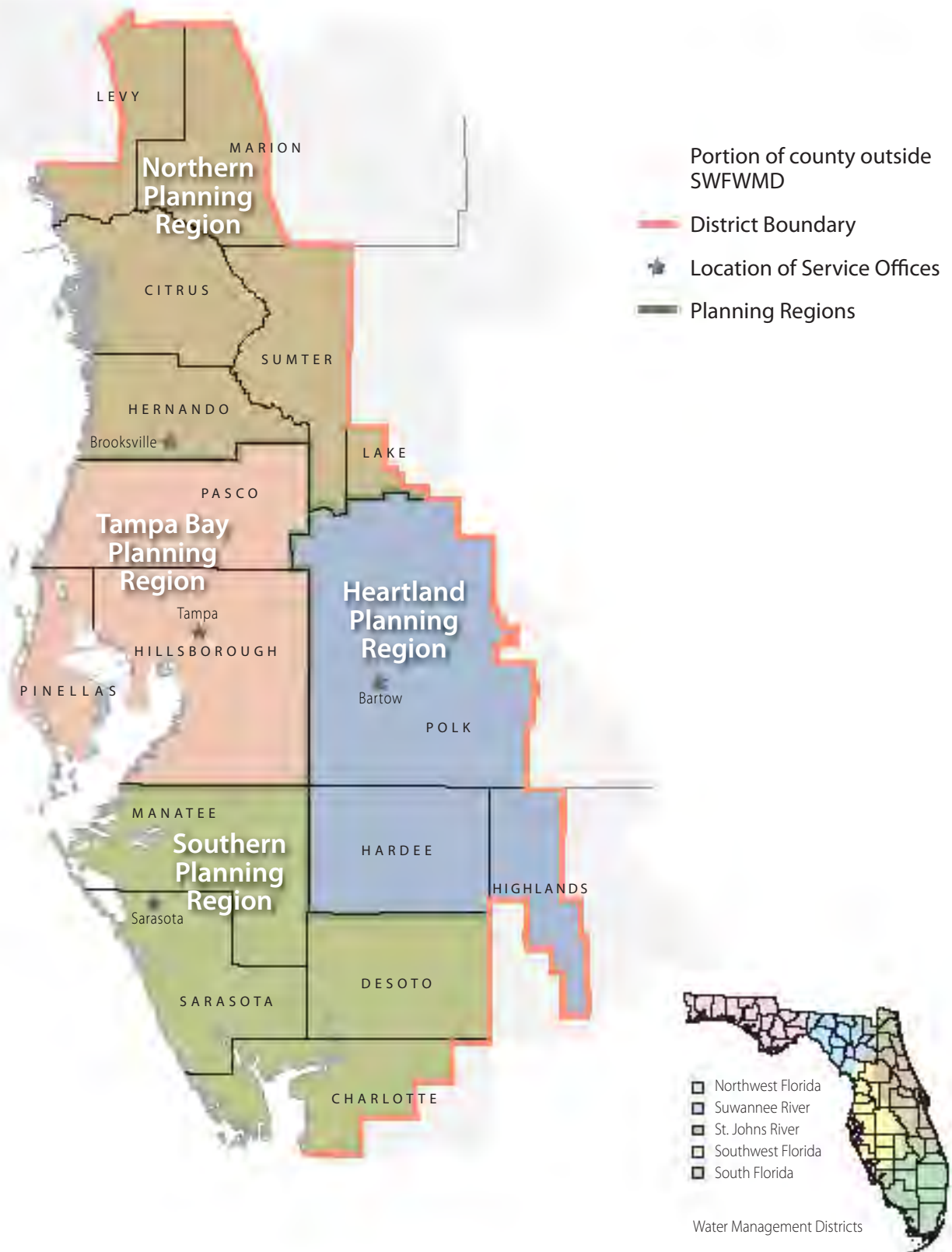
Southwest Florida Water Management District

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

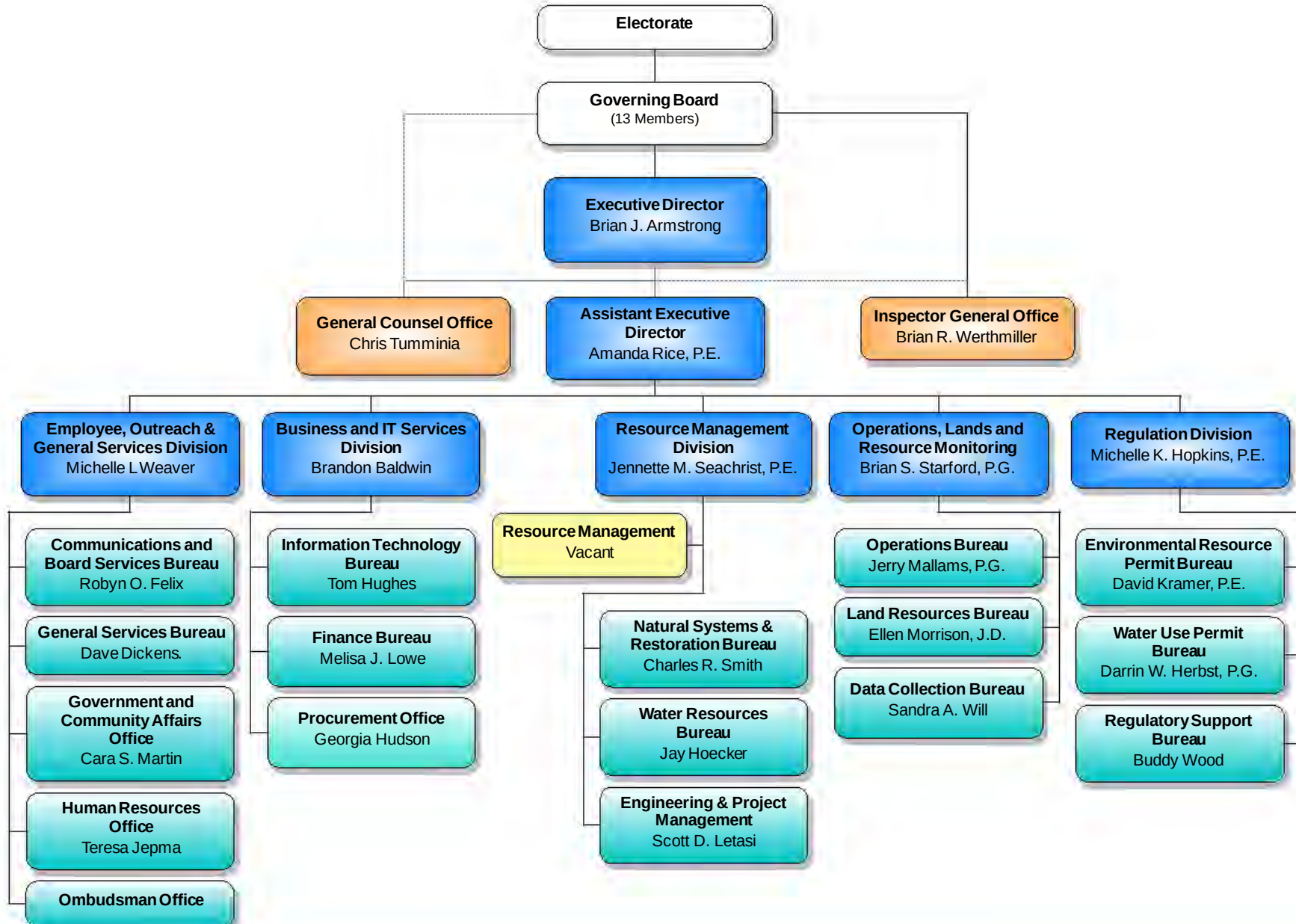
Christopher P. Morill

Executive Director/CEO



Organization Chart

As of March 26, 2024



Southwest Florida Water Management District

List of Appointed Officials

at time of publication, April 23, 2024

Governing Board Chair	Ed Armstrong
Governing Board Vice Chair	Michelle Williamson
Governing Board Secretary	John Mitten
Governing Board Treasurer	Jack Bispham
Board Member	Ashley Bell Barnett
Board Member	John Hall
Board Member	James Holton
Board Member	Kelly S. Rice
Board Member	Dustin Rowland
Board Member	Joel Schleicher
Board Member	Robert Stern
Board Member	Nancy Watkins
Board Member	Vacant

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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 Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary 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 other supplementary information and schedule of expenditures of state financial assistance, as required by the audit requirements of 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.

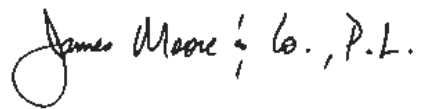
The other supplementary information and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected 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.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2024, 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 black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
April 2, 2024

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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, 2023. 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 17.

Financial Highlights

- The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.3 billion (net position). Of this amount, \$384.6 million may be used to meet the District's ongoing obligations to citizens and creditors. The District intends to use these assets to: satisfy contracts and purchase orders in the amount of \$91.7 million; fund board and management designations in the amount of \$73.5 million; fund future long and short term projects in the amount of approximately \$126.3 million; maintain an economic stabilization reserve of \$37.5 million; support land management and acquisition activities in the amount of \$3.4 million; capital project reserves of \$10.5 million; pay claims associated with the District's workers' compensation and medical self-insurance programs in the amount of \$8.9 million; and carry forward \$32.8 million into the fiscal year 2023-24 budget.
- The District's total net position increased by \$20.2 million (1.6 percent) during the year, remaining relatively stable at \$1.3 billion at September 30, 2023.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$462.6 million, an increase of \$10.4 million compared to the prior year. Of this total amount, \$1.3 million is classified as non-spendable; \$26.6 million is restricted for the watershed basins and land acquisition; and \$434.7 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 17 and 18 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 2022-23. 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 73 and 74 of this report as other supplementary information.

The governmental funds financial statements can be found on pages 19 and 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 64 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 2022-23, the overall condition of the District remained constant compared with fiscal year 2021-22.

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, 2023, which remained constant with fiscal year ending September 30, 2022, as detailed below.

Southwest Florida Water Management District's Net Position

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 536,687,131	\$ 515,968,166
Long-term Receivables	464,000	136,896
Capital Assets	877,767,213	861,707,355
Total Assets	<u>1,414,918,344</u>	<u>1,377,812,417</u>
Deferred Outflows of Resources	<u>9,613,637</u>	<u>11,231,892</u>
Current and Other Liabilities	73,789,465	63,503,551
Long-term Liabilities	56,648,640	53,476,902
Total Liabilities	<u>130,438,105</u>	<u>116,980,453</u>
Deferred Inflows of Resources	<u>6,157,613</u>	<u>4,321,053</u>
Net Position:		
Net Investment in Capital Assets	876,710,202	860,331,169
Restricted for:		
Watershed Basins	6,520,995	7,686,768
Land Acquisition	20,066,145	32,365,272
Unrestricted	384,638,921	367,359,594
Total Net Position	<u>\$ 1,287,936,263</u>	<u>\$ 1,267,742,803</u>

As of September 30, 2023, \$876.7 million (68.1 percent), the largest portion of the District's net position is reflected in 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 \$26.6 million (2.1 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.

The District intends 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 2022-23 decreased from the prior year balance by \$1.2 million (15.2 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 2022-23 decreased from the prior year balance by \$12.3 million (38.0 percent). The decrease is primarily due to the District's purchases of land in the amount of \$15.7 million offset by sales of land in the amount of \$1.0 million.

Unrestricted net position in the amount of \$384.6 million (29.9 percent) may be used to meet the District's ongoing obligations to citizens and creditors. As noted earlier, it is the District's intent to use these assets to: satisfy contracts and purchase orders; fund 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 2022-23 increased from the prior year, reflecting a net increase of \$37.1 million (2.7 percent). This is mainly due to cash and investments increasing by \$16.3 million (3.2 percent) and capital assets net of related debt increasing by \$16.4 million (1.9 percent).

The total liability obligation increased by \$13.5 million (11.5 percent). This is mainly due to two factors, Accounts and Contracts Payable increased by \$8.7 million (23.6 percent) and Unearned Revenue increased by \$2.3 million (12.1 percent).

At September 30, 2023, the District reported positive balances in all categories of net position. The same held true for the prior fiscal year. For the fiscal year 2022-23, the District's total net position increased by \$20.2 million (1.6 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 \$20.2 million.

Southwest Florida Water Management District's Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,808,528	\$ 3,716,144
Operating Grants and Contributions	7,724,899	5,556,798
Capital Grants and Contributions	5,501,643	2,741,870
General Revenues:		
Ad Valorem Property Taxes	123,280,588	119,544,023
Unrestricted Investment Earnings	9,767,767	1,989,139
Fair Value Adjustment to Investments	7,090,674	(22,758,449)
Gain on Sale of Capital Assets	1,505,554	2,499,228
Other	408,414	325,800
Total Revenues	159,088,067	113,614,553
Expenses:		
Water Resource Planning and Monitoring	27,935,810	24,844,815
Land Acquisition, Restoration and Public Works	50,423,106	44,722,362
Operation and Maintenance of Works and Lands	21,097,201	18,801,086
Regulation	23,260,172	19,169,024
Outreach	2,468,683	2,201,770
Management and Administration	13,651,703	11,728,138
Interest	57,932	50,407
Total Expenses	138,894,607	121,517,602
Change in Net Position	20,193,460	(7,903,049)
Net Position - Beginning of Year	1,267,742,803	1,275,645,852
Net Position - End of Year	<u>\$ 1,287,936,263</u>	<u>\$ 1,267,742,803</u>

Total revenues increased by \$45.5 million (40.0 percent) from the previous year. The primary reason for the increase in revenues is due to an increase in interest earnings and a reduction of unrealized losses on investments. Unrestricted investment earnings increased by \$7.8 million (391.1 percent). Additionally, in accordance with governmental accounting standards, the District must bring investments to their fair value for year-end reporting. To accomplish this, the District recorded a reduction in unrealized losses of \$7.1 million in fiscal year 2023, as compared to recording an increase of unrealized losses of \$22.8 million in fiscal year 2022, creating a variance of \$29.9 million (an increase of 131.2 percent). The decrease in unrealized losses is a result of reinvesting in higher yielding securities during the fiscal year. The higher yielding securities have a smaller difference of book to market yields (and book to market values) compared to the end of the prior fiscal year. Another contributing factor was a less dramatic increase in interest rates during the year, compared to the prior year.

Management's Discussion and Analysis

(unaudited)

Total expenses increased by \$17.4 million (14.3 percent) from the previous year. This is mainly the result of increases in Water Resource Planning and Monitoring of \$3.1 million, Land Acquisition, Restoration and Public Works of \$5.7 million, Operation and Maintenance of Works and Lands of \$2.3 million, and Regulation in the amount of \$4.1 million.

Water Resource Planning and Monitoring expenditures increased \$3.1 million (12.4 percent). This is primarily due to increased expenditures spent on watershed management plans for Highlands, Hillsborough, Manatee, Marion, Pasco, and Pinellas counties and the City of St. Petersburg totaling \$2.2 million. Another factor was increased expenditures incurred for the district wide Aerial Orthophoto Mapping project in the amount of \$0.8 million.

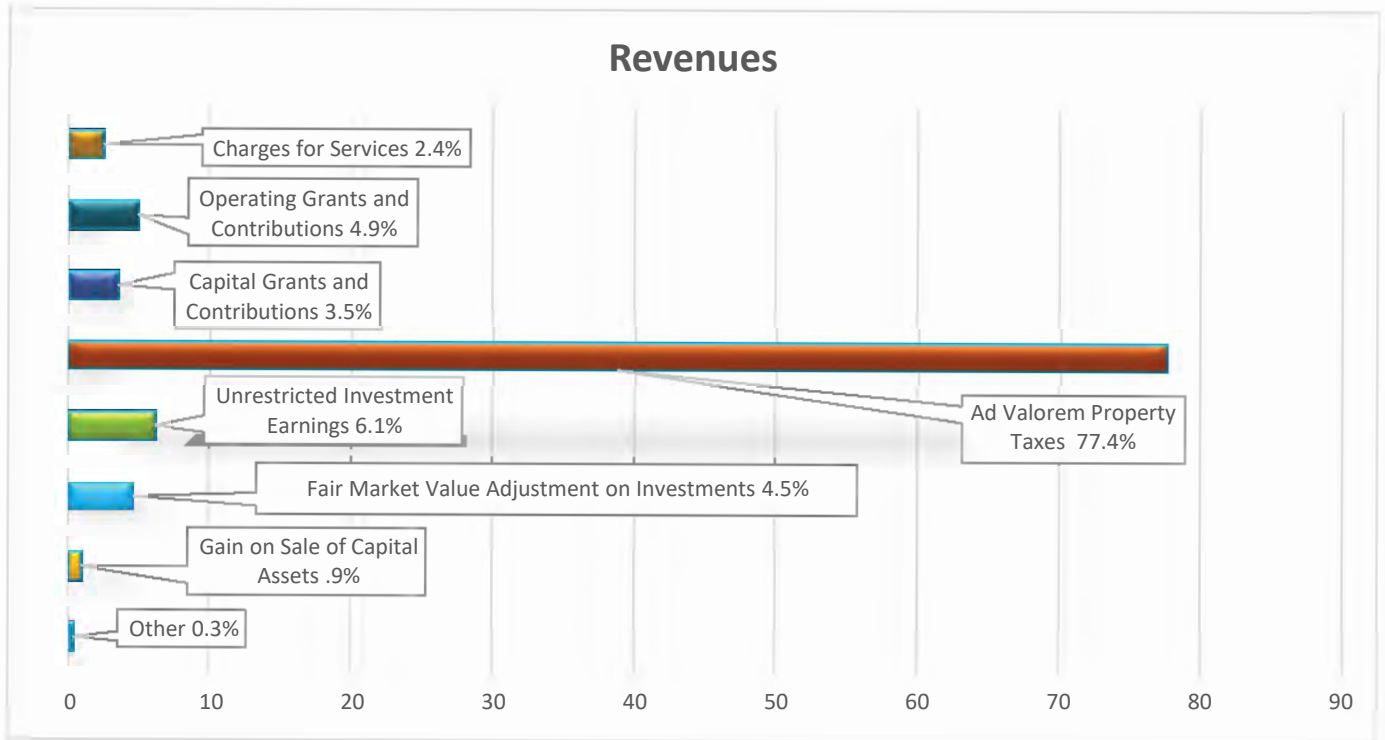
Land Acquisition, Restoration and Public Works' expenses increased by \$5.7 million (12.7 percent). This was primarily due to increases in the following projects: Q184-Brack Ground Water Development of the Southeast Wellfield for \$2.8 million; N786-Sarasota County Dona Bay Surface Water Storage Facility for \$3.2 million; and Q190-Tampa Lower Peninsula Stormwater Improvement in the Southeast Region for \$4.4 million. These increases were offset in part by decreases in the following projects: N773-Tampa Cypress Street Outfall Regional Stormwater Improvement for in the amount of \$3.5 million; and N898-Haines City Reclaimed Water Tank and Pump Stations for in the amount of \$2.1 million.

