COMPREHENSIVE
Annual Financial Report
Florida Governmental Utility Authority

For the Fiscal Year Ended
September 30th

2018

fgua
FLORIDA
GOVERNMENTAL
UTILITY AUTHORITY

TAB 1

Introductory Section

FLORIDA GOVERNMENTAL UTILITY AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Prepared by:

Finance Department
David DiLena, CPA, Chief Financial Officer

FLORIDA GOVERNMENTAL UTILITY AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

TABLE OF CONTENTS

	Page Number(s)
INTRODUCTORY SECTION	
Letter of Transmittal	1 – 22
Certificate of Achievement for Excellence in Financial Reporting	23
Organization Chart	24
List of Principal Officials	25
FINANCIAL SECTION	
Independent Auditors' Report	26 – 27
Management's Discussion and Analysis	28 – 42
Basic Financial Statements	
Statement of Net Position	44 – 45
Statement of Revenues, Expenditures, and Changes in Net Position	46 – 47
Statement of Cash Flows	48 – 49
Notes to Financial Statements	51 – 67
STATISTICAL SECTION	
Net Position by Component	70
Changes in Net Position	71
Summary of Ten Largest Single Water Users	72
Ratios of Outstanding Debt by Fund Type	73
Pledged Revenue Coverage	74 – 75
Demographic and Economic Statistics	76 – 77
Principal Employers	78
Operating Indicators by Function	79
Capital Asset Statistics by Function	80 – 81
SINGLE AUDIT AND OTHER REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	83 – 84
Schedule of Expenditures of State Financial Assistance	85
Notes to the Schedule of Expenditures of State Financial Assistance	86
Schedule of Findings and Questioned Costs	87
Independent Auditors' Report on Compliance for Each Major State Project and on Internal Control Over Compliance in Accordance with Chapter 10.650, Rules of the Auditor General	88 – 89

FGUA Operations Office
Government Services Group, Inc.
280 Wekiva Springs Rd., Ste 2070
Longwood, FL 32779-6026

(877) 552-3482 Toll Free
(407) 629-6900 Tel
(407) 629-6963 Fax

March 8, 2019

Chairman and Members, Board of Directors
Florida Governmental Utility Authority
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

Florida State law requires that all units of local government publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report of the Florida Governmental Utility Authority (FGUA) for the fiscal year ended September 30, 2018 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the FGUA. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the FGUA. All disclosures necessary to enable the reader to gain an understanding of the FGUA's financial activities have been included.

The Florida Governmental Utility Authority's financial statements have been audited by James Moore & Co. P.L., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Florida Governmental Utility Authority for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the Florida Governmental Utility Authority's financial statements for the Fiscal Year ended September 30, 2018, are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The Florida Governmental Utility Authority's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The FGUA exists as a legal entity and public body pursuant to Chapters 125, 163 and 166, Florida Statutes, and a First Amended and Restated Interlocal Agreement dated as of December 1, 2000, as restated, amended and supplemented from time to time (the "Interlocal Agreement") by and among various local governments located in the State of Florida. Citrus, Nassau, Polk and Sarasota counties were the original member governments. Sarasota County and Nassau County have since terminated their membership in the Authority. Osceola County joined as a member in 2003 and has since terminated its membership in the Authority. Lee County joined as a member on October 18, 2005, Pasco County joined as a member on February 27, 2008, Hendry County joined as a member on February 21, 2008, and Marion County joined as a member on November 21, 2013. The Town of Dundee joined as a member on June 12, 2007 and has since terminated membership in the Authority. Desoto County joined as a member on February 19, 2009 and terminated its membership in November 2015. Citrus County, Hendry County, Lee County, Pasco County, Polk County and Marion County are the current counties who are Members in the FGUA.

The purpose of the FGUA is to enable its members to make the most efficient use of their common power to acquire, own, improve, operate, and maintain water and wastewater facilities. Authority membership is not a prerequisite to the acquisition of property within any particular jurisdiction. As of September 30, 2018, the FGUA managed and operated 86 water systems and 32 wastewater systems located in thirteen counties in Florida. These systems are accounted for in ten separate enterprise funds, each with their own revenue bonds.

The FGUA does not have any employees. All services are provided on a contractual basis predicated on the management and operational needs of the FGUA. Overall management (including executive oversight, administration, financial management, capital planning, and construction contract supervision) is provided by Government Services Group, Inc. Daily operations, maintenance, customer service, and billing services are provided by US Water/Wade Trim, with the exception of services at MacDill AFB Utility System which are provided by US Water Services Corporation.

The FGUA began its operational and fiscal activities on the date of acquisition of five water and wastewater systems on April 15, 1999. These systems were acquired from Florida Cities Water Company and Poinciana Utilities, Inc., units of Avatar Properties, Inc. This included the Golden Gate Utility System, which was subsequently transferred to Collier County on March 1, 2018. A sixth system located in Lee County was part of the acquisition discussions but was directly purchased by Lee County on April 15, 1999. The Barefoot Bay Utility System was transferred to Brevard County in February 2000. The FGUA continued to maintain a separate enterprise fund for the Barefoot Bay Utility System until the FGUA's 1999 bond series were legally defeased in February 2018. The Sarasota Utility System was transferred to Sarasota County on August 8, 2002. On December 5, 2003, the FGUA completed the purchase of two additional utility systems from Florida Water Services Corporation, the Citrus County Utility System and the Lehigh Acres Utility System (Lee County). On March 31, 2004, the FGUA sold its Carrollwood Utility System water production wells to the Tampa Bay Water Authority and its water distribution system and wastewater collection system to Hillsborough County, ending its ownership in the Carrollwood Utility System. Continuing with the FGUA's practice to transition utility activities from the private sector to public ownership and operation, the Citrus Utility System was transitioned to Citrus County on February 15, 2007. Shortly thereafter, on April 30, 2007, the Poinciana Utility System was transitioned to the Tohopekaliga Water Authority. On February 27, 2009, the FGUA purchased the Aloha Utilities Inc. water and wastewater systems (Aloha Gardens and Seven Springs), collectively called the FGUA Pasco Utility Systems. On December 23, 2009, the FGUA acquired the Consolidated Utility Systems. On March

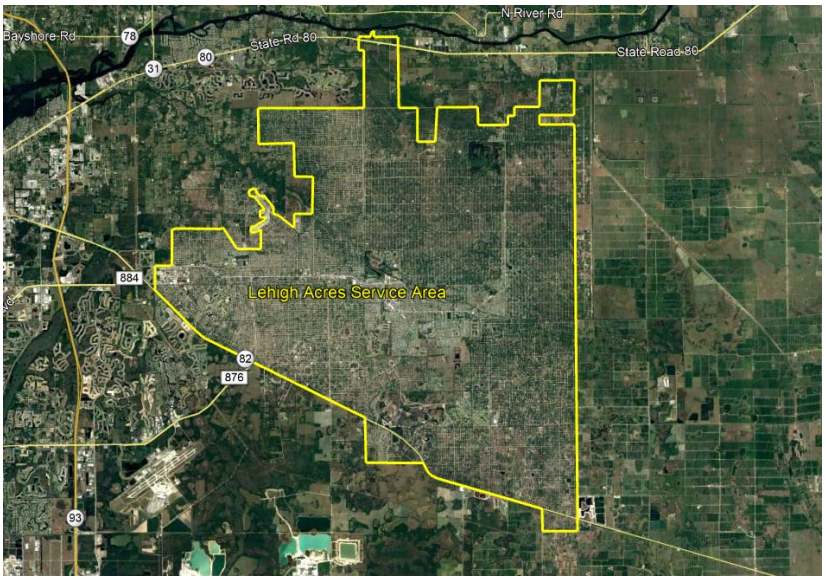
10, 2010, the FGUA acquired the Lindrick Utility System and on July 29, 2010, the FGUA acquired the North Fort Myers Utility System. On June 17, 2010, the Authority accepted and approved a contract with the United States Government for the acquisition of the water and wastewater utility facilities at MacDill Air Force Base (AFB). The effective date of this acquisition was March 1, 2011, after the transition period which ended February 28, 2011. On June 28, 2012, the FGUA acquired the Mad Hatter and Paradise Lakes Utility Systems which are located in Pasco County, and combined them into the FGUA's Consolidated Utility Systems enterprise fund. On March 28, 2013, the FGUA acquired certain water and wastewater utility assets owned by Aqua Utilities Florida, Inc. and Crystal River Utilities, Inc. located in Pasco, Lake, Alachua, Citrus, Hardee, Lee, Marion, Orange, Polk, Seminole, Volusia and Putnam Counties, Florida. These systems were separated into three separate enterprise funds; Lake Aqua Utility System, Pasco Aqua Utility System, and Unified Aqua Utility System. As of September 30, 2018, the FGUA consisted of 118 water and wastewater systems located in thirteen counties in Florida. The systems are grouped into ten enterprise funds, primarily on a geographic basis. There is also a Non-System Specific enterprise fund for the other minor contractual services provided by the FGUA.

BACKGROUND INFORMATION ON ENTERPRISE FUNDS

LEHIGH ACRES UTILITY SYSTEM

SERVICE AREA

Lehigh Acres is in the Eastern portion of Lee County, Florida, located east of State Road 82 and south of State Road 80. Fort Myers is the largest population center located due west of Lehigh Acres. Lehigh Acres occupies approximately 94.9 square miles of developed residential and light commercial property. The majority of properties are zoned single family residential. Duplex residential and light commercial properties are located along the main roadways. Less than 50 percent of Lehigh Acres is served by public water service, with 38 percent served by central wastewater service. The Florida Governmental Utility Authority has utility service primarily along three major roadway corridors, Lee Boulevard running east and west, Homestead Road running southwest and Joel Boulevard running north and south. Both old and new planned neighborhoods are scattered along these roadways and typically have water and wastewater service.



WATER SYSTEM

The Lehigh Acres water system consists one (1) 3.10 MGD water treatment plant (WTP), thirteen (13) production wells, two (2) booster stations, and an interconnect with the city of Fort Myers which allows for up to 2.0 MG peak daily flow.

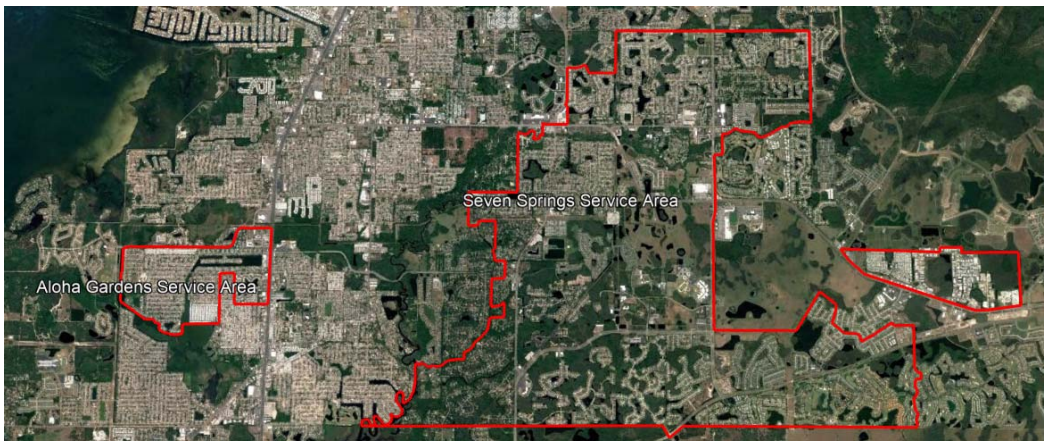
WASTEWATER SYSTEM

The Lehigh Acres wastewater system consists of one (1) wastewater treatment plant (WWTP) with a permitted capacity of 3.0 MGD AADF / 4.30 MGD TMADF, a deep injection well (DIW) with a permitted disposal capacity of 18.6 MGD, collection and transmission mains, and lift stations. The system provides reclaimed water to three (3) major users (golf courses) and is permitted for 2.56 MGD AADF.

PASCO UTILITY SYSTEM

SERVICE AREA

The physical facilities of the Pasco Utility System are located in two distinct service areas, the Aloha Gardens service area and the Seven Springs service area. The Pasco Utility systems are located in Pasco County, immediately north of Pinellas and Hillsborough Counties, with the Aloha Gardens service area west of U.S. Highway 19 and the Seven Springs service area to the east of U.S. Highway 19.



WATER SYSTEM

Aloha Gardens - The Aloha Gardens water system consists of one (1) production well with a permitted withdrawal limit of 0.123 MGD AADF, associated disinfection system, and a hydro tank. The Aloha Gardens system purchases additional water from Pasco County through three (3) interconnects.

Seven Springs - The Seven Springs water system consists of one (1) centralized WTP with a permitted treatment capacity of 2.90 MGD and includes seven (7) production wells. The Seven Springs water system is also interconnected with Pasco County and is required to purchase all water beyond its Water Use Permit limit of 2.289 MGD AADF.

WASTEWATER SYSTEM

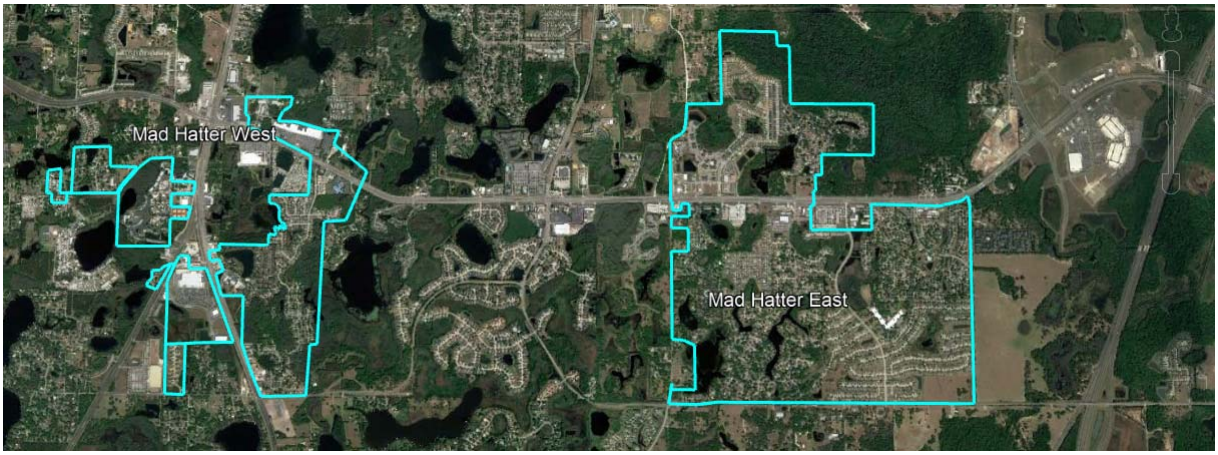
Aloha Gardens - The Aloha Gardens wastewater system consists of twelve (12) lift stations and the associated collection and transmission system. All wastewater from the Aloha Gardens service area is sent to Pasco County for treatment and disposal through a bulk service agreement.

Seven Springs - The Seven Springs wastewater system consists of one (1) wastewater treatment plant with a permitted capacity of is a 2.5 MGD AADF, and sixty-six (66) lift stations. The system provides reclaimed water to residential and commercial customers and is permitted for 3.089 MGD AADF

CONSOLIDATED UTILITY SYSTEM

SERVICE AREA

The Consolidated Utility System is comprised of ten (10) small service areas: Anclote, Angus Valley, Colonial Manor, Dixie Groves, Virginia City, Westwood, Mad Hatter East (Carpenters Run, Turtle Lakes, and Twin Palms), Mad Hatter West (Foxwood Lakes and Cypress Cove), Linda Lakes and Paradise Lakes. These systems are geographically spread throughout Hillsborough County, Pasco County and Pinellas County and collectively make up the Consolidated Utility System.



WATER SYSTEM

The Consolidated water system consists of ten (10) separate small water systems. Eight (8) of these systems (Angus Valley, Dixie Groves, Virginia City, Westwood, Mad Hatter East, Mad Hatter West, Linda Lakes, and Paradise Lakes) have small WTPs with permitted withdrawal limits ranging from 0.029 MGD AADF (Westwood) to 1.00 MGD AADF (Mad Hatter East/West). The water systems generally consist of one (1) or two (2) production wells, associated disinfection systems, and small hydro tanks. Two (2) of the water systems (Anclote and Colonial Manor) are interconnected with neighboring utilities and all water is purchased. A complete listing of these facilities and associated capacities is shown on Table 1.

WASTEWATER SYSTEM

The Consolidated wastewater system consist of one (1) WWTP with a permitted capacity of 0.020 MGD TMRADF, collection and transmission mains and lift stations. The WWTP only serves the Linda Lakes community and all other wastewater from the Mad Hatter East, Mad Hatter West and Paradise Lakes wastewater systems are sent to Pasco County via an interconnect for treatment and disposal.

Anclote, Angus Valley, Colonial Manor, Dixie Groves, Virginia City and Westwood are water only systems and have no wastewater facilities.

LINDRICK UTILITY SYSTEM

SERVICE AREA

The Lindrick service area is comprised of approximately 3.24 square miles and consists of a population of approximately 4,600 people. The majority of the Lindrick service area is located west of US-19 on Florida's Gulf of Mexico coastline, extending from Trouble Creek Road to Green Key Road, which includes the Shamrock Height Subdivision.

WATER SYSTEM

The Lindrick water system consists of six (6) production wells (No. 2, 3, 4, 5, 6, 8) with a combined permitted withdrawal limit of 870,000 GPD AADF. Wells No. 1 and 7 are currently out of service. Water from all wells is conveyed to a centralized WTP located at the Well No. 1 site. This centralized WTP has a design capacity of 1.944 MGD. There are also two (2) emergency bulk water interconnects with the city of New Port Richey which are available to supplement water supply when needed.

WASTEWATER SYSTEM

The Lindrick wastewater collection system consists of approximately 550 manholes, 137,500 feet of gravity sewer and eighteen (18) lift stations. All wastewater is sent to the city of New Port Richey WWTP for treatment and disposal under a Bulk Wastewater Treatment Agreement. The current agreement is in effect until July 1, 2021 and allows up to 700,000 gallons per day of treatment capacity.

MACDILL AIR FORCE BASE UTILTIY SYSTEM

SERVICE AREA

The MacDill Air Force Base (AFB) is located eight miles south of downtown Tampa on the Southwestern tip of the interbay Peninsula on the west coast of Florida. The AFB privatized utilities in 2011 and ownership of all water and wastewater system assets transferred to the FGUA. The FGUA now has the primary responsibility in operating and maintaining the system.

WATER SYSTEM

The MacDill AFB purchases treated water from the city of Tampa Water Department through three interconnections. The MacDill AFB water system consists of treatment facilities, water storage tanks, the transmission/distribution system, along with associated pumps, valves and appurtenances. The water system is well designed with multiple supply points, effective system looping, and sufficient storage capacity.

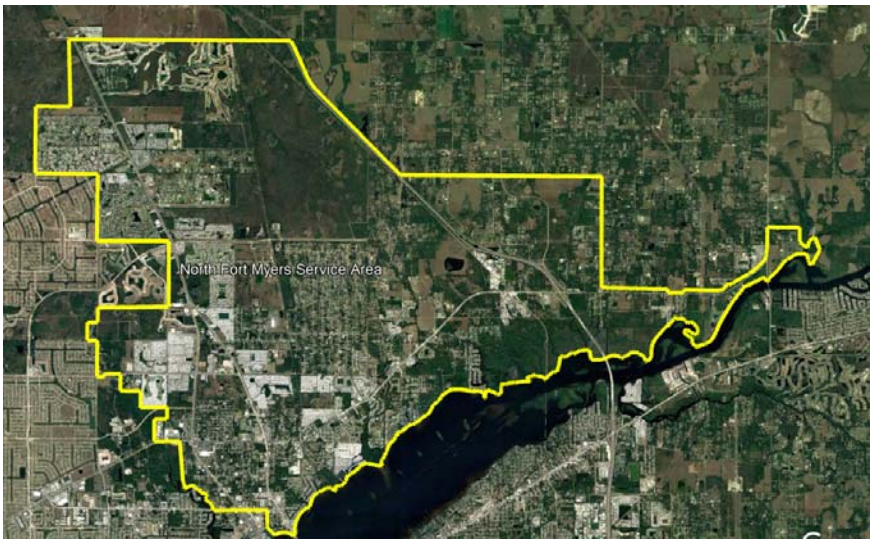
WASTEWATER SYSTEM

The MacDill AFB wastewater system consists of one (1) wastewater treatment plant (WWTP) with a permitted capacity 1.20 MGD AADF, collection and transmission mains, lift stations, an effluent disposal system and a biosolids disposal system. The system provides reclaimed water to two (2) major users (golf courses) located at the AFB.

NORTH FORT MYERS UTILITY SYSTEM

SERVICE AREA

The North Fort Myers service area is located immediately north of Caloosahatchee River in Lee County, mainly between Interstate 75 and US 41. The service area occupies approximately 39 square miles and is comprised of single family and multi-family residential, light commercial, and undeveloped properties. The North Fort Myers service area is mainly a wastewater system due to the fact that Lee County serves potable water to a large portion of the North Fort Myers service area but FGUA does supply water to two small water systems (Pine Lakes and Lake Fairways).



WATER SYSTEM

The water system consists of two (2) small separate systems: Pine Lakes and Lake Fairways. The Pine Lakes water system is supplied by Lee County through an interconnect. The Lake Fairways water system consists of two (2) production wells with a permitted withdrawal limit of 37 MG annually (0.101 MGD). Raw water from the wells is conveyed to a centralized WTP located inside the community. Both Pine Lakes and Lake Fairways systems are built out with no future development expected.

WASTEWATER SYSTEM

The North Fort Myers system is served by two (2) separate collection and treatment facilities, the Del Prado WWTP and the Lake Fairways WWTP.

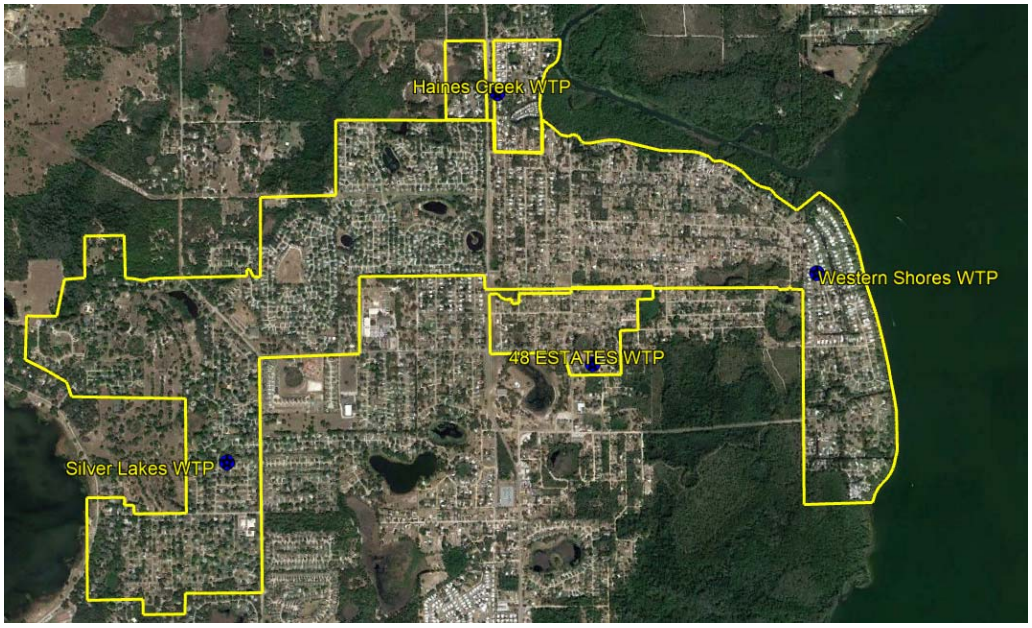
Del Prado - The Del Prado wastewater system consist of one (1) WWTP with a permitted capacity of 4.25 MGD AADF, a deep injection well (DIW) with a permitted disposal capacity of 4.87 MGD maximum daily flow, collection and transmission mains, and lift stations. The system provided reclaimed water to seven (7) major users (golf courses, and landscape irrigation for developments) and is permitted for 5.251 MGD AADF.

Lake Fairways - The Lake Fairways wastewater system consists of one (1) WWTP with a permitted capacity of 0.300 MGD AADF, collection and transmission mains, and lift stations. The system provides reclaimed water to one (1) major user (Pine Lakes golf course).

LAKE AQUA UTILITY SYSTEM

SERVICE AREA

FGUA currently owns and operates twenty-five (25) water systems and eight (8) wastewater systems in Lake County, Florida. These systems are geographically scattered across Lake County and collectively make up the Lake Aqua Utility System.



WATER SYSTEM

The Lake Aqua water system consist of approximately twenty-five (25) separate water systems and associated WTPs. Most of the water systems are relatively small, with sixteen (16) systems serving 200 connections or less, eight (8) systems serving 200 to 500 connections, and the largest system in the group (Silver Lake Estates) serving approximately 1,100 connections. The water systems generally consist of one (1) or two (2) production wells, associated disinfection systems, and small hydro tanks. Most are permitted by the Florida Department of Environmental Protection and have a Consumptive Use Permit (CUP) from the St. Johns River Water Management District (SJRWMD). A complete listing of these facilities and associated capacities is shown on Table 1.

WASTEWATER SYSTEM

The Lake Aqua wastewater system consists of eight (8) separate wastewater systems, seven (7) wastewater treatment plants (WWTPs) which range in permitted capacity from 0.020 MGD AADF (Morningview) to 0.080 MGD AADF (Valencia Terrace), collection and transmission mains, and lift stations. Effluent disposal at the facilities generally consists of rapid infiltration basins or permitted reuse facilities using sprayfields. A complete listing of these facilities and associated capacities is shown on Table 2.

PASCO AQUA UTILITY SYSTEM

SERVICE AREA

The Pasco Aqua service area is comprised three (3) separate service areas: Jasmine Lakes, Palm Terrace and Zephyr Shores. These systems are geographically scattered across Pasco County and collectively make up the Pasco Aqua Utility System.

WATER SYSTEM

Jasmine Lakes - The Jasmine Lakes water system consists of four (4) production wells with a combined permitted withdrawal limit of 318,700 GPD AADF. Water from all wells is conveyed to a centralized WTP located at 7612 Pineapple Lane for treatment and subsequent distribution.

Palm Terrace - The Palm Terrace water system is a consecutive water system that purchases all of its water from Pasco County Utilities via an interconnect.

Zephyr Shoes - The Zephyr Shores water system consists of one (1) production well, associated disinfection system, and a small hydro tank. There is also an emergency bulk water interconnect with Pasco County which can supplement water supply when needed.

WASTEWATER SYSTEM

Jasmine Lakes - The Jasmine Lakes wastewater system consists of one (1) wastewater treatment plant (WWTP) with a permitted capacity of 0.370 MGD TMRADF, associated collection and transmission mains, and lift stations. The WWTP is limited to 0.308 MGD AADF due to limited effluent disposal.

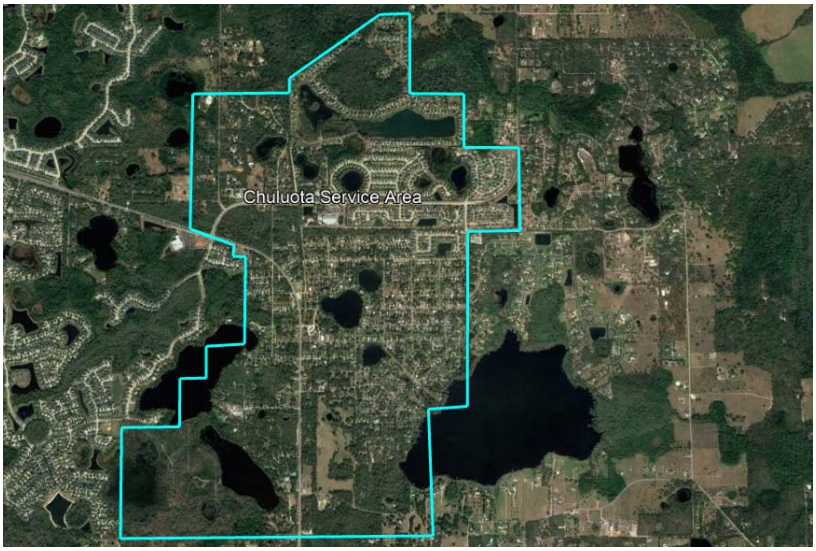
Palm Terrace - The Palm Terrace wastewater collection system consists of one (1) wastewater treatment plant with a permitted capacity of 0.130 MGD AADF, associated collection and transmission mains, and lift stations.

