

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2004



water *supply*



flood *protection*



water *quality*



natural *systems*



management *services*

Southwest Florida
Water Management District



A Component Unit of the State of Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2004

Prepared by: Finance Department

Southwest Florida
Water Management District



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A Component Unit of the State of Florida

Mission Statement:

The mission of the Southwest Florida Water Management District (District) is to manage water and related natural resources to ensure their continued availability while maximizing environmental, economic and recreational benefits. Central to the mission is maintaining the balance between the water needs of current and future users while protecting and maintaining water and related natural resources which provide the District with its existing and future water supply.

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

**Southwest Florida Water Management District
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2004**

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- Finance Department Listing



An Equal Opportunity Employer

Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899
(352) 796-7211 or 1-800-423-1476 (FL only)
SUNCOM 628-4150 TDD only 1-800-231-6103 (FL only)
On the Internet at: WaterMatters.org

Bartow Service Office
170 Century Boulevard
Bartow, Florida 33830-7700
(863) 534-1448 or
1-800-492-7862 (FL only)
SUNCOM 572-6200

Lecanto Service Office
3600 West Sovereign Path
Suite 226
Lecanto, Florida 34461-8070
(352) 527-8131
SUNCOM 667-3271

Sarasota Service Office
6750 Fruitville Road
Sarasota, Florida 34240-9711
(941) 377-3722 or
1-800-320-3503 (FL only)
SUNCOM 531-6900

Tampa Service Office
7601 Highway 301 North
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)
SUNCOM 578-2070

- Watson L. Haynes II**
Chair, Pinellas
- Heidi B. McCree**
Vice Chair, Hillsborough
- Judith C. Whitehead**
Secretary, Hernando
- Talmadge G. "Jerry" Rice**
Treasurer, Pasco
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- Janet D. Kovach**
Hillsborough
- Patsy C. Symons**
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- David L. Moore**
Executive Director
- Gene A. Heath**
Assistant Executive Director
- William S. Bilenky**
General Counsel

March 29, 2005

To the Citizens of the Southwest Florida Water Management District:

The Comprehensive Annual Financial Report of the Southwest Florida Water Management District (District) for the fiscal year ended September 30, 2004, is hereby submitted.

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

The **Comprehensive Annual Financial Report** is presented in five sections:

- **Introductory Section**, including: this transmittal letter; Certificate of Achievement from the Government Finance Officers Association; District boundary map; District organizational chart; and Finance Department personnel listing.
- **Financial Section**, including: Independent Auditors' Report; Management's Discussion and Analysis; basic financial statements; and other supplementary information.

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 District's MD&A can be found immediately following the report of the independent auditors.

- **Statistical**, including selected financial and demographic information generally presented on a multi-year basis.

- **Single Audit**, including: Independent Auditors' report on internal control over financial reporting and on compliance and other matters; Independent Auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General; and schedule of expenditures of federal awards and state financial assistance.
- **Management Letter**, included pursuant to the Rules of the Auditor General for the State of Florida.

About the District

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

Approximately one quarter of the state's population (4.2 million) resides within the District. The District was established in 1961 by a special act of the Florida Legislature to serve as local sponsor of the Four River Basins, Florida Project. This was a major flood control project sponsored by the U.S. Army Corps of Engineers after Hurricane Donna caused extensive damage in west-central Florida in 1960.

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

Today's regional flood protection efforts remain an important element of the District's mission. Since the District was created in 1961, the demands of growth have resulted in additional responsibilities mandated of the District by the Florida Legislature. As delegated by the Florida Department of Environmental Protection (DEP), the District now authorizes permits for consumptive use of water, well construction, surface water management, and the protection of wetlands. Water supply, water resources development, and water quality are major concerns, and many projects with local, state and federal funding partners focus on ensuring adequate sustainable quality water for the future.

An 11-member Governing Board determines the District's overall policies, executes its regulatory responsibilities, administers contracts, hires the Executive Director subject to confirmation by the Florida Senate, and authorizes tax levies and general fund and Basin budgets subject to review by the Governor. Each member is appointed by the Governor and confirmed by the Florida Senate. District Governing Board members serve staggered four-year terms, are eligible for reappointment, and serve as unpaid citizen volunteers. One or more Governing Board members also serve in an ex officio role on each of the District's eight Basin Boards.

Unique to the Southwest Florida Water Management District, each of the eight watershed basins within the District is overseen by a Basin Board. There are 45 Basin Board members, who are also appointed by the Governor and confirmed by the Florida Senate. Basin Board members serve three-year terms, are eligible for reappointment, and serve as unpaid citizen volunteers. They offer a localized perspective to water management and make statutorily required recommendations and decisions. Because of its Districtwide hydrologic significance, the District Governing Board also oversees activities in a ninth watershed area, the Green Swamp Basin. In October 2003, the beginning of fiscal year 2004, eight separate Basin Board boundary changes were approved by the Governing Board per authority in Section 373.0693(11), Florida Statutes. Each of the affected Basin Boards previously concurred with the proposed changes. The affected Basins are Alafia River, Coastal Rivers, Hillsborough River, Peace River, Withlacoochee River, and the Green Swamp for which the Governing Board serves as its Board. The intent of the boundary changes was to align the basin boundaries more closely with actual watershed boundaries. These changes to the Basin boundaries were adopted

formally by rule, including opportunities for input by affected parties and review by the Joint Administrative Procedures Committee, pursuant to Chapter 120.54, Florida Statutes. The boundary map on page viii reflects the changed boundaries. These changes had no impact on the District's financial position at September 30, 2004.

The annual budget serves as the foundation for the District's financial planning and control. The Truth-in-Millage (TRIM) Act enacted by state legislation requires disclosures of information regarding tax millage and budget adoption. Each year, following the required disclosures and the conduct of hearings for taxpayer comment, the Governing Board sets the tax rates and adopts a budget in September. The appropriated budget is prepared by fund, department and activity. The Governing Board delegates authority to the Executive Director to execute transfers of budgeted funds not to exceed \$50,000, if no reserve funds are involved. Delegated transfers are presented to the Governing Board for approval and to the appropriate Basin Board(s) for information at their next regular scheduled meeting. All transfers of funds from the contingency and other reserve accounts exceeding \$50,000 require prior Governing or Basin Board approval. All transfers approved by Basin Boards are reported to the Governing Board for ratification. Budget-to-actual comparisons are provided in this report for all governmental funds. For the general fund and the special revenue funds, the comparisons are presented as part of the basic financial statements, starting on page 17. Budget-to-actual comparisons for the District's capital projects are presented as other supplementary information, pages 47 and 48.

The District is authorized by the Florida Constitution and Florida State Statutes to fund its general operations from ad valorem property taxes. The District Governing Board may levy up to one-half mill for the general costs of the District. In addition, each of the eight Basin Boards may assess up to one-half mill with the approval of the Governing Board and the Executive Office of the Governor to support projects undertaken within, or directly affecting, their individual areas. One mill equals \$1 of tax per \$1,000 of taxable property value. Funding for District programs is supplemented by District permit fees and by grants from and contracts with federal, state and local governments, and private sector organizations.

The Reporting Entity

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

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

The District's financial statements for the fiscal year ended September 30, 2004, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2005, as a discretely presented component unit. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government, which is the State of Florida, and to differentiate their financial position, results of operations and cash flows.

Factors Affecting Financial Condition

Economic Conditions and Outlook.¹ Short-term forecasts again show the economy of the counties in the District outperforming most sectors relative to the state as a whole and the nation. However, Hurricanes Charley, Frances and Jeanne that moved across most of the state in August and September of 2004 may have a significant impact on the non-agricultural forecast data below. They do not reflect the impacts of these storms, which may temporarily reduce employment in the service and

¹ Except as noted, all data are based on countywide data and are derived from, Woods and Poole Economics. 2004 State Profile: State and County Projections to 2025.

agricultural sectors but will likely increase construction employment in the hardest hit counties in the short term. The basic forces that drive the economy should, however, remain relevant.

District county permanent population is expected to increase 1.6 percent between 2004 and 2005 while the population of Florida is expected to grow 1.7 percent during the same period. Total employment for counties in the District is projected to grow 1.9 percent between 2004 and 2005 versus 1.8 percent for the state as a whole. This higher pace of growth is expected to hold for non-agricultural sectors but the District is expected to experience somewhat lower employment growth in agricultural/other natural resource-related sectors. The counties with the highest projected growth in total employment between 2004 and 2005 are expected to be Manatee (3.42 percent), Charlotte (3.1 percent), Desoto (2.8 percent) and Hernando (2.68 percent). Charlotte and Desoto counties' growth rates are most subject to change due to significant hurricane damage. The District's slower population growth rate combined with faster employment growth may be contributing to real per capita income in the District increasing 1.27 percent between 2004 and 2005 versus 1.1 percent for the State.

Among non-agricultural sectors, services are the fastest growing sector and will lead all others with a 2.8 percent increase in employment between 2004 and 2005 in the District counties versus 2.6 percent for Florida and 1.9 percent for the nation. The District will keep pace with the state and exceed national averages in job growth in the region's second fastest growing sector - construction. Construction employment in the District counties will increase 1.7 percent between 2004 and 2005 versus 1.7 percent for Florida and 1.3 percent for the nation. The region's economy will outpace the state and the nation in both mining and manufacturing short-term job growth. The projected District county growth in manufacturing employment is projected to be four times that of the nation as a whole (0.4 percent versus 0.1 percent).

Agriculture plays a large and moderating role in the region's economy. Although employment growth is slower in agriculture than in other sectors, on-farm employment in the District is expected to grow 0.5 percent between 2004 and 2005 versus no growth in the state as a whole. Counties with the highest farm employment growth are expected to be Citrus (2.4 percent), Desoto (1.7 percent) and Manatee and Hillsborough (1.5 percent). Much of the increase in Desoto county may be due to the on-going migration of citrus production from the Lake Wales Ridge to the southwest production area. How the offsetting effects of hurricane damage in Desoto county, increasing concerns over Tristeza disease, and hurricane damage in old ridge groves will affect these projections is uncertain. Farm earnings in District counties are projected to increase 2.6 percent versus 1.9 percent for the state. When looking at combined farm, agricultural services, forestry and commercial fishing employment, the District county growth in employment is projected to be 0.9 percent between 2004 and 2005 versus 1.6 percent for the state.

Citrus and vegetables are two of the predominant crop groups in the District and the vast majority of citrus acreage in the District is dedicated to oranges processed for juice. Citrus growers were significantly impacted by the hurricanes of 2004². Estimates of 2004-2005 hurricane reduced Florida round orange production (176 million boxes) are 27.3 percent lower than last season's crop. While the Brazilian orange crop is expected to experience a significant increase, its reserves of frozen concentrated orange juice (FCOJ) are at the lowest level since the 1989-1990 season. These forces should result in higher prices for Florida orange juice and higher on-tree prices for growers. Unfortunately, growers will only be able to benefit from this situation to the extent that they avoided significant damage from the hurricanes. The hurricanes will likely bring some long overdue relief to grapefruit producers with product to sell. Fresh supplies will be well below normal and fresh grapefruit prices will be sharply up. On-tree prices for both fresh and processed grapefruit will be dramatically higher. Orange and grapefruit producers with tree damage or without sufficient product to sell will have difficult choices to make.

² Citrus statistics are derived from: Brown, Mark G. Florida Citrus Outlook 2004-05 Season. Prepared for Florida Citrus Commission Market and Economic Research Committee. October 27, 2004.

The hurricanes of 2004 also affected the vegetable industry. Many tomato growers lost or delayed fall crop plantings and may not be able to take advantage of the window of exceptionally high prices following the hurricanes. On the positive side, U.S. per capita consumption of fresh produce continues to grow³. For example, fresh tomato consumption is forecast to increase from 16.8 pounds per capita in 1997 to 19.1 pounds in 2004. Also, increasing concerns over pesticide residue and other health concerns about imported vegetables are expected to better position U.S. and Florida vegetable producers where regulatory programs are more protective of consumers. Country of origin labeling should enhance this advantage.

In summary, the non-agricultural economy of the region is expected to fare quite well in comparison to the state, as a whole, and the nation. The agricultural sector in the District, while still facing an uncertain future, continues to hold its own and is expected to experience modest growth in employment, as opposed to no growth for the state overall. The relatively good expected performance of the District regional economy and recent improvements in the national economic indicators should bode well for the region's ability to finance necessary water resource-related projects.

Long-term financial planning. The District exercises its management of water resources through five "areas of responsibility": Water Supply, Flood Protection, Water Quality, Natural Systems and Management Services. Long-term financial planning, as well as strategic direction, is provided by the District Water Management Plan (2000), a matching set of strategic budget priorities, annual development of a Program Budget, and a Five-Year Capital Improvement Plan that connects planning and program budgeting.

As one example of long-term financial planning in the area of water supply, consider the District's direction for water supply and resource development, known as the District's "Financial Engine." The District's Regional Water Supply Plan (RWSP, August 2001), which is updated every five years (next update will occur in 2005 with projections through 2025), shows that at least an additional 432 million gallons per day (mgd) of new water supplies will be required by 2020. When the RWSP was prepared, 215 mgd, at a cost of over \$1 billion, had been completed, was in progress, or was programmed (meaning that the funding mechanisms were in place). The remaining 217 mgd through 2020, at a projected cost of \$1.3 billion, had not been developed or funded. The Financial Engine is a pay-as-you-go strategic funding plan for implementation that depends on the majority of the remaining \$1.3 billion being generated in conjunction with the District's public and private partners. Consistent with the Financial Engine, the fiscal year 2005 combined District budget includes \$41.8 million for Water Supply and Resource Development projects and reserves. The District will continue to seek additional federal, state and local funding through 2020 and strategic public and private partnerships to address the investment necessary to develop the additional conservation programs and new sustainable water supplies for both Northern Tampa Bay and the Southern Water Use Caution Areas.

Cash management policies and practices. Cash temporarily available during the year was pooled and invested in the Local Government Surplus Trust Fund, which is administered by the State Board of Administration, and in government securities with maturities of 2½ to 3 years. The District's investment policy is to minimize credit and market risks while maintaining a competitive yield on the portfolio. The average rate of return on District investments was 2 percent. Interest earnings include depreciation in the fair value of investments. Decreases in fair value during the current year, however, do not necessarily represent trends that will continue; nor will the District necessarily realize such amounts, especially in the case of temporary changes in the fair value of investments that the District intends to hold to maturity.

Risk Management. The Risk Management Section of the District's Human Resources Department is charged with the responsibility to provide a safe and healthy environment to protect employees and the public against losses that would affect the District's ability to fulfill its goals and objectives. Districtwide

³ Vegetable statistics are derived from: VanSickle, John J. "The Situation and Outlook in the Fresh Vegetable Market." (Unpublished)

safety programs to familiarize employees with risk control techniques to minimize accident-related losses have been offered to all District employees.

The District is currently self-insured for workers' compensation. The District contracts with a third-party administrator to administer workers' compensation claims and maintains an excess workers' compensation insurance policy to cover claims in excess of \$500,000 per occurrence. Additional information on the District's risk management activities can be found in Note V.A on page 42 of the notes to the financial statements.

The District continues to be successful in maintaining employee group medical benefit costs at a level equal to or less than the average cost for similar benefit plans based on industry type, geographic location and plan structure.

Pension Trust Operations. Employees of the District are covered by the Florida Retirement System (FRS). FRS contribution rates are actuarially determined and spread to all participant governments within the FRS system. The District has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the FRS. Additional information on the District's pension arrangements can be found in Note V.C on page 44 of the notes to the financial statements.

Debt Administration. The District continued to have no outstanding bonded debt at the end of fiscal year 2004.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended September 30, 2003. This was the sixteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

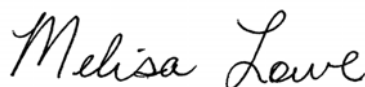
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincere appreciation is extended to the many District employees who assisted with the preparation of this report, with special thanks to the employees of the Finance Department, especially the Accounting & Financial Reporting Section. Special recognition is due the Visual Communications section staff for the design of the cover and tabs, and the Print Shop for producing the report. In closing, this report would not have been possible without the support and leadership of the District Governing Board, the District's Basin Boards and the District's Executive staff.

Sincerely,



Daryl F. Pokrana
Finance Director



Melisa Lowe
Accounting & Financial Reporting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southwest Florida Water Management District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

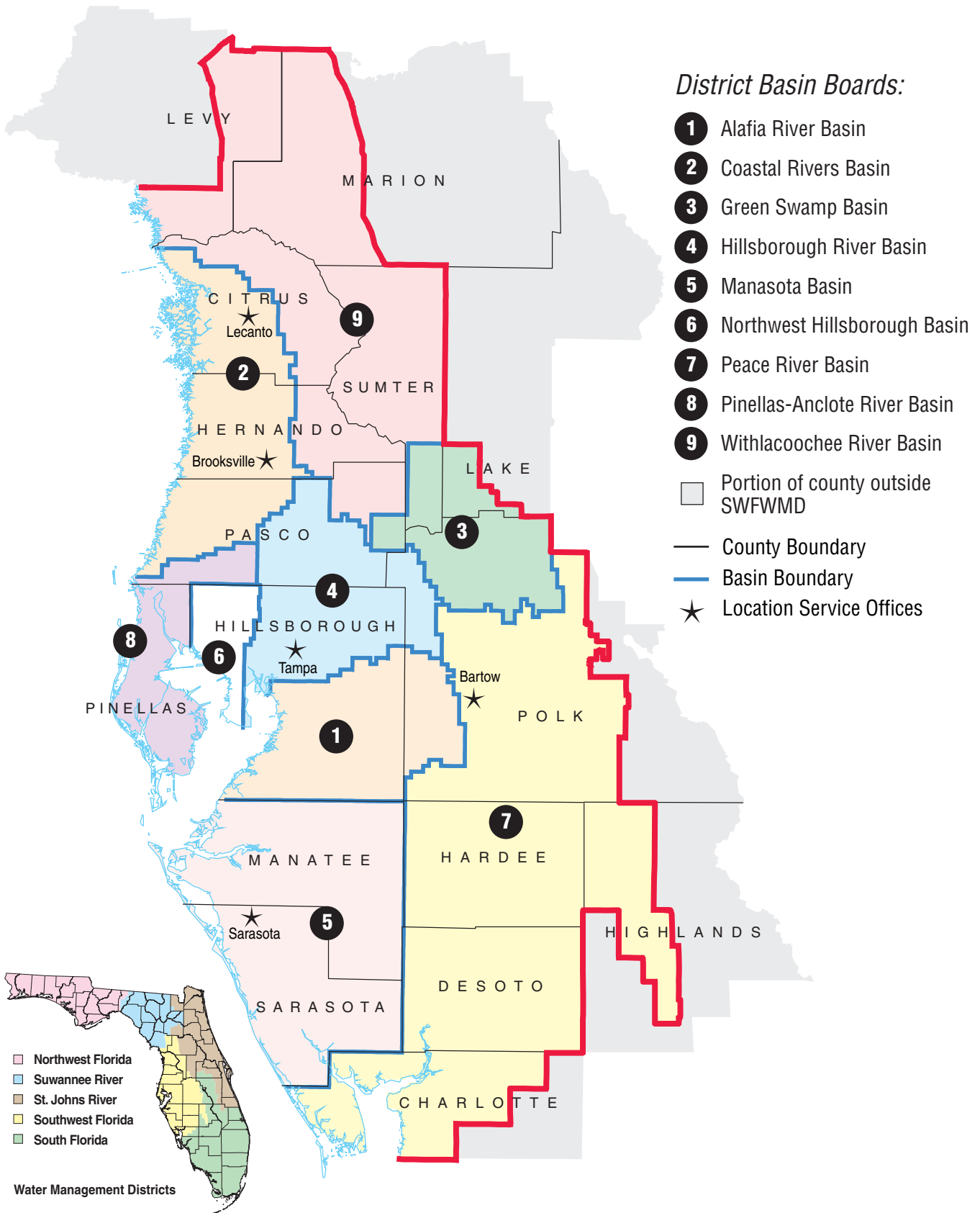


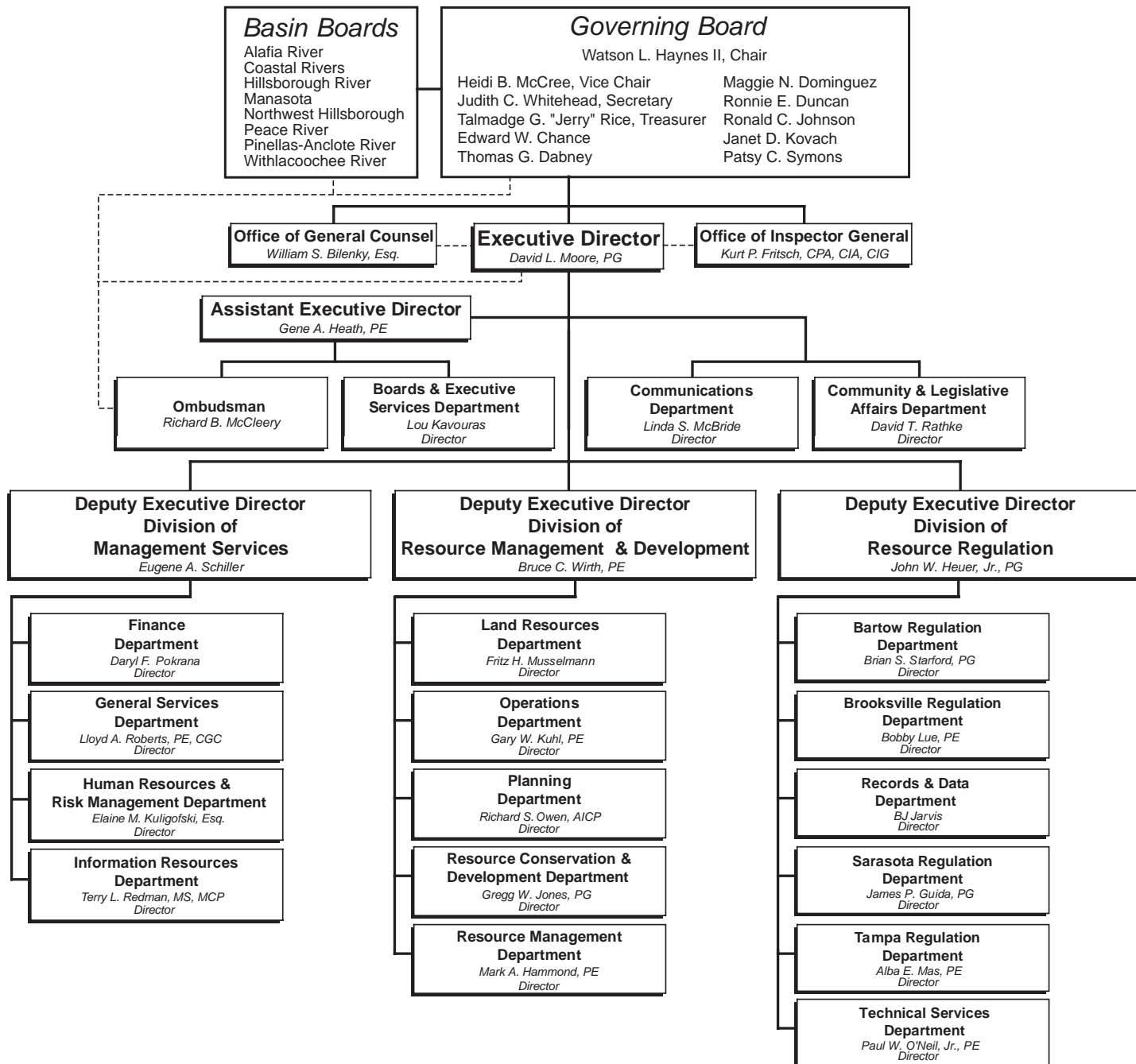
Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director