Operation and Maintenance of Works and Lands' expenses increased by \$2.3 million (12.2 percent). This is primarily due to the District capitalizing \$2.2 million less in capital assets acquisitions and therefore, having more expenditures remain in the Operation and Maintenance of Works and Lands' programmatic area.

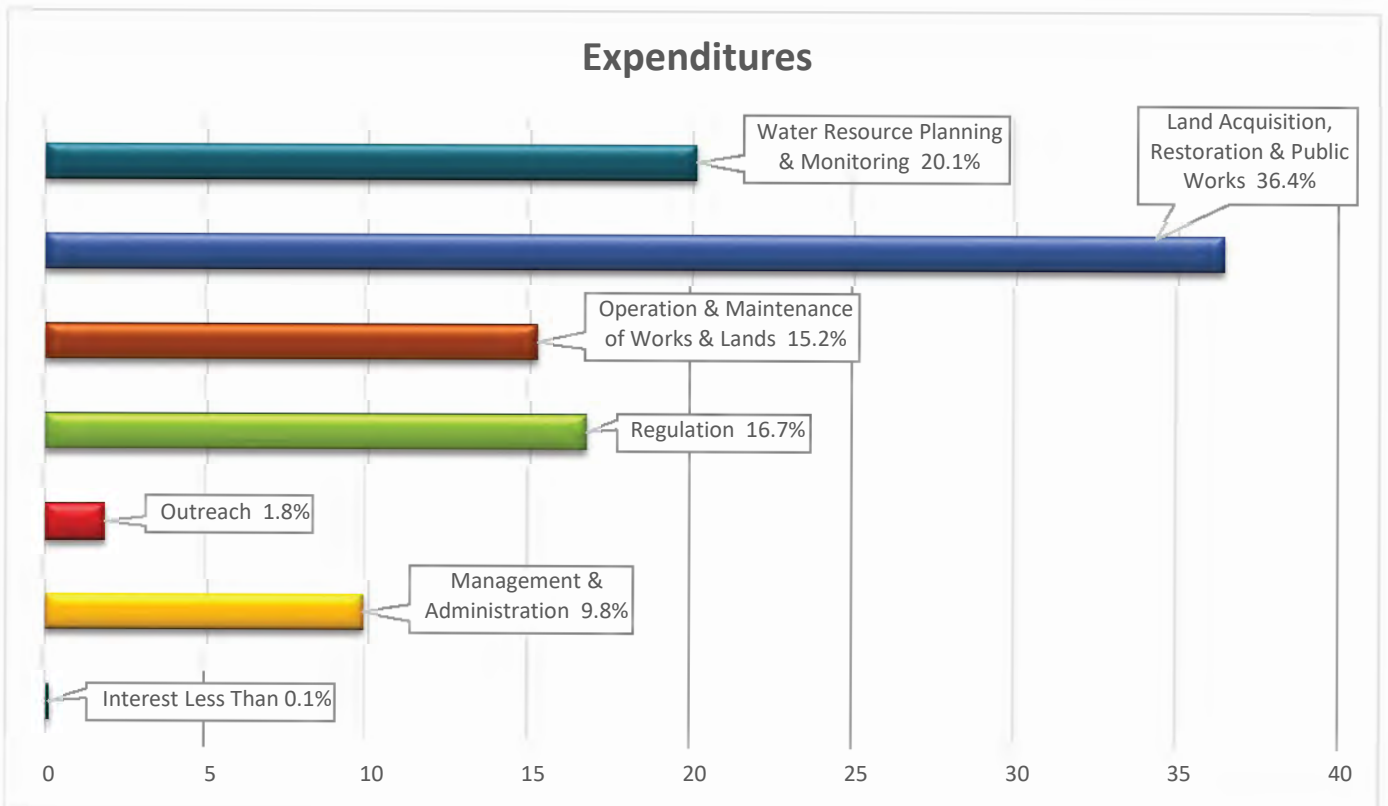
Regulation expenses increased by \$4.1 million (21.3 percent). This was primarily due to two factors: increased expenditures in the following three projects: 4399-Information Support for the Financial Systems Upgrade; P443-Water Use Permitting of the Dover/Plant City Automatic Meter Reading Program; and M001-Environmental Resource Permitting Program, totaling \$1.2 million; and an increase of \$2.5 million over the last fiscal year for net pension and other long-term liabilities (See note IV.G. of notes to the financial statements) and capital assets for a total of \$3.7 million.

Management's Discussion and Analysis
(unaudited)

Fiscal Year 2022-23 Revenues by Source – Governmental Activities



Fiscal Year 2022-23 Expenses by Program – Governmental Activities



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. The unassigned fund balance in the governmental funds 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 distinct purposes by the District's Governing Board.

On September 30, 2023, the District's governmental funds reported combined fund balances of \$462.6 million, an increase of \$10.4 million in comparison with fiscal year 2021-2022. An unassigned fund balance of \$19.7 million represents 4.3 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 (\$1.3 million), 2) restricted where constraints are placed on the use of resources (\$26.6 million), 3) committed for specific purposes (\$141.6 million), or 4) assigned for specific purposes (\$273.4 million).

The general fund is the chief operating fund of the District. At the end of fiscal year 2022-23, the unassigned fund balance of the general fund was \$19.7 million, while the total fund balance increased to \$429.6 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 15.4 percent of the total general fund expenditures, while total general fund balance represents 334.7 percent of that same amount.

The fund balance of the general fund increased \$23.1 million (5.67 percent) from the previous fiscal year. The increase is primarily due to an increase in revenues of \$46.0 million and an increase in expenditures of \$7.5 million.

The increase in revenues is mainly due to an increase in interest on invested funds. This increase in revenue consists of two components: 1) interest earnings increasing by \$6.4 million (399.7 percent) and 2) a reduction of unrealized losses of \$7.1 million (131.16 percent), bringing the general fund unrealized losses to \$13.6 million. The difference in the change in unrealized losses is the result of securities previously carried at unrealized losses were sold or matured at par and purchased securities have higher book yields that are reflective of the higher market rates during the period, resulting in a smaller difference in overall portfolio book value and market value.

Intergovernmental revenues increased by \$1.6 million (28.0 percent). This is primarily due to State funding received for Q146 - Tampa Bay Water - Southern Hillsborough County Booster Pump Station in the amount of \$2.1 million. This increase was primarily offset by decreases in State revenue for Q158 - Pasco County - River Landing Reclaimed Water Transmission, and WW04 - Weeki Wachee River Channel Restoration totaling a decrease of \$0.5 million.

Ad valorem property tax revenue increased by \$7.7 million (6.6 percent). The variance in ad valorem from FY2022 to FY2023 is due to a 3.55 percent increase in taxable property values for new construction compared to 2.70 percent in FY2022. This is even more notable when compared to the average rate of new construction for the five years prior was 2.50 percent (FY2018 through FY2022). Levying at the rolled-back rate means the District's only opportunity to collect additional taxes is through new construction. In FY2023, all ad valorem revenue was allocated to the General Fund as no new Capital Fund projects were planned.

Management's Discussion and Analysis (unaudited)

Expenditures increased by \$7.5 million. This is primarily due to increased expenditures in the Water Resources, Planning and Monitoring Program, the Land Acquisition, Restoration and Public Works Program and the Regulation Program.

Water Resources, Planning and Monitoring expenses increased by \$1.3 million (5.0 percent). The increase was primarily due to expenditures in the B089-Districtwide Aerial Orthophoto Mapping project increasing by \$0.8 million, B041-Upper Peace River Model Development project increasing expenditures by \$0.3 million, and the Q011-Pasco County Pithlachascotee/Bear Creek Watershed Management Program increasing expenditures by \$0.3 million, for a total of \$1.4 million.

The Land Acquisition, Restoration and Public Works Program expenses increased by \$4.6 million (11.0 percent) primarily due to an increase in the Q190-Tampa Lower Peninsula Stormwater Improvements project by \$4.4 million.

The Regulation Program had an increase of \$1.6 million (7.8 percent) primarily due to the 4399-Financial Systems Upgrades expenditures increasing \$0.3 million, the P443-Dover/Plant City Automatic Meter Reading Program expenditures increasing \$0.4 million, and the M001-Environmental Resource Permitting Program expenditures increasing by \$0.5 million, for a total of \$1.2 million.

The fund balance of the Florida Forever capital projects fund decreased \$12.8 million (44.0 percent). This is mostly due to the purchase of two properties totaling \$15.7 million offset by receiving Florida Forever Trust Fund assistance with a parcel purchase in the amount of \$1.2 million and sales of capital assets in the amount of \$1.2 million.

The fund balance of the Capital Projects fund decreased \$0.4 million (2.4 percent) due to no ad valorem tax revenue being allocated to the fund and the fund incurring expenditures of \$0.4 million.

General Fund Budgetary Highlights

The District's general fund budget was not amended during fiscal year 2022-23.

In total, the general fund revenue budget was \$215.6 million with actual revenues including revenue from other financing sources totaling \$151.4 million, resulting in a variance of \$64.1 million (29.8 percent). The variance is primarily due to intergovernmental revenues.

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 2022-23, the general fund intergovernmental revenues budget was \$84.2 million and actual revenues were \$7.5 million, resulting in a variance of \$76.7 million (91.1 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. A total of \$63.8 million for encumbrances at year-end for multi-year projects accounts for the majority of the fiscal year 2022-23 variance.

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 25). 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.

Management's Discussion and Analysis (unaudited)

The Land Acquisition, Restoration and Public Works program budget was \$273.3 million and actual expenditures were \$46.0 million. After adjusting for encumbrances of \$189.6 million, a variance of \$37.7 million (13.8 percent) remains. The variance is primarily due to Surface Water (\$17.9 million) and Water Source Development (\$14.4 million) 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, 2023, amounted to \$877.8 million (net of accumulated depreciation) an increase from prior year of \$16.1 million (1.9 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 737.31 acres of donated conservation easements valued at \$4.4 million.
- The District purchased two parcels of land, 4,357.5 acres in the Carlton Horse Creek in Hardee/Desoto Counties for \$13.8 million and 1,003.2 acres in the Hamilton Ranch property in Lake Panasoffkee, Sumter County for \$1.9 million.
- The District sold the following parcels of land totaling \$2.4 million: one in Green Swamp East, one on the Tampa Bypass Canal, one at Lake Hancock, one in Sumter County and multiple parcels in the Annutteliga Hammock.

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

	2023	2022
Land	\$ 595,967,416	\$ 596,986,999
Land Interests (less-than-fee)	173,923,705	153,717,633
Land Acquisition in Progress	134,845	133,825
Construction in Progress	13,639,683	11,766,677
Buildings	14,353,343	15,029,815
Machinery and Equipment	5,863,492	5,896,263
Machinery and Equipment - Lease	142,158	214,277
Machinery and Equipment - Finance	270,520	372,714
Right to Use-Subscription Asset	453,407	539,268
Infrastructure	72,734,540	76,572,922
Software	246,684	416,910
Other Capital Assets	37,420	60,052
Total Capital Assets	<u>\$ 877,767,213</u>	<u>\$ 861,707,355</u>

Additional information on the District's capital assets can be found in note I.E.3. on page 27 and note IV.C. on page 41.

Management's Discussion and Analysis (unaudited)

Long-term Debt Administration. At September 30, 2023, the District had \$157,195 of lease obligations outstanding, \$94,238 of obligations from financed purchases, and \$625,406 of obligations from subscription-based information technology agreements (SBITA).

Southwest Florida Water Management District Outstanding Debt

	2023	2022 ⁽¹⁾
Leases With No Transfer Of Ownership	\$ 157,195	\$ 225,938
Financed Purchases (Debt)	94,238	294,516
SBITA	625,406	677,410
	<u>\$ 876,839</u>	<u>\$ 1,197,864</u>

⁽¹⁾ Governmental Accounting Standard Board Statement Number 96, *Subscription Based Information Technology Agreements*, was implemented in fiscal year 2022. This required the District to report a liability for the outstanding debt from SBITAs.

In fiscal year 2022-23, the District entered a three-year SBITA with Samsara, Incorporated as lessee for the use of Vehicle Gateways Global Positioning System (GPS) software (See note IV.E. of notes to the financial statements).

The remainder of the District's long-term obligations is comprised of net pension liabilities, compensated absences, other post-employment benefits, and claims. Additional information on the District's long-term obligations can be found in note IV.G. on page 45.

Economic Factors and Next Year's Budget and Millage Rate

The U.S. economy continued to demonstrate surprising resiliency in 2023 despite initial concerns over inflation, the Federal Reserve's aggressive pace of rate hikes, and a strong expectation of a recession during the second half of 2023. Despite these concerns, the Bureau of Economic Analysis provided their first estimate of fourth quarter Gross Domestic Product (GDP), which showed the economy expanded at a 3.3 percent annualized pace during the 4th quarter of 2023 – resulting in GDP growth of 2.5 percent for the year, much higher than the 0.5 percent initially expected. Looking ahead into 2024, the familiar headwinds to future growth remain the same and the most recent Bloomberg survey anticipates a notable slowdown in economic activity in 2024 to the current forecast of GDP growth of 1.6 percent. ¹

After raising policy rates to their highest levels in more than two decades, the Federal Open Market Committee (FOMC) kept the overnight rate at 5.50 percent during the second half of 2023. Looking back a year ago, during the September 2022 meeting, the FOMC increased the overnight rate 0.75 percent to 3.25 percent, which was to be the third of four consecutive 0.75 percent rate hikes from June – November 2022. During the same September 2022 meeting the FOMC forecast a peak rate of 4.50 percent and forecast rate cuts during 2023. High inflation and a strong job market forced the FOMC to increase the rate an additional 1.0 percent during the first six months of 2023 to the current rate of 5.50 percent. Similar to 2023, current Federal Funds rate expectations are for no additional rate hikes, and potential rate cuts by mid-2024. Any changes in the rate, whether higher or lower, will be heavily data dependent in the coming months. ¹

The Consumer Price Index (CPI) rose 3.4 percent during 2023 remains well above the FOMC's target of 2.0 percent, although price increases continued to slow down during the year from 8.0 percent in 2022. The main culprit contributing to the elevated inflation figures continues to be the cost of housing. The index for shelter increased 6.2 percent in 2023, accounting for more than half of the monthly

Management's Discussion and Analysis (unaudited)

increase in all items. The path to reducing inflation from its highest levels since the early 1980's to the Federal Reserve's 2.0 percent target remains uncertain while consumer and Federal Government debt have reached historic levels. ¹

While the labor market continued to grow in 2023, with annual job gains of 3.0 million, the rate was slower than 2022 (4.5 million jobs created). January job growth of 482 thousand was the largest monthly jobs gain in more than 18 months and growth slowed during the year with average monthly jobs of 251 thousand. Unemployment remained strong throughout the year, increasing only slightly from 3.4 percent in January to 3.7 percent in December. ¹

The District's primary source of funding is ad valorem property taxes. The fiscal year 2023-24 budget of \$126 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 \$3.4 million compared to fiscal year 2022-23.

On September 26, 2023, the District's Governing Board adopted a final millage, the rolled-back rate of 0.2043 mill for fiscal year 2023-24, resulting in a reduction of 9.6 percent below the rate levied for fiscal year 2022-23. This will save taxpayers approximately \$13.9 million.