Zephyr Shores - The Zephyr Shores wastewater system consists of collection and transmission mains and lift stations. All wastewater is conveyed to Pasco County via an interconnect for treatment and disposal

UNIFIED AQUA UTILITY SYSTEM

SERVICE AREA

FGUA currently owns and operates forty-four (44) water systems and thirteen (13) wastewater systems located throughout various Florida counties including: Alachua, Citrus, Hardee, Lee, Marion, Orange, Polk, Putnam, Seminole, and Volusia Counties. These systems are geographically spread throughout Florida and collectively make up the Unified Aqua Utility System.



WATER SYSTEM

The Unified Aqua water system consists of forty-four (44) separate water systems. Permitted capacities for the water systems range from a minimum of 21,096 gpd (Palm Port) to a maximum of 540,000 gpd (Chuluota). Twelve (12) of the water systems do not have consumptive use permits due either to the smaller size of their system or because the facility purchases water from a neighboring utility.

Most of the water facilities are relatively small with thirty-five (35) systems serving 200 connections or less, eight (8) serving between 200 and 850 connections, and the largest system in the group (Chuluota) serving approximately 1,500 connections. The water systems generally consist of one (1) or two (2) production wells, associated disinfection systems, and small hydro tanks. Most are permitted by the Florida Department of Environmental Protection and have a Consumptive Use Permit (CUP) from one of the Florida Water Management Districts (WMDs). A complete listing of these facilities and associated capacities is shown on Table 1.

WASTEWATER SYSTEM

The Unified Aqua wastewater system consists of thirteen (13) separate wastewater systems, ten (10) wastewater treatment plants (WWTPs) which range in permitted capacity from 12,000 gpd (Silver Lake Oaks) to 264,000 gpd (South Seas), collection and transmission mains, and lift stations. Three (3) of the wastewater systems (Beecher's Point, Florida Central Commerce Park and Lake Gibson) pump flows to neighboring utilities via interconnects for treatment and disposal. A complete listing of these facilities and associated capacities is shown on Table 2.

TABLE 1 - WATER SYSTEMS

System	Subsystem	Notes on Permitted Capacity	Permitted Capacity (MGD)
Consolidated	Anclote	Purchased Water (Interconnect)	N/A
Consolidated	Angus Valley	WUP Limit	0.145
Consolidated	Colonial Manor	Purchased Water (Interconnect)	N/A
Consolidated	Dixie Groves	WUP Limit	0.054
Consolidated	Virginia City	WUP Limit	0.083
Consolidated	Westwood	WUP Limit	0.029
Consolidated	Paradise Lakes	WUP Limit	0.077
Consolidated	Linda Lakes	No WUP	N/A
Consolidated	Mad Hatter (East and West)	WUP Limit	1.000
Golden Gate	Golden Gate	Plant Design Capacity	2.099
Lake Aqua	48 Estates	Plant Design Capacity	0.057
Lake Aqua	Carlton Village	WUP Limit	0.118
Lake Aqua	East Lake Harris Est.	WUP Limit	0.033
Lake Aqua	Fairways at Mt. Plymouth	WUP Limit	0.232
Lake Aqua	Fern Terrace	WUP Limit	0.048
Lake Aqua	Friendly Center		N/A
Lake Aqua	Grand Terrace	WUP Limit	0.041
Lake Aqua	Haines Creek	WUP Limit	0.006
Lake Aqua	Hobby Hills	WUP Limit	0.027
Lake Aqua	Holiday Haven	Interconnect	N/A
Lake Aqua	Imperial Terrace	WUP Limit	0.030
Lake Aqua	King's Cove	WUP Limit	0.136
Lake Aqua	Morningview	WUP Limit	0.013

Lake Aqua	Palms MHP	WUP Limit	0.022
Lake Aqua	Picciola	WUP Limit	0.052
Lake Aqua	Piney Woods & Spring Lk Manor	WUP Limit	0.066
Lake Aqua	Quail Ridge	WUP Limit	0.027
Lake Aqua	Ravenswood	WUP Limit	0.017
Lake Aqua	Silver Lake Estates	WUP Limit	0.629
Lake Aqua	Skycrest	WUP Limit	0.028
Lake Aqua	Stone Mountain	WUP Limit	0.014
Lake Aqua	Summit Chase	WUP Limit	0.058
Lake Aqua	Valencia Terrace	WUP Limit	0.117
Lake Aqua	Venetian Village	WUP Limit	0.048
Lake Aqua	Western Shores	Interconnect w/ Silver Lakes Estates	N/A
Lehigh Acres	Lehigh Acres	Plant Design Capacity	3.100
Lindrick	Lindrick	WUP Limit	0.870
Lindrick	Lindrick	Plant Design Capacity	1.944
MacDill AFB	MacDill AFB	Interconnect w/ CTWD	N/A
North Fort Myers	Lake Fairways	WUP limit	0.101
North Fort Myers	Lake Fairways	Plant Design Capacity	0.200
Pasco Aqua	Jasmine Lakes	WUP Limit	0.318
Pasco Aqua	Palm Terrace	Interconnect	N/A
Pasco Aqua	Zephyr Shores	WUP Limit	0.036
Pasco	Aloha Gardens	WUP Limit	0.123
Pasco	Aloha Gardens	Purchased Water (Interconnect)	N/A
Pasco	Seven Springs	WUP Limit	2.289
Pasco	Seven Springs	Purchased Water (Interconnect)	N/A
Unified Aqua	Arredondo Estates	WUP Limit	0.068

Unified Aqua	Beecher's Point	Interconnect w/ town Welaka	0.025
Unified Aqua	Belleair	Plant Design Capacity (No WUP)	N/A
Unified Aqua	Belleview Hills & JA	Interconnect	N/A
Unified Aqua	Belleview Hills Est.	WUP Limit	0.092
Unified Aqua	Breeze Hill	WUP Limit	0.054
Unified Aqua	Castle Lake	Plant Design Capacity (No WUP)	0.167
Unified Aqua	Chappell Hills	Plant Design Capacity (No WUP)	0.065
Unified Aqua	Chuluota	WUP Limit	0.540
Unified Aqua	Fairfax Hills	Plant Design Capacity (No WUP)	0.100
Unified Aqua	Gibsonia	WUP Limit	0.075
Unified Aqua	Harmony Homes	WUP Limit	0.023
Unified Aqua	Hawk's Point	WUP Limit	0.042
Unified Aqua	Hermit's Cove & St. John's Highlands	Plant Design Capacity (No WUP) (St. John's Highlands is interconnected with Hermits Cove)	0.130
Unified Aqua	Interlachen & Park Manor	WUP Limit (Park Manor is interconnected with Interlachen)	0.056
Unified Aqua	Jungle Den	Interconnect	N/A
Unified Aqua	Kenwood North	Plant Design Capacity (No WUP)	0.115
Unified Aqua	Lake Gibson	WUP Limit	0.243
Unified Aqua	Marion Hills	Plant Design Capacity (No WUP)	0.036
Unified Aqua	Meadows, The	Plant Design Capacity (No WUP)	0.160
Unified Aqua	Ocala Oaks & 49th St.	WUP Limit (49th St. is interconnected with Ocala Oaks)	0.286
Unified Aqua	Orange Hill & Sugar Creek	WUP Limit (Orange Hill & Sugar Creek are interconnected)	0.071
Unified Aqua	Palm Port	WUP Limit	0.021
Unified Aqua	Peace River	Plant Design Capacity (No WUP)	0.129
Unified Aqua	Pine Valley	Plant Design Capacity (No WUP)	0.044

Unified Aqua	Pomona Park	Plant Design Capacity (No WUP)	0.170
Unified Aqua	Ridge Meadows	Plant Design Capacity (No WUP)	0.130
Unified Aqua	River Grove	Interconnect	0.030
Unified Aqua	Rosalie Oaks	Plant Design Capacity (No WUP)	0.125
Unified Aqua	Saratoga Harbor	Plant Design Capacity (No WUP)	0.158
Unified Aqua	Welaka	Plant Design Capacity (No WUP)	0.086
Unified Aqua	Silver Lake Oaks	Plant Design Capacity (No WUP)	0.032
Unified Aqua	Tangerine	WUP Limit	0.127
Unified Aqua	Tomoka View	WUP Limit	0.053
Unified Aqua	Twin Rivers	WUP Limit	0.022
Unified Aqua	Village Water	Interconnect	N/A
Unified Aqua	West Citrus	Plant Design Capacity (No WUP)	0.072
Unified Aqua	West View	Plant Design Capacity (No WUP)	0.050
Unified Aqua	Woodberry Forest	Interconnect	N/A
Unified Aqua	Wootens	Plant Design Capacity (No WUP)	0.036

TABLE 2 - WASTEWATER SYSTEMS

System	Subsystem	Permitted Capacity (MGD) AADF	Permitted Capacity TMADF	Capacity Notes
Consolidated	Linda Lakes	N/A	0.020	
Golden Gate	Golden Gate	1.500	1.800	
Lake Aqua	Fairways at Mt. Plymouth	0.075	N/A	
Lake Aqua	Holiday Haven	0.025	N/A	
Lake Aqua	King's Cove	0.055	N/A	
Lake Aqua	Morningview	0.020	N/A	
Lake Aqua	Summit Chase	0.054	N/A	
Lake Aqua	Valencia Terrace	0.080	N/A	
Lake Aqua	Venetian Village	0.036	N/A	
Lehigh Acres	Lehigh Acres	3.000	4.300	
Lindrick	Lindrick	0.700	N/A	BULK AGREEMENT
MacDill AFB	MacDill AFB	1.200	N/A	
North Fort Myers	Del Prado	4.250	4.800	
North Fort Myers	Lake Fairways	0.300	N/A	
Pasco Aqua	Jasmine Lakes	0.308	N/A	
Pasco Aqua	Palm Terrace	0.130	N/A	
Pasco Aqua	Zephyr Shores	N/A	N/A	BULK AGREEMENT
Pasco	Seven Springs	2.500	N/A	
Pasco	Aloha Gardens	N/A	N/A	BULK AGREEMENT
Unified Aqua	Beecher's Point	0.014	N/A	BULK AGREEMENT

Unified Aqua	Breeze Hill	N/A	0.040	
Unified Aqua	Chuluota	0.150	N/A	
Unified Aqua	Fl. Cent. Comm. Pk.	N/A	N/A	BULK AGREEMENT
Unified Aqua	Jungle Den	0.021	N/A	
Unified Aqua	Lake Gibson	N/A	N/A	BULK AGREEMENT
Unified Aqua	Palm Port	0.030	N/A	
Unified Aqua	Park Manor	0.015	N/A	
Unified Aqua	Peace River	N/A	0.040	
Unified Aqua	Rosalie Oaks	N/A	0.040	
Unified Aqua	Silver Lake Oaks	0.012	N/A	
Unified Aqua	South Seas	0.264	N/A	
Unified Aqua	Village Water	0.045	0.075	

ECONOMIC CONDITION

The information presented in the financial statement is perhaps best understood when it is considered from the broader perspective of the specific environment within which the FGUA utility systems are located.

Both the Lehigh Acres Utility System and the North Fort Myers Utility System are located in Lee County, which had been one of the fastest growing regions in the nation until the downturn in the housing market in 2007. According to data from the Florida Legislature Office of Economic and Demographic Research, Lee County's population was anticipated to increase from 618,754 in 2010 to 698,468 in 2017, an increase of 12.9%. The number of housing units permitted in Lee County increased from a six-year average beginning in 2010 of 3,176 to 5,417 in 2016. The unemployment rate continued to decline from the peak of 12.6% in 2010 to 3.6% in 2017. Recent foreclosure information suggests that the housing market continues to improve. Personal bankruptcy filings also improved from 1.89 per 1,000 of population in 2016 to 1.55 per 1,000 of population as of March 31, 2017. The two Lee County systems have a significant amount of undeveloped land for future growth and expansion.

The Pasco, Lindrick, Consolidated and Pasco Aqua Utility Systems are located in Pasco County. According to data from the Florida Legislature Office of Economic and Demographic Research, Pasco County's population was anticipated to increase from 464,697 in 2010 to 505,709 in 2017, an increase of 8.8%. The number of housing units permitted in Pasco County increased from a six-year average beginning in 2010 of 1,958 to 3,905 in 2016. The unemployment rate continued to decline from the peak of 11.9% in 2010 to 5.2% in 2017. Personal bankruptcy filings continued to improve from 2.53 per 1,000 of population in 2016 to 2.26 per 1,000 of population as of March 31, 2017. Again, recent data suggests an improvement in market conditions. Portions of the FGUA service areas in Pasco County (Seven Springs) have significant potential for future growth and development, while others have limited growth opportunities.

The Lake Aqua Utility Systems are located in Lake County. The FGUA service area within Lake County is largely built out and has limited growth opportunities. According to data from the Florida Legislature Office of Economic and Demographic Research, Lake County's population was anticipated to increase from 297,047 in 2010 to 335,396 in 2017, an increase of 12.9%. The number of housing units permitted in Lake County increased from a six-year average beginning in 2010 of 1,501 to 3,966 in 2016. The unemployment rate continued to decline from the peak of 11.8% in 2010 to 3.4% in 2017. Personal bankruptcy filings continued to improve from 2.72 per 1,000 of population in 2016 to 2.44 per 1,000 of population as of March 31, 2017.

The Unified Aqua Utility System is spread throughout 10 different Florida Counties. The majority of the customers are located within Seminole County and Polk County. According to released data from the Florida Legislature Office of Economic and Demographic Research, Florida's population is anticipated to increase annually by 347,468 from 2017 to 2020. The number of housing units permitted in Florida is back in positive territory, showing continued strong growth throughout the State. The unemployment rate continued to decline from the peak of 10.5% in 2010 to 3.7% as of December 2017.

INTERNAL CONTROL

In developing and evaluating the FGUA's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (a) the cost of a control should not exceed the benefits likely to be derived there from; and (b) the evaluation of costs and benefits requires estimates and judgments by management. We believe all internal control evaluations occur within the above framework and that the FGUA's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROL

The FGUA maintains a system of budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The FGUA also maintains an encumbrance system as one method of maintaining budgetary control. Encumbered amounts lapse at year end; however, outstanding encumbrances are re-appropriated as part of the following year's budget.

The budget process begins in the spring, when the staff develops proposed capital projects and operating budgets, with input from the Capital Program and Operations Managers and the Contract Operator. A planning meeting by the Board of Directors and senior staff is conducted in February or March of each year and is used to establish or update long-range system goals. Detailed budgets are presented by staff to the Systems Manager in late May. The System Manager's budget is forwarded to the Board of Directors in June. Any adjustments to the budget, to include public hearings for any necessary rate changes, are typically conducted in August and September. The Board of Directors approves the final budget at a public hearing in September for the new fiscal year that begins October 1.

As demonstrated by the statements and schedules included in the financial section of this report, the FGUA meets its responsibility for sound financial management.

FACTORS AFFECTING FINANCIAL CONDITION

Capital Improvement Program – The FGUA has adopted a five-year Capital Improvement Program (CIP) for the years 2019 to 2023, which outlines additions and improvements to its utility systems. The FGUA reviews and updates this five-year plan annually, authorizing appropriations for those projects scheduled to be started during the ensuing fiscal year. The cost of all new projects for fiscal year 2019 is approximately $21.4 million and is estimated to total $65 million for the fiscal years 2019 – 2023. The CIP for each system is segregated into five major program areas, as follows:

Wastewater Collection – This program calls for improvements to existing wastewater lines as well as the addition of new lines as the customer base increases. This program also calls for renewal of the existing system by repairing lines that allow infiltration/inflow and the rehabilitation of lift stations.

Wastewater Treatment Facilities/Disposal – This program seeks to increase existing capacity as well as upgrade existing facilities. The objectives of this program are to promote use of reclaimed water, protect the environment, ensure that treatment capacity is available for growth, and ensure that facilities are in compliance with regulations of the United States Environmental Protection Agency and the State of Florida Department of Environmental Protection.

Water Treatment Facilities (Water Production/Treatment) – This program ensures that the FGUA is able to deliver water to its customers during peak periods by expanding current production capabilities. This program also includes a comprehensive renewal program which provides for maintenance of water tanks, well pump facilities, well power systems, and filtration equipment.

Water Distribution – This program calls for improvements to existing water lines as well as the addition of new lines as the customer base increases.

Meters – In order to maintain accurate water usage data for appropriate billing and reporting, the FGUA replaces a certain number of meters each year. Most residential meters are replaced at ten years of age. Larger meters need to be replaced more frequently. The FGUA is completing the replacement of manual read meters with electronic read meters in five of the major utility systems. Replacements began in the spring of 2017 and are expected to be completed in all five of these systems by the spring of 2019.

Large Capital Projects – Specific project cost centers are created for special large projects as needed.

The successful implementation of FGUA's Capital Improvement Program calls for a portion of funding to be provided through existing balances of construction funds from bonds, with the remaining amounts to be funded from operating revenues and impact fees.

The MD&A describes the major changes in capital asset balances. Note 6 shows the increases and decreases for the FGUA in a summarized format. The adopted budget has details of the large capital projects for each enterprise fund and can be found at: https://www.fgua.com/about-us/finance/budgets/budget-documents/

FINANCIAL POLICIES

In January 2009, the FGUA Board approved a Net Asset (Working Capital) Policy in order to maintain and improve financial stability and manage its financial resources for its various enterprise funds to: (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain the highest possible investment grade bond ratings, (3) position properly for significant economic downturns or revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies.

The FGUA's investment policy is designed to minimize credit and market risk while maintaining a competitive yield on its investments. As of the end of the Fiscal Year all deposits were entirely covered by either federal depository insurance or pooled collateral held by the State Treasurer pursuant to Chapter 280, Florida Statutes.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a sixteenth consecutive Certificate of Achievement for Excellence in Financial Reporting to the Florida Governmental Utility Authority for its Comprehensive Annual Financial Report for the fiscal year ending September 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial staff. Appreciation is expressed to all those who assisted and contributed to its preparation and to the Board for its interest and support in planning and conducting the operations of the FGUA in a responsible manner.

Respectfully submitted,

Stephen M. Spratt, System Manager

David M. DiLena, CPA Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

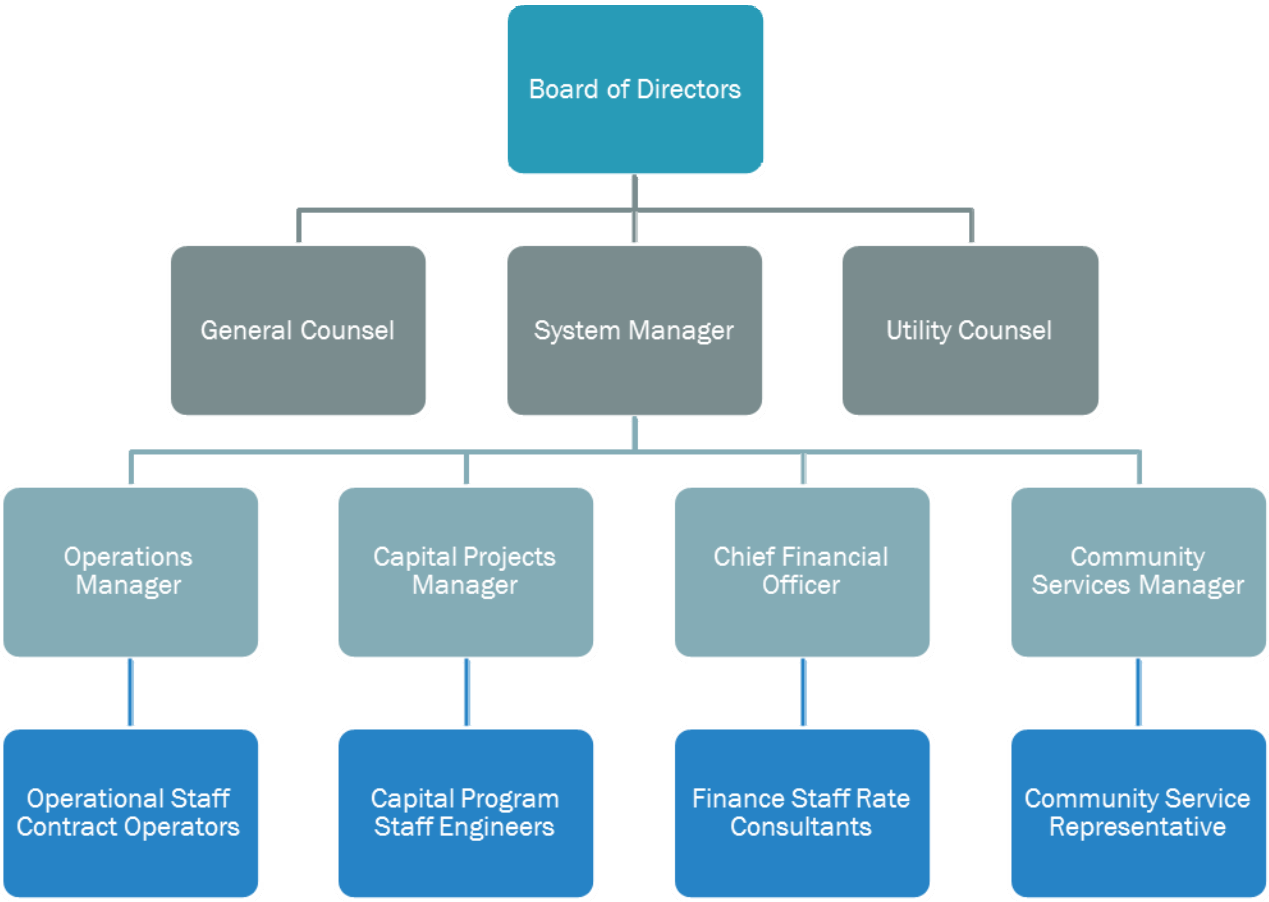
Florida Governmental Utility Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO


Board of Directors
General Counsel
System Manager
Utility Counsel
Operations Manager
Capital Projects Manager
Chief Financial Officer
Community Services Manager
Operational Staff Contract Operators
Capital Program Staff Engineers
Finance Staff Rate Consultants
Community Service Representative

List of Principal Officials

Board Members

Name	Local Government	Title
Lea Ann Thomas, Chair	Polk County	Deputy County Manager
Marjorie Craig (Alternate)	Polk County	Utilities Director
James Cheek, P.E., Vice Chair	Citrus County	Director of Water Resources Department
Christina Malmberg (Alternate)	Citrus County	Water Resources Department
Michael Carballa, P.E., BCEE	Pasco County	Assistant County Administrator
Robert J. Sigmond (Alternate)	Pasco County	Fiscal and Business Services Director
Doug Muerer, P.E.	Lee County	Assistant County Manager, Public Works
Pam Keyes, P.E. (Alternate)	Lee County	Utilities Director
Shane Parker, P.E., Vice Chair	Hendry County	County Engineer
Angel Roussel, P.E.	Marion County	Director of Marion County Utilities
Bob Titterington (Alternate)	Marion County	Utility Director - Engineering

Systems Manager

Government Services Group, Inc.
Stephen Spratt, Vice President
David M. DiLena, CPA, Chief Financial Officer

General Counsel

Pennington, P.A.
John C. Pelham

Utility Counsel

Nabors, Giblin & Nickerson, P.A.
Heather Encinosa

Bond Counsel

Nabors, Giblin & Nickerson, P.A.
Chris Traber

Rate Consultant

Public Resources Management Group, Inc.
Robert J. Ori, President

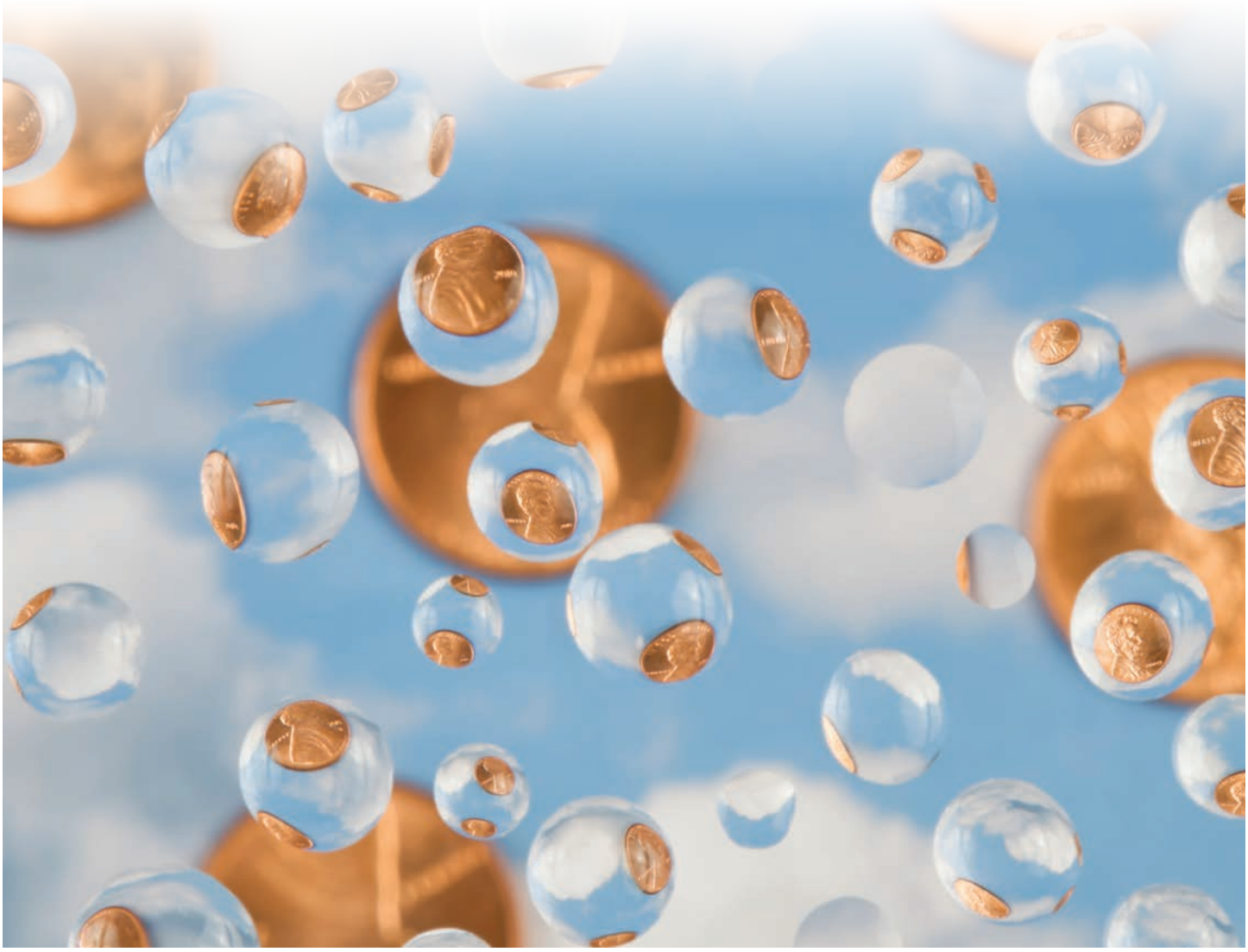
Financial Advisor

Ford & Associates, Inc.
Jon Ford

THIS PAGE LEFT INTENTIONALLY BLANK.