**SOUTHWEST FLORIDA
WATER MANAGEMENT DISTRICT**

**Management Services Division
Deputy Executive Director
Eugene A. Schiller**

FINANCE DEPARTMENT

Department Director

Daryl Pokrana

Assistant Director

Linda Pilcher

Section Managers

Accounting & Financial Reporting..... Melisa Lowe
Contracts Administration..... Steven Long
Financial Systems..... Noel Pioszak
Purchasing..... Malcolm Wilson

Accounting & Financial Reporting Staff

Accounting

Janet Thompson, Sr. Supervisor
Sonja Grant
Jennifer Lamb
Julie McClung
Kerri Meadors

Financial Compliance

Patrick Sevon, Supervisor
Ann Kenny
Jan Smith
Melissa Williams

Accounts Payable

Karen Frazier, Supervisor
Ellen Cuarta
Alisha Robbins
Mary Hrivnak
Judy Misener
Shelia Roush
Sanita Savarese

Property Administration

Avery Bailey, Administrator
Cindy Harris

Administrative Supervisor

Spring Aikens



Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
Notes to the Financial Statements



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

Independent Auditors' Report on the Financial Statements

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Southwest Florida Water Management District, as of September 30, 2004, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2005 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements, and the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The other supplementary information and the schedule of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

KPMG LLP

January 14, 2005

Management's Discussion and Analysis (unaudited)

The Southwest Florida Water Management District's (District) discussion and analysis is designed to offer readers of the District's financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2004. Readers are encouraged to read the Management's Discussion and Analysis in conjunction with the transmittal letter beginning on page i and the District's financial statements, which begin on page 13.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$901.7 million. Of this amount, \$222.7 million may be used to meet the District's ongoing obligations to citizens and creditors. It is the District's intent to use these assets to 1) liquidate contracts and purchase orders of the prior period in the amount of \$192.1 million and 2) pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.7 million. The remaining net assets are earmarked for New Water Sources Initiative (NWSI) and Water Supply and Resource Development projects and funding for future years.
- The District's total net assets increased by \$58.8 million. This increase is primarily attributable to the investment in capital assets and to the Governing Board's designation of funds necessary to address long-term water supply and resource development needs consistent with the District's Regional Water Supply Plan.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$332.9 million, an increase of \$30.4 million in comparison with the prior year. Of this total amount, \$54.3 million is available for spending at the District's discretion and has been earmarked as noted above.
- The District has no bonded debt.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 13 and 14 of this report.

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

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

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

The District maintains one general fund, eleven special revenue funds and two capital projects funds, all of which are considered to be major funds. Information is presented separately for each of these in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for all funds. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for all funds in accordance with Governmental Accounting Standards Board, Statement No. 34. Although not required, budgetary comparison schedules for the District's capital projects funds have been provided on pages 47 and 48 of this report, as other supplemental information.

The governmental fund financial statements can be found on pages 15 through 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 45 of this report.

Additional information. Additional information about the District, which may be of interest to the reader, is found under the Statistical, Single Audit and Management Letter sections of this report.

Government-wide Financial Analysis

The overall condition of the District improved in both fiscal years 2004 and 2003.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$901.7 million. At September 30, 2004, the District reported positive balances in all three categories of net assets. The same situation held true for the prior fiscal year. The District's total net assets increased by \$58.8 million. The majority of the increase is attributable to the investment in capital assets and to the Governing Board's designation of funds necessary to address long-term water supply and resource development needs consistent with the District's Regional Water Supply Plan.

Southwest Florida Water Management District's Net Assets

	Governmental activities	
	2004	2003
Current and other assets	\$ 373,232,231	\$ 338,136,810
Capital assets	593,149,521	544,800,181
Total assets	<u>966,381,752</u>	<u>882,936,991</u>
Current and other liabilities	39,452,407	34,775,426
Long-term liabilities outstanding	25,218,199	5,205,698
Total liabilities	<u>64,670,606</u>	<u>39,981,124</u>
Net assets:		
Invested in capital assets	593,149,521	544,800,181
Restricted	85,841,584	85,251,298
Unrestricted	222,720,041	212,904,388
Total net assets	<u>\$ 901,711,146</u>	<u>\$ 842,955,867</u>

By far the largest portion of the District's net assets in the amount of \$593.1 million (66 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure). The District uses these capital assets to carry out its statutory responsibilities; consequently, these assets are not available for future spending.

Restricted net assets in the amount of \$85.8 million (9 percent) represent resources that are subject to external restrictions on how they may be used.

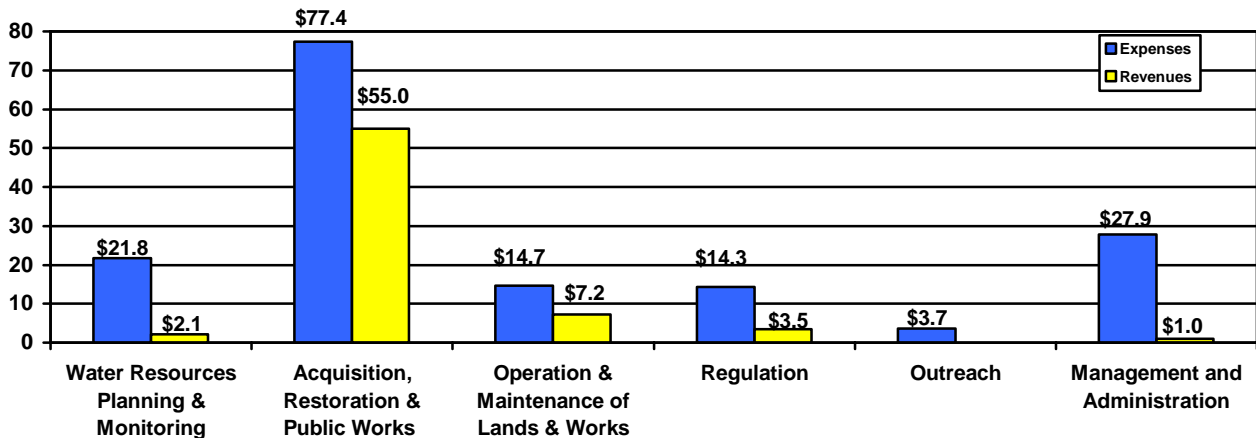
Unrestricted net assets in the amount of \$222.7 million (25 percent) may be used to meet the District's ongoing obligations to citizens and creditors. As noted earlier, it is the District's intent to use these assets to 1) liquidate contracts and purchase orders of the prior period in the amount of \$192.1 million and 2) to pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.7 million based on an independent actuarial determination. The remaining funds are earmarked for New Water Sources Initiative (NWSI) and Water Supply and Resource Development projects and funding for future years.

Governmental activities. Governmental activities increased the District's net assets by \$58.8 million. Changes in key elements of this increase are as follows:

Southwest Florida Water Management District's Changes in Net Assets

	Governmental Activities	
	2004	2003
Revenues:		
Program revenues:		
Charges for services	\$ 6,258,900	\$ 5,584,033
Operating grants and contributions	25,535,832	9,629,528
Capital grants and contributions	37,012,993	28,467,877
General revenues:		
Ad valorem property taxes	143,869,238	129,555,903
Unrestricted investment earnings	4,565,891	5,490,920
Other	1,323,392	595,722
Total Revenues	<u>218,566,246</u>	<u>179,323,983</u>
Expenses:		
Water Resources Planning & Monitoring	21,751,944	15,579,114
Acquisition, Restoration & Public Works	77,426,245	44,556,653
Operation & Maintenance of Lands & Works	14,653,283	12,900,859
Regulation	14,314,706	13,606,323
Outreach	3,727,632	3,527,078
Management and Administration	27,937,157	27,010,734
Total expenses	<u>159,810,967</u>	<u>117,180,761</u>
Change in net assets	58,755,279	62,143,222
Net assets - beginning of year	842,955,867	780,812,645
Net assets - end of year	<u>\$ 901,711,146</u>	<u>\$ 842,955,867</u>

Expenses and Program Revenues* - Governmental Activities
(shown in millions)



* Program Revenues exclude ad valorem property taxes in accordance with Governmental Accounting Standards Board, Statement No. 34 – See Note I.B.

Revenues

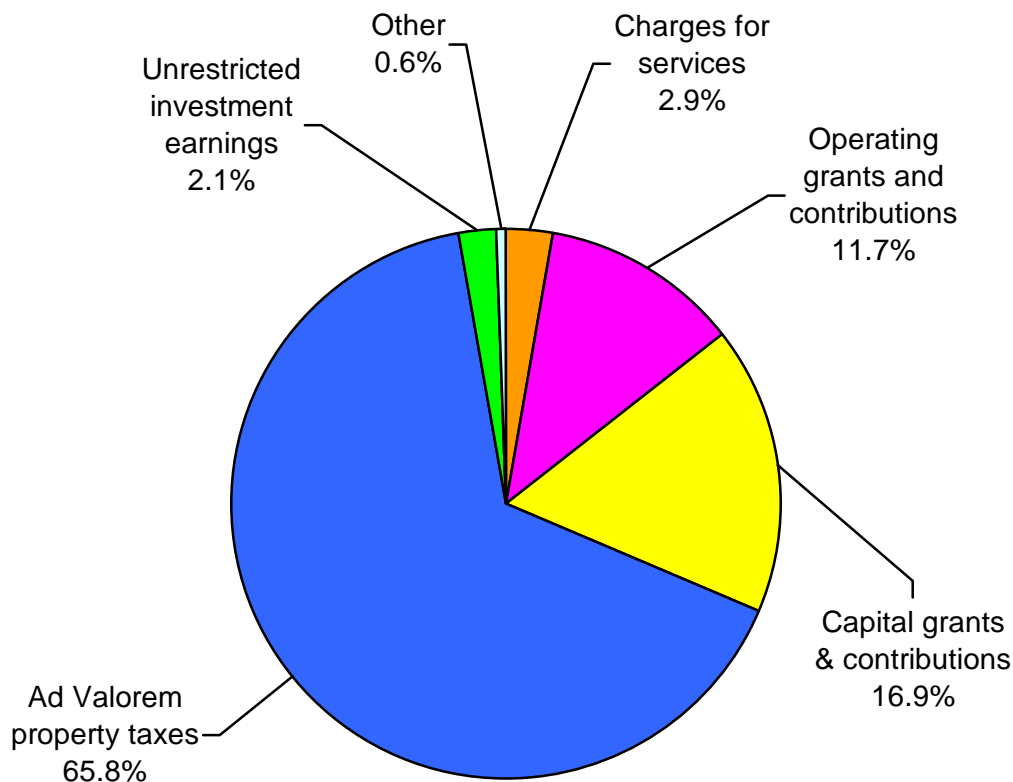
Ad valorem property taxes are the District's primary source of revenue. For fiscal year 2004, ad valorem property taxes increased \$14.3 million (11 percent) above fiscal year 2003. The General Fund Districtwide millage rate and the eight Basin millage rates remained at the same levels as fiscal year 2003. The increase in ad valorem property tax revenues is due to higher property valuations resulting from resales, reassessments, and new construction throughout the District.

Charges for services increased by \$0.7 million (12.1 percent) above fiscal year 2003 due primarily to an increase in the number of environmental resource permits issued.

Operating grants and contributions increased by \$15.9 million (165.2 percent) above fiscal year 2003, due primarily to an increase in intergovernmental revenues received from the Ecosystem Management and Restoration Trust Fund for the Lake Panasoffkee Project; the State Transportation Trust Fund for mitigation projects accounted for in the DOT Mitigation Fund; the Water Management Lands Trust Fund for land management and maintenance costs associated with the Save Our Rivers Program and the Surface Water Improvement and Management program; and the Federal Emergency Management Agency (FEMA) for funding various mapping projects, Watershed Plans and reimbursements for costs associated with severe storms and flooding.

Capital grants and contributions increased by \$8.5 million (30 percent) above fiscal year 2003, due primarily to an increase in land acquisition cost. The Florida Department of Environmental Protection provided the majority of this revenue from the Florida Forever Trust Fund for land acquisition.

FY2004 Revenues by Source – Governmental Activities



Unrestricted investment earnings decreased by \$0.9 million (16.8 percent) below fiscal year 2003 due to the current economic conditions and interest rates at historic low levels. The District received a 2.1 percent average yield on its investments during fiscal year 2003 compared with an average yield of 2 percent during fiscal year 2004.

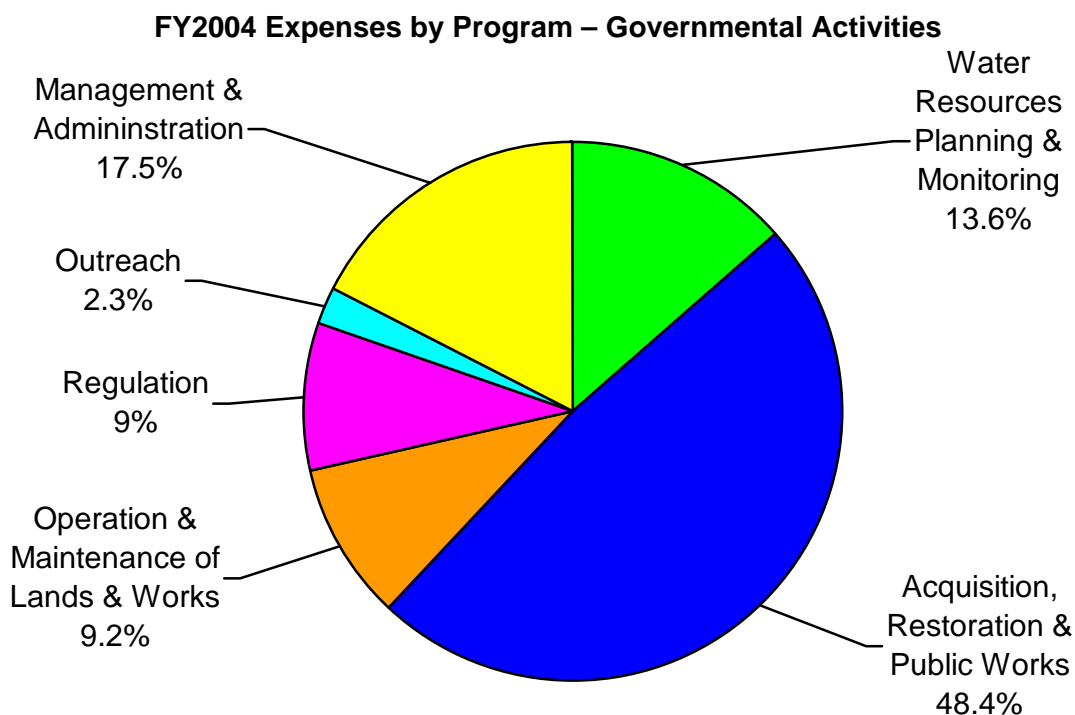
Other Revenues increased by \$0.7 million (122.1 percent) above fiscal year 2003 due primarily to an increase in insurance proceeds and gains on the sale of fixed assets.

Expenses

Water Resources Planning and Monitoring program expenses increased \$6.2 million (39.6 percent) compared with fiscal year 2003. Expenses included in this program include all water management planning, research, data collection, analysis and monitoring. The increase in expenses is due to a number of different projects relating to various topics, planning, research, data collection, etc. One of the larger projects is the Federal Emergency Management Agency's (FEMA) Map Modernization activities within the District's boundaries. The District provides technical assistance to FEMA in mapping flood hazard zones. This information is used for regulatory purposes and is also distributed to other governmental agencies.

Acquisition, Restoration & Public Works program expenses increased \$32.9 million (73.8 percent) compared with fiscal year 2003. Expenses included in this program include the development and construction of all capital projects, cooperative projects, land acquisition and the restoration of lands and water bodies. The sizeable increase in expenses is due primarily to the Old Florida Plantation land parcel acquisition at a cost of \$30.5 million, which is a critical component of the Upper Peace River Minimum Flows and Levels Recovery Strategy, and to the ongoing Lake Panasoffkee Restoration Project.

Operation & Maintenance of Lands and Works program expenses increased \$1.8 million (13.6 percent) compared with fiscal year 2003. Expenses included in this program include all operation and maintenance of facilities, flood control and water supply structures, lands and other works authorized by Chapter 373, Florida Statutes. The majority of the increase relates to payments in lieu of taxes associated with the District's Land Acquisition program and maintenance of the Medard Reservoir Levy and Control Structure.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's funding requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At September 30, 2004, the District's governmental funds reported combined ending fund balances of \$332.9 million, an increase of \$30.4 million in comparison with the prior year. Unreserved fund balance totals \$54.3 million. This total includes deficit undesignated fund balances totaling \$47.8 million in the Withlacoochee River Basin, Surface Water Improvement and Management (SWIM) Program, Department of Transportation (DOT) Mitigation and Save Our Rivers funds (see Note III.B, page 36). These balances result from contractual obligations (encumbrances) at year-end that are not eligible for reimbursement until expenditures are incurred against them, thus creating deficit undesignated fund balances at September 30. Without the deficit undesignated fund balances, the combined unreserved fund balance was \$102.1 million available for spending at the District's discretion. Of this amount, the Governing Board has designated \$97.1 million for various purposes including the New Water Sources Initiative, Water Supply and Resource Development, and funding for the fiscal year 2005 budget. Reserved fund balance totals \$278.6 million and is reserved to indicate that it is not available for new spending because it has already been committed to 1) liquidate \$277.9 million in contracts and purchase orders of the prior period and 2) pay approximately \$0.7 million in estimated claims associated with the District's Workers' Compensation Self-insurance Program.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$63.9 million, while the total fund balance was \$103.3 million. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to the total fund expenditures, which amounted to \$70.9 million. Unreserved fund balance represents 90.2 percent of the total general fund expenditures. Total fund balance represents 145.8 percent of the total general fund expenditures. The Governing Board has designated \$49.6 million for projects and reserves primarily for the New Water Sources Initiative and Water Supply and Resource Development, \$10.2 million as funding for the fiscal year 2005 budget, and \$0.6 million for the self-funded workers' compensation program. The remaining \$3.5 million is available to offset ad valorem property tax requirements as balance forward in future years.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were the result of the District receiving two unanticipated operating grants totaling \$2.8 million. One grant was received from the U.S. Federal Emergency Management Agency (FEMA) in the amount of \$2 million for the District's management and floodplain mapping efforts in Hernando and Marion counties. The second grant was from the U.S. Environmental Protection Agency (EPA) in the amount of \$0.8 million for the Upper Peace River Restoration Initiative.

Variances between the budgeted expenditures for each program area and actual expenditures were significant in two program areas: 1) Water Resources Planning and Monitoring, and 2) Acquisition, Restoration and Public Works. These program areas include a variety of projects, initiatives and reserves that are necessary to carry out the District's mission to preserve and protect the state's water resources (see Note I.D). The General Fund budget-to-actual variances are primarily due to encumbrances that exist at year-end for projects that are often multi-year, resulting in expenditures that do not always coincide with the budget period; and reserves established to fund various long-term programs or initiatives consistent with the Regional Water Supply Plan.

Capital Assets

The District's investment in capital assets at September 30, 2004, amounted to \$593.1 million (net of accumulated depreciation). This investment in capital assets includes land, land interests, buildings, machinery and equipment, infrastructure, construction in progress and other capital assets.

