

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
TABLE OF CONTENTS
SEPTEMBER 30, 2019**

	Page
List of Principal Officials	3
Independent Auditor's Report	4
Management's Discussion and Analysis	7
Statement of Net Position	13
Statement of Activities	14
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Notes to the Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund	46
Springs Appropriations Fund	47
Land Acquisition and Management Fund	48
Land Acquisition - Mitigation/Save Our Rivers Fund	49
 Note to Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Major Governmental Funds	 50
Schedule of Proportionate Share of Net Pension Liability	51
Schedule of Contributions Florida State Retirement System	52
Schedule of Changes in the Total OPEB Liability	53
Notes to the Required Supplementary Information	54
Schedule of Expenditures of Federal Awards and State Financial Assistance	58
Note to Schedule of Expenditures of Federal Awards and State Financial Assistance	61
OTHER SUPPLEMENTAL INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	65
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	67
Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance Required by the <i>OMB Uniform Guidance</i>	69
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major State Project and on Internal Control Over Compliance in Accordance with Chapter 10.550, <i>Rules of the Auditor General, Office of the Auditor General</i>	71
Schedule of Findings and Questioned Costs	73
Management Letter	75
Independent Accountant's Report	77
Communication with Those Charged with Governance	78

SUWANNEE RIVER WATER MANAGEMENT DISTRICT OFFICIALS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2019

Chairman	Virginia H. Johns
Vice Chairman	Donald J. Quincey, Jr.
Secretary-Treasurer	Richard Schwab
Board Members	Gary F. Jones Virginia Sanchez Charles Keith
Executive Director	Hugh Thomas



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

1359 S.W. Main Blvd.
Lake City, Florida 32025
386 / 755-4200
Fax: 386 / 719-5504
admin@powellandjonescpa.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Governors
Suwannee River Water Management District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Suwannee River Water Management District (the District) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Suwannee River Water Management District, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

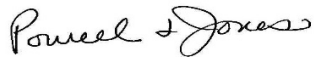
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Suwannee River Water Management District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, are also not a required part of the basic financial statements.

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

expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2020, on our consideration of the Suwannee River Water Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Suwannee River Water Management District's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 22, 2020

Management's Discussion and Analysis

As management of the Suwannee River Water Management District, we offer readers of the Suwannee River Water Management District's financial statements this narrative overview and analysis of the financial activities of the Suwannee River Water Management District for the fiscal year ended September 30, 2019.

Financial Highlights

The assets of the Suwannee River Water Management District exceeded its liabilities at the close of the most recent fiscal year by \$250,687,389 (net position).

The District's total net position increased by \$1,277,525.

As of the close of the 2018-2019 fiscal year, the District's governmental funds reported combined ending fund balances of \$37,505,874, an increase of \$2,080,422 in comparison with the prior year.

At the end of the 2018-2019 fiscal year the unassigned balance for the general fund was \$8,434,168.

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements report functions of the Suwannee River Water Management District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Suwannee River Water Management District include water supply and resource management, land acquisition and management, operation, maintenance of lands and works, regulation, outreach, and administration.

The government-wide financial statements include only the Suwannee River Water Management

District, a component unit of the State of Florida.

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 Suwannee River Water Management District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Suwannee River Water Management District are in one category: governmental funds.

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

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

The Suwannee River Water Management District maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Springs Appropriations Fund, Land Acquisition and Management Fund, Land Acquisition – Mitigation/Save Our Rivers Fund; each of which is considered to be a major fund. Data from the other fourteen governmental funds are combined into a single, aggregated presentation.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Suwannee River Water Management District's budgetary comparison for its major funds and the schedule of funding progress for the Other Post Employment Benefit Plan. The Suwannee River Water Management District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the general fund and each major fund to demonstrate compliance with this budget.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Suwannee River Water Management District, assets exceeded liabilities by \$250,687,389 at the close of the most recent fiscal year.

By far the largest portion of the Suwannee River Water Management District's net position (87 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Suwannee River Water Management District uses these capital assets to protect the water resources of the District; consequently, these assets are not available for future spending.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S NET POSITION

	2019	2018
Current and other assets	<u>\$ 41,804,394</u>	<u>\$ 39,288,504</u>
Capital assets:		
Land and other improvements	213,184,763	213,512,689
Other capital assets, net of depreciation	<u>4,375,078</u>	<u>4,970,302</u>
Total assets	<u>259,364,235</u>	<u>257,771,495</u>
Deferred outflows	<u>1,544,316</u>	<u>1,722,755</u>
Long-term liabilities outstanding	4,872,337	4,146,305
Other liabilities	<u>4,823,205</u>	<u>4,495,871</u>
Total liabilities	<u>9,695,542</u>	<u>8,642,176</u>
Deferred inflows	<u>525,620</u>	<u>666,795</u>
Net position		
Invested in capital assets, net of related debt	217,559,841	218,482,991
Restricted for land acquisition and management	9,812,805	9,480,828
Restricted for water supply and resource management	15,001,667	16,192,109
Unrestricted	<u>8,313,076</u>	<u>6,029,351</u>
Total net position	<u>\$250,687,389</u>	<u>\$250,185,279</u>

An additional portion of the Suwannee River Water Management District's net position (10%) represents resources that are subject to external restrictions on how they may be used.

Governmental activities. Governmental activities increased Suwannee River Water Management District's net assets by \$2,080,422. The key elements of this increase can be attributed to investment income. The reconciliation statements on pages 17 and 27 - 28 details the relationship of the activities statement to the governmental funds statement.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
CHANGE IN NET POSITION**

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 358,333	\$ 309,488
Operating grants and contributions	14,334,755	10,644,604
Capital grants and contributions	308,789	3,388,590
General revenues:		
Property taxes	5,861,656	5,768,797
Other income	1,112,509	561,008
Unrestricted investment earnings	1,741,453	706,982
(Loss) on disposal of assets and conveyance	(528)	(788,716)
Change in fair value of investments	771,512	(656,472)
Total revenues	<u>24,488,479</u>	<u>19,934,281</u>
Expenses:		
Water resource planning and monitoring	5,132,905	5,098,615
Acquisition, restoration and public works	11,197,848	8,533,034
Operation, maintenance of lands and works	3,468,667	3,323,381
Regulation	1,468,012	1,295,291
Outreach	246,978	260,525
Administration	1,696,544	1,185,255
Total expenses	<u>23,210,954</u>	<u>19,696,101</u>
Increase (decrease) in net position	1,277,525	238,180
Net position, beginning of year	250,185,279	249,947,099
Prior period adjustment	(775,415)	-
Net position, end of year	<u><u>\$250,687,389</u></u>	<u><u>\$250,185,279</u></u>

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Suwannee River Water Management 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 Suwannee River Water Management District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Suwannee River Water Management District's governmental funds reported combined ending fund balances of \$37,505,874, an increase of \$2,080,422 over the prior year. Approximately 22% of the total combined ending fund balance constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for general spending.

The general fund is the chief operating fund of the Suwannee River Water Management District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,434,168, while total fund balance reached \$19,322,632. Total unassigned fund balance represents 121% of total general fund expenditures.

During the current fiscal year, the fund balance of the Suwannee River Water Management District's general fund increased by \$3,238,885. The key factor in this increase was an increase in interest income.

The Springs Appropriations Fund had a total fund balance of \$0. This fund is supported by intergovernmental revenue.

The Land Acquisition and Management Fund had a total Fund Balance of \$2,692,518. The majority of the \$ 574,358 increase in this fund in the current year was attributable to timber revenue.

The Land Acquisition – Mitigation/Save Our Rivers Fund had a total fund balance of \$7,698,742.

Budgetary Highlights

General Fund

During the year salaries and benefits were \$299,074 less than amounts budgeted, and professional services were \$387,271 less than budgeted, while operating expenditures were \$ 216,328 less than budget.

Springs Appropriations Fund

During the year there was a total of \$37,033,414 less in expenditures overall than what was budgeted.

Land Acquisition and Management Fund

During the year there was a total of \$1,840,410 less in expenditures overall than what was budgeted.

Land Acquisition – Mitigation/Save Our Rivers Fund

The Land Acquisition – Mitigation/Save Our Rivers Fund had did not have a budget.

Capital Asset Administration

Capital assets. The Suwannee River Water Management District's investment in capital assets as of September 30, 2019, amounts to \$217,559,841 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, vehicles, office equipment, field equipment and computer equipment.

Economic Factors and Next Year's Budgets and Rates

Changing economic conditions has required the District to adopt new budgeting strategies. The District must accomplish statutory priorities with less discretionary revenue available.

Factors that influence the District's fiscal year 2019-2020 budget include:

State of Florida's new focus on water conservation and restoration of the State's aquifer.

Developing an operational budget that fits the anticipated level of expenditures needed to accomplish District priorities.