TAB 2

Financial Section



INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Florida Governmental Utility Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of Florida Governmental Utility Authority (the Authority), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2019, on our consideration of the Authority'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 the 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 Authority's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
March 8, 2019

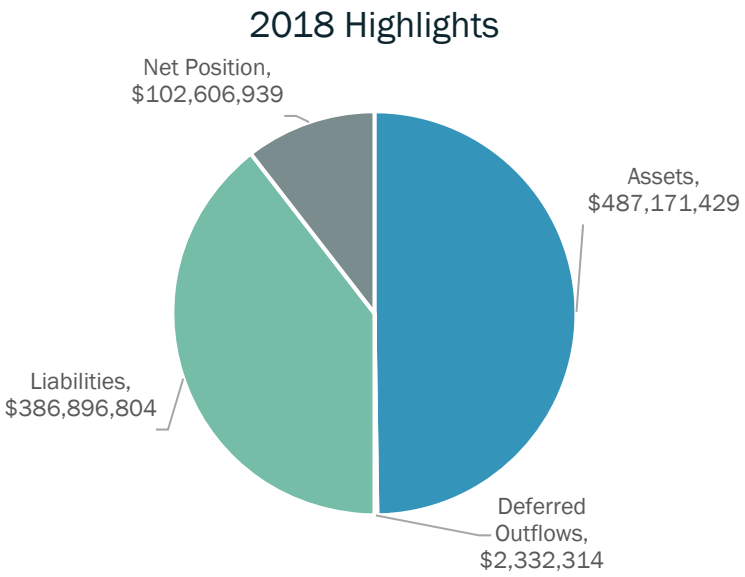
FINANCIAL

Florida Governmental Utility Authority Management's Discussion and Analysis

As management of the Florida Governmental Utility Authority (FGUA), we offer readers of the FGUA's financial statements this narrative overview and analysis of the financial activities for the fiscal year ending September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the FGUA exceeded its liabilities and deferred inflows at the close of fiscal year 2018 by $102,606,939 as the chart to the right indicates. Of this amount, $55,875,628 may be used to meet the FGUA's ongoing obligations to citizens and creditors (Unrestricted Net Position). This is a decrease of $1,799,308 or 3% in unrestricted net position from the prior year. This decrease is primarily related to the transition of the Golden Gate Utility System to Collier County.

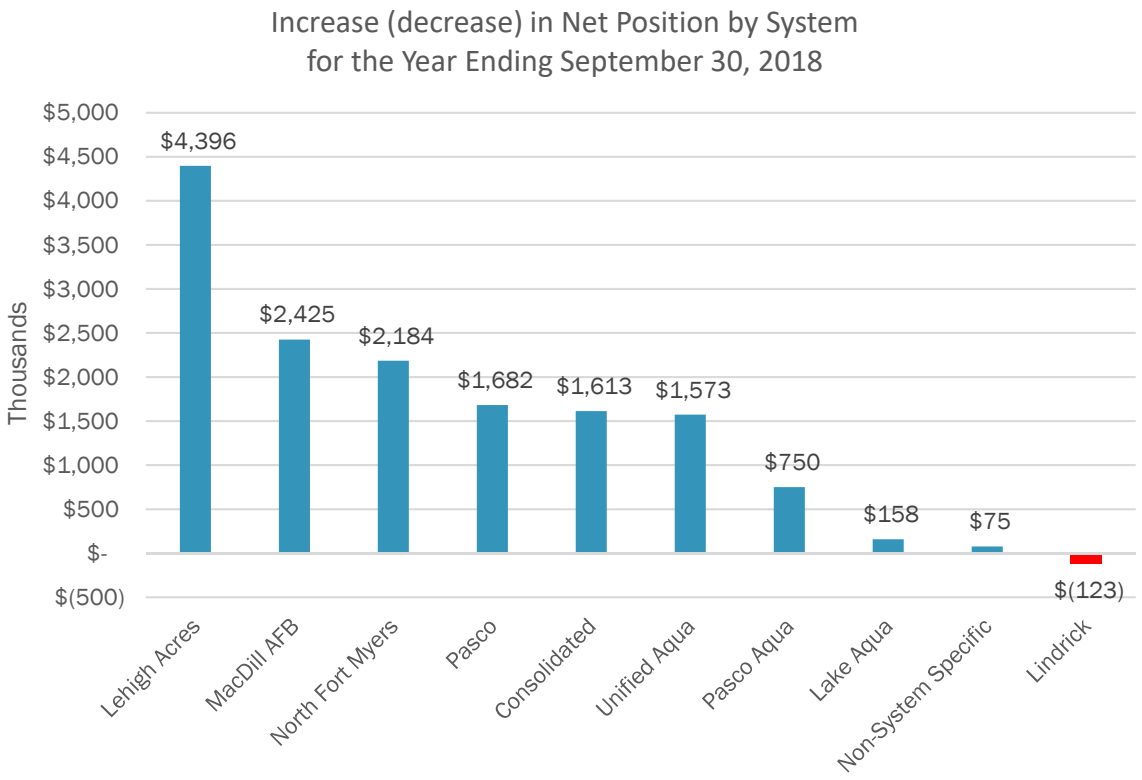


NET POSITION

The FGUA's total net position increased by $10 million in fiscal year 2018. As the chart on the next page indicates, all systems net positions increased as follows:

- The Lehigh Utility System contributed $4.4 million or 42.5% of the increase in total net position. There was a significant increase in usage and an increase in the number of customers connected to both the water and wastewater systems. In addition, developer contributions and impact fees were higher than usual.
- The MacDill AFB Utility System contributed $2.4 million or 23.5% of the increase in total net position, primarily due to capital grants.
- The Lake Aqua, Pasco Aqua, and Unified Aqua Utility Systems contributed a combined $2.5 million or 24% of the increase in total net position. This increase was a combination of a capital grant, lower expenses and a consumer price index (CPI) rate increase.
- The North Fort Myers Utility System contributed $2.1 million or 21.1% of the increase in total net position. New meters improved billing accuracy resulting in higher revenues and expenditures were lower due to a calmer storm season.
- The Pasco Utility System contributed $1.7 million or 16.28% of the increase in total net position. This net increase is due to the Mitchell 54 project which created both a significant increase in construction in progress and the receipt of a significant amount of impact fees.

- The Consolidated Utility System contributed $1.6 million or 15.6% of the increase in total net position. This increase came from non-operating income such as interest deposit, impact fees and additions to utility plant assets.
- The Lindrick Utility System decreased the total net position by -$122,663 or -1.2%. The decrease is primarily due to a 10% rate decrease and an increase in the price of purchased wastewater treatment.
- The Authority has one non-specific fund that pre-pays expenses, and then is reimbursed by the appropriate enterprise funds upon determination of a reasonable allocation basis. It also pays for the rare non-allocable expenses for minor contractual services provided to the Authority. This fund had an increase in net position of $75,485.



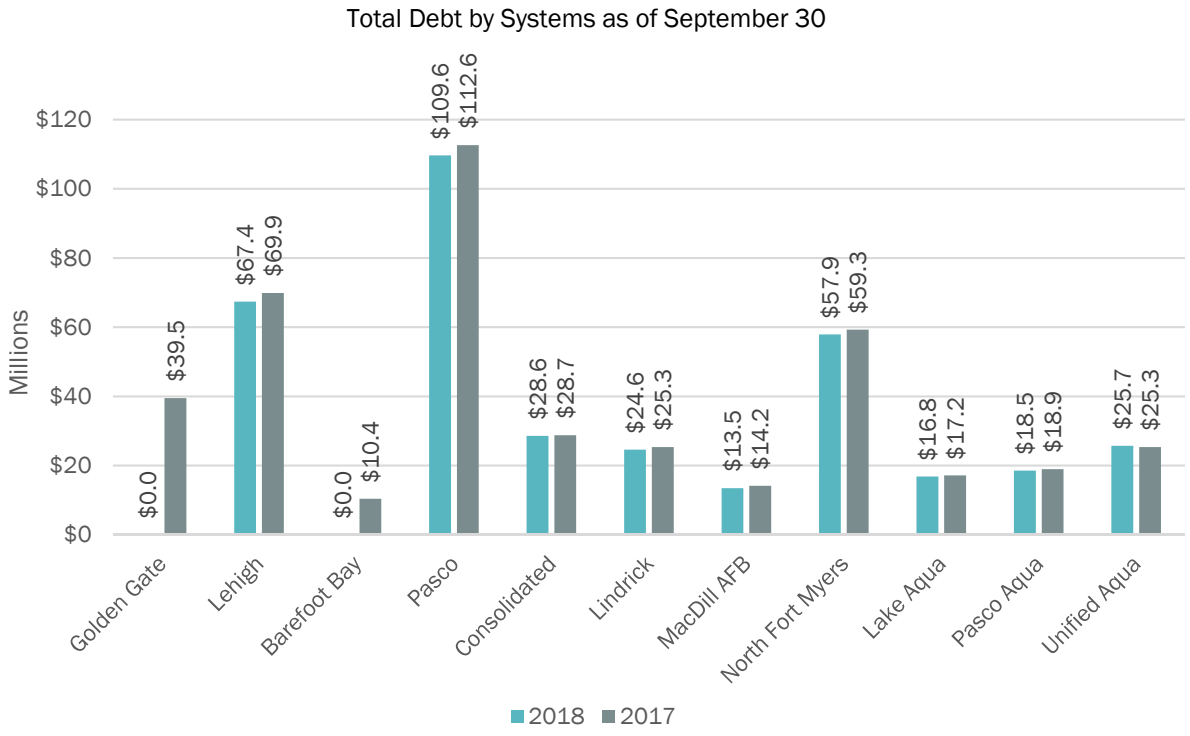
DEBT

The net decrease in total debt as of September 30, 2018 was $8,779,304. As the chart below indicates, the debt has been legally defeased from both the Barefoot Bay and the Golden Gate Systems. The Pasco Utility System had the next greatest decrease in debt ($2.9 million) in the normal course of scheduled debt service.

The Golden Gate Utility System bonds were legally defeased upon the transfer of ownership of the system to Collier County in March 2018.

The Barefoot Bay Utility System bonds were legally defeased January 17, 2018 when Brevard County provided funds to refund the outstanding balance. Brevard County has owned the Barefoot Bay Utility System since February 2000.

While most of the utility systems experienced a decrease in total debt, the Lake Aqua Utility System took on an additional $47 thousand in debt with a construction loan from the State Revolving loan Fund (SRF) for wastewater system improvements. In addition, the Unified Aqua Utility System took on an additional $950 thousand with a construction loan from SRF to build a reclaimed water storage tank. More information can be found in Note 7 of the Financial Section.



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Florida Governmental Utility Authority's (FGUA) basic financial statements. The FGUA is a special purpose government involved solely in the provision of water and wastewater services to customers on a fee basis. All funds are accounted for in Proprietary Funds, specifically, eleven enterprise funds. There are no government-wide financial statements, as they would be redundant to the fund financial statements. This report contains fund financial statements and notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

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 FGUA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the FGUA are proprietary funds, with one fund set up for each geographically separate utility system operated by the FGUA.

Proprietary Funds

The FGUA operates only one type of proprietary fund, and a separate enterprise fund is maintained for each utility system. Enterprise funds are used to report business-type functions, which recover all or a significant portion of their costs through user fees and charges.

The proprietary fund financial statements are comprised of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The Statement of Net Position presents information on the FGUA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. The Statement of Revenues, Expenses and Changes in Net Position presents information on the revenues received, the expenses incurred, and the positive or negative results of the individual utility system's increase or decrease in net position, presented on an accrual basis. The Statement of Cash flows provides information on the cash flows of each utility system, based on operations, financing activities, capital uses, and investment activities and a supplemental schedule of noncash activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning its compliance with the funding of outstanding debt issues. This information, known as Coverage Ratios, is provided as part of the information contained in the Statistical Section of this report.

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

NET POSITION

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Florida Governmental Utility Authority, the assets and deferred outflows exceeded the liabilities and deferred inflows by $102 million at the close of fiscal year 2018. See the condensed Statement of Net Position on the table on the next page.

In the past year, current assets decreased by $28.4 million, as the FGUA transitioned the Golden Gate Utility System to Collier County and the Barefoot Bay bonds were defeased. Current assets decreased in some of the remaining systems due to a transformation of current assets (i.e. cash) into long-term capital assets (i.e. utility plants).

Deferred Outflows decreased by $450 thousand in the normal course of amortizing losses on advance refundings.

Total liabilities decreased by $61.1 million or -13.66%. The largest decrease is from defeasing the Golden Gate Utility liabilities ($41 million). The reduction in liabilities to the remaining utility systems is from the normal progression of paying down debt as scheduled.

The increase in net position represents the degree to which revenues have exceeded expenses in the past year combined with the decrease in debt. The total change in net position of $10.3 million includes the transition of the Golden Gate Utility System to Collier County. During fiscal year 2018 the total net position improved for the remaining utility systems except for the Lindrick Utility System.

Net investment in capital assets (e.g. land, buildings, and equipment) is presented net of any depreciation and the outstanding balances of any bond or other borrowings that are attributed to the acquisition, construction, or improvements of those assets. These assets are used to provide services to our customers, and consequently, these assets are not available for future spending (restricted). Net investment in capital assets ended the year with a balance of $4.1 million which is a $11.6 million improvement from the prior year deficit balance of $7.5 million. The deficit decreased because more capital assets were added than depreciation was expensed, and because more capital asset-related debt was paid off than was incurred. The largest improvement to total net investment in capital assets came from transferring the Golden Gate System to Collier County. This improved the total net investment in capital assets by $6 million.

Net Position Restricted for Capital Projects ended the year with a balance of $12.8 million, which is a decrease of $498 thousand. This is the balance in the Renewal and Replacement fund and the Water Capacity and Wastewater Capacity funds, net of related accounts payable. These funds are restricted by board resolutions and by bond covenants to be used only for the purchase or construction of capital assets to renew and expand the utilities' assets. These funds decreased this year in total with the transition of the Golden Gate Utility to Collier County. Restricted for capital projects increased for the remaining utility systems as more unrestricted funds were used for pay-as-you-go construction projects, allowing the other restricted construction funds to be allocated to projects planned in future years.

Net Position Restricted for Debt Service ended the year with a balance of $29,712,018 which is an increase of $932,718 as compared to the prior year. Restricted for Debt Service represents

resources reserved for payment of the debt service (principal and interest) on external debt; consequently, these assets are not available for other uses. Restricted for Debt Service increased this fiscal year due to normal progression of debt service schedules.

Net Position Unrestricted ended the year with a balance of $55,875,628 which is a decrease of $1.7 million or -3% as compared to the prior year. Unrestricted funds may be budgeted for any future needs of the FGUA. The decrease from FY 2017 to FY 2018 is due to the transition of the Golden Gate Utility System to Collier County.

Condensed Statement of Net Position

	2018	2017
Current & Other Assets	$ 220,860,967	$ 249,351,731
Capital Assets	266,310,462	288,239,556
Assets	**487,171,429**	**537,591,287**
Deferred loss on bond refunding	2,332,314	2,782,613
Deferred Outflows	**2,332,314**	**2,782,613**
Assets & Deferred Outflows	**$489,503,743**	**$ 540,373,900**
Long Term Liabilities	$ 352,664,707	$ 409,991,007
Other Liabilities	34,232,097	38,103,471
Total Liabilities	**386,896,804**	**448,094,478**
Net Position		
Net investment in Capital Assets	4,177,852	(7,514,336)
Restricted for Capital Projects	12,841,441	13,339,522
Restricted for Debt Service	29,712,018	28,779,300
Unrestricted	55,875,628	57,674,936
Total Net Position	**$102,606,939**	**$ 92,279,422**

REVENUES AND EXPENSES

Operating revenues decreased $3.1 million, due to receiving half a year of revenues from the Golden Gate Utility System before the transition to Collier County. Most of the systems experience an increase in water and wastewater revenues due to an increase in demand and rate increases of 2% in four of the ten utility systems. Operating expenses decreased $3.3 million. The transition of the Golden Gate Utility System resulted in a $1 million decrease. In addition, storm response expenditures were $2.3 million lower than FY 2017 (Hurricane Irma).

For the fiscal year ending September 30, 2018, all the FGUA utility systems' net positions increased except for the Lindrick Utility System. The Lindrick Utility System implemented a 10% rate decrease and experienced a 43% increase in water and wastewater treatment expenses. Despite the resulting decrease in net position, the Lindrick Utility System continues to have a healthy fund balance.

The FGUA continues to maintain financially healthy systems. Excluding the Golden Gate Utility System, the unrestricted cash balance increased in the remaining systems by 9.6% from $50.4 million to $55.2 million during fiscal year 2018, showing financially healthy utility systems with good liquidity.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2018	2017
Operating revenues		
Water and wastewater revenues	$ 79,098,831	$ 82,278,472
Other operating revenues	3,068,435	3,139,205
Operating expenses	(40,694,534)	(43,898,839)
Operating income before depreciation and amortization	41,472,732	41,518,838
Depreciation and amortization	(18,220,332)	(19,142,302)
Operating income	23,252,400	22,376,536
Non-Operating revenues (expenses)		
Investment revenue, net	1,437,547	1,085,171
Operating grants	75,304	21,257
Miscellaneous non-operating revenues	511,457	334,439
Interest expense, net	(15,818,164)	(17,132,722)
Loss on sale of utility System	(5,542,888)	-
Debt issuance cost	-	(293,719)
Income (loss) before capital contributions	3,915,656	6,390,962
Recoverable portion of purchase price (MacDill)	1,539,409	1,539,409
Capital contributions and grants	4,872,452	5,862,110
Change in net position	10,327,517	13,792,481
Total net position - beginning	92,279,422	78,486,941
Total net position - end of year	**$102,606,939**	**$92,279,422**

SIGNIFICANT CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The fiscal year ending September 30, 2018 represents the nineteenth full fiscal year of the FGUA's operations. Following are descriptions of significant capital asset and long-term activity.

CAPITAL ASSETS

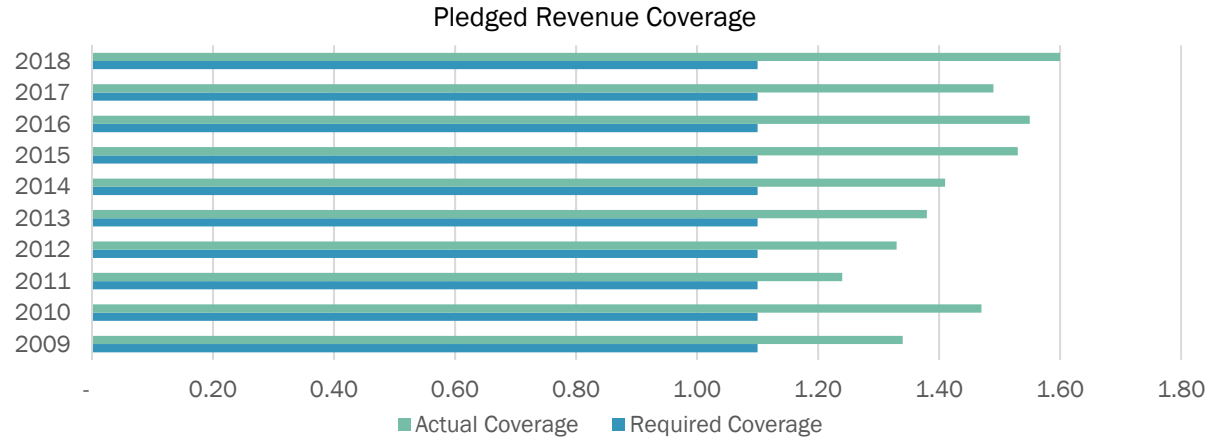
During FY 2018, the FGUA's net capital assets decreased $21.9 million (-7%) due to the transfer of operations of the Golden Gate Utility System to Collier County (-$27 million). The Pasco, Consolidated, Lindrick, MacDill, Pasco Aqua and Unified Aqua utility had net increases totaling over $6.8 million. The Lehigh, North Fort Myers and Lake Aqua utilities had depreciation greater than capital asset additions during FY 2018. Of the $266 million balance of capital assets (net of depreciation), $23 million represent costs incurred for capital projects that are under construction, but not yet completed as of September 30, 2018. Additional financial information on the FGUA's capital assets can be found in Note 6 of the Financial Section. Details on significant capital projects were described in the background information of each enterprise fund in the letter of transmittal in the introductory section.

DEBT ADMINISTRATION

On September 30, 2018, the FGUA had outstanding debt in the amount of $360 million in the form of revenue bonds, state revolving loans, seller financed notes and a capital lease. This is a decrease of $57 million from the prior year's debt balance of $417 million. The Golden Gate Utility System transition accounts for $38 million of the decrease and the defeasance of the Barefoot Bay bonds accounts for an additional $10 million reduction in the debt balance during FY2018. The FGUA tends to pay down $10 million a year in principal.

Half of the outstanding debt issues are fully insured via municipal bond insurance policies issued by Ambac Assurance Corporation and Assured Guaranty. The remaining issuances have reserve accounts with a September 30, 2018 fair market value of $18.9 million.

The FGUA maintains a debt coverage ratio of 1.1 or better (net operating income to debt service) for each of its utilities. The following chart shows the actual coverage compared to the required coverage for the past ten years for debt secured by pledged water and wastewater revenues.



The FGUA is prohibited by Chapter 163, Florida Statutes from imposing property taxes. In addition, it is further prohibited from issuance of general obligation debt. It is, however, authorized to impose special assessments upon property owners, whose property will benefit from water and wastewater system improvements.

Refer to Note 7 and the Statistical Section for more information on the FGUA's Long Term Debt and Coverage Ratios for each utility system.

FINANCIAL RESULTS OF OPERATIONS BY SYSTEM

A core function of the FGUA is to use the collective power of local governments, performing as board members, to acquire, improve, operate, and maintain water and wastewater facilities. Local governments hold the option to acquire any FGUA utility system within its jurisdiction. This makes the FGUA a unique local government. The financial statements can fluctuate significantly as the FGUA acquires utility systems or transitions them over to the local government. There are also years that have small to moderate fluctuations when there are no acquisitions or transitions, and the financial activities are only reflective of traditional operational activities.

The two major differences between FY 2018 and FY 2017 were the transition of the Golden Gate Utility System (FY 2018) and storm damage (FY 2017). Generally, operating revenues and expenses increased modestly.

The impacts of acquisitions and transitions are reflected throughout this narrative as explanations for the large variances from prior year. There appear to be large decreases in revenues and expenses due to the mid-year transition of the Golden Gate Utility System to Collier County. As a result, many of the explanations for the variances may seem redundant; however, each utility system of the FGUA operates independently. It is important, therefore, for the reader to understand that while the FGUA system, as a whole, may have been impacted by a transition activity in prior years; the explanations for the individual operations of the utility systems are more reflective of the traditional governmental utility operation.

OPERATING REVENUES

Operating revenues (excluding the General Fund) decreased $3.2 million or -3.8% from $85.3 million in FY 2017 to $82 million in FY 2018. The main decrease is from the mid-year transfer of the Golden Gate Utility System.

The Golden Gate Utility System earned $3.7 million in revenues before it was transferred March 1st, 2018 to Collier County. This is $4 million (52%) lower than earned in the full year of FY 2017.

The Lehigh Acres Utility System realized an increase in operating revenues of $1.1 million or 8.0% as compared to the prior year. This is partially due to the 1.6% increase in customer connections and the result of the meter replacement program which was completed near the end of FY 2017. Most of the meters were replaced with newer more accurate models.

The Pasco Utility System realized a decrease in operating revenues of $234,369 or -1.2% as compared to the prior year. This decrease was primarily the result of lower water consumption due to wet weather conditions as compared to FY 2017 which was an exceptionally dry year resulting in higher than average water consumption.

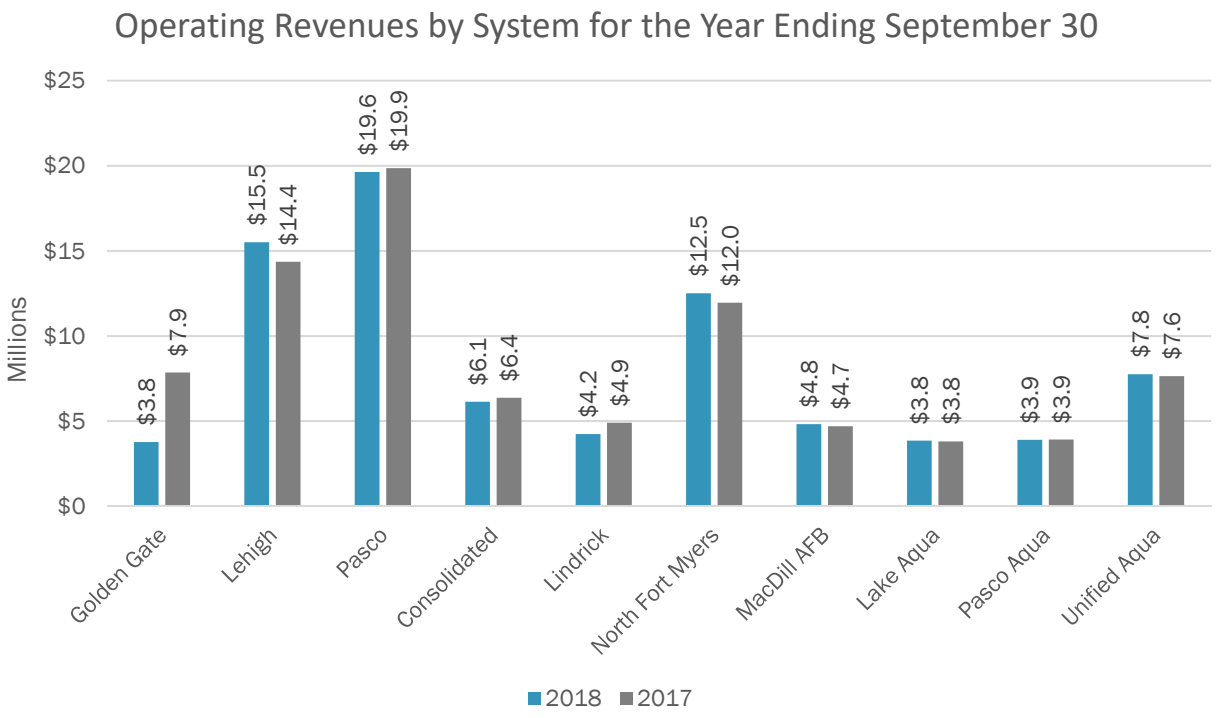
The Consolidated Utility System realized a decrease in operating revenues of $229,964 or -3.6% as compared to the prior year. Consolidated has more separate irrigation connections than other systems, therefore, it is more susceptible to weather patterns. While FY 2017 showed higher than average consumption, FY 2018 showed more typical consumption.

The Lindrick Utility System realized a decrease in operating revenues of $665,872 or -13.6% as compared to the prior year. This is primarily due to the 10% rate decrease.

The North Fort Myers Utility System realized an increase in operating revenues of $549,921 or 4.6% as compared to the prior year. This increase was primarily due to a meter replacement program conducted by Lee County resulting in more accurate billing.

The MacDill AFB Utility System operating revenues increased $125,361 or 2.7%, as compared to the prior year. The increase is the result of the annual Consumer Price Index increase from the Federal Government and a full year of additional water revenues for a copper corrosion program.

The Lake Aqua, Pasco Aqua, and Unified Aqua Utility Systems experienced a $143,264 increase or 0.7% over FY 2017. This increase was primarily the result of Consumer Price Index rate increases for the Lake Aqua and Unified Aqua systems.