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

- Land acquisition costs (not including ancillary costs) totaled \$36.1 million. Acquisitions were funded from the Florida Forever (FF), Preservation 2000 (P2000), and Water Management Lands (WML) Trust Funds. The following is a list of some of the on-going land acquisition projects where individual or multiple parcels of land were acquired during fiscal year 2004:
 - Old Florida Plantation project: \$30.5 million, funded by the FF Trust Fund.
 - Tampa Bay Estuarine Ecosystem project: \$5.2 million, funded by the FF Trust Fund.
- Following are some of the construction in progress projects that were completed during fiscal year 2004:
 - Fort Ogden Wellsite: \$0.4 million
 - Tampa Bypass Canal Structure: \$0.4 million

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

	2004	2003
Land	\$ 443,002,156	\$ 405,853,076
Land Interests (less-than-fee)	28,301,019	28,200,819
Buildings	23,513,103	22,881,290
Machinery and Equipment	7,636,997	6,513,678
Infrastructure	76,370,196	77,174,833
Construction in Progress	14,286,142	4,160,301
Other Capital Assets	39,908	16,184
Total Assets	<u>\$ 593,149,521</u>	<u>\$ 544,800,181</u>

Additional information on the District's capital assets can be found in Note I.E.4 on page 32 and Note IV.E on page 40.

Economic Factors and Next Year's Budgets and Rates

The District's primary source of funding is ad valorem property taxes. Property tax values within the District increased by 11.93 percent in 2004 due to property resales, reassessments and new construction. The property tax levy for fiscal year 2005 budget requirements is based on the tax roll for 2004. The General Fund Districtwide millage rate and all eight Basin millage rates were held at the fiscal year 2004 levels.

The current economic conditions and the declining interest rates have negatively affected District investment earnings. The District received a 2 percent yield on its investments during fiscal year 2004. The fiscal year 2005 budget was based on an expected yield of 1.8 percent.

During the current fiscal year, the unreserved fund balance in the general fund increased to \$63.9 million. The Governing Board has designated \$49.6 million for projects and reserves primarily for the New Water Sources Initiative and Water Supply and Resource Development, \$10.2 million as funding for the fiscal year 2005 budget, and \$0.6 million for the self-funded workers' compensation program. The remaining \$3.5 million is available to offset ad valorem property tax requirements as balance forward in future years.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information should be addressed to the Office of the Finance Director, Southwest Florida Water Management District, 2379 Broad Street, Brooksville, Florida, 34604-6899; or by calling (352) 796-7211, extension 4121; or by e-mail to Daryl.Pokrana@swfwmd.state.fl.us.

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Basic Financial Statements

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

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

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

**Southwest Florida Water Management District
Statement of Net Assets
September 30, 2004**

ASSETS	<u>Governmental Activities</u>
Cash and Investments	\$ 268,866,697
Receivables	10,023,744
Deposits	25,512
Inventories	187,123
Other Assets	263,474
Restricted assets:	
Cash and Investments	93,865,681
Capital Assets (net of accumulated depreciation)	
Land	443,002,156
Land Interests	28,301,019
Buildings	23,513,103
Machinery and Equipment	7,636,997
Infrastructure	76,370,196
Construction in Progress	14,286,142
Other Capital Assets	39,908
Total Assets	<u>966,381,752</u>
 LIABILITIES	
Accounts and Contracts Payable	27,629,167
Payroll and Related Costs	1,789,596
Contracts Payable-Retainage	757,412
Due To Other Governments	97,580
Deferred Revenue	9,148,398
Liabilities Payable From Restricted Assets	30,254
Noncurrent Liabilities:	
Due Within One Year	1,162,107
Due in More Than One Year	24,056,092
Total Liabilities	<u>64,670,606</u>
 NET ASSETS	
Invested in Capital Assets	593,149,521
Restricted for:	
Partnership Agreement	85,841,584
Unrestricted (Page 43, note V. B.)	222,720,041
Total Net Assets	<u><u>\$ 901,711,146</u></u>

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

Southwest Florida Water Management District
Statement of Activities
For the Year Ended September 30, 2004

	Program Revenues			Capital	Total
Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs					
Primary government:					
Governmental Activities:					
Water Resources Planning & Monitoring	\$ 21,751,944	\$ 1,890,589	\$ -	\$ (19,611,576)	
Acquisition, Restoration & Public Works	77,426,245	18,010,079	37,012,993	(22,403,173)	
Operation & Maintenance of Lands & Works	14,653,283	5,501,564	-	(7,482,122)	
Regulation	14,314,706	133,600	-	(10,877,191)	
Outreach	3,727,632	-	-	(3,727,632)	
Management and Administration	27,937,157	-	-	(26,901,548)	
Total governmental activities	<u>\$ 159,810,967</u>	<u>\$ 25,535,832</u>	<u>\$ 37,012,993</u>	<u>(91,003,242)</u>	
General Revenues:					
Ad Valorem Property Taxes				143,869,238	
Unrestricted investment earnings				4,565,891	
Gain on sale of capital assets				348,906	
Other				974,486	
Total general revenues				<u>149,758,521</u>	
Change in net assets				58,755,279	
Net assets - beginning				842,955,867	
Net assets - ending				<u>\$ 901,711,146</u>	

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

**Southwest Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2004**

	General	Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin	Coastal Rivers Basin	Pinellas- Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	SWIM Program	DOT Mitigation	Partnership Trust	Save Our Rivers	Facilities	Total Governmental Funds
ASSETS															
Cash and Investments	\$ 107,786,385	\$ 4,335,612	\$ 8,613,850	\$ 13,192,673	\$ 8,102,259	\$ 63,622,104	\$ 9,553,297	\$ 22,326,584	\$ 29,346,172	\$ 3,540,457	\$ -	\$ 85,841,584	\$ 989,053	\$ 5,482,348	\$ 362,732,378
Due From Other Governments	3,015,498	59,885	137,680	55,352	430,721	178,301	539,943	360,849	347,870	2,178,754	1,544,274	-	320,738	-	9,169,865
Due From Other Funds	387,449	-	-	-	-	-	-	-	-	-	-	-	-	-	387,449
Interest Receivable	358,849	16,623	34,355	38,787	25,489	208,514	10,656	66,919	90,703	2,984	-	-	-	-	853,879
Deposits	25,512	-	-	-	-	-	-	-	-	-	-	-	-	-	25,512
Inventories	179,038	-	-	-	-	-	-	8,085	-	-	-	-	-	-	187,123
Other Assets	263,474	-	-	-	-	-	-	-	-	-	-	-	-	-	263,474
Total Assets	<u>112,016,205</u>	<u>4,412,120</u>	<u>8,785,885</u>	<u>13,286,812</u>	<u>8,558,469</u>	<u>64,008,919</u>	<u>10,103,896</u>	<u>22,762,437</u>	<u>29,784,745</u>	<u>5,722,195</u>	<u>1,544,274</u>	<u>85,841,584</u>	<u>1,309,791</u>	<u>5,482,348</u>	<u>373,619,680</u>
LIABILITIES AND FUND BALANCES															
Liabilities:															
Accounts and Contracts Payable	6,396,594	463,518	1,026,897	680,956	1,174,173	4,826,894	1,019,853	3,001,685	4,714,198	2,961,989	367,888	-	370,665	654,111	27,659,421
Payroll and Related Costs	1,642,425	5,850	22,006	6,388	13,780	13,939	27,201	16,921	14,172	22,805	4,109	-	-	-	1,789,596
Contracts Payable-Retainage	50,711	5,810	6,932	50	10,146	507	53,980	44,412	8,336	291,250	140,814	-	-	144,464	757,412
Due To Other Governments	39,364	-	58,216	-	-	-	-	-	-	-	-	-	-	-	97,580
Due To Other Funds	-	-	-	-	-	-	-	-	-	-	387,449	-	-	-	387,449
Deferred Revenue	537,817	6,628	29,821	35,796	23,603	91,413	4,726,323	1,128,391	272,957	1,358,558	644,014	-	1,126,433	-	9,981,754
Total Liabilities	<u>8,666,911</u>	<u>481,806</u>	<u>1,143,872</u>	<u>723,190</u>	<u>1,221,702</u>	<u>4,932,753</u>	<u>5,827,357</u>	<u>4,191,409</u>	<u>5,009,663</u>	<u>4,634,602</u>	<u>1,544,274</u>	<u>-</u>	<u>1,497,098</u>	<u>798,575</u>	<u>40,673,212</u>
Fund Balances:															
Reserved for Encumbrances	38,717,012	2,205,825	6,804,670	7,855,745	6,270,846	37,594,538	8,724,394	16,355,648	19,701,140	15,109,257	1,593,122	85,841,584	27,543,698	3,596,553	277,914,032
Reserved for Workers' Compensation Claims	705,000	-	-	-	-	-	-	-	-	-	-	-	-	-	705,000
Unreserved:															
Designated for Future Projects	42,139,316	1,204,341	-	3,562,727	-	13,090,101	-	391,287	2,776,049	-	-	-	-	924,628	64,088,449
Designated for Subsequent Year's Expenditures	10,151,492	520,148	837,343	780,814	1,065,921	7,265,345	-	1,824,093	2,297,893	-	-	-	-	162,070	24,905,119
Designated for Workers' Compensation Self-Insurance Program	606,767	-	-	-	-	-	-	-	-	-	-	-	-	-	606,767
Designated for NWSI/Partnership Reserve	7,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500,000
Undesignated	3,529,707	-	-	364,336	-	1,126,182	(4,447,855)	-	-	(14,021,664)	(1,593,122)	-	(27,731,005)	522	(42,772,899)
Total Fund Balances (Deficit)	<u>103,349,294</u>	<u>3,930,314</u>	<u>7,642,013</u>	<u>12,563,622</u>	<u>7,336,767</u>	<u>59,076,166</u>	<u>4,276,539</u>	<u>18,571,028</u>	<u>24,775,082</u>	<u>1,087,593</u>	<u>-</u>	<u>85,841,584</u>	<u>(187,307)</u>	<u>4,683,773</u>	<u>332,946,468</u>
Total Liabilities and Fund Balances	<u>\$ 112,016,205</u>	<u>\$ 4,412,120</u>	<u>\$ 8,785,885</u>	<u>\$ 13,286,812</u>	<u>\$ 8,558,469</u>	<u>\$ 64,008,919</u>	<u>\$ 10,103,896</u>	<u>\$ 22,762,437</u>	<u>\$ 29,784,745</u>	<u>\$ 5,722,195</u>	<u>\$ 1,544,274</u>	<u>\$ 85,841,584</u>	<u>\$ 1,309,791</u>	<u>\$ 5,482,348</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

593,149,521

Delinquent taxes are not available to pay for current period expenditures and, therefore, are not reported in the funds.

833,356

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

(25,218,199)

Net assets of governmental activities

\$ 901,711,146

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

**Southwest Florida Water Management District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2004**

	<u>General</u>	<u>Alafia River Basin</u>	<u>Hillsborough River Basin</u>	<u>Northwest Hillsborough Basin</u>	<u>Coastal Rivers Basin</u>	<u>Pinellas- Anclote River Basin</u>	<u>Withlacoochee River Basin</u>	<u>Peace River Basin</u>	<u>Manasota Basin</u>	<u>SWIM Program</u>	<u>DOT Mitigation</u>	<u>Partnership Trust</u>	<u>Save Our Rivers</u>	<u>Facilities</u>	<u>Total Governmental Funds</u>
REVENUES															
Ad Valorem Property Taxes	\$ 88,260,896	\$ 2,517,053	\$ 7,125,716	\$ 4,593,204	\$ 3,317,387	\$ 20,270,787	\$ 2,598,289	\$ 6,038,604	\$ 8,104,976	\$ -	\$ -	\$ -	\$ -	\$ 975,000	\$ 143,801,912
Intergovernmental Revenues	3,945,729	102,111	476,205	16,388	1,150,710	306,923	9,937,289	761,243	684,712	5,319,337	2,837,556	-	37,600,370	-	63,138,573
Interest on Invested Funds	1,709,113	76,930	161,894	176,213	115,046	954,238	40,196	299,516	407,108	10,994	-	614,548	95	-	4,565,891
License and Permit Fees	3,303,915	-	-	-	-	-	-	-	-	-	-	-	-	-	3,303,915
Other	2,505,329	1,605	296,601	2,439	262,126	6,489	1,781	2,797	44,578	225,833	-	-	-	-	3,349,578
Total Revenues	<u>99,724,982</u>	<u>2,697,699</u>	<u>8,060,416</u>	<u>4,788,244</u>	<u>4,845,269</u>	<u>21,538,437</u>	<u>12,577,555</u>	<u>7,102,160</u>	<u>9,241,374</u>	<u>5,556,164</u>	<u>2,837,556</u>	<u>614,548</u>	<u>37,600,465</u>	<u>975,000</u>	<u>218,159,869</u>
EXPENDITURES															
Current:															
Water Resources Planning and Monitoring	12,966,854	343,806	965,027	346,870	947,653	597,844	1,130,007	1,403,053	2,166,992	920,533	-	-	-	-	21,788,639
Acquisition, Restoration and Public Works	7,539,322	430,554	1,497,098	344,845	1,339,467	8,870,743	9,337,969	5,355,577	5,366,244	6,979,771	2,837,556	15,140,538	36,772,533	2,237,390	104,049,607
Operations and Maintenance of Lands and Works	7,966,402	611,145	1,588,389	303,772	1,128,134	592,832	1,453,742	487,024	460,585	-	-	-	980,429	-	15,572,454
Regulation	14,250,561	-	-	-	-	-	-	-	-	-	-	-	-	-	14,250,561
Outreach	1,269,883	190,511	346,576	257,653	158,306	911,523	143,441	233,771	183,867	23,355	-	-	-	-	3,718,886
Management and Administration	26,878,874	74,080	195,344	119,342	118,574	503,301	123,087	248,028	167,978	-	-	-	-	-	28,428,608
Total Expenditures	<u>70,871,896</u>	<u>1,650,096</u>	<u>4,592,434</u>	<u>1,372,482</u>	<u>3,692,134</u>	<u>11,476,243</u>	<u>12,188,246</u>	<u>7,727,453</u>	<u>8,345,666</u>	<u>7,923,659</u>	<u>2,837,556</u>	<u>15,140,538</u>	<u>37,752,962</u>	<u>2,237,390</u>	<u>187,808,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,853,086</u>	<u>1,047,603</u>	<u>3,467,982</u>	<u>3,415,762</u>	<u>1,153,135</u>	<u>10,062,194</u>	<u>389,309</u>	<u>(625,293)</u>	<u>895,708</u>	<u>(2,367,495)</u>	<u>-</u>	<u>(14,525,990)</u>	<u>(152,497)</u>	<u>(1,262,390)</u>	<u>30,351,114</u>
OTHER FINANCING SOURCES (USES)															
Transfers In	-	-	-	-	-	-	-	-	-	2,379,973	-	15,116,277	-	-	17,496,250
Transfers Out	(6,916,897)	(1,540,079)	(2,946,790)	(814,958)	(630,984)	(3,897,128)	(119,516)	(247,032)	(382,866)	-	-	-	-	-	(17,496,250)
Total Other Financing Sources and Uses	<u>(6,916,897)</u>	<u>(1,540,079)</u>	<u>(2,946,790)</u>	<u>(814,958)</u>	<u>(630,984)</u>	<u>(3,897,128)</u>	<u>(119,516)</u>	<u>(247,032)</u>	<u>(382,866)</u>	<u>2,379,973</u>	<u>-</u>	<u>15,116,277</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	21,936,189	(492,476)	521,192	2,600,804	522,151	6,165,066	269,793	(872,325)	512,842	12,478	-	590,287	(152,497)	(1,262,390)	30,351,114
Fund Balances (Deficit) - Beginning	81,413,105	4,422,790	7,120,821	9,962,818	6,814,616	52,911,100	4,006,746	19,443,353	24,262,240	1,075,115	-	85,251,297	(34,810)	5,946,163	302,595,354
Fund Balances (Deficit) - Ending	<u>\$ 103,349,294</u>	<u>\$ 3,930,314</u>	<u>\$ 7,642,013</u>	<u>\$ 12,563,622</u>	<u>\$ 7,336,767</u>	<u>\$ 59,076,166</u>	<u>\$ 4,276,539</u>	<u>\$ 18,571,028</u>	<u>\$ 24,775,082</u>	<u>\$ 1,087,593</u>	<u>\$ -</u>	<u>\$ 85,841,584</u>	<u>\$ (187,307)</u>	<u>\$ 4,683,773</u>	<u>\$ 332,946,468</u>

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances -- total governmental funds \$ 30,351,114

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 48,010,289

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. 339,051

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. However, delinquent taxes recorded as of September 30, 2004 was more than the amount recorded at prior year end, resulting in a net increase to income. 67,326

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (20,012,501)

Change in net assets of governmental activities \$ 58,755,279

**Southwest Florida Water Management District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad Valorem Property Taxes	\$ 87,675,677	\$ 87,675,677	\$ 88,260,896	\$ 585,219
Intergovernmental Revenues	7,479,580	10,279,580	3,945,729	(6,333,851)
Interest on Invested Funds	1,480,000	1,480,000	1,709,113	229,113
License and Permit Fees	2,200,000	2,200,000	3,303,915	1,103,915
Other	1,015,647	1,015,647	2,505,329	1,489,682
Total Revenues	<u>99,850,904</u>	<u>102,650,904</u>	<u>99,724,982</u>	<u>(2,925,922)</u>
EXPENDITURES				
Current:				
Water Resources Planning and Monitoring	23,155,522	25,155,522	12,966,854	12,188,668
Acquisition, Restoration and Public Works	70,366,736	71,166,736	7,539,322	63,627,414
Operations and Maintenance of Lands and Works	10,822,579	10,822,579	7,966,402	2,856,177
Regulation	16,362,312	16,362,312	14,250,561	2,111,751
Outreach	1,607,898	1,607,898	1,269,883	338,015
Management and Administration	33,009,386	33,009,386	26,878,874	6,130,512
Total Expenditures	<u>155,324,433</u>	<u>158,124,433</u>	<u>70,871,896</u>	<u>87,252,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,473,529)	(55,473,529)	28,853,086	84,326,615
OTHER FINANCING SOURCES (USES)				
Transfers Out	(6,966,592)	(6,966,592)	(6,916,897)	49,695
Net Change In Fund Balance	(62,440,121)	(62,440,121)	21,936,189	84,376,310
Fund Balance - Beginning	62,440,121	62,440,121	81,413,105	18,972,984
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,349,294</u>	<u>\$ 103,349,294</u>

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

**Southwest Florida Water Management District
Alafia River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$ 2,494,342	\$ 2,517,053	\$ 22,711
Intergovernmental Revenues	453,776	102,111	(351,665)
Interest on Invested Funds	80,000	76,930	(3,070)
Other	-	1,605	1,605
Total Revenues	3,028,118	2,697,699	(330,419)
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	945,332	343,806	601,526
Acquisition, Restoration and Public Works	2,048,500	430,554	1,617,946
Operations and Maintenance of Lands and Works	1,166,348	611,145	555,203
Outreach	317,948	190,511	127,437
Management and Administration	263,926	74,080	189,846
Total Expenditures	4,742,054	1,650,096	3,091,958
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,713,936)	1,047,603	2,761,539
OTHER FINANCING SOURCES (USES)			
Transfers Out	(2,599,480)	(1,540,079)	1,059,401
Net Change In Fund Balance	(4,313,416)	(492,476)	3,820,940
Fund Balance - Beginning	4,313,416	4,422,790	109,374
Fund Balance - Ending	\$ -	\$ 3,930,314	\$ 3,930,314

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

**Southwest Florida Water Management District
Hillsborough River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Ad Valorem Property Taxes	\$ 7,180,205	\$ 7,125,716	\$ (54,489)
Intergovernmental Revenues	2,690,009	476,205	(2,213,804)
Interest on Invested Funds	170,000	161,894	(8,106)
Other	-	296,601	296,601
Total Revenues	<u>10,040,214</u>	<u>8,060,416</u>	<u>(1,979,798)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	3,376,997	965,027	2,411,970
Acquisition, Restoration and Public Works	4,728,638	1,497,098	3,231,540
Operations and Maintenance of Lands and Works	4,262,369	1,588,389	2,673,980
Outreach	660,368	346,576	313,792
Management and Administration	352,217	195,344	156,873
Total Expenditures	<u>13,380,589</u>	<u>4,592,434</u>	<u>8,788,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,340,375)	3,467,982	6,808,357
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(4,467,432)</u>	<u>(2,946,790)</u>	<u>1,520,642</u>
Net Change In Fund Balance	(7,807,807)	521,192	8,328,999
Fund Balance - Beginning	7,807,807	7,120,821	(686,986)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 7,642,013</u>	<u>\$ 7,642,013</u>

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

**Southwest Florida Water Management District
Northwest Hillsborough Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$ 4,589,326	\$ 4,593,204	\$ 3,878
Intergovernmental Revenues	39,421	16,388	(23,033)
Interest on Invested Funds	175,000	176,213	1,213
Other	-	2,439	2,439
Total Revenues	4,803,747	4,788,244	(15,503)
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	633,695	346,870	286,825
Acquisition, Restoration and Public Works	11,654,790	344,845	11,309,945
Operations and Maintenance of Lands and Works	350,473	303,772	46,701
Outreach	457,100	257,653	199,447
Management and Administration	408,424	119,342	289,082
Total Expenditures	13,504,482	1,372,482	12,132,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,700,735)	3,415,762	12,116,497
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,037,544)	(814,958)	222,586
Net Change In Fund Balance	(9,738,279)	2,600,804	12,339,083
Fund Balance - Beginning	9,738,279	9,962,818	224,539
Fund Balance - Ending	\$ -	\$ 12,563,622	\$ 12,563,622