The adopted budget for fiscal year 2023-24 is \$224.8 million, compared to \$211.7 million for fiscal year 2022-23. The operating portion of the fiscal year 2023-24 budget is \$93.7 million, holding operating expenditures low at 74 percent of ad valorem revenue. This 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 increase efficiencies and improve the services provided to the public while maintaining its integrity.

The District's long-term funding plan demonstrates that the District's fiscal resources, supplemented by prudently managed project reserves, can support a healthy investment in water management and the economy. 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.

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) 269-1739; or by email to Melisa.Lowe@swfwmd.state.fl.us.

¹ U.S. Bureau of Labor Statistics; <https://www.BLS.gov>



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, 2023

	Governmental
	Activities
ASSETS	
Cash and Investments	\$ 473,845,338
Receivables	9,791,493
Deposits	867,000
Inventories	29,158
Prepays	419,502
Other Assets	257,290
Restricted Assets:	
Cash and Investments	51,471,124
Intergovernmental Receivable	6,226
Long-Term Receivables	464,000
Capital Assets Not Being Depreciated:	
Land	595,967,416
Land Interests	173,923,705
Land Acquisition in Progress	134,845
Construction in Progress	13,639,683
Capital Assets (Net of Accumulated Depreciation):	
Buildings	14,353,343
Machinery and Equipment	5,863,492
Machinery and Equipment - Lease	142,158
Machinery and Equipment - Financed	270,520
Infrastructure	72,734,540
Software	246,684
Subscription-Based Information Technology Agreements	453,407
Other Capital Assets	37,420
Total Assets	<u>1,414,918,344</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB	482,301
Pension	9,131,336
Total Deferred Outflows of Resources	<u>9,613,637</u>
LIABILITIES	
Accounts and Contracts Payable	45,529,096
Payroll and Related Costs	1,043,640
Contracts Payable-Retainage	593,681
Due To Other Governments	816,693
Unearned Revenue	916,145
Liabilities Payable from Restricted Assets:	
Accounts and Contracts Payable	4,419,445
Payroll and Related Costs	1,003
Unearned Revenue	20,466,235
Interest Payable	3,527
Non-Current Liabilities:	
Due Within One Year	1,853,096
Due in More Than One Year	54,795,544
Total Liabilities	<u>130,438,105</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB	2,800,789
Pension	3,356,824
Total Deferred Inflows of Resources	<u>6,157,613</u>
NET POSITION	
Net Investment in Capital Assets	876,710,202
Restricted for:	
Watershed Basins	6,520,995
Land Acquisition	20,066,145
Unrestricted	<u>384,638,921</u>
Total Net Position	<u>\$ 1,287,936,263</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, 2023**

					Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Program Revenues			Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental Activities:					
Water Resource Planning and Monitoring	\$ 27,935,810	\$ -	\$ 1,275,925	\$ -	\$ (26,659,885)
Land Acquisition, Restoration and Public Works	50,423,106	165,125	3,149,572	5,501,643	(41,606,766)
Operation and Maintenance of Works and Lands	21,097,201	1,093,404	3,083,850	-	(16,919,947)
Regulation	23,260,172	2,541,374	-	-	(20,718,798)
Outreach	2,468,683	-	-	-	(2,468,683)
Management and Administration	13,651,703	8,625	215,552	-	(13,427,526)
Interest					
Water Resource Planning and Monitoring	6,818	-	-	-	(6,818)
Land Acquisition, Restoration and Public Works	2,808	-	-	-	(2,808)
Operation and Maintenance of Works and Lands	18,947	-	-	-	(18,947)
Regulation	9,598	-	-	-	(9,598)
Outreach	745	-	-	-	(745)
Management and Administration	19,016	-	-	-	(19,016)
Total Governmental Activities	<u>\$ 138,894,607</u>	<u>\$ 3,808,528</u>	<u>\$ 7,724,899</u>	<u>\$ 5,501,643</u>	<u>\$ (121,859,537)</u>
General Revenues:					
Ad Valorem Property Taxes					123,280,588
Investment Earnings (Loss):					
Unrestricted Investment Earnings					9,767,767
Net Increase (Decrease) in the Fair Value of Investments ¹					7,090,674
Gain on Sale of Capital Assets					1,505,554
Other					408,414
Total General Revenues					<u>142,052,997</u>
Change in Net Position					20,193,460
Net Position - Beginning					1,267,742,803
Net Position - Ending					<u>\$ 1,287,936,263</u>

¹ Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the District to adjust investments to fair market value as part of investment earnings. The District's interest earnings for fiscal year 2023 were \$9,767,767. The fair market value adjustment due a reduction in unrealized losses on investments is reflected as a gain of revenue in the amount of \$7,090,674 for the purpose of year-end reporting.

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

Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	FDOT Mitigation	Florida Forever	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 471,918,393	\$ 20,641,751	\$ 16,187,092	\$ 16,569,226	\$ 525,316,462
Due From Other Governments	7,351,787	-	-	-	7,351,787
Interest Receivable	2,909,932	-	-	-	2,909,932
Deposits	867,000	-	-	-	867,000
Inventories	29,158	-	-	-	29,158
Prepays	419,502	-	-	-	419,502
Other Assets	257,290	-	-	-	257,290
Total Assets	<u>483,753,062</u>	<u>20,641,751</u>	<u>16,187,092</u>	<u>16,569,226</u>	<u>537,151,131</u>
LIABILITIES					
Accounts and Contracts Payable	\$ 49,633,252	\$ 113,815	\$ 17,450	\$ 187,551	\$ 49,952,068
Payroll and Related Costs	1,043,640	1,003	-	-	1,044,643
Contracts Payable-Retainage	593,681	-	-	-	593,681
Due To Other Governments	816,693	-	-	-	816,693
Unearned Revenue	1,301,206	20,081,174	-	-	21,382,380
Total Liabilities	<u>53,388,472</u>	<u>20,195,992</u>	<u>17,450</u>	<u>187,551</u>	<u>73,789,465</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Property Taxes	330,191	-	-	-	330,191
Unavailable Revenue-Intergovernmental Revenue	464,000	-	-	-	464,000
Total Deferred Inflows of Resources	<u>794,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>794,191</u>
FUND BALANCES					
Nonspendable	1,315,660	-	-	-	1,315,660
Restricted	12,552,566	-	14,034,574	-	26,587,140
Committed	141,527,338	-	-	-	141,527,338
Assigned	254,430,250	445,759	2,135,068	16,381,675	273,392,752
Unassigned	19,744,585	-	-	-	19,744,585
Total Fund Balances	<u>429,570,399</u>	<u>445,759</u>	<u>16,169,642</u>	<u>16,381,675</u>	<u>462,567,475</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 483,753,062</u>	<u>\$ 20,641,751</u>	<u>\$ 16,187,092</u>	<u>\$ 16,569,226</u>	

Amounts reported for governmental activities in the statement of net position (page 17)
are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	877,767,213
Deferred outflows are applicable to future periods and, therefore, are not reported in the funds.	9,613,637
Deferred inflows are applicable to future periods and, therefore, are not reported in the funds.	(6,157,613)
Delinquent taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	330,191
Earned but unavailable intergovernmental revenues should be recognized in the statement of activities regardless of whether they are available.	464,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(56,648,640)
Net position of governmental activities	<u>\$ 1,287,936,263</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, 2023

	General Fund	FDOT Mitigation	Florida Forever	Capital Projects	Total Governmental Funds
REVENUES					
Ad Valorem Property Taxes	\$ 123,228,826	\$ -	\$ -	\$ -	\$ 123,228,826
Intergovernmental Revenues	7,521,789	96,967	1,147,758	-	8,766,514
Investment Earnings (losses):					
Interest on Invested Funds	8,015,619	849,343	902,805	-	9,767,767
Net Increase (Decrease) in the Fair Value of Investments ¹	7,090,674	-	-	-	7,090,674
License and Permit Fees	2,513,586	-	-	-	2,513,586
Other	1,431,305	-	-	-	1,431,305
Total Revenues	<u>149,801,799</u>	<u>946,310</u>	<u>2,050,563</u>	<u>-</u>	<u>152,798,672</u>
EXPENDITURES					
Current:					
Water Resource Planning and Monitoring	26,315,751	-	-	-	26,315,751
Land Acquisition, Restoration and Public Works	45,991,348	500,551	15,934,656	294,020	62,720,575
Operation and Maintenance of Works and Lands	19,057,741	-	-	109,427	19,167,168
Regulation	21,692,081	-	-	-	21,692,081
Outreach	2,296,211	-	-	-	2,296,211
Management and Administration	12,493,192	-	-	-	12,493,192
Debt Service:					
Principal					
Water Resource Planning and Monitoring	65,188	-	-	-	65,188
Land Acquisition, Restoration and Public Works	26,842	-	-	-	26,842
Operation and Maintenance of Works and Lands	183,963	-	-	-	183,963
Regulation	91,756	-	-	-	91,756
Outreach	7,121	-	-	-	7,121
Management and Administration	74,669	-	-	-	74,669
Interest					
Water Resource Planning and Monitoring	6,818	-	-	-	6,818
Land Acquisition, Restoration and Public Works	2,808	-	-	-	2,808
Operation and Maintenance of Works and Lands	18,947	-	-	-	18,947
Regulation	9,598	-	-	-	9,598
Outreach	745	-	-	-	745
Management and Administration	19,016	-	-	-	19,016
Total Expenditures	<u>128,353,795</u>	<u>500,551</u>	<u>15,934,656</u>	<u>403,447</u>	<u>145,192,449</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>21,448,004</u>	<u>445,759</u>	<u>(13,884,093)</u>	<u>(403,447)</u>	<u>7,606,223</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	1,438,103	-	1,157,359	-	2,595,462
Issuance of Debt	128,514	-	-	-	128,514
Insurance Proceeds	51,090	-	-	-	51,090
Total Other Financing Sources (Uses)	<u>1,617,707</u>	<u>-</u>	<u>1,157,359</u>	<u>-</u>	<u>2,775,066</u>
Net Change in Fund Balances	<u>23,065,711</u>	<u>445,759</u>	<u>(12,726,734)</u>	<u>(403,447)</u>	<u>10,381,289</u>
Fund Balances - Beginning	406,504,688	-	28,896,376	16,785,122	452,186,186
Fund Balances - Ending	<u>\$ 429,570,399</u>	<u>\$ 445,759</u>	<u>\$ 16,169,642</u>	<u>\$ 16,381,675</u>	<u>\$ 462,567,475</u>

Amounts reported for governmental activities in the statement of activities (page 18) are different because:

Net change in fund balances - total governmental funds	\$ 10,381,289
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets are 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.	12,795,881
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in an increase to net position.	3,263,977
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 increase to net position.	378,866
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.	321,025
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.	(6,947,578)
Change in net position of governmental activities	<u>\$ 20,193,460</u>

¹ Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the District to adjust investments to fair market value as part of investment earnings. Therefore, the District recorded a net increase in the fair market value of investments in the amount of \$7.1 million for the purpose of year-end reporting.

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, 2023

	Budgeted Amounts ⁽²⁾			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Ad Valorem Property Taxes	\$ 122,549,760	\$ 122,549,760	\$ 123,228,826	\$ 679,066
Intergovernmental Revenues	81,311,819	84,237,022	7,521,789	(76,715,233)
Investment Earnings/(Losses):				
Interest on Invested Funds	5,800,000	5,800,000	8,015,619	2,215,619
Net Increase (Decrease) in the Fair Value of Investments ¹	-	-	7,090,674	7,090,674
License and Permit Fees	2,256,857	2,256,857	2,513,586	256,729
Other	708,373	708,373	1,431,305	722,932
Total Revenues	212,626,809	215,552,012	149,801,799	(65,750,213)
EXPENDITURES				
Current:				
Water Resource Planning and Monitoring	56,781,017	56,293,894	26,315,751	29,978,143
Land Acquisition, Restoration and Public Works	276,260,833	273,309,730	45,991,348	227,318,382
Operation and Maintenance of Works and Lands	29,739,046	33,171,828	19,057,741	14,114,087
Regulation	24,828,497	24,753,915	21,692,081	3,061,834
Outreach	3,151,612	3,173,612	2,296,211	877,401
Management and Administration	13,722,625	13,780,651	12,493,192	1,287,459
Debt Service:				
Principal				
Water Resource Planning and Monitoring	-	-	65,188	(65,188)
Land Acquisition, Restoration and Public Works	-	-	26,842	(26,842)
Operation and Maintenance of Works and Lands	-	-	183,963	(183,963)
Regulation	-	-	91,756	(91,756)
Outreach	-	-	7,121	(7,121)
Management and Administration	-	-	74,669	(74,669)
Interest				
Water Resource Planning and Monitoring	-	-	6,818	(6,818)
Land Acquisition, Restoration and Public Works	-	-	2,808	(2,808)
Operation and Maintenance of Works and Lands	-	-	18,947	(18,947)
Regulation	-	-	9,598	(9,598)
Outreach	-	-	745	(745)
Management and Administration	-	-	19,016	(19,016)
Total Expenditures	404,483,630	404,483,630	128,353,795	276,129,835
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(191,856,821)	(188,931,618)	21,448,004	210,379,622
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	1,438,103	1,438,103
Issuance of Debt	-	-	128,514	128,514
Insurance Proceeds	-	-	51,090	51,090
Total Other Financing Sources (Uses)	-	-	1,617,707	1,617,707
Net Change in Fund Balance	(191,856,821)	(188,931,618)	23,065,711	211,997,329
Fund Balance - Beginning	191,856,821	188,931,618	406,504,688	217,573,070
Fund Balance - Ending	\$ -	\$ -	\$ 429,570,399	\$ 429,570,399

¹ Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the District to adjust investments to fair market value as part of investment earnings. Therefore, the District recorded a net increase in the fair market value of investments in the amount of \$7.1 million for the purpose of year-end reporting.

² Budgetary information is presented using the modified accrual basis of accounting.

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
FDOT Mitigation Special Revenue Fund
For the Year Ended September 30, 2023

	<u>Original and Final Budget ⁽¹⁾</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental Revenues	\$ 1,394,230	\$ 96,967	\$ (1,297,263)
Investment Earnings/(Losses):			
Interest on Invested Funds	-	849,343	849,343
Total Revenues	<u>1,394,230</u>	<u>946,310</u>	<u>(447,920)</u>
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	1,394,230	500,551	893,679
Total Expenditures	<u>1,394,230</u>	<u>500,551</u>	<u>893,679</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	445,759	445,759
Net Change In Fund Balance	-	445,759	445,759
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 445,759</u>	<u>\$ 445,759</u>

¹ Budgetary information is presented using the modified accrual basis of accounting.

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, 2023

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, 2024. 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.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2023

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.

Ad valorem property taxes are computed using property values on January 1 of each year and are considered levied upon adoption of the final millage rate in September by the Governing Board. 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 is attached to the property.

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. Florida Department of Transportation (FDOT) 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 FDOT program requires that mitigation to offset the adverse wetland impacts of transportation projects be funded by the FDOT and be carried out by

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2023

mitigation banks and any other mitigation options that satisfy state and federal requirements. (See note I.E.8., page 30-31).

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.

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 30).

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.

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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 and executive support; management information systems; and general counsel, ombudsman, human resources, finance, audit, risk management, procurement, and administrative services.

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 Investment Policy, 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 first-in first-out 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.

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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.

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

Assets	Years
Buildings	15 - 50
Machinery & Equipment	5 - 15
Right to Use Leased 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. Employees must have 12 months of current continuous District service in a regular position to be paid for unused accrued annual leave. Sick leave is vested when an employee has earned 10 years of current continuous creditable service and will be paid 25 percent of accrued sick leave benefits (up to a maximum of 480 hours) upon retirement, death, resignation, or separation in good standing.

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.

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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.

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, represent a consumption of net assets 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, represent an acquisition of net assets 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.

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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 Information Technology 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.

In accordance with the District's Fund Balance Policy, the 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 46).

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 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 at September 30, 2023, was \$6,520,995.
- 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, 2023, was \$20,066,145.

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

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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.

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.

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 was funded through various sources, such as documentary stamp taxes, transfers from other trust funds, general revenues, interest earnings and fines. It provided 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.

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

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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 FDOT 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. 100, Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

The District has no accounting changes or errors to report as of September 30, 2023.

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently

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determined what, if any, impact implementation of the following will have on the financial statements:

GASB issued Statement No. 101, Compensated Absences, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023. The District will be implementing the standard in fiscal year 2024.

GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023. GASB Statement No. 102 amends GASB Statement No. 62 regarding the disclosure of a government's vulnerability to risks related to certain concentrations and constraints that limit its ability to acquire resources or control spending. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024. The District will be implementing the standard in fiscal year 2024.

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 \$9,613,637 difference are as follows:

Other Postemployment benefits (OPEB)	\$ 482,301
Pension-FRS	8,271,550
Pension-HIS	<u>859,786</u>
Net Adjustment to increase fund balance - total governmental funds to arrive at net position of governmental activities	<u><u>\$ 9,613,637</u></u>

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 \$6,157,613 difference are as follows:

OPEB	\$ 2,800,789
Pension-FRS	1,413,699
Pension-HIS	<u>1,943,125</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position of governmental activities	<u><u>\$ 6,157,613</u></u>

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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 \$56,648,640 difference are as follows:

Pension-FRS	\$ 30,844,495
Pension-HIS	15,106,916
Compensated Absences	5,268,803
OPEB	3,420,587
Claims	1,131,000
Leases	157,195
SBITAs	625,406
Financed Purchases	<u>94,238</u>
Net Adjustment to decrease fund balance - total governmental funds to arrive at net position of governmental activities	<u><u>\$ 56,648,640</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances, total governmental funds, and change in net position of governmental activities as reported in the government-wide statement of 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 \$12,795,882 difference are as follows:

Capital Outlay	\$ 19,506,659
Depreciation Expense	(6,710,777)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u><u>\$ 12,795,882</u></u>

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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 an increase to net position."