Requests for Information

This financial report is designed to provide a general overview of the Suwannee River Water Management District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Suwannee River Water Management District, 9225 CR 49, Live Oak, FL 32060.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
September 30, 2019**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 155,138
Investments	40,217,669
Accounts receivable	529
Intergovernmental receivables	1,418,654
Prepaid expenses	12,404
Capital assets not being depreciated	
Land	213,184,763
Capital assets, net of accumulated depreciation	
Buildings	3,364,312
Equipment	1,010,766
Total fixed assets, net	217,559,841
Total assets	259,364,235
DEFERRED OUTFLOWS OF RESOURCES	
Other post employee benefits	16,934
PILT payments	14,615
Pension obligations	1,512,767
	1,544,316
LIABILITIES	
Accounts payable	2,093,115
Accrued liabilities	198,148
Interest payable	2,571
Unearned revenues	1,510,662
Deposits	75,000
Performance damage deposits	419,024
Compensated absences	51,209
Other post employment benefits	5,331
Net pension liability	468,145
Long-term liabilities	
Compensated absences	290,187
Other post employment benefits	99,548
Due in more than one year, net pension liability	4,482,602
Total liabilities	9,695,542
DEFERRED INFLOWS OF RESOURCES	
Pension obligations	525,620
	525,620
NET POSITION	
Net investment in capital assets	217,559,841
Restricted for:	
Florida Forever	41,659
DOT ETDM	40,915
Water Management Lands Trust Fund -Springs	3,227
Land Management	1,673,241
Surplus Lands Funds	1,019,277
DOT Mitigation Projects	294,002
Suwannee River Partnership Projects	957,723
Land Acquisition - Mitigation/Save Our Rivers	7,698,742
Monitoring Well Installation	531,702
RIVER Cost-Share	2,658,526
Agricultural Cost-Share	3,264,228
Regional Water Resource Projects	4,197,103
Economic Stabilization Reserve	2,434,127
Unrestricted	
Operating Liquidity Reserve	3,651,190
General Fund Operations	4,661,886
Total net position	\$ 250,687,389

See notes to financial statements.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:					
Water resource planning and monitoring	\$ 5,132,905	\$ 91,600	\$ 1,816,872	\$ 65,370	\$ (3,159,063)
Acquisition, restoration and public works	11,197,848	50	7,567,628	208,499	(3,421,671)
Operation, maintenance of lands and works	3,468,667	-	4,516,299	15,876	1,063,508
Regulation	1,468,012	266,683	433,956	19,044	(748,329)
Outreach	246,978	-	-	-	(246,978)
Administration	1,696,544	-	-	-	(1,696,544)
Total governmental activities	\$ 23,210,954	\$ 358,333	\$ 14,334,755	\$ 308,789	\$ (8,209,077)

General Revenues	
Property taxes	5,861,656
Payments in lieu of taxes	(17,945)
Timber sales	1,128,242
Interest income	1,741,453
Other income	2,212
Increase in fair value of investments	771,512
Loss on disposal of assets	(528)
Total general revenues	9,486,602
Change in net position	1,277,525
Net position at beginning of year	250,185,279
Prior period adjustment	(775,415)
Net position at end of year	\$ 250,687,389

See notes to financial statements.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2019

	General Fund	Special Revenue Funds			Other Governmental Funds	Total Governmental Funds
		Springs Appropriations Fund	Land Acquisition & Management Fund	Land Acquisition - Mitigation/Save Our Rivers Fund		
Assets						
Cash and cash equivalents	\$ 155,138	\$ -	\$ -	\$ -	\$ -	\$ 155,138
Investments	40,217,669	-	-	-	-	40,217,669
Receivables	529	-	-	-	-	529
Intergovernmental receivables	7,637	1,279,332	-	-	131,685	1,418,654
Prepaid expenses	12,404	-	-	-	-	12,404
Due from other funds	980,412	-	2,931,412	7,698,742	10,156,002	21,766,568
Total assets	\$ 41,373,789	\$ 1,279,332	\$ 2,931,412	\$ 7,698,742	\$ 10,287,687	\$ 63,570,962
Liabilities						
Accounts payable	408,081	540,248	198,894	-	\$ 945,892	\$ 2,093,115
Accrued liabilities	198,148	-	-	-	-	198,148
Interest payable	-	-	-	-	2,571	2,571
Unearned revenues	-	-	40,000	-	1,470,662	1,510,662
Due to other funds	20,950,904	739,084	-	-	76,580	21,766,568
Deposits payable	75,000	-	-	-	-	75,000
Performance damage deposits	419,024	-	-	-	-	419,024
Total liabilities	22,051,157	1,279,332	238,894	-	2,495,705	26,065,088
Fund balances						
Nonspendable:						
Prepaid expenses	12,404	-	-	-	-	12,404
Investment fair value adjustment	593,640	-	-	146,362	31,510	771,512
Restricted for:						
Florida Forever	-	-	-	-	40,936	40,936
DOT ETDM	-	-	-	-	40,137	40,137
Land Management	-	-	1,673,241	-	-	1,673,241
Surplus Land Funds	-	-	1,019,277	-	-	1,019,277
DOT Mitigation Projects	-	-	-	-	285,427	285,427
Suwannee River Partnership Projects	-	-	-	-	939,516	939,516
Land Acquisition - PCS Mitigation	-	-	-	7,552,380	-	7,552,380
Committed for:						
Monitoring Well Installation	-	-	-	-	531,702	531,702
RIVER Cost-Share	-	-	-	-	2,658,526	2,658,526
Agricultural Cost-Share	-	-	-	-	3,264,228	3,264,228
Regional Water Resource Projects	4,197,103	-	-	-	-	4,197,103
Economic Stabilization Reserve	2,434,127	-	-	-	-	2,434,127
Assigned, Operating Liquidity Reserve	3,651,190	-	-	-	-	3,651,190
Unassigned, general fund operations	8,434,168	-	-	-	-	8,434,168
Total fund balances	19,322,632	-	2,692,518	7,698,742	7,791,982	37,505,874
Total liabilities and fund balance	\$ 41,373,789	\$ 1,279,332	\$ 2,931,412	\$ 7,698,742	\$ 10,287,687	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	217,559,841
Deferred outflows/inflows are not available resources, and, therefore are not reported in the funds.	1,018,696
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(5,397,022)
Net position of governmental activities	\$ 250,687,389

See notes to financial statements.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2019

	Special Revenue Funds					Total Governmental Funds
	General Fund	Springs Appropriations Fund	Land Acquisition & Management Fund	Land Acquisition - Mitigation/Save Our Rivers Fund	Other Governmental Funds	
Revenues						
Ad valorem taxes	\$ 5,102,734	\$ -	\$ 758,922	\$ -	\$ -	\$ 5,861,656
Intergovernmental revenue	2,760,337	5,898,358	2,224,839	-	3,760,010	14,643,544
License and permit fees	266,683	-	-	-	-	266,683
Charges for service	-	-	50	-	91,600	91,650
Timber revenue	-	-	1,128,242	-	-	1,128,242
Other income	597	-	1,615	-	-	2,212
Interest income	1,507,563	-	-	189,713	44,177	1,741,453
Increase in fair value of investment	593,640	-	-	146,362	31,510	771,512
Total revenues	10,231,554	5,898,358	4,113,668	336,075	3,927,297	24,506,952
Expenditures						
General government						
Water resource planning and monitoring	2,785,418	-	-	-	1,980,794	4,766,212
Acquisition, restoration and public works	1,054,451	5,920,986	5,762	-	3,997,584	10,978,783
Operation, maintenance of lands and works	-	-	3,347,175	-	-	3,347,175
Regulation	1,317,048	-	-	-	-	1,317,048
Outreach	220,201	-	-	-	-	220,201
Administration	1,488,322	-	-	-	-	1,488,322
Capital outlay	104,601	-	186,373	-	17,815	308,789
Total general government expenditures	6,970,041	5,920,986	3,539,310	-	5,996,193	22,426,530
Excess (deficiency) of revenues over (under) expenditures	3,261,513	(22,628)	574,358	336,075	(2,068,896)	2,080,422
Other financing sources (uses)						
Transfers in	-	22,628	-	-	4,406	27,034
Transfers out	(22,628)	-	-	-	(4,406)	(27,034)
Total other financing sources (uses)	(22,628)	22,628	-	-	-	-
Net change in fund balance	3,238,885	-	574,358	336,075	(2,068,896)	2,080,422
Fund balances at beginning of year	16,083,747	-	2,118,160	7,362,667	9,860,878	35,425,452
Fund balances at end of year	\$ 19,322,632	\$ -	\$ 2,692,518	\$ 7,698,742	\$ 7,791,982	\$ 37,505,874

See notes to financial statements.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2019

Net change in fund balances - total governmental funds		\$ 2,080,422
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	\$ 308,789	
Less current year depreciation	<u>(455,996)</u>	(147,207)
 The net effect of various miscellaneous transactions involving assets (i.e., contributions, sales, conveyance, and disposals) is to decrease net assets.		
Loss on disposal of fixed assets, net	<u>(528)</u>	(528)
 Some revenues in the statement of activities do not provide current financial resources, and therefore, are unavailable in governmental funds.		
Reduction of deferred outflow of resources related to payment in lieu of taxes		(17,945)
 Some expenditures reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. Also, recognition of certain obligations related to prior and subsequent periods are not recognized in governmental funds but are recognized in the statement of activities.		
Recognition of changes in deferred inflows and outflows of resources:		
Florida State Retirement Pension	(16,941)	
OPEB	(2,378)	
Recognition of changes in long-term debt:		
Compensated absences	(39,859)	
OPEB liability	7,709	
Net pension liability	<u>(585,748)</u>	<u>(637,217)</u>
 Change in net position of governmental activities		<u><u>\$ 1,277,525</u></u>

See notes to the financial statements.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Suwannee River Water Management District (the District) was established by the Florida Water Resources Act of 1972, Chapter 72-299, Laws of Florida, and operates under Chapter 373, *Florida Statutes*. It was the State of Florida Legislature's stated intent in establishing the District, and other Districts, to provide for the management of water and related land resources, promote the conservation, development, and proper utilization of surface and ground water, develop and regulate dams, impoundments, reservoirs, and other works and to provide water storage for beneficial purposes; prevent damage from floods, soil erosion, and excessive drainage, preserve natural resources, fish and wildlife; promote recreational development, protect public lands and assist in maintaining the navigability of rivers and harbors and otherwise promote the health, safety, and the general welfare of the people of the state.

The District encompasses all or part of fifteen counties in the northeastern part of Florida. There are nine members of the District Governing Board. Each member resides within the District and is appointed by the Governor and confirmed by the Senate. Board members are appointed for a four-year term.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting principles generally accepted in the United States of America for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in accounting principles generally accepted in the United States of America and used by the District are discussed below.

A. Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the District as a component unit of the State of Florida. Based on the criteria listed below, the State of Florida is considered a primary government.

