

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Fiscal Year Ended September 30, 2007*



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, 2007*

*Prepared by: Finance Department*

Southwest Florida  
*Water Management District*



WATERMATTERS.ORG · 1-800-423-1476

*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.*

The District does not discriminate upon the basis of any individual's disability status. This non-discrimination policy involves every aspect of the District's functions, including one's access to, participation, employment, or treatment in its programs or activities. Anyone requiring reasonable accommodation regarding this document as provided for in the Americans with Disabilities Act should contact Finance administration at (352) 796-7211 or 1-800-423-1476 (Florida only), extension 4121; TDD only: 1-800-231-6103; Fax: (352) 540-6011; Suncom Fax: 663-6011.

**Southwest Florida Water Management District  
Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2007**

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# Introductory Section

- Letter of Transmittal
- GFOA Certificate of Achievement
- Boundary Map
- Organizational Chart Listing Principal Officials
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March 25, 2008

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, 2007, is hereby submitted.

State law requires that local governmental entities publish within 12 months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2007.

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

KPMG LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended September 30, 2007. The independent auditors' report is located at the front of the financial section of this report.

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

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

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

A 13-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 44 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.

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 disclosure 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.



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, 2007, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2008, 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.**<sup>1</sup> Short-term estimates and forecasts again show the economy of the counties in the District matching or exceeding growth rates in many economic measures relative to the State as a whole and the nation. Nonetheless, the latest growth rates and forecasts are lower than the previous year's estimates.

Total employment Districtwide and statewide grew around 2.2 percent from 2006 to 2007 versus 1.65 percent for the nation. Total employment in the District should increase around 6.5 percent between 2007 and 2010 versus 6.42 percent for Florida and 4.86 percent for the nation. Any above normal hurricane and tropical storm activity in the future may affect growth rates.

In the next three years, the fastest Districtwide increases in employment between 2007 and 2010 are expected in Services (10.31 percent), Agricultural Services (5.31 percent) and Construction (2.96 percent). Only in the Services sector is the District poised to outperform both the state and the nation through 2010. Slower growth relative to the state and the nation are expected in mining and construction. The manufacturing sector is expected to continue to shrink at all levels. Manufacturing employment in the District is expected to decline 0.48 percent—a greater decline than at the state or the national levels.

Real per capita income in the District experienced a moderate increase of 1.06 percent between 2006 and 2007 versus 1.0 percent for the state and 0.93 percent for the nation. By 2010, real per capita income in the District is projected to increase 4.12 percent over its 2007 level and exceed state and national projections of 3.52 percent and 3.72 percent, respectively.

Construction and real estate are traditionally two of the most dynamic sectors in the District. The District is now entering a second year of a slow down in the construction sector. As of

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<sup>1</sup> Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. 2007 State Profile: State and County Projections to 2030.

September 2007, builders in the District's Metropolitan Statistical Areas (MSAs) have pulled less than half the permits they did a year ago<sup>2</sup>. Yearly third quarter sales of existing single-family homes and condominiums fell for the second straight year<sup>3 4</sup>. Sales of existing single family homes fell in the four MSAs within the District: Lakeland-Winter Haven (-42 percent), Punta Gorda (-16 percent), Sarasota-Bradenton (-25 percent), and Tampa-St. Petersburg-Clearwater (-40 percent). Existing condominium sales also declined between 29 percent (Tampa-St. Petersburg-Clearwater) and 71 percent (Punta Gorda). Existing single-family homes' median sale prices were 2 percent (Lakeland-Winter Haven) to 20 percent (Punta Gorda) lower than in September 2006.

The housing sector recovery has been hampered by ballooning foreclosures nationwide<sup>5</sup>. Within the District, six communities are experiencing an unprecedented number of foreclosures<sup>6</sup>. This excess inventory may take time to clear. Long term construction employment forecasts (2007–2030) show an average annual increase of 0.99 percent which is significantly lower than the 2006 forecast of 1.47 percent average annual increase for 2006–2030 and the 1.58 percent forecast in 2005 for 2005–2030. More recent forecasts are for significantly lower growth in the housing sector for some time to come.

In terms of tourism, there were neither hurricanes nor red tides this year. The St. Petersburg/Clearwater Area Convention and Visitors Bureau reported that in August 2007 total visitors were up 1.3 percent relative to August 2006. However, the 2007 winter occupancy rate (82.6 percent) remained below both the 2006 (84.5 percent) and 2005 (86.1 percent) winter rates. Even so, it bodes well that tourists are staying longer, spending more, enjoying a higher level of satisfaction, and are more likely to return<sup>7</sup>. The weakening dollar may also make Florida travel more attractive to European and Canadian travelers in the coming year.

Agriculture usually plays a moderating role in the region's economy. Although employment growth is slower in agriculture than in other sectors, on-farm employment in the District expanded 0.56 percent between 2006 and 2007 versus 0.33 percent in the state as a whole. Farm employment in the District will increase 1.7 percent by 2010. This growth is almost double the rate of growth in this sector for the state as a whole (0.98 percent). In 2007, District farmers reported earnings growth of 2.99 percent. This was just slightly ahead of the nation (2.22 percent) and the state (2.71 percent). Between 2007 and 2010, increases in farm earnings in the District will continue to outpace the state and the nation with earnings increases at 9.19 percent.

With no hurricanes making landfall and citrus canker apparently contained, Citrus growers have reason to be optimistic about the quality of their product and bulk prices. The Citrus sector appears to have fully recovered from last year's abysmal crop<sup>8</sup>. The 2007-2008 Navel and Valencia production forecast calls for 8.8 percent and 37.2 percent more fruit, respectively. However, grapefruit production will

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<sup>2</sup> Permits Using New OMB\*\* Definitions for Metropolitan Statistical Areas (MSAs). National Association of Home Builders. [http://www.nahb.org/fileupload\\_details.aspx?contentid=55104&channelID=311](http://www.nahb.org/fileupload_details.aspx?contentid=55104&channelID=311) (Accessed: November 15, 2007).

<sup>3</sup> Florida Sales Report – September 2007. Single-Family, Existing Homes. Florida Association of Realtors and the University of Florida Real Estate Research Center.

[http://media.living.net/statistics/2007/September\\_2007\\_home\\_chart.pdf](http://media.living.net/statistics/2007/September_2007_home_chart.pdf). (Accessed: November 15, 2007).

<sup>4</sup> Florida Sales Report – September 2007. Existing Condominiums. Florida Association of Realtors and the University of Florida Real Estate Research Center.

[http://media.living.net/statistics/2007/September\\_2007\\_home\\_chart.pdf](http://media.living.net/statistics/2007/September_2007_home_chart.pdf). (Accessed: November 15, 2007).

<sup>5</sup> "Foreclosures spike; Florida among worst". St. Petersburg Times. November 14, 2007.

[http://www.sptimes.com/2007/11/14/Business/Foreclosures\\_spike\\_FI.shtml](http://www.sptimes.com/2007/11/14/Business/Foreclosures_spike_FI.shtml). (Accessed: November 16, 2007).

<sup>6</sup> "A hot spot for foreclosures may get hotter". St. Petersburg Times. July 13, 2007.

[http://www.sptimes.com/2007/07/13/Brandontimes/A\\_hot\\_spot\\_for\\_forecl.shtml](http://www.sptimes.com/2007/07/13/Brandontimes/A_hot_spot_for_forecl.shtml). (Accessed: November 16, 2007).

<sup>7</sup> "August 2007 Visitor Profile." Prepared for the St. Petersburg/Clearwater Area Convention and Visitors Bureau by Research Data Services, Inc. November 10, 2007.

<sup>8</sup> "Citrus forecast is up, so are grower spirits". Hundley, Kris. St. Petersburg Times. October 13, 2007.

[http://www.sptimes.com/2007/10/13/Business/Citrus\\_forecast\\_is\\_up.shtml](http://www.sptimes.com/2007/10/13/Business/Citrus_forecast_is_up.shtml). (Accessed: November 17, 2007).

decrease 8.1 percent. Total on-tree revenues for all Florida citrus will be down slightly (3.2 percent) to \$1.3 billion<sup>9</sup> due to increased production and lower prices – but may be spread more evenly among growers.

In 2007, Florida tomato producers are facing sharply lower third quarter point-of-first-sale (farm) prices for tomatoes than in the previous two years. In 2007, producers are receiving just over \$0.30 per pound. In contrast, they were paid \$0.45 per pound and \$0.75 per pound in 2005 and 2006, respectively. Not surprisingly, Florida tomato harvested area is projected to be 26 percent smaller than in 2006. Moreover, competition from California, Mexico, and hothouses across the U.S., has checked total harvested acreage at less than 50 percent of the 1999 level (17,000 acres). On a brighter note, fresh snap beans, sweet corn, and bell pepper acreage in Florida is up 27 percent this year.

Lastly, the District is in the grip of a severe drought. The District is entering the dry season with a rainfall deficit of over 13 inches compared to the historical 12 month cumulative total<sup>10</sup>. As a precaution, some public water supply utilities are incorporating emergency water rates into their water and sewer ordinances to protect revenues. Right now, it is not possible to gauge the depth and breadth of the impact of the drought on the District's economy if additional water use restrictions must be adopted.

In summary, the good position of the District in forecasts relative to the state and nation notwithstanding, the non-agricultural economy of the region is under a cloud of uncertainty due primarily to the turmoil in the construction and real estate sectors. The economy is expected to cool in the near term and the drought is a looming question mark. The Citrus industry (and agriculture in general) is playing its role as a moderating force in the economy. It is expected to experience modest growth in employment and earnings. The effects of the housing slow down, legislatively mandated property tax reductions (2007 House Bill 1B, as enacted), and additional tax reductions resulting from the passing of Amendment 1 in January 2008, may significantly impact the willingness and ability of the District and local governments to enter into cooperative funding agreements to finance land acquisition and environmental restoration projects.

Over the longer term, the weak housing market and mandated tax revenue reductions may also reduce the dollars available for the District to co-fund regional water supply projects with property tax revenues. Local water supply projects are primarily funded through impact fees and rates. Except for some reduction in impact fee revenue due to the weak construction sector, the water supply industry should be relatively well insulated from the downturn in housing and mandated property tax cuts.

**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, the District Strategic Plan, annual development of a Program Budget, and a Five-Year Capital Improvements 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 Long-Range Water Supply and Water Resource Development Funding Plan (formerly known as the Financial Engine). The District's Regional Water Supply Plan (RWSP) shows that at least an additional 409 million gallons per day (mgd) of new water supplies will be required by 2025. It is estimated that at least half of this need has either been met or will be met by projects that were under development as of December 2006. The bulk of the remaining water demand will be met by several large scale water supply development projects identified in the RWSP. The capital cost of these projects, combined with

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<sup>9</sup> Citrus statistics are derived from: Brown, Mark G. Florida Citrus Outlook 2007-08 Season. Prepared for the Florida Citrus Commission's Economic and Market Research Committee. October 31, 2007.

<sup>10</sup> Hydrologic Conditions for the month of September 2007. Hydrologic Data Section. Operations Department. Southwest Florida Water Management District. October 30, 2007.  
<http://www.swfwmd.state.fl.us/waterres/hydro/files/september07hydro.pdf>. (Accessed: November 18, 2007).

the cost of District water resource development projects to restore the minimum flows to the upper Peace River, is estimated in the RWSP at approximately \$2.17 billion. The Long-Range Funding Plan addresses this need by combining and projecting funds available from the District, project cooperators, the State's Water Protection and Sustainability Program, and other state and federal appropriations on a pay-as-you go funding strategy. The RWSP identifies \$2.44 billion from these sources through 2025, which should be sufficient to cover the capital costs indicated, if the District can "stay the course" in retaining ad valorem taxes, with the remaining \$270 million to be used for smaller scale water supply projects and as a reserve for the development of projects to replace water supplies that may be reduced as the result of the establishment or revision of minimum flows and levels. This Long-Range Funding Plan is reviewed and updated annually as part of the District budget process to keep pace with evolving water supply plans and the potential revenue impacts of various tax reform proposals. The RWSP is updated on a five-year cycle. It should also be noted that over the long term, the weak housing market and mandated tax revenue reductions from the passing of Amendment 1 in January 2008 may significantly reduce the dollars available for the District to co-fund regional water supply projects with property tax revenues. See Note V.E., *Subsequent Events*, on page 50, for further information regarding the Amendment.

**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 (SBA), and in government securities with maturities of not to exceed three 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 5.19 percent. Interest earnings include appreciation in the fair value of investments. Increases 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. Subsequent to year-end (November 29, 2007), there were issues with the SBA administered Local Government Surplus Trust Fund Investment Pool that had no impact on the financial statements herein, but may have an impact on the next fiscal year ending September 30, 2008. See Note V.E., *Subsequent Events*, on page 50, for more information.

**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 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.

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. The District has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the FRS.

**Debt Administration.** The District continued to have no outstanding bonded debt at the end of fiscal year 2007.

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada 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, 2006. This was the 19th 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 GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the District's 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 Communications Department staff for the design of the cover and tabs, and the Document Services Section staff 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









**SOUTHWEST FLORIDA  
WATER MANAGEMENT DISTRICT**

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

**FINANCE DEPARTMENT**

**Department Director**

Daryl F. Pokrana

**Assistant Director**

Linda R. Pilcher

**Section Managers**

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

**Accounting & Financial Reporting Staff**

**Accounting**

Julie McClung, Sr. Supervisor  
Darlene Gent  
Sonja Grant  
Ann Kenny  
Scott Kinel  
Johnathan Walker

**Financial Compliance**

Patty Williams

**Property Administration**

Kerri Meadors

**Administrative Supervisor**

Spring Aikens

**Accounts Payable**

Karen Frazier, Supervisor  
Crystal Buck  
Reed Clickener  
Ellen Cuarta  
Mary Hrivnak  
Judy Misener  
Shelia Roush  
Sanita Savarese  
Melissa Williams



# 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**

The Members of the Governing Board  
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, 2007, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2007, 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 U.S. generally accepted accounting principles.

As discussed in Note V.D. to the financial statements, the District adopted the recognition and disclosure provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, as of October 1, 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2008 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 14 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. 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. 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*, and Section 215.97, *Florida Statutes*. 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

March 10, 2008  
Certified Public Accountants

## **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, 2007. 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 15.

### **Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1.2 billion. Of this amount, \$452 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 in the amount of \$271.6 million and 2) pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.8 million. The remaining net assets are earmarked for Water Supply and Resource Development projects and funding for future years.
- The District's total net assets increased by \$104.6 million. The majority of the increase is attributable to the Governing Board's decision to set aside current year revenues to fund future projects that will incur expenses in future years necessary to address long-term water supply and resource development needs consistent with the District's Regional Water Supply Plan. Such decisions are earmarked through the establishment of designations of fund balance.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$563.1 million, an increase of \$109.1 million in comparison with the prior year. Of this total amount, \$205.8 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 15 and 16 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 53 and 54 of this report, as other supplemental information.

The governmental fund financial statements can be found on pages 17 through 30 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 31 through 51 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 Compliance and Management Letter sections of this report.

## Government-wide Financial Analysis

The overall condition of the District improved in both fiscal years 2007 and 2006.

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 \$1.2 billion. At September 30, 2007, 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 \$104.6 million. The majority of the increase is attributable to the Governing Board's decision to set aside current year revenues to fund future projects that will incur expenses in future years necessary to address long-term water supply and resource development needs consistent with the District's Regional Water Supply Plan. Such decisions are earmarked through the establishment of designations of fund balance.

### Southwest Florida Water Management District's Net Assets

	Governmental Activities	
	2007	2006
Current and Other Assets	\$ 668,405,607	\$ 527,488,475
Capital Assets	689,145,591	693,083,691
Total Assets	<u>1,357,551,198</u>	<u>1,220,572,166</u>
Current and Other Liabilities	104,708,028	72,843,716
Long-term Liabilities	26,662,747	26,115,955
Total Liabilities	<u>131,370,775</u>	<u>98,959,671</u>
Net Assets:		
Invested in Capital Assets	689,145,591	693,083,691
Restricted for:		
Partnership Agreement	85,000,000	85,022,824
Unrestricted	452,034,832	343,505,980
Total Net Assets	<u>\$ 1,226,180,423</u>	<u>\$ 1,121,612,495</u>

By far the largest portion of the District's net assets in the amount of \$689.1 million (56 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.