The details of this \$3,273,977 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.	\$ 4,353,885
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>(1,089,908)</u>
Net Adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 3,263,977</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 increase to net position."

The details of the \$378,866 increase are as follows:

Delinquent Taxes (less than prior year-end)	\$ 51,762
Long-Term Receivable-Intergovernmental Revenue	<u>327,104</u>
Net Adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 378,866</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 \$6,947,578 difference are as follows:

Compensated Absences	\$ (105,722)
Claims (medical)	(83,000)
Claims (workers comp)	121,000
Pension Liability and Related Deferred Balances-FRS	(2,455,780)
Pension Liability and Related Deferred Balances-HIS	(4,786,431)
Total OPEB Liability and Related Deferred Balances	<u>362,355</u>
Net Adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (6,947,578)</u>

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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 available as a resource to fund the District's programs, activities, and priorities in subsequent fiscal years' budget.

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 amount appropriated) 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.

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IV. Detailed Notes

A. Cash and investments

As of September 30, 2023, 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	\$ 307,607,022	2.29
Corporate Notes	64,591,174	1.20
Federal Instrumentalities	23,199,649	1.47
Municipal Bonds	12,729,740	2.02
State Board of Administration Florida PRIME	114,389,857 ⁽¹⁾	0.10
Money Market Funds	708,645	liquid daily
Total Financial Fair Value of Investments	523,226,087	
Portfolio Weighted Average Maturity		1.63
Total Investments	523,226,087	
Demand Deposit Accounts	2,075,175 ⁽²⁾	
Petty Cash	15,200	
Total Cash and Investments	<u>\$ 525,316,462</u>	

⁽¹⁾ 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 39).

⁽²⁾ On September 30, 2023, the carrying amount of the District's cash demand deposit account was \$2,075,175 and the bank balance was \$2,521,641. 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, \$9,050,775 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 26), 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 on September 30, 2023, 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 AAA through A by S & P and Aaa through A2 by Moody's Investor Services.

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The investments in municipal bonds were rated AAA through AA by S & P and Aa3 through Aaa 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

On September 30, 2023, District held 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 Information Technology Services from time to time based on market conditions, risk, and diversification investment strategies. Other than investments guaranteed by the United States government and an external investment pool, the Districts has no investments with any one issuer that represents 5 percent or more of the total investments of the District.

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For the financial investments held on September 30, 2023, 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
Intergovernmental Investment Pool	AAAm	N/A	25%	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%
Agency 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%
Asset-Backed Commercial Paper***	A-1/Prime-1	270 Days	35%	5%
Asset-Backed Securities***	Double "AA" category by any two NRSRO's**	5 Years	25%	5%
Corporate Notes***	Single "A" category by any two NRSROs**	5 Years	35%	5%

*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. 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, 2023, the District had \$114,389,857 invested in the Florida PRIME.

Florida PRIME currently has no limitations or restrictions on withdrawals. As of September 30, 2023, 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, 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, 2023, no such disclosure has been made. All Florida PRIME investment policies can be found at <https://prime.sbafla.com>.

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, 2023:

- U.S. treasury securities of \$307,607,022 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 \$64,591,174 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 \$23,199,649 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 \$12,729,740 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 \$708,645 are valued using the quoted market prices (Level one inputs).

	9/30/2022	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Value				
Debt Securities				
U.S. Treasuries	\$ 307,607,022	\$ -	\$ 307,607,022	\$ -
Corporate Notes	64,591,174	-	64,591,174	-
Federal Instrumentalities	23,199,649	-	23,199,649	-
Municipal Bonds	12,729,740	-	12,729,740	-
Total Debt Securities	408,127,585	-	408,127,585	-
Money Market Funds	708,645	708,645	-	-
Total Investments Measured at Fair Value	408,836,230	<u>\$ 708,645</u>	<u>\$ 408,127,585</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
State Board of Administration Florida PRIME	114,389,857			
Total Investments Measured at Fair Value and Amortized Cost	<u>\$ 523,226,087</u>			

B. 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
General	
Grant drawdowns prior to meeting all eligibility requirements	\$ 1,301,206
DOT Mitigation	
Fund drawdowns prior to meeting all eligibility requirements	20,081,174
Total Unearned Revenue for Governmental Funds	<u>\$ 21,382,380</u>

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C. Capital assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance October 1, 2022	Increases	Decreases	Reclassifications	Ending Balance September 30, 2023
Capital Assets, Not Being Depreciated:					
Land	\$ 596,986,999	\$ 14,440	\$ (1,034,023)	\$ -	\$ 595,967,416
Land Interests	153,717,633	20,190,548	(38,052)	53,576	173,923,705
Land Acquisitions in Progress	133,825	54,596	-	(53,576)	134,845
Construction in Progress	11,766,677	1,894,499	-	(21,493)	13,639,683
Total Capital Assets, Not Being Depreciated	762,605,134	22,154,083	(1,072,075)	(21,493)	783,665,649
Capital Assets, Being Depreciated:					
Buildings	32,386,681	54,671	-	-	32,441,352
Machinery & Equipment	21,018,776	1,367,055	(568,016)	194,846	22,012,661
Machinery & Equipment - Lease	366,272	-	-	-	366,272
Machinery & Equipment - Finance	705,394	-	-	(194,846)	510,548
Right to Use-Subscription Asset	677,410	142,344	-	-	819,754
Infrastructure	171,932,401	83,329	-	19,091	172,034,821
Software	50,655,783	61,464	-	-	50,717,247
Other	195,862	-	-	-	195,862
Total Capital Assets Being Depreciated	277,938,579	1,708,863	(568,016)	19,091	279,098,517
Less Accumulated Depreciation for:					
Buildings	17,356,866	731,143	-	-	18,088,009
Machinery & Equipment	15,122,513	1,433,131	(550,182)	143,707	16,149,169
Machinery & Equipment - Lease	151,995	72,119	-	-	224,114
Machinery & Equipment - Finance	332,680	51,055	-	(143,707)	240,028
Subscription-Based Info. Technology	138,142	228,205	-	-	366,347
Infrastructure	95,359,479	3,940,802	-	-	99,300,281
Software	50,238,873	231,690	-	-	50,470,563
Other	135,810	22,632	-	-	158,442
Total Accumulated Depreciation	178,836,358	6,710,777	(550,182)	-	184,996,953
Total Capital Assets, Being Depreciated, Net	99,102,221	(5,001,914)	(17,834)	19,091	94,101,564
Governmental Activities Capital Assets, Net	\$ 861,707,355	\$ 17,152,169	\$ (1,089,909)	\$ (2,402)	\$ 877,767,213

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

Governmental activities	
Water Resource Planning and Monitoring	\$ 647,314
Land Acquisition, Restoration and Public Works	3,150,158
Operation and Maintenance of Works and Lands	2,434,859
Regulation	307,775
Outreach	20,794
Management and Administration	149,877
Total Depreciation Expense - Governmental Activities	<u>\$ 6,710,777</u>

D. Leases

The District is a lessee in two 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 was \$366,272. The assets had an accumulated depreciation of \$224,114 on September 30, 2023. The details of the leases are below.

In the fiscal year 2019-20, the District entered into a five-year 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, 2023, was \$139,120. The lease has an effective interest rate of 12.48 percent. The equipment has a five-year useful life. The present value of the future minimum lease payable as of September 30, 2023, is \$102,495.

In fiscal year 2020-21, the District entered into a five-year lease agreement with Key Government Finance as lessee for pure storage area network equipment valued at \$142,450. The equipment has a five-year useful 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, 2023, was \$84,994. The lease has an effective interest rate of 8.48 percent. The present value of the future minimum lease payments is \$54,700.

More information on these leases is included in note IV.C. on page 41. The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2023, were as follows:

Year Ending September 30,	Principal	Interest
2024	\$ 76,678	\$ 14,597
2025	80,517	5,724
2026	-	-
2027	-	-
2028	-	-
Total	<u>\$ 157,195</u>	<u>\$ 20,321</u>

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E. Subscription-Based Information Technology Agreements (SBITA)

The District is lessee in three SBITAs. A right-to-use intangible asset was added to the District's capital asset records for each of the assets which are included in the software class. The total beginning value of the right-to-use assets for SBITAs on September 30, 2023 was \$819,250. The assets had an accumulated depreciation of \$366,347 on September 30, 2023. The details of the SBITAs are below.

In fiscal year 2021-22, the District entered a three-year SBITA with Insight Public Sector, Incorporated as lessee for use of virtual applications and desktop software valued at \$62,258. A right to use intangible asset was added to the District's capital assets in that amount. The accumulated depreciation as of September 30, 2023, was \$54,668. The agreement has an effective interest rate of 3.35 percent. The equipment has a three-year useful life. The present value of the future minimum agreement payable on September 30, 2023, was \$31,642.

In fiscal year 2021-22, the District entered a five-year SBITA with Kronos, Incorporated as lessee for the use of Human Resources and Timekeeping software valued at \$615,152. A right to use intangible asset was added to the District's capital assets in that amount. The accumulated depreciation as of September 30, 2023, was \$268,544. The agreement has an effective interest rate of 3.35 percent. The equipment has a five-year useful life. The present value of the future minimum agreement payable on September 30, 2023, was \$505,975.

In fiscal year 2022-23, the District entered a three-year SBITA with Samsara, Incorporated as lessee for the use of Vehicle Gateways Global Positioning System (GPS) software valued at \$141,840. A right to use intangible asset was added to the District's capital assets in that amount. The accumulated depreciation as of September 30, 2023, was \$43,135. The agreement has an effective interest rate of 5.10 percent. The equipment has a three-year useful life. The present value of the future minimum agreement payable on September 30, 2023, was \$87,789.

More information on the District's SBITAs is included in note IV.C. on page 41.

Year Ending September 30,	Principal	Interest
2024	\$ 224,329	\$ 20,618
2025	199,954	12,290
2026	160,225	4,739
2027	40,898	343
2028	-	-
Total	<u>\$ 625,406</u>	<u>\$ 37,990</u>

F. 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, 2023, in the form of financed purchases under direct borrowing debt related to governmental activities was \$94,238.

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Assets in the amount of \$705,394 were added to the District's capital assets for financed machinery and equipment. The accumulated depreciation as of September 30, 2023, on those assets was \$240,028.

In fiscal year 2018-19, the District entered into a six-year 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 on September 30, 2023 was \$240,028. The agreement has an effective interest rate of 4.23 percent. The maturity date is September 2024. The present value of the future minimum lease payments was \$94,238 on September 30, 2023.

In fiscal year 2018-19, the District entered into a five-year agreement with Leasing 2, Incorporated for financing the acquisition of Cisco servers and components. The agreement qualified 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 asset and its remaining depreciation to be expensed, along with its accumulated depreciation of \$169,373, was removed from the Equipment – Finance Purchase category and added to the Machinery and Equipment category in fiscal year 2023. All minimum lease payments were satisfied. The agreement had an effective interest rate of 4.55 percent.

The remaining direct borrowing in the form of a financed purchase has a clause 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.

More information on the District's financed purchases (debt) is included in note IV.C. on page 41.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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Debt service requirements on long-term debt, according to GASB 88, on September 30, 2023, are as follows:

Year Ending September 30,	Governmental Activities Direct Borrowings	
	Principal	Interest
2024	\$ 94,238	\$ 3,000
2025	-	-
2026	-	-
2027	-	-
2028	-	-
Total	<u>\$ 94,238</u>	<u>\$ 3,000</u>

G. Long-term obligations

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated Absences	\$ 5,163,081	\$ 6,363,499	\$ 6,257,777	\$ 5,268,803 ⁽¹⁾	\$ 526,880
Total OPEB Liability	5,035,745	-	1,615,158	3,420,587 ⁽¹⁾	-
Workers' Compensation	390,000	17,386	138,386	269,000 ⁽¹⁾	68,972
Medical Claims	779,000	8,053,997	7,970,997	862,000 ⁽¹⁾	862,000
Leases - Vehicles & Equipment	225,938	-	68,743	157,195 ⁽¹⁾	76,678
SBITAs - Software	677,410	128,514	180,518	625,406	224,328
Financed Purchases - Vehicles & Equipment	294,516	-	200,278	94,238 ⁽¹⁾	94,238
Net Pension Liabilities:					
FRS	30,605,127	14,024,814	13,785,446	30,844,495 ⁽¹⁾	-
HIS	10,306,085	8,536,381	3,735,550	15,106,916 ⁽¹⁾	-
Total	<u>\$ 53,476,902</u>	<u>\$ 37,124,591</u>	<u>\$ 33,952,853</u>	<u>\$ 56,648,640</u>	<u>\$ 1,853,096</u>

⁽¹⁾ The general fund has typically been used to satisfy these obligations.

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H. Fund balance

Fund balances for all major funds on September 30, 2023 were as follows:

	General Fund	FDOT Mitigation	Florida Forever	Capital Projects	Total All Funds
Nonspendable:					
Inventory	\$ 29,158	\$ -	\$ -	\$ -	\$ 29,158
Deposits	867,000	-	-	-	867,000
Prepays	419,502	-	-	-	419,502
Total Nonspendable	<u>1,315,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,315,660</u>
Restricted for:					
Alafia River Basin	215,689	-	-	-	215,689
Hillsborough River Basin	618,898	-	-	-	618,898
Coastal Rivers Basin	185,383	-	-	-	185,383
Pinellas-Anclote River Basin	4,125,735	-	-	-	4,125,735
Withlacoochee River Basin	508,899	-	-	-	508,899
Peace River Basin	230,678	-	-	-	230,678
Manasota Basin	635,713	-	-	-	635,713
Land Acquisition	6,031,571	-	14,034,574	-	20,066,145
Total Restricted	<u>12,552,566</u>	<u>-</u>	<u>14,034,574</u>	<u>-</u>	<u>26,587,140</u>
Committed to:					
Economic Stabilization Reserve	37,500,000	-	-	-	37,500,000
Long-term Projects Reserve	50,000,000	-	-	-	50,000,000
Central Florida Water Resource Development Project	51,632,436	-	-	-	51,632,436
Self-Funded Medical Reserve	1,700,000	-	-	-	1,700,000
Land Acquisition	694,902	-	-	-	694,902
Total Committed	<u>141,527,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,527,338</u>
Assigned to:					
District Water Management Planning	11,925,450	-	-	-	11,925,450
Research, Data Collection, Analysis and Monitoring	6,329,521	-	-	-	6,329,521
Technology and Information Services	1,470,545	-	-	-	1,470,545
Land Acquisition	534,678	-	2,135,068	-	2,669,746
Water Source Development	138,675,611	-	-	-	138,675,611
Surface Water Projects	47,020,075	445,759	-	-	47,465,834
Facilities Construction and Major Renovations	-	-	-	6,633,195	6,633,195
Land Management & Use	463,539	-	-	-	463,539
Works	5,548,983	-	-	9,748,480	15,297,463
Facilities	99,198	-	-	-	99,198
Invasive Plant Control	108,000	-	-	-	108,000
Fleet Services	1,255,794	-	-	-	1,255,794
Consumptive Use Permitting	171,181	-	-	-	171,181
Environmental Resource and Surface Water Permitting	40,380	-	-	-	40,380
Regulatory and Enforcement Activities	143,003	-	-	-	143,003
Water Resource Education	562,097	-	-	-	562,097
Public Information	5,415	-	-	-	5,415
Lobbying/Legislative Affairs/Cabinet Affairs	7,860	-	-	-	7,860
Administrative and Operations Support	910,200	-	-	-	910,200
Workers' Compensation Reserve	269,000	-	-	-	269,000
Self-Funded Medical Reserve	6,091,022	-	-	-	6,091,022
Subsequent Years Budget	32,798,698	-	-	-	32,798,698
Total Assigned	<u>254,430,250</u>	<u>445,759</u>	<u>2,135,068</u>	<u>16,381,675</u>	<u>273,392,752</u>
Unassigned:	<u>19,744,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,744,585</u>
Total Fund Balances	<u>\$429,570,399</u>	<u>\$ 445,759</u>	<u>\$ 16,169,642</u>	<u>\$ 16,381,675</u>	<u>\$ 462,567,475</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, 2023, the amount has been reset to \$37.5 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).

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, 2023, 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.