A primary government is financially accountable for an organization if (1) it appoints a voting majority of the organization's governing board, (2) it is able to impose its will on the organization or (3) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Based upon these criteria, the District is considered to be a component unit of the State of Florida, and is disclosed as such in the State of Florida financial statements.

B. Financial Reporting Structure

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The focus of the government-wide statements is on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Administrative overhead, including centralized expenses, are directly allocated to specific functions and are included in direct expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Program revenues are netted within program expenses in the statement of activities to present the net cost of each program.

Fund Financial Statements

The emphasis of fund financial statements is on the District's major funds, each presented in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District's transactions are recorded in the following fund types:

The General Fund is the principal operating fund used to account for most of the District's general activities.

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

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

The Springs Appropriations Fund accounts for funds provided by the Florida Legislature, through the Department of Environmental Protection (FDEP), for projects that improve the quality and quantity of the state's water resources that protect and improve springs. FDEP works closely with the water management districts, local governments and other stakeholders to identify and implement springs projects that achieve restoration goals. State funding assistance is made available to entities to implement these projects under the State Springs Grant Program. These funds may be used for land acquisition intended to protect springs, capital projects that protect the quality and quantity of water that flows from springs, and other viable springs protection, restoration or management projects. Springs are important natural, social, and economic resources for the entire State. The springs throughout the Suwannee River Water Management District (SRWMD) support North Florida's tourism and natural resource based economy.

The Land Acquisition and Management Fund accounts for timber transactions, land use charges and funds appropriated by the State of Florida legislature for the purpose of land management; maintenance, capital improvements of land titled to the District, and payments in lieu of taxes.

Land Acquisition – Mitigation/Save Our Rivers Fund was set up to account for the purchase of environmentally sensitive lands in areas on the District that currently do not have a source of funding. These funds are subject to the same restriction on use as the Save our Rivers Program.

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 when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, entitlements, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

D. Accounting and Financial Reporting for Pensions

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*—an amendment of **GASB Statement No. 27**, requires the District to recognize as a liability their long-term obligation for pension benefits. The District's liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position. Obligations for the District's cost sharing plans are based on their proportionate share of contributions to the pension plan. The standard also requires immediate recognition of annual service cost, interest and changes in benefits for pension expense; specifies requirements for discount rates, attribution methods; and changes disclosure requirements.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position or Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1968, SEC registered money market funds

with the highest credit quality rating and savings and interest-bearing time deposits or savings accounts in qualified public depositories.

Investments for the District are reported at fair value. The State of Florida Department of Financial Services Special Purpose Investment Account (SPIA) operates in accordance with appropriate State laws and regulations. As a SPIA participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

All receivables are shown net of an allowance for uncollectible receivables.

3. Property Taxes

The District is authorized by Section 373.503, *Florida Statutes*, to levy ad valorem taxes on all real and personal property located within the District not to exceed .75 mills. The rate for the 2018-2019 fiscal year was .3948 mills. The property assessment and tax collection functions are performed by appropriate officials of county government in each of the fifteen counties comprising the District. Commissions are paid to the counties for these appraisal and collection services.

Taxes are billed and collected for the District by the County Tax Collectors according to *Florida Statute* under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Office equipment	10
Mobile equipment	7
Field equipment	7
Computer equipment	5

The District does not own any infrastructure assets.

6. Unearned Revenues

Unearned revenues reported in government-wide financial statements represent unearned grant revenues. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. At September 30, 2019, the District reported \$1,510,662 in unearned revenues.

7. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements.

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has three items that qualify for reporting in this category. The first is the deferred charge on pensions in the government-wide statement of net position. Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with

regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the District's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year. The second is the deferred outflows of payments in lieu of taxes (PILT) in the government-wide statement of net position. The deferred outflow of PILT is related to a land transaction whereby the PILT will be amortized over a period of time agreed to by the parties. The third type of deferred outflow recorded in the financial statements is related to the Other Post-Employment Obligations of the District. This deferred outflow is related to the benefits paid subsequent to year end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which is related to pensions. Deferred inflows on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the District's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

10. Fund Balances

A. Governmental Funds

As of September 30, 2019, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the District. The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Executive Director may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2019, fund balances are composed of the following:

	<u>Governmental Funds</u>
Nonspendable, Prepaid Expenses	\$ 12,404
Nonspendable, Investment Fair Value Adjustment	771,512
Restricted, Florida Forever	40,936
Restricted, DOT ETDM	40,137
Restricted, Land Management	1,673,241
Restricted, Surplus Land Funds	1,019,277
Restricted, DOT Mitigation Projects	285,428
Restricted, Suwannee River Partnership Projects	939,516
Restricted, Land Acquisition - Mitigation/Save Our Rivers	7,552,380
Committed, Monitoring Well Installation	531,702
Committed, RIVER Cost-Share	2,658,526
Committed, Agricultural Cost-Share	3,264,228
Committed, Regional Water Source Projects	4,197,103
Committed, Economic Stabilization Reserve	2,434,127
Assigned, Operating Liquidity	3,651,190
Unassigned, General Fund Operations	8,434,167
	<u>\$ 37,505,874</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position.

“Total fund balances” of the District’s governmental funds \$37,505,874 differs from “net position” of governmental activities \$250,687,389 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 222,046,521
Accumulated depreciation	(4,486,680)
	<u>\$ 217,559,841</u>

Long-term debt transactions

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2019, were:

Compensated absences	\$ (341,396)
Other post-employment benefits	(104,879)
Net pension liability	(4,950,747)
	<u>\$ (5,397,022)</u>

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the statement of net position included those deferred outflows/inflows of resources.

Deferred outflows	\$ 1,544,316
Deferred inflows	(525,620)
	<u>\$ 1,018,696</u>

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

	Total Governmental Funds	Deferred Outflows/Inflows	Capital Related Items	Long-term Debt Transactions	Eliminations	Statement of Net Position
ASSETS						
Cash and cash equivalents	\$ 155,138	\$ -	\$ -	\$ -	\$ -	\$ 155,138
Investments	40,217,669	-	-	-	-	40,217,669
Receivables	529	-	-	-	-	529
Intergovernmental receivables	1,418,654	-	-	-	-	1,418,654
Prepaid expenses	12,404	-	-	-	-	12,404
Due from other funds	21,766,568	-	-	-	(21,766,568)	-
Capital assets - net	-	-	217,559,841	-	-	217,559,841
Total assets	63,570,962	-	217,559,841	-	(21,766,568)	259,364,235
DEFERRED OUTFLOWS						
OPEB obligation	-	16,934	-	-	-	16,934
PILT payments	-	14,615	-	-	-	14,615
Pension obligations	-	1,512,767	-	-	-	1,512,767
	-	1,544,316	-	-	-	1,544,316
LIABILITIES						
Accounts payable	2,093,115	-	-	-	-	2,093,115
Accrued liabilities	198,148	-	-	-	-	198,148
Interest payable	2,571	-	-	-	-	2,571
Unearned revenues	1,510,662	-	-	-	-	1,510,662
Due to other funds	21,766,568	-	-	-	(21,766,568)	-
Deposits payable	75,000	-	-	-	-	75,000
Performance damage deposits	419,024	-	-	-	-	419,024
Compensated absences	-	-	-	341,396	-	341,396
OPEB liability	-	-	-	104,879	-	104,879
Net pension liability	-	-	-	4,950,747	-	4,950,747
Total liabilities	26,065,088	-	-	5,397,022	(21,766,568)	9,695,542
DEFERRED INFLOWS						
	-	525,620	-	-	-	525,620
FUND BALANCE/NET POSITION						
Fund balance/net position	\$ 37,505,874	\$ 1,018,696	\$ 217,559,841	\$ (5,397,022)	\$ -	\$ 250,687,389

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

The “net change in fund balances” for governmental funds \$ (2,080,422) differs from the “change in net position” for governmental activities \$1,277,525 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charges for the year.

Capital outlay	\$ 308,789
Depreciation expense	(455,996)
Loss of disposals	(528)
	<u>\$ (147,735)</u>

Long-term debt related items

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

Net increase in compensated absences	\$ (39,859)
Net decrease in other post-employment benefits	7,709
Net decrease in net pension expense	(585,748)
	<u>\$ (617,898)</u>

Other items

Recognition of certain obligations related to prior and subsequent periods are not recognized in the governmental funds.	<u>\$ (37,264)</u>
--	--------------------

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS.

B. Explanation of Difference Between Government Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions/ Eliminations	Deferred Outflows/Inflows	Statement of Activities
Revenues					
Ad valorem taxes	\$ 5,861,656	\$ -	\$ -	\$ -	\$ 5,861,656
Intergovernmental revenue	14,643,544	-	-	(17,945)	14,625,599
License and permit fees	266,683	-	-	-	266,683
Charges for service	91,650	-	-	-	91,650
Timber revenue	1,128,242	-	-	-	1,128,242
Interest income	1,741,453	-	-	-	1,741,453
Increase in fair value of investment	771,512	-	-	-	771,512
Other income	2,212	-	-	-	2,212
Total revenues	24,506,952	-	-	(17,945)	24,489,007
Expenditures					
General government					
Water resource planning and monitoring	4,766,212	152,681	207,506	6,506	5,132,905
Acquisition, restoration and public works	10,978,783	114,034	101,843	3,188	11,197,848
Operation, maintenance of lands and works	3,347,175	59,133	60,448	1,911	3,468,667
Regulation	1,317,048	15,054	131,823	4,087	1,468,012
Outreach	220,201	7,198	18,978	601	246,978
Administration	1,488,322	107,896	97,300	3,026	1,696,544
Capital outlay	308,789	(308,789)	-	-	-
Total general government expenditures	22,426,530	147,207	617,898	19,319	23,210,954
Excess of revenues over expenditures	2,080,422	(147,207)	(617,898)	(37,264)	1,278,053
Other financing sources (uses)					
Transfers in	27,034	-	(27,034)	-	-
Transfers out	(27,034)	-	27,034	-	-
Gain (loss) on disposal of assets	-	(528)	-	-	(528)
Total other financing sources (uses)	-	(528)	-	-	(528)
Net change in fund balance	2,080,422	(147,735)	(617,898)	(37,264)	1,277,525
Prior period adjustment	-	(775,415)	-	-	(775,415)
Fund balance at beginning of year	35,425,452	218,482,991	(4,779,124)	1,055,960	250,185,279
Fund balance at end of year	\$ 37,505,874	\$ 217,559,841	\$ (5,397,022)	\$ 1,018,696	\$ 250,687,389