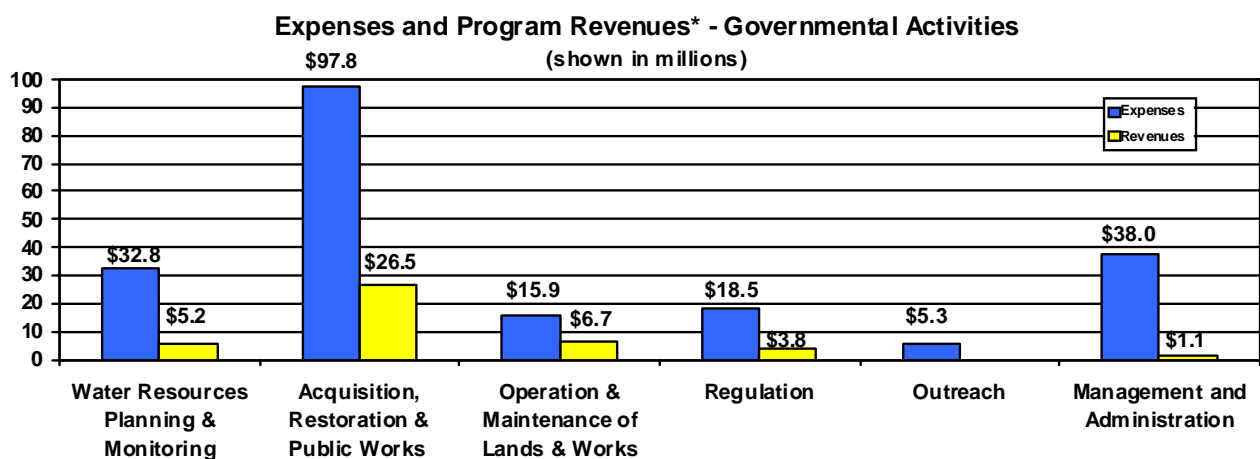
Restricted net assets in the amount of \$85 million (7 percent) represent resources that are subject to external restrictions on how they may be used.

Unrestricted net assets in the amount of \$452 million (37 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 in the amount of \$271.6 million and 2) to pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.8 million based on an independent actuarial determination. The remaining funds are earmarked for Water Supply and Resource Development projects and funding for future years.

**Governmental activities.** Governmental activities increased the District's net assets by \$104.6 million. Changes in key elements of this increase are as follows:

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

	Governmental Activities	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	\$ 5,780,825	\$ 6,757,426
Operating grants and contributions	34,828,465	29,109,494
Capital grants and contributions	2,691,252	25,585,607
General revenues:		
Ad valorem property taxes	237,448,913	189,355,313
Unrestricted investment earnings	28,204,657	19,640,423
Other	3,880,051	5,311,387
Total Revenues	<u>312,834,163</u>	<u>275,759,650</u>
Expenses:		
Water Resources Planning and Monitoring	32,807,602	30,510,960
Acquisition, Restoration and Public Works	97,762,937	49,035,932
Operation and Maintenance of Lands and Works	15,914,021	15,929,460
Regulation	18,493,860	16,493,948
Outreach	5,306,415	4,543,475
Management and Administration	37,981,400	32,988,524
Total Expenses	<u>208,266,235</u>	<u>149,502,299</u>
Change in net assets	104,567,928	126,257,351
Net assets - beginning of year	1,121,612,495	995,355,144
Net assets - end of year	<u>\$ 1,226,180,423</u>	<u>\$ 1,121,612,495</u>



\* Program Revenues exclude ad valorem property taxes in accordance with Governmental Accounting Standards Board, Statement No. 34 – See Note I.B. on page 31.



## Revenues

**Ad valorem property taxes** are the District's primary source of revenue. For fiscal year 2007, ad valorem property taxes increased \$48.1 million (25.4 percent) above fiscal year 2006. The general fund Districtwide millage rate and seven of the eight Basin millage rates remained at the same levels as fiscal year 2006. The Coastal Rivers Basin decreased its millage rate from 0.235 to 0.205. The increase in ad valorem property tax revenues is due to higher property valuations resulting from resales, reassessments and new construction throughout the District.

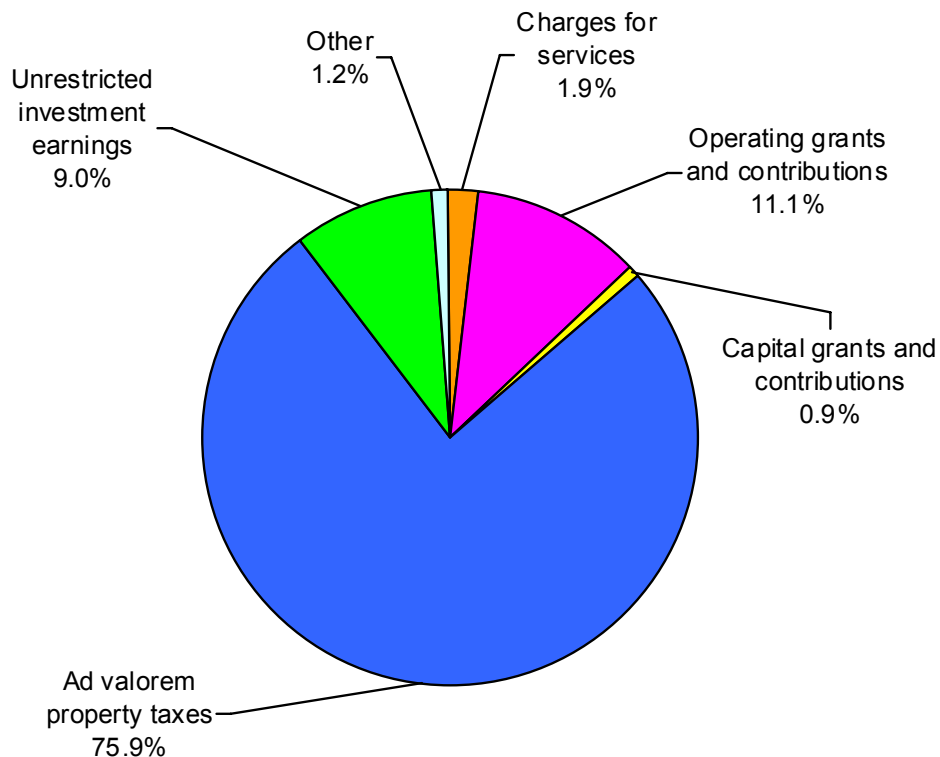
**Operating grants and contributions** increased by \$5.7 million (19.6 percent) above fiscal year 2006, due primarily to an increase in intergovernmental revenues received from the Water Protection and Sustainability Trust Fund for alternative water supply and surface water restoration projects and the State Transportation Trust Fund for mitigation projects.

**Capital grants and contributions** decreased by \$22.9 million (89.5 percent) below fiscal year 2006 due primarily to a reduction in the number of acres of land acquired in fiscal year 2007 as compared with fiscal year 2006. The Florida Department of Environmental Protection provided the majority of this revenue from the Florida Forever Trust Fund for land acquisition.

**Unrestricted investment earnings** increased by \$8.6 million (43.6 percent) above fiscal year 2006 due to rising interest rates and a larger amount of invested cash in fiscal year 2007. The District received a 4.2 percent average yield on its investments during fiscal year 2006 compared with an average yield of 5.2 percent during fiscal year 2007.

**Other Revenues** decreased by \$1.4 million (26.9 percent) below fiscal year 2006 due primarily to a reduction in revenue from the sale of assets of approximately \$4.2 million, offset by three parcels of land that were donated in fiscal year 2007 to the District with a combined fair market value of approximately \$2.7 million.

**FY2007 Revenues by Source – Governmental Activities**



## Expenses

**Acquisition, Restoration and Public Works** program expenses increased \$48.7 million (99.4 percent) compared with fiscal year 2006. 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 increase in expenses is due to a number of different projects relating to this program area. Capitalized costs associated with the Lake Panasoffkee Restoration project have been removed from construction in progress as they were deemed by management to have no further value, and were recorded as expenses during fiscal year 2007. In addition, actual expenditures associated with cooperative funding and restoration projects are incurred as work on the projects is completed. Since the projects are often multi-year and the work is generally completed by local governments with the District reimbursing costs, expenditures can fluctuate year to year depending on the status of the projects and when they are completed. A few examples of some of the bigger projects that have gotten underway and started incurring substantial costs in fiscal year 2007 as compared to fiscal year 2006 are as follows:

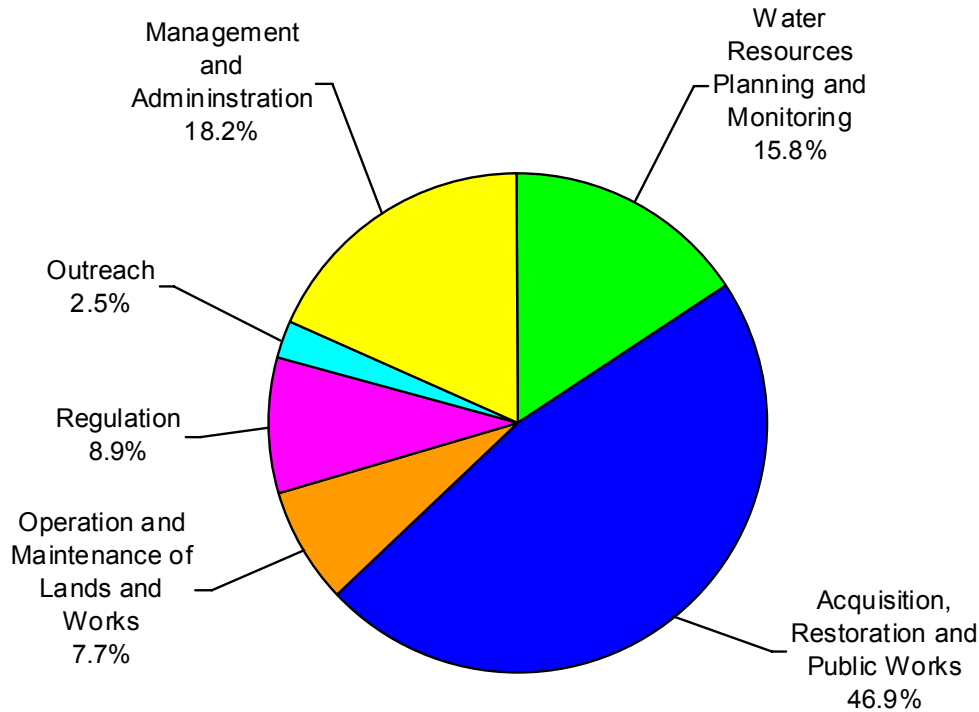
- Peace River Facility Expansion project
- West Pasco Infrastructure Improvement – Starkey/North Pasco Wellfields project
- Tampa Bay Water System Configuration 2 project
- Lake Hancock project

**Regulation** program expenses increased \$2 million (12.1 percent) compared with fiscal year 2006. Expenses included in this program include 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. The increase in expenses is due to the increased costs for mandated programs, specifically the regional environmental resource permitting.

**Outreach** program expenses increased \$0.8 million (16.8 percent) compared with fiscal year 2006. Expenses included in this program include 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. The increase in expenses relates to several areas such as increased funding for educating teachers and providing educational materials for their use; and supporting a variety of environmental and water resource related projects such as, Florida Yards and Neighborhoods, Adopt-A-Pond, Watershed Education, and the Student Estuarine Science Stewardship program.

**Management and Administration** expenses increased \$5 million (15.1 percent) compared with fiscal year 2006. Expenses included in this program include all Governing and Basin Board support; executive support; management information systems; contingencies; and general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services. The increase in expenses relates to several areas such as increased tax commission expenses for county property appraisers and tax collectors, loss on the disposal of capital assets, increased infrastructure costs associated with the District's information systems technologies and the implementation of the Districtwide strategic information systems, and increased outside legal expenses.

## FY2007 Expenses by Program – Governmental Activities



### 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, 2007, unreserved fund balance totals \$205.8 million. This total includes deficit undesignated fund balances totaling \$29.3 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 39). 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 \$235.1 million available for spending at the District's discretion. Of this amount, the Governing Board has designated \$233.2 million for various purposes including Water Supply and Resource Development, and funding for the fiscal year 2008 budget. Reserved fund balance totals \$357.3 million and is reserved to indicate that it is not available for new spending because it has already been committed to 1) liquidate \$356.5 million in contracts and purchase orders and 2) pay approximately \$0.8 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 \$159.6 million, while the total fund balance was \$233.6 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 \$106.7 million. Unreserved, including undesignated, fund balance represents 149.6 percent of the total general fund expenditures, while total fund balance represents 219 percent of that same amount.

In the general fund, the Governing Board has designated \$139.7 million for projects and reserves primarily for Water Supply and Resource Development, \$18.3 million as funding for the fiscal year 2008 budget, and \$0.6 million for the self-funded workers' compensation program. The remaining \$1 million is available to offset ad valorem property tax requirements as balance forward in future years.

At September 30, 2007, the District's governmental funds reported combined ending fund balances of \$563.1 million, an increase of \$109.1 million in comparison with the prior year. Several of the major funds had increases in fund balances during the fiscal year. Generally, these increases are due to the Governing Board's decision to utilize current year revenues to fund future projects. Evidence of these decisions is through the establishment of reservations of fund balances. Additionally, increases in fund balance are due to budgeted expenditures which did not occur in the current year. For fiscal year 2007, the individual funds with the most significant increases in fund balance include the general fund, the Hillsborough River Basin, the Northwest Hillsborough Basin, the Pinellas-Anclote River Basin and the Manasota Basin.

The fund balance of the *general fund* increased \$62.4 million during the current fiscal year due primarily to the Governing Board's decision to set aside current year revenues to fund the following reserves and projects:

#### Reserves

- Water Supply and Resource Development (WSRD), \$44.8 million
- Contingencies, \$3.7 million

#### WSRD Projects

- Peace River Regional Reservoir Expansion, \$2.6 million budgeted and \$0.2 million expended
- Pasco County State Road 52 East/West Regional Reclaimed Water Interconnect, \$1.6 million budgeted and \$15,000 expended
- Pasco County Wet-Weather Reclaimed Water Reservoir – Boyette, \$1.5 million budgeted and \$0.5 million expended.

The fund balance of the *Hillsborough River Basin* increased \$7 million during the current fiscal year due primarily to the Basin Board's decision to set aside current year revenues to fund the following reserves and projects:

#### Reserves

- WSRD, \$3.1 million
- Contingencies, \$1 million
- Stormwater Implementation, \$1 million

#### Cooperative Funding Projects

- Hillsborough County/Tampa – Implementation of Best Management Practices (BMP's) Duck Pond, \$1.5 million budgeted and \$1,800 expended
- Tampa – Implementation of BMP's Dale Mabry: Neptune-Herderson, \$2.7 million budgeted and less than \$1,000 expended.

The fund balance of the *Northwest Hillsborough River Basin* increased \$6 million during the current fiscal year due primarily to the Basin Board's decision to set aside current year revenues to fund the following reserves and projects:

#### Reserves

- Stormwater Implementation, \$2.4 million
- Contingencies, \$0.6 million
- WSRD, \$0.5 million

#### Cooperative Funding Projects

- Tampa - Implementation of BMP's – Dale Mabry: Neptune-Henderson, budgeted \$1.8 million and no expenditures incurred.

The fund balance of the *Pinellas-Anclote River Basin* increased \$17.5 million during the current fiscal year due primarily to the Basin Board's decision to set aside current year revenues to fund the following reserve and projects:

#### Reserve

- Contingencies, \$1.6 million

#### Basin Initiative Projects

- Sawgrass Lake Restoration, \$7.5 million budgeted and \$0.3 million expended
- Lake Tarpon Outfall Canal Restoration, \$3.6 million budgeted and \$46,000 expended

#### Cooperative Funding Projects

- Clearwater – Morningside Area Reclaimed Water Transmission and Distribution, \$1 million budgeted and less than \$1,000 expended
- Pinellas County – Implementation of BMP's Alligator Creek WS-Channel B: Area III, \$1.3 million budgeted and \$3,200 expended
- Pinellas County – Implementation of BMP's Bee Branch Watershed, \$2 million budgeted and no expenditures incurred
- Clearwater – Implementation of BMP's Stevenson's Creek WS-Spring Branch, \$1 million budgeted and no expenditures incurred
- St Petersburg – Implementation of BMP's 30<sup>th</sup> Avenue North & Vicinity, \$1.5 million budgeted and \$51,000 expended.