OPERATING EXPENSES

Operating expenses (excluding the General Fund and depreciation and amortization) at first glance appear to be -7.6% lower than in FY 2017, decreasing from $43.8 million in FY 2017 to $40.5 million in FY 2018. Once we remove the effects of the FY 2017 Hurricane Irma response and the mid-year transfer of the Golden Gate Utility System, we find operating expenses increased approximately 3%.

The Golden Gate Utility System had $1.4 million in expenditures before it was transferred March 1st, 2018 to Collier County. This is similar to the first half of FY 2017 before the damage from Hurricane Irma.

Excluding the Hurricane Irma response from FY 2017 ($668,767), the Lehigh Acres Utility System realized an increase in operating expenses of $212,987 or 3.1%. Most of this increase in expense is related to installing new customer connections and the addition of an operations management software.

The Pasco Utility System realized an increase in operating expenses of $447,489 or 4.5% once we exclude the Hurricane Irma response from FY 2017 ($66,335). This 4.5% increase in total operating expenses is primarily due to a significant rate increase for bulk wastewater treatment expenses ($247,834 or 23%). During FY 2018, we also discovered an additional $193 thousand of storm damage related to Hurricane Irma.

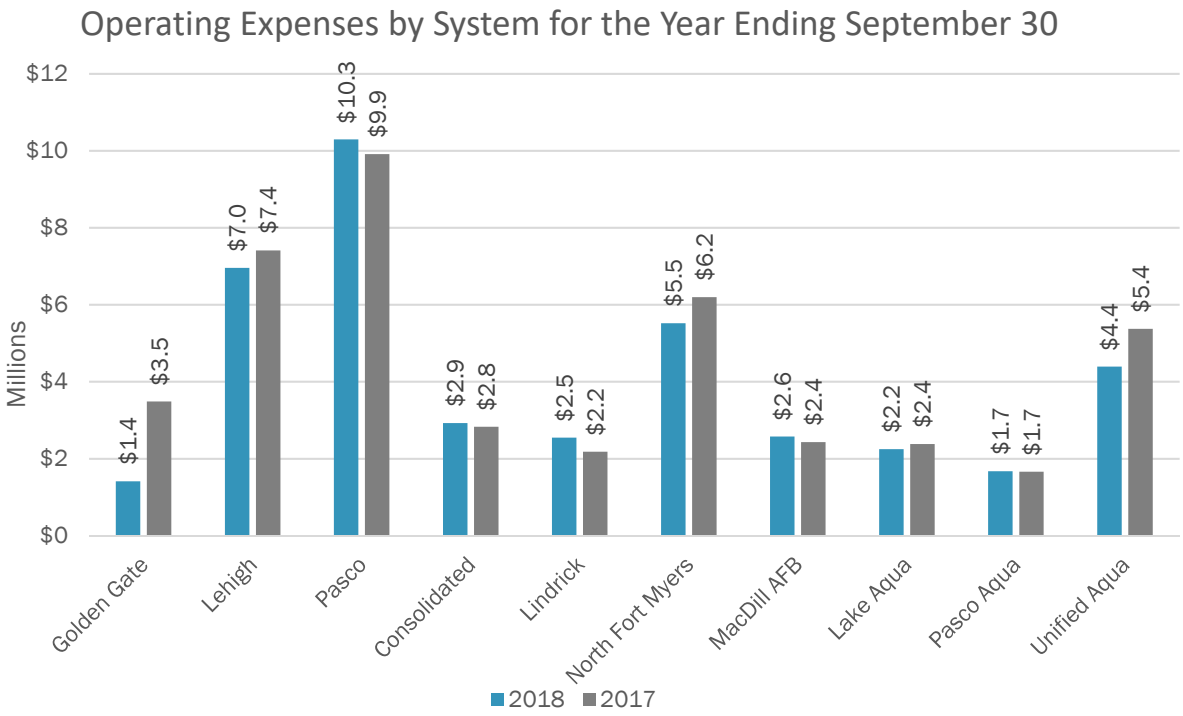
The Consolidated Utility System realized an increase in operating expenses of $95,478 or 3.4%. This increase is primarily due to the increase in the operation and maintenance contract ($62,861) and a rate increase of roughly 23% for bulk wastewater treatment expenses ($51,622).

The Lindrick Utility System realized an increase in operating expenses of $378,702 or 17.4%. Bulk wastewater treatment expenses increased $302,665 when the City of New Port Richey replaced the interconnect meter resulting in more accurate billing. Bulk water treatment expenses have increased $43,658 as more customers have connected.

The North Fort Myers Utility System realized a decrease in operating expenses of $541,628 or -8.9%, excluding storm response from FY 2017 ($133,790.90). The litigation expenses were $360 thousand lower as a dispute reached an agreement during FY 2017. In addition, the "Futures" impact fee payment to NFMU, Inc. was $136 thousand lower due to fewer new connections installed in FY 2018.

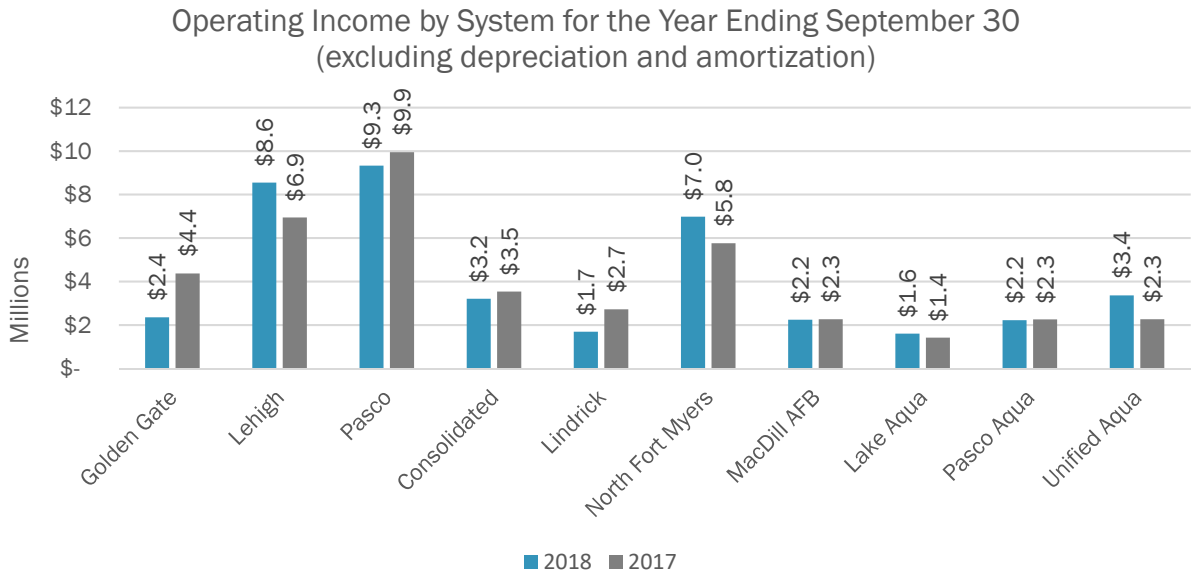
The MacDill AFB Utility System FY 2018 operating expenses were $144,706 higher than FY 2017 expenses (6%). This is related to the addition of the copper corrosion program and additional expenses related to operating software.

The Lake Aqua, Pasco Aqua and Unified Aqua Utility Systems operating expenses were $1.1 million lower in FY 2018. FY 2017 storm response expenses were approximately $1 million, and no storm damage was incurred during FY 2018.



NET OPERATING INCOME

Operating income is the net of operating revenue against operating expenses. Details of the changes in operating revenues and expenses are described in the previous pages for each of the utility systems. Below is a chart showing the net result.



FACTORS EXPECTED TO HAVE AN ECONOMIC IMPACT ON FUTURE OPERATIONS

The primary factors that have an economic impact on the FGUA's future operations include: additions and deletions of utility systems; restructuring acquisition debt; development and customer growth within system territories; and rate changes. Severe weather also tends to have a significant impact on operating expenses but cannot be predicted.

ADDITIONS AND DELETIONS OF UTILITY SYSTEMS

During FY 2018, the FGUA agreed to purchase the Dunnellon Utility System from the City of Dunnellon. This acquisition was completed at the end of October 2018. In February 2019, Pasco County indicated their preliminary intent to take ownership of the Pasco Aqua Utility System (FY 2020) and the Lindrick Utility System (FY 2021).

DEBT

Advance refunding acquisition debt between 2010 to 2017 resulted in significant decreases in interest expense for many of the FGUA systems. The Lindrick Utility System's Series 2010 bonds are currently being advance refunded with Series 2019 bonds which went to market for pricing in February 2019. This transaction will be completed in March 2019 and will result in savings of up to $227 thousand per year in interest expense. The FGUA is currently reviewing the 2010 series bonds to consider potential cost savings by refinancing.

RATE CHANGES

The Lake Aqua and Unified Aqua user rates increased on 10/01/2018 (first day of FY 2019) by 5% over the CPI. This increase was adopted specifically to address infrastructure needs in these utility systems.

The Pasco Aqua rates were decreased by 10% effective 10/01/2018. The original rates adopted were those of the former owner. Pasco County requested that the FGUA lower these rates as they are significantly higher than most other utilities in the area. This utility has a strong fund balance and will continue to meet operating and capital asset demands.

The Consolidated Utility System added a rate for reclaimed water service on 12/01/2018 in preparation for when reclaimed water service becomes available. This will result in a significant decrease in potable water revenues as customers change from regular treated water to using reclaimed water on separate irrigation meters. The reclaimed water will be supplied by Pasco County Utilities through a bulk reclaimed water agreement.

DEVELOPMENT

Developers have resumed building resulting in increased demand of connections in FY 2017 and FY 2018.

The Lehigh Utility System has the greatest number of undeveloped parcels within its service territory as compared to the other FGUA service territories. Many of the Lehigh Acres parcels are scattered throughout the territory as opposed to being in consolidated lots owned by developers. Impact fees in the Lehigh Utility System increased nearly $500 thousand from FY 2017 ($673 thousand) to FY

2018 ($1.1 million). In FY 2017 impact fees for approximately 243 equivalent residential connections (ERCs) were received versus 422 ERCs paid in FY 2018.

In the Pasco Utility System, the FGUA has committed to capacity for the Mitchell 54 development. This development project will result in over 600 new residential units as well as multiple commercial developments, which should equate to approximately 3% more connections between FY 2019 and FY 2020.

Development has also resumed in the North Fort Myers Utility System. In FY 2017, impact fees for more than 330 new wastewater connections were paid ($880 thousand) and in FY 2018, related infrastructure was donated to the FGUA, with a value over $250 thousand.

CUSTOMERS

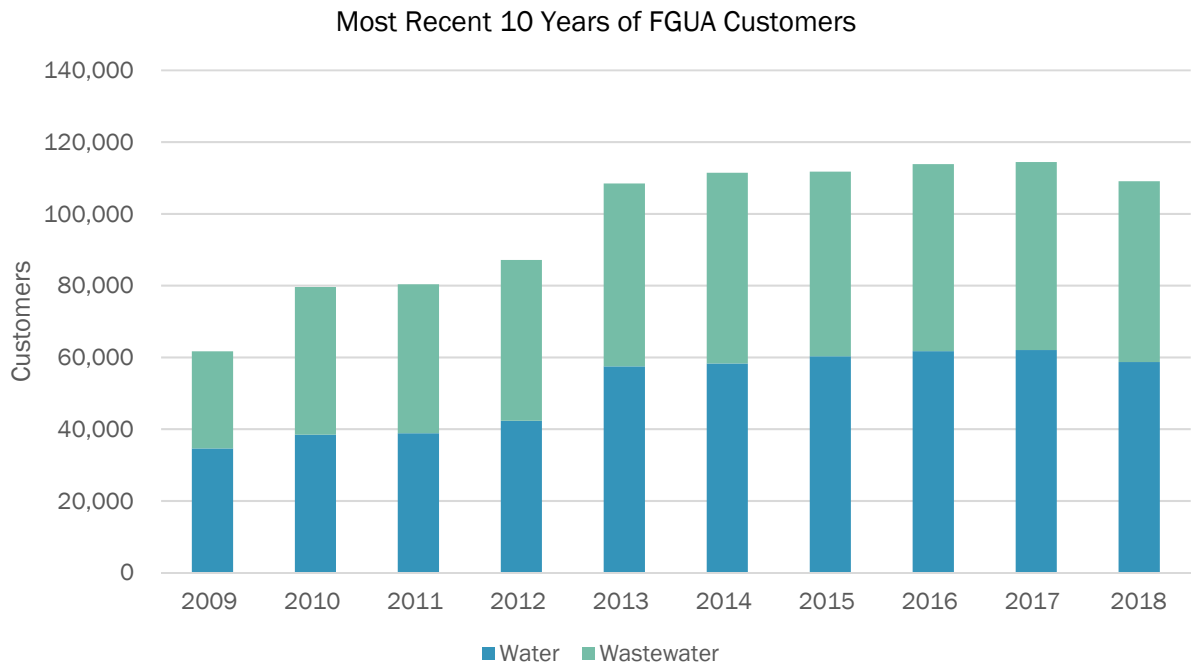
The number of customer connections decreased overall during FY 2018 by 5,382 because of the transition of the Golden Gate Utility System to Collier County. There was positive utility growth for the remaining systems during FY 2018. Over half of the net addition of 582 active connections took place in the Lehigh Acres Utility System, where developers continue to complete homes in new developments started in 2008. We predict the rate of future growth will continue to be relatively flat for most of the utility systems. Management monitors growth closely as it has an impact on the infrastructure needs of the utility systems and requires prudent long-term capital planning. The FGUA will continue to meet system demands by managing the capital improvement projects in accordance with the FGUA capital improvement plan that is adopted each September with the FGUA operating budget. (Details on customer growth for the past ten years can be found in the Statistical Section).

The following chart depicts the change in water and wastewater billed customers over the last two years. All the FGUA systems charge base fees if there is a connection to a home that must be maintained, whether the home is occupied or vacant. The remaining systems continue to experience little to no growth.

	Water Customers				Wastewater Customers			
System	6/30/2018	6/30/2017	Growth	Percent Growth	6/30/2018	6/30/2017	Growth	Percent Growth
Golden Gate	0	3,681	(3,681)	-100.00%	0	2,283	(2,283)	-100.00%
Lehigh Acres	12,886	12,705	181	1.42%	10,662	10,475	187	1.79%
Pasco	18,122	18,106	16	0.09%	15,371	15,355	16	0.10%
Consolidated	6,636	6,552	84	1.28%	3,420	3,376	44	1.30%
Lindrick Utility	3,106	3,095	11	0.36%	2,613	2,597	16	0.62%
MacDill AFB	1	1	0	0.00%	1	1	0	0.00%
North Fort Myers	1,855	1,855	0	0.00%	11,952	11,949	3	0.03%
Lake Aqua	5,058	5,061	(3)	-0.06%	1,254	1,248	6	0.48%
Pasco Aqua	3,272	3,272	0	0.00%	3,106	3,105	1	0.03%
Unified Aqua	7,752	7,736	16	0.21%	1,996	1,992	4	0.20%
Totals	**58,688**	**62,064**	**(3,376)**	**-5.44%**	**50,375**	**52,381**	**(2,006)**	**-3.83%**

The following chart shows the change in the number of customers over the past ten years. While the individual utilities have traditionally experienced relatively flat growth in the customer base, acquisitions of new systems and transitioning of exiting systems may be reflected in the changes shown below. The FGUA disposed of the Poinciana and Citrus utility systems in 2007. In 2009, the FGUA acquired the Pasco utility systems. In 2010, the FGUA acquired the Consolidated, Lindrick, and North Fort Myers utility systems. In 2013, the FGUA acquired the Lake Aqua, Pasco Aqua, and Unified Aqua utility systems. The FGUA transferred the Golden Gate Utility System to Collier County March 1st, 2018. The number of utility systems and the size of the customer base of each system for a given year affect the upward and downward changes over this ten-year period.

Refer to the Statistical Section for additional information.



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Florida Governmental Utility Authority'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 the FGUA Office of the Chief Financial Officer, 280 Wekiva Springs Road, Suite 2070, Longwood, FL 32779.

FLORIDA GOVERNMENTAL UTILITY AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Non-System Specific	Golden Gate Utility System	Lehigh Utility System	Barefoot Bay Utility System	Pasco Utility System
ASSETS					
Current assets					
Cash and cash equivalents	$ 697,096	$ -	$ 14,865,950	$ -	$ 9,517,241
Restricted assets:					
Cash and cash equivalents	-	-	4,785,351	-	7,161,459
Accounts receivable, net	-	-	2,188,292	-	2,227,703
Due from other governments	-	-	-	-	15,604
Prepaid items	12,369	-	364,889	-	6,570
Total current assets	709,465	-	22,204,482	-	18,928,577
Non-current assets					
Restricted assets:					
Cash and cash equivalents	-	-	4,393,677	-	7,577,331
Investments	-	-	-	-	1,842,703
Special assessment receivable	-	-	308,983	-	-
Intangible right-of-use agreements, net	-	-	-	-	-
Land	-	-	2,557,404	-	1,637,599
Utility plants	112,155	-	117,774,928	-	62,719,668
Construction in process	-	-	10,765,462	-	3,210,083
Accumulated depreciation	(43,889)	-	(58,793,768)	-	(17,311,780)
Excess of cost over fair value of acquired assets, net	-	-	1,365,841	-	37,483,482
Total non-current assets	68,266	-	78,372,527	-	97,159,086
Total Assets	$ 777,731	$ -	$ 100,577,009	$ -	$ 116,087,663
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	$ -	$ -	$ 2,332,314	$ -	$ -
LIABILITIES					
Current liabilities					
Accounts payable	$ 208,681	$ -	$ 1,326,531	$ -	$ 1,780,221
Customer deposits	-	-	1,458,120	-	1,792,587
Liabilities payable from current restricted assets:					
Accounts payable	-	-	1,352,192	-	678,962
Interest payable	-	-	1,154,259	-	3,412,497
Current portion of long-term debt	-	-	2,278,900	-	3,070,000
Total current liabilities	208,681	-	7,570,002	-	10,734,267
Non-current liabilities					
Non-current portion of long-term debt	-	-	65,082,131	-	106,551,191
Total Liabilities	$ 208,681	$ -	$ 72,652,133	$ -	$ 117,285,458
NET POSITION					
Net investment in capital assets	$ 68,266	$ -	$ 9,316,738	$ -	$ (21,394,272)
Restricted for:					
Capital projects	-	-	3,858,427	-	1,329,611
Debt service	-	-	2,138,562	-	10,672,556
Unrestricted	500,784	-	14,943,463	-	8,194,310
Total Net Position	$ 569,050	$ -	$ 30,257,190	$ -	$ (1,197,795)

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

Consolidated Utility Systems	Lindrick Utility System	N. Fort Myers Utility System	MacDill AFB Utility System	Lake Aqua Utility System	Pasco Aqua Utility System	Unified Aqua Utility System	Total
$ 7,612,584	$ 2,658,064	$ 8,425,418	$ 3,575,186	$ 1,343,334	$ 3,486,118	$ 3,102,665	$ 55,283,656
1,004,751	1,814,749	3,545,024	1,533,625	814,040	873,106	1,346,465	22,878,570
811,252	503,263	1,578,257	1,210,460	556,326	533,969	1,124,597	10,734,119
-	3,420	8,410	-	24,738	-	231,852	284,024
18,012	7,195	40,211	5,205	46,139	24,325	93,458	618,373
9,446,599	4,986,691	13,597,320	6,324,476	2,784,577	4,917,518	5,899,037	89,798,742
5,752,347	2,182,749	5,243,769	2,372,789	1,163,963	2,060,243	1,660,484	32,407,352
-	403,880	1,009,700	-	-	-	-	3,256,283
-	-	-	-	-	-	-	308,983
-	3,273,200	-	-	-	-	277,387	3,550,587
241,846	49,504	345,690	-	227,084	177,485	1,222,850	6,459,462
10,617,080	6,395,277	64,443,459	47,599,904	8,411,930	6,941,518	25,782,714	350,798,633
3,251,725	2,246,502	1,183,072	1,689,592	121,379	237,216	318,101	23,023,132
(2,027,790)	(1,405,426)	(15,529,745)	(8,504,138)	(2,471,733)	(1,770,837)	(6,111,659)	(113,970,765)
10,405,492	11,896,765	12,758,073	-	7,114,375	9,424,069	1,090,923	91,539,020
28,240,700	25,042,451	69,454,018	43,158,147	14,566,998	17,069,694	24,240,800	397,372,687
$ 37,687,299	$ 30,029,142	$ 83,051,338	$ 49,482,623	$ 17,351,575	$ 21,987,212	$ 30,139,837	$ 487,171,429
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,332,314
$ 410,869	$ 438,375	$ 547,652	$ 184,163	$ 230,230	$ 178,629	$ 803,114	$ 6,108,465
369,807	191,470	491,130	4,000	237,038	323,845	377,065	5,245,062
306,353	221,133	186,859	780,983	67,224	42,644	231,746	3,868,096
515,298	836,650	1,904,765	-	361,816	405,462	487,828	9,078,575
183,100	756,966	1,453,400	752,642	385,000	425,000	626,891	9,931,899
1,785,427	2,444,594	4,583,806	1,721,788	1,281,308	1,375,580	2,526,644	34,232,097
28,400,311	23,845,846	56,449,196	12,701,372	16,446,406	18,112,530	25,075,724	352,664,707
$ 30,185,738	$ 26,290,440	$ 61,033,002	$ 14,423,160	$ 17,727,714	$ 19,488,110	$ 27,602,368	$ 386,896,804
$ (5,308,710)	$ (1,508,271)	$ 5,388,493	$ 27,331,344	$ (3,427,440)	$ (3,247,095)	$ (3,041,201)	$ 4,177,852
1,348,721	515,068	2,094,000	3,125,431	41,782	528,401	-	12,841,441
3,800,378	2,189,808	5,522,329	-	1,506,250	1,675,858	2,206,277	29,712,018
7,661,172	2,542,097	9,013,514	4,602,688	1,503,269	3,541,938	3,372,393	55,875,628
$ 7,501,561	$ 3,738,702	$ 22,018,336	$ 35,059,463	$ (376,139)	$ 2,499,102	$ 2,537,469	$ 102,606,939

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

FLORIDA GOVERNMENTAL UTILITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Non-System Specific	Golden Gate Utility System	Lehigh Utility System	Barefoot Bay Utility System	Pasco Utility System
Operating revenues					
Water and wastewater revenues	$ -	$ 3,670,066	$ 14,700,627	$ -	$ 18,972,558
Other operating revenues	82,033	98,194	805,820	-	653,163
Total operating revenues	82,033	3,768,260	15,506,447	-	19,625,721
Operating expenses					
Operating and management services	-	1,262,251	6,532,347	-	9,390,582
Other operating expenses	145,183	151,380	424,074	-	905,330
Depreciation and amortization	19,574	816,938	4,295,311	-	4,106,436
Total operating expenses	164,757	2,230,569	11,251,732	-	14,402,348
Operating income	(82,724)	1,537,691	4,254,715	-	5,223,373
Nonoperating revenues (expenses)					
Investment income	6,246	48,185	255,214	192,911	287,477
Miscellaneous income	148,458	7,979	32,703	-	130,215
Loss on sale of utility system	-	(5,542,888)	-	-	-
Build America Bond interest subsidies	-	-	-	-	2,231,090
Operating grants	-	-	-	-	2,278
Interest expense	-	(494,905)	(2,154,077)	(192,911)	(6,839,359)
Total nonoperating revenues (expenses)	154,704	(5,981,629)	(1,866,160)	-	(4,188,299)
Income (loss) before capital contributions	71,980	(4,443,938)	2,388,555	-	1,035,074
Capital contributions					
Capital grants	-	-	-	-	-
Recoverable portion of system purchase price	-	-	-	-	-
Impact fees and developer contributions	3,505	39,011	2,007,581	-	646,524
Total capital contributions	3,505	39,011	2,007,581	-	646,524
Increase (decrease) in net position	75,485	(4,404,927)	4,396,136	-	1,681,598
Net position, beginning of year	493,565	4,404,927	25,861,054	-	(2,879,393)
Net position, end of year	$ 569,050	$ -	$ 30,257,190	$ -	$ (1,197,795)

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

Consolidated Utility Systems	Lindrick Utility System	N. Fort Myers Utility System	MacDill AFB Utility System	Lake Aqua Utility System	Pasco Aqua Utility System	Unified Aqua Utility System	Total
$ 5,852,715	$ 4,096,053	$ 12,321,255	$ 4,760,569	$ 3,682,741	$ 3,699,759	$ 7,342,488	$ 79,098,831
282,379	137,619	181,256	58,125	164,342	195,538	409,966	3,068,435
6,135,094	4,233,672	12,502,511	4,818,694	3,847,083	3,895,297	7,752,454	82,167,266
2,708,890	2,444,918	5,079,909	2,409,378	2,086,581	1,531,070	4,285,491	37,731,417
217,727	102,253	441,252	166,558	159,530	142,624	107,206	2,963,117
829,168	799,409	2,730,868	1,769,116	781,553	738,896	1,333,063	18,220,332
3,755,785	3,346,580	8,252,029	4,345,052	3,027,664	2,412,590	5,725,760	58,914,866
2,379,309	887,092	4,250,482	473,642	819,419	1,482,707	2,026,694	23,252,400
175,851	81,767	208,209	151	37,579	73,957	70,000	1,437,547
14,095	12,713	30,245	133,548	-	-	1,501	511,457
-	-	-	-	-	-	-	(5,542,888)
-	547,002	1,192,768	-	-	-	-	3,970,860
-	735	-	-	21,046	1,400	49,845	75,304
(1,169,141)	(1,740,348)	(3,843,273)	(830,491)	(727,072)	(813,983)	(983,464)	(19,789,024)
(979,195)	(1,098,131)	(2,412,051)	(696,792)	(668,447)	(738,626)	(862,118)	(19,336,744)
1,400,114	(211,039)	1,838,431	(223,150)	150,972	744,081	1,164,576	3,915,656
-	-	-	1,108,570	-	-	390,136	1,498,706
-	-	-	1,539,409	-	-	-	1,539,409
212,532	88,380	345,449	-	6,900	5,964	17,900	3,373,746
212,532	88,380	345,449	2,647,979	6,900	5,964	408,036	6,411,861
1,612,646	(122,659)	2,183,880	2,424,829	157,872	750,045	1,572,612	10,327,517
5,888,915	3,861,361	19,834,456	32,634,634	(534,011)	1,749,057	964,857	92,279,422
$ 7,501,561	$ 3,738,702	$ 22,018,336	$ 35,059,463	$ (376,139)	$ 2,499,102	$ 2,537,469	$ 102,606,939