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits. At year end, the carrying amount of the District's deposits was \$155,138. The entire bank balance of \$506,466, was covered by Federal depository insurance or by collateral, held by the District's custodial bank, which is pledged to a state trust fund that provides security in accordance with the Florida Security for Deposits Act, Chapter 280, for amounts held in excess of FDIC coverage.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

Investments. The foremost objective of the District's investment policy is the safety of capital and liquidity of funds. Achieving an optimal rate of return is of secondary importance as compared to the safety and liquidity of funds. The District's investment policy limits investments to those relatively low risk securities authorized in anticipation of earning a fair return relative to the risk being assumed. How the District manages credit risk, interest rate risk, and custodial credit risk is as follows:

Credit Risk: The District is a participant in the State of Florida Department of Financial Services Special Purpose Investment Account ("SPIA"). As a SPIA participant, the District invests in the Florida Treasury Investment Pool. The Florida Treasury Investment Pool is a pool of investments whereby the District owns a share of the pool, not the underlying securities. The Florida Treasury Investment Pool is rated by Standard and Poor's. The current rating is AA-f. The unaudited fair value factor for September 30, 2019 of this pool was 1.0176. This fair value factor is also posted to the Florida State Treasury website at www.fltreasury.org.

Interest Rate Risk: The District manages its exposure to declines in fair values of investments by investing operating funds primarily in shorter-term securities, State of Florida Department of Financial Services Special Purpose Investment Account. The effective duration of SPIA at September 30, 2019 was 2.82 years.

Custodial Credit Risk: 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. No investments held at year end were subject to custodial credit risk. The District owns shares of the Florida Treasury Investment Pool, and not the underlying investments. The District has not participated in a securities lending program in the fiscal year ending September 30, 2019.

Foreign Currency Risk: State law and investment policy do not authorize the Treasury Investment Pool to purchase investments in foreign currencies. Therefore, the Treasury Investment Pool is not exposed to Foreign Currency Risk.

Fair Value Hierarchy: Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance.

As of September 30, 2019, the District had the following investments reported fair values:

Florida Treasury Investment Pool	<u>Fair Value</u> <u>\$ 40,217,669</u>
----------------------------------	---

B. Unearned Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds was as follows:

Drawdowns prior to meeting all eligibility requirements	<u>Unearned</u> <u>\$ 1,510,662</u>
---	--

C. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:			
Intergovernmental	\$ 7,637	\$ 1,411,017	\$ 1,418,654
Other	529	-	529
Gross total receivables	<u>\$ 8,166</u>	<u>\$ 1,411,017</u>	<u>\$ 1,419,183</u>

D. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning	Additions	Deletions	Adjustments	Ending
Land	\$ 154,042,733	\$ 7,835	\$ -	\$ (335,761)	\$ 153,714,807
Easements	59,432,271	-	-	-	59,432,271
Land - Headquarters	37,685	-	-	-	37,685
	<u>213,512,689</u>	<u>7,835</u>	<u>-</u>	<u>(335,761)</u>	<u>213,184,763</u>
Buildings and improvements	6,391,351	14,195	-	-	6,405,546
Office/field	1,026,664	50,462	(21,666)	-	1,055,460
Computer	582,269	105,367	-	-	687,636
Mobile	704,677	130,930	(122,491)	-	713,116
	<u>8,704,961</u>	<u>300,954</u>	<u>(144,157)</u>	<u>-</u>	<u>8,861,758</u>
Total capital assets	<u>222,217,650</u>	<u>308,789</u>	<u>(144,157)</u>	<u>(335,761)</u>	<u>222,046,521</u>
Depreciation:					
Building	(2,415,217)	(186,364)	-	(439,654)	(3,041,235)
Office/field	(594,790)	(109,527)	21,138	-	(683,179)
Computer	(331,353)	(90,518)	-	-	(421,871)
Mobile	(393,299)	(69,587)	122,491	-	(340,395)
	<u>(3,734,659)</u>	<u>(455,996)</u>	<u>143,629</u>	<u>(439,654)</u>	<u>(4,486,680)</u>
Net depreciable assets	<u>4,970,302</u>	<u>(155,041)</u>	<u>(528)</u>	<u>(439,654)</u>	<u>4,375,078</u>
Total assets	<u>\$ 218,482,991</u>	<u>\$ (147,207)</u>	<u>\$ (528)</u>	<u>\$ (775,415)</u>	<u>\$ 217,559,841</u>

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

Governmental Activities	
Water, resource, planning and monitoring	\$ 152,681
Acquisition, restoration and public works	114,034
Operation, maintenance of lands and works	59,133
Regulation	15,054
Outreach	7,198
Administration	107,896
Total depreciation expense	<u>\$ 455,996</u>

E. Interfund Balances and Activity

Interfund Receivables/Payables

	Due From	Due to
General Fund	\$ 980,412	\$ 20,950,904
Springs Appropriations	-	739,084
Land Acquisition & Management Fund	2,931,412	-
Land Acquisition - Mitigation/Save Our Rivers	7,698,742	-
Middle Suwannee Fund	298,518	-
Water Management Lands Trust Funds - Springs	169,753	-
Monitor Well Fund	531,702	-
Land Conservation Fund	43,061	-
FDOT ETDM Fund	40,915	-
FDOT Mitigation Fund	451,096	-
Minimum Flows Minimum Water Levels Fund	1,048,232	-
Suwannee River Partnership Water Use Fund	959,562	-
District Agricultural Cost-Share Fund	3,558,756	-
District RIVER Cost-Share Fund	3,054,407	-
FEMA Mapping Fund	-	76,580
	<u>\$ 21,766,568</u>	<u>\$ 21,766,568</u>

Transfers To/From Other Funds

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 22,628
Springs Appropriation Fund	22,628	-
Middle Suwannee Fund	4,406	-
Water Management Lands Trust Fund - Springs	-	4,406
	<u>\$ 27,034</u>	<u>\$ 27,034</u>

F. Leases

Operating Leases. The District leases equipment under noncancellable operating leases. Lease expenditures for the year ended September 30, 2019, amounted to \$54,788. The future minimum lease payments for leases are as follows:

Fiscal Year Ending September 30,	Amount
2020	\$ 33,058
2021	20,633
2022	18,489
2023	12,326
	<u>\$ 72,180</u>

G. Long-term Liabilities

Changes in Long-term Liabilities: Long-term liability activity for the year ended September 30, 2019, was as follows:

	Balance 10/01/18	Additions	Reductions	Balance 09/30/19	Due Within One Year
Governmental activities:					
Compensated absences	\$ 301,537	\$ 321,109	\$ (281,250)	\$ 341,396	\$ 51,209
Other post-employment benefits	112,588	-	(7,709)	104,879	5,331
Net pension liability	4,364,999	1,036,952	(451,204)	4,950,747	468,145
	<u>\$ 4,779,124</u>	<u>\$ 1,358,061</u>	<u>\$ (740,163)</u>	<u>\$ 5,397,022</u>	<u>\$ 524,685</u>

The compensated absences liability, other post-employment benefits, and net pension liability will be liquidated primarily by the General Fund.

H. Road Improvements – Deferred PILT Payments

In February, 2011, the District and Gilchrist County entered into an agreement related to a road improvement project which would repave the entrance road to Otter Springs, located in Gilchrist County. Under the terms of the agreement, Gilchrist County agreed to forego 12 annual PILT payments, payable by the District in consideration for the District's completion of \$212,000 in improvements to the entrance road. This transaction has resulted in deferred outflows in the amount of \$212,000, which has been amortized over the succeeding 12 years. The balance of the deferred outflow related to the PILT payments was \$14,615 as of September 30, 2019.

NOTE 4. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

C. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time District employees, permits the participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen financial emergency. The District does not contribute to the 457 plan. Participation under the plan is solely at the discretion of the employee.

The District has no liability for losses under the 457 plan but does have the duty of due care that would be required of an ordinary prudent investor. The District does not have a fiduciary relationship with the plan. Therefore, the assets and liabilities related to the plan are not recorded in the District's financial statements.

D. Related Party Balances and Transactions

Two Board members had timber service agreements with the Suwannee River Water Management District. The District received \$ 60,967 in timber related revenue agreements and paid \$17,864 in contractual services.

Three Board members were approved to participate in the District Agricultural Cost-Share Program receiving \$22,772. This noncompetitive program assists farmers in upgrading irrigations systems to reduce water use and nitrogen loading.

The balance remaining under one timber contract with a related party at September 30, 2019 was \$20,282. The balances remaining at September 30, 2019 under the Agricultural Cost-Share Program to related parties was \$287,155.

Five Board members hold environmental resource permits. Three Board members hold agricultural water use permits, and two Board members hold works of the District permits.

NOTE 5. COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS – FLORIDA RETIREMENT SYSTEM PENSION PLAN AND THE RETIREMENT HEALTH INSURANCE SUBSIDY PROGRAM

A. Florida Retirement System

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

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

B. 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 on the basis of 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% 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. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. 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 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ 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 3.0% (3.33% for judges and justices) 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, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period

not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

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 employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular—8.26% and 8.47%; Special Risk Administrative Support—34.98% and 38.59%; Special Risk—24.50% and 25.48%; Senior Management Service—24.06% and 25.41%; Elected Officers’—48.70% and 48.82%; and DROP participants—14.03% and 14.60%. These employer contribution rates include a 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively.