The fund balance of the *Manasota Basin* increased \$8.1 million during the current fiscal year due primarily to the Basin Board's decision to set aside current year revenues to fund the following reserve and projects:

#### Reserve

- Contingencies, \$0.7 million

#### WSRD Projects

- Peace River Regional Reservoir Expansion, \$1.9 million budgeted and \$0.2 million expended
- Peace River Facility Expansion, \$3.4 million budgeted and \$0.9 million expended
- PR/MRWSA – Reg Integ Loop Sys – Phases 1, 2 and 3, \$2 million budgeted and \$4,000 expended

#### Cooperative Funding Project

- Sarasota County – Implementation of BMP's Phillippi Creek/Celery Fields, \$1.3 million budgeted and \$0.3 million expended.

### **General Fund Budgetary Highlights**

During the year there was a \$451,139 increase in appropriations between the original and final amended budget to reflect additional revenue received from the State's Water Protection and Sustainability Trust Fund for the Peace River/Manasota Regional Water Supply Authority Regional Reservoir Expansion project.

In total, the general fund revenue budget was \$198.3 million with actual revenues of \$176 million, resulting in a variance of \$22.3 million (11.2 percent). The variance is primarily due to a reduction in intergovernmental revenues.

Intergovernmental revenues are recognized at the time related expenditures are incurred. For fiscal year 2007, the Intergovernmental Revenues budget was \$42.8 million and actual revenues were \$9.8 million, resulting in a variance of \$33.1 million (77.2 percent). The decrease is due primarily to outside funding being budgeted to fund various District projects that are currently in the planning stages and have not incurred a significant amount of expenditures.

The District's 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, page 33). The general fund budget-to-actual expenditure variances are primarily due to encumbrances that exist at year-end for projects that are often multi-year, resulting in expenditures that do not always coincide with the budget period; and reserves established to fund various long-term programs or initiatives consistent with the Regional Water Supply Plan. After removing the encumbrances from the budget-to-actual variances, one program area showed a significant variance.

The District Management and Administration program budget was \$48.8 million and actual expenditures were \$35.3 million. After removing encumbrances totaling \$4.4 million, a variance of \$9.1 million (18.6 percent) remains. The variance is primarily due to: \$3.7 million of budgeted reserves not required in fiscal year 2007; commission expenditures that were \$2 million less than anticipated due primarily to the refund of excess commissions from county property appraisers and tax collectors; fuel and lubricant expenditures that were \$0.3 million less than anticipated; risk management workers' compensation and operating expenditures that were \$0.4 million less than anticipated; and the Information Resources Department payroll expenditures that were \$0.3 million less than anticipated due to position vacancies and turnover.

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

### **Capital Assets**

The District's investment in capital assets at September 30, 2007, amounted to \$689.1 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:

- The District acquired approximately 70.4 acres in Hillsborough County for the Lower Hillsborough Flood Detention Area project. The District's share of the land acquisition costs (not including ancillary costs) totaled \$1.75 million and was funded from the Florida Forever Trust Fund and an additional \$1.75 million was contributed by Hillsborough County.
- In connection with the Lake Hancock project, the District acquired approximately 370 acres in Polk County at a cost of \$3.7 million. The District's share of the land acquisition costs (not including ancillary costs) was funded from the Florida Forever Trust Fund.
- Capitalized costs of approximately \$17.4 million, associated with the Lake Panasoffkee Restoration project have been removed from construction in progress as management has determined there is no future value to the District in the materials.

- Following are some of the construction in progress projects that were completed during fiscal year 2007:
  - Wellsite - ROMP 29A Sebring Site (Jackson)
  - Nature's Classroom Environmental Educational Center
  - Bartow Office Security System
  - Sarasota Office Security System
  - Tampa, Building 2 Renovations

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

	2007	2006
Land	\$ 537,664,192	\$ 528,043,212
Land Interests (less-than-fee)	32,245,555	32,205,042
Buildings	26,529,520	25,895,143
Machinery and Equipment	10,192,094	8,994,843
Infrastructure	75,238,582	77,930,526
Construction in Progress	7,254,049	19,982,673
Other Capital Assets	21,599	32,252
Total Assets	\$ 689,145,591	\$ 693,083,691

Additional information on the District's capital assets can be found in Note I.E.4. on page 35 and Note IV.E. on page 43.

**Economic Factors and Next Year's Budgets and Rates**

The District's primary source of funding is ad valorem property tax revenue. Property tax values within the District increased 9.91 percent in 2007 due to property resales, reassessments and new construction. The property tax levy for fiscal year 2008 budget requirements is based on the tax roll for calendar year 2007. The Districtwide general fund and all eight Basins adopted millage rates in compliance with recent tax reform legislation (2007 House Bill 1B, as enacted). For fiscal year 2008, this legislation established a maximum millage rate for independent special districts including the water management districts equal to 97 percent of the rolled-back rate. Ad valorem tax revenue for fiscal year 2008 is budgeted at \$237.5 million, approximately the same amount as received in fiscal year 2007. Additionally, on January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation (see Note V.E., page 51).

Since fiscal year 2002, the Governing Board has directed that additional funds resulting from ongoing efficiency initiatives and tax base growth be applied toward high-priority Water Supply and Resource Development projects and reserves, including funds allocated for the projects outlined in the Regional Water Supply Plan through 2025. Any reductions in ad valorem property tax revenues would impact the District's level of funding for the critical Water Supply and Resource Development program.

The current economic conditions and the improved interest rates positively affected the District's investment earnings for fiscal year 2007. The District received a 5.2 percent yield on its investments during fiscal year 2007. Interest earnings for fiscal year 2008 were conservatively based on a 5 percent rate of return, up from the 4.5 percent assumption used in fiscal year 2007. For fiscal year 2008, it is expected that interest earnings will decline. The rate is expected to be closer to 4 percent. As of the first quarter of fiscal year 2008, interest earnings appear to actually be on track with the fiscal year 2008

budget. Management will closely monitor interest revenue throughout the fiscal year and report any variances to the Governing Board as conditions warrant.

During the current fiscal year, the unreserved fund balance in the general fund increased to \$159.6 million. The Governing Board has designated \$139.7 million for projects and reserves primarily for water supply and resource development, \$18.3 million as funding for the fiscal year 2008 budget, and \$0.6 million for the self-funded workers' compensation program. The remaining \$1 million is available to offset ad valorem property tax revenue 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@WaterMatters.org](mailto:Daryl.Pokrana@WaterMatters.org).





# 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, 2007**

<b>ASSETS</b>	<u>Governmental Activities</u>
Cash and Investments	\$ 516,186,017
Receivables	21,821,873
Deposits	40,000
Inventories	73,291
Other Assets	160,749
Restricted assets:	
Cash and Investments	125,790,954
Intergovernmental Receivable	4,262,900
Interest Receivable	69,823
Capital Assets (net of accumulated depreciation):	
Land	537,664,192
Land Interests	32,245,555
Buildings	26,529,520
Machinery and Equipment	10,192,094
Infrastructure	75,238,582
Construction in Progress	7,254,049
Other Capital Assets	21,599
Total Assets	<u>1,357,551,198</u>
 <b>LIABILITIES</b>	
Accounts and Contracts Payable	59,576,946
Payroll and Related Costs	2,652,246
Contracts Payable-Retainage	2,178,263
Due To Other Governments	73,008
Unearned Revenue	32,397,686
Liabilities Payable From Restricted Assets	7,829,879
Noncurrent Liabilities:	
Due Within One Year	1,584,756
Due in More Than One Year	25,077,991
Total Liabilities	<u>131,370,775</u>
 <b>NET ASSETS</b>	
Invested in Capital Assets	689,145,591
Restricted for:	
Partnership Agreement	85,000,000
Unrestricted ( <b>Note V.B., Page 46</b> )	452,034,832
Total Net Assets	<u><u>\$ 1,226,180,423</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, 2007**

	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
<b>Functions/Programs</b>					
<b>Primary government:</b>					
Governmental activities:					
Water Resources Planning and Monitoring	\$ 32,807,602	\$ 5,084,368	\$ -	\$ -	\$ (27,588,454)
Acquisition, Restoration and Public Works	97,762,937	23,846,836	2,691,252		(71,224,849)
Operation and Maintenance of Lands and Works	15,914,021	5,378,027	-		(9,223,587)
Regulation	18,493,860	519,234	-		(14,692,592)
Outreach	5,306,415	-	-		(5,306,415)
Management and Administration	37,981,400	-	-		(36,929,796)
Total governmental activities	<u>\$ 208,266,235</u>	<u>\$ 34,828,465</u>	<u>\$ 2,691,252</u>	<u>\$ -</u>	<u>(164,965,693)</u>
General Revenues:					
Ad Valorem Property Taxes					237,448,913
Unrestricted investment earnings					28,204,657
Other					3,880,051
Total general revenues					<u>269,533,621</u>
Change in net assets					104,567,928
Net assets - beginning					1,121,612,495
Net assets - ending					<u>\$ 1,226,180,423</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, 2007**

	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
<b>ASSETS</b>															
Cash and Investments	\$ 256,588,033	\$ 12,208,941	\$ 26,350,130	\$ 27,538,252	\$ 12,182,029	\$ 105,610,429	\$ 13,100,636	\$ 31,494,148	\$ 49,037,504	\$ 10,226,700	\$ 1,786,926	\$ 92,387,406	\$ 571,616	\$ 2,894,221	\$ 641,976,971
Due From Other Governments	6,638,340	862,192	950,001	113,359	992,179	1,065,103	1,006,624	1,615,359	1,274,937	2,432,414	330,941	-	4,832,172	-	22,113,621
Interest Receivable	1,928,248	90,590	199,669	204,521	96,439	804,113	66,135	218,304	363,034	99	-	69,823	-	-	4,040,975
Deposits	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Inventories	73,291	-	-	-	-	-	-	-	-	-	-	-	-	-	73,291
Other Assets	160,749	-	-	-	-	-	-	-	-	-	-	-	-	-	160,749
<b>Total Assets</b>	<b>265,428,661</b>	<b>13,161,723</b>	<b>27,499,800</b>	<b>27,856,132</b>	<b>13,270,647</b>	<b>107,479,645</b>	<b>14,173,395</b>	<b>33,327,811</b>	<b>50,675,475</b>	<b>12,659,213</b>	<b>2,117,867</b>	<b>92,457,229</b>	<b>5,403,788</b>	<b>2,894,221</b>	<b>668,405,607</b>
<b>LIABILITIES AND FUND BALANCES</b>															
<b>Liabilities:</b>															
Accounts and Contracts Payable	20,126,321	2,142,389	1,718,469	1,580,006	2,802,155	12,120,903	2,065,576	7,113,578	6,156,099	3,476,968	50,181	7,457,229	124,783	472,168	67,406,825
Payroll and Related Costs	2,428,401	19,498	32,116	10,470	20,304	17,042	40,767	32,771	26,340	21,155	3,382	-	-	-	2,652,246
Contracts Payable-Retainage	399,431	54,972	33,590	1,682	143,501	36,850	852,063	99,222	22,469	327,441	63,715	-	-	143,327	2,178,263
Due To Other Governments	14,792	-	58,216	-	-	-	-	-	-	-	-	-	-	-	73,008
Deferred Revenue	8,811,755	244,684	28,577	11,492	22,735	1,072,540	3,023,913	3,355,388	1,647,096	7,735,334	1,780,981	-	5,279,005	-	33,013,500
<b>Total Liabilities</b>	<b>31,780,700</b>	<b>2,461,543</b>	<b>1,870,968</b>	<b>1,603,650</b>	<b>2,988,695</b>	<b>13,247,335</b>	<b>5,982,319</b>	<b>10,600,959</b>	<b>7,852,004</b>	<b>11,560,898</b>	<b>1,898,259</b>	<b>7,457,229</b>	<b>5,403,788</b>	<b>615,495</b>	<b>105,323,842</b>
<b>Fund Balances:</b>															
Reserved for Encumbrances	73,299,319	6,094,337	16,499,457	17,053,312	8,201,102	52,730,984	10,478,538	20,449,232	37,178,474	24,181,222	1,331,731	85,000,000	2,827,523	1,237,860	356,563,091
Reserved for Workers' Compensation Claims	759,000	-	-	-	-	-	-	-	-	-	-	-	-	-	759,000
<b>Unreserved:</b>															
Designated for Future Projects	139,709,836	3,613,559	6,309,739	6,280,157	1,067,329	33,033,009	-	-	994,924	-	-	-	-	552,523	191,561,076
Designated for Subsequent Year's Expenditures	18,277,565	992,284	2,819,636	2,919,013	1,013,521	8,468,317	-	2,277,620	4,650,073	-	-	-	-	200,000	41,618,029
Designated for Workers' Compensation Self-Insurance Program	595,263	-	-	-	-	-	-	-	-	-	-	-	-	-	595,263
Undesignated	1,006,978	-	-	-	-	-	(2,287,462)	-	-	(23,082,907)	(1,112,123)	-	(2,827,523)	288,343	(28,014,694)
<b>Total Fund Balances</b>	<b>233,647,961</b>	<b>10,700,180</b>	<b>25,628,832</b>	<b>26,252,482</b>	<b>10,281,952</b>	<b>94,232,310</b>	<b>8,191,076</b>	<b>22,726,852</b>	<b>42,823,471</b>	<b>1,098,315</b>	<b>219,608</b>	<b>85,000,000</b>	<b>-</b>	<b>2,278,726</b>	<b>563,081,765</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 265,428,661</b>	<b>\$ 13,161,723</b>	<b>\$ 27,499,800</b>	<b>\$ 27,856,132</b>	<b>\$ 13,270,647</b>	<b>\$ 107,479,645</b>	<b>\$ 14,173,395</b>	<b>\$ 33,327,811</b>	<b>\$ 50,675,475</b>	<b>\$ 12,659,213</b>	<b>\$ 2,117,867</b>	<b>\$ 92,457,229</b>	<b>\$ 5,403,788</b>	<b>\$ 2,894,221</b>	

Amounts reported for governmental activities in the statement of net assets (page 15) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	689,145,591
Delinquent taxes are not available to pay for current period expenditures and, therefore, are not reported in the funds.	615,814
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(26,662,747)
<b>Net assets of governmental activities</b>	<b>\$ 1,226,180,423</b>