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

**Southwest Florida Water Management District
Coastal Rivers Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad Valorem Property Taxes	\$ 3,288,520	\$ 3,288,520	\$ 3,317,387	\$ 28,867
Intergovernmental Revenues	1,341,136	1,632,936	1,150,710	(482,226)
Interest on Invested Funds	130,000	130,000	115,046	(14,954)
Other	225,000	225,000	262,126	37,126
Total Revenues	<u>4,984,656</u>	<u>5,276,456</u>	<u>4,845,269</u>	<u>(431,187)</u>
EXPENDITURES				
Current:				
Water Resources Planning and Monitoring	3,125,865	3,125,865	947,653	2,178,212
Acquisition, Restoration and Public Works	5,853,364	6,053,364	1,339,467	4,713,897
Operations and Maintenance of Lands and Works	2,494,444	2,494,444	1,128,134	1,366,310
Outreach	238,477	238,477	158,306	80,171
Management and Administration	268,435	360,235	118,574	241,661
Total Expenditures	<u>11,980,585</u>	<u>12,272,385</u>	<u>3,692,134</u>	<u>8,580,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,995,929)	(6,995,929)	1,153,135	8,149,064
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(923,276)</u>	<u>(923,276)</u>	<u>(630,984)</u>	<u>292,292</u>
Net Change In Fund Balance	(7,919,205)	(7,919,205)	522,151	8,441,356
Fund Balance - Beginning	7,919,205	7,919,205	6,814,616	(1,104,589)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,336,767</u>	<u>\$ 7,336,767</u>

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

Southwest Florida Water Management District
Pinellas-Anclote River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Ad Valorem Property Taxes	\$ 20,135,853	\$ 20,270,787	\$ 134,934
Intergovernmental Revenues	1,072,460	306,923	(765,537)
Interest on Invested Funds	1,075,000	954,238	(120,762)
Other	-	6,489	6,489
TOTAL REVENUES	<u>22,283,313</u>	<u>21,538,437</u>	<u>(744,876)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	3,149,436	597,844	2,551,592
Acquisition, Restoration and Public Works	57,999,351	8,870,743	49,128,608
Operations and Maintenance of Lands and Works	1,287,895	592,832	695,063
Outreach	1,656,847	911,523	745,324
Management and Administration	1,888,639	503,301	1,385,338
Total Expenditures	<u>65,982,168</u>	<u>11,476,243</u>	<u>54,505,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,698,855)	10,062,194	53,761,049
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(7,756,618)</u>	<u>(3,897,128)</u>	<u>3,859,490</u>
Net Change In Fund Balance	(51,455,473)	6,165,066	57,620,539
Fund Balance - Beginning	51,455,473	52,911,100	1,455,627
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 59,076,166</u>	<u>\$ 59,076,166</u>

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

**Southwest Florida Water Management District
Withlacoochee River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Ad Valorem Property Taxes	2,542,611	2,598,289	55,678
Intergovernmental Revenues	1,548,714	9,937,289	8,388,575
Interest on Invested Funds	50,000	40,196	(9,804)
Other	-	1,781	1,781
Total Revenues	<u>\$ 4,141,325</u>	<u>\$ 12,577,555</u>	<u>\$ 8,436,230</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	2,172,118	1,130,007	1,042,111
Acquisition, Restoration and Public Works	15,920,918	9,337,969	6,582,949
Operations and Maintenance of Lands and Works	2,413,232	1,453,742	959,490
Outreach	299,811	143,441	156,370
Management and Administration	545,026	123,087	421,939
Total Expenditures	<u>21,351,105</u>	<u>12,188,246</u>	<u>9,162,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,209,780)	389,309	17,599,089
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,247,629)	(119,516)	1,128,113
Net Change In Fund Balance	<u>(18,457,409)</u>	<u>269,793</u>	<u>18,727,202</u>
Fund Balance - Beginning	18,457,409	4,006,746	(14,450,663)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4,276,539</u>	<u>\$ 4,276,539</u>

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

**Southwest Florida Water Management District
Peace River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Ad Valorem Property Taxes	\$ 5,899,851	\$ 5,899,851	\$ 6,038,604	\$ 138,753
Intergovernmental Revenues	8,930,667	8,965,667	761,243	(8,204,424)
Interest on Invested Funds	290,000	290,000	299,516	9,516
Other	-	-	2,797	2,797
Total Revenues	15,120,518	15,155,518	7,102,160	(8,053,358)
EXPENDITURES				
Current:				
Water Resources Planning and Monitoring	3,046,545	3,046,545	1,403,053	1,643,492
Acquisition, Restoration and Public Works	34,615,645	34,615,645	5,355,577	29,260,068
Operations and Maintenance of Lands and Works	2,849,385	2,849,385	487,024	2,362,361
Outreach	495,383	495,383	233,771	261,612
Management and Administration	576,307	654,907	248,028	406,879
Total Expenditures	41,583,265	41,661,865	7,727,453	33,934,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,462,747)	(26,506,347)	(625,293)	25,881,054
OTHER FINANCING SOURCES (USES)				
Transfers Out	(995,785)	(995,785)	(247,032)	748,753
Net Change In Fund Balance	(27,458,532)	(27,502,132)	(872,325)	26,629,807
Fund Balance - Beginning	27,458,532	27,502,132	19,443,353	(8,058,779)
Fund Balance - Ending	\$ -	\$ -	\$ 18,571,028	\$ 18,571,028

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

**Southwest Florida Water Management District
Manasota Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Ad Valorem Property Taxes	\$ 8,096,867	\$ 8,104,976	\$ 8,109
Intergovernmental Revenues	1,395,247	684,712	(710,535)
Interest on Invested Funds	450,000	407,108	(42,892)
Other	-	44,578	44,578
Total Revenues	<u>9,942,114</u>	<u>9,241,374</u>	<u>(700,740)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	5,059,629	2,166,992	2,892,637
Acquisition, Restoration and Public Works	25,906,679	5,366,244	20,540,435
Operations and Maintenance of Lands and Works	794,975	460,585	334,390
Outreach	347,029	183,867	163,162
Management and Administration	609,373	167,978	441,395
Total Expenditures	<u>32,717,685</u>	<u>8,345,666</u>	<u>24,372,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,775,571)	895,708	23,671,279
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(1,599,667)</u>	<u>(382,866)</u>	<u>1,216,801</u>
Net Change In Fund Balance	(24,375,238)	512,842	24,888,080
Fund Balance - Beginning	24,375,238	24,262,240	(112,998)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 24,775,082</u>	<u>\$ 24,775,082</u>

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

**Southwest Florida Water Management District
SWIM Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 7,494,650	\$ 5,319,337	\$ (2,175,313)
Interest on Invested Funds	-	10,994	10,994
Other	-	225,833	225,833
Total Revenues	7,494,650	5,556,164	(1,938,486)
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	4,311,143	920,533	3,390,610
Acquisition, Restoration and Public Works	33,451,483	6,979,771	26,471,712
Outreach	56,285	23,355	32,930
Total Expenditures	37,818,911	7,923,659	29,895,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,324,261)	(2,367,495)	27,956,766
OTHER FINANCING SOURCES (USES)			
Transfers In	4,251,169	2,379,973	(1,871,196)
Net Change In Fund Balance	(26,073,092)	12,478	26,085,570
Fund Balance - Beginning	26,073,092	1,075,115	(24,997,977)
Fund Balance - Ending	\$ -	\$ 1,087,593	\$ 1,087,593

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

**Southwest Florida Water Management District
 DOT Mitigation Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended September 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 3,368,577	\$ 2,837,556	\$ (531,021)
Total Revenues	3,368,577	2,837,556	(531,021)
EXPENDITURES			
Current:			
Acquisition, Restoration and Public Works	11,094,271	2,837,556	8,256,715
Total Expenditures	11,094,271	2,837,556	8,256,715
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,725,694)	-	7,725,694
Fund Balance - Beginning	7,725,694	-	(7,725,694)
Fund Balance - Ending	\$ -	\$ -	\$ -

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

**Southwest Florida Water Management District
Partnership Trust Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest on Invested Funds	\$ -	\$ 614,548	\$ 614,548
Total Revenues	\$ -	\$ 614,548	\$ 614,548
EXPENDITURES			
Current:			
Acquisition, Restoration and Public Works	100,140,539	15,140,538	85,000,001
Total Expenditures	100,140,539	15,140,538	85,000,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,140,539)	(14,525,990)	85,614,549
OTHER FINANCING SOURCES (USES)			
Transfers In	15,140,538	15,116,277	(24,261)
Net Change In Fund Balance	(85,000,001)	590,287	85,590,288
Fund Balance - Beginning	85,000,001	85,251,297	251,296
Fund Balance - Ending	\$ -	\$ 85,841,584	\$ 85,841,584

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



Notes to the Financial Statements

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

Description

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

I. Summary of significant accounting policies

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

A. Reporting entity

The District is an independent special district of the State of Florida and is governed by an eleven-member board, which is appointed by the Governor of Florida and confirmed by the Senate. As required by GAAP, these financial statements include all operations for which the District is financially accountable. The District is a component unit of the State of Florida for financial reporting purposes and these financial statements will be included in the State of Florida's Comprehensive Annual Financial Report as a discretely presented component unit for the fiscal year ending June 30, 2005.

B. Government-wide and fund financial statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
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Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

Ad valorem property taxes are recorded as revenues in the fiscal year in which the taxes are due and collected within 60 days of fiscal year-end. Intergovernmental revenues are recognized at the time related expenditures are incurred. Investment earnings are recognized when earned. All other revenue items are recognized when cash is received by the District, as any potential receivable amounts are not significant.

The District reports the following major governmental funds:

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

The District has eleven *special revenue funds* that are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Eight of the District's special revenue funds are watershed basins that are financed by ad valorem property taxes and supplemented by grants from federal, state and local governments. The basins account for revenue sources that are legally restricted to expenditures for specified purposes within the respective basin, offering a local perspective to water management projects and programs. A unique fund has been established for each of the individual watershed basins as follows:

- Alafia River Basin
- Hillsborough River Basin
- Northwest Hillsborough Basin
- Coastal Rivers Basin
- Pinellas-Anclote River Basin
- Withlacoochee River Basin
- Peace River Basin
- Manasota Basin

The *SWIM Program Fund* accounts for revenue sources received from the State of Florida and local governments that are legally restricted for the restoration and preservation of surface waters as provided in the Surface Water and Improvement Management (SWIM) Act created by the Florida State Legislature (see Note I.E.7, page 34).

The *DOT Mitigation Fund* accounts for revenue sources received from the State of Florida that are restricted for mitigation activities, pursuant to Section 373.4137, Florida Statutes. The state-mandated Florida Department of Transportation (FDOT) program requires that mitigation to offset the adverse wetland impacts of transportation projects be funded by the FDOT and be carried out through the Florida Department of Environmental Protection and the water management districts, in consultation with federal, state and local agencies' regulatory requirements (see Note I.E.7, page 34).

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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The *Partnership Trust Fund* accounts for activities as defined by the Northern Tampa Bay New Water Supply and Ground Water Withdrawal Reduction Agreement. The objectives to be achieved by this agreement are developing water supply and reducing ground water pumpage, ending litigation among the parties to the agreement, and providing District financial assistance to Tampa Bay Water (see Note V.B, page 43).

The District has two *capital projects funds* that are maintained to account for financial resources to be used for the acquisition or construction of major capital projects.

The *Save Our Rivers Fund* accounts for financial resources received from the State of Florida and local governments for the acquisition of lands necessary for water management, water supply, and conservation of water resources under the Save Our Rivers, Florida Preservation 2000, and Florida Forever land acquisition programs (see Note I.E.7, page 34).

The *Facilities Fund* accounts for financial resources from the District's general fund for the acquisition of land and construction and major renovations of District facilities.

D. Classification of expenditures

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

1.0 Water Resources Planning and Monitoring

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

2.0 Acquisition, Restoration and Public Works

This program includes the development and construction of all capital projects (except for those contained in Program 3.0), including water resource development projects/water supply development assistance, water control projects, and support and administrative facilities construction; cooperative projects; land acquisition (including Save Our Rivers/ Preservation 2000/ Florida Forever); and the restoration of lands and water bodies.

3.0 Operation and Maintenance of Lands and Works

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

4.0 Regulation

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

5.0 Outreach (Public Education)

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

6.0 Management and Administration

This program includes all Governing and Basin Board support; executive support; management information systems; unrestricted reserves; and general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services.

E. Assets, liabilities, and net assets

1. Cash and investments.

Cash balances are pooled for investment purposes with the exception of restricted assets, which are separately invested. Cash includes cash-on-hand and demand deposits. Interest earned from investments is allocated to the respective funds based on each fund's average equity in the pooled fund.

Investments are stated at fair value pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. It is the practice of the District to hold all government securities to maturity.

The District has limited its investments to the following investments authorized in Section 218.415, Florida Statutes: (a) Local Government Surplus Funds Trust Fund; (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, limited to two types of money market funds: (1) Treasury funds investing exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities or (2) Government funds which invest in U.S. Treasury and U.S. government agency and instrumentalities securities and repurchase agreements collateralized by U.S. government securities; (c) Savings accounts in state-certified public depositories, as defined in Section 280.02, Florida Statutes; (d) Certificates of deposit in state-certified public depositories, as defined in Section 280.02, Florida Statutes; (e) Direct obligations of the U.S. Treasury; and (f) Direct obligations of federal agencies and instrumentalities.

2. Inventories.

Inventories are carried at average cost and consist of expendable supplies held for consumption. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

3. Restricted assets.

Certain proceeds, including interest income, of the Withlacoochee River Basin Fund (\$5,049,998), Peace River Basin Fund (\$1,060,107), Manasota Basin Fund (\$250,912), SWIM Program Fund (\$1,363,513), Save Our Rivers Fund (\$299,567), and the Partnership Trust Fund (\$85,841,584) are classified as restricted assets on the statement of net assets because their use is limited to specific purposes as identified within their related agreements. As long as these agreements are in effect, the cash balances, which are maintained in separate investment accounts, cannot be used for any other purpose.

4. Capital assets.

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., bridges, water control structures, levees and similar items), are reported only in the government-wide financial statements. Capital assets are those acquired for general government purposes with an initial, individual cost equal to or more than \$1,000 and an estimated useful life of more than one

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at their estimated fair value at the date of the donation. The estimated fair value is based on the most recent appraisal documentation available. Maintenance, repairs and minor renovations are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	5 - 50
Machinery & Equipment	3 - 25
Infrastructure	20 - 50
Other	5

5. Compensated absences.

The accrued liability for compensated absences represents the liability for accrued vacation leave benefits plus the liability for 25 percent of accumulated sick leave benefits for employees currently eligible or likely to become eligible to receive those leave benefits in the future. The District permits employees to accumulate earned but unused vacation and sick leave benefits. The amount estimated to be used in subsequent fiscal years is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

District employees earn vacation and sick leave benefits based on hours worked. Vacation leave benefits are fully vested when earned and employees can carry forward from one fiscal year to the next up to 240 hours of accumulated vacation leave. Sick leave benefits do not vest until an employee has earned ten years of creditable service with the District. Upon retirement, death, resignation or separation in good standing, an employee is eligible to receive, at his/her current rate of pay, 100 percent of accumulated vacation benefits and 25 percent of accumulated vested sick leave benefits (up to a maximum of 480 hours).

6. Fund balance.

The reserved portion of fund balance of the governmental fund types is reported to indicate the portion of the fund balance that 1) is not appropriable for expenditure or 2) is legally segregated for a specific future use.

The unreserved portion of fund balance is classified as either designated or undesignated. Designated fund balance identifies tentative plans for the future use of financial resources. Undesignated fund balance is available for future appropriation.

7. State trust funds.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
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The Water Management Lands Trust Fund was established in 1981 pursuant to Section 373.59, Florida Statutes. Funded primarily from a portion of the documentary stamp taxes collected by the state, the nonlapsing trust fund provides funding to the District for 1) land acquisition; 2) ongoing management, maintenance, and capital improvements of lands; 3) payments in lieu of taxes; 4) preacquisition costs associated with land purchases; and 5) the Surface Water Improvement and Management (SWIM) program. Revenues received from the trust fund are accounted for in the District's general fund, the watershed basin funds, the SWIM Program Fund and the Save Our Rivers Fund. The Florida Department of Environmental Protection (FDEP) has oversight responsibility for this trust fund.

The Florida Preservation 2000 Trust Fund was established in 1990 pursuant to Section 375.045, Florida Statutes. Funded through bond proceeds, the trust fund provides additional funding for land acquisition. For the water management districts, the Florida Preservation 2000 Act broadened the scope and criteria of the Water Management Lands Trust Fund for land acquisitions. Revenues received from the trust fund are accounted for in the Save Our Rivers Fund. This trust fund will terminate when all of the remaining trust funds have been disbursed. The FDEP has oversight responsibility for this trust fund.

The Florida Forever Trust Fund was established in 1999 pursuant to Section 259.1051, Florida Statutes. The Florida Forever program is the successor program to the Florida Preservation 2000 program. The Trust is funded through bond proceeds and may be used for 1) the acquisition of environmentally significant lands (at least 50 percent of trust funds must be used for land acquisition); 2) water resource development; 3) regional water supply planning; and 4) the SWIM program. Revenues received from the trust fund are accounted for in the Save Our Rivers Fund. The FDEP has oversight responsibility for this trust fund.

The Ecosystem Management and Restoration Trust Fund was established in 1996 pursuant to Section 403.1651, Florida Statutes. The trust fund is funded through various sources, such as documentary stamp taxes, transfers from other trust funds, general revenues, interest earnings and fines. It provides funding to the District for the detailed planning and implementation of programs for the management and restoration of ecosystems, including the SWIM program and the restoration of Lake Panasoffkee and the Weeki Wachee River. Revenues received from the trust fund are accounted for in the SWIM Program Fund, the Coastal Rivers Basin Fund, the Withlacoochee River Basin Fund, the Peace River Basin Fund and the Manasota Basin Fund. The FDEP has oversight responsibility for this trust fund.

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

8. Use of estimates.

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

II. Reconciliation of government-wide and fund financial statements

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

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

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

The details of the \$25,218,199 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.H.)	\$ 19,800,000
Compensated Absences	4,713,199
Claims (Workers’ Compensation)	<u>705,000</u>
Net adjustment to reduce <i>fund balances—total governmental funds</i> to arrive at <i>net assets of governmental activities</i>	<u>\$ 25,218,199</u>

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances—total governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of the reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of this \$48,010,289 difference are as follows:

Capital outlay	\$ 53,748,710
Depreciation expense	<u>(5,738,421)</u>
Net adjustment to increase <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 48,010,289</u>

Another element of that reconciliation states that, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets.” In the statement of activities, only the gain on the sale of capital assets is reported which caused the difference of \$339,051. However, in the governmental funds, the proceeds from the sale increased financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.

Another element of that reconciliation states “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The \$67,326 difference is the net effect of taxes related to the current period that should be recorded as revenue, and taxes relating to prior years that were eliminated from revenues.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
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The final element of the reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.”

The details of this \$20,012,501 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.H.)	\$ 19,800,000
Compensated absences	253,301
Claims (Workers’ Compensation) and Dental	<u>(40,800)</u>
Net adjustment to <i>decrease net change in fund balances – total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 20,012,501</u>

III. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriated budgets are adopted by the Governing and Basin Boards for all governmental funds and may be amended by District Governing Board action for supplemental budgetary appropriations. Remaining appropriations encumbered or designated for future projects at fiscal year-end are carried forward and reappropriated in the following fiscal year. Unencumbered or undesignated appropriations lapse at fiscal year-end.

The District Governing Board approves budget transfers among departments and capital projects during the year. Expenditures in excess of appropriations in one or more departments of a fund do not constitute a violation of budgetary controls as long as total expenditures do not exceed total appropriations for the fund. Budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

B. Deficit fund equity

The Save Our Rivers capital projects fund had a deficit fund balance of \$187,307 at September 30, 2004. This deficit was created because the Save Our Rivers Fund incurs expenditures related to the acquisition of lands that are not reimbursable by the Water Management Lands Trust Fund, pursuant to Rule 62-402.030, Florida Administrative Code, until the acquisition is complete. The general fund advances the cash required to cover temporary cash deficits in the Save Our Rivers Fund.

In addition, a deficit undesignated fund balance exists in the Withlacoochee River Basin Fund (\$4,447,855), the SWIM Program Fund (\$14,021,664), the DOT Mitigation Fund (\$1,593,122), and the Save Our Rivers Fund (\$27,731,005). These deficits result from contractual obligations (encumbrances) at year-end that are not eligible for reimbursement until expenditures are incurred against them, thus creating a deficit undesignated fund balance at September 30, 2004.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

IV. Detailed notes

A. Cash and investments

At September 30, 2004, the carrying amount of the District's cash demand deposit account was \$481,291 and the bank balance was \$1,944,167. The District actively manages its cash balance and invests excess cash on a daily basis. This may result in a negative book balance. However, a positive bank balance is maintained at all times. The bank balance was covered by federal depository insurance or was insured through the State of Florida public depository collateral pool. Cash invested in the Local Government Surplus Funds Trust Fund Investment Pool (the Pool) is administered by the Florida State Board of Administration.

The Pool is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Pool, which is not a registrant with the Securities and Exchange Commission; however, the State Board of Administration has adopted operating procedures consistent with the requirements for a 2a-7 fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. At September 30, 2004, the fair value of the District's \$152,218,120 investment position in the Pool is the same as the value of the underlying pool shares.

Investments are categorized to give an indication of the level of credit risk assumed by the District at September 30, 2004. These categories of credit risk are:

- (1) Insured or registered, or securities held by the District or its agent in the District's name.
- (2) Uninsured and unregistered, with securities held by the counter party's trust department or agent in the District's name.
- (3) Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the District's name.