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

FLORIDA GOVERNMENTAL UTILITY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Non-System Specific	Golden Gate Utility System	Lehigh Utility System	Barefoot Bay Utility System	Pasco Utility System
Cash flows from operating activities					
Cash received from customers, including customer deposits	$ 82,033	$ 4,138,880	$ 15,611,277	$ -	$ 20,113,050
Cash received from rental activities	148,458	7,979	32,703	-	130,215
Cash payments for contractual and other services	(64,654)	(2,056,761)	(7,096,701)	-	(9,603,180)
Net cash provided by (used in) operating activities	165,837	2,090,098	8,547,279	-	10,640,085
Cash flows from capital and related financing activities					
Proceeds from issuance of bonds and loans	-	-	-	-	-
Principal paid on revenue bond and assessment note maturities	-	(37,051,264)	(2,074,800)	(10,405,000)	(2,985,000)
Interest paid on revenue bonds and assessment note	-	(1,020,509)	(2,308,603)	-	(6,889,440)
Build America Bond subsidy receipts on revenue bonds	-	-	-	-	2,231,090
Payments to acquire and construct plant property	(24,488)	(2,667,363)	(2,173,694)	-	(3,786,276)
Proceeds from sale of utility system	-	26,611,681	-	-	-
Operating grants	-	-	-	-	2,278
Capital grants	-	-	-	-	-
Impact fees and other capital contributions	3,505	39,011	1,168,297	-	613,662
Net cash provided by (used in) capital and related financing activities	(20,983)	(14,088,444)	(5,388,800)	(10,405,000)	(10,813,686)
Cash flows from investing activities					
Proceeds from bond maturities	-	-	-	10,405,000	-
Sales (purchases) of investments	-	-	-	-	46,373
Interest received	6,246	48,185	255,214	-	287,477
Net cash provided by (used in) investing activities	6,246	48,185	255,214	10,405,000	333,850
Net increase (decrease) in cash and cash equivalents	151,100	(11,950,161)	3,413,693	-	160,249
Cash and cash equivalents, beginning of year	545,996	11,950,161	20,631,285	-	24,095,782
Cash and cash equivalents, end of year	$ 697,096	$ -	$ 24,044,978	$ -	$ 24,256,031
Reconciliation of operating income to net cash provided by (used in) operating activities					
Cash flows from operating activities					
Operating income	$ (82,724)	$ 1,537,691	$ 4,254,715	$ -	$ 5,223,373
Adjustments to reconcile operating income to net cash provided by operating activities:					
Miscellaneous nonoperating income	148,458	7,979	32,703	-	130,215
Depreciation and amortization expense	19,574	816,938	4,295,311	-	4,106,436
Changes in assets and liabilities					
Decrease (Increase) in accounts receivable	-	978,127	(29,301)	-	363,044
Decrease (Increase) in prepaid expenses	14,172	215,448	24,172	-	6,722
Increase (Decrease) in accounts payable and accrued expenses	66,357	(858,578)	(164,452)	-	686,010
Increase (Decrease) in customer deposits payable	-	(607,507)	134,131	-	124,285
Total adjustments	248,561	552,407	4,292,564	-	5,416,712
Net cash provided by (used in) operating activities	$ 165,837	$ 2,090,098	$ 8,547,279	$ -	$ 10,640,085
Supplemental schedule of noncash investing, capital, and financing activities					
Amortization of excess of cost over fair value of acquired assets	$ -	$ 188,468	$ 264,357	$ -	$ 1,835,926
Amortization of deferred loss on refunding	-	340,599	-	-	-
Bond discount (premium) amortization	-	(415,551)	(422,085)	-	14,365
Plant property contributed by developers	-		839,284	-	32,862

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

Consolidated Utility Systems	Lindrick Utility System	N. Fort Myers Utility System	MacDill AFB Utility System	Lake Aqua Utility System	Pasco Aqua Utility System	Unified Aqua Utility System	Total
$ 6,182,517	$ 4,537,762	$ 12,370,480	$ 3,999,646	$ 3,838,167	$ 3,994,037	$ 7,552,127	$ 82,419,976
14,095	12,713	30,245	133,548	-	-	1,501	511,457
(3,186,833)	(2,365,771)	(6,210,667)	(2,573,136)	(2,424,309)	(1,751,424)	(5,054,114)	(42,387,550)
3,009,779	2,184,704	6,190,058	1,560,058	1,413,858	2,242,613	2,499,514	40,543,883
-	-	-	-	47,548	-	950,383	997,931
(157,400)	(712,005)	(1,382,400)	(708,918)	(375,000)	(410,000)	(590,000)	(56,851,787)
(1,169,698)	(1,757,615)	(3,854,047)	(830,491)	(727,381)	(817,075)	(984,505)	(20,359,364)
-	547,002	1,192,768	-	-	-	-	3,970,860
(2,163,763)	(1,421,516)	(811,346)	(2,873,020)	(396,436)	(361,258)	(2,747,778)	(19,426,938)
-	-	-	-	-	-	-	26,611,681
-	735	-	-	21,046	1,400	49,845	75,304
-	-	-	-	-	-	390,136	390,136
192,900	88,380	55,826	2,647,979	6,900	-	17,900	4,834,360
(3,297,961)	(3,255,019)	(4,799,199)	(1,764,450)	(1,423,323)	(1,586,933)	(2,914,019)	(59,757,817)
-	-	-	-	-	-	-	10,405,000
-	10,164	25,410	-	-	-	-	81,947
175,851	81,767	208,209	151	37,579	73,957	70,000	1,244,636
175,851	91,931	233,619	151	37,579	73,957	70,000	11,731,583
(112,331)	(978,384)	1,624,478	(204,241)	28,114	729,637	(344,505)	(7,482,351)
14,482,013	7,633,946	15,589,733	7,685,841	3,293,223	5,689,830	6,454,119	118,051,929
$ 14,369,682	$ 6,655,562	$ 17,214,211	$ 7,481,600	$ 3,321,337	$ 6,419,467	$ 6,109,614	$ 110,569,578
$ 2,379,309	$ 887,092	$ 4,250,482	$ 473,642	$ 819,419	$ 1,482,707	$ 2,026,694	$ 23,252,400
14,095	12,713	30,245	133,548	-	-	1,501	511,457
829,168	799,409	2,730,868	1,769,116	781,553	738,896	1,333,063	18,220,332
23,832	281,877	(172,581)	(818,048)	(32,479)	59,023	(234,989)	418,505
(4,182)	972	(2,304)	1,688	832	(515)	(42,673)	214,332
(256,034)	180,428	(687,202)	1,112	(179,030)	(77,215)	(618,744)	(1,907,348)
23,591	22,213	40,550	(1,000)	23,563	39,717	34,662	(165,795)
630,470	1,297,612	1,939,576	1,086,416	594,439	759,906	472,820	17,291,483
$ 3,009,779	$ 2,184,704	$ 6,190,058	$ 1,560,058	$ 1,413,858	$ 2,242,613	$ 2,499,514	$ 40,543,883
$ 445,782	$ 555,491	$ 584,340	$ -	$ 290,382	$ 384,656	$ 64,340	$ 4,613,742
-	-	-	-	-	-	-	340,599
456	-	11,245	-	3,441	3,058	7,809	(797,262)
19,632	-	289,623	-	-	5,964	-	1,187,365

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

THIS PAGE LEFT INTENTIONALLY BLANK.

(1) **Summary of Significant Accounting Policies:**

(a) **Reporting entity**—The Florida Governmental Utility Authority (the "Authority") was formed as a legal entity and public body pursuant to Chapters 125, 166 and 163, Florida Statutes and an Interlocal Agreement dated February 1, 1999 (the "Interlocal Agreement") initially by and between Brevard County, Lee County, Polk County, and Sarasota County (the "Authority Members"), each a local government located in the State of Florida. The Interlocal Agreement was amended and restated on December 1, 2000, by and between Citrus County, Nassau County, Polk County, and Sarasota County. Sarasota County was a member of the Interlocal Agreement, but withdrew effective August 29, 2002, after assuming ownership of the Authority's assets and liabilities related to the Sarasota Utility System. On January 16, 2003, Osceola County was accepted as a member. Osceola County has since terminated its membership and the Poinciana Utility System assets and liabilities were transferred to the Tohopekaliga Water Authority on April 30, 2007. The Citrus Utility System was transitioned to Citrus County on February 15, 2007. On October 15, 2005 Lee County rejoined the Authority subsequent to the purchase of the Lehigh Acres System. The Town of Dundee joined as a member on June 12, 2007 and subsequently withdrew on January 21, 2010. Hendry County joined as a member on February 21, 2008. Pasco County joined as a member on February 27, 2008. DeSoto County joined as a member on January 13, 2009, and terminated its membership on November 12, 2015. The purpose of the Authority is to enable the Authority Members to make the most efficient use of their common power to acquire, own, improve, operate, and maintain water and wastewater facilities. It is not expected that the Authority will have any employees. All services will be provided on a contractual basis.

Based on the criteria in Governmental Accounting Standards Board (GASB) Codification, the Authority has determined that there are no other units that meet the criteria for inclusion in the Authority's financial statements.

(b) **Measurement focus, basis of accounting, and financial statement presentation**—The accounting systems of the Authority are organized on the basis of funds, each of which is considered an accounting entity having a self-balancing set of accounts for recording its assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses. Since the Authority is a special purpose government involved solely in the provision of water and wastewater services to its customers on a fee basis, all funds are accounted for in Proprietary Funds. The Authority utilizes the accrual basis of accounting in accordance with the GASB Codification.

The focus of proprietary fund measurement is the determination of net income, financial position, and cash flows. The proprietary funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority operates ten utility systems (Golden Gate which was sold during the year, Lehigh Acres, Pasco, Consolidated, Lindrick, North Fort Myers, MacDill AFB, Lake Aqua, Pasco Aqua, Unified Aqua) in ten separate funds. The Authority has one non-system specific fund that handles the administration of the interlocal agreements and also has a fund (Barefoot Bay) that services outstanding bonds from former utility systems the Authority operated years ago. All funds are considered major funds.

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Cash and cash equivalents**—Cash and cash equivalents consists of cash on hand and on deposit in banks and money market accounts. Investments with a maturity of three months or less when purchased are considered to be cash equivalents.

(d) **Investments**—Investments are carried at fair value.

(e) **Accounts receivable**—The Authority's accounts receivable consists of amounts due from consumers. The Utility Systems perform credit evaluations on their consumers and generally require collateral deposits from them.

(f) **Restricted assets and reserves**—Certain assets are required to be segregated from other assets due to various bond indenture agreements. These assets are legally restricted for specific purposes such as debt service, construction, and renewals and replacements. The remaining excess of restricted assets over liabilities is reflected as restricted net position.

(g) **Property and plant**—Property and plant are recorded at cost less accumulated depreciation, except contributed assets which are recorded at acquisition value on the date of contribution. Expenditures of $5,000 or more are capitalized. Depreciation, on a straight-line basis, is charged over estimated useful lives ranging from 5 to 35 years.

(h) **Intangibles**—The excess cost over fair value of acquired assets is being amortized, on a straight-line basis, over the approximate life of the related assets purchased, ranging from 20 to 30 years. The right-of-use capacity agreement for the Lindrick Utility System has an indefinite life.

(i) **Bond discounts and premiums**—Bond discounts and premiums are deferred and amortized over the term of the bonds using the effective interest method.

(j) **Revenue recognition**—Operating revenue consists primarily of charges for services, which are billed to customers for water, wastewater, and reclaimed water service. Billings are included in revenue as meters are read on a cycle basis throughout each month. Unbilled revenues are accrued based on estimated consumption of the most recent billing. For the MacDill AFB system, all water and wastewater revenues are earned based on the terms set forth in a formal agreement between the Authority and the Federal government.

(k) **Net position flow assumption**—Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Authority's policy to consider restricted net position to have been used before unrestricted net position is applied.

(l) **Operating and nonoperating revenues and expenses**—Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with principal ongoing operations. The Authority's principal operating revenues are charges for water and sewer services. Operating expenses include the costs to maintain and repair the water and sewer treatment plants, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Capital grants, contributions, and impact fees**—Impact fees are imposed by the Utility Systems to acquire, construct, equip, or expand the capacity of the water and/or wastewater facilities in order to serve new users of the facilities and new development within the service area of the Utility Systems. Impact fees revenue is recognized when the related connection services are performed. Capital contributions represent contributions of certain water distribution and wastewater collection systems. Such contributions are recognized as revenue in the period they are received. The recoverable portion of system purchase price is earned in the MacDill AFB System based on the terms set forth in the agreement with the Federal government. Capital grants represent funding from state and Federal agencies to support capital asset construction.

(n) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, 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. It is the deferred loss on refunding. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will, if required, 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has no items that qualify for reporting in this category.

(o) **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 the reported amount of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(p) **Risk management**—The Authority participates in various insurance programs for property and casualty losses. Coverage includes property, general liability, and public officials insurance. Environmental impairment insurance for potential spills is maintained with a third party insurance carrier. Settled claims have not exceeded insurance coverage during the last three fiscal years.

(2) **Purchase and Transition of Utility Systems:**

In recent years, the Authority has periodically engaged in acquiring new utility systems, most recently acquiring the Lake Aqua, Pasco Aqua, and Unified Aqua systems in fiscal year 2013.

No such acquisitions or transitions occurred during the year ended September 30, 2018. Subsequent to year end, the Authority acquired the City of Dunnellon Utility System on October 26, 2018, as further described in Note 10.

(3) **Sale of Utility Systems:**

(a) **Barefoot Bay utility system**—Effective February 2, 2000, Barefoot Bay Water and Sewer District (the "District"), a component unit of Brevard County, Florida, acquired all the assets and assumed all operating liabilities of the Barefoot Bay Utility System at net book value. This transaction resulted in a gain of approximately $250,000, equal to the accumulated deficit of the Barefoot Bay Utility System at the sale date. In payment for the Barefoot Bay Utility System, the District issued Barefoot Bay Water and Sewer District Utility Revenue Bonds Series 2000 (the "Series 2000 Bonds") in the amount of $17,135,000. The respective interest rates and maturities of the Series 2000 Bonds are identical to the Florida Governmental Utility Authority Utility System Revenue Bonds (Barefoot Bay Utility System), Series 1999 Bonds issued at the acquisition of the Barefoot Bay Utility System by the Authority and which remain outstanding. The trust estate as defined in the Series 2000 Bonds trust indenture secures the Series 2000 Bonds. This trust estate has replaced the net revenues of the Barefoot Bay Utility System as the pledged revenue source securing the Series 1999 Bonds. The Series 2000 Bonds were legally defeased on January 17, 2018, and are no longer included in restricted assets in the combined Statement of Net Position of the Authority.

(b) **Golden Gate utility system**—Effective March 1, 2018, Collier County Water-Sewer District (the "District"), a component unit of Collier County, Florida, acquired all the assets and assumed all operating liabilities of the Golden Gate Utility System at net book value. This transaction resulted in a loss of approximately $5,222,080, equal to the net position of the Golden Gate Utility System at the sale date.

(4) **Deposits and Investments:**

(a) **Deposits**—At September 30, 2018, the Authority held cash on deposit with various financial institutions. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Authority's deposits at year end are considered insured for custodial credit risk purposes.

(b) **Investments**—The Authority measures and records its investments using fair value measurement guidelines established by GASB Codification. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Assets or liabilities for which the identical item is traded on an active exchange, such as publicly-traded instruments or futures contracts.

Level 2: Assets and liabilities valued based on observable market data for similar instruments. Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for assets and liabilities, either directly or indirectly.

(4) **Deposits and Investments:** (Continued)

Level 3: Assets or liabilities for which significant valuation assumptions are not readily observable in the market and instruments, which are valued based on the best available data. Fair value is estimated using unobservable inputs that are significant to the fair value of the assets or liabilities. Level 3 assets may include instruments for which the determination of fair value requires significant management judgment or estimation.

At September 30, 2018, the Authority's investments consisted of the following, all of which were valued using Level 2 inputs from the above hierarchy:

The following is a description of the valuation techniques used for assets measured at fair value:

Municipal bonds – Valued based on face value of the instruments adjusted for inflation and interest maturities.

Types of Investments	Maturities	Credit Quality (Moody's)	Fair Value
Municipal bonds	.79 years	Aa3	$ 3,256,283

(c) **Custodial credit risk**—For an investment, custodial credit is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the Authority's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers and an annual review of the institutions used.

(d) **Credit risk**—Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Authority does have a formal investment policy that limits its investments to high quality investments to control credit risk, which requires diversification of investments, limited investments in securities with higher credit risks, investing in securities with varying maturities, and continuously investing a portion of the portfolio in readily available funds such as local government investment pools or money market funds. In addition, Certificates of deposit and other evidences of deposit at qualified depositories, bankers' acceptances, and commercial paper, rated in the highest tier (e.g., A-I, P-I, F-I or D-1 or higher) by a nationally recognized rating agency. The municipal bonds receivable and money market mutual funds do not have credit quality ratings. The municipal bonds receivable are insured by a financial guaranty insurance policy.

(e) **Interest rate risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority has a formal investment policy that, except for special situations, limits investment maturities to instruments maturing within three years from purchase as a means of managing exposure to fair value losses arising from increasing interest rates. At September 30, 2018, the Authority's municipal bonds had a weighted average duration as noted under maturities above.

(5) **Accounts Receivable:**

Receivables at September 30, 2018, consist of the following:

	Non-System Specific	Golden Gate Utility System	Lehigh Utility System	Pasco Utility System
Billed customer receivables	$ -	$ -	$ 1,850,981	$ 1,633,510
Unbilled customer receivables	-	-	800,036	939,999
Special assessments - current	-	-	42,936	-
Other receivables	-	-	3,146	-
Gross accounts receivable	-	-	2,697,099	2,573,509
Less: Allowance for uncollectibles	-	-	(508,807)	(345,806)
Net total receivables	$ -	$ -	$ 2,188,292	$ 2,227,703

	Consolidated Utility System	Lindrick Utility System	N. Ft. Myers Utility System	MacDill AFB Utility System
Billed customer receivables	$ 713,048	$ 377,967	$ 724,605	$ 1,210,460
Unbilled customer receivables	303,996	293,717	948,608	-
Special assessments - current	-	-	-	-
Other receivables	-	-	-	-
Gross accounts receivable	1,017,044	671,684	1,673,213	1,210,460
Less: Allowance for uncollectibles	(205,792)	(168,421)	(94,956)	-
Net total receivables	$ 811,252	$ 503,263	$ 1,578,257	$ 1,210,460

	Lake Aqua Utility System	Pasco Aqua Utility System	Unified Aqua Utility System	Total
Billed customer receivables	$ 477,955	$ 452,732	$ 904,408	$ 8,345,666
Unbilled customer receivables	172,754	239,623	453,196	4,151,929
Special assessments - current	-	-	-	42,936
Other receivables	-	4,296	13,887	21,329
Gross accounts receivable	650,709	696,651	1,371,491	12,561,860
Less: Allowance for uncollectibles	(94,383)	(162,682)	(246,894)	(1,827,741)
Net total receivables	$ 556,326	$ 533,969	$ 1,124,597	$10,734,119

(6) **Capital Assets:**

Changes in the Authority's capital assets for the year ended September 30, 2018, were as follows:

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
Capital assets not being depreciated:				
Land	$ 6,959,342	$ 190	$ (500,070)	$ 6,459,462
Construction in progress	21,216,556	17,937,010	(16,130,434)	23,023,132
Total capital assets not being depreciated	28,175,898	17,937,200	(16,630,504)	29,482,594
Capital assets being depreciated:				
Utility plants	385,139,853	14,984,569	(49,325,789)	350,798,633
Accumulated depreciation	(125,076,195)	(13,606,592)	24,712,022	(113,970,765)
Total capital assets being depreciated, net	260,063,658	1,377,977	(24,613,767)	236,827,868
Capital assets, net	$ 288,239,556	$ 19,315,177	$ (41,244,271)	$ 266,310,462
Excess of cost over fair value of acquired assets	$ 143,089,977	$ -	$ (13,569,730)	$ 129,520,247
Accumulated amortization	(41,943,766)	(4,405,461)	8,368,000	(37,981,227)
Excess of cost over fair value of acquired assets, net	101,146,211	(4,405,461)	(5,201,730)	91,539,020
Right of use intangibles	3,570,400	-	-	3,570,400
Accumulated amortization	-	(19,813)	-	(19,813)
Right of use intangibles, net	3,570,400	(19,813)	-	3,550,587
Intangible assets, net	$ 104,716,611	$ (4,425,274)	$ (5,201,730)	$ 95,089,607

Total interest expense incurred by the Authority during the current fiscal year was $20,209,942. Although the Authority chose to early implement GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, in the year ended September 30, 2018, the GASB Statement was not issued until June 2018. Since the Golden Gate system was sold in March 2018, capitalized interest of $73,954 was calculated to that point in order to provide an accurate price for the sale of the system. GASB No. 89 prospectively requires that interest cost incurred before the end of a construction period be recognized as an expense rather than included in the historical cost of a capital asset. No other capitalized interest is included in the Authority's financial statements for the year ended September 30, 2018.

(7) **Bonds and Notes Payable:**

(a) Revenue bonds and notes payable at September 30, 2018, are comprised of the following:

Lehigh Acres Utility System	
$10,120,000 2.00%-4.00% Series 2017 Serial Bonds interest due semi-annually on April 1 and October 1 commencing April 1, 2018, principal payments due annually October 1, 2018 through 2040; secured by pledged water and wastewater revenues	$ 10,120,000
$1,145,000 2.00%-5.00% Series 2017 Term Bonds interest due semi-annually on April 1 and October 1 commencing April 1, 2018, principal payments due biannually October 1, 2022 through 2030; secured by pledged water and wastewater revenues	1,145,000

(7) **Bonds and Notes Payable:** (Continued)

$16,480,000 Series 2014 Serial Bonds, interest due semi-annually on April 1 and October 1 commencing April 1, 2015, principal payments due annually October 1, 2016 through 2032; interest rates ranging from 2.00% to 5.00%; secured by pledged water and wastewater revenues	$	14,990,000
$4,145,000 3.625% Series 2014 Term Bonds, interest due semi-annually on April 1 and October 1 commencing April 1, 2015, mandatory redemption of principal payments due annually October 1, 2033 through 2035; secured by pledged water and wastewater revenues		4,145,000
$20,465,000 Series 2012 Serial Bonds, interest due semi-annually on April 1 and October 1 commencing April 1, 2013, principal payments due annually October 1, 2015 through 2028; interest rates ranging from 2.75% to 5.00%; secured by pledged water and wastewater revenues		17,030,000
$10,615,000 5.00% Series 2012 Term Bonds interest due semi-annually on April 1 and October 1 commencing April 1, 2013, principal payments due annually October 1, 2029 through 2033; secured by pledged water and wastewater revenues		10,615,000
$6,705,500 Loan Agreement with SunTrust Equipment Finance & Leasing Corp. —The Lehigh Acres Utility System was approved for a preconstruction and construction loan with SunTrust Equipment Finance & Leasing Corp. in the amount of $6,705,500 at an interest rate of 2.30%. The funds are used pursuant to a Guaranteed Energy, Water and Wastewater Performance Savings Contract with Siemens for system improvements. According to the loan agreement, monthly payments of interest only are due August 25, 2016 and monthly payments of principal and interest are due beginning on August 25, 2017 through 2032. This loan is junior and subordinate in all regards in right of payment and security to the Lehigh Acres Utility System		6,555,700
Pasco Utility System		
$20,920,000 Series 2010B Serial Bonds interest due semi-annually on April 1 and October 1 commencing April 1, 2011, principal payments due annually October 1, 2013 through 2020; interest at rates ranging from 2.746% to 5.022%; secured by pledged water and wastewater revenues		9,490,000
$18,150,000 5.72% Series 2010B Term Bonds interest due semi-annually on April 1 and October 1 commencing April 1, 2011, principal payments due annually October 1, 2021 through 2025; secured by pledged water and wastewater revenues		18,150,000
$21,955,000 6.348% Series 2010B Term Bonds interest due semi-annually on April 1 and October 1 commencing April 1, 2011, principal payments due annually October 1, 2026 through 2030; secured by pledged water and wastewater revenues		21,955,000
$60,120,000 6.548% Series 2010B Term Bonds interest due semi-annually on April 1 and October 1 commencing April 1, 2011, principal payments due annually October 1, 2031 through 2040; secured by pledged water and wastewater revenues		60,120,000
Consolidated Utility System		
$1,815,000 Series 2012A Serial Bonds, interest due semi-annually on April 1 and October 1 commencing October 1, 2012, principal payments due annually October 1, 2013 through 2025; interest at rates ranging from 2.00% to 3.75%; secured by pledged water and wastewater revenues		1,545,000

(7) **Bonds and Notes Payable:** (Continued)

$6,995,000 4.00% Series 2012A Term Bonds, interest due semi-annually on April 1 and October 1 commencing October 1, 2012, principal payments due annually October 1, 2026 through 2032; secured by pledged water and wastewater revenues	$	6,995,000
$4,250,000 5.00% Series 2012A Term Bonds, interest due semi-annually on April 1 and October 1 commencing October 1, 2012, principal payments due annually October 1, 2033 through 2037; secured by pledged water and wastewater revenues		4,250,000
$4,000,000 5.00% Series 2012A Term Bonds, interest due semi-annually on April 1 and October 1 commencing October 1, 2012, principal payments due annually October 1, 2038 through 2042; secured by pledged water and wastewater revenues		4,000,000
$3,580,000 4.25% Series 2012A Term Bonds, interest due semi-annually on April 1 and October 1 commencing October 1, 2012, principal payments due annually October 1, 2038 through 2042; secured by pledged water and wastewater revenues		3,580,000
$5,000,000 4.00% Series 2012 Subordinate Bond, interest due semi-annually on June 1 and December 1 commencing December 1, 2012, principal payments of $1,000,000 due annually June 1, 2020 through 2024; seller-financed agreement is secured by pledged water and wastewater revenues		5,000,000
$3,145,300 Loan Agreement with SunTrust Equipment Finance & Leasing Corp. —The Consolidated Utility System was approved for a preconstruction and construction loan with SunTrust Equipment Finance & Leasing Corp. in the amount of $3,145,300 at an interest rate of 2.30%. The funds are used pursuant to a Guaranteed Energy, Water and Wastewater Performance Savings Contract with Siemens for system improvements. According to the loan agreement, monthly payments of interest only are due August 25, 2016 and monthly payments of principal and interest are due beginning on August 25, 2017 through 2032. This loan is junior and subordinate in all regards in right of payment and security to the Consolidated Utility System		3,067,300
Lindrick Utility System		
$1,729,413 Bulk Wastewater Treatment Agreement in form of capital lease with the City of New Port Richey as amended effective October 1, 2012, due in monthly installments of $16,107 through October 1, 2022, comprised of principal and interest at a rate of 2.25%		753,412
$4,585,000 6.641% Series 2010 Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2011 through 2020; secured by pledged water and wastewater revenues		1,695,000
$3,375,000 7.141% Series 2010 Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2021 through 2025; secured by pledged water and wastewater revenues		3,375,000
$4,255,000 7.630% Series 2010 Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2026 through 2030; secured by pledged water and wastewater revenues		4,255,000
$5,445,000 7.880% Series 2010 Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2031 through 2035; secured by pledged water and wastewater revenues		5,445,000

(7) **Bonds and Notes Payable:** (Continued)

$7,005,000 8.080% Series 2010 Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2036 through 2040; secured by pledged water and wastewater revenues	$	7,005,000
$2,094,600 Loan Agreement with SunTrust Equipment Finance & Leasing Corp. —The Lindrick Utility System was approved for a preconstruction and construction loan with SunTrust Equipment Finance & Leasing Corp. in the amount of $2,094,600 at an interest rate of 2.30%. The funds are used pursuant to a Guaranteed Energy, Water and Wastewater Performance Savings Contract with Siemens for system improvements. According to the loan agreement, monthly payments of interest only are due August 25, 2016 and monthly payments of principal and interest are due beginning on August 25, 2017 through 2032. This loan is junior and subordinate in all regards in right of payment and security to the Lindrick Utility System		2,074,400
North Fort Myers Utility System		
$9,965,000 Series 2010A Serial Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2013 through 2020; interest at rates ranging from 2.50% to 3.75%; secured by pledged water and wastewater revenues		4,480,000
$9,175,000 6.584% Series 2010B Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2021 through 2025; secured by pledged water and wastewater revenues		9,175,000
$11,365,000 6.884% Series 2010B Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2026 through 2030; secured by pledged water and wastewater reven		11,365,000
$31,935,000 7.084% Series 2010B Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2010, principal payments due annually October 1, 2031 through 2040; secured by pledged water and wastewater revenues		31,935,000
$994,500 Loan Agreement with SunTrust Equipment Finance & Leasing Corp. — The North Fort Myers Utility System was approved for a preconstruction and construction loan with SunTrust Equipment Finance & Leasing Corp. in the amount of $994,500 at an interest rate of 2.30%. The funds are used pursuant to a Guaranteed Energy, Water and Wastewater Performance Savings Contract with Siemens for system improvements. According to the loan agreement, monthly payments of interest only are due August 25, 2016 and monthly payments of principal and interest are due beginning on August 25, 2017 through 2032. This loan is junior and subordinate in all regards in right of payment and security to the North Fort Myers Utility System		962,900
MacDill AFB Utility System		
$17,715,314 6.00% seller-financed purchase price liability due in monthly installments of $128,284, recorded as offset against utility service charges, March 1, 2011 through February 1, 2031; secured by utility plant, infrastructure, and equipment		13,454,014
Lake Aqua Utility System		
$3,310,000 Series 2013A Serial Bonds interest due semi-annually on April 1 and October 1 commencing October 1 2013, principal payments due annually October 1, 2014 through 2023; interest at rates ranging from 2.00% to 3.375%; secured by pledged water and wastewater revenues		2,455,000

(7) **Bonds and Notes Payable:** (Continued)

$5,525,000 4.25% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2024 through 2033; secured by pledged water and wastewater revenues	$	5,525,000
$5,615,000 5.00% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2034 through 2040; secured by pledged water and wastewater revenues		5,615,000
$3,045,000 4.50% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2041 through 2043; secured by pledged water and wastewater revenues		3,045,000
$120,000 Loan Agreement WW011200—The Lake Aqua Utility System was approved for preconstruction and construction loans by the Florida Department of Environmental Protection under the Clean Water State Revolving Loan Fund Program in the amount of $35,000 at an interest rate of 1.50%. Amendment 1 to the loan increased the loan amount by $85,000 at an interest rate of 2.14%. The funds were used for wastewater system improvements. According to the loan agreement, 40 semi-annual payments of principal and interest are due beginning on October 15, 2019, currently in the amount of $3,748; secured by pledged water and wastewater revenues. This loan is junior and subordinate in all regards in right of payment and security to the Lake Aqua Utility System Series 2013 Bonds		116,183
Pasco Aqua Utility System		
$3,860,000 Series 2013A Serial Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2014 through 2023; interest at rates ranging from 2.00% to 3.50%; secured by pledged water and wastewater revenues		2,730,000
$6,165,000 4.25% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2024 through 2033; secured by pledged water and wastewater revenues		6,165,000
$6,260,000 5.00% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2034 through 2040; secured by pledged water and wastewater revenues		6,260,000
$3,390,000 4.50% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2041 through 2043; secured by pledged water and wastewater revenues		3,390,000
Unified Aqua Utility System		
$6,370,000 Series 2013A Serial Bonds interest due semi-annually on April 1 and October 1 commencing October 1 2013, principal payments due annually October 1, 2014 through 2025; interest at rates ranging from 2.00% to 4.00%; secured by pledged water and wastewater revenues		5,345,000
$2,390,000 3.75% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2026 through 2028; secured by pledged water and wastewater revenues		2,390,000
$4,640,000 4.00% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2029 through 2033; secured by pledged water and wastewater revenues		4,640,000

(7) **Bonds and Notes Payable:** (Continued)

$12,665,000 4.25% Series 2013A Term Bonds interest due semi-annually on April 1 and October 1 commencing October 1, 2013, principal payments due annually October 1, 2034 through 2043; secured by pledged water and wastewater revenues	$ 12,665,000
$1,420,664 Loan Agreement WW590320—The Unified Aqua Utility System was approved for preconstruction and construction loans by the Florida Department of Environmental Protection under the Clean Water State Revolving Loan Fund Program at an interest rate of 0.83%. The funds were used for construction of the Authority's Reclaimed Water Storage Tank project. According to the loan agreement, 40 semi-annual payments of principal and interest are due beginning on June 15, 2019, currently in the amount of $39,566; secured by pledged water and wastewater revenues	950,383
Bonds and notes payable at September 30, 2018	360,019,292
Add: unamortized bond premiums, net of unamortized bond discounts	2,577,314
Less: current portion of bonds and notes payable	(9,931,899)
Long-term bonds and notes payable at September 30, 2018, net	$ 352,664,707

For the above debt instruments secured by pledged water and wastewater revenues, amounts pledged consist of the respective system's operating revenues for the course of the long-term debt payments. The debt instruments were issued to purchase the utility systems and to fund various capital improvements. The amounts and terms of the commitments are clearly stated in the detailed descriptions above for each debt instrument.