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, 2007**

	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
<b>REVENUES</b>															
Ad Valorem Property Taxes	\$ 145,973,534	\$ 5,364,139	\$ 12,463,049	\$ 6,734,757	\$ 5,024,249	\$ 31,319,837	\$ 5,148,275	\$ 9,265,908	\$ 13,849,424	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000	\$ 237,543,172
Intergovernmental Revenues	9,755,456	927,667	1,480,488	121,523	1,178,048	1,240,382	5,322,521	2,512,929	1,606,598	5,074,889	6,263,013	-	2,586,428	-	38,069,942
Interest on Invested Funds	14,201,765	656,054	1,578,956	1,380,258	670,143	5,484,229	410,314	1,338,202	2,373,333	-	111,403	-	-	-	28,204,657
License and Permit Fees	3,282,034	-	-	-	-	-	-	-	-	-	-	-	-	-	3,282,034
Other	2,788,446	10,093	23,938	12,157	260,709	103,939	18,017	24,416	34,736	-	-	-	-	-	3,276,451
<b>Total Revenues</b>	<b>176,001,235</b>	<b>6,957,953</b>	<b>15,546,431</b>	<b>8,248,695</b>	<b>7,133,149</b>	<b>38,148,387</b>	<b>10,899,127</b>	<b>13,141,455</b>	<b>17,864,091</b>	<b>5,074,889</b>	<b>6,374,416</b>	<b>-</b>	<b>2,586,428</b>	<b>2,400,000</b>	<b>310,376,256</b>
<b>EXPENDITURES</b>															
Current:															
Water Resources Planning and Monitoring	19,025,236	923,094	1,407,070	279,580	1,785,542	958,494	2,539,716	2,025,525	2,366,311	1,309,934	-	-	-	-	32,620,502
Acquisition, Restoration and Public Works	22,720,921	1,804,571	1,443,225	533,037	2,485,195	13,566,042	3,740,204	7,381,814	5,286,398	5,795,230	6,263,013	15,163,358	2,276,100	3,011,948	91,471,056
Operation and Maintenance of Lands and Works	9,612,093	275,242	1,820,168	240,579	493,375	781,054	1,528,861	639,101	610,078	-	-	-	310,328	-	16,310,879
Regulation	18,311,066	-	-	-	-	-	-	-	-	-	-	-	-	-	18,311,066
Outreach	1,704,976	221,723	473,757	241,229	272,663	1,023,695	316,666	419,890	424,575	187,403	-	-	-	-	5,286,577
Management and Administration	35,304,428	111,048	241,292	129,437	126,770	697,596	157,905	266,561	194,060	-	-	-	-	-	37,229,097
<b>Total Expenditures</b>	<b>106,678,720</b>	<b>3,335,678</b>	<b>5,385,512</b>	<b>1,423,862</b>	<b>5,163,545</b>	<b>17,026,881</b>	<b>8,283,352</b>	<b>10,732,891</b>	<b>8,881,422</b>	<b>7,292,567</b>	<b>6,263,013</b>	<b>15,163,358</b>	<b>2,586,428</b>	<b>3,011,948</b>	<b>201,229,177</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	69,322,515	3,622,275	10,160,919	6,824,833	1,969,604	21,121,506	2,615,775	2,408,564	8,982,669	(2,217,678)	111,403	(15,163,358)	-	(611,948)	109,147,079
<b>OTHER FINANCING SOURCES (USES)</b>															
Transfers In	-	-	-	-	-	-	-	-	-	2,135,398	-	15,140,534	-	-	17,275,932
Transfers Out	(6,918,588)	(738,893)	(3,136,998)	(808,834)	(663,383)	(3,622,586)	(273,186)	(264,569)	(848,895)	-	-	-	-	-	(17,275,932)
<b>Total Other Financing Sources and Uses</b>	<b>(6,918,588)</b>	<b>(738,893)</b>	<b>(3,136,998)</b>	<b>(808,834)</b>	<b>(663,383)</b>	<b>(3,622,586)</b>	<b>(273,186)</b>	<b>(264,569)</b>	<b>(848,895)</b>	<b>2,135,398</b>	<b>-</b>	<b>15,140,534</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change In Fund Balances	62,403,927	2,883,382	7,023,921	6,015,999	1,306,221	17,498,920	2,342,589	2,143,995	8,133,774	(82,280)	111,403	(22,824)	-	(611,948)	109,147,079
Fund Balances (Deficit) - Beginning	171,244,034	7,816,798	18,604,911	20,236,483	8,975,731	76,733,390	5,848,487	20,582,857	34,689,697	1,180,595	108,205	85,022,824	2,890,674	2,890,674	453,934,686
<b>Fund Balances - Ending</b>	<b>\$ 233,647,961</b>	<b>\$ 10,700,180</b>	<b>\$ 25,628,832</b>	<b>\$ 26,252,482</b>	<b>\$ 10,281,952</b>	<b>\$ 94,232,310</b>	<b>\$ 8,191,076</b>	<b>\$ 22,726,852</b>	<b>\$ 42,823,471</b>	<b>\$ 1,098,315</b>	<b>\$ 219,608</b>	<b>\$ 85,000,000</b>	<b>\$ -</b>	<b>\$ 2,278,726</b>	<b>\$ 563,081,765</b>

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Net change in fund balances -- total governmental funds	\$ 109,147,079
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.	11,727,761
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) resulted in a net decrease to net assets.	(15,665,861)
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, 2007, were less than the amount recorded at prior year-end, resulting in a net decrease to income.	(94,259)
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.	(546,792)
<b>Change in net assets of governmental activities</b>	<b>\$ 104,567,928</b>

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

**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, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 145,104,390	\$ 145,104,390	\$ 145,973,534	\$ 869,144
Intergovernmental Revenues	42,376,139	42,827,278	9,755,456	(33,071,822)
Interest on Invested Funds	6,000,000	6,000,000	14,201,765	8,201,765
License and Permit Fees	3,000,000	3,000,000	3,282,034	282,034
Other	1,374,183	1,374,183	2,788,446	1,414,263
Total Revenues	<u>197,854,712</u>	<u>198,305,851</u>	<u>176,001,235</u>	<u>(22,304,616)</u>
<b>EXPENDITURES</b>				
Current:				
Water Resources Planning and Monitoring	35,347,287	35,347,287	19,025,236	16,322,051
Acquisition, Restoration and Public Works	214,570,061	215,021,200	22,720,921	192,300,279
Operation and Maintenance of Lands and Works	11,590,386	11,590,386	9,612,093	1,978,293
Regulation	20,877,903	20,877,903	18,311,066	2,566,837
Outreach	2,188,070	2,188,070	1,704,976	483,094
Management and Administration	48,789,099	48,789,099	35,304,428	13,484,671
Total Expenditures	<u>333,362,806</u>	<u>333,813,945</u>	<u>106,678,720</u>	<u>227,135,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,508,094)	(135,508,094)	69,322,515	204,830,609
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(6,932,642)	(6,932,642)	(6,918,588)	14,054
Net Change In Fund Balance	(142,440,736)	(142,440,736)	62,403,927	204,844,663
Fund Balance - Beginning	142,440,736	142,440,736	171,244,034	28,803,298
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,647,961</u>	<u>\$ 233,647,961</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, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 5,336,266	\$ 5,336,266	\$ 5,364,139	\$ 27,873
Intergovernmental Revenues	2,950,827	3,096,827	927,667	(2,169,160)
Interest on Invested Funds	300,000	300,000	656,054	356,054
Other	-	-	10,093	10,093
Total Revenues	<u>8,587,093</u>	<u>8,733,093</u>	<u>6,957,953</u>	<u>(1,775,140)</u>
<b>EXPENDITURES</b>				
Current:				
Water Resources Planning and Monitoring	1,842,966	1,988,966	923,094	1,065,872
Acquisition, Restoration and Public Works	8,686,841	8,686,841	1,804,571	6,882,270
Operation and Maintenance of Lands and Works	2,151,935	2,151,935	275,242	1,876,693
Outreach	368,587	368,587	221,723	146,864
Management and Administration	647,701	647,701	111,048	536,653
Total Expenditures	<u>13,698,030</u>	<u>13,844,030</u>	<u>3,335,678</u>	<u>10,508,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,110,937)	(5,110,937)	3,622,275	8,733,212
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(2,523,465)</u>	<u>(2,523,465)</u>	<u>(738,893)</u>	<u>1,784,572</u>
Net Change In Fund Balance	<u>(7,634,402)</u>	<u>(7,634,402)</u>	<u>2,883,382</u>	<u>10,517,784</u>
Fund Balance - Beginning	7,634,402	7,634,402	7,816,798	182,396
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,700,180</u>	<u>\$ 10,700,180</u>

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, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 12,369,159	\$ 12,463,049	\$ 93,890
Intergovernmental Revenues	6,394,501	1,480,488	(4,914,013)
Interest on Invested Funds	600,000	1,578,956	978,956
Other	-	23,938	23,938
Total Revenues	19,363,660	15,546,431	(3,817,229)
<b>EXPENDITURES</b>			
Current:			
Water Resources Planning and Monitoring	3,923,917	1,407,070	2,516,847
Acquisition, Restoration and Public Works	22,074,996	1,443,225	20,631,771
Operation and Maintenance of Lands and Works	4,731,305	1,820,168	2,911,137
Outreach	814,945	473,757	341,188
Management and Administration	1,409,164	241,292	1,167,872
Total Expenditures	32,954,327	5,385,512	27,568,815
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,590,667)	10,160,919	23,751,586
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(4,043,350)	(3,136,998)	906,352
Net Change In Fund Balance	(17,634,017)	7,023,921	24,657,938
Fund Balance - Beginning	17,634,017	18,604,911	970,894
Fund Balance - Ending	\$ -	\$ 25,628,832	\$ 25,628,832

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, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 6,723,839	\$ 6,734,757	\$ 10,918
Intergovernmental Revenues	2,333,915	121,523	(2,212,392)
Interest on Invested Funds	700,000	1,380,258	680,258
Other	-	12,157	12,157
Total Revenues	9,757,754	8,248,695	(1,509,059)
<b>EXPENDITURES</b>			
Current:			
Water Resources Planning and Monitoring	590,503	279,580	310,923
Acquisition, Restoration and Public Works	25,385,767	533,037	24,852,730
Operation and Maintenance of Lands and Works	416,030	240,579	175,451
Outreach	473,036	241,229	231,807
Management and Administration	826,518	129,437	697,081
Total Expenditures	27,691,854	1,423,862	26,267,992
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,934,100)	6,824,833	24,758,933
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(1,279,740)	(808,834)	470,906
Net Change In Fund Balance	(19,213,840)	6,015,999	25,229,839
Fund Balance - Beginning	19,213,840	20,236,483	1,022,643
Fund Balance - Ending	\$ -	\$ 26,252,482	\$ 26,252,482

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, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 4,931,085	\$ 5,024,249	\$ 93,164
Intergovernmental Revenues	4,451,073	1,178,048	(3,273,025)
Interest on Invested Funds	350,000	670,143	320,143
Other	258,750	260,709	1,959
Total Revenues	9,990,908	7,133,149	(2,857,759)
<b>EXPENDITURES</b>			
Current:			
Water Resources Planning and Monitoring	4,795,867	1,785,542	3,010,325
Acquisition, Restoration and Public Works	10,241,128	2,485,195	7,755,933
Operation and Maintenance of Lands and Works	1,409,339	493,375	915,964
Outreach	441,899	272,663	169,236
Management and Administration	610,827	126,770	484,057
Total Expenditures	17,499,060	5,163,545	12,335,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,508,152)	1,969,604	9,477,756
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(732,674)	(663,383)	69,291
Net Change In Fund Balance	(8,240,826)	1,306,221	9,547,047
Fund Balance - Beginning	8,240,826	8,975,731	734,905
Fund Balance - Ending	\$ -	\$ 10,281,952	\$ 10,281,952

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, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 31,131,565	\$ 31,319,837	\$ 188,272
Intergovernmental Revenues	7,895,668	1,240,382	(6,655,286)
Interest on Invested Funds	3,000,000	5,484,229	2,484,229
Other	-	103,939	103,939
Total Revenues	42,027,233	38,148,387	(3,878,846)
<b>EXPENDITURES</b>			
Current:			
Water Resources Planning and Monitoring	3,320,315	958,494	2,361,821
Acquisition, Restoration and Public Works	93,363,217	13,566,042	79,797,175
Operation and Maintenance of Lands and Works	7,549,902	781,054	6,768,848
Outreach	1,596,491	1,023,695	572,796
Management and Administration	2,565,932	697,596	1,868,336
Total Expenditures	108,395,857	17,026,881	91,368,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,368,624)	21,121,506	87,490,130
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(7,407,287)	(3,622,586)	3,784,701
Net Change In Fund Balance	(73,775,911)	17,498,920	91,274,831
Fund Balance - Beginning	73,775,911	76,733,390	2,957,479
Fund Balance - Ending	\$ -	\$ 94,232,310	\$ 94,232,310

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, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 5,139,710	\$ 5,148,275	\$ 8,565
Intergovernmental Revenues	11,330,740	5,322,521	(6,008,219)
Interest on Invested Funds	188,000	410,314	222,314
Other	-	18,017	18,017
Total Revenues	16,658,450	10,899,127	(5,759,323)
<b>EXPENDITURES</b>			
Current:			
Water Resources Planning and Monitoring	6,488,615	2,539,716	3,948,899
Acquisition, Restoration and Public Works	10,312,505	3,740,204	6,572,301
Operation and Maintenance of Lands and Works	2,869,443	1,528,861	1,340,582
Outreach	417,178	316,666	100,512
Management and Administration	642,854	157,905	484,949
Total Expenditures	20,730,595	8,283,352	12,447,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,072,145)	2,615,775	6,687,920
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(1,509,796)	(273,186)	1,236,610
Net Change In Fund Balance	(5,581,941)	2,342,589	7,924,530
Fund Balance - Beginning	5,581,941	5,848,487	266,546
Fund Balance - Ending	\$ -	\$ 8,191,076	\$ 8,191,076

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, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 9,238,559	\$ 9,238,559	\$ 9,265,908	\$ 27,349
Intergovernmental Revenues	23,740,559	23,862,366	2,512,929	(21,349,437)
Interest on Invested Funds	850,000	850,000	1,338,202	488,202
Other	-	-	24,416	24,416
Total Revenues	<u>33,829,118</u>	<u>33,950,925</u>	<u>13,141,455</u>	<u>(20,809,470)</u>
<b>EXPENDITURES</b>				
Current:				
Water Resources Planning and Monitoring	5,301,583	5,301,583	2,025,525	3,276,058
Acquisition, Restoration and Public Works	41,999,031	42,120,838	7,381,814	34,739,024
Operation and Maintenance of Lands and Works	2,682,539	2,682,539	639,101	2,043,438
Outreach	775,030	775,030	419,890	355,140
Management and Administration	978,986	978,986	266,561	712,425
Total Expenditures	<u>51,737,169</u>	<u>51,858,976</u>	<u>10,732,891</u>	<u>41,126,085</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,908,051)	(17,908,051)	2,408,564	20,316,615
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,378,813)	(1,378,813)	(264,569)	1,114,244
Net Change In Fund Balance	(19,286,864)	(19,286,864)	2,143,995	21,430,859
Fund Balance - Beginning	19,286,864	19,286,864	20,582,857	1,295,993
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,726,852</u>	<u>\$ 22,726,852</u>

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, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 13,785,721	\$ 13,785,721	\$ 13,849,424	\$ 63,703
Intergovernmental Revenues	12,180,421	12,684,752	1,606,598	(11,078,154)
Interest on Invested Funds	1,200,000	1,200,000	2,373,333	1,173,333
Other	-	-	34,736	34,736
Total Revenues	27,166,142	27,670,473	17,864,091	(9,806,382)
<b>EXPENDITURES</b>				
Current:				
Water Resources Planning and Monitoring	8,608,664	8,608,664	2,366,311	6,242,353
Acquisition, Restoration and Public Works	44,516,917	45,021,248	5,286,398	39,734,850
Operation and Maintenance of Lands and Works	2,222,627	2,222,627	610,078	1,612,549
Outreach	586,035	586,035	424,575	161,460
Management and Administration	1,068,584	1,068,584	194,060	874,524
Total Expenditures	57,002,827	57,507,158	8,881,422	48,625,736
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,836,685)	(29,836,685)	8,982,669	38,819,354
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,219,013)	(4,219,013)	(848,895)	3,370,118
Net Change In Fund Balance	(34,055,698)	(34,055,698)	8,133,774	42,189,472
Fund Balance - Beginning	34,055,698	34,055,698	34,689,697	633,999
Fund Balance - Ending	\$ -	\$ -	\$ 42,823,471	\$ 42,823,471

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, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 28,727,900	\$ 5,074,889	\$ (23,653,011)
<b>EXPENDITURES</b>			
Current:			
Water Resources Planning and Monitoring	3,289,008	1,309,934	1,979,074
Acquisition, Restoration and Public Works	40,175,441	5,795,230	34,380,211
Outreach	524,542	187,403	337,139
Total Expenditures	43,988,991	7,292,567	36,696,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,261,091)	(2,217,678)	13,043,413
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	15,261,091	2,135,398	(13,125,693)
Net Change In Fund Balance	-	(82,280)	(82,280)
Fund Balance - Beginning	-	1,180,595	1,180,595
Fund Balance - Ending	\$ -	\$ 1,098,315	\$ 1,098,315

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, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 6,961,392	\$ 12,239,997	\$ 6,263,013	\$ (5,976,984)
Interest on Invested Funds	-	-	111,403	111,403
Total Revenues	<u>6,961,392</u>	<u>12,239,997</u>	<u>6,374,416</u>	<u>(5,865,581)</u>
<b>EXPENDITURES</b>				
Current:				
Acquisition, Restoration and Public Works	<u>6,961,392</u>	<u>12,239,997</u>	<u>6,263,013</u>	<u>5,976,984</u>
Excess of Revenues				
Over Expenditures	-	-	111,403	111,403
Fund Balance - Beginning	-	-	108,205	108,205
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,608</u>	<u>\$ 219,608</u>

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, 2007**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current:			
Acquisition, Restoration and Public Works	<u>100,140,538</u>	<u>15,163,358</u>	<u>84,977,180</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,140,538)	(15,163,358)	84,977,180
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>15,140,538</u>	<u>15,140,534</u>	<u>(4)</u>
Net Change In Fund Balance	(85,000,000)	(22,824)	84,977,176
Fund Balance - Beginning	<u>85,000,000</u>	<u>85,022,824</u>	<u>22,824</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 85,000,000</u>	<u>\$ 85,000,000</u>

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



# Notes to the Financial Statements

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

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

**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 a thirteen-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, 2008.

**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. Ad valorem property 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**  
**September 30, 2007**

Ad valorem property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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, if such amounts are expected to be collected within one year. 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 36).