U.S. Government securities held by the District at September 30, 2004, are categorized into credit risk category (1). Investments in the Pool and those held by trustees are not classified as to credit risk as they are not evidenced by securities that exist in book or entry form.

The net decrease in the fair value of investments during 2004 was \$1,596,789. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year and is included in interest on invested funds in the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

The fair value of cash and investments at September 30, 2004, is summarized as follows:

	<u>FAIR VALUE</u>
U.S. Government Securities	\$ 124,183,583
Investments in Local Government Surplus Funds Trust Fund	152,218,120
Investments Held by Trustees:	
Money Market Fund	<u>85,841,584</u>
Total Investments	<u>362,243,287</u>
Demand Deposit Accounts	481,291
Petty Cash	<u>7,800</u>
Total Demand Deposits and Petty Cash	<u>489,091</u>
Total Cash and Investments	<u>\$ 362,732,378</u>

B. Receivables

Receivables at year-end for the District's individual major funds are as follows:

<u>Fund</u>	<u>Intergovernmental</u>	<u>Interest</u>	<u>Total Receivables</u>
General	\$ 3,015,498	\$ 358,849	\$ 3,374,347
Alafia River Basin	59,885	16,623	76,508
Hillsborough River Basin	137,680	34,355	172,035
Northwest Hillsborough Basin	55,352	38,787	94,139
Coastal Rivers Basin	430,721	25,489	456,210
Pinellas-Anclote River Basin	178,301	208,514	386,815
Withlacoochee River Basin	539,943	10,656	550,599
Peace River Basin	360,849	66,919	427,768
Manasota Basin	347,870	90,703	438,573
SWIM Program	2,178,754	2,984	2,181,738
DOT Mitigation	1,544,274	—	1,544,274
Save Our Rivers	<u>320,738</u>	—	<u>320,738</u>
Total	<u>\$ 9,169,865</u>	<u>\$ 853,879</u>	<u>\$ 10,023,744</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
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C. Deferred Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>
General		
Delinquent property taxes receivable	\$ 519,567	
Other	18,250	
Alafia River Basin		
Delinquent property taxes receivable	6,628	
Hillsborough River Basin		
Delinquent property taxes receivable	29,821	
Northwest Hillsborough Basin		
Delinquent property taxes receivable	35,796	
Coastal Rivers Basin		
Delinquent property taxes receivable	23,603	
Pinellas-Anclote River Basin		
Delinquent property taxes receivable	91,413	
Withlacoochee River Basin		
Delinquent property taxes receivable	31,370	
Grant drawdowns prior to meeting all eligibility requirements		\$ 4,694,953
Peace River Basin		
Delinquent property taxes receivable	72,201	
Grant drawdowns prior to meeting all eligibility requirements		1,056,190
Manasota Basin		
Delinquent property taxes receivable	22,957	
Grant drawdowns prior to meeting all eligibility requirements		250,000
SWIM Program		
Grant drawdowns prior to meeting all eligibility requirements		1,358,558
DOT Mitigation		
Grant drawdowns prior to meeting all eligibility requirements		644,014
Save Our Rivers		
Other		1,126,433
Total deferred revenue for governmental funds	<u>\$ 851,606</u>	<u>\$ 9,130,148</u>

D. Property Taxes

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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

E. Capital Assets

Capital asset activity for the year ended September 30, 2004 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 405,853,076	\$ 37,169,328	\$ (20,248)	\$ 443,002,156
Land Interests	28,200,819	100,200	—	28,301,019
Construction in progress	<u>4,160,301</u>	<u>13,855,545</u>	<u>(3,729,704)</u>	<u>14,286,142</u>
Total capital assets, not being depreciated	<u>438,214,196</u>	<u>51,125,073</u>	<u>(3,749,952)</u>	<u>485,589,317</u>
Capital assets, being depreciated:				
Buildings	29,470,839	1,471,710	—	30,942,549
Machinery and Equipment	30,399,387	2,966,139	(2,876,625)	30,488,901
Infrastructure	113,250,201	2,360,399	—	115,610,600
Other	<u>71,637</u>	<u>32,698</u>	<u>(1,733)</u>	<u>102,602</u>
Total capital assets being depreciated	<u>173,192,064</u>	<u>6,830,946</u>	<u>(2,878,358)</u>	<u>177,144,652</u>
Less accumulated depreciation for:				
Buildings	(6,589,549)	(839,897)	—	(7,429,446)
Machinery and Equipment	(23,885,709)	(1,724,514)	2,758,319	(22,851,904)
Infrastructure	(36,075,368)	(3,165,036)	—	(39,240,404)
Other	<u>(55,453)</u>	<u>(8,974)</u>	<u>1,733</u>	<u>(62,694)</u>
Total accumulated depreciation	<u>(66,606,079)</u>	<u>(5,738,421)</u>	<u>2,760,052</u>	<u>(69,584,448)</u>
Total capital assets, being depreciated, net	<u>106,585,985</u>	<u>1,092,525</u>	<u>(118,306)</u>	<u>107,560,204</u>
Governmental activities capital assets, net	<u>\$ 544,800,181</u>	<u>\$ 52,217,598</u>	<u>\$ (3,868,258)</u>	<u>\$ 593,149,521</u>

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

Governmental activities:	
Water Resources Planning & Monitoring	\$ 227,940
Acquisition, Restoration & Public Works	2,697,180
Operation & Maintenance of Lands & Works	1,394,027
Regulation	35,244
Outreach	17,674
Management and Administration	<u>1,366,356</u>
Total depreciation expense – governmental activities	<u>\$ 5,738,421</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

F. Interfund receivables, payables, and transfers

Interfund receivables and payables at September 30, 2004, and interfund transfers occurring during the fiscal year are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 387,449	\$ —	\$ —	\$ 6,916,897
Alafia River Basin	—	—	—	1,540,079
Hillsborough River Basin	—	—	—	2,946,790
Northwest Hillsborough Basin	—	—	—	814,958
Coastal Rivers Basin	—	—	—	630,984
Pinellas-Anclote River Basin	—	—	—	3,897,128
Withlacoochee River Basin	—	—	—	119,516
Peace River Basin	—	—	—	247,032
Manasota Basin	—	—	—	382,866
SWIM Program	—	—	2,379,973	—
DOT Mitigation	—	387,449	—	—
Partnership Trust	—	—	15,116,277	—
	<u>\$ 387,449</u>	<u>\$ 387,449</u>	<u>\$ 17,496,250</u>	<u>\$ 17,496,250</u>

The Interfund Receivables and Interfund Payables relate to the following:

- (1) The DOT Mitigation Fund had a deficit cash balance of \$387,449 at September 30, 2004. Mitigation activities reported in this fund are funded through the State Transportation Trust Fund on a cost reimbursement basis, thus creating a negative cash balance at year-end. The general fund advances the cash required to cover temporary cash deficits in the DOT Mitigation Fund.

Interfund Transfers In and Interfund Transfers Out are used for the following purposes:

- (1) To move General fund and Basin fund revenues to the Partnership Trust Fund annually pursuant to the Northern Tampa Bay New Water Supply and Ground Water Withdrawal Reduction Agreement described in Note V.B on page 43. During fiscal year 2004, \$15,116,277 was transferred to the Partnership Trust Fund.
- (2) To move General fund and Basin fund revenues to the SWIM Program Fund to cover the District's share of program expenditures. During fiscal year 2004, \$2,379,973 was transferred to the SWIM Program Fund.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

G. Leases

Operating Leases

The District has lease commitments under various operating leases for offices and associated parking space, and Supervisory Control and Data Acquisition (SCADA) tower leases with the longest operating lease in effect until 2009. Lease expenditures for the year ended September 30, 2004, amounted to \$531,453.

Future minimum lease payments for the non-cancelable operating leases are as follows:

Fiscal Year Ending September 30,	Minimum Lease Payments
2005	\$ 142,058
2006	66,602
2007	30,206
2008	2,339
2009	2,339
	<u>\$ 243,544</u>

H. Long-term obligations

Long-term liability activity for the year ended September 30, 2004, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Judgment	\$ —	\$ 19,800,000	\$ —	\$ 19,800,000 ⁽¹⁾	\$ 500,000
Compensated Absences	4,459,898	785,137	1,038,438	4,713,199 ⁽²⁾	467,066
Workers' Compensation	719,000	349,665	363,665	705,000 ⁽³⁾	195,041
Dental	26,800	83,143	109,943	—	—
Total	<u>\$ 5,205,698</u>	<u>\$ 21,017,945</u>	<u>\$ 1,512,046</u>	<u>\$ 25,218,199</u>	<u>\$ 1,162,107</u>

- (1) During the year ended September 30, 2004, the District settled a legal matter, which obligates both parties to perform certain activities. The District has estimated its cost to comply with the judgment at \$19,800,000 and is based on cost estimates obtained from a third party engineer. Given the long-term nature of the judgment, funding of the obligation will be addressed annually through the budget process. For fiscal year 2005, the Pinellas-Anclote River Basin will be funding approximately \$500,000 for the evaluation phase, which includes an assessment, feasibility study, preliminary design and permitting.
- (2) The general and special revenue funds will be used to satisfy the obligations for the compensated absences.
- (3) The general fund will be used to pay for workers' compensation claims.

V. Other information

A. Risk Management

The District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural or manmade disasters. The District purchases commercial insurance coverages for all liabilities except workers' compensation as discussed below. During the year ended September 30, 2004, there were no significant reductions in insurance coverage from the prior year. In addition, no claims settlement has exceeded the insurance coverage amounts during the past three fiscal years.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

The District has a self-insurance program for its workers' compensation exposure, with excess coverage purchased for claims in excess of \$500,000 per occurrence. The District also had a self-insured dental plan as a benefit option for employees through December 31, 2003. Current expenditures related to the self-insurance programs are accounted for in the District's general fund and special revenue funds.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include estimates of prior and current year existing claims and incurred but not reported claims (IBNR). The long-term liability for workers' compensation claims was based on an independent actuarial determination. The liability for dental claims was determined based on actuarial estimates of claims experience and actual claims experience.

Changes in the balances of workers' compensation and dental claims liabilities during the past two years are as follows:

	Year ended <u>09/30/04</u>	Year ended <u>09/30/03</u>
Unpaid claims, beginning of fiscal year	\$ 745,800	\$ 745,500
Incurred claims, including IBNRs and changes in estimates	432,808	468,659
Claim payments	<u>(473,608)</u>	<u>(468,359)</u>
Unpaid claims, end of fiscal year	<u>\$ 705,000</u>	<u>\$ 745,800</u>

At September 30, 2004, general fund assets of \$1,311,767 were held for the purpose of funding future workers' compensation claims liabilities, with a corresponding \$705,000 reserve for workers' compensation claims and a \$606,767 designation of the general fund balance.

B. Commitments and contingencies

At September 30, 2004, the District had unrestricted net assets (as defined by GASB, Statement No. 34) of approximately \$222.7 million that may be used to meet the government's ongoing commitments to citizens and creditors. It is the District's intent to use these assets to 1) liquidate contracts and purchase orders of the prior period in the amount of \$192.1 million; and 2) to pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.7 million based on an independent actuarial determination. The remaining net assets are earmarked for New Water Sources Initiative (NWSI) and Water Supply and Resource Development projects, and funding for future years.

The District's most significant commitment is under the Northern Tampa Bay New Water Supply and Ground Water Withdrawal Reduction Agreement (Partnership Agreement). The Partnership Agreement was signed in May 1998 with Tampa Bay Water and its six member governments. The Agreement provides for the development of at least 85 million gallons per day (mgd) of new water by the end of 2007 and implementation of aggressive conservation and demand management programs to reduce demand by 17 mgd. Tampa Bay Water is currently working to develop more than the 85 mgd of new supply, 68 mgd of which will reduce groundwater pumping at its central system wellfields. The development of new water will enable Tampa Bay Water to meet phased reductions in pumpage at the eleven Northern Tampa Bay wellfields. January 1, 2003, began the 12-month running average period that required an average annual withdrawal of 121 mgd from the consolidated wellfields. So far, Tampa Bay Water has met and exceeded that requirement. January 1, 2008, begins the 12-month running average that will, by year end, result in an average annual withdrawal of 90 mgd. Under the Agreement, the District has committed to contribute \$183 million toward development of alternative water supply projects, and \$90 million toward

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

conservation and reuse projects (at least \$9 million per year) that effectively reduce potable water use. At September 30, 2004, the District has paid a cumulative total of \$138,370,931 to a trust, which includes interest earned by the trust, held by a financial institution. Interest earned by the funds in the trust will be credited toward offsetting the District's obligation of \$183 million.

The remaining payments will be made as follows:

2005	\$ 14,348,001
2006	15,140,534
2007	<u>15,140,534</u>
Total	<u>\$ 44,629,069</u>

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

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

C. Employee retirement systems and pension plans

The District contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan and a defined contribution investment plan. The State of Florida Division of Retirement administers the plans. The FRS defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established the FRS under Chapter 121, Florida Statutes, and has sole authority to amend benefits provisions.

In March 2002, the FRS introduced a second retirement plan option – The FRS Investment Plan. The FRS Investment Plan is a defined contribution plan in which the employer's contributions are defined by law. The ultimate benefit, however, depends in part on the performance of the investment funds. The FRS Investment Plan is funded by employer contributions that are based on the employee's salary and FRS membership class. The Investment Plan directs contributions to individual member accounts, and the employee selects the allocation of funds within his/her selected funds. The FRS offers a wide selection of funds from which to choose. The employee's retirement benefit is the value of his/her account at termination. After six years of service, the Investment Plan participant is eligible for the same health insurance subsidy that is provided to the defined benefit pension plan.

Each year, the FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560. The report is also available through the FRS Website.

The FRS is non-contributory for employees and the District is required to contribute an actuarially determined rate. The contribution rates by class at September 30, 2004, were as follows: regular class – 7.39 percent; senior management class – 9.37 percent; and Deferred Retirement Option Program (DROP) – 9.11 percent. The contributions of the District are established and may be

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2004

amended by the Florida Legislature. Contribution rates are established statewide for all participating governmental units. Accordingly, the actuarial information and related disclosures attributable to District employees are not determinable.

The District's contributions to the FRS for the years ended September 2002, 2003 and 2004 were \$1,946,679, \$1,784,574 and \$2,183,150, respectively, equal to the required contributions for each year.

D. Other post-employment benefits

The Retiree Health Insurance Subsidy (HIS) to assist retirees of all state-administered retirement systems in paying health insurance costs was established by Section 112.363, Florida Statutes. Eligible retirees currently receive five dollars (\$5) per month for each year of creditable service with a thirty-dollar (\$30) minimum and one hundred fifty dollar (\$150) maximum monthly payment. To be eligible to receive the health insurance subsidy, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS program is funded, on a pay-as-you-go basis, by required contributions from Florida Retirement System (FRS) participating employers. The HIS contribution was equal to 1.11 percent of the employee's salary for fiscal years 2003 and 2004. This contribution is added to the amount submitted for retirement contributions but is deposited in a separate trust fund (The Retiree Health Insurance Subsidy Trust Fund) from which Health Insurance Subsidy payments are authorized. If these contributions, on a pay-as-you-go basis, fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or cancelled. HIS Recipients as of June 30, 2002, were 174,972 and includes all recipients. The number of recipients resulting from employment with the District is not determinable.

The District's required contribution of \$460,927 for fiscal year ended September 30, 2004, comprised approximately 0.17 percent of the total contributions made to the system by all participating employers.

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Other Supplementary Information

Southwest Florida Water Management District
Save Our Rivers Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 34,711,400	\$ 59,961,400	\$ 37,600,370	\$ (22,361,030)
Interest on Invested Funds	-	-	95	95
Total Revenues	34,711,400	59,961,400	37,600,465	(22,360,935)
EXPENDITURES				
Current:				
Acquisition, Restoration and Public Works	40,643,029	65,893,029	36,772,533	29,120,496
Operations and Maintenance of Lands and Works	824,592	824,592	980,429	(155,837)
Total Expenditures	41,467,621	66,717,621	37,752,962	28,964,659
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,756,221)	(6,756,221)	(152,497)	6,603,724
Fund Balance (Deficit) - Beginning	6,756,221	6,756,221	(34,810)	(6,791,031)
Fund Balance (Deficit) - Ending	\$ -	\$ -	\$ (187,307)	\$ (187,307)

See accompanying independent auditors' report.

**Southwest Florida Water Management District
Facilities Fund Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2004
(Unaudited)**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$ 975,000	\$ 975,000	\$ -
Total Revenues	975,000	975,000	-
EXPENDITURES			
Current:			
Acquisition, Restoration and Public Works	6,896,259	2,237,390	4,658,869
Outreach	2,000	-	2,000
Total Expenditures	6,898,259	2,237,390	4,660,869
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,923,259)	(1,262,390)	4,660,869
Fund Balance - Beginning	5,923,259	5,946,163	22,904
Fund Balance - Ending	\$ -	\$ 4,683,773	\$ 4,683,773

See accompanying independent auditors' report.



Statistical Section

The statistical tables differ from financial statements because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the District.

**Southwest Florida Water Management District
General Government Expenditures by Program
For The Last Four Fiscal Years (1)**

Fiscal Year	Water Resources Planning and Monitoring	Acquisition, Restoration And Public Works	Operations And Maintenance Of Lands And Works	Regulation	Outreach-Public Education	Management And Administration	Total Expenditures
2004	\$21,788,639 11.60%	\$104,049,607 55.40%	\$15,572,454 8.29%	\$14,250,561 7.59%	\$3,718,886 1.98%	\$28,428,608 15.14%	\$187,808,755 100.00%
2003	15,884,100 10.90%	71,952,001 49.35%	13,490,901 9.25%	13,506,724 9.26%	3,514,563 2.41%	27,445,094 18.83%	145,793,383 100.00%
2002	14,171,194 9.08%	88,255,415 56.58%	12,492,363 8.01%	12,326,062 7.90%	2,956,308 1.90%	25,792,026 16.53%	155,993,368 100.00%
2001	13,501,117 8.74%	90,912,033 58.86%	11,535,473 7.47%	11,661,561 7.55%	2,890,246 1.87%	23,944,272 15.50%	154,444,702 100.00%

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

Beginning with fiscal year 2001, General Government Expenditures have been presented by program area, as defined under Section 373.536(5)(d)4., Florida Statutes. Prior to fiscal year 2001, General Government Expenditures were presented according to function. The expenditures for fiscal years 1995 through 2000 have not been restated by program area and are reported on page 50.

**Southwest Florida Water Management District
General Government Expenditures by Function (1)
For Fiscal Years 1995 Through 2000**

<u>Fiscal Year</u>	<u>Administrative</u>	<u>General Counsel</u>	<u>Commissions</u>	<u>Resource Management</u>	<u>Resource Regulation</u>	<u>Operations and Maintenance</u>	<u>Land Resources</u>	<u>Total Expenditures</u>
2000	\$20,563,316 17.60%	\$2,179,649 1.87%	\$2,717,420 2.33%	\$37,227,422 31.87%	\$11,433,901 9.79%	\$10,669,912 9.13%	\$32,019,024 27.41%	\$116,810,644 100.00%
1999	19,600,000 18.89%	2,898,528 2.79%	2,648,974 2.55%	30,727,530 29.62%	11,386,075 10.98%	8,807,020 8.49%	27,673,935 26.68%	103,742,062 100.00%
1998	20,044,753 20.77%	1,920,256 1.99%	2,596,154 2.69%	30,193,106 31.29%	11,202,060 11.61%	8,993,553 9.32%	21,550,604 22.33%	96,500,486 100.00%
1997	20,249,262 21.53%	2,459,069 2.61%	2,375,151 2.53%	38,098,112 40.50%	10,855,908 11.54%	8,445,683 8.98%	11,581,022 12.31%	94,064,207 100.00%
1996	19,390,512 19.08%	2,903,935 2.86%	2,248,589 2.21%	33,743,970 33.20%	10,333,851 10.17%	7,864,051 7.73%	25,165,305 24.75%	101,650,213 100.00%
1995	17,137,894 17.32%	2,090,130 2.11%	2,150,608 2.17%	24,378,800 24.64%	9,742,149 9.85%	7,257,493 7.33%	36,190,304 36.58%	98,947,378 100.00%

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

Beginning with fiscal year 2001, General Government Expenditures have been presented by program area, as defined under Section 373.536(5)(d)4., Florida Statutes, and are reported on page 49. Prior to fiscal year 2001, General Government Expenditures were presented according to function as reflected on this schedule. The expenditures reflect those amounts reported in the comprehensive annual financial reports for those fiscal years and have not been restated by program area.