Below is a table comparing the current year's pledged revenue (including revenue from the sale of water and wastewater, meter tapping, service charges, miscellaneous operating revenue, and any amounts contributed from capitalized interest and rate stabilization accounts) to the current year's principal and interest (net of Build America Bond subsidies received) required debt service. Further details may be found in the Pledged Revenue Coverage tables in the Statistical Section.

		Debt Service	
September 30	**Water, Wastewater and Other Revenue**	**Principal**	**Interest**
Golden Gate	$ 3,824,425	$ 539,062	$ 622,160
Lehigh Acres	15,744,366	2,100,000	2,313,984
Pasco	20,043,413	3,070,000	4,593,903
Consolidated	5,925,043	635,000	1,097,263
Lindrick	4,678,151	540,000	1,126,299
North Fort Myers	12,540,966	1,420,000	2,616,762
Lake Aqua	3,874,662	385,000	723,632
Pasco Aqua	3,219,255	425,000	810,926
Unified Aqua	7,523,956	605,000	975,657
Totals	$ 77,374,237	$ 9,719,062	$ 14,880,586

(7) **Bonds and Notes Payable:** (Continued)

The Lehigh 2010 Bond series were in-substance defeased on September 7, 2017. The escrow account to legally defease these bonds was funded by issuing the 2017 series of bonds and using unrestricted cash accumulated in the Lehigh Acres enterprise fund. The escrow account consists of multiple U.S. treasury notes timed to mature in step with interest and principal payments with the final maturity on 09/30/2021. The balance of outstanding in-substance defeased debt as of September 30, 2018, is $12,535,000. This amount will be available to be redeemed early on October 1, 2021.

(b) **Changes in bonds and notes payable**—Activity in bonds and notes payable for the year ended September 30, 2018, was as follows:

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Due Within One Year
Secured by pledged water and wastewater revenues:					
Bonds	$ 370,315,000	$ -	$ (43,230,000)	$327,085,000	$ 8,640,000
Seller-financed notes	5,000,000	-	-	5,000,000	-
State Revolving Loans	1,502,288	997,931	(1,433,653)	1,066,566	21,891
Subtotal debt secured by pledged water & wastewater revenues	376,817,288	997,931	(44,663,653)	333,151,566	8,661,891
Secured by other (county bonds, assets):					
Bonds	10,405,000	-	(10,405,000)	-	-
Capital leases	927,617	-	(174,205)	753,412	178,166
Seller-financed notes	14,162,932	-	(708,918)	13,454,014	752,642
Notes payable	15,167,800	-	(2,507,500)	12,660,300	339,200
Subtotal other debt	40,663,349	-	(13,795,623)	26,867,726	1,270,008
Bonds and notes payable	$ 417,480,637	$ 997,931	$ (58,459,276)	$360,019,292	$ 9,931,899

(c) Debt service requirements to maturity are as follows at September 30, 2018:

	Lehigh Utility System		
September 30	Principal	Interest	Total Debt Service
2019	$ 2,278,900	$ 2,456,636	$ 4,735,536
2020	2,404,000	2,384,884	4,788,884
2021	2,521,400	2,308,934	4,830,334
2022	2,672,900	2,200,232	4,873,132
2023	2,781,000	2,095,253	4,876,253
2024 – 2028	16,523,500	8,610,116	25,133,616
2029 – 2033	19,379,000	5,458,000	24,837,000
2034 – 2038	11,200,000	1,875,605	13,075,605
2039 – 2041	4,840,000	241,788	5,081,788
Totals	$ 64,600,700	$27,631,448	$ 92,232,148

(7) **Bonds and Notes Payable:** (Continued)

	Pasco Utility System		
September 30	Principal	Interest	Total Debt Service
2019	$ 3,070,000	$ 6,824,994	$ 9,894,994
2020	3,160,000	6,684,633	9,844,633
2021	3,260,000	6,532,258	9,792,258
2022	3,370,000	6,368,541	9,738,541
2023	3,495,000	6,175,777	9,670,777
2024 – 2028	19,540,000	27,701,762	47,241,762
2029 – 2033	23,810,000	21,121,686	44,931,686
2034 – 2038	29,280,000	12,698,536	41,978,536
2039 – 2041	20,730,000	2,752,451	23,482,451
Totals	$ 109,715,000	$ 96,860,638	$ 206,575,638

	Consolidated Utility System		
September 30	Principal	Interest	Total Debt Service
2019	$ 183,100	$ 1,166,912	$ 1,350,012
2020	1,207,300	1,162,314	2,369,614
2021	1,174,500	1,116,865	2,291,365
2022	1,236,900	1,072,298	2,309,198
2023	1,276,400	1,026,333	2,302,733
2024 – 2028	4,981,500	4,551,181	9,532,681
2029 – 2033	6,547,600	3,526,969	10,074,569
2034 – 2038	4,250,000	2,425,500	6,675,500
2039 – 2043	7,580,000	1,090,150	8,670,150
Totals	$ 28,437,300	$ 17,138,522	$ 45,575,822

	Lindrick Utility System		
September 30	Principal	Interest	Total Debt Service
2019	$ 756,966	$ 1,735,755	$ 2,492,721
2020	804,916	1,694,756	2,499,672
2021	855,358	1,651,541	2,506,899
2022	903,195	1,606,064	2,509,259
2023	757,278	1,557,303	2,314,581
2024 – 2028	4,569,300	6,999,508	11,568,808
2029 – 2033	5,525,800	5,341,670	10,867,470
2034 – 2038	6,015,000	3,277,054	9,292,054
2039 – 2041	4,415,000	725,988	5,140,988
Totals	$ 24,602,812	$ 24,589,639	$ 49,192,452

(7) **Bonds and Notes Payable:** (Continued)

	North Fort Myers Utility System		
September 30	**Principal**	**Interest**	**Total Debt Service**
2019	$ 1,453,400	$ 3,831,334	$ 5,284,734
2020	1,534,400	3,782,578	5,316,978
2021	1,610,500	3,727,415	5,337,915
2022	1,736,300	3,667,612	5,403,912
2023	1,807,900	3,555,483	5,363,383
2024 – 2028	10,355,500	15,912,002	26,267,502
2029 – 2033	12,774,900	12,138,443	24,913,343
2034 – 2038	15,515,000	7,338,670	22,853,670
2039 – 2043	11,130,000	1,600,629	12,740,629
Totals	$57,917,900	$55,554,166	$113,482,066

	MacDill AFB Utility System		
September 30	**Principal**	**Interest**	**Total Debt Service**
2019	$ 752,642	$ 786,767	$ 1,539,409
2020	799,063	740,346	1,539,409
2021	848,348	691,061	1,539,409
2022	900,672	638,737	1,539,409
2023	956,224	583,186	1,539,410
2024 – 2028	5,741,987	1,955,058	7,697,045
2029 – 2031	3,455,078	265,160	3,720,238
Totals	$13,454,014	$ 5,660,315	$ 19,114,329

	Lake Aqua Utility System		
September 30	**Principal**	**Interest**	**Total Debt Service**
2019	$ 385,000	$ 723,631	$ 1,108,631
2020	394,796	717,708	1,112,504
2021	404,890	707,864	1,112,754
2022	419,986	695,768	1,115,754
2023	430,084	683,219	1,113,303
2024 – 2028	2,406,964	3,166,669	5,573,633
2029 – 2033	2,954,728	2,618,230	5,572,958
2034 – 2038	3,667,784	1,905,411	5,573,195
2039 – 2043	4,631,951	910,078	5,542,029
2044	1,060,000	47,700	1,107,700
Totals	$16,756,183	$12,176,278	$ 28,932,461

(7) **Bonds and Notes Payable:** (Continued)

	Pasco Aqua Utility System		
September 30	**Principal**	**Interest**	**Total Debt Service**
2019	$ 425,000	$ 810,925	$ 1,235,925
2020	435,000	798,175	1,233,175
2021	445,000	787,300	1,232,300
2022	460,000	773,950	1,233,950
2023	475,000	760,150	1,235,150
2024 – 2028	2,650,000	3,522,151	6,172,151
2029 – 2033	3,265,000	2,912,976	6,177,976
2034 – 2038	4,055,000	2,120,700	6,175,700
2039 – 2043	5,155,000	1,013,400	6,168,400
2044	1,180,000	53,100	1,233,100
Totals	$18,545,000	$13,552,827	$ 32,097,827

	Unified Aqua Utility System		
September 30	**Principal**	**Interest**	**Total Debt Service**
2019	$ 626,891	$ 979,600	$ 1,606,491
2020	664,055	970,415	1,634,470
2021	674,422	956,099	1,630,521
2022	699,791	930,529	1,630,320
2023	720,164	910,507	1,630,671
2024 – 2028	3,956,515	4,209,349	8,165,864
2029 – 2033	4,701,306	3,456,500	8,157,806
2034 – 2038	5,701,509	2,464,658	8,166,167
2039 – 2043	6,730,730	1,200,733	7,931,463
2044	1,515,000	64,388	1,579,388
Totals	$25,990,383	$16,142,778	$ 42,133,161

(8) **Commitments and Contingencies:**

(a) **U.S. Water/Wade Trim, LLC**—Contracted to perform water treatment, water distribution, wastewater treatment, wastewater disposal and control, and other related services for all utility systems of the Authority. With the exception of Golden Gate and Lehigh Acres, both of which had contract effective dates of October 1, 2011, the contract terms started on the effective date of the acquisitions of each system, and expire on varying dates from September 30, 2019, to September 30, 2020.

U.S. Water receives an annual fixed fee for services provided to the systems of $23,612,077, paid in monthly installments. Fees in future years are adjusted as defined in the Operations and Billing Contract. The Operations and Billing Contract also provides for additional payments to U.S. Water for renewals and replacements and for capital improvements. Such additional payments are to be at U.S. Water's cost plus a specified profit percentage. Total amounts paid to U.S. Water for the year ended September 30, 2018 for all services were $37,263,374. At September 30, 2018, amounts payable to U.S. Water totaled $5,898,648.

(8) **Commitments and Contingencies:** (Continued)

(b) **Government Services Group, Inc.**—In order to execute the powers of the Authority pursuant to the Interlocal Agreement and the responsibilities of the Authority, the Authority retained Government Services Group, Inc. (GSG), a private contractor, for the overall management of the Authority. The Management Services Agreement between the Authority and GSG defines the general functions GSG will carry out and expires September 30, 2020, with the exception of the agreement defining functions relating to the MacDill AFB System, which expires September 30, 2021. The Authority has the option to extend the term of the Management Services Agreement. GSG receives an annual base fixed fee for general administrative services provided to the Authority of $3,693,260, as well as an annual based fixed fee for capital improvement program administrative fees of $1,101,712. Additional payments are made for other services approved by the Authority's Board of Directors. Total amounts paid to GSG for the year ended September 30, 2018 were $6,647,202. At September 30, 2018, amounts payable to GSG totaled $355,856.

(c) **North Fort Myers System contingent payments**—As part of the purchase agreement for the North Fort Myers System, the Authority agreed to pay the seller 50% of impact fees collected for a period of 20 years from the closing date in June 2010 or until $25 million has been paid to the seller, whichever occurs first. In accordance with this agreement, $1,085,764 has been incurred through September 30, 2018. Of this amount, $19,933 was incurred during the year ended September 30, 2018 and $18,578 was payable as of September 30, 2018. The Authority also entered into a settlement with a developer of a specific subdivision whereby the developer is entitled to $635 per lot (less a 2.0% handling fee) when impact fees are paid. As of September 30, 2018, the total amount incurred under this agreement is $70,714. No amounts were incurred during the year ended September 30, 2018.

(d) **Contracts**—Commitments on outstanding contracts for improvements and maintenance of the Utility Systems totaled $8,851,373 at September 30, 2018.

(e) **Other pending litigation**—The Utility Systems are contingently liable with respect to regulatory inquiries and other claims incidental to the ordinary course of its operations. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of these regulatory inquiries and claims will not have a material adverse effect on the financial position or results of operations of the Utility Systems.

(9) **Related Party Transactions:**

Prior to December 31, 2001, Government Services Group, Inc. (GSG) was partially owned by Nabors, Giblin & Nickerson, P.A., (NGN) which is serving as Bond Counsel with respect to the Authority's bond issues and Special Authority Counsel of each of the Utility Systems. This direct interest ended through a buyout of NGN shares by GSG.

(10) **Subsequent Events:**

On December 18, 2017, the Authority's Board of Directors authorized the acquisition of certain water and wastewater assets owned by the City of Dunnellon located in Marion County, Florida. The Board also authorized a Purchase and Sales Agreement for an amount not to exceed $12,198,091. The Authority obtained the necessary financing with the USDA and successfully closed on the acquisition on October 26, 2018. The acquired system will be placed into a separate enterprise fund, Dunnellon Utility System, for financial reporting purposes.

THIS PAGE LEFT INTENTIONALLY BLANK.

TAB 3

Statistical Section

STATISTICAL SECTION

This part of the Florida Governmental Utility Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. In some instances, data is not available for all years. In future financial statements, we will add the current year plus continue to report on the years reflected in these schedules until a full ten years of data is presented.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time
- Net Position by Component 70
- Changes in Net Position 71
- Summary of Ten Largest Single Water Users 72

Debt Capacity
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- Ratios of Outstanding Debt by Fund Type 73
- Pledged Revenue Coverage 74 – 75

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- Demographic and Economic Statistics 76 – 77
- Principal Employers 78

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.
- Operating Indicators by Function 79
- Capital Asset Statistics by Function 80 – 81

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

Florida Governmental Utility Authority
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in whole dollars)

Description	FISCAL YEAR 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
			(Restated)							
Primary Government										
Business-type activities										
Net Investment in Capital Assets	$ 13,992,783	$ 4,939,605	$ (14,035,110)	$ (6,533,854)	$ (17,013,072)	$ (17,843,579)	$ (17,311,873)	$ (16,569,953)	$ (7,514,336)	$ 4,177,852
Restricted for capital projects	4,629,009	13,652,745	11,925,265	6,330,759	8,110,836	9,906,166	10,785,462	12,586,073	13,339,522	12,841,441
Restricted for debt service	2,574,639	3,978,362	19,055,348	21,685,846	26,687,847	28,105,157	28,574,185	29,626,800	28,779,300	29,712,018
Unrestricted	6,047,544	8,122,236	13,476,660	17,814,769	27,229,511	34,211,857	42,415,307	52,844,021	57,674,936	55,875,628
Total Business Type Activities Net Position	**$ 27,243,975**	**$ 30,692,948**	**$ 30,422,163**	**$ 39,297,520**	**$ 45,015,122**	**$ 54,379,601**	**$ 64,463,081**	**$ 78,486,941**	**$ 92,279,422**	**$ 102,606,939**
Total Primary Government Net Position	**$ 27,243,975**	**$ 30,692,948**	**$ 30,422,163**	**$ 39,297,520**	**$ 45,015,122**	**$ 54,379,601**	**$ 64,463,081**	**$ 78,486,941**	**$ 92,279,422**	**$ 102,606,939**

The Florida Governmental Utility Authority has no governmental activities. All funds are accounted for in enterprise funds.

Note: Implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities.

Florida Governmental Utility Authority
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in whole dollars)

Description	FISCAL YEAR 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
			Restated							
Operating Revenues										
Water and wastewater revenue (1)	$ 25,321,022	$ 34,618,769	$ 50,615,714	$ 55,545,185	$ 66,319,456	$ 72,578,666	$ 76,532,418	$ 80,618,152	$ 82,278,472	$ 79,098,831
Other operating revenues	73,952	106,801	97,369	214,781	2,690,929	3,112,652	3,413,729	2,892,330	3,139,205	3,068,435
Special assessments	39,759	362	-	-	-	-	-	-	-	-
Total operating revenues	**$ 25,434,733**	**$ 34,725,932**	**$ 50,713,083**	**$ 55,759,966**	**$ 69,010,386**	**$ 75,691,318**	**$ 79,946,147**	**$ 83,510,482**	**$ 85,417,677**	**$ 82,167,266**
Operating Expenses										
Operating and management services	$ 10,064,112	$ 15,281,545	$ 20,497,628	$ 22,778,812	$ 31,489,919	$ 35,783,063	$ 36,224,092	$ 37,143,136	$ 38,070,942	$ 37,731,417
Other operating expenses	3,985,936	3,222,587	4,062,030	4,374,611	3,193,505	3,372,047	2,987,500	3,419,725	5,827,897	2,963,117
Depreciation and amortization (2)	7,843,407	10,617,680	14,516,388	13,552,276	16,291,959	17,836,854	18,191,389	18,737,495	19,142,302	18,220,332
Total Operating expenses	**$ 21,893,455**	**$ 29,121,812**	**$ 39,076,046**	**$ 40,705,699**	**$ 50,975,383**	**$ 56,991,965**	**$ 57,402,981**	**$ 59,300,356**	**$ 63,041,141**	**$ 58,914,866**
Operating income (loss)	***$ 3,541,278***	***$ 5,604,120***	***$ 11,637,037***	***$ 15,054,267***	***$ 18,035,003***	***$ 18,699,353***	***$ 22,543,166***	***$ 24,210,126***	***$ 22,376,536***	***$ 23,252,400***
Nonoperating revenues (expenses)										
Miscellaneous (rental, investment, scrap)	$ 2,005,572	$ 2,058,884	$ 214,315	$ -	$ 153,394	$ 1,136,507	$ 979,302	$ 1,050,212	$ 1,419,610	$ 1,949,004
Operating grants	-	-	-	-	-	-	-	292,386	21,257	75,304
Interest expense (net)	(8,319,821)	(11,380,492)	(14,250,220)	(15,605,019)	(17,693,700)	(18,120,059)	(18,562,920)	(17,468,033)	(17,132,722)	(15,818,164)
Debt issuance costs	-	-	-	(508,069)	(2,870,865)	-	(621,419)	(153,398)	(293,719)	-
Loss on sale of system (transfer of net assets)	-	-	-	-	-	-	-	-	-	(5,542,888)
Total nonoperating revenues (expenses)	**$ (6,314,249)**	**$ (9,321,608)**	**$ (14,035,905)**	**$ (16,113,088)**	**$ (20,411,171)**	**$ (16,983,552)**	**$ (18,205,037)**	**$ (16,278,833)**	**$ (15,985,574)**	**$ (19,336,744)**
Income (loss) before capital contributions	***$ (2,772,971)***	***$ (3,717,488)***	***$ (2,398,868)***	***$ (1,058,821)***	***$ (2,376,169)***	***$ 1,715,801***	***$ 4,338,129***	***$ 7,931,293***	***$ 6,390,962***	***$ 3,915,656***
Capital contributions										
Capital grants	$ 17,500	$ -	$ 10,715,974	$ 7,220,049	$ 4,172,288	$ 3,653,010	$ 2,916,079	$ 2,977,457	$ 3,503,097	$ 1,498,706
Recoverable portion of purchase price	-	-	888,426	1,523,016	1,523,016	1,523,016	1,523,016	1,528,480	1,539,409	1,539,409
Impact fees and Developer contributions	1,337,812	7,166,457	776,181	1,191,113	2,398,466	2,472,649	1,306,256	1,586,630	2,359,013	3,373,746
Total capital contributions	***$ 1,355,312***	***$ 7,166,457***	***$ 12,380,581***	***$ 9,934,178***	***$ 8,093,771***	***$ 7,648,674***	***$ 5,745,351***	***$ 6,092,567***	***$ 7,401,519***	***$ 6,411,861***
Increase (decrease) in net position	**$ (1,417,659)**	**$ 3,448,969**	**$ 9,981,713**	**$ 8,875,357**	**$ 5,717,602**	**$ 9,364,475**	**$ 10,083,480**	**$ 14,023,860**	**$ 13,792,481**	**$ 10,327,517**
Net position, beginning of year	28,661,634	27,243,975	20,440,450	30,422,163	39,297,520	45,015,122	54,379,601	64,463,081	78,486,941	92,279,422
Net position, end of year	**$ 27,243,975**	**$ 30,692,948**	**$ 30,422,163**	**$ 39,297,520**	**$ 45,015,122**	**$ 54,379,601**	**$ 64,463,081**	**$ 78,486,941**	**$ 92,279,422**	**$ 102,606,939**

Notes:
(1) Water and wastewater revenue is net of bad debt.
(2) Depreciation and amortization for system assets and goodwill.

Florida Governmental Utility Authority
Summary of Top Ten Customers (Based on Sales Revenue)
September 30, 2018

System	Sales Revenue	% of Total Sales Revenue
GOLDEN GATE (1)		
PACIFICA NAPLES LLC	$ 253,384	6.90%
PAR ONE HOMEOWNERS	159,467	4.35%
TILDEN FUNDAMENTAL PL APTS	138,005	3.76%
CORAL PALMS NAPLES APT LLC	111,636	3.04%
PACIFICA LAUREL RIDGE, LLC	90,510	2.47%
WHISTLER'S GREEN	84,193	2.29%
4300 ATOLL COURT LLC	68,055	1.85%
RANIERI (QUALITY INN)	63,992	1.74%
COLLIER COUNTY	39,492	1.08%
PIKUS PROPERTY MGMT, LLC	32,687	0.89%
TOTAL	**$ 1,041,421**	**28.38%**
LEHIGH ACRES		
VETERANS PARK ELEMENTARY	$ 148,604	1.01%
LEHIGH REGIONAL MED CENTER	141,173	0.96%
WALMART STORES	72,019	0.49%
SUNSHINE VILLAS	70,138	0.48%
LGI MOMES	65,253	0.44%
LEHIGH HIGH SCHOOL	63,866	0.43%
STONE CREST RETAIL CENTER	63,093	0.43%
MAJESTIC GOLF CLUB, LLC	62,743	0.43%
FOUNTAIN CREST RETIREMENT	59,506	0.40%
EAST LEE COUNTY HIGH SCHOOL	53,735	0.37%
TOTAL	**$ 800,130**	**5.44%**
PASCO		
BCM TRINITY, LLC	$ 214,430	1.13%
PALMS AT WYNDTREE	188,031	0.99%
PARK AT BARRINGTON, LLC	181,437	0.96%
TANDEM HEALTH CARE	126,738	0.67%
DISTRICT SCHOOL BOARD PASCO	94,433	0.50%
WAL-MART STORE, INC.	90,199	0.48%
HOLIDAY HOTEL AND RESORT LLC	83,089	0.44%
PARK AT WELLINGTON APARTMENTS	82,814	0.44%
VIVA VILLA MAINTENANCE CORP.	78,961	0.42%
ELON PROPERTY MANAGEMENT	74,983	0.40%
TOTAL	**$ 1,215,115**	**6.40%**
PASCO AQUA		
SYBRA INC #1310	$ 12,545	0.34%
SUNSHINE INVESTMENT	11,940	0.32%
ARLAND CAR WASH, LLC	8,637	0.23%
AMERICAN CONDO PARKS, INC.	5,884	0.16%
COTTAGE COURT APARTMENTS	5,695	0.15%
SERGIOS REST	5,568	0.15%
PREMIER CALLING, INC	4,866	0.13%
APOSTOLOU-BERSET LLC	3,934	0.11%
JASMINE LAKES CIVIC ASSN	3,563	0.10%
THE CENTER FOR INDEP., INC.	3,427	0.09%
TOTAL	**$ 66,059**	**1.79%**
UNIFIED AQUA		
SOUTH SEAS RESORT	$ 374,905	5.11%
BFI WASTE SYSTEMS OF N A	120,560	1.64%
FLA REFUSE SERVICE INC	106,255	1.45%
BAYSIDE VILLAS CONDO	57,030	0.78%
BEACH VILLAS III CONDO	52,587	0.72%
BEACH HOMES CONDO	47,420	0.65%
TENNIS VILLAS	47,142	0.64%
SUNSET BEACH VILLAS	46,528	0.63%
LAND'S END VILLAGE	35,572	0.48%
JOAN WALKER EMEMENTARY	35,111	0.48%
TOTAL	**$ 923,110**	**12.57%**

System	Sales Revenue	% of Total Sales Revenue
CONSOLIDATED		
PARADISE LAKES CONDO. ASSOC.	$ 251,509	4.30%
NORTHLAND TERRA BELLA, LLC	136,741	2.34%
THE TERRACES AT PL CONDO. ASSOC	57,498	0.98%
WALMART STORES EAST, LP	48,834	0.83%
NORTH BAY S.R. 54 FACILITY	46,328	0.79%
DENHAM OAKS ELEMENTARY	34,595	0.59%
THE FOUNTAINS AT PARADISE LAKES	33,182	0.57%
GULFSIDE ELEMENTARY	27,407	0.47%
RESORT AT PARADISE LAKES, LLC	25,020	0.43%
DBA MADIGAN DIALYSIS, LLC	22,901	0.39%
TOTAL	**$ 684,015**	**11.69%**
LINDRICK		
GULF HARBOR CONDOS	$ 244,155	5.96%
NEW PORT COLONY	123,316	3.01%
LANDINGS AT SEA FOREST	95,941	2.34%
SEAVIEW PLACE CONDOMINIUMS	83,142	2.03%
LANDINGS OF ST ANDREWS	64,443	1.57%
SEA CASTLE CONDO	59,871	1.46%
HEATHER COVE	52,054	1.27%
HARBOR VILLAS CONDO	51,934	1.27%
WINDWARD COVE CONDO	47,443	1.16%
HOLIDAY HARBOR	36,749	0.90%
TOTAL	**$ 859,048**	**20.97%**
NORTH FORT MYERS		
LEE COUNTY BOCC - UTILITIES	$ 2,079,857	16.88%
EQUITY LIFESTYLE PROPERTIES, INC	763,082	6.19%
ISLAND VISTA ESTATES LLC	318,127	2.58%
MHC WINDMILL VILLAGE	267,218	2.17%
CITY OF CAPE CORAL	242,040	1.96%
SIX LAKES COUNTRY CLUB IN	239,572	1.94%
PIONEER VILLAGE	157,724	1.28%
COLONY MOBILE HOME PARK	141,293	1.15%
SERENDIPITY MOBIL HOME PARK	142,248	1.15%
FOUNTAIN VIEW RV	83,920	0.68%
TOTAL	**$ 4,435,081**	**36.00%**
LAKE AQUA		
CIRCLE K STORES INC.	$ 60,145	1.63%
S CHASE HOMEOWNERS ASSOC.	25,367	0.69%
BILL BRYAN CHRYSLERPLYMOUTH	17,193	0.47%
MHC OPERATING LP	12,450	0.34%
FLORIDA DREAMS REALTY GROUP	8,369	0.23%
MUNN SALES SERVICE INC	7,202	0.20%
FREO FLORIDA, LLC	6,235	0.17%
MUNN, CARL	5,462	0.15%
ANTHONY AFFORDABLE RENTAL	5,229	0.14%
SERMIENTO, CESAR	5,087	0.14%
TOTAL	**$ 152,739**	**4.15%**

(1) Golden Gate Revenues ended 02/28/2018. System transferred to Collier County 03/01/2018.