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 36).

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

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 46).

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 and Florida Forever land acquisition programs (see Note I.E.7., page 36).

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/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, 2007**

**6.0 Management and Administration**

This program includes all Governing and Basin Board support; executive support; management information systems; unrestricted reserves for contingencies; 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 general fund (\$10,429,163), Alafia River Basin Fund (\$286,752), Hillsborough River Basin Fund (\$54,207), Northwest Hillsborough Basin Fund (\$28,188), Coastal Rivers Basin Fund (\$17,347), Pinellas-Anclote River Basin Fund (\$1,097,220), Withlacoochee River Basin Fund (\$4,436,894), Peace River Basin Fund (\$3,548,098), Manasota Basin Fund (\$1,674,582), SWIM Program Fund (\$9,052,467), DOT Mitigation Fund (\$1,780,981), Save Our Rivers Fund (\$5,295,153), and the Partnership Trust Fund (\$92,422,625) 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.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

**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 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.**

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 360 hours of accumulated vacation leave. Sick leave benefits do not vest until an employee has earned five 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 either 25, 30 or 35 percent (depending on their number of years of service) of accumulated vested sick leave benefits (up to a maximum of 480 hours).

The accrued liability for compensated absences represents the liability for accrued vacation and sick leave benefits for employees currently eligible or likely to become eligible to receive those leave benefits in the future. The District permits employees to 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.

**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.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

**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.

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) ongoing management, maintenance, and capital improvements of lands; 2) payments in lieu of taxes; 3) pre-acquisition costs associated with land purchases; and 4) 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 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 District's general fund, the watershed basin funds, and the SWIM Program Fund. The FDEP has oversight responsibility for this trust fund.

The Water Protection Sustainability Trust Fund was established in 2005 pursuant to Section 403.890, Florida Statutes, and is funded by excise tax proceeds. The State's Water Protection and Sustainability Program (WPSP) provides funds for the District Governing and Basin Boards' highly effective partnership programs (i.e., New Water Sources Initiative, Water Supply and Resource Development, and Cooperative Funding) for alternative water supply development assistance, and for the Basin Boards' SWIM Program and other surface water restoration activities in the water management district designated priority water bodies. Revenues received from the trust fund are accounted for in the District's general fund, the watershed basin funds, and the SWIM Program 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 District's general fund (indirect charges) and the DOT Mitigation Fund. The FDOT has oversight responsibilities for this trust fund.



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**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.

**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 \$26,662,747 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.H., page 45)	\$19,294,676
Compensated Absences	6,399,774
Other Post Employment Benefits (see Note V.D., page 48)	209,297
Claims (Workers’ Compensation)	<u>759,000</u>
Net adjustment to reduce <i>fund balances—total governmental funds</i> to arrive at <i>net assets of governmental activities</i>	<u>\$26,662,747</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 \$11,727,761 difference are as follows:

Capital outlay	\$17,686,379
Depreciation expense	<u>(5,958,618)</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>\$11,727,761</u>

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Another element of that reconciliation states that, "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and adjustments) is to decrease net assets."

The details of this \$15,665,861 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	\$(153,459)
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Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	2,705,625
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The statement of activities reports losses or reductions arising from the sales, trade-ins, or removal of capital assets. Conversely, governmental funds do not report any gain or loss associated with these types of transactions.	<u>(18,218,027)</u>
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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><u>\$(15,665,861)</u></u>
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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 \$94,259 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.

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 \$546,792 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.H., page 45)	\$(269,327)
Compensated absences	606,822
Other Post Employment Benefits (see Note V.D., page 48)	<u>209,297</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><u>\$546,792</u></u>
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**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

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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 undesignated fund equity**

A deficit undesignated fund balance exists in the Withlacoochee River Basin Fund (\$2,287,462), the SWIM Program Fund (\$23,082,907), the DOT Mitigation Fund (\$1,112,123) and the Save Our Rivers Fund (\$2,827,523). 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, 2007.

**IV. Detailed notes**

**A. Cash and investments**

**Deposits:** At September 30, 2007, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

At September 30, 2007, the carrying amount of the District's cash demand deposit account was a deficit (\$827,378) and the bank balance was \$634,946. 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.

**Investments:** The District's investment policy is written in accordance with Sections 373.556 and 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. The objectives of the District's investment policy are to provide safety of capital, liquidity of funds and the optimal rate of return on investments at the time of investment.

As of September 30, 2007, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Agencies	\$ 323,586,298	1.16
State Board of Administration Investment Pool	297,727,194	0.09
Money Market Funds	21,489,608	liquid daily
Total Fair Value	<u>\$ 642,803,100</u>	
Portfolio weighted average maturity		0.63

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**Interest rate risk:** In accordance with the District's investment policy, the exposure to declines in fair values is managed by limiting the weighted average maturity of its investment portfolio to three years or less. Of the District's investments in U.S. Agencies, \$192,319,700 is callable by the issuer and is subject to the risk of being called prior to maturity. The District's investments have various call dates. It is assumed that the investments will not be called.

**Credit Risk:** All of the District's investments in the U.S. Agencies were rated AAA by Standard and Poor's and Aaa by Moody's Investor Services. The State Board of Administration (SBA) Investment Pool is an external investment pool that is not registered with the Securities Exchange Commission (SEC), but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the District's investments in the SBA Investment Pool have been determined based on the pool's share price, which approximates fair value. As of September 30, 2007, the SBA Investment Pool had not been rated by a nationally recognized statistical rating organization. See Note V.E., *Subsequent Events*, on page 50, for events that have occurred since the end of this reporting period. The District's investments in money market funds were rated AA+ by Standard and Poor's.

**Concentration of Credit Risk:** The District's policy authorizes investment allocation limits on security types and maturity limitations which may be modified by the Finance Director from time to time based on market conditions, risk and diversification investment strategies. The District places no limit on the amount the District may invest in any one issuer.

At September 30, 2007, the District had the following percentage allocation by issuer:

<u>Issuer</u>	<u>Percentage of Total Portfolio</u>
State Board of Administration Investment Pool	46.32%
Federal Home Loan Bank	19.04%
Federal Home Loan Mortgage Corporation	4.67%
Federal National Mortgage Association	17.28%
Federal Farm Credit Bank	7.78%
Private Export Funding Corporation	1.57%
Federal American U.S. Treasury Money Market	3.34%
	<u>100.00%</u>

The fair value of cash and investments at September 30, 2007, is summarized as follows:

	<u>FAIR VALUE</u>
U.S. Agencies	\$ 252,688,500
Investments Held by Trustees:	
U.S. Agencies	70,897,798
Money Market Funds	21,489,608
Investments in State Board of Administration Investment Pool	297,727,194
Total Investments	<u>642,803,100</u>
Demand Deposit Accounts	(827,378)
Petty Cash	1,249
Total Demand Deposits and Petty Cash	<u>(826,129)</u>
Total Cash and Investments	<u>\$ 641,976,971</u>

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**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	\$ 6,638,340	\$ 1,928,248	\$ 8,566,588
Alafia River Basin	862,192	90,590	952,782
Hillsborough River Basin	950,001	199,669	1,149,670
Northwest Hillsborough Basin	113,359	204,521	317,880
Coastal Rivers Basin	992,179	96,439	1,088,618
Pinellas-Anclote River Basin	1,065,103	804,113	1,869,216
Withlacoochee River Basin	1,006,624	66,135	1,072,759
Peace River Basin	1,615,359	218,304	1,833,663
Manasota Basin	1,274,937	363,034	1,637,971
SWIM Program	2,432,414	99	2,432,513
DOT Mitigation	330,941	-	330,941
Partnership Trust	-	69,823	69,823
Save Our Rivers	4,832,172	-	4,832,172
Total	<u>\$ 22,113,621</u>	<u>\$ 4,040,975</u>	<u>\$ 26,154,596</u>

**C. 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.

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**D. 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	\$ 379,245	
Grant drawdowns prior to meeting all eligibility requirements		\$ 8,432,510
Alafia River Basin		
Delinquent property taxes receivable	6,339	
Grant drawdowns prior to meeting all eligibility requirements		238,345
Hillsborough River Basin		
Delinquent property taxes receivable	28,577	
Northwest Hillsborough Basin		
Delinquent property taxes receivable	11,492	
Coastal Rivers Basin		
Delinquent property taxes receivable	22,735	
Pinellas-Anclote River Basin		
Delinquent property taxes receivable	72,540	
Grant drawdowns prior to meeting all eligibility requirements		1,000,000
Withlacoochee River Basin		
Delinquent property taxes receivable	35,214	
Grant drawdowns prior to meeting all eligibility requirements		2,988,699
Peace River Basin		
Delinquent property taxes receivable	36,192	
Grant drawdowns prior to meeting all eligibility requirements		3,319,196
Manasota Basin		
Delinquent property taxes receivable	23,480	
Grant drawdowns prior to meeting all eligibility requirements		1,623,616
SWIM Program		
Grant drawdowns prior to meeting all eligibility requirements		7,735,334
DOT Mitigation		
Grant drawdowns prior to meeting all eligibility requirements		1,780,981
Save Our Rivers		
Grant drawdowns prior to meeting all eligibility requirements		5,279,005
Total deferred revenue for governmental funds	<u>\$ 615,814</u>	<u>\$ 32,397,686</u>

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**E. Capital Assets**

Capital asset activity for the year ended September 30, 2007, was as follows:

	Balance at October 1, 2006	Increases/ Adjustments	Decreases/ Adjustments	Balance at September 30, 2007
Capital assets, not being depreciated:				
Land	\$ 528,043,212	\$ 9,621,119	\$ (139)	\$ 537,664,192
Land Interests	32,205,042	40,513	-	32,245,555
Construction in Progress	19,982,673	6,294,702	(19,023,326)	7,254,049
<b>Total capital assets, not being depreciated</b>	<b>580,230,927</b>	<b>15,956,334</b>	<b>(19,023,465)</b>	<b>577,163,796</b>
Capital assets, being depreciated:				
Buildings	32,706,037	1,376,298	(70,746)	34,011,589
Machinery and Equipment	26,943,813	3,970,223	(4,962,834)	25,951,202
Infrastructure	121,305,894	732,378	(1,032,079)	121,006,193
Other	112,721	1,274	(6,138)	107,857
<b>Total capital assets being depreciated</b>	<b>181,068,465</b>	<b>6,080,173</b>	<b>(6,071,797)</b>	<b>181,076,841</b>
Less accumulated depreciation for:				
Buildings	6,810,894	725,020	(53,845)	7,482,069
Machinery and Equipment	17,948,970	2,573,898	(4,763,760)	15,759,108
Infrastructure	43,375,368	2,647,773	(255,530)	45,767,611
Other	80,469	11,927	(6,138)	86,258
<b>Total accumulated depreciation</b>	<b>68,215,701</b>	<b>5,958,618</b>	<b>(5,079,273)</b>	<b>69,095,046</b>
<b>Total capital assets, being depreciated, net</b>	<b>112,852,764</b>	<b>121,555</b>	<b>(992,524)</b>	<b>111,981,795</b>
Governmental activities capital assets, net	<u>\$ 693,083,691</u>	<u>\$ 16,077,889</u>	<u>\$ (20,015,989)</u>	<u>\$ 689,145,591</u>

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

Governmental activities	
Water Resources Planning and Monitoring	\$ 190,853
Acquisition, Restoration and Public Works	2,360,906
Operation and Maintenance of Lands and Works	1,521,784
Regulation	15,543
Outreach	1,741
Management and Administration	1,867,791
<b>Total depreciation expense - governmental activities</b>	<u><u>\$ 5,958,618</u></u>

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**F. Interfund transfers**

Interfund transfers occurring during fiscal year 2007 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 6,918,588
Alafia River Basin	-	738,893
Hillsborough River Basin	-	3,136,998
Northwest Hillsborough Basin	-	808,834
Coastal Rivers Basin	-	663,383
Pinellas-Anclote River Basin	-	3,622,586
Withlacoochee River Basin	-	273,186
Peace River Basin	-	264,569
Manasota Basin	-	848,895
SWIM Program	2,135,398	-
Partnership Trust	15,140,534	-
	<u>\$ 17,275,932</u>	<u>\$ 17,275,932</u>

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 46. During fiscal year 2007, \$15,140,534 was transferred to the Partnership Trust Fund.
- (2) To move Basin fund revenues to the SWIM Program Fund to cover the District's share of program expenditures. During fiscal year 2007, \$2,135,398 was transferred to the SWIM Program Fund.

**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 2012. Lease expenditures for the year ended September 30, 2007, amounted to \$629,983.

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

<u>Fiscal Year Ending September 30,</u>	<u>Minimum Lease Payments</u>
2008	\$ 92,207
2009	87,345
2010	81,012
2011	70,592
2012	57,405
	<u>\$ 388,561</u>



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**H. Long-term obligations**

Long-term liability activity for the year ended September 30, 2007, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Judgment	\$ 19,564,003	\$ -	\$ 269,327	\$ 19,294,676 <sup>(1)</sup>	\$ 500,000
Compensated Absences	5,792,952	1,088,419	481,597	6,399,774 <sup>(2)</sup>	639,977
Other Post Employment Benefits	-	358,533	149,236	209,297 <sup>(2)</sup>	-
Workers' Compensation	759,000	338,665	338,665	759,000 <sup>(3)</sup>	444,779
Total	<u>\$ 26,115,955</u>	<u>\$ 1,785,617</u>	<u>\$ 1,238,825</u>	<u>\$ 26,662,747</u>	<u>\$ 1,584,756</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 estimated its cost to comply with the judgment at \$19.8 million 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. The Pinellas-Anclote River Basin special revenue fund will be used to satisfy the obligations for the judgment.
- (2) The general and special revenue funds will be used to satisfy the obligations for the compensated absences and other post employment benefits.
- (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, 2007, 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.

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. Current expenditures related to the self-insurance program are accounted for in the District's general fund.

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.

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

	Year ended 09/30/2007	Year ended 09/30/2006
Unpaid claims, beginning of fiscal year	\$ 759,000	\$ 705,000
Incurred claims, including IBNRs and changes in estimates	338,665	1,008,088
Claim payments	(338,665)	(954,088)
Unpaid claims, end of fiscal year	<u>\$ 759,000</u>	<u>\$ 759,000</u>

At September 30, 2007, general fund assets of \$1,354,263 were held for the purpose of funding future workers' compensation claims liabilities, with a corresponding \$759,000 reserve for workers' compensation claims and a \$595,263 designation of the general fund balance.

**B. Commitments and contingencies**

At September 30, 2007, the District had unrestricted net assets (as defined by GASB, Statement No. 34) of approximately \$452 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 in the amount of \$271.6 million; and 2) to pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.8 million based on an independent actuarial determination. The remaining net assets are earmarked for 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. As of December 31, 2007, Tampa Bay Water has met both the new water and conservation requirements of the Partnership Agreement. The development of new water will enable Tampa Bay Water to meet phased reductions in pumpage at the eleven Northern Tampa Bay wellfields. As of December 31, 2003, Tampa Bay water met the initial requirement of reducing pumpage to a 12-month running average withdrawal of 121 mgd. January 1, 2008, begins the next phased reduction of a 12-month running average withdrawal of 90 mgd. Under the Agreement, the District has committed to contributing \$183 million toward development of alternative water supply projects, and \$90 million toward conservation and reuse projects (at least \$9 million per year) that effectively reduce potable water use. The final payment in the amount \$15,140,534 was made to the trust in fiscal year 2007. At September 30, 2007, the District has paid a cumulative total of \$183 million to a trust, which includes interest earned by the trust, held by a financial institution. Effective January 24, 2006, the date the Governing Board approved the second amendment to the Seawater Desalination Funding Agreement, interest earnings on the \$85 million (funding set aside for the Desal Plant) began accruing to the benefit of Tampa Bay Water. The earnings will remain in the District's Partnership Trust Fund until Tampa Bay Water has operated the Desal Plant for 12 consecutive months at an average rate of 20 mgd of water for distribution to the customers of Tampa Bay Water; provided that Tampa Bay Water shall have commenced such operation as soon as practicable following November 1, 2007. Therefore, the interest earnings will continue to accrue to the benefit of Tampa Bay Water until Tampa Bay Water has met the requirements outlined in the second amendment to the Seawater Desalination Funding Agreement or December 31, 2010, at which time the \$85 million, the interest earned, and any unspent funding for the desalination plant shall revert back to the District. For fiscal year 2007,

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interest earnings in the amount of \$7.5 million have been recorded as a liability on the District's financial records.