**Southwest Florida Water Management District
General Government Revenues By Source (1)
For The Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Ad Valorem Property Taxes</u>	<u>Inter-Governmental</u>	<u>Interest on Invested Funds</u>	<u>License And Permit Fees</u>	<u>Other Revenues</u>	<u>Total Revenues</u>
2004	\$143,801,912 65.92%	\$63,138,573 28.94%	\$4,565,891 2.09%	\$3,303,915 1.51%	\$3,349,578 1.54%	\$218,159,869 100.00%
2003	129,549,220 72.24%	38,974,623 21.74%	5,490,920 3.06%	2,552,911 1.42%	2,755,089 1.54%	179,322,763 100.00%
2002	119,312,415 66.80%	47,294,407 26.48%	7,696,602 4.31%	2,357,605 1.32%	1,954,882 1.09%	178,615,911 100.00%
2001	107,871,878 60.23%	52,022,050 29.05%	15,206,819 8.49%	2,170,210 1.21%	1,825,072 1.02%	179,096,029 100.00%
2000	99,645,894 64.36%	37,926,389 24.50%	13,521,786 8.73%	2,134,534 1.38%	1,602,377 1.03%	154,830,980 100.00%
1999	94,005,983 68.39%	31,489,911 22.91%	8,565,607 6.23%	2,134,867 1.55%	1,260,264 0.92%	137,456,632 100.00%
1998	88,790,677 70.74%	23,428,458 18.66%	9,836,607 7.84%	1,967,139 1.57%	1,500,369 1.19%	125,523,250 100.00%
1997	85,085,860 76.71%	14,554,920 13.12%	7,931,848 7.15%	1,911,865 1.72%	1,442,556 1.30%	110,927,049 100.00%
1996	82,056,028 68.74%	27,596,388 23.12%	6,714,192 5.62%	1,766,919 1.48%	1,235,660 1.04%	119,369,187 100.00%
1995	79,006,591 62.20%	39,881,240 31.39%	5,361,143 4.22%	1,852,357 1.46%	923,494 0.73%	127,024,825 100.00%

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

**Southwest Florida Water Management District
Ad Valorem Property Tax Revenues By Source (1)
For The Last Ten Fiscal Years**

Fiscal Year	District	Basins										Facilities Fund	Total	Percent Base Year	Annual Change In Percent
		Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Total					
2004	\$88,260,896	\$2,517,053	\$7,125,716	\$4,593,204	\$3,317,387	\$20,270,787	\$2,598,289	\$6,038,604	\$8,104,976	\$975,000	\$143,801,912	182.0	18.0 %		
2003	77,833,580	2,257,796	6,503,367	4,218,523	3,042,400	18,492,468	2,317,120	5,454,067	7,129,899	2,300,000	129,549,220	164.0	13.0		
2002	72,255,628	2,037,219	6,068,473	3,956,118	2,829,355	17,218,219	2,330,146	5,080,107	6,287,150	1,250,000	119,312,415	151.0	14.5		
2001	65,161,463	1,797,473	5,341,977	3,482,779	2,600,589	15,801,596	2,105,648	4,678,499	5,651,854	1,250,000	107,871,878	136.5	10.4		
2000	59,945,401	1,622,336	5,004,344	2,984,970	2,467,984	14,804,987	1,907,895	4,364,669	5,193,308	1,350,000	99,645,894	126.1	7.1		
1999	56,485,528	1,510,639	4,611,989	2,771,906	2,340,201	14,148,290	1,748,138	4,220,523	4,847,044	1,321,725	94,005,983	119.0	6.6		
1998	54,139,099	1,363,588	4,263,250	2,542,692	2,268,001	13,493,162	1,648,864	4,069,071	4,552,950	450,000	88,790,677	112.4	4.7		
1997	51,362,703	1,254,558	4,106,343	2,343,650	2,189,734	13,030,027	1,569,764	3,892,729	4,875,352	461,000	85,085,860	107.7	3.8		
1996	49,791,963	1,196,792	3,859,642	2,249,167	2,117,823	12,654,568	1,507,294	3,790,130	4,623,649	265,000	82,056,028	103.9	3.9		
1995	47,794,505	1,141,496	3,787,377	2,153,646	2,099,130	12,324,954	1,430,541	3,586,624	4,440,688	247,630	79,006,591	100.0	0.0		

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

**Southwest Florida Water Management District
Ad Valorem Property Tax Revenues By County
For The Last Ten Fiscal Years**

Fiscal Year	Charlotte County	Citrus County	Desoto County	Hardee County	Hernando County	Highlands County	Hillsborough County	Lake County	Levy County
2004	\$6,519,997 4.53%	\$4,192,495 2.92%	\$608,992 0.42%	\$821,026 0.57%	\$3,619,738 2.52%	\$1,683,539 1.17%	\$33,715,627 23.45%	\$16,680 0.01%	\$363,008 0.25%
2003	5,581,364 4.31%	3,851,404 2.97%	514,879 0.40%	677,976 0.52%	3,275,779 2.53%	1,531,531 1.18%	30,796,818 23.77%	14,627 0.01%	338,310 0.26%
2002	4,993,772 4.19%	3,654,434 3.06%	514,580 0.43%	559,349 0.47%	3,063,314 2.57%	1,480,066 1.24%	28,691,946 24.05%	13,303 0.01%	325,122 0.27%
2001	4,527,994 4.20%	3,409,021 3.16%	463,960 0.43%	524,720 0.49%	2,776,543 2.57%	1,415,411 1.31%	25,349,449 23.50%	12,643 0.01%	300,825 0.28%
2000	4,098,324 4.11%	3,209,940 3.22%	438,792 0.44%	527,027 0.53%	2,649,084 2.66%	1,341,544 1.35%	22,973,329 23.05%	10,821 0.01%	281,085 0.28%
1999	3,882,244 4.13%	3,029,739 3.22%	409,732 0.44%	509,422 0.54%	2,494,811 2.65%	1,282,282 1.36%	21,330,466 22.69%	10,811 0.01%	266,208 0.28%
1998	3,750,204 4.22%	2,947,103 3.32%	401,469 0.45%	488,551 0.55%	2,418,917 2.72%	1,275,673 1.44%	19,612,647 22.09%	10,383 0.01%	248,423 0.28%
1997	3,764,552 4.42%	2,791,048 3.28%	385,403 0.45%	489,316 0.58%	2,362,118 2.78%	1,212,954 1.43%	18,130,918 21.31%	10,003 0.01%	239,136 0.28%
1996	3,679,630 4.48%	2,695,442 3.29%	379,465 0.46%	445,878 0.54%	2,278,528 2.78%	1,175,996 1.43%	17,567,420 21.41%	11,404 0.02%	228,327 0.28%
1995	3,586,084 4.54%	2,598,238 3.29%	347,941 0.44%	433,026 0.55%	2,181,330 2.76%	1,135,712 1.44%	17,033,825 21.56%	9,623 0.01%	220,099 0.28%

(Continued)

**Southwest Florida Water Management District
Ad Valorem Property Tax Revenues By County
For The Last Ten Fiscal Years
(Continued)**

Fiscal Year	Manatee County	Marion County	Pasco County	Pinellas County	Polk County	Sarasota County	Sumter County	Total
2004	\$10,377,230 7.22%	\$2,031,561 1.41%	\$9,497,470 6.61%	\$39,362,797 27.37%	\$10,545,318 7.33%	\$19,146,756 13.32%	\$1,299,678 0.90%	\$143,801,912 100.00%
2003	9,102,886 7.03%	1,822,527 1.41%	8,341,467 6.44%	36,147,693 27.90%	9,548,241 7.37%	16,832,207 12.99%	1,171,511 0.91%	129,549,220 100.00%
2002	8,019,003 6.72%	1,743,415 1.46%	7,507,878 6.29%	33,854,882 28.37%	9,014,593 7.56%	14,839,812 12.44%	1,036,946 0.87%	119,312,415 100.00%
2001	7,161,501 6.64%	1,594,177 1.48%	6,707,029 6.22%	31,020,770 28.75%	8,360,747 7.75%	13,395,311 12.42%	851,777 0.79%	107,871,878 100.00%
2000	6,565,397 6.59%	1,435,778 1.44%	6,176,589 6.20%	29,042,944 29.15%	7,860,437 7.89%	12,324,792 12.37%	710,011 0.71%	99,645,894 100.00%
1999	6,183,943 6.58%	1,322,793 1.41%	5,736,126 6.10%	27,781,399 29.56%	7,728,727 8.22%	11,449,390 12.18%	587,890 0.63%	94,005,983 100.00%
1998	5,773,126 6.50%	1,228,892 1.38%	5,424,918 6.11%	26,518,202 29.87%	7,387,532 8.32%	10,785,132 12.15%	519,505 0.59%	88,790,677 100.00%
1997	5,650,891 6.64%	1,163,757 1.37%	5,333,746 6.27%	25,638,073 30.12%	6,863,179 8.07%	10,595,035 12.45%	455,731 0.54%	85,085,860 100.00%
1996	5,402,514 6.58%	1,124,164 1.37%	4,999,322 6.09%	24,914,105 30.36%	6,715,133 8.18%	10,014,493 12.21%	424,207 0.52%	82,056,028 100.00%
1995	5,136,603 6.50%	1,051,726 1.33%	4,874,512 6.17%	24,268,052 30.72%	6,227,873 7.88%	9,515,190 12.04%	386,757 0.49%	79,006,591 100.00%

**Southwest Florida Water Management District
Fund Balance Comparison To Annual Expenditures
For The Last Ten Fiscal Years**

<u>General Fund</u>				<u>Special Revenue Funds</u>			
<u>Fiscal Year</u>	<u>Unreserved Fund Balance</u>	<u>Annual Expenditures</u>	<u>Balance As Percentage of Expenditures</u>	<u>Fiscal Year</u>	<u>Unreserved Fund Balance</u>	<u>Annual Expenditures</u>	<u>Balance As Percentage of Expenditures</u>
2004	\$63,927,282	\$70,871,896	90.20 %	2004	\$17,043,939	\$76,946,507	22.15 %
2003	56,889,560	64,095,574	88.76	2003 (1)	(992,560)	54,361,367	(1.83)
2002	46,918,577	57,907,902	81.02	2002	19,148,603	61,062,553	31.36
2001	31,134,254	62,170,953	50.08	2001	24,699,711	45,953,696	53.75
2000	19,839,086	57,829,330	34.31	2000	23,679,518	29,696,817	79.74
1999	14,145,824	54,679,414	25.87	1999	19,846,207	21,601,411	91.87
1998	37,108,127	53,231,368	69.71	1998	45,297,807	24,225,257	186.99
1997	25,762,708	53,091,159	48.53	1997	31,603,258	32,033,509	98.66
1996	18,998,801	50,815,112	37.39	1996	19,350,525	27,633,433	70.03
1995	17,520,659	45,108,587	38.84	1995	7,233,371	19,669,471	36.77

(Continued)

(1) The deficit unreserved fund balance resulted from encumbrances accounted for in three of the District's special revenue funds: the Withlacoochee River Basin, SWIM Program, and DOT Mitigation. The encumbrances are contractual obligations of the District that are not eligible for reimbursement until expenditures are incurred against them, thus creating an overall deficit unreserved fund balance at year end.

Southwest Florida Water Management District
Fund Balance Comparison To Annual Expenditures
For The Last Ten Fiscal Years
(Continued)

<u>Capital Projects Funds</u>				<u>Total</u>			
<u>Fiscal Year</u>	<u>Unreserved Fund Balance</u>	<u>Annual Expenditures</u>	<u>Balance As Percentage of Expenditures</u>	<u>Fiscal Year</u>	<u>Unreserved Fund Balance</u>	<u>Annual Expenditures</u>	<u>Balance As Percentage of Expenditures</u>
2004 (2)	(\$26,643,785)	\$39,990,352	(66.63) %	2004	\$54,327,436	\$187,808,755	28.93 %
2003 (2)	(8,445,145)	27,336,442	(30.89)	2003	47,451,855	145,793,383	32.55
2002 (2)	(1,974,847)	37,022,913	(5.33)	2002	64,092,333	155,993,368	41.09
2001 (2)	(26,545,080)	46,320,053	(57.31)	2001	29,288,885	154,444,702	18.96
2000 (2)	(3,556,230)	29,284,497	(12.14)	2000	39,962,374	116,810,644	34.21
1999 (2)	(7,856,135)	24,836,443	(31.63)	1999	26,135,896	101,117,268	25.85
1998	781,003	19,043,861	4.10	1998	83,186,937	96,500,486	86.20
1997	625,569	8,939,539	7.00	1997	57,991,535	94,064,207	61.65
1996	796,077	23,201,668	3.43	1996	39,145,403	101,650,213	38.51
1995	1,022,901	34,169,320	2.99	1995	25,776,931	98,947,378	26.05

(2) The deficit unreserved fund balance resulted from encumbrances at year-end for impending land purchases in the Save Our Rivers Capital Projects Fund. The land purchases have been or will be funded from either the Water Management Lands Trust Fund, Preservation 2000 or the Florida Forever Trust Fund. The cash required to finance the purchases is or was recorded in the Capital Projects Fund with the revenue deferred at year-end or reserved in the State of Florida trust funds until required by the District.

**Southwest Florida Water Management District
Ad Valorem Property Tax Levies, Tax Collections And Assessed Valuations
For The Last Ten Fiscal Years**

Fiscal Year	Taxable Assessed Valuation	Total Tax Levy (1)	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent Of Total Tax Collection To Tax Levy
2004	\$218,825,726,760	\$142,878,252	\$142,874,841	100.00%	\$927,071	\$143,801,912	100.65%
2003	196,733,416,139	129,287,121	128,923,451	99.72%	625,769	129,549,220	100.20%
2002	179,984,482,391	118,192,061	118,351,223	100.13%	961,192	119,312,415	100.95%
2001	162,692,043,704	107,051,963	106,626,498	99.60%	1,245,380	107,871,878	100.77%
2000	150,544,563,710	99,153,543	98,856,352	99.70%	789,542	99,645,894	100.50%
1999	141,288,924,735	93,088,275	93,352,010	100.28%	653,973	94,005,983	100.99%
1998	133,560,002,552	88,033,728	88,296,672	100.30%	494,005	88,790,677	100.86%
1997	126,836,423,345	84,214,617	84,620,186	100.48%	465,674	85,085,860	101.03%
1996	122,364,012,683	81,322,911	81,487,661	100.20%	568,367	82,056,028	100.90%
1995	118,504,827,937	79,009,412	78,568,964	99.44%	437,627	79,006,591	99.99%

(1) Total Tax Levy represents the estimated budgeted tax levy for the District and Basins.

Source: District Records-Budget Department; Department of Revenue; County Governments.

**Southwest Florida Water Management District
Taxable Assessed And Estimated Actual Value Of Taxable Property
For The Last Ten Fiscal Years**

Fiscal Year	Charlotte County		Citrus County		Desoto County		Hardee County	
	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual
2004	\$10,868,251,435 4.97%	\$16,470,519,948	\$6,377,731,045 2.91%	\$7,953,046,751	\$1,006,248,987 0.46%	\$1,795,866,626	\$1,381,408,737 0.63%	\$1,841,574,901
2003	9,397,451,189 4.78%	13,787,164,905	5,951,463,421 3.03%	7,074,397,845	861,104,943 0.44%	1,680,115,048	1,129,707,419 0.57%	1,584,505,572
2002	8,386,850,539 4.66%	11,765,949,970	5,585,926,065 3.10%	6,257,479,829	860,588,600 0.48%	1,641,097,760	934,388,620 0.52%	1,555,385,773
2001	7,595,307,510 4.67%	10,329,838,220	5,186,796,299 3.19%	5,708,577,441	769,162,554 0.47%	1,608,953,885	876,412,155 0.54%	1,585,134,436
2000	6,923,396,053 4.60%	9,497,812,520	4,889,387,557 3.25%	5,308,083,181	738,754,884 0.49%	1,523,122,233	886,008,919 0.59%	1,533,016,212
1999	6,532,613,607 4.62%	8,578,159,248	4,636,024,601 3.28%	5,026,928,200	685,385,819 0.49%	1,485,278,334	853,546,216 0.60%	1,572,693,024
1998	6,279,933,532 4.70%	7,980,139,729	4,547,012,499 3.40%	4,705,350,500	667,456,789 0.50%	1,417,511,147	820,909,640 0.61%	1,523,595,499
1997	6,276,526,201 4.95%	7,607,952,513	4,301,587,444 3.39%	4,579,093,150	636,734,249 0.50%	1,378,877,006	812,859,961 0.64%	1,493,719,593
1996	6,142,476,115 5.02%	7,623,288,929	4,170,592,389 3.41%	4,448,001,864	654,571,553 0.53%	1,353,095,528	745,909,968 0.61%	1,501,142,583
1995	6,008,261,997 5.07%	7,307,791,535	4,011,439,761 3.38%	4,289,215,440	586,551,444 0.49%	1,251,312,594	718,872,837 0.61%	1,486,841,848

Assessments are calculated at 100% of market value less exempt and immune values.

The estimated actual represents the estimated total value of taxable property within each county. Only portions of some counties lie within District Boundaries.

Source: Florida Statistical Abstract, State of Florida, Department of Revenue.

(Continued)

**Southwest Florida Water Management District
Taxable Assessed And Estimated Actual Value Of Taxable Property
For The Last Ten Fiscal Years
(Continued)**

Fiscal Year	Hernando County		Highlands County		Hillsborough County		Lake County	
	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual
2004	\$5,600,584,555 2.56%	\$8,746,471,806	\$2,690,892,370 1.23%	\$4,688,682,365	\$50,779,806,100 23.21%	\$72,964,455,006	\$40,709,970 0.02%	\$14,415,158,888
2003	5,122,539,116 2.60%	7,642,982,147	2,565,605,756 1.30%	4,194,944,329	46,355,925,135 23.56%	64,837,890,327	35,141,203 0.02%	12,541,891,742
2002	4,734,177,073 2.63%	6,820,855,210	2,477,528,213 1.38%	3,949,400,610	42,891,979,863 23.83%	59,207,297,196	32,358,284 0.02%	11,114,607,760
2001	4,303,861,686 2.65%	6,246,678,319	2,385,636,554 1.47%	3,782,245,187	37,682,680,554 23.16%	53,291,862,679	29,283,069 0.02%	10,087,584,597
2000	4,096,364,117 2.72%	5,562,618,435	2,251,151,995 1.49%	3,645,550,032	34,496,030,668 22.91%	46,085,148,076	27,754,082 0.02%	9,238,981,450
1999	3,843,732,046 2.72%	5,288,124,346	2,148,770,949 1.52%	3,580,436,059	31,747,753,743 22.47%	41,379,146,380	25,861,753 0.02%	8,348,378,288
1998	3,752,464,158 2.81%	5,026,183,128	2,115,610,971 1.58%	3,248,707,921	29,180,233,724 21.85%	38,338,369,171	25,571,676 0.02%	7,670,282,422
1997	3,648,652,323 2.88%	4,856,424,853	2,030,513,798 1.60%	3,387,143,201	26,904,587,783 21.21%	35,281,572,634	23,327,222 0.02%	7,150,688,018
1996	3,541,921,564 2.89%	4,736,578,644	2,030,724,630 1.66%	3,152,686,677	26,214,178,347 21.42%	32,969,504,023	29,797,558 0.02%	6,711,434,701
1995	3,371,631,537 2.84%	4,606,116,520	1,905,866,920 1.61%	3,127,873,550	25,983,579,127 21.93%	31,754,541,383	23,923,244 0.02%	6,363,571,955

Assessments are calculated at 100% of market value less exempt and immune values.

The estimated actual represents the estimated total value of taxable property within each county. Only portions of some counties lie within District Boundaries.

Source: Florida Statistical Abstract, State of Florida, Department of Revenue.

(Continued)

Southwest Florida Water Management District
Taxable Assessed And Estimated Actual Value Of Taxable Property
For The Last Ten Fiscal Years
(Continued)

Fiscal Year	Levy County		Manatee County		Marion County		Pasco County	
	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual
2004	\$549,645,916 0.25%	\$2,319,580,260	\$18,574,279,816 8.49%	\$26,527,994,186	\$3,020,525,681 1.38%	\$16,203,462,528	\$13,883,582,485 6.34%	\$22,177,518,936
2003	514,932,657 0.26%	1,828,924,432	16,270,421,255 8.27%	22,702,620,085	2,738,924,877 1.39%	14,177,653,309	12,262,273,454 6.23%	18,859,943,686
2002	472,650,625 0.26%	1,709,505,277	14,359,883,510 7.98%	19,384,158,966	2,501,256,463 1.39%	12,819,400,375	11,002,947,919 6.11%	16,827,458,579
2001	440,252,953 0.27%	1,507,735,121	12,789,045,630 7.86%	16,654,859,576	2,283,066,481 1.40%	11,587,044,419	9,875,275,051 6.07%	14,926,055,100
2000	407,621,875 0.27%	1,450,180,272	11,586,175,475 7.70%	14,792,186,341	2,044,822,224 1.36%	10,660,989,518	9,092,768,760 6.04%	13,152,044,529
1999	379,082,077 0.27%	1,342,014,746	10,959,496,359 7.76%	13,519,211,907	1,884,601,020 1.33%	9,835,274,891	8,363,185,159 5.92%	12,087,492,344
1998	355,309,292 0.27%	1,292,901,965	10,211,809,447 7.65%	12,707,449,501	1,732,842,965 1.30%	9,241,624,880	7,957,419,741 5.96%	10,904,978,467
1997	340,241,843 0.27%	1,227,578,185	9,719,900,185 7.66%	11,872,639,912	1,665,146,896 1.31%	8,497,514,091	7,606,689,696 6.00%	10,444,615,432
1996	324,957,950 0.27%	1,182,521,550	9,193,173,086 7.51%	11,221,012,647	1,601,263,175 1.31%	8,274,380,820	7,338,831,875 6.00%	9,952,847,775
1995	315,011,980 0.27%	1,029,429,395	8,766,411,096 7.40%	10,667,348,410	1,536,554,116 1.30%	8,023,658,500	7,122,268,466 6.01%	9,630,181,389

Assessments are calculated at 100% of market value less exempt and immune values.

The estimated actual represents the estimated total value of taxable property within each county. Only portions of some counties lie within District Boundaries.

Source: Florida Statistical Abstract, State of Florida, Department of Revenue.