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The estimated claims liabilities by risk category on September 30, 2023 were as follows:

	Year ended 9/30/2023	Amounts Due Within One Year
Workers' Compensation	\$ 269,000	\$ 68,972
Medical Claims	862,000	862,000
Claims Liabilities, End of Fiscal Year	<u>\$ 1,131,000</u>	<u>\$ 930,972</u>

	Workers Compensation	Medical Claims
Liability - September 30, 2021	\$ 390,000	\$ 853,000
Claims incurred	13,576	7,994,170
Claims payments	<u>(13,576)</u>	<u>(8,068,170)</u>
Liability - September 30, 2022	390,000	779,000
Claims incurred	17,386	8,053,997
Claims payments	(17,386)	(7,970,997)
Changes to prior year estimates	<u>(121,000)</u>	<u>-</u>
Liability - September 30, 2023	<u>\$ 269,000</u>	<u>\$ 862,000</u>

To minimize the financial impact of potential unforeseen demands, the District policy allows a fund balance reserve for the self-insurance programs. On September 30, 2023, general fund assets of \$269,000 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 \$6,091,022 were assigned for the purpose of funding future health benefits claims liabilities, with a corresponding classification of the General Fund's fund balance.

D. 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, 2023, the District estimated the value of the financial assurances provided by the various mitigation banks was \$25.2 million.

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C. Commitments and contingencies

On September 30, 2023, the District had an unrestricted net position of approximately \$384.6 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 \$91.7 million; fund board and management designations in the amount of \$73.5 million; fund future long- and short-term projects in the amount of approximately \$126.3 million; maintain an economic stabilization reserve of \$37.5 million; support land management and acquisition activities in the amount of \$3.4 million; capital project reserves of \$10.5 million; pay claims associated with the District's Workers' Compensation and Medical Claims Self-Insurance Program in the amount of \$8.9 million; and carry forward \$32.8 million into the fiscal year 2023-24 budget.

The District had restricted net position of \$26.6 million. Of this amount, \$6.5 million must be used for projects in the seven former watershed basins and \$20.1 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. The plans include 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). Generally, 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 for members hired prior to July 1, 2011, 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.

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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. 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 (as of July 1, 2023, 96 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.

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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, 2022 through September 30, 2023, were:

<i>Job Class</i>	<i>Employee October 2022 through September 2023</i>	<i>Employer October 2022 through June 2023 (1)</i>	<i>Employer July 2023 through September 2023 (1)</i>
Regular	3.00%	11.91%	13.57%
Senior Management Service	3.00%	31.57%	34.52%
Drop Participants	-	18.60%	21.13%

⁽¹⁾ The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent (Oct 2022-June 2023) and 2.00 percent (July 2023-Sept 2023) 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 \$4,859,742 for the fiscal year ended September 30, 2023. Employee contributions collected by the District and remitted to FRS for the Pension Plan and Investment Plan were \$1,018,484, making the total contributions \$5,878,226.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. On September 30, 2023, the District reported a liability of \$30,844,495 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was calculated using accrued retirement contributions related to the reporting periods included in the FRS's current system and several prior measurement dates with the oldest deferred (inflow)/outflow base through June 30, 2023, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015, through June 30, 2023, 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. On June 30, 2023, the District's proportionate share of the pension plan liability was 0.077407641 percent, which was a decrease of 0.004846437 percent from its proportionate share measured as of June 30, 2022.

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For the fiscal year ended September 30, 2023, the District recognized pension expense of \$6,303,297. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,896,032	\$ -
Change of Assumptions	2,010,700	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,288,150	
Changes in Proportion and Differences Between District Pension Plan Contributions and Proportionate Share of Contributions	962,762	1,413,699
District Pension Plan Contributions Subsequent to the Measurement Date	<u>1,113,906</u>	<u>-</u>
Total	<u>\$ 8,271,550</u>	<u>\$ 1,413,699</u>

The deferred outflows of resources related to the Pension Plan, totaling \$1,113,906 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, 2023. 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:

<u>Fiscal Year Ending September 30,</u>	<u>Amount Recognized</u>
2024	\$ 809,222
2025	(316,588)
2026	4,998,608
2027	192,839
2028	59,864
Thereafter	<u>-</u>
Total	<u>\$ 5,743,945</u>

Actuarial assumptions. The total pension liability in the July 1, 2023 actuarial valuation for the June 30, 2023 measurement date was determined using the following actuarial assumptions, applied to all periods included in the June 30, 2023 measurement date:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.70 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	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018; details in valuation report

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The actuarial assumptions used in the July 1, 2023 valuation for the measurement date of June 30, 2023, 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 6.70 percent consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20 percent, which is consistent with the 4.48 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These 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:

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.4%	1.4%

⁽¹⁾ As outlined in the FRS Pension Plan's investment policy available from funds managed on the State Board of Administration's website at www.sbafla.com.

Discount rate. The 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

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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 6.70 percent rate of return assumption used in the June 30, 2023 calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2023 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on the Publications page of the Division of Retirement's website at 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 6.70 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 (5.70 percent) or one percentage point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's Proportionate Share of the Net Pension Liability	\$ 52,688,678	\$ 30,844,495	\$ 12,569,222

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 non-qualified 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, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5.00 dollars from October 1, 2022 through June 30, 2023 and multiplied by \$7.50 from July 1, 2023 through September 30, 2023. The minimum HIS payment is \$30 for October 1, 2022 through June 30, 2023 and \$45 for July 1, 2023 through September 30, 2023. The maximum HIS payment is \$150.00 per month for October 1, 2022 through June 30, 2023 and \$225.00 per month for July 1, 2023 through September 30, 2023. 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.

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, 2023, the HIS contribution was 1.66 percent from October 1, 2022 through June 30, 2023 and

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2.00 percent from July 1, 2023 through September 30, 2023. 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 \$670,252 for the fiscal year ended September 30, 2023.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. On September 30, 2023, the District reported a liability of \$15,106,916 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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 if necessary. The District's proportionate share of the net pension liability was calculated using accrued retirement contributions related to the reporting periods included in the FRS's current system and several prior measurement dates with the oldest deferred (inflow)/outflow base through June 30, 2023, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015, through June 30, 2023, 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, 2023, the District's proportionate share was 0.095123725 percent, which was a decrease of 0.002180623 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized pension expense of \$5,456,683. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 221,155	\$ 35,458
Change of Assumptions	397,156	1,309,064
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	7,801	-
Changes in Proportion and Differences Between District HIS Plan Contributions and Proportionate Share of Contributions	26,063	598,603
District HIS Plan Contributions Subsequent to the Measurement Date	207,611	-
Total	<u>\$ 859,786</u>	<u>\$ 1,943,125</u>

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The deferred outflows of resources related to the HIS Plan, totaling \$207,611 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, 2024. 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
2024	\$ (319,892)
2025	(210,654)
2026	(232,614)
2027	(322,896)
2028	(182,902)
Thereafter	(21,992)
Total	<u>\$ (1,290,950)</u>

Actuarial assumptions. The total pension liability was determined using a July 1, 2022 actuarial valuation, which was used for a measurement date of June 30, 2023. 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	3.65 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 increased from 3.54 percent to 3.65 percent as of June 30, 2023.

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 3.54 percent to 3.65 percent as of June 30, 2023, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

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 3.65 percent, as well as what the District's proportionate share of the HIS's net pension liability would be if it were calculated

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using a discount rate that is one percentage point lower (2.65 percent) or one percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
District's Proportionate Share of the Net Pension Liability	\$ 17,234,634	\$ 15,106,916	\$ 13,343,181

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 2022 through September 2023</i>	<i>Employer October 2022 through June 2023 ⁽¹⁾</i>	<i>Employer July 2023 Through September 2023 ⁽¹⁾</i>
Regular	3.00%	11.91%	13.57%
Senior Management Service	3.00%	31.57%	34.52%

(1) The employer rates include the normal cost and unfunded actuarial liability contributions and include 1.66 percent (Oct 2022-June 2023) and 2.00 percent (July 2023-Sept 2023) 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.

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

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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, 2023, 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/contributions totaled \$1,012,225 for the fiscal year ended September 30, 2023.

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	\$ 30,844,495	\$ 6,303,297	\$ 8,271,550	\$ 1,413,699
HIS Plan	15,106,916	5,456,683	859,786	1,943,125
Total	<u>\$ 45,951,411</u>	<u>\$ 11,759,980</u>	<u>\$ 9,131,336</u>	<u>\$ 3,356,824</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 Medicare 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.

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.

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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, 2023 (valuation date), there were 110 retirees (inactive employees) and 490 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 96 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.

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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 health plan contributions for the measurement period ending September 30, 2022.

Period	Plan	Retiree	Retiree + Spouse	Retiree + Family
October 2021 through December 2021	Cigna Open Access Plus Copay	\$992.56	\$1,945.40	\$2,143.94
October 2021 through December 2021	Cigna Open Access High Deductible	\$823.20	\$1,613.44	\$1,778.10
January 2022 through September 2022	Cigna Open Access Plus Copay	\$1,052.74	\$2,063.36	\$2,273.92
January 2022 through September 2022	Cigna Open Access High Deductible	\$873.12	\$1,711.26	\$1,885.90

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, 2023. This is the date as of which the actuarial valuation is performed. The *measurement date* is September 30, 2022. This is the date on which the total OPEB liability is determined. The *reporting date* is September 30, 2023. 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, 2023, 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, 2023.

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	9/30/2023
	Measurement Date	9/30/2022
Total OPEB Liability	\$	3,420,587
Covered Employee Payroll	\$	37,076,865
Total OPEB Liability as a % of Covered Employee Payroll		9.23%

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Changes in Total OPEB Liability. The schedule of changes in Total OPEB Liability shown below is as of the reporting date of September 30, 2023, with a measurement date of September 30, 2022.

	Amount Recognized
	Increase (Decrease) Total OPEB Liability
Balance as of September 30, 2022	\$ 5,035,745
Changes for the Year:	
Service Cost	190,956
Interest on Total OPEB Liability	89,987
Effect of Economic/Demographic Gains or Losses ¹	(1,113,335)
Effect of Assumptions Changes or Inputs	(518,010)
Benefit Payments	(264,756)
Balance as of September 30, 2023	<u>\$ 3,420,587</u>

⁽¹⁾ 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, 2023, the District's OPEB expense for the reporting period is as follows:

	10/01/22 to 9/30/23
OPEB Expense for Reporting Period	
Service Cost	\$ 190,956
Interest on Total OPEB Liability	89,987
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	(205,226)
Recognition of Assumption Changes or Inputs	(153,787)
OPEB Expense	<u>\$ (78,070)</u>

OPEB Deferred Inflow and Deferred Outflows of Resources. As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Deferred Inflows/Outflows of Resources		
Differences Between Expected and Actual Experience	\$ (1,839,248)	\$ 163,987
Changes of Assumptions	(961,541)	34,029
Employer Contributions Subsequent to the Measurement Date	-	284,285
Total	<u>\$ (2,800,789)</u>	<u>\$ 482,301</u>

The deferred outflows of resources related to OPEB, totaling \$284,285 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of total OPEB liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2023

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
2024	\$ (373,047)
2025	(403,689)
2026	(364,423)
2027	(371,767)
2028	(336,174)
Thereafter	(753,673)
Total	<u>\$ (2,602,773)</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 20 Year Tax-Exempt Municipal Bond Yield. The discount rate used for the September 30, 2021 measurement date was 2.26 percent and the discount rate used for the September 30, 2022 measurement date was 4.02 percent.

Inflation rate. The inflation rate trend assumption was developed in compliance with Actuarial Standards of Practice 27 (ASOP 27) and GASB 75. These trends have changed from the prior valuation, due to updates in the trend model that was used. The model is based on the Society of Actuaries' (SOA) published report on long-term medical trends. That report includes detailed research performed by a committee of economists and actuaries and proposes the use of the "Getzen Model" named after the professor who developed the model. The District's Actuary, Milliman, believes that the research and the model are fundamentally and technically sound and advance the body of knowledge available to actuaries to project long-term medical trends more accurately. Accordingly, the inflation assumption remained 2.30 percent as of the September 30, 2023, reporting date.

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.

The actuarial demographic assumptions that determined the total OPEB liability as of September 30, 2022, 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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2023

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, 2023
Measurement Date	September 30, 2022
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>Percentage</u>
<u>Year</u>	<u>Trend</u>
2023	4.80
2024	6.10
2025	5.40
2026	5.10
2027	4.90
2028	4.80
2029	4.60
2030	4.40

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 used for the September 30, 2022 measurement date is that current and future retirees were assumed to pay a weighted average of the currently available medical plans for the year ending 2023 as shown below:

	<u>Retiree</u>	<u>Retiree + Spouse</u>	<u>Retiree + Family</u>
Annual Contribution	\$ 12,633	\$ 24,760	\$ 27,287

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, 2023

Sensitivity Analysis. The following presents the total OPEB liability of the District, calculated using the discount rate of 4.02 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 (3.02 percent) or one percentage point higher (5.02 percent) than the current rate:

Discount Rate Sensitivity			
	1% Decrease (3.02%)	Current Discount Rate (4.02%)	1% Increase (5.02%)
Total OPEB Liability	\$ 3,650,479	\$ 3,420,587	\$ 3,103,119

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	\$ 3,045,766	\$ 3,420,587	\$ 3,743,172



Required Supplementary Information (unaudited)

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

	2023	2022	2021	2020	2019(2)	2018	2017(1)	2016	2015	2014
Southwest Florida Water Management District's Proportion of the Net Pension Liability	0.077407641%	0.082254078%	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	\$ 30,844,495	\$ 30,605,127	\$ 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	\$ 37,689,901	\$ 35,098,286	\$ 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	81.84%	87.20%	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)	82.38%	82.89%	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.

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 Ten Fiscal Years*
(unaudited)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 3,847,517	\$ 3,683,960	\$ 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	<u>(3,847,517)</u>	<u>(3,683,960)</u>	<u>(3,263,515)</u>	<u>(2,708,737)</u>	<u>(2,413,668)</u>	<u>(2,274,694)</u>	<u>(2,026,784)</u>	<u>(2,009,828)</u>	<u>(2,156,423)</u>	<u>(2,072,728)</u>
Contribution Deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southwest Florida Water Management District's Covered Payroll	\$ 38,246,288	\$ 37,093,227	\$ 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	10.06%	9.93%	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.

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 Ten Fiscal Years*
(unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Southwest Florida Water Management District's Proportion of the Net Pension Liability	0.095123725%	0.097304348%	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	\$ 15,106,916	\$ 10,306,085	\$ 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	\$ 37,689,901	\$ 35,098,286	\$ 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	40.08%	29.36%	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	4.12%	4.81%	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.

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 Ten Fiscal Years*
(unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 670,252	\$ 615,604	\$ 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>(670,252)</u>	<u>(615,604)</u>	<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	\$ 38,246,288	\$ 37,093,227	\$ 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	1.75%	1.66%	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.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors' Report.

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

	Fiscal Year Ending September 30,						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 191	\$ 243	\$ 214	\$ 354	\$ 384	\$ 288	\$ 238
Interest on Total OPEB Liability	90	112	128	271	223	196	221
Effect of Economic/Demographic Gains or (Losses)	(1,113)	-	(1,257)	-	426	-	-
Effect of Assumption Changes or Inputs	(518)	(20)	(134)	(343)	(357)	(338)	371
Benefit Payments	(265)	(286)	(228)	(275)	(344)	(677)	(293)
Net Change in Total OPEB Liability	(1,615)	49	(1,277)	7	332	(531)	537
Total OPEB Liability, Beginning	5,036	4,987	6,264	6,257	5,925	6,456	5,919
Total OPEB Liability, Ending	<u>\$ 3,421</u>	<u>\$ 5,036</u>	<u>\$ 4,987</u>	<u>\$ 6,264</u>	<u>\$ 6,257</u>	<u>\$ 5,925</u>	<u>\$ 6,456</u>
Covered Employee Payroll	\$ 37,093	\$ 34,695	\$ 34,316	\$ 34,002	\$ 33,446	\$ 33,256	\$ 33,515
Total OPEB Liability as a % of Covered Employee Payroll	9.22%	14.51%	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
Notes to Required Supplementary Information
for the Year Ended September 30, 2023
(unaudited)

Florida Retirement System (FRS) Pension Plan

Changes in assumptions - The 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 (ADC) 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 6.70 percent rate of return assumption used in the June 30, 2023 calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per the Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2023 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on the Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Mortality rates for the FRS Pension Plan in fiscal year 2023 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.

Florida Retirement System (FRS) Pension Plan Contribution Rates

For information on the actuarial methods and assumptions used in the July 1, 2023 funding valuation, refer to the valuation report dated December 1, 2023 located on the Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Health Insurance Subsidy (HIS) Program

Changes in assumptions - The discount rate used to measure the total pension liability increased from 3.54 percent to 3.65 percent as of June 30, 2023. 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, 2023.