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 account. 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, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32315-9000. The report is also available through the FRS web site.

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, 2007, were as follows: regular class – 9.85 percent; senior management class – 13.12 percent; and Deferred Retirement Option Program (DROP) – 10.91 percent. The contributions of the District are established and may be 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 2005, 2006 and 2007 were \$2,798,648, \$3,179,057 and \$4,135,395, respectively, equal to the required contributions for each year.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

**D. Other post-employment benefits (OPEB)**

*Plan Description*

The District's single-employer defined benefit postemployment healthcare plan provides medical and dental benefits utilizing Blue Cross Blue Shield of Florida, as well as a voluntary vision plan to eligible retired employees and their spouses. A participant is eligible to receive benefits from the plan upon retirement under the Florida Retirement System plan provisions. Under the defined benefit pension plan, participants are eligible at age 62 with 6 years of service, or any age with 30 years of service; and under the defined contribution investment plan, participants are eligible at age 55 with 6 years of service or any age with 30 years of service. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active employee immediately prior to retirement. Substantially all of the District's participating employees become eligible for those benefits if they reach normal retirement age while working for the District. Retiree and spousal coverage is provided for the lifetime of the participant. However, benefits are valued as payable only until age 65, as the option of enrolling in Medicare is a much more attractive option at a lower cost. The District is early implementing GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of October 1, 2006.

*Funding Policy*

The contribution requirements of plan members are established and may be amended by the District's Governing Board. The District's employer OPEB contributions, consists of an implicit rate subsidy only. The District, in accordance with Section 112.0801, Florida Statutes, makes the benefits available for retired employees at a premium cost of no more than that applicable to active employees. However, the **retirees pay 100 percent of their premium costs**. To determine the healthcare plan costs, the District is required to commingle the claims experience of the retiree group with that of the active employees. The table listed below summarizes annual retiree contributions for 2007.

	Retiree	Retiree + Spouse
Blue Options	\$4,421	\$8,679
Blue Choice	\$4,854	\$9,576
Dental	\$ 427	\$ 695

*Annual OPEB Cost and Net OPEB Obligation*

The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the calculation of the ARC and Net OPEB Obligation for the fiscal year ending September 30, 2007.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

Determination of Annual Required Contribution:	
Normal Cost at year-end	\$ 173,482
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	185,051
Annual Required Contribution	<u>\$ 358,533</u>

Determination of Net OPEB Obligation:	
Annual Required Contribution	\$ 358,533
Interest on prior year Net OPEB Obligation	-
Contributions made	<u>(149,236)</u>
Increase in Net OPEB Obligation	209,297
Net OPEB Obligation - beginning of year	<u>-</u>
Net OPEB Obligation - end of year	<u>\$ 209,297</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 and the two preceding years were as follows:

Fiscal Year- Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2007	\$358,533	41.6%	\$209,297
09/30/2006	N/A	N/A	N/A
09/30/2005	N/A	N/A	N/A

*Funded Status and Funding Progress*

As of September 30, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$3,199,920, resulting in an unfunded actuarial accrued liability of \$3,199,920.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as presented below as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Schedule of Funding Progress – Unaudited Required Supplementary Information*

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
09/30/2007	0	\$3,199,920	\$3,199,920	0.00%	N/A	N/A
09/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
09/30/2005	N/A	N/A	N/A	N/A	N/A	N/A

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2007, actuarial valuation, the Unit Credit Actuarial Cost Method was used. Significant methods and assumptions include: a discount rate of 4 percent per annum, compounded annually; the RPA - 2000 mortality tables; an interim inflation rate and an interim healthcare cost trend rate of 11.6 percent for medical and 6.5 percent for dental in 2007; and an ultimate inflation rate and an ultimate healthcare cost trend rate of 5.0 percent for medical and 2.0 percent for dental. The UAAL is being amortized over a 30-year period on the level dollar method on an open basis with 29 years remaining.

**E. Subsequent Events**

As discussed in Note IV.A., page 39, at September 30, 2007, the District had \$297,727,194 invested in the State Board of Administration's (SBA) Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the SBA implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Pool coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the SBA restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86 percent of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14 percent of Pool assets. At the time of the restructuring, all current Pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 37 percent of their balance or \$4 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2 percent redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. The SBA has made two transfers of funds from Pool B to Pool A allowing the participants to withdraw additional funds from Pool A. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of February 12, 2008, the District has \$147,501,501 and \$29,946,244 invested in Pool A and Pool B, respectively. Additional information regarding the Pool may be obtained from the SBA.

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2007**

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to 3 percent or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to 10 percent, except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 becomes effective on October 1, 2008, with the exception of the 10 percent assessment cap on non-homestead property which becomes effective on January 1, 2009. The District does not maintain or have access to information that would provide a meaningful estimate of the impact of Amendment 1 on the District's future property tax revenue. The Legislature's Office of Economic and Demographic Research published estimated impacts by county, but not by watershed basins which is how the District is organized. The first year impact of Amendment 1 will not be known until property values are certified by the county property appraisers in July 2008.

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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, 2007**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 32,984,706	\$ 2,586,428	\$ (30,398,278)
<b>EXPENDITURES</b>			
Current:			
Acquisition, Restoration and Public Works	28,298,875	2,276,100	26,022,775
Operation and Maintenance of Lands and Works	4,685,831	310,328	4,375,503
Total Expenditures	<u>32,984,706</u>	<u>2,586,428</u>	<u>30,398,278</u>
Excess of Revenues Over Expenditures	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

**Southwest Florida Water Management District  
 Facilities Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended September 30, 2007**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 2,400,000	\$ 2,400,000	\$ -
<b>EXPENDITURES</b>			
Current:			
Acquisition, Restoration and Public Works	<u>5,002,331</u>	<u>3,011,948</u>	<u>1,990,383</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,602,331)	(611,948)	1,990,383
Fund Balance - Beginning	<u>2,602,331</u>	<u>2,890,674</u>	<u>288,343</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,278,726</u>	<u>\$ 2,278,726</u>

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.

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

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

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

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**Southwest Florida Water Management District**  
**Net Assets by Component**  
**For the Last Seven Years**  
(accrual basis of accounting)

	Fiscal Year						
	2007	2006	2005	2004	2003	2002	2001
Governmental activities							
Invested in Capital Assets	\$ 689,145,591	\$ 693,083,691	\$ 652,916,266	\$ 593,149,521	\$ 544,800,181	\$ 515,929,344	\$ 479,314,226
Restricted for Partnership Agreement	85,000,000	85,022,824	86,964,669	85,841,584	85,251,298	85,682,484	86,963,804
Unrestricted	452,034,832	343,505,980	255,474,209	222,720,041	212,904,388	179,200,817	155,791,704
Total governmental activities net assets	<u>\$ 1,226,180,423</u>	<u>\$ 1,121,612,495</u>	<u>\$ 995,355,144</u>	<u>\$ 901,711,146</u>	<u>\$ 842,955,867</u>	<u>\$ 780,812,645</u>	<u>\$ 722,069,734</u>

The implementation of GASB 34 in fiscal year 2001 created the need for the Net Assets by Component schedule. The net assets by component was not available for fiscal years prior to 2001.

**Southwest Florida Water Management District**  
**Changes in Net Assets**  
**For the Last Seven Years**  
(accrual basis of accounting)

	Fiscal Year						
	2007	2006	2005	2004	2003	2002	2001
<b>Expenses</b>							
Governmental activities:							
Water Resources Planning and Monitoring	\$ 32,807,602	\$ 30,510,960	\$ 28,225,093	\$ 21,751,944	\$ 15,579,114	\$ 14,338,621	\$ 13,496,490
Acquisition, Restoration and Public Works	97,762,937	49,035,932	70,492,840	77,426,245	44,556,653	51,865,426	45,214,951
Operation and Maintenance of Lands and Works	15,914,021	15,929,460	13,754,235	14,653,283	12,900,859	12,316,549	13,014,948
Regulation	18,493,860	16,493,948	15,927,204	14,314,706	13,606,323	12,386,701	11,735,276
Outreach	5,306,415	4,543,475	3,707,207	3,727,632	3,527,078	2,948,200	2,890,486
Management and Administration	37,981,400	32,988,524	32,435,994	27,937,157	27,010,734	25,803,748	21,823,485
Total governmental activities expenses	208,266,235	149,502,299	164,542,573	159,810,967	117,180,761	119,659,245	108,175,636
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
Water Resources Planning & Monitoring	134,780	186,666	192,074	249,779	311,498	267,661	52,272
Acquisition, Restoration and Public Works	-	-	-	-	-	9,774	341,339
Operation and Maintenance of Lands and Works	1,312,407	1,549,729	1,661,289	1,669,597	1,349,230	882,651	2,170,210
Regulation	3,282,034	4,026,078	3,443,788	3,303,915	2,552,911	2,382,605	-
Outreach	-	-	-	-	2,200	16,500	1,051,459
Management and Administration	1,051,604	994,953	988,226	1,035,609	1,368,194	1,182,522	9,098,570
Operating grants and contributions	34,828,465	29,109,494	22,945,387	25,535,832	9,629,528	8,561,473	42,923,480
Capital grants and contributions	2,691,252	25,585,607	39,018,186	37,012,993	28,467,877	38,046,026	-
Total governmental activities program revenues	43,300,542	61,452,527	68,248,950	68,807,725	43,681,438	51,349,212	55,637,330
<b>Net (expense) revenue</b>	<b>(164,965,693)</b>	<b>(88,049,772)</b>	<b>(96,293,623)</b>	<b>(91,003,242)</b>	<b>(73,499,323)</b>	<b>(68,310,033)</b>	<b>(52,538,306)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Ad Valorem Property Taxes	237,448,913	189,355,313	161,163,202	143,869,238	129,555,903	119,241,746	107,401,383
Unrestricted investment earnings	28,204,657	19,640,423	9,467,843	4,565,891	5,490,920	7,696,602	15,206,819
Gain on sale of capital assets	-	4,223,961	-	348,906	89,808	-	18,601
Other	3,880,051	1,087,426	19,306,576	974,486	505,914	114,596	315,681
Total governmental activities general revenues	269,533,621	214,307,123	189,937,621	149,758,521	135,642,545	127,052,944	122,942,484
<b>Change in Net Assets</b>	<b>\$ 104,567,928</b>	<b>\$ 126,257,351</b>	<b>\$ 93,643,998</b>	<b>\$ 58,755,279</b>	<b>\$ 62,143,222</b>	<b>\$ 58,742,911</b>	<b>\$ 70,404,178</b>

The implementation of GASB 34 in fiscal year 2001 created the need for the Changes in Net Assets schedule. The change in net assets by component was not available for fiscal years prior to 2001.



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

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund:										
Reserved	\$ 74,056,319	\$ 48,149,032	\$ 46,492,578	\$ 39,422,012	\$ 24,523,545	\$ 16,483,581	\$ 15,337,050	\$ 20,603,562	\$ 23,648,789	\$ 19,366,932
Unreserved	159,589,642	123,095,002	79,249,802	63,927,282	56,889,560	46,657,577	31,134,254	19,839,086	14,145,824	37,108,127
Total General Fund	<u>\$233,647,961</u>	<u>\$171,244,034</u>	<u>\$125,742,380</u>	<u>\$103,349,294</u>	<u>\$ 81,413,105</u>	<u>\$ 63,141,158</u>	<u>\$ 46,471,304</u>	<u>\$ 40,442,648</u>	<u>\$ 37,794,613</u>	<u>\$ 56,475,059</u>
All Other Governmental Funds										
Reserved	\$283,263,772	\$252,049,380	\$232,410,135	\$239,197,020	\$230,619,954	\$188,751,060	\$201,817,496	\$161,226,168	\$132,562,288	\$ 47,503,329
Unreserved:										
Special revenue funds	47,956,689	32,878,423	12,768,377	17,043,939	(992,560)	19,148,603	24,699,711	23,679,518	21,271,002	45,297,807
Capital projects funds	(1,786,657)	(2,237,151)	(3,800,112)	(26,643,785)	(8,445,145)	(1,974,847)	(26,545,080)	(3,556,230)	(7,856,135)	781,003
Total All Other Governmental Funds	<u>\$329,433,804</u>	<u>\$282,690,652</u>	<u>\$241,378,400</u>	<u>\$229,597,174</u>	<u>\$221,182,249</u>	<u>\$205,924,816</u>	<u>\$199,972,127</u>	<u>\$181,349,456</u>	<u>\$145,977,155</u>	<u>\$ 93,582,139</u>
Total Fund Balances	<u>\$563,081,765</u>	<u>\$453,934,686</u>	<u>\$367,120,780</u>	<u>\$332,946,468</u>	<u>\$302,595,354</u>	<u>\$269,065,974</u>	<u>\$246,443,431</u>	<u>\$221,792,104</u>	<u>\$183,771,768</u>	<u>\$150,057,198</u>

**Southwest Florida Water Management District**  
**Changes in Fund Balances (1)**  
**For the Last Seven Years**

	Fiscal Year						
	2007	2006	2005	2004	2003	2002	2001
<b>REVENUES</b>							
Ad Valorem Property Taxes	\$237,543,172	\$189,378,158	\$161,263,640	\$143,801,912	\$129,549,220	\$119,312,415	\$107,871,878
Intergovernmental Revenues	38,069,942	55,536,683	62,903,153	63,138,573	38,974,623	47,294,407	52,022,050
Interest on Invested Funds	28,204,657	19,640,423	9,467,843	4,565,891	5,490,920	7,696,602	15,206,819
License and Permit Fees	3,282,034	4,026,078	3,443,788	3,303,915	2,552,911	2,357,605	2,170,210
Other	3,276,451	3,542,367	3,371,782	3,349,578	2,755,089	1,954,882	1,825,072
Total Revenues	<u>310,376,256</u>	<u>272,123,709</u>	<u>240,450,206</u>	<u>218,159,869</u>	<u>179,322,763</u>	<u>178,615,911</u>	<u>179,096,029</u>
<b>EXPENDITURES</b>							
Current:							
Water Resources Planning and Monitoring	32,620,502	30,274,277	28,010,481	21,788,639	15,884,100	14,171,194	13,501,117
Acquisition, Restoration and Public Works	91,471,056	88,631,174	112,707,054	104,049,607	71,952,001	88,255,415	90,912,033
Operation and Maintenance of Lands and Works	16,310,879	16,710,796	14,693,684	15,572,454	13,490,901	12,492,363	11,535,473
Regulation	18,311,066	16,280,759	15,892,959	14,250,561	13,506,724	12,326,062	11,661,561
Outreach	5,286,577	4,514,870	3,676,618	3,718,886	3,514,563	2,956,308	2,890,246
Management and Administration	37,229,097	33,187,587	31,295,098	28,428,608	27,445,094	25,792,026	23,944,272
Total Expenditures	<u>201,229,177</u>	<u>189,599,463</u>	<u>206,275,894</u>	<u>187,808,755</u>	<u>145,793,383</u>	<u>155,993,368</u>	<u>154,444,702</u>
Excess of Revenues Over Expenditures	<u>109,147,079</u>	<u>82,524,246</u>	<u>34,174,312</u>	<u>30,351,114</u>	<u>33,529,380</u>	<u>22,622,543</u>	<u>24,651,327</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	17,275,932	14,211,995	17,269,052	17,496,250	15,709,133	15,630,592	14,225,763
Transfers Out	(17,275,932)	(14,211,995)	(17,269,052)	(17,496,250)	(15,709,133)	(15,630,592)	(14,225,763)
Sale of Capital Assets	-	4,289,660	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>4,289,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	<u>109,147,079</u>	<u>86,813,906</u>	<u>34,174,312</u>	<u>30,351,114</u>	<u>33,529,380</u>	<u>22,622,543</u>	<u>24,651,327</u>
Fund Balances - Beginning	<u>453,934,686</u>	<u>367,120,780</u>	<u>332,946,468</u>	<u>302,595,354</u>	<u>269,065,974</u>	<u>246,443,431</u>	<u>221,792,104</u>
Fund Balances - Ending	<u>\$563,081,765</u>	<u>\$453,934,686</u>	<u>\$367,120,780</u>	<u>\$332,946,468</u>	<u>\$302,595,354</u>	<u>\$269,065,974</u>	<u>\$246,443,431</u>

(1) This schedule shows combined changes in Fund Balances 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 1998 through 2000 have not been restated by program area and are reported on the following page.