(Continued)

Southwest Florida Water Management District
Taxable Assessed And Estimated Actual Value Of Taxable Property
For The Last Ten Fiscal Years
(Continued)

Fiscal Year	Pinellas County		Polk County		Sarasota County		Sumter County		Total	
	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual	Taxable Assessed Value	Estimated Actual
2004	\$49,736,379,395 22.73%	\$74,989,311,400	\$18,175,358,199 8.31%	\$23,218,366,615	\$34,139,701,996 15.60%	\$50,785,454,437	\$2,000,620,073 0.91%	\$3,487,213,628	\$218,825,726,760 100.00%	\$348,584,678,281
2003	45,522,214,631 23.15%	66,487,561,200	16,372,841,445 8.32%	21,243,060,892	29,864,864,281 15.18%	43,539,696,480	1,768,005,357 0.90%	2,944,121,089	196,733,416,139 100.00%	305,127,473,088
2002	42,412,684,581 23.56%	59,343,393,200	15,470,541,404 8.60%	20,383,440,390	26,353,336,881 14.64%	36,752,413,719	1,507,383,751 0.84%	2,650,276,940	179,984,482,391 100.00%	272,182,121,554
2001	39,016,510,925 23.98%	52,852,990,700	14,449,672,403 8.88%	18,441,382,093	23,783,753,695 14.62%	31,567,616,197	1,225,326,185 0.75%	2,359,021,549	162,692,043,704 100.00%	242,537,579,519
2000	36,571,099,997 24.29%	47,860,664,200	13,583,962,496 9.02%	16,609,984,276	21,930,739,771 14.57%	28,256,271,308	1,018,524,837 0.68%	1,778,675,015	150,544,563,710 100.00%	216,955,327,598
1999	34,874,382,682 24.69%	44,382,705,500	13,168,283,712 9.32%	15,365,515,433	20,352,366,804 14.40%	25,931,541,134	833,838,188 0.59%	1,528,838,454	141,288,924,735 100.00%	199,251,738,288
1998	33,311,305,395 24.94%	42,355,438,300	12,726,018,383 9.53%	14,780,658,503	19,137,443,797 14.33%	23,801,300,412	738,660,543 0.55%	1,297,878,196	133,560,002,552 100.00%	186,292,369,741
1997	32,213,721,168 25.40%	40,358,853,400	11,803,162,322 9.31%	14,312,480,973	18,205,445,978 14.35%	22,127,308,749	647,326,276 0.51%	1,171,123,629	126,836,423,345 100.00%	175,747,585,339
1996	31,261,015,545 25.55%	39,118,947,700	11,339,575,907 9.27%	13,518,642,455	17,167,542,233 14.03%	20,950,707,330	607,480,788 0.50%	1,062,030,622	122,364,012,683 100.00%	167,776,823,848
1995	30,562,336,825 25.79%	37,901,305,650	10,750,178,128 9.07%	13,264,904,690	16,288,022,851 13.74%	19,808,707,452	553,917,608 0.47%	996,498,364	118,504,827,937 100.00%	161,509,298,675

Assessments are calculated at 100% of market value less exempt and immune values.

The estimated actual represents the estimated total value of taxable property within each county. Only portions of some counties lie within District Boundaries.

Source: Florida Statistical Abstract, State of Florida, Department of Revenue.

**Southwest Florida Water Management District
Ad Valorem Property Tax Rates--All Direct And Overlapping Governments (Per \$1000 Assessed Valuation)
For The Last Ten Fiscal Years**

County	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Charlotte										
County Government	4.7709	4.8709	4.8709	4.7141	4.7141	4.7141	4.5992	4.5992	4.5278	4.4983
District School Board	8.2090	8.1080	8.2740	8.7544	8.8220	9.1360	9.7310	9.5965	9.8612	9.6802
Other Millage	3.2278	3.6840	3.6927	3.3355	2.8947	3.3050	3.3664	2.9754	3.1076	2.8160
Total	16.2077	16.6629	16.8376	16.8040	16.4308	17.1551	17.6966	17.1711	17.4966	16.9945
Citrus										
County Government	8.4179	8.4179	8.4179	8.4176	8.4179	8.4176	8.4916	7.9196	7.9196	7.9198
District School Board	8.1460	8.2960	8.6670	8.7800	8.5710	8.9430	9.1440	9.8160	9.8160	9.4880
Other Millage	3.7748	3.0732	3.0624	3.0402	3.1253	3.0960	3.1433	3.2170	3.2170	3.4837
Total	20.3387	19.7871	20.1473	20.2378	20.1142	20.4566	20.7789	20.9526	20.9526	20.8915
Desoto										
County Government	8.5514	8.5514	8.5514	8.5514	8.4800	8.4800	8.4800	8.4800	8.4800	8.4800
District School Board	8.4540	8.2420	8.4280	8.6220	8.7060	9.3010	9.5570	8.6490	8.7230	8.7580
Other Millage	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170
Total	17.6224	17.4104	17.5964	17.7904	17.8030	18.3980	18.6540	17.7460	17.8200	17.8550
Hardee										
County Government	8.7064	8.7500	8.2500	8.5000	8.7500	8.7500	8.7500	9.7500	10.0000	10.0000
District School Board	8.1120	8.5780	8.5810	8.7340	8.6510	9.1510	9.6300	9.6100	9.2350	9.5260
Other Millage	1.0110	1.0450	1.0997	1.2010	1.2440	1.2370	1.2610	1.1970	1.2930	1.3540
Total	17.8294	18.3430	17.9307	18.4350	18.6450	19.1380	19.6410	20.5570	20.5280	20.8800

Southwest Florida Water Management District
Ad Valorem Property Tax Rates--All Direct And Overlapping Governments (Per \$1000 Assessed Valuation)
For The Last Ten Fiscal Years
(Continued)

County	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Hernando										
County Government	8.4204	8.4204	8.4204	8.4204	8.4204	8.6704	8.7749	8.9580	8.9580	7.9580
District School Board	8.9590	9.3760	9.5610	9.8870	10.1760	10.4820	10.8510	10.8510	10.7930	10.7930
Other Millage	4.2584	3.3389	3.7170	3.5603	3.5613	3.5315	3.5502	3.5502	3.5952	3.3470
Total	<u>21.6378</u>	<u>21.1353</u>	<u>21.6984</u>	<u>21.8677</u>	<u>22.1577</u>	<u>22.6839</u>	<u>23.1761</u>	<u>23.3592</u>	<u>23.3462</u>	<u>22.0980</u>
Highlands										
County Government	9.0000	9.0000	9.0000	8.5000	8.5000	8.5000	8.5000	8.5000	8.5000	8.5000
District School Board	8.4750	8.7370	8.7660	8.6940	8.7280	8.9550	9.2480	9.2290	9.2480	9.2480
Other Millage	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170	0.6170
Total	<u>18.0920</u>	<u>18.3540</u>	<u>18.3830</u>	<u>17.8110</u>	<u>17.8450</u>	<u>18.0720</u>	<u>18.3650</u>	<u>18.3460</u>	<u>18.3650</u>	<u>18.3650</u>
Hillsborough										
County Government	9.9141	9.7377	9.7377	9.9909	10.1435	10.2165	10.3444	10.4347	10.5791	10.8144
District School Board	8.3609	8.5950	8.5950	8.5860	8.7150	9.0710	9.5310	9.5880	9.9542	9.8672
Other Millage	5.6463	5.7179	5.7179	5.6344	5.6112	5.6548	5.6340	5.6339	5.6339	5.6146
Total	<u>23.9213</u>	<u>24.0506</u>	<u>24.0506</u>	<u>24.2113</u>	<u>24.4697</u>	<u>24.9423</u>	<u>25.5094</u>	<u>25.6566</u>	<u>26.1672</u>	<u>26.2962</u>
Lake										
County Government	5.8170	5.9170	5.9170	5.1170	5.1170	4.7330	4.7330	4.7330	4.9090	4.9270
District School Board	7.9900	8.4400	8.3950	8.2020	8.4950	8.7420	9.1900	9.1000	9.2280	9.6780
Other Millage	2.8700	2.8989	4.2948	4.2129	2.7170	2.2340	2.4938	2.4388	2.4388	2.4710
Total	<u>16.6770</u>	<u>17.2559</u>	<u>18.6068</u>	<u>17.5319</u>	<u>16.3290</u>	<u>15.7090</u>	<u>16.4168</u>	<u>16.2718</u>	<u>16.5758</u>	<u>17.0760</u>

Southwest Florida Water Management District
Ad Valorem Property Tax Rates--All Direct And Overlapping Governments (Per \$1000 Assessed Valuation)
For The Last Ten Fiscal Years
(Continued)

<u>County</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Levy										
County Government	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000	9.0000
District School Board	8.4390	8.4900	8.7030	8.8330	9.0230	9.1280	9.7860	9.6840	9.8990	9.3590
Other Millage	3.2504	3.1992	3.1504	3.1981	3.0395	3.0717	3.0833	3.0992	3.1207	3.1522
Total	<u>20.6894</u>	<u>20.6892</u>	<u>20.8534</u>	<u>21.0311</u>	<u>21.0625</u>	<u>21.1997</u>	<u>21.8693</u>	<u>21.7832</u>	<u>22.0197</u>	<u>21.5112</u>
Manatee										
County Government	8.6498	8.6634	8.6970	8.7690	8.7690	8.8490	8.8290	8.8500	8.8636	7.6612
District School Board	7.9990	8.2960	8.3470	8.3270	8.6820	8.6070	9.0360	9.1724	9.5154	9.4095
Other Millage	2.1966	1.9120	2.3113	2.8644	2.8303	2.7751	2.7565	2.5554	2.5077	3.8744
Total	<u>18.8454</u>	<u>18.8714</u>	<u>19.3553</u>	<u>19.9604</u>	<u>20.2813</u>	<u>20.2311</u>	<u>20.6215</u>	<u>20.5778</u>	<u>20.8867</u>	<u>20.9451</u>
Marion										
County Government	5.3100	5.6400	6.0400	6.0600	6.1800	6.1500	6.1500	6.2200	9.2750	8.8750
District School Board	8.2720	9.0650	9.4360	9.5000	9.6560	9.8320	10.6240	10.5850	9.9920	9.7480
Other Millage	5.8278	5.5137	5.2782	5.3426	5.6491	5.1343	5.2433	5.3475	1.6483	1.6149
Total	<u>19.4098</u>	<u>20.2187</u>	<u>20.7542</u>	<u>20.9026</u>	<u>21.4851</u>	<u>21.1163</u>	<u>22.0173</u>	<u>22.1625</u>	<u>20.9153</u>	<u>20.2379</u>
Pasco										
County Government	7.9440	8.2820	8.6480	9.0250	9.3410	8.5700	8.1960	9.1000	9.1270	9.4220
District School Board	7.4230	8.8070	8.9390	9.1140	9.1320	9.7090	10.0920	10.0210	10.1570	10.3800
Other Millage	1.6070	1.6070	1.6070	1.6370	1.6400	1.6410	1.6410	1.6410	1.6410	1.6410
Total	<u>16.9740</u>	<u>18.6960</u>	<u>19.1940</u>	<u>19.7760</u>	<u>20.1130</u>	<u>19.9200</u>	<u>19.9290</u>	<u>20.7620</u>	<u>20.9250</u>	<u>21.4430</u>

**Southwest Florida Water Management District
Ad Valorem Property Tax Rates--All Direct And Overlapping Governments (Per \$1000 Assessed Valuation)
For The Last Ten Fiscal Years
(Continued)**

County	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Pinellas										
County Government	6.8010	6.8010	6.8010	6.8010	6.7510	6.5010	7.3940	7.1940	7.1660	7.0270
District School Board	8.1220	8.2430	8.4490	8.4870	8.4330	8.6660	9.1100	9.1330	9.1760	9.3290
Other Millage	6.8629	6.8220	6.8220	6.7720	6.7220	6.7230	5.4499	5.6088	5.5451	5.6337
Total	<u>21.7859</u>	<u>21.8660</u>	<u>22.0720</u>	<u>22.0600</u>	<u>21.9060</u>	<u>21.8900</u>	<u>21.9539</u>	<u>21.9358</u>	<u>21.8871</u>	<u>21.9897</u>
Polk										
County Government	7.7270	7.7270	7.7270	7.7270	7.7270	7.9770	7.9770	7.9770	7.9770	7.9770
District School Board	8.2060	8.3170	8.5780	8.7220	8.8460	9.0720	9.3280	9.4310	9.3360	9.3290
Other Millage	0.8125	0.8423	0.8411	0.8411	0.8114	0.8144	0.8187	0.8190	0.7427	0.7366
Total	<u>16.7455</u>	<u>16.8863</u>	<u>17.1461</u>	<u>17.2901</u>	<u>17.3844</u>	<u>17.8634</u>	<u>18.1237</u>	<u>18.2270</u>	<u>18.0557</u>	<u>18.0426</u>
Sarasota										
County Government	8.3660	6.2893	5.5489	5.5653	5.5758	5.5794	5.2042	4.9173	4.9946	5.0032
District School Board	6.2304	8.7930	9.2870	8.4880	8.5440	8.5370	9.2290	8.9470	9.0940	9.4630
Other Millage	0.6407	0.6832	0.5818	0.6114	0.5716	0.7622	0.8654	1.0765	1.2390	1.1372
Total	<u>15.2371</u>	<u>15.7655</u>	<u>15.4177</u>	<u>14.6647</u>	<u>14.6914</u>	<u>14.8786</u>	<u>15.2986</u>	<u>14.9408</u>	<u>15.3276</u>	<u>15.6034</u>
Sumter										
County Government	9.2500	9.2500	9.2500	9.5650	9.5650	10.0000	10.0000	10.0000	10.0000	10.0000
District School Board	8.4020	8.7060	8.8360	8.7670	8.8890	9.3030	9.3600	9.4250	9.3670	9.3690
Other Millage	4.1450	3.9450	3.5040	3.2086	3.2494	2.8158	3.0185	2.9730	3.3186	3.3506
Total	<u>21.7970</u>	<u>21.9010</u>	<u>21.5900</u>	<u>21.5406</u>	<u>21.7034</u>	<u>22.1188</u>	<u>22.3785</u>	<u>22.3980</u>	<u>22.6856</u>	<u>22.7196</u>

Source: The property tax rate information is obtained directly from the Tax Collectors. The "other millage" reported represents the average rates levied in each county, since the rates within a County can vary, by all other taxing authorities including the District and Basins. For the actual property tax rates levied by the District General Fund and Basin Funds, refer to the Schedule of Property Tax Rates for the District and Watershed Basins.

**Southwest Florida Water Management District
Schedule Of Property Tax Rates For The District And Watershed Basins (Per \$1000 Assessed Valuation)
For The Last Ten Fiscal Years**

Fiscal Year	District	Maximum Legal Rate (1)									
		Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	District Wide	Per Basin
2004	.422	.240	.285	.268	.235	.400	.265	.195	.160	.500	.500
2003	.422	.240	.285	.268	.235	.400	.265	.195	.160	.500	.500
2002	.422	.240	.285	.268	.235	.400	.295	.195	.160	.500	.500
2001	.422	.240	.285	.268	.235	.400	.298	.195	.160	.500	.500
2000	.422	.240	.285	.268	.235	.401	.298	.195	.160	.500	.500
1999	.422	.240	.285	.268	.235	.401	.298	.195	.160	.500	.500
1998	.422	.240	.285	.268	.235	.401	.298	.195	.160	.500	.500
1997	.422	.240	.285	.268	.235	.401	.298	.195	.181	.500	.500
1996	.422	.240	.285	.268	.235	.401	.298	.195	.181	.500	.500
1995	.422	.240	.286	.268	.242	.401	.299	.195	.184	.500	.500

(1) The maximum legal millage rates for ad valorem taxes are established under Chapter 373.503, Florida Statutes, for the District and Basins.

Source: Southwest Florida Water Management District, Budget in Brief Fiscal Year 2004 Annual Service Budget

**Southwest Florida Water Management District
Demographic Statistics--Population By District, Basin And County
September 30, 2004**

Southwest Florida Water Management District By Basin											
County	BEBR Total	Within SWFWMD Population	Green Swamp	Alafia River	Hillsborough River	Northwest Hillsborough	Coastal Rivers	Pinellas-Anclote River	Withlacochee River	Peace River	Manasota
Charlotte *	151,994	146,157	N/A	N/A	N/A	N/A	N/A	N/A	N/A	146,157	N/A
Citrus	125,804	125,804	N/A	N/A	N/A	48,762	N/A	N/A	77,042	N/A	N/A
DeSoto	33,713	33,713	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33,713	N/A
Hardee	27,400	27,400	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,400	N/A
Hernando	140,670	140,670	N/A	N/A	N/A	118,472	N/A	N/A	22,198	N/A	N/A
Highlands*	90,393	82,493	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82,493	N/A
Hillsborough	1,079,587	1,079,587	N/A	241,180	525,003	313,404	N/A	N/A	N/A	N/A	N/A
Lake*	240,716	1,276	1,276	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Levy*	36,664	20,220	N/A	N/A	N/A	N/A	N/A	N/A	20,220	N/A	N/A
Manatee	286,884	286,884	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	286,884
Marion*	281,966	77,202	N/A	N/A	N/A	N/A	N/A	N/A	77,202	N/A	N/A
Pasco	375,318	375,318	1,764	N/A	99,534	N/A	187,321	62,153	24,546	N/A	N/A
Pinellas	939,864	939,864	N/A	N/A	N/A	N/A	N/A	939,864	N/A	N/A	N/A
Polk*	511,929	496,571	44,896	51,756	66,756	N/A	N/A	N/A	N/A	333,163	N/A
Sarasota	348,761	348,761	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	348,761
Sumter	63,001	63,001	N/A	N/A	N/A	N/A	N/A	N/A	63,001	N/A	N/A
Total	4,734,664	4,244,921	47,936	292,936	691,293	313,404	354,555	1,002,017	284,209	622,926	635,645

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

Permanent Population = Year-Round Residents Only.

Source: Projections of Florida Population by County, 2002-2030, Bureau of Economic and Business Research (BEBR), February 2004
Appendix A: Population Distribution Within the Southwest Florida Water Management District, Ayers Associates, 2004

**Southwest Florida Water Management District
Demographic Statistics--Population By County
For The Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Charlotte * County</u>	<u>Citrus County</u>	<u>Desoto County</u>	<u>Hardee County</u>	<u>Hernando County</u>	<u>Highlands * County</u>	<u>Hillsborough County</u>	<u>Lake * County</u>
2004	146,157 3.44%	125,804 2.97%	33,713 0.79%	27,400 0.65%	140,670 3.31%	82,493 1.94%	1,079,587 25.43%	1,276 0.03%
2003	142,818 3.45%	123,008 2.97%	32,798 0.79%	27,437 0.66%	136,484 3.29%	81,256 1.96%	1,055,617 25.49%	1,225 0.03%
2002	143,848 3.54%	120,471 2.96%	32,736 0.80%	26,921 0.66%	132,762 3.26%	80,185 1.97%	1,026,906 25.26%	2,424 0.06%
2001	140,919 3.54%	118,085 2.96%	32,209 0.81%	26,938 0.68%	130,802 3.28%	79,416 1.99%	998,948 25.07%	2,316 0.06%
2000	136,089 3.53%	114,898 2.98%	28,438 0.74%	22,594 0.58%	127,392 3.30%	73,759 1.91%	967,511 25.09%	2,242 0.06%
1999	132,987 3.51%	112,424 2.97%	27,927 0.74%	22,801 0.60%	125,008 3.30%	73,136 1.93%	942,322 24.89%	2,157 0.06%
1998	130,650 3.49%	109,984 2.93%	27,224 0.73%	22,447 0.60%	122,099 3.26%	72,298 1.93%	928,731 24.79%	2,072 0.06%
1997	128,821 3.52%	107,889 2.94%	26,716 0.73%	22,519 0.61%	119,931 3.27%	70,430 1.92%	910,885 24.86%	1,823 0.05%
1996	127,008 3.52%	105,468 2.92%	26,640 0.74%	22,885 0.63%	117,895 3.27%	69,775 1.93%	892,874 24.75%	1,769 0.05%
1995	124,259 3.50%	102,846 2.90%	26,260 0.74%	22,454 0.63%	114,866 3.23%	68,502 1.93%	879,069 24.75%	1,712 0.05%

(Continued)

**Southwest Florida Water Management District
Demographic Statistics--Population By County
For The Last Ten Fiscal Years
(Continued)**

Fiscal Year	Levy * County	Manatee County	Marion * County	Pasco County	Pinellas County	Polk * County	Sarasota County	Sumter County	Total
2004	20,220 0.48%	286,884 6.76%	77,202 1.82%	375,318 8.84%	939,864 22.14%	496,571 11.70%	348,761 8.22%	63,001 1.48%	4,244,921 100.00%
2003	19,861 0.48%	277,362 6.70%	74,226 1.79%	361,432 8.73%	933,994 22.55%	473,196 11.43%	339,684 8.20%	61,348 1.48%	4,141,746 100.00%
2002	20,123 0.49%	270,771 6.66%	59,727 1.47%	352,380 8.66%	929,208 22.84%	478,252 11.76%	334,023 8.21%	56,932 1.40%	4,067,669 100.00%
2001	19,740 0.50%	264,002 6.63%	58,515 1.47%	344,765 8.65%	921,482 23.13%	466,503 11.71%	325,957 8.18%	53,345 1.34%	3,983,942 100.00%
2000	19,143 0.50%	253,207 6.56%	56,372 1.46%	326,494 8.47%	898,784 23.31%	457,615 11.87%	321,044 8.32%	50,823 1.32%	3,856,405 100.00%
1999	18,574 0.49%	247,028 6.53%	54,773 1.45%	321,074 8.48%	892,178 23.57%	449,087 11.86%	316,023 8.35%	47,907 1.27%	3,785,406 100.00%
1998	18,102 0.48%	241,422 6.44%	53,608 1.43%	315,785 8.43%	888,141 23.70%	459,010 12.25%	311,043 8.30%	44,366 1.18%	3,746,982 100.00%
1997	17,585 0.48%	236,778 6.46%	49,749 1.36%	309,936 8.46%	881,383 24.05%	433,694 11.83%	305,848 8.35%	40,593 1.11%	3,664,580 100.00%
1996	17,100 0.47%	233,160 6.46%	48,741 1.35%	305,576 8.48%	876,200 24.29%	424,541 11.77%	301,528 8.36%	36,456 1.01%	3,607,616 100.00%
1995	16,681 0.47%	228,283 6.43%	47,276 1.33%	298,852 8.42%	870,722 24.51%	418,841 11.79%	296,002 8.33%	35,189 0.99%	3,551,814 100.00%