The District's contributions, including employee contributions, to the Pension Plan totaled \$447,416 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the District reported a liability of \$3,621,336 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .0105153 percent, which was a decrease of .0000199 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the District recognized pension expense of \$904,404. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 214,792	\$ (2,247)
Changes in assumptions	930,115	-
Net difference between projected and actual earnings on Pension Plan investments	-	(200,351)
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	32,749	(170,246)
District Pension Plan contributions subsequent to the measurement date	91,168	-
Total	\$ 1,268,824	\$ (372,844)

The deferred outflows of resources related to the Pension Plan, totaling \$91,168 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a

reduction of the net pension liability in the fiscal year ended September 30, 2020. 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:

Fiscal Year Ending September 30	Amount
2020	\$ 291,873
2021	88,049
2022	212,735
2023	160,479
2024	41,387
Thereafter	10,289
	<u>\$ 804,812</u>

Actuarial Assumptions – The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Real estate	11.0%	6.7%	6.1%	11.7%
Private equity	10.0%	11.2%	8.4%	25.8%
Strategic investments.	6.0%	5.9%	5.7%	6.7%
Total	<u>100.0%</u>			
Assumed inflation - mean			2.6%	1.7%

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

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 6.90%, 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 (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 6,260,084	\$ 3,621,336	\$ 1,417,535.04

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

Payables to the Pension Plan - At September 30, 2019, the District had \$35,469 payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2019.

C. HIS Plan

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

Benefits Provided - For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. 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, 2019, the HIS contribution for the period October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019 was 1.66% and 1.66%, respectively. The District contributed 100% 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 \$90,534 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2019, the District reported a liability of \$1,329,411 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension

liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .01118814 percent, which was an increase of .00005085 percent from its proportionate share of .01113729 measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the District recognized pension expense of \$95,030. 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	\$ 16,147	\$ (1,628)
Changes in assumptions	153,933	(108,655)
Net difference between projected and actual earnings on HIS Plan investments	858	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	54,638	(42,493)
District HIS Plan contributions subsequent to the measurement date	18,367	-
Total	\$ 243,943	\$ (152,776)

The deferred outflows of resources related to the HIS Plan, totaling \$18,367 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. 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
2020	\$ 31,025
2021	24,830
2022	13,592
2023	(9,870)
2024	1,793
Thereafter	11,431
	\$ 72,800

Actuarial Assumptions – The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.50%

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

The actuarial valuation was prepared as of July 1, 2018, and updated procedures were used to determine the liability as of June 30, 2019.

Discount Rate - The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net 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 3.50%, 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 (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
District's proportionate share of the net pension liability	\$ 1,517,591	\$ 1,329,411	\$ 1,172,679

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 Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2019, the District had \$7,177 payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2019.

D. 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 Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the

ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected District Officers, etc.), 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 Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2018-19 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 3.30%, Special Risk Administrative Support class 4.95%, Special Risk class 11.0%, Senior Management Service class 4.67% and District Elected Officers class 8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the 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 had nineteen participants in the Investment Plan for the fiscal year ended September 30, 2019.

NOTE 6. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The District has previously established and maintains an employee group health insurance plan (the Plan) that it makes available to eligible retirees in accordance with the State of Florida law and City ordinance. The Plan is a single employer, experience rated insurance plan that provides medical benefits to eligible retirees and their eligible dependents. The postretirement benefit portion of the Plan refers to the medical benefits applicable to current and future retirees and their eligible dependents. The Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

Membership of each plan consisted of the following as of the measurement date of September 30, 2018:

Date of Actuarial Valuation:	<u>September 30, 2018</u>
Retirees and Beneficiaries Receiving Benefits	2
Active Plan Members	<u>52</u>
Total	<u><u>54</u></u>

Funding Policy

In prior years, the District has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. The contribution requirements of plan members, if any, are established by the District. Eligible retirees pay the full cost of blended rate premiums associated with the medical plan elected; no direct District subsidy is currently applicable. However, there are implicit costs of the medical plan for retirees, as their claims experience is higher than the blended rate premiums. State of Florida Law prohibits the District from separately rating retirees and active employees specifically for medical plan benefits. The District, therefore, assigns eligible active employees and eligible retirees equal, blended-rate premiums and makes available to both groups the same plan options. Although both groups are assigned the same blended rate premiums, generally accepted auditing principles (GAAP) requires the actuarial liabilities presented below to be calculated using age-adjusted premiums approximating claim costs for eligible retirees separate from active eligible members. The use of age-adjusted premiums results in the full expected retiree obligation recognized in this disclosure.

Annual OPEB Costs and Net OPEB Obligation

The Annual OPEB Cost is the amount that was expensed for the fiscal year. Since the District's OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution, and equals the total age-adjusted premiums paid by the District for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

OPEB Expense- For the year ended September 30, 2019, the District recognized OPEB expense of \$(7,709).

Total OPEB Liability - The District's total OPEB liability as of September 30, 2019 was determined by an actuarial valuation as of September 30, 2017 using September 30, 2018 as the measurement date. The actuarial assumptions used in the October 1, 2017 valuation with a measurement date of September 30, 2018 were as follows:

Methods and Assumptions Used to Determine Total OPEB Liability

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.83%
Initial Trend Rate FY beginning 2018	3.00%
Trend Rate for FY beginning 2019	8.00%
Ultimate Trend Rate	4.00%

Retirement age varies based on several factors including plan-specific retirement eligibility provisions and experience.

Mortality assumptions are based upon RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.

Healthcare Cost Trend Rates are 3.00% for the fiscal year beginning 2018, 8.00% for the fiscal year beginning 2019 and then gradually decreasing to an ultimate trend rate of 4.00%.

Other information:

Changes in assumptions and other inputs include the change in the discount rate from 3.50% as of the beginning of the measurement period to 3.83% as of September 30, 2018. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this AMM roll forward calculation, the municipal bond rate is 3.83% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 3.50% as of the previous measurement date.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in the Total OPEB Liability:

<u>Measurement Fiscal Year Ended September 30,</u>	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 9,440
Interest	3,933
Changes in benefit terms	-
Difference between expected and actual experience of Total OPEB Liability	-
Changes in assumptions and inputs	(1,770)
Benefit payments	(19,312)
Net changes	(7,709)
Total OPEB Liability - Beginning of Fiscal Year	112,588
Total OPEB Liability - Ending of Fiscal Year	<u>\$ 104,879</u>
Covered Employee Payroll	\$ 3,798,982
Total OPEB Liability as a percentage of Covered Employee Payroll	2.76%

Sensitivity of the total OPEB liability to changes in the discount rate - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.83%) or 1 percentage point higher (4.83%) than the current discount rate.

	<u>1% Decrease (2.83%)</u>	<u>Discount Rate (3.83%)</u>	<u>1% Increase (4.83%)</u>
Total other postemployment benefits liability	<u>\$ 110,491</u>	<u>\$ 104,879</u>	<u>\$ 99,667</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
Total other postemployment benefits liability	<u>\$ 97,413</u>	<u>\$ 104,879</u>	<u>\$ 113,551</u>

Statement of OPEB expense Employer Fiscal Year End September 30, 2019:

(Based on Measurement Period Ending September 30, 2018.)

OPEB Expense	
Service cost	\$ 9,440
Interest on the Total OPEB Liability	3,933
Changes in benefit terms	-
Difference between expected and actual experience of Total OPEB Liability	-
Changes in assumptions and inputs	(1,770)
Benefit payments	(19,312)
Total OPEB Expense	\$ (7,709)

Schedule of Employer Contributions

Year Ended September 30	Annual OPEB Cost	% Contributed	Net OPEB Obligation
2015	\$ 4,929	0%	\$ 387,168
2016	(9,196)	0%	377,972
2017	(13,262)	0%	364,710
2018	(19,920)	0%	112,588
2019	(7,709)	0%	104,879

NOTE 7. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 8. PRIOR PERIOD ADJUSTMENT

In the prior year, the District conveyed land to another government in the amount of \$355,762, but the transaction was not recorded in the accounting records. Also, it was determined that certain District owned improvements were under depreciated by \$439,654. These errors resulted in the net assets and net fixed assets being overstated and the following prior period adjustment:

	Balance September 30, 2018	Prior Period Adjustment	Restated Balance September 30, 2019
General Fixed Assets (net)	\$ 218,482,991	\$ (775,415)	\$ 217,707,576
Net Position	\$ 250,185,279	\$ (775,415)	\$ 249,409,864

REQUIRED SUPPLEMENTARY INFORMATION

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues				
Ad valorem taxes	\$ 4,899,719	\$ 4,899,719	\$ 5,102,734	\$ 203,015
Licenses and permits	150,000	150,000	266,683	116,683
Intergovernmental revenue	2,740,000	2,740,000	2,760,337	20,337
Other income	-	-	596	596
Interest income	310,000	310,000	1,507,563	1,197,563
Increase in fair value of investment	-	-	593,640	593,640
Total revenues	8,099,719	8,099,719	10,231,553	2,131,834
Expenditures				
General government				
Salaries and benefits	4,966,397	4,966,397	4,667,323	299,074
Professional services	1,055,909	1,055,909	668,638	387,271
Operating expenditures	954,333	954,333	738,005	216,328
Intergovernmental expenditures	950,500	950,500	781,494	169,006
Capital outlay	172,580	172,580	114,581	57,999
Total general government expenditures	8,099,719	8,099,719	6,970,041	1,129,678
Excess (deficiency) of revenues over (under) expenditures	-	-	3,261,512	3,261,512
Other financing sources (uses)				
Transfers out	(152,000)	(152,000)	(22,628)	129,372
Total other financing sources (uses)	(152,000)	(152,000)	(22,628)	129,372
Net change in fund balance	(152,000)	(152,000)	3,238,884	3,390,884
Fund balance at beginning of year	16,083,747	16,083,747	16,083,747	-
Fund balance at end of year	\$ 15,931,747	\$ 15,931,747	\$ 19,322,631	\$ 3,390,884