Florida Governmental Utility Authority
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in whole dollars)

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Utility Customer
	Water & Wastewater Revenue Bonds (1)	Other Debt (2)	Capital Leases			
2009	$ 237,944,427	-	-	$ 237,944,427	na	4,055
2010	318,791,223	9,564,794	-	328,356,017	na	4,124
2011	344,407,303	3,003,105	-	347,410,408	na	4,324
2012	343,236,487	7,644,540	-	350,881,027	na	4,026
2013	439,935,695	7,282,125	1,586,568	448,804,388	na	4,138
2014	400,058,455	6,964,979	1,427,343	408,450,777	na	3,727
2015	414,168,446	6,792,943	1,264,498	422,225,887	na	3,779
2016	384,592,719	21,858,940	1,097,951	407,549,610	na	3,580
2017	374,102,445	21,670,088	927,617	396,700,150	na	3,051
2018	329,662,314	18,726,866	753,413	349,142,593	na	3,201

Notes: (1) Net of Premiums and Discounts

(2) Other Debt includes State Revolving Loan Fund (SRF) debt, the SunTrust Energy Project debt, and Seller-Financed Notes. The MacDill AFB Seller-Financed note is excluded because it is fully-subsidized, the note is not secured by revenues, and because the AFB is considered one customer, which would skew the "per utility customer" ratio. See Note 7 for MacDill debt balance.

Reconciliation to Note 7:

2018 Debt from Note 7

Secured by pledged water and wastewater revenues:		Exclude	Total Primary Government
Bonds (1)	329,662,314		329,662,314
Seller-Financed Notes (2)	5,000,000		5,000,000
State Revolving Loans (2)	1,066,566		1,066,566
Secured by other (county bonds, assets, etc)		**Exclude**	**Total Primary Government**
Capital Leases	753,413		753,413
MacDill AFB Seller-Financed Note (2)	13,454,016	(13,454,016)	-
Notes Payable (SunTrust) (2)	12,660,300		12,660,300
	362,596,609	**(13,454,016)**	**349,142,593**

Florida Governmental Utility Authority
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in whole dollars)

		Debt Secured by Pledged Revenue						Special Assessment Bonds			
					Debt Service				Debt Service		
Fiscal Year	Name of System	Water, Wastewater and Other Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest (3)	Coverage	Special Assessment	Principal	Interest	Coverage
2009											
	Golden Gate	5,704,070	3,079,882	2,624,188	829,749	1,360,084	1.20	39,759	90,145	3,513	0.42
	Lehigh Acres	10,594,737	6,337,683	4,257,054	1,335,000	2,192,343	1.21	-	-	-	-
	Pasco Systems (4)	9,258,799	4,612,090	4,646,709	-	2,909,619	1.60	-	-	-	-
	Total	$25,557,606	$14,029,655	$11,527,951	$2,164,749	$6,462,046	1.34	$39,759	$90,145	$3,513	0.42
2010											
	Golden Gate	6,141,890	2,877,879	3,264,011	864,474	1,874,800	1.19	-	-	-	-
	Lehigh Acres	10,200,210	5,428,303	4,771,907	1,380,000	2,970,455	1.10	-	-	-	-
	Pasco Systems	14,494,924	4,612,090	9,882,834	-	4,930,583	2.00	-	-	-	-
	Consolidated (5)	656,710	425,806	230,904	-	176,400	1.31	-	-	-	-
	Lindrick (5)	2,020,189	1,137,864	882,325	-	676,921	1.30	-	-	-	-
	North Fort Myers (5)	1,174,236	674,730	499,506	-	401,866	1.24	-	-	-	-
	Total	$34,688,159	$15,156,672	$19,531,487	$2,244,474	$11,031,026	1.47	-	-	-	-
2011											
	Golden Gate	6,745,712	3,112,442	3,633,270	897,072	2,145,828	1.19	-	-	-	-
	Lehigh Acres	11,888,187	6,051,218	5,836,969	1,415,000	3,439,336	1.20	-	-	-	-
	Pasco Systems	16,366,387	7,524,066	8,842,321	-	7,178,225	1.23	-	-	-	-
	Consolidated	823,093	538,282	284,811	-	227,976	1.25	-	-	-	-
	Lindrick	4,232,463	1,632,076	2,600,387	-	1,865,225	1.39	-	-	-	-
	North Fort Myers	8,333,037	3,718,003	4,615,034	-	3,726,984	1.24	-	-	-	-
	Total	$48,388,879	$22,576,087	$25,812,792	$2,312,072	$18,583,574	1.24	-	-	-	-
2012											
	Golden Gate	6,621,557	2,884,461	3,737,096	936,561	2,124,023	1.22	-	-	-	-
	Lehigh Acres	11,608,382	5,480,600	6,127,782	1,465,000	3,477,651	1.24	-	-	-	-
	Pasco Systems	16,516,475	9,321,853	7,194,622	-	4,785,891	1.50	-	-	-	-
	Consolidated	1,976,950	977,353	999,597	-	453,053	2.21	-	-	-	-
	Lindrick	3,868,309	1,992,190	1,876,119	250,000	1,201,605	1.29	-	-	-	-
	North Fort Myers	7,614,567	4,125,609	3,488,958	200,004	2,720,739	1.19	-	-	-	-
	Total	$48,206,240	$24,782,066	$23,424,174	$2,851,565	$14,762,962	1.33	-	-	-	-
2013											
	Golden Gate	6,646,052	2,966,733	3,679,319	1,072,412	1,910,268	1.23	-	-	-	-
	Lehigh Acres	12,782,792	6,039,445	6,743,347	590,000	3,612,996	1.60	-	-	-	-
	Pasco Systems	17,738,116	10,044,662	7,693,454	1,375,000	4,881,691	1.23	-	-	-	-
	Consolidated	4,545,813	2,524,771	2,021,042	220,000	1,120,726	1.51	-	-	-	-
	Lindrick	4,484,435	2,100,149	2,384,286	380,000	1,216,054	1.49	-	-	-	-
	North Fort Myers	8,908,982	4,876,976	4,032,006	750,000	2,759,660	1.15	-	-	-	-
	Lake Aqua	1,642,755	979,501	663,254	-	383,646	1.73	-	-	-	-
	Pasco Aqua	1,577,468	745,693	831,775	-	431,466	1.93	-	-	-	-
	Unified Aqua	3,326,669	2,157,780	1,168,889	-	522,189	2.24	-	-	-	-
	Total	$61,653,082	$32,435,710	$29,217,372	$4,387,412	$16,838,696	1.38	-	-	-	-
2014											
	Golden Gate	7,284,315	2,828,956	4,455,359	918,750	1,184,472	2.12	-	-	-	-
	Lehigh Acres	13,070,967	6,299,583	6,771,384	1,645,000	2,954,708	1.47	-	-	-	-
	Pasco Systems	17,662,991	9,648,352	8,014,639	2,310,000	4,890,205	1.11	-	-	-	-
	Consolidated	5,465,375	2,562,348	2,903,027	220,000	915,208	2.56	-	-	-	-
	Lindrick	4,397,096	2,159,740	2,237,356	455,000	1,217,251	1.34	-	-	-	-
	North Fort Myers	9,500,526	5,122,877	4,377,649	1,009,991	2,773,115	1.16	-	-	-	-
	Lake Aqua	3,427,822	2,036,859	1,390,963	350,000	754,714	1.26	-	-	-	-
	Pasco Aqua	3,293,298	1,490,673	1,802,625	385,000	848,785	1.46	-	-	-	-
	Unified Aqua	6,859,074	4,456,241	2,402,833	555,000	1,027,256	1.52	-	-	-	-
	Total	$70,961,464	$36,605,629	$34,355,835	$7,848,741	$16,565,713	1.41	-	-	-	-

Florida Governmental Utility Authority
Pledged-Revenue Coverage (continued)
Last Ten Fiscal Years
(amounts expressed in whole dollars)

		Debt Secured by Pledged Revenue						Special Assessment Bonds			
					Debt Service				Debt Service		
Fiscal Year	Name of System	Water, Wastewater and Other Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest (3)	Coverage	Special Assessment	Principal	Interest	Coverage
2015											
	Golden Gate	7,659,678	2,944,005	4,715,673	1,117,036	1,627,298	1.72	-	-	-	-
	Lehigh Acres	13,847,202	6,202,193	7,645,009	1,100,000	2,675,193	2.03	-	-	-	-
	Pasco Systems	18,582,004	9,259,062	9,322,942	2,845,000	4,843,739	1.21	-	-	-	-
	Consolidated	5,700,323	2,635,265	3,065,058	495,000	1,110,358	1.91	-	-	-	-
	Lindrick	4,482,545	2,191,805	2,290,740	475,000	1,197,469	1.37	-	-	-	-
	North Fort Myers	11,326,192	5,370,059	5,956,133	1,230,000	2,745,340	1.50	-	-	-	-
	Lake Aqua	3,512,793	2,040,588	1,472,205	360,000	747,032	1.33	-	-	-	-
	Pasco Aqua	3,475,577	1,456,076	2,019,501	395,000	840,486	1.63	-	-	-	-
	Unified Aqua	6,929,384	4,634,578	2,294,806	565,000	1,016,157	1.45	-	-	-	-
	Total	$75,515,698	$36,733,631	$38,782,067	$8,582,036	$16,803,072	1.53	-	-	-	-
2016											
	Golden Gate	7,902,396	2,995,452	4,906,944	1,167,059	1,584,474	1.78	-	-	-	-
	Lehigh Acres	14,342,314	6,672,418	7,669,896	1,880,000	2,718,738	1.67	-	-	-	-
	Pasco Systems	19,254,181	9,786,527	9,467,654	2,910,000	4,763,331	1.23	-	-	-	-
	Consolidated	5,870,824	2,510,270	3,360,554	615,000	1,105,108	1.95	-	-	-	-
	Lindrick	4,528,904	2,219,169	2,309,735	500,000	1,173,112	1.38	-	-	-	-
	North Fort Myers	11,743,355	5,424,734	6,318,621	1,290,000	2,702,054	1.58	-	-	-	-
	Lake Aqua	3,748,148	2,169,394	1,578,754	365,000	739,132	1.43	-	-	-	-
	Pasco Aqua	3,854,826	1,675,857	2,178,969	405,000	831,968	1.76	-	-	-	-
	Unified Aqua	7,506,629	4,616,515	2,890,114	575,000	1,004,857	1.83	-	-	-	-
	Total	$78,751,577	$38,070,336	$40,681,241	$9,707,059	$16,622,774	1.55	-	-	-	-
2017											
	Golden Gate	7,867,051	3,485,903	4,381,148	1,207,230	1,539,704	1.59	-	-	-	-
	Lehigh Acres	14,409,858	7,412,205	6,997,652	1,945,000	2,650,888	1.52	-	-	-	-
	Pasco Systems	20,213,042	9,914,760	10,298,282	2,985,000	4,687,962	1.34	-	-	-	-
	Consolidated	6,434,682	2,831,146	3,603,536	630,000	1,099,288	2.08	-	-	-	-
	Lindrick	4,312,760	2,179,681	2,133,079	520,000	1,151,337	1.28	-	-	-	-
	North Fort Myers	11,989,442	6,196,581	5,792,861	1,355,000	2,664,631	1.44	-	-	-	-
	Lake Aqua	3,806,091	2,381,773	1,424,318	375,000	731,132	1.29	-	-	-	-
	Pasco Aqua	3,946,897	1,662,829	2,284,068	410,000	823,226	1.85	-	-	-	-
	Unified Aqua	7,617,176	5,372,097	2,245,079	590,000	993,357	1.42	-	-	-	-
	Total	$80,596,999	$41,436,975	$39,160,023	$10,017,230	$16,341,525	1.49	-	-	-	-
2018											
	Golden Gate	3,824,425	1,413,631	2,410,794	524,062	622,160	2.10	-	-	-	-
	Lehigh Acres	15,744,366	6,956,425	8,787,941	2,100,000	2,313,984	1.99	-	-	-	-
	Pasco Systems	20,043,415	10,295,915	9,747,500	3,070,000	4,593,903	1.27	-	-	-	-
	Consolidated	5,925,043	2,926,624	2,998,419	635,000	1,097,263	1.73	-	-	-	-
	Lindrick	4,678,151	2,547,174	2,130,977	540,000	1,126,299	1.28	-	-	-	-
	North Fort Myers	12,540,966	5,521,162	7,019,805	1,420,000	2,616,762	1.74	-	-	-	-
	Lake Aqua	3,874,662	2,246,109	1,628,553	385,000	723,632	1.47	-	-	-	-
	Pasco Aqua	3,219,255	1,673,697	1,545,558	425,000	810,926	1.25	-	-	-	-
	Unified Aqua	7,523,956	4,392,694	3,131,262	605,000	975,657	1.98	-	-	-	-
	Total	$77,374,239	$37,973,431	$39,400,808	$9,704,062	$14,880,587	1.60	-	-	-	-

Notes: (1) Includes operating revenues, investment income, and miscellaneous income. Also includes funds from Rate Stabilization accounts in accordance with Bond documents. Excludes water and wastewater impact fee revenue and special assessments.

(2) Excludes depreciation and amortization expenses.

(3) Netted against Build America Bond subsidies received.

(4) The Pasco Systems includes the Aloha Gardens and Seven Springs service areas. This system was purchased on February 27, 2009 and issued $106,710,000 in debt for the acquistion.

(5) The FGUA purchased the Consolidated Systems, the Lindrick Utility Systems and the North Fort Myers Utility Systems during FY 2010 and Issued debt for $5,124,000, $24,665,000, and $62,440,000 respectively for these aquisitions.

Florida Governmental Utility Authority
Demographic and Economic Statistics
Last Ten Fiscal Years

		Estimated population served	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009						
	Golden Gate	22,556	79,315	63.0	41,666	8.2
	Lehigh Acres	623,725	41,864	42.7	79,457	9.2
	Pasco Systems	439,702	27,628	41.6	62,530	12.5
	Total	**1,085,983**				
2010						
	Golden Gate	21,651	76,708	62.5	42,786	10.0
	Lehigh Acres	615,124	41,954	42.7	80,161	13.9
	Pasco Systems	437,500	29,113	45.6	66,994	13.2
	Consolidated Systems	See Pasco System	29,113	45.6	66,994	13.2
	Lindrick Systems	See Pasco System	29,113	45.6	66,994	13.2
	NFMU Systems	See Lehigh System	41,954	43	80,161	13.9
	Total	**1,074,275**				
2011						
	Golden Gate	22,390	75,910	63.8	42,098	12.4
	Lehigh Acres	622,900	38,653	42.8	81,929	13.5
	Pasco Systems	464,697	29,113	45.6	66,994	13.2
	Consolidated Systems	See Pasco System	29,113	45.6	66,994	13.2
	Lindrick Systems	See Pasco System	29,113	45.6	66,994	13.2
	NFMU Systems	See Lehigh System	38,653	34.4	81,929	13.5
	Total	**1,109,987**				
2012						
	Golden Gate	19,537	74,862	63.9	42,430	10.3
	Lehigh Acres	625,310	30,363	45.6	83,771	11.2
	Pasco Systems	464,697	29,236	43.6	67,337	11.7
	Consolidated Systems	See Pasco System	29,236	43.6	67,337	11.7
	Lindrick Systems	See Pasco System	29,236	43.6	67,337	11.7
	NFMU Systems	See Lehigh System	30,363	45.6	83,771	11.2
	Total	**1,109,544**				
2013						
	Golden Gate	19,939	82,316	64.2	44,346	10.0
	Lehigh Acres	631,330	43,022	45.7	85,581	8.7
	Pasco Systems	468,562	30,424	43.6	66,497	9.7
	Consolidated Systems	See Pasco System	30,424	43.6	66,497	9.7
	Lindrick Systems	See Pasco System	30,424	43.6	66,497	9.7
	NFMU Systems	See Lehigh System	43,022	45.7	85,581	8.7
	Lake Aqua	301,019	33,846	46.2	40,753	8.9
	Pasco Aqua	See Pasco System	30,424	43.6	66,497	9.7
	Unified Aqua	360,308	33,520	42.2	57,023	8.0
	Total	**1,781,158**				
2014						
	Golden Gate	20,115	83,798	64.3	44,881	7.2
	Lehigh Acres	638,029	40,248	45.6	87,215	7.2
	Pasco Systems	473,566	33,228	43.6	67,374	7.8
	Consolidated Systems	See Pasco System	33,228	43.6	67,374	7.8
	Lindrick Systems	See Pasco System	33,228	43.6	67,374	7.8
	NFMU Systems	See Lehigh System	40,248	45.6	87,215	7.2
	Lake Aqua	303,186	34,442	46.2	40,753	6.9
	Pasco Aqua	See Pasco System	33,228	43.6	67,374	7.8
	Unified Aqua	522,512	33,579	38.6	79,938	6.9
	Total	**1,957,408**				

Florida Governmental Utility Authority
Demographic and Economic Statistics (continued)
Last Ten Fiscal Years

		Estimated population served	Per Capita Personal Income	Median Age		School Enrollment	Unemployment Rate
2015							
	Golden Gate	20,537	80,156	64.0		44,415	5.9
	Lehigh Acres	643,367	43,169	45.7		90,887	6.1
	Pasco Systems	479,340	32,711	43.8		66,904	6.7
	Consolidated Systems	See Pasco System	32,711	43.8		66,904	6.7
	Lindrick Systems	See Pasco System	32,711	43.8		66,904	6.7
	NFMU Systems	See Lehigh System	43,169	45.7		90,887	6.1
	Lake Aqua	315,690	35,786	na		na	6.3
	Pasco Aqua	See Pasco System	32,711	43.8		66,904	6.7
	Unified Aqua	465,905	37,636	36.7		69,392	6.6
	Total	**1,924,839**					
2016							
	Golden Gate	20,968	84,721	64.0		45,995	4.9
	Lehigh Acres	665,845	48,453	46.2		92,780	5.1
	Pasco Systems	487,588	33,795	44.1		70,169	6.0
	Consolidated Systems	See Pasco System	33,795	44.1		70,169	6.0
	Lindrick Systems	See Pasco System	33,795	44.1		70,169	6.0
	NFMU Systems	See Lehigh System	48,453	46.2		92,780	5.1
	Lake Aqua	325,875	37,698	46.8		42,000	5.2
	Pasco Aqua	See Pasco System	33,795	44.1		70,169	6.0
	Unified Aqua	472,387	36,512	38.1		68,879	5.5
	Total	**1,972,663**					
2017							
	Golden Gate	21,898	88,068	64.6		47,225	4.8
	Lehigh Acres	680,578	44,583	46.3		91,222	4.7
	Pasco Systems	495,868	36,336	44.1		69,813	5.1
	Consolidated Systems	See Pasco System	36,336	44.1		69,813	5.1
	Lindrick Systems	See Pasco System	36,336	44.1		69,813	5.1
	NFMU Systems	See Lehigh System	44,583	46.3		91,222	4.7
	Lake Aqua	335,396	38,266	46.9		41,864	4.8
	Pasco Aqua	See Pasco System	36,336	44.1		69,813	5.1
	Unified Aqua	479,261	34,218	43.0		54,737	5.0
	Total	**2,013,001**					
2018							
	(1) Golden Gate	22,041	89,862	65.0		49,393	3.9
	(2) Lehigh Acres	698,468	48,537	56.9		92,590	3.6
	(3) Pasco Systems	505,709	37,572	44.2		72,493	5.2
	(3) Consolidated Systems	See Pasco System	37,572	44.2		72,493	5.2
	(3) Lindrick Systems	See Pasco System	37,572	44.2		72,493	5.2
	(2) NFMU Systems	See Lehigh System	48,537	56.9		92,590	3.6
	(4) Lake Aqua	335,396	38,266	46.7	(7)	42,643	3.4
	(3) Pasco Aqua	See Pasco System	37,572	44.2		72,493	5.2
	(5) Unified Aqua	488,556	38,969	38.5	(6)	70,874	3.7
	Total	**2,050,170**					

Data Sources:

(1) City of Naples FY2017 CAFR. Information for Golden Gate System is not specific to the service area. Information reflects the City of Naples data.

(2) Lee County FY2017 CAFR. Information for Lehigh Acres and NFMU System data is not specific to the service area. Information reflects the Lee County data.

(3) Pasco County FY2017 CAFR. Information for Pasco, Consolidated, Lindrick and Aqua Pasco data is not specific to the service area. Information reflects the Pasco County data.

(4) Lake County FY2017 CAFR, U.S. Census and Office of Economic and Development Research. Information for Aqua Lake data is not specific to the service area. Information reflects the Lake County data.

(5) Seminole, Marion, and Polk County FY2017 CAFRs. Information for Aqua Unified data is not specific to the service area. Information reflects the average Seminole County, Marion County, and Polk County data.

(6) Seminole County FY2017 CAFR. Median Age information available for Seminole County only.