**Southwest Florida Water Management District  
Changes in Fund Balances  
For Fiscal Years 1998 through 2000**

	Fiscal Year		
	2000	1999	1998
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 99,645,894	\$ 94,005,983	\$ 88,790,677
Intergovernmental Revenues	37,926,389	31,489,911	23,428,458
Interest on Invested Funds	13,521,786	8,565,607	9,836,607
License and Permit Fees	2,134,534	2,134,867	1,967,139
Other	1,602,377	1,260,264	1,500,369
<b>Total Revenues</b>	<u>154,830,980</u>	<u>137,456,632</u>	<u>125,523,250</u>
<b>EXPENDITURES</b>			
Current:			
Administration	20,563,316	19,600,000	20,044,753
General Counsel	2,717,420	2,898,528	1,920,256
Commissions	2,179,649	2,648,974	2,596,154
Resource Management	37,227,422	30,727,530	30,193,106
Resource Regulation	11,433,901	11,386,075	11,202,060
Operations and Maintenance	10,669,912	8,807,020	8,993,553
Land Resources	32,019,024	27,673,935	21,550,604
Total Expenditures	<u>116,810,644</u>	<u>103,742,062</u>	<u>96,500,486</u>
Excess of Revenues Over Expenditures	<u>38,020,336</u>	<u>33,714,570</u>	<u>29,022,764</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	17,799,568	15,423,259	2,147,550
Transfers Out	(17,799,568)	(15,423,259)	(2,147,550)
Capital Leases	-	-	87,421
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>87,421</u>
Net Change in Fund Balances	<u>38,020,336</u>	<u>33,714,570</u>	<u>29,110,185</u>
Fund Balances - Beginning	183,771,768	150,057,198	120,947,013
Residual Equity Transfers In	-	43,737,663	-
Residual Equity Transfers Out	-	(43,737,663)	-
Fund Balances - Ending	<u>\$ 221,792,104</u>	<u>\$ 183,771,768</u>	<u>\$ 150,057,198</u>

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 the previous page. 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  
Fund Balance Comparison to Annual Expenditures  
For the Last Ten Fiscal Years**

Fiscal Year	General Fund			Special Revenue Funds			Balance as Percentage of Expenditures
	Unreserved Fund Balance	Annual Expenditures	Balance as Percentage of Expenditures	Fiscal Year	Unreserved Fund Balance	Annual Expenditures	
2007	\$ 159,589,642 (1)	\$ 106,678,720	149.59 %	2007	\$ 47,956,689	\$ 88,952,081	53.91 %
2006	123,095,002	88,322,686	139.37	2006	32,878,423	74,690,653	44.02
2005	79,249,802	87,210,599	90.87	2005	12,768,377	75,619,588	16.89
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	(992,560) (2)	54,361,367	(1.83)
2002	46,657,577	57,907,902	80.57	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	21,271,002	24,226,205	87.80
1998	37,108,127	53,231,368	69.71	1998	45,297,807	24,225,257	186.99

(1) Includes \$139.7 million designated by the Governing Board for future water supply and water resource development projects, consistent with the District's Long-Range Water Supply and Water Resource Development Funding Plan through 2025.

(2) 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.

(Continued)

**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>
2007	\$ (1,786,657) (3)	\$ 5,598,376	(31.91) %	2007	\$ 205,759,674	\$ 201,229,177	102.25 %
2006	(2,237,151) (3)	26,586,124	(8.41)	2006	153,736,274	189,599,463	81.08
2005	(3,800,112) (3)	43,445,707	(8.75)	2005	88,218,067	206,275,894	42.77
2004	(26,643,785) (3)	39,990,352	(66.63)	2004	54,327,436	187,808,755	28.93
2003	(8,445,145) (3)	27,336,442	(30.89)	2003	47,451,855	145,793,383	32.55
2002	(1,974,847) (3)	37,022,913	(5.33)	2002	63,831,333	155,993,368	40.92
2001	(26,545,080) (3)	46,320,053	(57.31)	2001	29,288,885	154,444,702	18.96
2000	(3,556,230) (3)	29,284,497	(12.14)	2000	39,962,374	116,810,644	34.21
1999	(7,856,135) (3)	24,836,443	(31.63)	1999	27,560,691	103,742,062	26.57
1998	781,003	19,043,861	4.10	1998	83,186,937	96,500,486	86.20

(3) 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, the Preservation 2000 Trust Fund, or the Florida Forever Trust Fund. The cash required to finance the purchases is or will be recorded in the Capital Projects Fund with the revenue deferred at year-end or is reserved in the named State of Florida trust funds until required by the District for land acquisitions.

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

<b>Fiscal Year</b>	<b>Water Resources Planning and Monitoring</b>	<b>Acquisition, Restoration and Public Works</b>	<b>Operation and Maintenance of Lands and Works</b>	<b>Regulation</b>	<b>Outreach-Public Education</b>	<b>Management and Administration</b>	<b>Total Expenditures</b>
2007	\$ 32,620,502 16.21%	\$ 91,471,056 45.45%	\$ 16,310,879 8.11%	\$ 18,311,066 9.10%	\$ 5,286,577 2.63%	\$ 37,229,097 18.50%	\$ 201,229,177 100.00%
2006	30,274,277 15.97%	88,631,174 46.75%	16,710,796 8.81%	16,280,759 8.59%	4,514,870 2.38%	33,187,587 17.50%	189,599,463 100.00%
2005	28,010,481 13.58%	112,707,054 54.64%	14,693,684 7.13%	15,892,959 7.70%	3,676,618 1.78%	31,295,098 15.17%	206,275,894 100.00%
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 58.87%	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 1998 through 2000 have not been restated by program area and are reported on the following page.

**Southwest Florida Water Management District  
General Government Expenditures by Function (1)  
For Fiscal Years 1998 through 2000**

<b>Fiscal Year</b>	<b>Administration</b>	<b>General Counsel</b>	<b>Commissions</b>	<b>Resource Management</b>	<b>Resource Regulation</b>	<b>Operations and Maintenance</b>	<b>Land Resources</b>	<b>Total Expenditures</b>
2000	\$ 20,563,316 17.60%	\$ 2,717,420 2.33%	\$ 2,179,649 1.87%	\$ 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%

(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 the previous page. 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**

<b>Fiscal Year</b>	<b>Ad Valorem Property Taxes</b>	<b>Inter-Governmental Revenues</b>	<b>Interest on Invested Funds</b>	<b>License and Permit Fees</b>	<b>Other Revenues</b>	<b>Total Revenues</b>
2007	\$ 237,543,172 76.53%	\$ 38,069,942 12.26%	\$ 28,204,657 9.09%	\$ 3,282,034 1.06%	\$ 3,276,451 1.06%	\$ 310,376,256 100.00%
2006	189,378,158 69.59%	55,536,683 20.41%	19,640,423 7.22%	4,026,078 1.48%	3,542,367 1.30%	272,123,709 100.00%
2005	161,263,640 67.07%	62,903,153 26.16%	9,467,843 3.94%	3,443,788 1.43%	3,371,782 1.40%	240,450,206 100.00%
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%

(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	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		Facilities	Total	Percent Base Year	Annual Change in Percent
2007	\$145,973,534	\$ 5,364,139	\$ 12,463,049	\$ 6,734,757	\$ 5,024,249	\$ 31,319,837	\$ 5,148,275	\$ 9,265,908	\$13,849,424	\$ 2,400,000	\$ 237,543,172	267.5 %	54.2 %								
2006	115,088,950	4,251,799	10,084,129	5,690,823	4,449,920	25,938,951	3,701,008	6,760,928	11,011,650	2,400,000	189,378,158	213.3	31.7								
2005	98,617,333	3,577,067	8,668,890	5,004,715	3,740,550	22,519,738	2,889,460	5,774,020	9,221,867	1,250,000	161,263,640	181.6	19.6								
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	162.0	16.1								
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	145.9	11.5								
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	134.4	12.9								
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	121.5	9.3								
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	112.2	6.3								
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	105.9	5.9								
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	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**

<b>Fiscal Year</b>	<b>Charlotte County</b>	<b>Citrus County</b>	<b>Desoto County</b>	<b>Hardee County</b>	<b>Hernando County</b>	<b>Highlands County</b>	<b>Hillsborough County</b>	<b>Lake County</b>	<b>Levy County</b>
2007	\$14,178,471 5.97%	\$7,350,108 3.09%	\$1,039,104 0.44%	\$889,608 0.37%	\$6,102,139 2.57%	\$3,050,390 1.28%	\$52,334,811 22.03%	\$30,030 0.01%	\$799,002 0.34%
2006	9,460,493 5.00%	5,639,059 2.98%	691,213 0.36%	788,792 0.42%	4,925,311 2.60%	2,153,281 1.14%	43,054,784 22.73%	22,883 0.01%	521,149 0.28%
2005	7,625,085 4.73%	4,604,586 2.86%	648,433 0.40%	830,431 0.51%	4,046,797 2.51%	1,844,887 1.14%	37,314,510 23.14%	19,355 0.01%	419,712 0.26%
2004	6,519,997 4.54%	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%

Source: Florida Statistical Abstract, State of Florida, Department of Revenue, and District Records - Finance Department, Budget Section.

(Continued)

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

<b>Fiscal Year</b>	<b>Manatee County</b>	<b>Marion County</b>	<b>Pasco County</b>	<b>Pinellas County</b>	<b>Polk County</b>	<b>Sarasota County</b>	<b>Sumter County</b>	<b>Total</b>
2007	\$ 17,223,698 7.25%	\$ 4,050,704 1.71%	\$ 17,581,645 7.40%	\$ 60,048,322 25.29%	\$ 16,682,869 7.02%	\$ 33,148,867 13.95%	\$ 3,033,404 1.28%	\$ 237,543,172 100.00%
2006	13,924,895 7.35%	2,742,778 1.45%	13,650,954 7.21%	49,977,644 26.39%	13,431,641 7.09%	26,130,517 13.80%	2,262,764 1.19%	189,378,158 100.00%
2005	11,849,868 7.35%	2,304,740 1.43%	11,154,070 6.92%	43,617,283 27.05%	11,734,719 7.28%	21,693,705 13.45%	1,555,459 0.96%	161,263,640 100.00%
2004	10,377,230 7.22%	2,031,561 1.41%	9,497,470 6.60%	39,362,797 27.37%	10,545,318 7.33%	19,146,756 13.31%	1,299,678 0.91%	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%

Source: Florida Statistical Abstract, State of Florida, Department of Revenue, and District Records - Finance Department, Budget Section.

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

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Total Tax Levy (1)</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collection to Tax Levy</b>
2007	\$ 364,100,486,292	\$ 236,160,294	\$ 236,984,777	100.35%	\$ 558,395	\$ 237,543,172	100.59%
2006	288,027,816,770	188,076,151	188,729,789	100.35%	648,369	189,378,158	100.69%
2005	244,929,632,264	160,203,737	159,400,042	99.50%	1,863,598	161,263,640	100.66%
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%

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

Source: District Records - Finance Department, Budget Section; 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 (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)
2007	\$ 24,129,410,539 6.63%	\$ 30,502,113,285	\$ 11,637,462,135 3.20%	\$ 15,861,144,819	\$ 1,758,121,481 0.48%	\$ 3,827,367,199	\$ 1,556,504,727 0.43%	\$ 3,533,587,394
2006	15,988,917,489 5.55%	32,413,213,000	8,700,489,533 3.02%	15,252,557,896	1,141,425,064 0.40%	3,689,127,949	1,404,977,510 0.49%	2,689,526,887
2005	12,924,151,263 5.28%	21,061,621,462	7,061,830,905 2.89%	10,331,795,930	1,049,892,450 0.43%	2,094,506,489	1,395,590,539 0.57%	2,000,214,062
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

(1) Assessments are calculated at 100 percent of market value less exempt and immune values.

(2) The estimated actual represents the estimated total value of taxable property within the 16-county area encompassed by the District. Only portions of six of the counties lie within the District boundaries (Charlotte, Highlands, Lake, Levy, Marion and Polk counties).

Source: Florida Statistical Abstract, State of Florida, Department of Revenue; District Records - Finance Department, Budget Section.

(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 (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)
2007	\$ 9,901,079,038 2.72%	\$ 16,518,136,294	\$ 5,037,731,165 1.38%	\$ 9,629,781,192	\$ 78,793,903,491 21.64%	\$ 121,014,269,598	\$ 74,401,396 0.02%	\$ 28,057,316,262
2006	7,646,691,051 2.65%	14,737,835,803	3,510,605,604 1.22%	8,271,475,339	64,750,787,840 22.47%	111,058,543,985	55,477,839 0.02%	24,012,999,573
2005	6,302,986,453 2.57%	11,004,596,658	2,933,630,183 1.20%	5,710,710,588	55,903,214,952 22.82%	87,484,564,131	46,727,001 0.02%	17,331,655,024
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

(1) Assessments are calculated at 100 percent of market value less exempt and immune values.

(2) The estimated actual represents the estimated total value of taxable property within the 16-county area encompassed by the District. Only portions of six of the counties lie within the District boundaries (Charlotte, Highlands, Lake, Levy, Marion and Polk counties).

Source: Florida Statistical Abstract, State of Florida, Department of Revenue, and District Records - Finance Department, Budget Section.

(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 (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)
2007	\$ 1,223,533,954 0.34%	\$ 4,921,099,058	\$ 30,735,678,005 8.44%	\$ 44,737,819,806	\$ 6,132,576,329 1.68%	\$ 36,900,992,461	\$ 25,750,555,212 7.07%	\$ 42,731,726,286
2006	788,382,168 0.27%	4,651,266,241	24,759,022,291 8.60%	39,852,622,216	4,216,130,979 1.46%	28,210,769,525	19,804,373,845 6.88%	37,956,299,419
2005	634,607,144 0.26%	2,892,868,688	21,188,932,148 8.65%	31,744,642,359	3,412,304,183 1.39%	19,412,346,247	16,171,800,551 6.60%	27,816,171,324
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

(1) Assessments are calculated at 100 percent of market value less exempt and immune values.

(2) The estimated actual represents the estimated total value of taxable property within the 16-county area encompassed by the District. Only portions of six of the counties lie within the District boundaries (Charlotte, Highlands, Lake, Levy, Marion and Polk counties).

Source: Florida Statistical Abstract, State of Florida, Department of Revenue, and District Records - Finance Department, Budget Section.

(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 (1)	Estimated Actual (2)	Taxable Assessed Value (1) / Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1) / Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1) / Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)	Taxable Assessed Value (1) / Estimated Actual (2)	Taxable Assessed Value (1)	Estimated Actual (2)
2007	\$75,661,254,861 20.78%	\$114,343,974,786	7.71%	\$28,070,713,660 7.71%	\$45,124,557,754	16.21%	\$59,015,112,895 16.21%	\$83,515,987,446	\$ 4,622,447,404 1.27%	\$ 8,348,114,360	\$364,100,486,292 100.00%	\$609,567,988,000		
2006	62,891,555,541 21.84%	110,393,548,929	7.80%	22,463,188,999 7.80%	37,963,793,843	16.15%	46,517,976,673 16.15%	81,694,691,410	3,387,814,344 1.18%	6,755,285,291	288,027,816,770 100.00%	559,603,557,306		
2005	54,946,057,068 22.43%	87,782,983,400	8.09%	19,808,792,690 8.09%	27,996,939,791	15.85%	38,833,229,197 15.85%	62,014,707,687	2,315,885,537 0.95%	5,142,166,017	244,929,632,264 100.00%	421,822,489,857		
2004	49,736,379,395 22.73%	74,989,311,400	8.31%	18,175,358,199 8.31%	23,218,366,615	15.60%	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	8.32%	16,372,841,445 8.32%	21,243,060,892	15.18%	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	8.60%	15,470,541,404 8.60%	20,383,440,390	14.64%	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	8.88%	14,449,672,403 8.88%	18,441,382,093	14.62%	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	9.02%	13,583,962,496 9.02%	16,609,984,276	14.57%	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	9.32%	13,168,283,712 9.32%	15,365,515,433	14.40%	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	9.53%	12,726,018,383 9.53%	14,780,658,503	14.33%	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		

(1) Assessments are calculated at 100 percent of market value less exempt and immune values.

(2) The estimated actual represents the estimated total value of taxable property within the 16-county area encompassed by the District. Only portions of six of the counties lie within the District boundaries (Charlotte, Highlands, Lake, Levy, Marion and Polk counties).

Source: Florida Statistical Abstract, State of Florida, Department of Revenue, and District Records - Finance Department, Budget Section.