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
 SPRINGS APPROPRIATIONS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 43,302,400	\$ 42,802,400	\$ 5,898,358	\$ (36,904,042)
Total revenues	43,302,400	42,802,400	5,898,358	(36,904,042)
Expenditures				
General government				
Professional services	16,182,300	15,673,000	2,089,347	13,583,653
Operating expenditures	-	9,300	9,240	60
Intergovernmental expenditures	27,272,100	27,272,100	3,822,399	23,449,701
Total general government expenditures	43,454,400	42,954,400	5,920,986	37,033,414
Excess (deficiency) of revenues over (under) expenditures	(152,000)	(152,000)	(22,628)	129,372
Other financing sources (uses)				
Transfers in	152,000	152,000	22,628	(129,372)
Total other financing sources (uses)	152,000	152,000	22,628	(129,372)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See notes to required supplementary information.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
LAND ACQUISITION AND MANAGEMENT FUND
BUDGET AND ACTUAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues				
Ad valorem taxes	\$ 816,219	\$ 816,219	\$ 758,922	\$ (57,297)
Intergovernmental revenue	2,366,119	2,366,119	2,224,839	(141,280)
Charges for services	-	-	50	50
Other income	1,000,000	1,000,000	1,129,857	129,857
Total revenues	4,182,338	4,182,338	4,113,668	(68,670)
Expenditures				
General government				
Salaries and benefits	667,664	667,664	641,426	26,238
Professional services	2,542,291	2,542,291	1,715,195	827,096
Operating expenditures	523,066	523,066	386,632	136,434
Intergovernmental expenditures	653,735	653,735	609,684	44,051
Capital outlay	992,964	992,964	186,373	806,591
Total general government expenditures	5,379,720	5,379,720	3,539,310	1,840,410
Excess (deficiency) of revenues over (under) expenditures	(1,197,382)	(1,197,382)	574,358	1,771,740
Net change in fund balance	(1,197,382)	(1,197,382)	574,358	1,771,740
Fund balance at beginning of year	2,118,160	2,118,160	2,118,160	-
Fund balance at end of year	\$ 920,778	\$ 920,778	\$ 2,692,518	\$ 1,771,740

See notes to required supplementary information.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
LAND ACQUISITION – MITIGATION/SAVE OUR RIVERS FUND
BUDGET AND ACTUAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 189,713	\$ 189,713
Increase in fair value of investment	-	-	146,362	146,362
Total revenues	<u>-</u>	<u>-</u>	<u>336,075</u>	<u>336,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>336,075</u>	<u>336,075</u>
Net change in fund balance	-	-	336,075	336,075
Fund balance at beginning of year	<u>7,362,667</u>	<u>7,362,667</u>	<u>7,362,667</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 7,362,667</u></u>	<u><u>\$ 7,362,667</u></u>	<u><u>\$ 7,698,742</u></u>	<u><u>\$ 336,075</u></u>

See notes to required supplementary information.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- BUDGET
AND ACTUAL- MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2019**

I. Stewardship, Compliance and Accountability:

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year end.

The Board generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with *Florida Statutes*, prior to July 15, the budget officer shall submit to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Board.
3. After public hearings and necessary revisions have been completed, the budget is legally enacted through passage of an ordinance.
4. Revisions that alter the total expenditures of any fund must be approved by the Board. The Executive Director is authorized to approve line item budget transfers within a fund without approval of the Governing Board. The legal level of budgetary control is the fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
District's proportion of the FRS net pension liability (asset)	0.010515337%	0.01049542%	0.01113656%	0.011295417%	0.012782855%	0.012464973%
District's proportionate share of the FRS net pension liability (asset)	\$ 3,621,336	\$ 3,161,274	\$ 3,294,120	\$ 2,852,102	\$ 1,651,077	\$ 1,744,026
District's proportion of the HIS net pension liability (asset)	0.011188140%	0.011137294%	0.011336563%	0.011222589%	0.012086449%	0.012115489%
District's proportionate share of the HIS net pension liability (asset)	\$ 1,329,411	1,203,725	1,212,158	1,307,946	1,232,628	1,088,649
District's proportionate share of the total net pension liability (asset)	\$ 4,950,747	\$ 4,364,999	\$ 4,506,278	\$ 4,160,048	\$ 2,883,705	\$ 2,832,675
District's covered-employee payroll	\$ 4,049,548	\$ 3,802,030	\$ 3,634,140	\$ 3,505,500	\$ 3,376,130	\$ 3,774,294
District's' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	122.25%	114.81%	124.00%	118.67%	85.41%	75.05%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	79.86%	79.30%	85.85%	92.00%	96.09%

Note 1) The amounts presented for each year were determined as of the June 30 year end of the Florida Retirement System

*GASB 68 requires information for 10 years. However, until a full 10-year trend is completed, only those years for which information is available is presented.

See notes to the required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 447,416	\$ 412,608	\$ 414,295	\$ 380,782	\$ 322,994	\$ 316,354
Contractually required HIS contribution	90,534	85,079	60,327	77,992	48,263	47,271
Total Contractually Required Contributions	537,950	497,687	474,622	458,774	371,257	363,625
Contributions in relation to the contractually required contribution	(537,950)	(497,687)	(474,622)	(458,774)	(371,257)	(363,625)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,049,548	\$ 3,802,030	\$ 3,634,140	\$ 3,505,500	\$ 3,376,130	\$ 3,774,294
Contributions as a percentage of covered-employee payroll	13.28%	13.09%	13.06%	13.09%	11.00%	9.63%

*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

See notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S CHANGES IN
THE TOTAL OPEB LIABILITY**

Measurement Fiscal Year Ended September 30,	2018	2017
Total OPEB Liability		
Service cost	\$ 9,440	\$ 9,711
Interest	3,933	3,922
Changes in benefit terms	-	-
Difference between expected and actual experience of Total OPEB Liability	-	-
Changes in assumptions and inputs	(1,770)	(2,174)
Benefit payments	(19,312)	(31,379)
Net changes	(7,709)	(19,920)
Total OPEB Liability - Beginning of Fiscal Year	112,588	132,508
Total OPEB Liability - Ending of Fiscal Year	<u>\$ 104,879</u>	<u>\$ 112,588</u>
Covered Employee Payroll	\$ 3,798,982	\$ 3,108,830
Total OPEB Liability as a percentage of Covered Employee Payroll	2.76%	3.62%

*Total OPEB Liability at the beginning of the initial period of implementation was developed by rolling back the liability from the measurement date as permitted by Q&A 4.499 of the Implementation Guide No. 2017-3. Consequently, there is no difference between expected and actual experience.

GASB requires information for 10 years. Until a full ten year trend has been compiled, only those years for which information is available has been presented. Only information for the current year is presented.

See notes to the required supplementary information.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
THE SUWANNEE RIVER WATER MANAGEMENT DISTRICT'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY AND REQUIRED CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
For the Fiscal Year Ended September 30, 2019**

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2019, are shown below (in thousands):

	FRS	HIS
Total pension liability	\$ 198,012,334	\$ 11,491,044
Plan fiduciary net position	(163,573,726)	(302,045)
	\$ 34,438,608	\$ 11,188,999
 Plan fiduciary net position as a percentage of the total pension liability	 82.61%	 2.63%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated June 30, 2019. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2018, and update procedures were used to determine liabilities as of June 30, 2019. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2013 through 2019 respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years June 30, 2015 through June 30, 2019, 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 proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable for that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. 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.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans is assumed at 2.60%. Payroll growth, including inflation, for both Plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.90%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2019:

- **FRS:** The long-term expected rate of return was decreased from 7.00% to 6.90%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.
- **HIS:** The municipal rate used to determine total pension liability was increased from 3.87% to 3.50%.

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
OTHER POST-EMPLOYMENT BENEFITS (OPEB) RETIREMENT HEALTHCARE PLAN
SEPTEMBER 30, 2019**

The District obtains an actuarial report every three years. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at September 30, 2017 that were “rolled forward” to the September 30, 2018 measurement date, with results applicable to the fiscal year ended September 30, 2019. Information about the methods and assumptions used in the actuarial valuation follows:

Valuation Date:	September 30, 2017
Measurement Date:	September 30, 2018
Roll Forward Procedures:	The Total OPEB Liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Methods and Assumptions Used to Determine Total OPEB Liability

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.83%
Initial Trend Rate FY beginning 2018	3.00%
Trend Rate for FY beginning 2019	8.00%
Ultimate Trend Rate	4.00%
Retirement Age	Varies based on several factors including plan-specific retirement eligibility provisions and experience.

Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
-----------	---

Other information:	Changes in assumptions and other inputs include the change in the discount rate from 3.50% as of the beginning of the measurement period to 3.83% as of September 30, 2018. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.
--------------------	--

As of September 30, 2017, the most recent actuarial valuation date, the Plan was unfunded. The actuarial accrued liability for benefits at September 30, 2019 was \$104,879, and the actuarial value of assets was \$-0-

The following Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

SCHEDULE OF OPEB FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL:as a % of Covered Payroll ((b-a)/c)
9-30-10	-	\$ 368,061	\$ 368,061	0.00%	\$ 3,923,952	9.00%
9-30-13	-	144,577	144,577	0.00%	3,440,300	4.00%
9-30-16	-	230,389	230,389	0.00%	3,286,394	7.00%
9-30-17	-	364,710	364,710	0.00%	3,689,893	7.00%
9-30-18	-	112,588	112,588	0.00%	3,108,830	3.62%
9-30-19	-	104,879	104,879	0.00%	3,798,982	2.76%

SCHEDULE OF OPEB EMPLOYER CONTRIBUTIONS

Year Ended September 30	Annual OPEB Expense	% Contributed	Net OPEB Obligation
2015	\$ 4,929	0%	\$ 387,168
2016	(9,196)	0%	377,972
2017	(13,262)	0%	364,710
2018	(19,920)	0%	112,588
2019	(7,709)	0%	104,879

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2019

Program Titles & Grant Numbers	CFDA/CFSA	Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients in Current Year
Federal Awards							
<i>U.S. Department of Transportation</i>							
Passed through the Florida Department of Transportation							
Highway Planning and Construction - CR241	20.205	436134-1-38-02 / G0368	14/15-194	\$ 10,000	\$ 6,304	\$ 352	\$ -
Highway Planning and Construction - CR241	20.205	436134-1-68-01/ D217-888-B/GOV57	16/17-246	1,157,612	-	1,144,991	1,142,436
Highway Planning and Construction - CR229	20.205	436119-1-38-02 / G0388	14/15-195	25,000	5,189	2,271	-
Highway Planning and Construction - CR229	20.205	436119-1-58-01/ D217-087-B/GOT03	16/17-247	937,743	221,265	420,053	420,053
Total U.S. Department of Transportation				<u>2,130,355</u>	<u>232,758</u>	<u>1,567,668</u>	<u>1,562,489</u>
<i>U.S. Department of Homeland Security</i>							
Federal Emergency Management Agency							
Hurricane Irma (Expenditures \$201,301.72 in FY17 & FY18, Reimbursement in FY19)							
Cooperating Technical Partners	97.036	Z0736		17,432	-	17,432	-
Cooperating Technical Partners	97.045	EMA-2010-CA-5083	09/10-154	1,412,500	1,411,367	-	-
Cooperating Technical Partners	97.045	EMA-2011-CA-5143	11/12-020	1,845,000	1,808,332	12,108	12,108
Cooperating Technical Partners	97.045	EMA-2012-CA-5262	11/12-134	1,220,790	1,218,480	-	-
Cooperating Technical Partners	97.045	EMA-2013-CA-5353	12/13-247	465,000	427,167	32,129	32,129
Cooperating Technical Partners	97.045	EMA-2014-CA-0264	14/15-012	627,000	397,140	170,567	170,015
Cooperating Technical Partners	97.045	EMW-2015-CA-0047	14/15-208	400,000	364,921	9,866	9,866
Cooperating Technical Partners	97.045	EMA-2016-CA-0009	15/16-061	1,088,000	114,228	166,252	166,252
Cooperating Technical Partners	97.045	EMA-2017-CA-00002	17/18-143	1,018,000	-	205,211	205,211
Cooperating Technical Partners	97.045	EMA-2018-CA-00006	17/18-257	1,718,594	-	1,045	-
Total U.S. Department of Homeland Security				<u>9,812,316</u>	<u>5,741,635</u>	<u>614,610</u>	<u>595,581</u>
Total Federal Awards				<u>\$ 11,942,671</u>	<u>\$ 5,974,393</u>	<u>\$ 2,182,278</u>	<u>\$ 2,158,070</u>

(Continued)

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended September 30, 2019

Program Titles & Grant Numbers	CFDA/CFSA	Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients in Current Year
State Financial Assistance							
<i>Executive Office of the Governor</i>							
Hurricane Irma (Expenditures \$201,301.72 in FY17 & FY18, Reimbursement in FY19)		Z0736		\$ 2,905	\$ -	\$ 2,905	\$ -
<i>Florida Department of Agriculture Services and Consumer Services</i>							
Prescribed Fire Enhancement Program	NA	025850	18/19-032	95,000	-	94,720	94,720
Total Florida Department of Agriculture Services and Consumer Services				95,000	-	94,720	94,720
<i>Department of Environmental Protection</i>							
General Revenue Fund - Environmental Resource Permitting	37.029	N/A	N/A	453,000	-	453,000	-
General Revenue Fund - Operations	37.029	N/A	N/A	2,287,000	-	2,287,000	-
Internal Improvement Trust Fund - Payments in Lieu of Taxes	37.029	N/A	N/A	352,909	-	352,909	-
Land Acquisition Trust Fund - Land Management	37.029	N/A	N/A	1,777,210	-	1,777,210	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.029	N/A	N/A	1,635,000	1,133,841	501,159	-
Land Acquisition Trust Fund - Minimum Flows and Minimum Water Levels	37.029	N/A	N/A	1,635,000	-	783,905	-
Water Management Land Trust Fund	37.029	N/A	N/A	1,744,856	1,551,543	30,177	-
Statewide Surface Water Restoration and Wastewater Projects (NRCS/SRP)	37.039	N/A	N/A	3,625,000	3,576,918	48,082	-
Total Department of Environmental Protection from Appropriations				13,509,975	6,262,302	6,233,442	-
<i>Florida Springs Initiative Grant Program</i>							
Fanning Springs Water Quality Improvement, Ph II	37.052	LP61030	15/16-097	2,000,000	186,100	5,600	21,600
Ravine and Convict Springs Restoration Projects	37.052	LP61031	15/16-111	600,000	426,487	173,513	173,513
Pot Springs Restoration Project	37.052	LP61033	16/17-046	183,600	17,359	-	-
Chiefland Nutrient Reduction Treatment Unit Replacement	37.052	LP61034	16/17-087	376,560	33,480	343,080	343,080
Otter & Hart Springs WQIP	37.052	LP61035	16/17-206	1,779,890	90,650	66,625	66,625
Fanning Springs Water Quality Improvement, Ph III	37.052	LP61036	16/17-118	3,355,100	279,600	140,699	140,699
High Springs Wastewater Collection System	37.052	LP61037	16/17-129	3,307,700	155,400	2,013,689	2,013,689
Agricultural Springs Pilot Program - Low Input Agriculture and Land Conservat	37.052	LP61038	17/18-190	5,000,000	-	123,057	123,057
Lower Suwannee Drainage Basin Aquifer Recharge	37.052	LP61039	16/17-131	2,200,000	420,936	166,468	166,468
Cow Pond Drainage Basin Aquifer Recharge	37.052	LP6103B	16/17-069	1,500,000	83,113	230,269	230,269
Dairy Wastewater System Improvement	37.052	LP6103C	16/17-119	1,500,000	247,500	294,040	294,040
Agricultural Springs Pilot Program - Advanced Water Quality Improvement Ter	37.052	LP6103D	16/17-149	1,000,000	-	190,273	190,273
Wacissa Springs Water Quality Improvement	37.052	LP6103E	16/17-130	517,500	60,304	424,394	424,394
Precision Agricultural Practices	37.052	LP6103K	17/18-030	2,000,000	233,617	115,029	115,029
Suwannee and Santa Fe River Basins Land Acquisition - Mill Creek Sink - Pha	37.052	LP6103L	17/18-041	3,500,000	1,200,000	415,576	415,576
Upper Suwannee River Regional Aquifer Recharge	37.052	LP6103M	17/18-226	2,500,000	41,105	171,241	171,241
Ichetucknee Springs and Middle Suwannee	37.052	S0675	13/14-022	5,448,000	4,989,949	162,104	162,104
Agricultural Springs Protection Projects	37.052	S0796	14/15-111	3,660,000	1,816,181	398,146	398,146
Improved Nutrient Application Practices -Dairies	37.052	S0905	15/16-057	2,120,000	838,245	626,659	626,659
Total Florida Springs Initiative Grant Program				42,548,350	11,120,027	6,060,462	6,076,462
Total Department of Environmental Protections				56,058,325	17,382,329	12,293,904	6,076,462

(Continued)

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended September 30, 2019

Program Titles & Grant Numbers	CFDA/CFSA	Award Number	WMD Contract #	Award/Contract Amount	Expenditures Recognized in Prior Years	Expenditures Recognized in Current Year	Transfers to Subrecipients in Current Year
<i>Department of Transportation</i>							
Mitigation Water Management Districts - Starke Bypass	55.031	N/A		\$ 4,065,292	\$ 3,863,628	\$ 69,737	\$ 69,737
Total State Financial Assistance				<u>60,221,522</u>	<u>21,245,957</u>	<u>12,461,265</u>	<u>6,240,918</u>
Total Federal and State Financial Assistance				<u>\$ 72,164,193</u>	<u>\$ 27,220,349</u>	<u>\$ 14,643,543</u>	<u>\$ 8,398,988</u>

See notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2019

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state award activity of Suwannee River Water Management District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Indirect Cost Rate

The District did not elect to use the 10% de minimis cost rate.