Health Insurance Subsidy (HIS) Program Contribution Rates

The HIS essentially uses a "pay-as-you-go" funding structure. As of June 30, 2023, accumulated HIS assets constituted approximately ten 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, 2023
(unaudited)

Other Postemployment Benefits (OPEB)

Changes in assumptions - The discount rate increased from 2.26 percent as of the September 30, 2021 measurement date to 4.02 percent as of the September 30, 2022 measurement date as reflected in the September 30, 2023 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 consulting 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 2023 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 vision benefits are reflected as zero in the valuation. The estimated impact of including 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, 2023

	<u>Original and Final Budget ⁽¹⁾</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental Revenues	\$ 1,125,000	\$ 1,147,758	\$ 22,758
Investment Earnings/(Losses):			
Interest on Invested Funds	<u>-</u>	<u>902,805</u>	<u>902,805</u>
Total Revenues	<u>1,125,000</u>	<u>2,050,563</u>	<u>925,563</u>
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	<u>25,485,469</u>	<u>15,934,656</u>	<u>9,550,813</u>
Total Expenditures	<u>25,485,469</u>	<u>15,934,656</u>	<u>9,550,813</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(24,360,469)</u>	<u>(13,884,093)</u>	<u>10,476,376</u>
OTHER FINANCING SOURCES			
Proceeds from Sale of Capital Assets	<u>-</u>	<u>1,157,359</u>	<u>1,157,359</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>1,157,359</u>	<u>1,157,359</u>
Net Change in Fund Balance	<u>(24,360,469)</u>	<u>(12,726,734)</u>	<u>11,633,735</u>
Fund Balance - Beginning	<u>24,360,469</u>	<u>28,896,376</u>	<u>4,535,907</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 16,169,642</u>	<u>\$ 16,169,642</u>

¹ Budgetary information is presented using the modified accrual basis of accounting.

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, 2023

	<u>Original and Final Budget ⁽¹⁾</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Land Acquisition, Restoration and Public Works	2,239,566	294,020	1,945,546
Operation and Maintenance of Works and Lands	4,425,492	109,427	4,316,065
Total Expenditures	<u>6,665,058</u>	<u>403,447</u>	<u>6,261,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,665,058)</u>	<u>(403,447)</u>	<u>6,261,611</u>
Net Change In Fund Balance	(6,665,058)	(403,447)	6,261,611
Fund Balance - Beginning	6,665,058	16,785,122	10,120,064
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 16,381,675</u>	<u>\$ 16,381,675</u>

¹ Budgetary information is presented using the modified accrual basis of accounting.

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									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020 (Restated) (4)</u>	<u>2019 (Restated) (3)</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015 (Restated) (2)</u>	<u>2014 (Restated) (1)</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 876,710,202	\$ 860,331,169	\$ 857,264,209	\$ 855,068,497	\$ 837,625,127	\$ 836,928,761	\$ 839,115,561	\$ 840,273,629	\$ 844,106,551	\$ 833,973,713
Restricted for Watershed Basins	6,520,995	7,686,768	10,079,192	14,040,957	22,097,353	36,001,332	49,377,736	64,437,412	76,996,964	117,325,873
Restricted for Land Acquisition	20,066,145	32,365,272	30,605,484	14,778,137	11,241,473	11,066,577	4,656,996	885,918	308,593	282,593
Unrestricted	384,638,921	367,359,594	377,696,967	362,796,001	359,984,525	347,182,429	334,030,354	316,517,268	309,018,322	311,615,149
Total Governmental Activities Net Position	<u>\$ 1,287,936,263</u>	<u>\$ 1,267,742,803</u>	<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>\$ 1,263,197,328</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)

	2023	2022	2021	2020 (3)	2019 (2)	2018	2017	2016	2015	2014 (1)
Expenses										
Governmental Activities:										
Water Resource Planning and Monitoring	\$ 27,935,810	\$ 24,844,815	\$ 26,090,028	\$ 26,653,288	\$ 26,031,937	\$ 25,834,345	\$ 24,175,165	\$ 25,430,506	\$ 24,231,338	\$ 24,781,457
Land Acquisition, Restoration and Public Works	50,423,106	44,722,362	38,946,335	68,600,610	63,539,354	54,494,495	48,603,804	55,410,475	81,105,056	84,313,964
Operation and Maintenance of Works and Lands	21,097,201	18,801,086	17,674,228	19,725,409	20,047,715	18,306,423	16,855,006	17,278,585	16,399,449	18,095,218
Regulation	23,260,172	19,169,024	17,260,188	19,324,514	20,788,418	18,061,178	17,693,132	17,878,010	17,865,629	17,967,157
Outreach	2,468,683	2,201,770	1,969,083	2,122,282	2,320,589	1,989,576	1,821,893	1,805,306	1,734,614	1,788,953
Management and Administration	13,651,703	11,728,138	11,069,761	11,282,459	11,553,869	11,022,775	11,461,878	12,042,102	15,560,357	23,104,354
Interest										
Water Resource Planning and Monitoring	6,818	4,822	3,770	800	3,966	2,813	2,349	2,342	-	-
Land Acquisition, Restoration and Public Works	2,808	1,905	1,479	182	1,262	639	671	669	-	-
Operation and Maintenance of Works and Lands	18,947	14,172	16,905	18,001	23,458	1,662	2,181	2,175	-	-
Regulation	9,598	5,990	4,597	1,054	5,061	3,707	3,692	3,681	-	-
Outreach	745	460	363	-	220	2,046	503	502	-	-
Management and Administration	19,016	23,058	27,169	28,462	6,044	7,304	15,235	17,567	5,668	-
Total Governmental Activities Expenses	<u>138,894,607</u>	<u>121,517,602</u>	<u>113,063,906</u>	<u>147,757,061</u>	<u>144,321,893</u>	<u>129,726,963</u>	<u>120,635,509</u>	<u>129,871,920</u>	<u>156,902,111</u>	<u>170,051,103</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Water Resource Planning and Monitoring	-	-	-	-	70	-	35	561	81	802
Land Acquisition, Restoration and Public Works	165,125	332,915	678,932	434,334	773,388	1,110,619	1,594,803	1,858,419	-	-
Operation and Maintenance of Works and Lands	1,093,404	812,090	813,012	720,416	704,479	903,740	1,387,289	1,236,976	1,208,416	922,462
Regulation	2,541,374	2,562,219	1,809,539	2,074,259	2,133,917	1,957,545	1,539,531	1,630,106	1,418,539	1,261,166
Management and Administration	8,625	8,920	22,521	5,521	9,693	21,167	10,690	10,360	15,479	18,907
Operating Grants and Contributions	7,724,899	5,556,798	6,695,583	8,170,077	9,219,934	10,180,579	7,078,459	3,844,120	9,210,329	8,037,156
Capital Grants and Contributions	5,501,643	2,741,870	9,895,633	19,648,754	3,447,139	2,367,176	8,221,450	38,025	2,668,152	6,903,513
Total Governmental Activities Program Revenues	<u>17,035,070</u>	<u>12,014,812</u>	<u>19,915,220</u>	<u>31,053,361</u>	<u>16,288,620</u>	<u>16,540,826</u>	<u>19,832,257</u>	<u>8,618,567</u>	<u>14,520,996</u>	<u>17,144,006</u>
Net (Expense) Revenue	<u>(121,859,537)</u>	<u>(109,502,790)</u>	<u>(93,148,686)</u>	<u>(116,703,700)</u>	<u>(128,033,273)</u>	<u>(113,186,137)</u>	<u>(100,803,252)</u>	<u>(121,253,353)</u>	<u>(142,381,115)</u>	<u>(152,907,097)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Ad Valorem Property Taxes	123,280,588	119,544,023	116,500,584	113,824,170	111,161,407	108,831,823	106,799,746	104,865,699	103,031,684	101,630,987
Investment Earnings:										
Unrestricted Investment Earnings	9,767,767	1,989,139	5,010,075	8,570,844	10,684,426	7,379,396	5,409,359	4,473,811	3,698,088	2,461,893
Fair Market Value Adjustment Gain/Loss (4)	7,090,674	(22,758,449)	(4,615,902)	5,543,768	4,995,398	(2,688,103)	(2,314,117)	252,852	993,442	(777,862)
Gain on Sale of Capital Assets	1,505,554	2,499,228	4,993,931	4,219,008	676,273	2,024,897	464,675	-	348,325	206,258
Other	408,414	325,800	222,258	281,024	285,148	1,644,787	326,294	3,344,788	1,542,678	107,347
Total Governmental Activities General Revenues	<u>142,052,997</u>	<u>101,599,741</u>	<u>122,110,946</u>	<u>132,438,814</u>	<u>127,802,652</u>	<u>117,192,800</u>	<u>110,685,957</u>	<u>112,937,150</u>	<u>109,614,217</u>	<u>103,628,623</u>
Change in Net Position	<u>\$ 20,193,460</u>	<u>\$ (7,903,049)</u>	<u>\$ 28,962,260</u>	<u>\$ 15,735,114</u>	<u>\$ (230,621)</u>	<u>\$ 4,006,663</u>	<u>\$ 9,882,705</u>	<u>\$ (8,316,203)</u>	<u>\$ (32,766,898)</u>	<u>\$ (49,278,474)</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 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.

(4) Government Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the District to adjust investments to fair market value as part of investment earnings.

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nondisposable	\$ 1,315,660	\$ 1,464,723	\$ 1,434,763	\$ 1,417,855	\$ 1,328,840	\$ 659,455	\$ 470,681	\$ 38,535	\$ 46,608	\$ 50,113
Restricted	12,552,566	12,387,931	14,273,206	17,557,172	22,097,353	35,478,889	49,377,736	64,437,412	76,996,964	117,325,873
Committed	141,527,338	137,942,236	130,978,036	126,141,039	120,184,570	113,844,650	105,419,328	95,727,884	85,791,884	73,596,312
Assigned	254,430,250	242,635,665	262,130,157	237,947,389	219,959,622	238,318,284	230,001,122	215,881,378	218,703,879	218,230,649
Unassigned	19,744,585	12,074,133	13,185,671	28,209,699	46,083,253	18,046,873	21,722,283	24,254,230	22,619,335	23,469,974
Total General Fund	<u>429,570,399</u>	<u>406,504,688</u>	<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>
All Other Governmental Funds										
Restricted	14,034,574	27,664,112	26,411,468	11,273,404	11,241,473	11,066,577	4,656,996	885,918	308,593	282,593
Committed	-	-	-	-	-	-	4,900,593	4,549,167	4,549,167	4,552,855
Assigned	18,962,502	18,017,386	14,353,381	15,018,965	8,107,376	7,530,765	5,956,047	5,170,342	5,078,466	5,327,122
Total All Other Governmental Funds	<u>32,997,076</u>	<u>45,681,498</u>	<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>
Total Fund Balances	<u><u>\$462,567,475</u></u>	<u><u>\$452,186,186</u></u>	<u><u>\$462,766,682</u></u>	<u><u>\$437,565,523</u></u>	<u><u>\$429,002,487</u></u>	<u><u>\$424,945,493</u></u>	<u><u>\$422,504,786</u></u>	<u><u>\$410,944,866</u></u>	<u><u>\$414,094,896</u></u>	<u><u>\$442,835,491</u></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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Ad Valorem Property Taxes	\$ 123,228,826	\$ 119,503,485	\$ 116,512,461	\$ 113,800,513	\$ 111,242,466	\$ 108,886,220	\$ 106,826,289	\$ 104,913,453	\$ 103,109,563	\$ 101,719,555
Intergovernmental Revenues	8,766,514	6,130,454	10,850,391	14,640,088	10,144,761	6,924,933	13,620,275	6,236,199	12,371,605	8,529,281
Interest on Investments:										
Interest on Invested Funds	9,767,767	1,989,139	5,010,075	8,570,844	10,684,426	7,379,396	5,409,359	4,473,811	3,698,088	2,461,893
Fair Market Value Gain/Loss (3)	7,090,674	(22,758,449)	(4,615,902)	5,543,768	4,995,398	(2,688,103)	(2,314,117)	252,852	993,442	(777,862)
License and Permit Fees	2,513,586	2,535,205	1,793,722	2,041,996	2,103,647	1,935,987	1,529,854	1,601,742	1,408,269	1,261,166
Other	1,431,305	1,026,788	1,054,144	917,500	1,224,627	1,773,519	1,265,699	3,215,700	1,273,921	562,793
Total Revenues	<u>152,798,672</u>	<u>108,426,622</u>	<u>130,604,891</u>	<u>145,514,709</u>	<u>140,395,325</u>	<u>124,211,952</u>	<u>126,337,359</u>	<u>120,693,757</u>	<u>122,854,888</u>	<u>113,756,826</u>
EXPENDITURES										
Current:										
Water Resource Planning and Monitoring	26,315,751	25,055,527	27,440,540	27,086,035	25,848,677	26,059,656	24,186,941	26,327,263	25,491,396	26,331,532
Land Acquisition, Restoration and Public Works	62,720,575	47,079,893	43,257,958	67,329,324	60,661,258	51,335,721	51,321,025	53,010,382	79,071,775	81,407,622
Operation and Maintenance of Works and Lands	19,167,168	20,164,975	17,193,864	17,546,989	18,744,488	16,788,176	15,307,352	14,988,424	16,008,895	14,342,811
Regulation	21,692,081	20,115,127	19,451,781	18,908,111	19,649,743	17,252,328	16,713,860	17,438,409	17,352,740	18,232,776
Outreach	2,296,211	2,200,523	2,062,176	2,005,354	2,212,815	1,962,926	1,776,414	1,771,379	1,743,887	1,853,799
Management and Administration	12,493,192	11,655,440	11,418,770	10,953,551	10,850,548	10,554,876	10,628,370	11,741,135	12,395,777	11,447,107
Debt Service / Leases (2)										
Principal										
Water Resource Planning and Monitoring	65,188	33,880	38,196	12,260	45,638	10,247	5,962	4,566	-	-
Land Acquisition, Restoration and Public Works	26,842	13,434	14,984	2,787	16,240	2,330	1,703	1,305	-	-
Operation and Maintenance of Works and Lands	183,963	112,156	111,323	86,954	108,588	6,055	5,536	4,239	-	-
Regulation	91,756	42,501	46,569	16,160	57,445	13,507	9,368	7,174	-	-
Outreach	7,121	3,213	3,673	-	3,589	7,452	1,277	978	-	-
Management and Administration	74,669	53,565	50,022	147,253	84,731	61,333	70,617	63,876	22,761	-
Interest										
Water Resource Planning and Monitoring	6,818	4,822	3,770	800	3,966	2,813	2,349	2,342	-	-
Land Acquisition, Restoration and Public Works	2,808	1,905	1,479	182	1,262	639	671	669	-	-
Operation and Maintenance of Works and Lands	18,947	14,172	16,905	18,001	23,458	1,662	2,181	2,175	-	-
Regulation	9,598	5,990	4,597	1,054	5,061	3,707	3,692	3,681	-	-
Outreach	745	460	363	-	220	2,046	503	502	-	-
Management and Administration	19,016	23,058	27,169	28,462	6,044	7,304	15,235	17,567	5,668	-
Total Expenditures	<u>145,192,449</u>	<u>126,580,641</u>	<u>121,144,139</u>	<u>144,143,277</u>	<u>138,323,771</u>	<u>124,072,778</u>	<u>120,053,056</u>	<u>125,386,066</u>	<u>152,092,899</u>	<u>153,615,647</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	<u>7,606,223</u>	<u>(18,154,019)</u>	<u>9,460,752</u>	<u>1,371,432</u>	<u>2,071,554</u>	<u>139,174</u>	<u>6,284,303</u>	<u>(4,692,309)</u>	<u>(29,238,011)</u>	<u>(39,858,821)</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Capital Assets	2,595,462	6,874,269	15,597,641	6,822,942	846,631	2,301,533	5,275,617	1,292,602	244,191	1,987,984
Issuance of Debt	128,514	677,410	142,450	368,662	1,138,809	-	-	249,677	253,225	-
Insurance Proceeds	51,090	21,844	316	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>2,775,066</u>	<u>7,573,523</u>	<u>15,740,407</u>	<u>7,191,604</u>	<u>1,985,440</u>	<u>2,301,533</u>	<u>5,275,617</u>	<u>1,542,279</u>	<u>497,416</u>	<u>1,987,984</u>
Net Change In Fund Balances	10,381,289	(10,580,496)	25,201,159	8,563,036	4,056,994	2,440,707	11,559,920	(3,150,030)	(28,740,595)	(37,870,837)
Fund Balances - Beginning	452,186,186	462,766,682	437,565,523	429,002,487	424,945,493	422,504,786	410,944,866	414,094,896	442,835,491	480,706,328
Fund Balances - Ending	<u>\$ 462,567,475</u>	<u>\$ 452,186,186</u>	<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>
Debt Service as a Percentage of Non-Capital Expenditures (2)	0.40%	0.27%	0.29%	0.23%	0.27%	0.10%	0.11%	0.09%	0.02%	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 lease debt as of September 30, 2011. Lease debt began again in 2015.

(3) Government Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the District to adjust investments to fair market value as part of investment earnings.

See accompanying Independent Auditors' Report.