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

Source: Projections of Florida Population by County, 2002-2030, Bureau of Economic and Business Research, February 2004
Appendix A: Population Distribution Within the Southwest Florida Water Management District, Ayers Associates, 2004

**Southwest Florida Water Management District
Demographic Statistics--Changes In Population
For The Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Increase</u>	<u>Percent Increase</u>
2004	4,244,921	103,175	2.49
2003	4,141,746	74,077	1.82
2002	4,067,669	83,727	2.10
2001	3,983,942	127,537	3.31
2000	3,856,405	70,999	1.88
1999	3,785,406	38,424	1.03
1998	3,746,982	82,402	2.25
1997	3,664,580	56,964	1.58
1996	3,607,616	55,802	1.57
1995	3,551,814	-	-

**Southwest Florida Water Management District
Schedule Of Principal Taxpayers By County
September 30, 2004**

<u>County</u>	<u>Ad Valorem Tax Collections</u>	<u>Percentage Of Collections</u>	<u>Total Assessed Value</u>	<u>Percentage Of Assessed Valuation</u>
Pinellas County	\$39,362,797	27.37%	\$49,736,379,395	22.73%
Hillsborough County	33,715,627	23.45%	50,779,806,100	23.21%
Sarasota County	19,146,756	13.32%	34,139,701,996	15.60%
Polk County	10,545,318	7.33%	18,175,358,199	8.31%
Manatee County	10,377,230	7.22%	18,574,279,816	8.49%
Pasco County	9,497,470	6.61%	13,883,582,485	6.34%
Charlotte County	6,519,997	4.53%	10,868,251,435	4.97%
Citrus County	4,192,495	2.92%	6,377,731,045	2.91%
Hernando County	3,619,738	2.52%	5,600,584,555	2.56%
Marion County	2,031,561	1.41%	3,020,525,681	1.38%
Highlands County	1,683,539	1.17%	2,690,892,370	1.23%
Sumter County	1,299,678	0.90%	2,000,620,073	0.91%
Hardee County	821,026	0.57%	1,381,408,737	0.63%
DeSoto County	608,992	0.42%	1,006,248,987	0.46%
Levy County	363,008	0.25%	549,645,916	0.25%
Lake County	16,680	0.01%	40,709,970	0.02%
Total	<u>\$143,801,912</u>	<u>100.00%</u>	<u>\$218,825,726,760</u>	<u>100.00%</u>

**Southwest Florida Water Management District
Estimated Total Water Use By County (MGD)
September 30, 2004**

County	Agricultural	Industrial Commercial	Mining Dewatering	Public Supply (Withdrawal)	Domestic Self-Supply	Recreational Aesthetic	Total (Withdrawal) (1)	Public Supply (Use) (2)	Total (Use) (3)
Charlotte *	13.825	0.034	0.754	6.458	3.060	2.405	26.536	15.275	35.353
Citrus	2.242	0.916	0.914	13.245	5.176	3.357	25.850	13.351	25.956
Desoto	80.065	0.067	0.186	14.454	1.965	0.154	96.891	1.612	84.049
Hardee	63.304	0.301	0.795	1.677	1.025	0.290	67.392	1.688	67.403
Hernando	2.878	10.428	11.019	21.551	1.003	3.628	50.507	21.333	50.289
Highlands *	54.277	0.308	0.022	8.788	1.428	2.598	67.421	8.875	67.508
Hillsborough	70.556	19.340	3.334	163.452	5.004	12.488	274.174	122.177	232.899
Lake *	1.414	0.000	0.000	0.000	0.231	0.000	1.645	0.000	1.645
Levy *	9.044	0.044	0.000	0.731	2.202	0.241	12.262	0.831	12.362
Manatee	80.803	0.187	0.699	48.861	0.076	4.489	135.115	38.341	124.595
Marion *	3.833	0.102	0.000	6.623	3.386	2.464	16.408	8.930	18.715
Pasco	15.370	3.880	0.556	86.352	7.329	5.321	118.808	36.739	69.195
Pinellas	0.428	0.060	0.338	30.792	0.396	5.666	37.680	109.706	116.594
Polk *	120.275	36.233	26.854	67.406	5.555	10.785	267.108	70.265	269.967
Sarasota	6.370	0.189	0.978	25.500	0.287	7.245	40.569	31.990	47.059
Sumter	9.744	0.268	4.832	8.699	4.202	2.380	30.125	7.021	28.447
Total	534.428	72.357	51.281	504.589	42.325	63.511	1268.491	488.134	1252.036

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

(1) Total (Withdrawal) - Represents the sum of the preceding six columns and represents total water withdrawal by county for all categories.

(2) Public Supply (Use) - Represents total consumptive use of public supply water within a county. When compared to Public Supply (Withdrawal) column, a large difference would represent an import or an export of publicly supplied water from one county to another.

NOTE: Public Supply (Use) versus (Withdrawal) differences in Citrus, Hardee, Hernando, Highlands, and Marion are the result of data being obtained from two different sources with slightly different numbers (not intercounty transfers).

(3) Total (Use) - The product of "Total (Withdrawal)" minus "Public Supply (Withdrawal)" plus "Public Supply (Use)" and represents consumptive use of publicly supplied water in the county.

**Southwest Florida Water Management District
Schedule Of Insurance In Force
September 30, 2004**

Policy Expiration Date	Types Of Coverage	Company	Policy Number	Annual Premium	Limits Of Coverage	Deductible
10/01/04	Property (\$40,000,000 blanket limits on \$87,672,604 of values including Bldgs/BPP/WCS	Landmark American Arch Specialty Westchester Surplus Landmark American	LHD330961 42ESP2861600 D35927384 LHD330965	\$140,035 40,035 45,035 10,035	\$5,000,000 \$5,000,000 (xs of \$5M) \$25,000,000 (xs of \$10M) \$5,000,000 (xs of \$35M) Extra Expense - \$475,000	\$5,000 per occurrence Flood - \$25,000 Windstorm - 2% minimum \$25,000
10/01/04	Auto Physical Damage	PGIT		26,320	Comp & Collision - #235	\$1,000
10/01/04	Inland Marine	St. Paul	IM8501672	58,075		
	Boat			incl.	Physical Damage: \$160,047	\$2,500
	Contractor's Equipment			incl.	\$3,375,427 (Scheduled Equipment) \$100,000 (Rented Equipment) \$183,370 (Unscheduled Equipment)	\$2,500 \$2,500 \$2,500
	Radio/Tower/Equipment			incl.	\$10,412	\$2,500
	Electronic Data Processing			incl.	\$14,768,683 Extra Expense - \$500,000	\$2,500 all losses
	Valuable Papers & Records			incl.	\$6,800,000	\$2,500
10/01/04	Boiler & Machinery	Travelers	BAJ-BM-21445D4554-03	4,800	\$10,000,000	\$2,500
09/29/05	Flood	Philadelphia Indemnity	090020002340-00 090020002341-00	1,558 1,558	\$500,000 Bldg / \$500,000 Contents Tampa Bldg 1 and TDC Only	\$500 Bldg / \$500 Contents
10/01/04	Liability Coverage General Liability Law Enforcement Liability Auto Liability Public Officials Errors and Omissions/Employment Practices (Retroactive date 10/1/93)	PGIT	PK FL 1 0274501 03-01	86,820 incl. 68,000 78,080	\$1M per claim / \$2M Aggregate \$1M per claim / \$1M Aggregate \$1M per Occurrence / \$1M Aggregate \$1M per claim	First Dollar First Dollar First Dollar \$25,000 per claim
	Service Fee			23,300		
08/26/05	Petroleum Liability	Commerce & Industry	FLP7511732#1	790	\$1M Occurrence / \$2M Aggregate	\$500 Third Party \$300,000 Corr. Action
10/01/04	Crime	Travelers	103674046 Subtotal	5,025 \$589,466	\$1,000,000	\$10,000
10/01/04	Self-Funded Workers' Compensation			\$175,000	\$175,000 Budgeted for W/C Costs Paid FY2004 Medical / Indemnity / Expenses / Settlements	
10/01/04	Excess Insurance	Midwest Employers	EWC005056	55,318	Statutory limits	\$500,000 SIR
09/30/04	Service Fee for TPA	Johns Eastern	03CONC00030	23,450	Administration Charge (Projected - based on total # claims)	
09/30/04	State Assessment	Dept. of Insurance		pending receipt \$253,768	Self-Insurer Assessment	
			Subtotal	\$843,234		
			Total	\$843,234		

Source: Records of the Southwest Florida Water Management District Risk Manager

**Southwest Florida Water Management District
Miscellaneous Statistical Data
September 30, 2004**

Highest Total Water Use By County (MGD)		Highest Total Population By County		
	Total Usage	% Of District	Total Population	% Of District
Polk County	269,967	20.51%	1,079,587	25.43%
Hillsborough County	232,899	17.69%	939,864	22.14%
Manatee County	124,595	9.46%	496,571	11.70%
Pinellas County	116,594	8.86%	375,318	8.84%
DeSoto County	84,049	6.38%	348,761	8.22%
	<u>828,104</u>	<u>62.90%</u>	<u>3,240,101</u>	<u>76.33%</u>

Population Projections							
	Northwest Hillsborough Basin	Coastal Rivers Basin	Pinellas-Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Total SWFWMD
2005	719,306	370,029	1,018,121	299,336	646,264	661,000	4,395,379
2010	786,547	407,494	1,057,078	335,224	702,664	721,600	4,753,275
2015	852,995	443,869	1,095,337	370,507	756,766	780,900	5,104,805
2020	918,656	479,925	1,133,147	405,866	809,975	839,600	5,452,606

OTHER MISCELLANEOUS STATISTICS

Date of Incorporation	July 1, 1961
District Headquarters	Brooksville, Florida-Hernando County
Satellite Offices	Tampa, Bartow, Sarasota, Lecanto
Employees	788
Area	9,822 square miles
Maximum Tax Levy-District	\$.50 per \$1,000 of assessed property value
Maximum Tax Levy-Basins	\$.50 per \$1,000 of assessed property value
Water Use Permits Issued	622
Management of Surface Water Permits Issued/Noticed General	11
Management of Surface Water Permits Issued/Non-Noticed General	95
Environmental Resource Permits Issued	3,100
Well Construction Permits Issued	16,230
Average Rainfall	50-55 inches per year
Elevation Range	0-300 feet above mean sea level



Single Audit



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

**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***

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

We have audited the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 14, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.



This report is intended solely for the information and use of the Governing Board and management of the District, federal and state awarding agencies and pass-through entities, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 14, 2005



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133
and Rules of the Auditor General**

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

Compliance

We have audited the compliance of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the requirements described in the Executive Office of the Governor's *State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2004. The District's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2004.



Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Governing Board and management of the District, and federal and state awarding entities and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 14, 2005

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2004

<u>Federal/State Grantor/Pass through Grantor</u>	CFDA, CSFA <u>Number</u>	<u>Grant ID#</u>	<u>Expenditures</u>
<u>U.S. Environmental Protection Agency</u>			
<i>Passed through Florida Department of Environmental Protection:</i>			
<i>Protection:</i>			
Surface Water Quality Monitoring	66.419	G0032	\$ 53,303
Broadway Outfall Stormwater Retrofit Project	66.460	WM793	51,148
McIntosh Park Enhanced Stormwater Project	66.460	G0039	8,807
Stormwater Management Alternatives Demo Project	66.460	WM716	25,347
River Hills Drive Outfall #2 Stormwater Retrofit	66.460	G0073	92,475
Total Program			<u>177,777</u>
Total U.S. Environmental Protection Agency			<u>231,080</u>
<u>Federal Emergency Management Administration</u>			
<i>Direct Program:</i>			
Cooperating Technical Partners-Flood Map	83.105	EMA-2002-CA-5067	2,355
Cooperating Technical Partners	83.555	EMA-2002-CA-5067	150,000
Cooperating Technical Partners-Mapping	97.045	EMA-2003-GR-5373	818,122
Community Assistance Program	97.023	EMA-2003-GR-5378	30,000
<i>Passed through Florida Department of Community Affairs:</i>			
Hurricane Charley and Tropical Storm Bonnie Disaster Assistance	97.036	FEMA-DR-1539-FL	273,620
Hurricane Frances Disaster Assistance	97.036	FEMA-DR-1545-FL	104,539
Hurricane Ivan Disaster Assistance	97.036	FEMA-DR-1551-FL	16,814
Hurricane Jeanne Disaster Assistance	97.036	FEMA-DR-1561_FL	34,929
Total Program			<u>429,902</u>
<i>Passed through Citrus County</i>			
2003 Flooding Event	83.544	FEMA-DR-1481-FL	1,284
Total Federal Emergency Management Administration			<u>1,431,663</u>
<u>U.S. Fish and Wildlife Service</u>			
<i>Direct Program:</i>			
Wolf Branch Creek Upland Restoration Project	15.FFB	1448-40181-01-G-154	7,615
<i>Passed through Florida Department of Environmental Protection</i>			
North Apollo Beach Habitat Restoration Project	15.614	G0004	43,100
Port Redwing Kitchen Ecosystem Restoration	15.614	SP605	500,000
Total Program			<u>543,100</u>
Total U.S. Fish and Wildlife Service			<u>550,715</u>
<u>National Oceanic and Atmospheric Administration</u>			
<i>Passed through Florida Department of Environmental Protection</i>			
Coastal Impact Assistance	11.419	G0002	476,335
Total National Oceanic and Atmospheric Administration			<u>476,335</u>
<u>Department of Transportation</u>			
<i>Federal Planning and Construction</i>	20.205	none	1,554,038
Total Department of Transportation			<u>1,554,038</u>
Total Expenditures of Federal Awards			<u>\$ 4,243,831</u>

(Continued)

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2004
(Continued)

<u>Federal/State Grantor/Pass through Grantor</u>	CFDA, CSFA <u>Number</u>	<u>Grant ID #</u>	<u>Expenditures</u>
<u>Department of Agriculture and Consumer Services</u>			
Facilitating Agricultural Resource Management	42.017	007375	\$ 65,652
Total Department of Agriculture and Consumer Services			<u>65,652</u>
<u>Department of Community Affairs</u>			
Hurricane Charley/Tropical Storm Bonnie Disaster Assistance	52600308	05-PA-C%-13-00-20-516	14,401
Hurricane Frances Disaster Assistance	52600308	05-PA-G%-13-00-20-829	5,502
Hurricane Ivan Disaster Assistance	52600308	05-PA-G=-13-00-16-737	885
Hurricane Jeanne Disaster Assistance	52600308	05-PA-E=-13-00-20-579	1,838
Total Department of Community Affairs			<u>22,626</u>
<u>Department of Environmental Protection</u>			
Water Management Districts - Land Acquisition:			
Florida Forever - Land Acquisition	37.022	none	35,918,542
Florida Preservation 2000 Trust Fund	37.022	none	11,250
Save Our Rivers - Ancillary	37.022	none	506,830
Save Our Rivers - Land Acquisition	37.022	none	145,200
Save Our Rivers - Land Management	37.022	none	3,589,537
Save Our Rivers - Pre-acquisition	37.022	none	431,171
Save Our Rivers - Payment in Lieu of Taxes	37.022	none	975,412
Total Program			<u>41,577,942</u>
Water Management District Permitting Assistance:			
Agreement for Implementation of Permitting Requirements	37.030	GW218	133,600
Total Program			<u>133,600</u>
Statewide Surface Water Restoration and Wastewater Projects:			
S.W.I.M. - Water Management Lands Trust Fund	37.039	none	3,569,959
North Apollo Beach Habitat Restoration Project	37.039	WAP054	225,000
Lake Panasoffkee Restoration Project	37.039	SP537	3,773,372
Lake Panasoffkee Restoration Project	37.039	none	5,095,886
Total Program			<u>12,664,217</u>
Restoration of Weeki Wachee Headsprings and Upper River	37.052	S0081	41,900
Water Quality of Weeki Wachee Headsprings & Upper River	37.052	S0082	61,006
Total Program			<u>102,906</u>
Total Department of Environmental Protection			<u>54,478,665</u>
<u>Ecosystem Trust Fund</u>			
Shell Creek	37.039	none	193,810
<u>State Appropriation - District Resolution 02-15</u>			
Lake Thonotosassa Pemberton Baker Creek	37.039	none	250,000
<u>Department of Transportation</u>			
DOT Mitigation	37.020	none	1,428,877
Seranova Wetland Enhancement Project	55.024	none	50,000
McKay Bay Melbourne Blvd Detention Pond Retrofit	55.024	AI062	7,518
Total Program			<u>57,518</u>
Maintenance and Monitoring	none	none	33,380
Total Department of Transportation			<u>1,519,775</u>
Total State Financial Assistance			<u>56,530,528</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 60,774,359</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

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

Year ended September 30, 2004

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the Southwest Florida Water Management District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 215.97, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

Year ended September 30, 2004

(1) Summary of Auditors' Results

(a)	The type of report issued on the basic financial statements:	Unqualified
(b)	Reportable conditions in internal control were disclosed by the audit of the basic financial statements:	None reported
	Material weaknesses:	No
(c)	Noncompliance which is material to the basic financial statements:	No
(d)	Reportable conditions in internal control over major federal awards programs and state projects:	None reported
	Material weaknesses:	No
(e)	The type of report issued on compliance for major federal programs and state projects:	Unqualified opinion
(f)	Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133 or Section 215.97 <i>Florida Statutes</i> :	No
(g)	The major programs/projects tested are as follows:	
	Federal Programs:	
	National Oceanic and Atmospheric Administration:	
	Coastal Impact Assistance	11.419
	U.S. Fish and Wildlife Service:	
	Coastal Wetlands Planning	15.614
	Department of Homeland Security:	
	Cooperating Technical Partners - Mapping	97.045
	Hurricane Disaster Assistance	97.036
	State Projects:	
	Water Management Districts – Land Acquisition	37.022
(h)	Dollar threshold used to distinguish between Type A and Type B programs/projects:	
	Federal programs	\$ 300,000
	State projects	1,695,916
(i)	Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133:	Yes

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

Schedule of Findings and Questioned Costs

Year ended September 30, 2004

- | | |
|--|------|
| (2) Findings Relating to the Financial Statements Reported in Accordance With <i>Government Auditing Standards</i>: | None |
| (3) Findings and Questioned Costs Relating to Federal Programs: | None |
| (4) Findings and Questioned Costs Relating to State Projects: | None |

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Management Letter



KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

Management Letter

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

We have audited the financial statements of the governmental activities and each major fund of the Southwest Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2004, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 14, 2005.

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. We have also issued our report dated January 14, 2005, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. Disclosures in that report, if any, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of governmental audits performed in the State of Florida and require that certain items be addressed in this letter. The *Rules of the Auditor General*, Section 10.554(1)(h)(1) require that, unless otherwise required to be reported in the auditors' report on internal control over financial reporting and compliance and other matters or in the schedule of findings and questioned costs, a management letter shall include a statement as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no significant findings or recommendations made in the preceding annual financial audit.

The *Rules of the Auditor General*, Section 10.554(1)(h)(2) require that we determine whether or not the District complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds. The District was in compliance with Section 218.415, *Florida Statutes* as it relates to the investment of public funds.

The *Rules of the Auditor General*, Section 10.554(1)(h)(3) require that we report any recommendations to improve the District's financial management, accounting procedures, and internal controls. There were no recommendations to improve the District's financial management, accounting procedures, and internal controls.

The *Rules of the Auditor General*, Section 10.554(1)(h)(4) state that, if not already reported in the auditors' report on internal control over financial reporting and compliance and other matters or in the schedule of findings and questioned costs, the management letter shall include, unless clearly inconsequential:

- (a) Violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and were discovered within the scope of the audit.



- (b) Improper or illegal expenditures discovered within the scope of the audit that may not materially affect the financial statements.
- (c) Deficiencies in internal control that are not reportable conditions, including, but not limited to:
 - (1) Improper or inadequate accounting procedures (i.e., the omission of required disclosures from the annual financial statements).
 - (2) Failures to properly record financial transactions.
 - (3) Other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

The results of our audit disclosed no violations of laws, rules, regulations or contractual provisions or abuse, no improper or illegal expenditures, or other deficiencies in internal control which are not otherwise reported.

The *Rules of the Auditor General*, Section 10.554(1)(h)(5) also require that we report on the District's name or official title and legal authority. The disclosure of this information is included in the notes to the financial statements.

As required by the *Rules of Auditor General*, Section 10.554(1)(h)(6)(a), the scope of our audit included a review of the provisions of Section 218.503(1), *Florida Statutes*, regarding financial emergencies. In connection with our audit, we determined that the District is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), *Florida Statutes*.

As required by the *Rules of the Auditor General* Section 10.554(1)(h)(6)(b), we determined that the annual financial report for the District for the fiscal year ended September 30, 2004, to be filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2004.

As required by the *Rules of the Auditor General* Sections 10.554(1)(h)(6)(c) and 10.556, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

KPMG LLP

January 14, 2005