OTHER SUPPLEMENTAL INFORMATION

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
September 30, 2019

	Middle Suwannee Fund	Local Revenue Fund	Water Management Lands Trust Funds - Springs	Monitor Well Fund	Land Conservation Fund	FDOT ETDM Fund	FDOT Mitigation Fund
Assets							
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	298,518	-	169,753	531,702	43,061	40,915	451,096
Total assets	\$ 298,518	\$ -	\$ 169,753	\$ 531,702	\$ 43,061	\$ 40,915	\$ 451,096
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,402	\$ -	\$ -
Interest payable	2,571	-	-	-	-	-	-
Unearned revenue	295,947	-	166,526	-	-	-	157,094
Due to other funds	-	-	-	-	-	-	-
Total liabilities	298,518	-	166,526	-	1,402	-	157,094
Fund balances							
Nonspendable	-	-	3,227	-	723	778	8,575
Committed	-	-	-	531,702	-	-	-
Restricted	-	-	-	-	40,936	40,137	285,427
Total fund balances	-	-	3,227	531,702	41,659	40,915	294,002
Total liabilities and fund balance	\$ 298,518	\$ -	\$ 169,753	\$ 531,702	\$ 43,061	\$ 40,915	\$ 451,096

(Continued)

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (Continued)
September 30, 2019

	Minimum Flows Minimum Water Levels Fund	Suwannee River Partnership Water Use Fund	District Agricultural Cost-Share Fund	District RIVER Cost-Share Fund	FEMA Mapping Fund	Reimbursable Grants	Total Nonmajor Governmental Funds
Assets							
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ 131,685	\$ -	\$ 131,685
Due from other funds	1,048,232	959,562	3,558,756	3,054,407	-	-	10,156,002
Total assets	\$ 1,048,232	\$ 959,562	\$ 3,558,756	\$ 3,054,407	\$ 131,685	\$ -	\$ 10,287,687
Liabilities							
Accounts payable	\$ 197,137	\$ 1,839	\$ 294,528	\$ 395,881	\$ 55,105	\$ -	945,892
Interest payable	-	-	-	-	-	-	2,571
Unearned revenue	851,095	-	-	-	-	-	1,470,662
Due to other funds	-	-	-	-	76,580	-	76,580
Total liabilities	1,048,232	1,839	294,528	395,881	131,685	-	2,495,705
Fund balances							
Nonspendable	-	18,207	-	-	-	-	31,510
Committed	-	-	3,264,228	2,658,526	-	-	6,454,456
Restricted	-	939,516	-	-	-	-	1,306,016
Total fund balances	-	957,723	3,264,228	2,658,526	-	-	7,791,982
Total liabilities and fund balance	\$ 1,048,232	\$ 959,562	\$ 3,558,756	\$ 3,054,407	\$ 131,685	\$ -	\$ 10,287,687

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2019

	Middle Suwannee Fund	Local Revenue Fund	Water Management Lands Trust Fund - Springs	Monitor Well Fund	Land Conservation Fund	FDOT ETDM Fund	FDOT Mitigation Fund
Revenues							
Intergovernmental revenue	\$ 162,104	\$ -	\$ 30,177	\$ -	\$ -	\$ -	\$ 69,737
Charges for services	-	91,600	-	-	-	-	-
Interest income	-	-	4,717	-	1,668	1,023	11,410
Increase in fair value investment	-	-	3,227	-	723	778	8,575
Total revenues	162,104	91,600	38,121	-	2,391	1,801	89,722
Expenditures							
General government							
Water resource planning and monitoring	-	91,600	-	16,932	-	-	-
Acquisition, restoration and public works	166,510	-	30,488	-	6,788	1,005	81,147
Operation, maintenance of lands and works	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	7,835	-	-
Total general government expenditures	166,510	91,600	30,488	16,932	14,623	1,005	81,147
Excess (deficiency) of revenues over (under) expenditures	(4,406)	-	7,633	(16,932)	(12,232)	796	8,575
Other financing sources (uses)							
Transfers in	4,406	-	-	-	-	-	-
Transfers out	-	-	(4,406)	-	-	-	-
Total other financing sources (uses)	4,406	-	(4,406)	-	-	-	-
Net change in fund balance	-	-	3,227	(16,932)	(12,232)	796	8,575
Fund balance at beginning of year	-	-	-	548,634	53,891	40,119	285,427
Fund balance at end of year	\$ -	\$ -	\$ 3,227	\$ 531,702	\$ 41,659	\$ 40,915	\$ 294,002

Continued

SUWANNEE RIVER WATER MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2019

	Minimum Flows Minimum Water Levels Fund	Suwannee River Partnership Water Use Fund	District Agricultural Cost-Share Fund	District RIVER Cost-Share Fund	FEMA Mapping Fund	Reimbursable Grants	Total Nonmajor Governmental Funds
Revenues							
Intergovernmental revenue	\$ 1,285,064	\$ 48,082	\$ -	\$ -	\$ 597,178	\$ 1,567,668	\$ 3,760,010
Charges for services	-	-	-	-	-	-	91,600
Interest income	-	25,359	-	-	-	-	44,177
Increase in fair value investment	-	18,207	-	-	-	-	31,510
Total revenues	1,285,064	91,648	-	-	597,178	1,567,668	3,927,297
Expenditures							
General government							
Water resource planning and monitoring	1,275,084	-	-	-	597,178	-	1,980,794
Acquisition, restoration and public works	-	124,617	799,094	1,220,267	-	1,567,668	3,997,584
Operation, maintenance of lands and works	-	-	-	-	-	-	-
Capital outlay	9,980	-	-	-	-	-	17,815
Total general government expenditures	1,285,064	124,617	799,094	1,220,267	597,178	1,567,668	5,996,193
Excess (deficiency) of revenues over (under) expenditures	-	(32,969)	(799,094)	(1,220,267)	-	-	(2,068,896)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	4,406
Transfers out	-	-	-	-	-	-	(4,406)
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	-	(32,969)	(799,094)	(1,220,267)	-	-	(2,068,896)
Fund balance at beginning of year	-	990,692	4,063,322	3,878,793	-	-	9,860,878
Fund balance at end of year	\$ -	\$ 957,723	\$ 3,264,228	\$ 2,658,526	\$ -	\$ -	\$ 7,791,982

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

To the Honorable Board of Governors
of the Suwannee River Water Management District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Suwannee River Water Management District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Suwannee River Water Management District's basic financial statements, and have issued our report thereon dated February 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Suwannee River Water Management District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Suwannee River Water Management District's internal control. Accordingly, we do not express an opinion on the effectiveness of Suwannee River Water Management District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

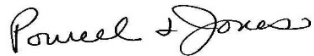
Compliance and Other Matters

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

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 22, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE OMB UNIFORM GUIDANCE

To the Honorable Board of Governors
of the Suwannee River Water Management District:

Report on Compliance for Each Major Federal Program

We have audited the Suwannee River Water Management District's compliance with the types of compliance requirements described in the *OMB Uniform Guidance* that could have a direct and material effect on each of the Suwannee River Water Management District's major federal programs for the year ended September 30, 2019. Suwannee River Water Management District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Suwannee River Water Management District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

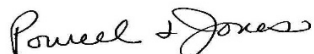
Report on Internal Control Over Compliance

Management of the Suwannee River Water Management District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Suwannee River Water Management District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Suwannee River Water Management District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 22, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, OFFICE OF THE AUDITOR GENERAL

To the Honorable Board of Governors
of the Suwannee River Water Management District:

Report on Compliance for Each Major State Project

We have audited the compliance of Suwannee River Water Management District with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance and Supplement, that could have a direct and material effect on its major State Projects for the year ended September 30, 2019. Suwannee River Water Management District's major State Projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings.

Management's Responsibility

Suwannee River Water Management District's management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major State Projects.

Auditor's Responsibility

Our responsibility is to express an opinion on Suwannee River Water Management District's compliance for each major State Project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Those standards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Suwannee River Water Management District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State Project. However, our audit does not provide a legal determination of Suwannee River Water Management District's compliance.

Opinion on Each Major State Project

In our opinion, Suwannee River Water Management District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State Projects for the fiscal year ended September 30, 2019.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

Internal Control Over Compliance

Management of Suwannee River Water Management District is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Suwannee River Water Management District's internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State Project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Suwannee River Water Management District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Pursuant to Chapter 119, *Florida Statutes*, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of Suwannee River Water Management District's management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 22, 2020

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2019**

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
• Material weakness identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable condition identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)	No

Identification of major programs:

CFDA Number

97.045

Name of Federal Programs
U.S. Department of Homeland Security
Federal Emergency Management Agency
Cooperating Technical Partners

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

**SUWANNEE RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2019**

State Financial Assistance

Internal control over major projects:

- Material weakness identified? No
- Reportable condition identified not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General*? No

<u>CSFA Number</u>	<u>Name of State Programs</u>
37.029	Land Acquisition Trust Fund
37.052	Florida Springs Initiative Grant Program

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

Financial Statement Findings

None

State Financial Assistance Findings and Questioned Costs

None

MANAGEMENT LETTER

To the Honorable Board of Governors
of the Suwannee River Water Management District:

In planning and performing our audit of the financial statements of the Suwannee River Water Management District (the District), for the year ended September 30, 2019, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we may become aware of matters that are opportunities for strengthening internal controls and operating efficiencies. In addition to furnishing information required by Chapter 10.550, *Rules of the Auditor General*, and other compliance matters, the remaining sections of this report letter discuss any such findings.

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

There were no reportable findings or recommendations in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings or recommendations during the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)5.a. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part in representations made by management and the review of financial information they provided.

Financial Emergency Status - We determined that the District had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Requirements of Sections 10.554 (1)(i) 6 b & c and 10.556(9) Rules of the Auditor General - For the fiscal year ended September 30, 2019, the District complied with the following:

- a. We have determined that the District provided monthly financial statements to its governing board and posted the monthly financial statements on its website.
- b. We determined that the District provided a link on its website to the Florida Department of

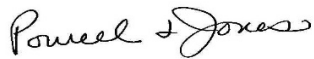
Financial Services' website to allow viewing of the District's annual financial report.

- c. We determined that the District posted its tentative and final budgets on its website.
- d. We determined that the District complied with federal and state laws, rules, regulations, contracts and grant agreements related to the receipt and expenditures of funds related to the Deep Water Horizon oil spill.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.554(1)(f).

CONCLUSION

Again, we very much enjoyed the challenges and experiences associated with this year's audit of the District. We look forward to working with you to ensure continued fiscal progress of the District's operations.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 22, 2020

INDEPENDENT ACCOUNTANT'S REPORT

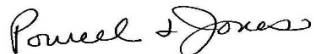
To the Honorable Board of Governors
of the Suwannee River Water Management District:

We have examined Suwannee River Water Management District's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 22, 2020

Communication with Those Charged with Governance

To the Honorable Board of Governors;
Suwannee River Water Management District

We have audited the financial statements of Suwannee River Water Management District for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Suwannee River Water Management District are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting Suwannee River Water Management District's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that

could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 22, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

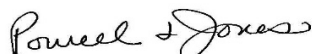
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Governors and management of Suwannee River Water Management District, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 22, 2020