(7) School Enrollment data provided from Lake County School Board

Florida Governmental Utility Authority
Principal Employers
Last Four Fiscal Years

Employer	2018 Employees	2018 Rank	2018 Percentage of total County Employment	2017 Employees	2017 Rank	2017 Percentage of total County Employment	2016 Employees	2016 Rank	2016 Percentage of total County Employment	2015 Employees	2015 Rank	2015 Percentage of total County Employment
Golden Gate (1)												
Collier County School District	5,361	1	29.7%	7,041	1	25.4%	7,041	1	25.4%	5,365	1	21.1%
NCH Healthcare System	4,315	2	23.9%	7,000	2	25.2%	7,000	2	25.2%	4,000	2	15.7%
Collier County Government	2,276	3	12.6%	1,600	4	5.8%	1,600	4	5.8%	1,946	3	7.6%
Publix Supermarket	1,249	4	6.9%	6,968	3	25.1%	6,968	3	25.1%	2,214	7	8.7%
Marriott Corporation, Inc. (Ritz Carlton)	1,110	5	6.2%	1,100	5	4.0%	1,100	5	4.0%	800	6	3.1%
The Country Club of Naples	1,050	7	5.8%	1,050	6	3.8%	1,050	6	3.8%			
Collier County Sheriff's Office	1,029	6	5.7%	1,029	7	3.7%	1,029	7	3.7%	1,367	4	5.4%
Marriott	700	9	3.9%									
Naples Grande Beach Resort	488	8	2.7%	700	9	2.5%	700	9	2.5%			
City of Naples	465	10	2.6%									
The Moorings				754	8	2.7%	754	8	2.7%	730	10	2.9%
Fifth-Third Bank				500	10	1.8%	500	10	1.8%	733	9	2.9%
Waldorf Astoria (Naples Grande Beach)										760	8	3.0%
Allen Systems Group										1,200	5	4.7%
Estimated Other Employers	N/A			N/A			N/A			6,325		24.9%
Total	**18,043**		**100.0%**	**27,742**		**100.0%**	**27,742**		**100.0%**	**25,440**		**100.0%**
Lehigh Acres and North Fort Myers (2)												
Lee Memorial Health System	13,257	1	4.2%	11,800	1	3.7%	10,900	1	3.5%	10,500	1	3.7%
Lee County School District	11,561	2	3.6%	11,000	2	3.5%	10,600	2	3.4%	10,000	2	3.5%
Publix Super Markets	4,613	3	1.5%	5,100	3	1.6%	5,007	3	1.6%	5,297	3	1.9%
Wal-Mart Corporation	3,550	4	1.1%	3,146	5	1.0%	2,507	5	0.8%	2,075	5	0.7%
Lee County Administration (Government)	2,387	5	0.8%	4,955	4	1.6%	2,584	4	0.8%	2,528	4	0.9%
Lee County Sheriff's Office	1,558	7	0.5%	1,543	8	0.5%	1,585	9	0.5%	1,508	8	0.5%
City of Cape Coral	1,350	6	0.4%	1,800	6	0.6%	1,654	7	0.5%	1,654	7	0.6%
Florida Gulf Coast University	1,350	9	0.4%	1,253	10	0.4%				1,490	9	0.5%
Chico's FAS, Inc	1,147	8	0.4%	1,426	9	0.5%	1,642	8	0.5%	1,703	6	0.6%
Home Depot	1,072	10	0.3%				1,783	6	0.6%			
Winn Dixie				1,561	7	0.5%						
U.S. Postal Service							1,477	10	0.5%			
ShellPoint Retirement Community										1,000	10	0.4%
Estimated Other Employers	274,922		86.8%	271,329		86.2%	269,514		87.2%	244,842		86.6%
Total	**316,767**		**100.0%**	**314,913**		**100.0%**	**309,253**		**100.0%**	**282,597**		**100.0%**
Pasco, Consolidated, Lindrick and Pasco Aqua Utility Systems (3)												
Pasco County School District	10,728	1	5.4%	10,344	1	5.2%	9,713	1	4.9%	9,278	1	5.2%
Pasco County Government	2,895	2	1.5%	2,795	2	1.4%	2,730	2	1.4%	2,627	3	1.5%
HCA Health Services of Florida (Regional Medical Center Bayonet Point, Medical Center of Trinity fka Community Hospital)	2,825	3	1.4%	2,794	3	1.4%	2,597	3	1.3%	2,646	2	1.5%
Florida Medical Clinic	1,710	4	0.9%	982	9	0.5%				1,193	6	0.7%
Medical Center of Trinity	1,400	5	0.7%									
Pasco County Sheriff	1,253	7	0.6%	1,219	5	0.6%	1,189	5	0.6%	1,336	4	0.7%
State of Florida Government	1,215	6	0.6%	1,225	4	0.6%	1,211	4	0.6%	1,218	5	0.7%
Morton Plant North Bay Hospital	1,051	9	0.5%	985	8	0.5%	873	6	0.4%	873	8	0.5%
Florida Hospital Wesley Chapel	1,050	8	0.5%	915	10	0.5%	750	8	0.4%			
Florida Hospital Zephyrhills	962	10	0.5%				847	7	0.4%	950	7	0.5%
Saint Leo University				1,056	6	0.5%	726	9	0.4%			
WalMart Supercenters				1,012	7	0.5%				766	9	0.4%
Federal Government							724	10	0.4%	729	10	0.4%
Estimated Other Employers	174,030		87.4%	175,979		88.3%	178,080		89.3%	158,517		88.0%
Total	**199,119**		**100.0%**	**199,306**		**100.0%**	**199,440**		**100.0%**	**180,133**		**100.0%**
Lake Aqua Utility System (4)												
Lake County Public Schools	5,435	1	3.7%	5,435	1	3.9%	5,435	1	4.1%	5,435	1	4.3%
Central Florida Health	2,686	2	1.8%	2,686	2	1.9%						
Leesburg Regional Medical	1,826	3	1.3%	1,826	3	1.3%	1,826	2	1.4%	1,826	2	1.4%
Lake County Government	1,794	4	1.2%	1,785	4	1.3%	1,782	3	1.3%	1,501	3	1.2%
Florida Hospital Waterman	1,482	5	1.0%	1,482	5	1.1%	1,482	4	1.1%	1,482	4	1.2%
Southlake Hospital	1,143	6	0.8%	1,143	6	0.8%	1,143	5	0.9%	1,143	5	0.9%
Villages of Lake-Sumter, Inc.	1,120	7	0.8%	1,120	7	0.8%	1,120	6	0.8%	1,120	6	0.9%
Ace Staffing Unlimited, Inc.	700	8	0.5%	700	8	0.5%						
City of Leesburg	520	9	0.4%	520	9	0.4%						
Dura-Stress, Inc.	425	10	0.3%	425	10	0.3%	425	8	0.3%	425	8	0.3%
Lake Port Square							500	7	0.4%	500	7	0.4%
Lifestream Behavioral Company							500	7	0.4%	500	7	0.4%
Hewitt Contracting Company							370	9	0.3%	370	9	0.3%
Southeast Modular Manufacturing							325	10	0.2%	325	10	0.3%
Estimated Other Employers	128,903		88.3%	122,406		87.7%	119,063		88.9%	113,042		88.5%
Total	**146,034**		**100.0%**	**139,528**		**100.0%**	**133,971**		**100.0%**	**127,669**		**100.0%**
Unified Aqua Utility System (5)												
Polk County School Board	13,061	1	1.9%	13,067	1	2.2%	13,135	1	2.0%	13,121	1	2.1%
Publix Supermarkets (Polk & Marion)	9,688	2	1.4%	11,737	2	2.0%	11,737	2	1.8%	12,030	2	1.9%
Walmart (Polk & Marion)	7,470	3	1.1%	8,608	4	1.4%	8,608	3	1.3%	7,470	4	1.2%
Seminole County Public Schools	6,797	4	1.0%	10,000	3	1.7%	7,687	4	1.2%	7,751	3	1.2%
Marion County Public Schools	6,650	5	1.0%	6,070	5	1.0%	6,070	5	0.9%	6,071	6	1.0%
Lakeland Regional Medical Center	5,000	6	0.7%	4,499	6	0.7%	4,499	6	0.7%	4,500	8	0.7%
Polk County Government	4,493	7	0.7%	4,493	7	0.7%	4,472	7	0.7%	4,500	7	0.7%
Orlando Sanford International Airport	4,000	8	0.6%	4,000	8	0.7%	3,500	8	0.5%	3,500	10	0.6%
Geico	2,800	9	0.4%									
Munroe Regional Medical Center	2,648	10	0.4%	2,648	9	0.4%	2,648	10	0.4%			
Winter Haven Hospital				2,567	10	0.4%						
AT&T (Seminole + Marion)							3,063	9	0.5%	4,063	9	0.6%
State of Florida (Polk + Marion)										6,900	5	1.1%
Estimated Other Employers	609,879		90.7%	533,844		88.7%	584,445		89.9%	556,200		88.8%
Total	**672,486**		**100.0%**	**601,533**		**100.0%**	**649,864**		**100.0%**	**626,106**		**100.0%**

Data Sources:

(1) City of Naples FY2017 CAFR
Note: Employer Statistical Information is not available for the specific service area. Information presented is for the whole City of Naples.

(2) Lee County FY2017 CAFR
Note: Employer Statistical Information is not available for the specific service area. Information provided is for all of Lee County.

(3) Pasco County FY2017 CAFR
Note: Information for Pasco Systems is presented for all of Pasco County. This information is relevant for the Pasco, Consolidated, Lindrick and Aqua Pasco Utlity Systems.

(4) Lake County FY2017 CAFR
Note: Employer Statistical Information is not available for the specific service area. Information provided is for all of Lake County.

(5) Seminole County FY2017 CAFR, Polk County FY2017 CAFR, and Marion County FY2017 CAFR
Note: Employer Statistical Information is not available for the specific service area. Information provided is for all of Seminole County and Polk County.

N/A = Not provided or available

Florida Governmental Utility Authority
Operating Indicators by Function
Last Ten Fiscal Years

	Function	Fiscal Year 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Water											
Golden Gate (6)	New Connections	(299)	13	13	(78)	68	(46)	6	(6)	41	(3,681)
	Average Daily Flow (mgpd)*	1.341	1.38	1.427	1.626	1.284	1.374	1.54	1.516	1.505	1.535
Lehigh Acres	New Connections	56	60	46	(488)	3	67	44	93	120	181
	Average Daily Flow (mgpd)*	2.07	2.105	2.199	2.203	2.01	2.051	2.249	2.27	2.33	2.362
Pasco (1)	New Connections	15,196	(192)	236	446	213	102	2,022	46	37	16
	Average Daily Flow (mgpd)*	4.006	3.28	3.009	3.283	3.119	2.996	2.879	3.018	3.211	2.933
Consolidated (2)	New Connections	-	2,358	20	3,596	122	267	53	58	78	84
	Average Daily Flow (mgpd)*	-	0.382	0.360	1.285	1.202	1.081	1.181	1.283	1.360	1.345
Lindrick	New Connections	-	2,766	59	(7)	10	250	(4)	15	6	11
	Average Daily Flow (mgpd)*	-	0.704	0.658	0.630	0.653	0.597	0.569	0.566	0.669	0.584
MacDill AFB	New Connections	-	1	-	-	-	-	-	-	-	-
	Average Daily Flow (mgpd)*	-	-	1.200	0.977	0.988	0.903	0.856	0.762	0.811	0.807
North Fort Myers (3)	New Connections	-	1,839	10	-	-	(8)	13	(1)	2	-
	Average Daily Flow (mgpd)*	-	0.131	0.077	0.0825	0.086	0.094	0.091	0.083	0.076	0.093
Lake Aqua	New Connections	-	-	-	-	4,778	20	(168)	410	21	(3)
	Average Daily Flow (mgpd)*	-	-	-	-	0.832	0.793	0.778	0.853	0.904	0.864
Pasco Aqua	New Connections	-	-	-	-	2,886	(63)	28	421	-	-
	Average Daily Flow (mgpd)*	-	-	-	-	0.237	0.337	0.373	0.377	0.395	0.401
Unified Aqua	New Connections	-	-	-	-	7,106	183	49	364	34	16
	Average Daily Flow (mgpd)*	-	-	-	-	1.483	1.470	1.492	1.432	1.572	1.461
Total	New Connections	14,953	6,845	384	3,469	15,186	772	2,043	1,400	339	(3,376)
	Average Daily Flow (mgpd)*	7.417	7.982	8.930	10.087	11.894	11.696	12.008	12.160	12.833	12.385
Wastewater											
Golden Gate	New Connections	(319)	1	-	(20)	30	(31)	(11)	(4)	13	(2,283)
	Average Daily Flow (mgpd)*	1.105	1.025	0.863	1.113	1.171	1.08	1.113	1.104	1.079	1.106
Lehigh Acres	New Connections	27	89	45	(135)	(18)	36	71	69	131	187
	Average Daily Flow (mgpd)*	1.674	2.044	1.429	1.446	2.002	1.707	1.92	2.156	1.955	2.011
Pasco (1)	New Connections	14,555	(153)	178	420	237	73	(31)	49	27	16
	Average Daily Flow (mgpd)*	1.345	1.670	1.750	1.891	1.747	1.596	1.674	1.574	1.780	1.779
Consolidated (2) (5)	New Connections	-	-	-	3,037	70	214	(13)	29	39	44
	Average Daily Flow (mgpd)*	-	-	-	0.018	0.014	0.017	0.021	0.02	0.02	0.024
Lindrick	New Connections	-	2,508	42	(9)	27	9	(5)	14	11	16
	Average Daily Flow (mgpd)*++	-	-	-	-	-	-	-	-	-	
MacDill AFB	New Connections	-	1	-	-	-	-	-	-	-	-
	Average Daily Flow (mgpd)*	-	-	0.600	0.413	0.421	0.465	0.577	0.549	0.488	0.524
North Fort Myers (4)	New Connections	-	11,650	86	46	46	29	86	(28)	34	3
	Average Daily Flow (mgpd)*	-	2.097	1.963	1.867	2.983	2.711	3.148	3.815	3.367	2.963
Lake Aqua	New Connections	-	-	-	-	1,164	(2)	(2)	83	5	6
	Average Daily Flow (mgpd)*	-	-	-	-	0.125	0.147	0.154	0.152	0.150	0.169
Pasco Aqua	New Connections	-	-	-	-	2,742	(77)	31	410	(1)	1
	Average Daily Flow (mgpd)*	-	-	-	-	0.261	0.282	0.347	0.308	0.302	0.341
Unified Aqua	New Connections	-	-	-	-	1,824	114	(31)	85	-	4
	Average Daily Flow (mgpd)*	-	-	-	-	0.446	0.495	0.463	0.421	0.448	0.458
Total	New Connections	14,263	14,096	351	3,339	6,122	365	95	707	259	(2,006)
	Average Daily Flow (mgpd)*	4.124	6.836	6.605	6.748	9.170	8.501	9.417	10.099	9.589	9.375

Notes: * mgpd = Million gallons per day

+ Wastewater treatment provided by Hillsborough County, Florida

++Wastewater treatment provided by City of New Port Richey (0.700 MGD)

+++Wastewater treatment provided by Pasco county, Florida

(1) The Aloha Gardens and Seven Springs service areas are combined for Financial reporting purposes and called the Pasco Utility Systems.

(2) The Consolidated System is comprised of thirteen small service areas.

(3) Flows reported for Lake Fairways only.

(4) The North Fort Myers wastewater treatment is comprised of 2 treatment plants.

(5) Flows reported for Linda Lakes WWTP only.

(6) Partial Year Average Daily Flow for FY 18 (Oct 17 - Jan 18)

Florida Governmental Utility Authority
Capital Asset Statistics by Function
Last Ten Fiscal Years

		Function	Fiscal Year 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Water												
	Golden Gate	Number of customer accounts	3,670	3,683	3,696	3,618	3,686	3,640	3,646	3,640	3,681	-
		Water mains (miles)	44	44	44	44	44	44	44	44	44	-
		Water treatment plant capacity (mgpd)*	2.099	2.099	2.099	2.099	2.099	2.099	2.099	2.099	2.099	-
	Lehigh Acres	Number of customer accounts	12,760	12,820	12,866	12,378	12,381	12,448	12,492	12,585	12,705	12,886
		Water mains (miles)	196	196	196	196	196	196	196	196	196	217
		Water treatment plant capacity (mgpd)*	4.100	4.100	4.100	4.100	3.100	3.100	3.100	3.100	3.100	3.100
	Pasco Systems	Number of customer accounts	15,196	15,004	15,240	15,686	15,899	16,001	18,023	18,069	18,106	18,122
		Water mains (miles)	144	144	144	144	144	144	144	144	144	185
		Water treatment plant capacity (mgpd)*++++	3.125	3.125	2.900	2.900	2.900	2.900	2.900	2.900	2.900	2.900
	Consolidated	Number of customer accounts	-	2,358	2,378	5,974	6,096	6,363	6,416	6,474	6,552	6,636
		Water mains (miles)	-	24	24	36	36	36	36	36	36	75
		Water treatment plant capacity (mgpd)*	-	0.550	0.550	1.627	1.627	1.430	1.388	1.388	1.388	1.388
	Lindrick	Number of customer accounts	-	2,766	2,825	2,818	2,828	3,078	3,074	3,089	3,095	3,106
		Water mains (miles)	-	-	-	-	-	-	-	-	-	38.500
		Water treatment plant capacity (mgpd)*+++++	-	0.870	0.870	0.870	0.870	0.870	0.870	0.870	0.870	0.870
	MacDill AFB	Number of customer accounts	-	1	1	1	1	1	1	1	1	1
		Water mains (miles)	-	-	94	94	94	94	94	94	94	94
		Water treatment plant capacity (mgpd)+	-	-	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
	North Fort Myers	Number of customer accounts	-	1,839	1,849	1,849	1,849	1,841	1,854	1,853	1,855	1,855
		Water mains (miles)	-	24	24	24	24	24	24	24	24	24.000
		Water treatment plant capacity (mgpd)*	-	0.101	0.101	0.101	0.101	0.101	0.101	0.101	0.101	0.101
	Lake Aqua	Number of customer accounts	-	-	-	-	4,778	4,798	4,630	5,040	5,061	5,058
		Water mains (miles)	-	-	-	-	-	-	-	-	-	75
		Water treatment plant capacity (mgpd)*	-	-	-	-	1.693	1.693	1.697	1.818	1.818	1.818
	Pasco Aqua	Number of customer accounts	-	-	-	-	2,886	2,823	2,851	3,272	3,272	3,272
		Water mains (miles)	-	-	-	-	-	-	-	-	-	-
		Water treatment plant capacity (mgpd)*	-	-	-	-	0.328	0.347	0.347	0.347	0.354	0.354
	Unified Aqua	Number of customer accounts	-	-	-	-	7,106	7,289	7,338	7,702	7,736	7,752
		Water mains (miles)	-	-	-	-	-	-	-	-	-	-
		Water treatment plant capacity (mgpd)*	-	-	-	-	3.929	3.929	3.927	3.651	3.633	3.633
	Total	Number of customer accounts	31,626	38,471	38,855	42,324	57,510	58,282	60,325	61,725	62,064	58,688
		Water mains (miles)	384.3	432.0	526.4	538.4	538.4	538.0	538.0	538.0	538.0	709.3
		Water treatment plant capacity (mgpd)*	9.324	10.845	15.620	16.697	21.647	21.469	21.429	21.274	21.263	19.164

Florida Governmental Utility Authority
Capital Asset Statistics by Function (continued)
Last Ten Fiscal Years

	Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wastewater											
Golden Gate	Number of customer accounts	2,305	2,306	2,306	2,286	2,316	2,285	2,274	2,270	2,283	-
	Force mains (miles)	14	14	14	14	14	14	14	14	14	-
	Gravity sewer mains (miles)	23	23	23	23	23	23	23	23	23	-
	Wastewater treatment plant capacity (mgpd)*	0.950	1.250	1.250	1.500	1.500	1.500	1.500	1.500	1.500	-
Lehigh Acres	Number of customer accounts	10,187	10,276	10,321	10,186	10,168	10,204	10,275	10,344	10,475	10,662
	Force mains (miles)	49	49	49	49	49	49	49	49	49	59
	Gravity sewer mains (miles)	103	103	103	103	103	103	103	103	103	107
	Wastewater treatment plant capacity (mgpd)*	2.300	2.300	2.300	3.500	3.500	3.000	3.000	3.000	3.000	3.000
Pasco Systems	Number of customer accounts	14,555	14,402	14,580	15,000	15,237	15,310	15,279	15,328	15,355	15,371
	Force mains (miles)	-	-	-	-	-	-	-	-	-	33.100
	Gravity sewer mains (miles)	-	-	-	-	-	-	-	-	-	111.600
	Wastewater treatment plant capacity (mgpd)*	2.100	2.100	2.100	2.100	2.500	2.500	2.500	2.500	2.500	2.500
Consolidated	Number of customer accounts	-	-	-	3,037	3,107	3,321	3,308	3,337	3,376	3,420
	Force mains (miles)	-	-	-	-	-	-	-	-	-	5.400
	Gravity sewer mains (miles)	-	-	-	20	20	20	20	20	20	25
	Wastewater treatment plant capacity (mgpd)*	-	-	-	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Lindrick	Number of customer accounts	-	2,508	2,550	2,541	2,568	2,577	2,572	2,586	2,597	2,613
	Force mains (miles)	-	-	-	-	-	-	-	-	-	4.7000
	Gravity sewer mains (miles)	-	26	26	26	26	26	26	26	26	22
	Wastewater treatment plant capacity (mgpd)*++	-	0.85	0.85	0.850	0.700	0.700	0.700	0.700	0.700	0.700
MacDill AFB	Number of customer accounts	-	1	1	1	1	1	1	1	1	1
	Force mains (miles)	-	-	10.830	10.830	10.830	10.830	10.830	10.830	10.830	10.830
	Gravity sewer mains (miles)	-	-	23.040	23.040	23.040	23.040	23.040	23.040	23.040	23.040
	Wastewater treatment plant capacity (mgpd)*	-	-	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200
North Fort Myers	Number of customer accounts	-	11,650	11,736	11,782	11,828	11,857	11,943	11,915	11,949	11,952
	Force mains (miles)	-	-	-	-	-	-	-	-	-	65.100
	Gravity sewer mains (miles)	-	-	-	-	-	-	-	-	-	62.400
	Wastewater treatment plant capacity (mgpd)*+++	-	3.800	3.800	4.550	4.550	4.550	4.550	4.550	4.550	4.550
Lake Aqua	Number of customer accounts	-	-	-	-	1,164	1,162	1,160	1,243	1,248	1,254
	Force mains (miles)	-	-	-	-	-	-	-	-	-	-
	Gravity sewer mains (miles)	-	-	-	-	-	-	-	-	-	-
	Wastewater treatment plant capacity (mgpd)*	-	-	-	-	0.345	0.345	0.345	0.345	0.345	0.345
Pasco Aqua	Number of customer accounts	-	-	-	-	2,742	2,665	2,696	3,106	3,105	3,106
	Force mains (miles)	-	-	-	-	-	-	-	-	-	-
	Gravity sewer mains (miles)	-	-	-	-	-	-	-	-	-	-
	Wastewater treatment plant capacity (mgpd)*	-	-	-	-	0.438	0.438	0.438	0.438	0.438	0.438
Unified Aqua	Number of customer accounts	-	-	-	-	1,824	1,938	1,907	1,992	1,992	1,996
	Force mains (miles)	-	-	-	-	-	-	-	-	-	-
	Gravity sewer mains (miles)	-	-	-	-	-	-	-	-	-	-
	Wastewater treatment plant capacity (mgpd)*	-	-	-	-	0.741	0.741	0.724	0.766	0.766	0.671
Total	Number of customer accounts	27,047	41,143	41,494	44,833	50,955	51,320	51,415	52,122	52,381	50,375
	Force mains (miles)	63.0	63.0	73.8	73.8	73.8	73.8	73.8	73.8	73.8	178.0
	Gravity sewer mains (miles)	126.0	152.0	175.0	195.0	195.0	195.0	195.0	195.0	195.0	350.5
	Wastewater treatment plant capacity (mgpd)*	5.350	10.300	11.500	13.720	15.494	14.994	14.977	15.019	15.019	13.424

Notes: * mgpd = Million gallons per day

+ Water treatment provided by Hillsborough County, Florida

++ Wastewater treatment provided by City of New Port Richey (0.700 MGD)

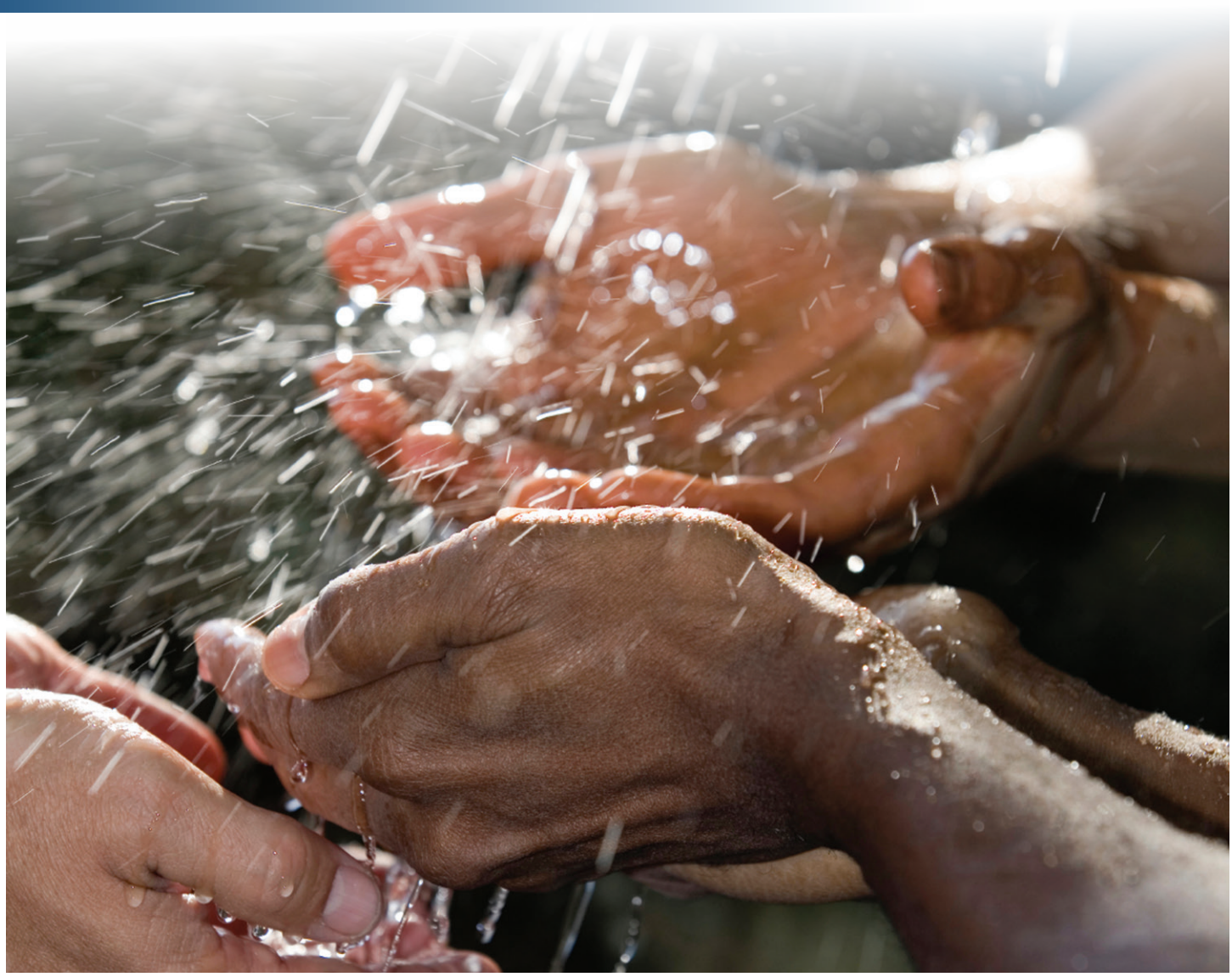
+++ (2) WWTP's Lk Fairways (0.30 MGD) & Del Prado (4.25 MGD)

++++ Seven Springs Mitchell WTP design capacity (2.90 MGD) does not include Aloha Gardens

+++++ Lindrick WUP permit (0.870 MGD) design capacity (1.944 MGD)

THIS PAGE LEFT INTENTIONALLY BLANK.

TAB 4
Other Reports



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

To the Board of Directors,
Florida Governmental Utility Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Florida Governmental Utility Authority (the Authority) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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.

James Moore & Co., P.L.

Daytona Beach, Florida
March 8, 2019

FLORIDA GOVERNMENTAL UTILITY AUTHORITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

State Agency / Pass-Through Entity / State Program	CSFA Number	Contract / Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
State of Florida Department of Environmental Protection			
Direct:			
Wastewater Treatment Facility Construction:			
Fairways at Mt. Plymouth	37.077	WW011200	$ 47,548
Chuluota Reclaimed Water Storage Tank	37.077	WW590320	950,383
Total Wastewater Treatement Facility Construction			997,931
Passed through St. Johns River Water Management District			
Water Protection and Sustainability Program	37.066	32002	195,068
Total State of Florida Department of Environmental Protection			1,192,999
Total State Financial Assistance			$ 1,192,999

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this statement.

OTHER

Florida Governmental Utility Authority
Notes to Schedule of Expenditures of
State Financial Assistance
For the Year Ended September 30, 2018

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of Florida Governmental Utility Authority (the Authority), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the cost principles contained in Section 215, Florida Statutes wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

(3) **Loans Outstanding:**

The Authority had the following loan balances outstanding at September 30, 2018:

Program Title	State CSFA Number	Expenditures Incurred During the Year Ended 9/30/2018	Outstanding Loan Amount
Florida Department of Environmental Protection: Wastewater Treatment Facility Construction	37.077	$ 997,931	$ 1,066,566

OTHER

Florida Governmental Utility Authority
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2018

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

Financial Statements:

Type of audit report issued on the financial statements: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	__X__ no
Significant deficiency(ies) identified?	_____yes	__X__ none reported

Noncompliance material to financial statements noted? _____ yes __X__ no

State Projects:

Internal control over major State projects:

Material weakness(es) identified?	_____ yes	__X__ no
Significant deficiency(ies) identified?	_____ yes	__X__ none reported

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

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General? _____ yes __X__ none reported

Dollar threshold used to distinguish between type A and type B programs: $300,000

Identification of major State projects:

CSFA Number	Program Name
37.077	Wastewater Treatment Facility Construction

II. **Financial Statement Findings:** None.

III. **State Financial Assistance Projects Findings and Questioned Costs:** None.

IV. **Summary Schedule of Prior Audit Findings:** Not applicable as no prior year findings have been reported.

V. **Corrective Action Plan:** Not applicable as no current year findings have been reported.

VI. **Management Letter:** No management letter pursuant to Sections 215.97(9)(f) and 215.97(10)(d), Florida Statutes is required since there are no items related to state financial assistance required to be reported in the management letter, not already reported in this schedule.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors,
Florida Governmental Utility Authority:

Report on Compliance for Each Major State Project

We have audited the Florida Governmental Utility Authority's (the Authority) compliance with the types of compliance requirements described in the *Florida Department of Financial Services State Project Compliance Supplement* that could have a direct and material effect on each of the Authority's major state projects for the year ended September 30, 2018. The Authority's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the Federal and State statutes, regulations, and the terms and conditions of its state projects applicable to its state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Florida Auditor General. Those standards, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Authority'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 the Authority's compliance.

Opinion on Each Major State Project

In our opinion, the Authority 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 state projects for the year ended September 30, 2018.

Report on Internal Control over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 as combination of deficiencies, in internal control over compliance with the 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 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 results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Daytona Beach, Florida
March 8, 2019