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

Fiscal Year	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach	Management and Administration	Debt Service (2)	Total Expenditures
2023	\$ 26,315,751 18.12%	\$ 62,720,575 43.21%	\$ 19,167,168 13.20%	\$ 21,692,081 14.94%	\$ 2,296,211 1.58%	\$ 12,493,192 8.60%	\$ 507,471 0.35%	\$ 145,192,449 100.00%
2022	25,055,527 19.79%	47,079,893 37.20%	20,164,975 15.93%	20,115,127 15.89%	2,200,523 1.74%	11,655,440 9.21%	309,156 0.24%	126,580,641 100.00%
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%

(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)

Fiscal Year	Ad Valorem Property Taxes	Inter-Governmental Revenues	Interest on Invested Funds	Fair Market Value Gain/Loss (2)	License and Permit Fees	Other Revenues	Total Revenues
2023	\$ 123,228,826 80.65%	\$ 8,766,514 5.74%	\$ 9,767,767 6.39%	\$ 7,090,674 4.64%	\$ 2,513,586 1.65%	\$ 1,431,305 0.94%	\$ 152,798,672 100.00%
2022	119,503,485 110.22% (3)	6,130,454 5.65%	1,989,139 1.83%	(22,758,449) -20.99%	2,535,205 2.34%	1,026,788 0.95%	108,426,622 100.00%
2021	116,512,461 89.21%	10,850,391 8.31%	5,010,075 3.83%	(4,615,902) -3.53%	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%	8,570,844 5.89%	5,543,768 3.81%	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%	10,684,426 7.61%	4,995,398 3.56%	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%	7,379,396 5.94%	(2,688,103) -2.16%	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%	5,409,359 4.28%	(2,314,117) -1.83%	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%	4,473,811 3.71%	252,852 0.21%	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%	3,698,088 3.01%	993,442 0.81%	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%	2,461,893 2.16%	(777,862) -0.68%	1,261,166 1.11%	562,793 0.49%	113,756,826 100.00%

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

(2) Government Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the District to adjust investments to fair market value as part of investment earnings.

(3) Because of the unrealized losses in investments, total revenues including the losses are less than the ad valorem revenues alone, making ad valorem revenue 110.22 percent and unrealized losses on investments negative 20.99 percent

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)

Fiscal Year	General Fund	Capital Projects	Total	Percent Base Year	Annual Change in Percent
2023	\$ 123,228,826	\$ -	\$ 123,228,826	121.1 %	3.6 %
2022	115,503,485	4,000,000	119,503,485	117.5	3.0
2021	115,812,461	700,000	116,512,461	114.5	2.6
2020	109,481,287	4,319,226	113,800,513	111.9	2.5
2019	110,500,212	742,254	111,242,466	109.4	2.4
2018	107,257,120	1,629,100	108,886,220	107.0	2.0
2017	105,516,186	1,310,103	106,826,289	105.0	1.9
2016	104,305,103	608,350	104,913,453	103.1	1.7
2015	103,109,563	-	103,109,563	101.4	1.4
2014	101,719,555	-	101,719,555	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)

Fiscal Year	Charlotte County	Citrus County	DeSoto County	Hardee County	Hernando County	Highlands County	Hillsborough County	Lake County	Levy County
2023	\$ 5,074,375 4.12%	\$ 2,657,076 2.16%	\$ 493,722 0.40%	\$ 454,463 0.37%	\$ 2,936,579 2.38%	\$ 1,222,596 0.99%	\$ 30,606,978 24.83%	\$ 30,466 0.02%	\$ 287,160 0.23%
2022	4,877,357 4.08%	2,735,245 2.29%	504,583 0.42%	449,928 0.38%	2,707,942 2.27%	1,213,274 1.02%	29,936,503 25.04%	33,007 0.03%	288,241 0.24%
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%

(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)

Fiscal Year	Manatee County	Marion County	Pasco County	Pinellas County	Polk County	Sarasota County	Sumter County	Total
2023	\$ 11,544,311 9.37%	\$ 2,211,972 1.80%	\$ 8,903,521 7.23%	\$ 24,175,387 19.62%	\$ 10,706,285 8.69%	\$ 18,017,933 14.62%	\$ 3,906,002 3.17%	\$ 123,228,826 100.00%
2022	11,003,961 9.21%	2,057,026 1.72%	8,564,055 7.17%	23,968,475 20.05%	10,248,933 8.58%	17,177,837 14.37%	3,737,118 3.13%	119,503,485 100.00%
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%

(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)

Fiscal Year	Assessed Valuation (1)	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collection to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Tax Levy
2023	\$ 564,849,558,401	\$ 127,656,000	\$ 122,673,500	96.10 %	\$ 555,326	\$ 123,228,826	96.53 %
2022	488,151,790,466	123,746,479	119,123,753	96.26	379,732	119,503,485	96.57
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

(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)
2023	\$ 23,224,715,960 4.11%	\$ 39,401,669,623	\$ 12,186,249,455 2.16%	\$ 19,493,553,461	\$ 2,220,131,821 0.39%	\$ 4,995,872,471
2022	19,940,603,905 4.08%	28,234,810,368	11,244,430,716 2.30%	15,584,938,605	2,019,514,056 0.41%	3,638,058,202
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

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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	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)
2023	\$ 2,034,772,725 0.36%	\$ 3,892,889,211	\$ 12,974,301,189 2.30%	\$ 24,844,105,326	\$ 5,504,711,545 0.97%	\$ 10,634,370,233
2022	1,857,064,354 0.38%	3,178,498,903	10,947,047,808 2.24%	17,653,970,651	4,847,455,799 0.99%	8,438,432,716
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

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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)
2023	\$ 141,258,626,584 25.02%	\$ 221,265,187,608	\$ 140,587,330 0.02%	\$ 46,881,252,831	\$ 1,295,174,005 0.23%	\$ 6,228,266,958
2022	122,899,630,549 25.19%	172,205,676,566	133,074,513 0.03%	37,950,388,844	1,151,575,031 0.24%	4,888,306,885
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

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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)
2023	\$ 52,716,844,086 9.33%	\$ 77,970,986,580	\$ 10,175,757,821 1.80%	\$ 45,426,622,755	\$ 40,888,475,280 7.24%	\$ 66,622,921,585
2022	44,830,039,218 9.18%	56,429,391,308	8,387,457,732 1.72%	35,428,345,220	35,056,898,097 7.18%	52,213,688,266
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

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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)
2023	\$ 110,870,536,125 19.63%	\$ 179,284,650,000	\$ 48,874,739,707 8.65%	\$ 76,909,887,315	\$ 82,570,358,317 14.62%	\$ 129,412,317,400
2022	97,768,308,019 20.03%	144,460,085,038	41,602,390,429 8.52%	59,258,312,750	70,201,706,903 14.38%	92,974,868,000
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

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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)
2023	\$ 17,913,576,451 3.17%	\$ 26,638,333,832	\$ 564,849,558,401 100.00%	\$ 979,902,887,189
2022	15,264,593,337 3.13%	20,552,905,084	488,151,790,466 100.00%	753,090,677,406
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

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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)

Fiscal Year	General Fund (Districtwide)	<u>Maximum Legal Rate (1)</u>
		<u>Districtwide</u>
2023	0.2260	1.0000
2022	0.2535	1.0000
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

(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					
	2023			2014		
	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	\$ 141,258,627	1	25.02 %	\$ 64,099,889	1	23.16 %
Pinellas	110,870,536	2	19.63	56,193,989	2	20.30
Sarasota	82,570,358	3	14.62	40,812,666	3	14.74
Manatee	52,716,844	4	9.33	24,206,711	4	8.74
Polk	48,874,740	5	8.65	22,958,987	5	8.29
Pasco	40,888,475	6	7.24	19,338,149	6	6.99
Charlotte	23,224,716	7	4.11	11,915,060	7	4.30
Sumter	17,913,576	8	3.17	10,177,235	8	3.68
Hernando	12,974,301	9	2.30	7,720,226	9	2.79
Citrus	12,186,249	10	2.16	7,164,530	10	2.59
Marion	10,175,758	11	1.80	4,768,167	11	1.72
Highlands	5,504,712	12	0.97	3,781,492	12	1.37
DeSoto	2,220,132	13	0.39	1,358,400	14	0.49
Hardee	2,034,773	14	0.36	1,498,818	13	0.54
Levy	1,295,174	15	0.23	765,121	15	0.28
Lake	140,587	16	0.02	67,521	16	0.02
	<u>\$ 564,849,558</u>		<u>100.00 %</u>	<u>\$ 276,826,962</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.

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	SBITAs - Software (4)	Direct Borrowings (3) Financed Purchases - Vehicles & Equipment			
2023	\$ 157,195	\$ 625,406	\$ 94,238	\$ 876,839	5,813,862	0.15
2022	225,938	677,410	294,516	1,197,864	5,648,764	0.21
2021	292,563	-	486,640	779,203	5,582,212	0.14
2020	373,406	-	735,551	1,108,957	5,479,300	0.20
2019	94,740	-	930,453	1,025,193	5,390,657	0.19
2018	202,615	-	-	202,615	5,307,836	0.04
2017	303,539	-	-	303,539	5,219,862	0.06
2016	398,003	-	-	398,003	5,120,137	0.08
2015	230,464	-	-	230,464	5,007,641	0.05
2014	-	-	-	-	4,915,939	0.00

(1) The District's lease debt was paid in full as of September 30, 2011. New 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) GASB statement 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 lease financed purchases.

(4) With the implementation of GASB statement 96, long-term liabilities must be recorded for commitments arising from qualifying SBITAs.

Sources: Historical (2013-2022) and projected (2023) population figures were obtained and updated from Woods & Poole Economics, 2023 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)

Calendar Year	Charlotte * County	Citrus County	DeSoto County	Hardee County	Hernando County	Highlands * County	Hillsborough County	Lake * County
2023	202,352 3.48%	164,072 2.82%	35,556 0.61%	25,696 0.44%	210,480 3.62%	97,567 1.68%	1,530,821 26.34%	1,544 0.03%
2022	200,010 3.48%	162,529 2.83%	35,312 0.61%	25,645 0.45%	206,896 3.60%	96,918 1.69%	1,513,301 26.33%	1,466 0.03%
2021	192,382 3.44%	158,113 2.83%	34,340 0.61%	25,307 0.45%	200,649 3.59%	94,829 1.70%	1,484,455 26.53%	1,369 0.02%
2020	185,550 3.38%	154,565 2.82%	34,087 0.62%	25,331 0.46%	195,627 3.57%	93,081 1.70%	1,466,160 26.74%	1,289 0.02%
2019	181,579 3.37%	151,553 2.81%	33,831 0.63%	25,464 0.47%	191,442 3.55%	92,505 1.71%	1,447,814 26.83%	1,265 0.02%
2018	178,165 3.35%	149,164 2.81%	33,582 0.63%	25,913 0.49%	188,319 3.55%	91,306 1.72%	1,429,913 26.93%	1,235 0.02%
2017	175,985 3.37%	146,708 2.81%	34,056 0.65%	26,128 0.50%	184,684 3.54%	90,851 1.74%	1,406,702 26.94%	1,201 0.02%
2016	173,056 3.38%	143,921 2.81%	33,568 0.66%	26,333 0.51%	180,769 3.53%	89,364 1.74%	1,379,015 26.91%	1,167 0.02%
2015	168,633 3.37%	141,175 2.82%	33,428 0.67%	26,422 0.53%	176,454 3.52%	87,811 1.75%	1,348,747 26.92%	1,137 0.02%
2014	164,910 3.35%	139,529 2.84%	33,560 0.68%	26,663 0.54%	174,145 3.54%	86,959 1.77%	1,320,023 26.84%	1,080 0.02%

Permanent Population = Year-round residents only

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

Sources: Historical (2014-2022) and projected (2023) population data was updated from Woods & Poole Economics, 2023 Florida State Profile: State and County Projections to 2050.
2010-2023 County portional populations were developed from data provided by GIS Associates, Inc.

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)

Calendar Year	Levy * County	Manatee County	Marion * County	Pasco County	Pinellas County	Polk * County	Sarasota County	Sumter County	Total
2023	25,310 0.44%	434,637 7.48%	130,874 2.25%	619,931 10.66%	965,257 16.60%	753,101 12.95%	467,068 8.03%	149,596 2.57%	5,813,862 100.00%
2022	25,118 0.44%	429,125 7.47%	128,925 2.24%	608,794 10.59%	961,739 16.74%	743,084 12.93%	462,286 8.05%	144,970 2.52%	5,746,118 100.00%
2021	24,508 0.44%	413,474 7.39%	124,843 2.23%	584,927 10.46%	959,046 17.14%	712,840 12.74%	448,550 8.02%	134,867 2.41%	5,594,499 100.00%
2020	23,901 0.44%	401,593 7.32%	121,983 2.22%	566,126 10.32%	959,465 17.49%	689,338 12.57%	436,207 7.95%	130,298 2.38%	5,484,602 100.00%
2019	23,639 0.44%	394,314 7.31%	119,016 2.21%	550,175 10.20%	959,764 17.79%	668,667 12.39%	428,474 7.94%	125,924 2.33%	5,395,426 100.00%
2018	23,269 0.44%	386,342 7.27%	116,437 2.19%	535,700 10.08%	959,473 18.06%	649,795 12.23%	421,084 7.93%	122,375 2.30%	5,312,072 100.00%
2017	23,053 0.44%	378,720 7.25%	114,095 2.18%	522,533 10.00%	956,750 18.32%	627,914 12.02%	414,992 7.94%	119,194 2.28%	5,223,565 100.00%
2016	22,860 0.45%	369,762 7.22%	111,666 2.18%	507,747 9.91%	950,125 18.55%	607,895 11.87%	409,040 7.98%	117,017 2.28%	5,123,306 100.00%
2015	22,779 0.45%	358,008 7.15%	109,387 2.18%	492,987 9.84%	938,996 18.74%	589,976 11.78%	401,470 8.01%	112,869 2.25%	5,010,279 100.00%
2014	22,535 0.46%	347,230 7.06%	107,409 2.18%	481,876 9.80%	929,927 18.91%	579,607 11.79%	393,733 8.01%	108,866 2.21%	4,918,052 100.00%

Permanent Population = Year-round residents only

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

Sources: Historical (2014-2022) and projected (2023) population data was updated from Woods & Poole Economics, 2023 Florida State Profile: State and County Projections to 2050.
2010-2023 County portional populations were developed from data provided by GIS Associates, Inc.

See accompanying Independent Auditors' Report.

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

Calendar Year (1)	Total County Population (Thousands)	Within District Population (Thousands)	Population Within District Increase	Population Within District Percent Increase
2023	6,576,930	5,813,862	67,744	1.18 %
2022	6,498,094	5,746,118	151,619	2.71
2021	6,322,620	5,594,499	109,897	2.00
2020	6,195,640	5,484,602	89,176	1.65
2019	6,093,993	5,395,426	83,354	1.57
2018	5,997,421	5,312,072	88,507	1.69
2017	5,897,564	5,223,565	100,259	1.96
2016	5,780,160	5,123,306	113,027	2.26
2015	5,640,077	5,010,279	92,227	1.88
2014	5,545,619	4,918,052	72,275	1.49

(1) Data is for calendar years.

Sources: Historical (2014-2022) and projected (2023) population data was obtained and updated from Woods & Poole Economics, [2023 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
2023	\$ 8,850.15	\$ 43,165	3.4 %	\$ 6,226.55	\$ 37,950	4.0 %
2022	8,622.15	42,545	3.1	6,082.18	37,422	4.1
2021	8,708.53	44,674	4.7	6,159.49	38,956	5.9
2020	8,295.33	44,121	6.7	5,875.17	38,011	7.7
2019	7,808.71	42,522	3.8	5,508.18	36,345	5.0
2018	7,218.51	40,137	4.1	5,220.78	35,000	5.3
2017	7,002.74	39,495	4.8	5,102.70	34,781	6.2
2016	6,805.75	39,107	5.3	5,018.86	34,872	6.8
2015	6,479.72	38,283	6.1	4,894.64	34,671	7.8
2014	6,060.43	36,612	7.1	4,687.47	33,595	8.8

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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
2023	\$965.09	\$ 27,143	3.2 %	\$ 758.76	\$ 29,528	3.8 %
2022	939.27	26,599	2.7	743.10	28,976	3.4
2021	978.27	28,488	4.0	783.62	30,965	5.2
2020	928.64	27,243	4.6	736.95	29,093	6.1
2019	874.83	25,859	3.7	690.18	27,104	5.3
2018	831.43	24,758	3.9	674.77	26,040	5.1
2017	846.40	24,853	4.7	711.88	27,246	6.6
2016	828.20	24,672	5.6	675.86	25,666	6.1
2015	831.51	24,875	6.3	700.07	26,496	7.1
2014	793.66	23,649	7.4	671.70	25,192	8.0

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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
2023	\$ 8,029.35	\$ 38,148	3.5 %	\$ 3,755.64	\$ 35,306	4.1 %
2022	7,792.41	37,663	3.5	3,667.89	34,728	4.2
2021	7,996.33	39,852	5.3	3,713.72	35,953	6.0
2020	7,490.85	38,291	7.4	3,566.61	35,193	6.7
2019	6,919.96	36,146	4.4	3,337.86	33,007	4.7
2018	6,552.07	34,792	4.6	3,178.34	31,714	5.1
2017	6,351.34	34,390	5.6	3,221.06	32,171	5.9
2016	6,181.60	34,196	6.0	3,132.63	31,681	6.6
2015	5,903.90	33,459	7.1	3,073.86	31,508	7.7
2014	5,625.81	32,305	8.2	2,943.02	30,492	8.7

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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
2023	\$73,754.88	\$ 48,180	2.7 %	\$17,533.71	\$ 42,001	2.9 %
2022	72,476.02	47,893	2.8	16,986.60	41,417	3.1
2021	74,330.79	50,073	4.5	17,058.49	43,051	5.1
2020	70,350.60	47,983	6.2	15,928.72	41,245	8.0
2019	65,851.24	45,483	3.2	15,016.22	39,876	3.8
2018	62,654.33	43,817	3.4	14,210.16	38,863	3.9
2017	60,538.99	43,036	4.1	13,677.16	38,708	4.4
2016	58,195.96	42,201	4.4	12,972.24	37,972	4.8
2015	57,024.40	42,280	5.2	12,229.39	36,982	5.7
2014	54,075.63	40,966	6.0	11,458.13	35,832	6.6

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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
2023	\$1,554.90	\$ 34,090	3.3 %	\$ 21,611.75	\$ 49,724	2.8 %
2022	1,535.17	33,919	3.2	21,051.26	49,056	2.7
2021	1,652.63	37,425	4.6	21,113.91	51,065	4.2
2020	1,559.87	36,226	5.5	20,064.20	49,962	6.1
2019	1,444.09	34,074	3.3	19,114.10	48,474	3.2
2018	1,365.76	32,898	3.6	17,583.73	45,513	3.4
2017	1,363.61	33,315	4.7	17,060.63	45,048	4.1
2016	1,295.34	32,069	5.2	16,302.60	44,089	4.5
2015	1,279.40	31,943	6.0	15,701.30	43,857	5.2
2014	1,224.34	30,875	7.2	14,372.10	41,391	5.9

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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
2023	\$ 15,301.65	\$ 38,146	3.3 %	\$ 25,079.80	\$ 41,277	3.0 %
2022	14,914.20	37,623	3.5	25,079.80	41,196	3.0
2021	15,070.51	39,136	5.1	25,499.56	43,594	4.7
2020	14,246.55	37,743	6.2	23,768.86	41,985	6.6
2019	13,161.35	35,615	4.0	21,929.96	39,860	3.6
2018	12,426.56	34,253	4.4	20,487.25	38,244	3.9
2017	12,142.10	34,039	5.3	19,628.89	37,565	4.7
2016	11,667.99	33,306	5.8	18,894.07	37,212	5.2
2015	11,207.65	32,546	6.6	17,939.41	36,389	6.0
2014	10,789.26	31,757	7.6	16,864.71	34,998	6.9

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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
2023	\$ 54,613.44	\$ 56,579	2.5 %	\$ 28,175.02	\$ 35,298	3.3 %
2022	53,805.46	55,946	2.6	27,529.81	34,963	3.6
2021	54,553.62	56,883	4.2	28,385.85	37,588	5.6
2020	52,616.42	54,839	6.3	26,881.07	36,818	8.2
2019	50,300.62	52,409	3.1	24,729.56	34,734	3.8
2018	48,076.64	50,107	3.3	23,413.28	33,662	4.1
2017	46,921.74	49,043	4.0	22,712.06	33,614	5.1
2016	45,044.49	47,409	4.3	21,550.24	32,771	5.6
2015	44,257.94	47,133	5.1	21,242.21	33,108	6.5
2014	42,075.49	45,246	6.0	20,329.59	32,328	7.4

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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
2023	\$ 31,724.16	\$ 67,922	2.8 %	\$ 8,198.96	\$ 54,807	3.9 %
2022	29,751.97	65,855	2.6	7,905.90	54,535	3.9
2021	28,905.19	64,657	4.1	7,541.14	55,915	5.8
2020	28,262.06	64,871	6.3	7,172.22	55,045	7.0
2019	27,307.80	63,806	3.2	6,826.38	54,210	4.8
2018	26,377.68	62,707	3.4	5,826.96	47,616	5.3
2017	25,275.19	60,961	4.1	5,441.16	45,650	6.3
2016	23,782.26	58,188	4.5	5,141.51	43,938	6.8
2015	23,081.98	57,532	5.2	4,699.93	41,641	7.7
2014	21,435.55	54,472	6.1	4,330.35	39,777	8.5

All data is based on county-wide data and income figures are presented in 2012 dollars, removing the effects of inflation, to make level comparisons between years.

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 (2014-2022) and projected (2023) were obtained and updated from Woods and Poole Economics,
2023 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							
	2023				2014			
	County	Number of Employees	Rank	Percent of Total Workforce	County	Number of Employees	Rank	Percent of Total Workforce
Publix Super Markets	Polk	13,701	1	0.40 %	Polk	10,470	1	0.39 %
Publix Super Markets	Hillsborough	9,286	2	0.27	Hillsborough	6,826	3	0.26
Sarasota Memorial Hospital	Sarasota	8,834	3	0.26	-	-	-	-
Baycare Health System	Hillsborough	8,556	4	0.25	Hillsborough	6,500	4	0.24
Tampa General Hospital	Hillsborough	8,207	5	0.24	-	-	-	-
H. Lee Moffitt Cancer Center	Hillsborough	7,868	6	0.23	Hillsborough	4,187	8	0.16
Publix Super Markets	Pinellas	7,300	7	0.21	-	-	-	-
Raymond James Financial	Pinellas	6,000	8	0.17	-	-	-	-
Lakeland Regional Health	Polk	5,888	9	0.17	Polk	4,500	7	0.17
Walmart	Polk	5,523	10	0.16	Polk	5,100	6	0.19
Verizon Communications	-	-	-	-	Hillsborough	9,957	2	0.38
Florida Hospital	-	-	-	-	Hillsborough	5,179	5	0.20
Busch Entertainment Corporation	-	-	-	-	Hillsborough	3,737	9	0.14
St. Joseph's Hospital	-	-	-	-	Hillsborough	3,133	10	0.12
Total		<u>81,163</u>		<u>2.36 %</u>		<u>59,589</u>		<u>2.25 %</u>
District 16-County Total Workforce		3,462,200				2,654,950		

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: 2023 total workforce from Woods and Poole Economics, 2023 Florida State Profile: State and County Projections to 2050.

Employers obtained from individual counties' most recent published Annual Comprehensive Financial Reports

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)

Fiscal Year	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach	Management and Administration	Total Actual Personnel (FTE's)
2023	132 23.17%	54 9.47%	112 19.65%	190 33.32%	14 2.46%	68 11.93%	570 100.00%
2022	129 23.98%	52 9.67%	103 19.14%	177 32.89%	13 2.42%	64 11.90%	538 100.00%
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%

(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
2023	531 5.13%	511 5.14%	3,022 29.18%	2,698 27.13%	6,802 65.69%	6,737 67.73%	10,355 100.00%	9,946 100.00%
2022	662 6.14%	623 6.07%	3,277 30.39%	2,853 27.78%	6,843 63.47%	6,795 66.15%	10,782 100.00%	10,271 100.00%
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%

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, 2023
(unaudited)

County	Agricultural	Industrial/ Commercial	Mining/ Dewatering	Public Supply (Withdrawal)	Domestic Self-Supply	Landscape/ Recreation	Institutional and Other Uses	Total (Withdrawal) (1)	Public Supply (Use) (2)	Total (Use) (3)
Charlotte *	7.594	0.021	0.089	9.145	0.482	1.367	0.013	18.711	18.829	28.395
Citrus	1.972	2.077	0.032	15.622	4.154	2.825	0.008	26.690	15.348	26.416
DeSoto	54.104	0.692	0.003	29.261	0.864	0.036	0.016	84.976	1.455	57.170
Hardee	36.891	2.730	3.091	1.345	0.463	0.113	0.312	44.945	1.277	44.877
Hernando	2.023	4.869	0.013	21.815	3.754	2.453	0.000	34.927	21.674	34.786
Highlands *	37.766	0.030	0.005	8.096	0.831	4.484	0.031	51.243	7.880	51.027
Hillsborough	43.066	8.432	1.544	229.210	8.257	8.596	2.549	301.654	166.503	238.947
Lake *	1.400	0.000	0.000	0.000	0.104	0.000	0.000	1.504	0.000	1.504
Levy *	8.714	0.007	0.000	0.811	0.722	0.139	0.001	10.394	0.751	10.334
Manatee	39.826	6.991	2.498	54.026	0.638	11.206	0.000	115.185	46.814	107.973
Marion *	2.945	0.022	0.015	13.318	4.643	2.485	0.034	23.462	13.142	23.286
Pasco	7.009	1.414	0.044	58.453	7.266	2.794	0.855	77.835	50.932	70.314
Pinellas	0.003	0.106	0.000	30.480	0.328	2.668	0.000	33.585	90.375	93.480
Polk *	73.668	32.015	10.344	78.699	1.969	7.774	0.277	204.746	79.120	205.167
Sarasota	4.379	0.092	0.002	24.829	2.471	8.164	0.055	39.992	37.936	53.099
Sumter	7.869	0.737	0.079	26.623	2.351	2.717	0.000	40.376	26.323	40.076
	<u>329.229</u>	<u>60.235</u>	<u>17.759</u>	<u>601.733</u>	<u>39.297</u>	<u>57.821</u>	<u>4.151</u>	<u>1,110.225</u>	<u>578.359</u>	<u>1,086.851</u>

Data collection is based on calendar year 2022.

* 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) - Represents total consumptive use of public supply water within a county. The difference from public supply withdrawals is the accounting of imports or exports of publicly supplied water from one county to another, 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 - 2022 Estimated Water Use Report, December 2023, 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, 2023
(unaudited)

Capital Assets	Water Resource Planning and Monitoring	Land Acquisition, Restoration and Public Works	Operation and Maintenance of Works and Lands	Regulation	Outreach	Management and Administration	Total Capital Assets
Capital Assets Not Subject to Depreciation:							
Land	\$ 6,887	\$ 593,414,675	\$ 1,795,854	\$ -	\$ -	\$ 750,000	\$ 595,967,416
Land Interests	2,946,975	170,976,730	-	-	-	-	173,923,705
Land - Acquisition in Progress	9,295	125,550	-	-	-	-	134,845
Construction in Progress	3,919,515	3,607,071	1,114,097	4,999,000	-	-	13,639,683
Capital Assets Subject to Depreciation:							
Buildings	12,243	7,824,107	6,422,920	-	-	94,073	14,353,343
Machinery & Equipment	858,674	991,921	3,324,014	506,042	32,722	150,119	5,863,492
Machinery & Equip-Leased	15,734	6,003	11,003	17,588	1,436	90,394	142,158
Machinery & Equip-Financed	-	-	270,520	-	-	-	270,520
Subscription-Based Info Technology	92,964	36,344	166,906	111,158	8,135	37,900	453,407
Infrastructure	7,474,452	48,003,468	17,245,116	-	-	11,503	72,734,540
Software	75,348	11,801	29,127	54,693	12,582	63,132	246,683
Other	25,166	384	11,871	-	-	-	37,420
Total Capital Assets by Program	<u>\$ 15,437,253</u>	<u>\$ 824,998,054</u>	<u>\$ 30,391,428</u>	<u>\$ 5,688,481</u>	<u>\$ 54,875</u>	<u>\$ 1,197,121</u>	<u>\$ 877,767,212</u>
Percent of Total	1.76%	93.99%	3.46%	0.65%	0.01%	0.14%	100.00%

**Land Ownership
(acres)
Fiscal Year**

Type of Ownership:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Land										
Acquired or Surplused	903	354	(1,119)	870	(187)	(1,087)	(623)	117	479	(7)
Cumulative	<u>343,030</u>	<u>342,127</u>	<u>341,773</u>	<u>342,892</u>	<u>342,022</u>	<u>342,209</u>	<u>343,296</u>	<u>343,919</u>	<u>343,802</u>	<u>343,323</u>
Land Interests										
Acquired or Surplused	6,220	(110)	1,314	409	164	701	1,849	86	11	(55)
Cumulative	<u>116,126</u>	<u>109,906</u>	<u>110,016</u>	<u>108,702</u>	<u>108,293</u>	<u>108,129</u>	<u>107,428</u>	<u>105,579</u>	<u>105,493</u>	<u>105,482</u>
Total Acres	<u>459,156</u>	<u>452,033</u>	<u>451,789</u>	<u>451,594</u>	<u>450,315</u>	<u>450,338</u>	<u>450,724</u>	<u>449,498</u>	<u>449,295</u>	<u>448,805</u>

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

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 (*Government Auditing Standards*), 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, 2023, 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 2, 2024.

Report on 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 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.

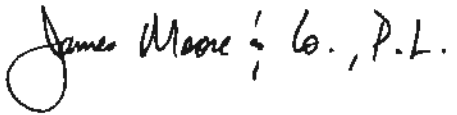
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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, looping initial "J".

Daytona Beach, Florida
April 2, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
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 State Project

Opinion on Each Major State Project

We have audited the Southwest Florida Water Management District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *Florida Department of Financial Services' State Project Compliance Supplement*, that could have a direct and material effect on each of the District's major state projects for the year ended September 30, 2023. The District's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's major state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

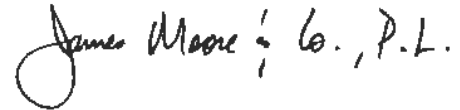
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses,

as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Chapter 10.550, Rules of the Florida Auditor General. Accordingly, this report 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, flowing style.

Daytona Beach, Florida
April 2, 2024

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of State Financial Assistance
Year ended September 30, 2023

Grantor/Pass through Agency	CSFA Number		Grant ID #	Expenditures	Subrecipients
STATE AWARDS					
<u>Department of Environmental Protection</u>					
Water Management Districts - Land Acquisition and Improvement:					
Florida Forever Trust Fund (FFTF) - Land Acquisition	37.022	various	FFTF	\$ 1,147,758	\$ -
Land Acquisition Trust Fund (LATF)	37.022	various	LATF	<u>2,943,777</u>	<u>-</u>
Total Program				<u>4,091,535</u>	<u>-</u>
Statewide Surface Water Restoration and Wastewater Projects:					
Springs Coast Watershed Water Quality Improvement Weeki Wachee	37.039	WW04	LPR0002 / 2021REV12	498,502	-
Ecosystem Trust Fund	37.039	W367	ECO	<u>8,436</u>	<u>-</u>
Total Program				<u>506,938</u>	<u>-</u>
Florida Springs Grant Program:					
Southwest Florida Springs Initiative Project Citrus County	37.052	W432	LP51039 / 2019REV10	<u>186,120</u>	<u>186,120</u>
Total Program				<u>186,120</u>	<u>186,120</u>
Alternative Water Supply:					
Tampa Bay Water Southern County Booster Pump Station	37.100	Q146	WS048 / 2021REV18	2,104,140	-
Water Protection & Sustainability Trust Fund Project	37.100	Q158	WS049 / 2021REV19	<u>70</u>	<u>70</u>
Total Program				<u>2,104,210</u>	<u>70</u>
Prescribed Fire Enhancement Program:					
Forestry Management	42.065	S099	29516 / 2023REV01	<u>58,900</u>	<u>-</u>
Total Program				<u>58,900</u>	<u>-</u>
Total Department of Environmental Protection				\$ 6,947,703	\$ 186,190
Total State Financial Assistance				\$ 6,947,703	\$ 186,190

See accompanying Notes to Schedule of Expenditures of State Financial Assistance

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Notes to Schedule of Expenditures of State Financial Assistance

September 30, 2023

(1) Basis of Presentation

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the Southwest Florida Water Management District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the 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.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

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
37.100	Water Management Districts - Alternative Water Supply Projects

- 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, 2022.
- F. Corrective Action Plan:** Not applicable as no findings were reported.



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, 2023, and have issued our report thereon dated April 2, 2024.

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 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 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 2, 2024, 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 note 1 to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, 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: 583
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 18
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$55,916,752
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$4,305,803
- 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. Restroom – Frog Creek Wetland Restroom at Terra Ceia – Budgeted: \$2,500,000 – Expended: \$0
2. Restroom – Three Sisters Canal Shoreline Study and Construction – Budgeted: \$809,000 – Expended: \$648,723
3. Structures – S-551 FC Structure Cathodic Protection System – Budgeted: \$371,598 – Expended: \$0
4. Facility – Districtwide Roof Replacements – Budgeted: \$235,000 – Expended: \$0
5. Facility – Districtwide Roof Replacements – Budgeted: \$204,000 – Expended: \$0
6. Data – Aquifer Explore & Monitor Well Drilling CFWI – Budgeted: \$95,994 – Expended: \$95,395

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 \$438,028,387 and was not amended in the current year, for final budgeted expenditures of \$438,028,387.

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: 0.2260
- b) The total amount of ad valorem taxes collected by or on behalf of the district: \$123,228,826
- 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)9.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)9.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.

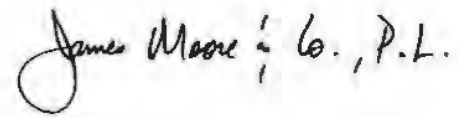
Sections 10.554(1)(i)9.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its Web site. In connection with our audit, we determined that the District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

Daytona Beach, Florida
April 2, 2024



Independent Accountants' Report



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

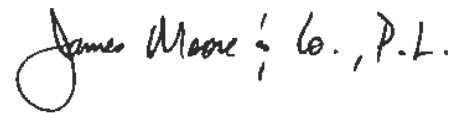
The Members of the Governing Board,
Southwest Florida Water Management District:

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, 2023. The District's management is responsible for compliance in accordance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating the District's compliance with those requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the District complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the District's compliance based on our examination during the year ended September 30, 2023. 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.

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the District was in compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023, in all material respects.



Daytona Beach, Florida
April 2, 2024

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