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

Fiscal Year	District	Northwest			Pinellas-		Peace River Basin	Manasota Basin	Maximum Legal Rate (1)		
		Alafia River Basin	Hillsborough River Basin	Hillsborough Basin	Coastal Rivers Basin	Anclote River Basin			Withlacoochee River Basin	District Wide	Per Basin
2007	.422	.240	.285	.268	.205	.400	.265	.195	.160	.500	.500
2006	.422	.240	.285	.268	.235	.400	.265	.195	.160	.500	.500
2005	.422	.240	.285	.268	.235	.400	.265	.195	.160	.500	.500
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

(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 2007 Annual Service Budget.

**Southwest Florida Water Management District  
Schedule of Principal Taxpayers by County  
September 30, 2007**

County	Ad Valorem Tax Collections	Percentage of Collections	Taxable Assessed Value	Percentage of Assessed Valuation
Pinellas	\$ 60,048,322	25.29%	\$ 75,661,254,861	20.78%
Hillsborough	52,334,811	22.03%	78,793,903,491	21.64%
Sarasota	33,148,867	13.95%	59,015,112,895	16.21%
Pasco	17,581,645	7.40%	25,750,555,212	7.07%
Manatee	17,223,698	7.25%	30,735,678,005	8.44%
Polk	16,682,869	7.02%	28,070,713,660	7.71%
Charlotte	14,178,471	5.97%	24,129,410,539	6.63%
Citrus	7,350,108	3.09%	11,637,462,135	3.20%
Hernando	6,102,139	2.57%	9,901,079,038	2.72%
Marion	4,050,704	1.71%	6,132,576,329	1.68%
Highlands	3,050,390	1.28%	5,037,731,165	1.38%
Sumter	3,033,404	1.28%	4,622,447,404	1.27%
DeSoto	1,039,104	0.44%	1,758,121,481	0.48%
Hardee	889,608	0.37%	1,556,504,727	0.43%
Levy	799,002	0.34%	1,223,533,954	0.34%
Lake	30,030	0.01%	74,401,396	0.02%
Total	<u>\$ 237,543,172</u>	<u>100.00%</u>	<u>\$ 364,100,486,292</u>	<u>100.00%</u>

Source: Florida Statistical Abstract, State of Florida, Department of Revenue, and District Records - Finance Department, Budget Section.

**Southwest Florida Water Management District  
Demographic Statistics--Population by District, Basin and County  
September 30, 2007**

Southwest Florida Water Management District by Basin											
County	County Total	Within SWFWMD Population	Green Swamp	Alafia River	Hillsborough River	Northwest Hillsborough	Coastal Rivers	Pinellas-Anclote River	Withlacoochee River	Peace River	Manasota
Charlotte *	161,390	155,193	N/A	N/A	N/A	N/A	N/A	N/A	N/A	155,193	N/A
Citrus	141,690	141,690	N/A	N/A	N/A	N/A	54,919	N/A	86,771	N/A	N/A
DeSoto	35,990	35,990	N/A	N/A	N/A	N/A	N/A	N/A	N/A	35,990	N/A
Hardee	29,160	29,160	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29,160	N/A
Hernando	170,230	170,230	N/A	N/A	N/A	N/A	143,368	N/A	26,862	N/A	N/A
Highlands*	100,130	91,379	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91,379	N/A
Hillsborough	1,179,430	1,179,430	N/A	263,485	573,556	342,389	N/A	N/A	N/A	N/A	N/A
Lake*	296,080	1,569	1,569	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Levy*	39,710	21,900	N/A	N/A	N/A	N/A	N/A	N/A	21,900	N/A	N/A
Manatee	322,200	322,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	322,200
Marion*	322,690	88,353	N/A	N/A	N/A	N/A	N/A	N/A	88,353	N/A	N/A
Pasco	457,050	457,050	2,148	N/A	121,210	N/A	228,114	75,687	29,891	N/A	N/A
Pinellas	931,880	931,880	N/A	N/A	N/A	N/A	N/A	931,880	N/A	N/A	N/A
Polk*	569,340	552,259	49,932	57,560	74,242	N/A	N/A	N/A	N/A	370,525	N/A
Sarasota	374,790	374,790	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	374,790
Sumter	70,070	70,070	N/A	N/A	N/A	N/A	N/A	N/A	70,070	N/A	N/A
<b>Total</b>	<b>5,201,890</b>	<b>4,623,143</b>	<b>53,649</b>	<b>321,045</b>	<b>769,008</b>	<b>342,389</b>	<b>426,401</b>	<b>1,007,567</b>	<b>323,847</b>	<b>682,247</b>	<b>696,990</b>

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

Permanent Population = Year-round residents only.

Source: Fiscal year 2007 County Total population figures are projections obtained from 2007 Woods and Poole Economics, 2007 Florida State Profile: State and County Projections to 2030. Fiscal years 1998-2006 County Total population figures were obtained from Projections of Florida Population by County, 2006-2030, Bureau of Economic and Business Research (BEBR), February 2007. Basin and County portional populations were obtained from Estimates of 2000 Census Populations and Geographic Boundaries of the SWFWMD, GIS Associates, Inc. for the SWFWMD, July 2004.

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

<b>Fiscal Year</b>	<b>Charlotte * County</b>	<b>Citrus County</b>	<b>Desoto County</b>	<b>Hardee County</b>	<b>Hernando County</b>	<b>Highlands * County</b>	<b>Hillsborough County</b>	<b>Lake * County</b>
2007	155,193 3.36%	141,690 3.06%	35,990 0.78%	29,160 0.63%	170,230 3.68%	91,379 1.98%	1,179,430 25.50%	1,569 0.03%
2006	148,115 3.34%	132,635 2.99%	32,606 0.73%	27,333 0.62%	150,784 3.40%	85,288 1.92%	1,131,546 25.48%	1,394 0.03%
2005	150,957 3.47%	129,110 2.97%	34,105 0.78%	27,787 0.64%	145,207 3.34%	84,011 1.93%	1,108,435 25.49%	1,335 0.03%
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%	79,415 1.99%	998,948 25.07%	2,316 0.06%
2000	137,437 3.53%	115,608 2.96%	31,169 0.80%	26,407 0.68%	128,025 3.28%	77,592 1.99%	971,078 24.92%	2,224 0.06%
1999	134,242 3.52%	113,358 2.97%	30,128 0.79%	26,134 0.68%	125,546 3.29%	76,011 1.99%	945,564 24.77%	2,143 0.06%
1998	132,186 3.52%	111,068 2.95%	29,087 0.77%	25,408 0.68%	122,679 3.27%	74,610 1.99%	931,481 24.80%	2,075 0.06%

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

Source: Fiscal Year 2007 *County Total* population figures are projections obtained from 2007 Woods and Poole Economics, *2007 Florida State Profile: State and County Projections to 2030*. Fiscal years 1998-2006 *County Total* population figures were obtained from Projections of Florida Population by County, 2006-2030, Bureau of Economic and Business Research (BEBR), February 2007. Basin and County portional populations were obtained from Estimates of 2000 Census Populations and Geographic Boundaries of the SWFWMD, GIS Associates, Inc. for the SWFWMD, July 2004.

(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
2007	21,900 0.47%	322,200 6.97%	88,353 1.91%	457,050 9.89%	931,880 20.16%	552,259 11.95%	374,790 8.11%	70,070 1.52%	4,623,143 100.00%
2006	20,949 0.47%	304,364 6.85%	83,489 1.88%	406,897 9.16%	947,744 21.34%	525,585 11.84%	367,867 8.28%	74,052 1.67%	4,440,648 100.00%
2005	20,674 0.48%	295,242 6.79%	80,310 1.85%	389,776 8.96%	943,640 21.71%	512,537 11.79%	358,307 8.24%	66,416 1.53%	4,347,849 100.00%
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%	929,207 22.84%	478,252 11.76%	334,023 8.21%	56,932 1.40%	4,067,668 100.00%
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%	3,983,941 100.00%
2000	19,208 0.49%	257,391 6.60%	56,754 1.46%	334,986 8.60%	915,791 23.50%	455,516 11.69%	318,338 8.17%	49,698 1.27%	3,897,222 100.00%
1999	18,676 0.49%	250,871 6.57%	54,950 1.44%	327,536 8.58%	907,265 23.76%	445,150 11.66%	313,218 8.20%	47,007 1.23%	3,817,799 100.00%
1998	18,013 0.48%	245,505 6.53%	53,600 1.43%	321,074 8.55%	900,320 23.97%	437,764 11.64%	308,052 8.20%	43,680 1.16%	3,756,602 100.00%

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

Source: Fiscal year 2007 County Total population figures are projections obtained from 2007 Woods and Poole Economics, 2007 Florida State Profile: State and County Projections to 2030. Fiscal years 1998-2006 County Total population figures were obtained from Projections of Florida Population by County, 2006-2030, Bureau of Economic and Business Research (BEBR), February 2007. Basin and County portional populations were obtained from Estimates of 2000 Census Populations and Geographic Boundaries of the SWFWMD, GIS Associates, Inc. for the SWFWMD, July 2004.

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Increase</u>	<u>Percent Increase</u>
2007	4,623,143	182,495	4.11 %
2006	4,440,648	92,799	2.13
2005	4,347,849	102,928	2.42
2004	4,244,921	103,175	2.49
2003	4,141,746	74,078	1.82
2002	4,067,668	83,727	2.10
2001	3,983,941	86,719	2.23
2000	3,897,222	79,423	2.08
1999	3,817,799	61,197	1.63
1998	3,756,602	-	-

(1) Data is for portion of county located within the SWFWMD boundaries.

Source: Fiscal Year 2007 population figures are projections obtained from 2007 Woods and Poole Economics, 2007 Florida State Profile: State and County Projections to 2030.  
Fiscal years 1998-2006 population figures were obtained from Projections of Florida Population by County, 2006-2030, Bureau of Economic and Business Research (BEBR) February 2007.

**Southwest Florida Water Management District  
Demographic Statistics-- Income and Unemployment by County  
For the Last Ten Fiscal Years**

Fiscal Year	Charlotte County			Citrus County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 4,796.24	\$ 29,718	4.8%	\$ 3,761.76	\$ 26,550	4.5%
2006	4,544.90	29,429	3.4%	3,631.80	26,290	3.8%
2005	4,484.06	29,053	4.1%	3,397.22	25,342	4.3%
2004	4,333.90	27,588	5.3%	3,232.63	24,831	5.4%
2003	4,017.49	26,317	5.4%	3,082.21	24,361	6.2%
2002	3,997.88	26,682	5.6%	3,009.48	24,332	6.6%
2001	4,028.38	27,554	4.4%	2,935.78	24,206	5.7%
2000	3,955.13	27,795	3.7%	2,856.11	24,069	4.7%
1999	3,774.28	26,913	3.3%	2,714.88	23,277	4.8%
1998	3,660.03	26,599	3.6%	2,582.70	22,587	6.1%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics. 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

(Continued)

**Southwest Florida Water Management District  
Demographic Statistics-- Income and Unemployment by County  
For the Last Ten Fiscal Years  
(Continued)**

Fiscal Year	Desoto County			Hardee County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 674.53	\$ 18,741	4.4%	\$ 564.60	\$ 19,360	4.0%
2006	653.18	18,496	3.5%	548.89	19,178	3.9%
2005	617.26	17,606	4.6%	515.36	18,227	4.8%
2004	601.13	17,247	5.7%	492.83	17,595	6.1%
2003	571.84	16,816	5.6%	498.42	17,978	6.6%
2002	570.42	17,269	6.1%	495.82	17,981	7.2%
2001	586.70	17,869	4.9%	512.69	19,067	6.9%
2000	575.97	17,826	4.4%	484.71	18,003	5.9%
1999	608.27	19,401	6.7%	508.93	19,207	10.5%
1998	599.85	19,729	7.4%	484.50	18,493	12.2%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics. 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

(Continued)



**Southwest Florida Water Management District**  
**Demographic Statistics-- Income and Unemployment by County**  
**For the Last Ten Fiscal Years**  
(Continued)

Fiscal Year	Hernando County			Highlands County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 4,459.51	\$ 26,197	5.3%	\$ 2,397.04	\$ 23,940	4.2%
2006	4,299.22	25,991	4.3%	2,322.05	23,698	3.6%
2005	3,992.66	25,248	4.7%	2,186.76	22,853	4.3%
2004	3,809.86	25,330	5.6%	2,123.73	22,812	5.2%
2003	3,631.29	25,333	6.3%	2,067.65	22,734	5.6%
2002	3,545.97	25,647	6.8%	2,050.97	22,770	6.1%
2001	3,433.78	25,555	5.2%	1,990.70	22,459	5.1%
2000	3,345.77	25,440	4.4%	1,918.78	21,940	4.8%
1999	3,135.81	24,259	3.5%	1,936.14	22,356	7.1%
1998	3,063.77	24,004	4.0%	1,896.82	22,172	8.4%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics. 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

(Continued)

**Southwest Florida Water Management District  
Demographic Statistics-- Income and Unemployment by County  
For the Last Ten Fiscal Years  
(Continued)**

Fiscal Year	Hillsborough County			Lake County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 38,126.45	\$ 32,326	3.7%	\$ 8,365.00	\$ 28,253	3.9%
2006	37,005.65	31,964	3.1%	8,132.70	28,002	3.3%
2005	36,333.38	32,110	3.6%	7,787.49	28,132	3.8%
2004	35,135.37	31,960	4.3%	7,306.62	27,924	4.5%
2003	33,339.98	31,107	5.1%	6,719.71	27,250	5.2%
2002	32,520.31	30,941	5.4%	6,377.77	27,149	5.7%
2001	31,820.92	31,005	4.2%	6,198.26	27,650	4.4%
2000	31,044.04	30,945	3.3%	5,916.77	27,798	3.6%
1999	29,414.15	29,864	2.7%	5,606.71	27,333	2.7%
1998	27,950.99	28,961	2.9%	5,323.16	26,758	3.3%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics. 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

(Continued)

**Southwest Florida Water Management District  
Demographic Statistics-- Income and Unemployment by County  
For the Last Ten Fiscal Years  
(Continued)**

Fiscal Year	Levy County			Manatee County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 868.62	\$ 21,872	3.8%	\$ 11,141.28	\$ 34,579	3.6%
2006	849.51	21,740	3.4%	10,620.21	33,898	2.9%
2005	814.58	21,419	3.9%	10,464.73	34,170	3.4%
2004	779.03	20,938	4.7%	10,002.62	33,807	4.1%
2003	730.26	20,139	5.3%	9,176.51	31,962	4.7%
2002	709.99	19,816	5.8%	9,336.83	33,321	5.0%
2001	720.11	20,538	5.1%	9,301.20	34,149	4.0%
2000	680.72	19,662	3.9%	8,765.32	32,984	3.2%
1999	674.46	19,900	3.3%	8,392.71	32,398	2.3%
1998	645.77	19,599	4.3%	8,016.11	31,539	2.7%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics. 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

(Continued)

**Southwest Florida Water Management District**  
**Demographic Statistics-- Income and Unemployment by County**  
**For the Last Ten Fiscal Years**  
(Continued)

Fiscal Year	Marion County			Pasco County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 8,598.02	\$ 26,645	4.2%	\$ 11,824.71	\$ 25,872	4.5%
2006	8,358.86	26,437	3.4%	11,546.24	25,649	3.7%
2005	7,932.20	26,140	3.9%	10,900.27	25,346	4.3%
2004	7,494.89	25,721	4.6%	10,297.72	25,240	5.0%
2003	6,906.11	24,614	5.4%	9,630.56	24,834	5.6%
2002	6,588.25	24,191	5.9%	9,266.15	24,847	5.9%
2001	6,536.71	24,665	5.0%	8,918.31	24,817	4.6%
2000	6,387.36	24,535	4.0%	8,501.14	24,470	3.7%
1999	6,105.92	23,948	3.8%	8,010.46	23,732	3.3%
1998	5,852.04	23,400	4.3%	7,713.71	23,302	3.9%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics, 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

(Continued)

**Southwest Florida Water Management District**  
**Demographic Statistics-- Income and Unemployment by County**  
**For the Last Ten Fiscal Years**  
(Continued)

Fiscal Year	Pinellas County			Polk County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 36,589.97	\$ 39,265	3.6%	\$ 16,351.02	\$ 28,719	4.1%
2006	35,913.11	38,850	3.2%	15,977.55	28,450	3.5%
2005	34,309.84	37,019	3.8%	15,220.89	28,087	4.0%
2004	33,449.37	36,109	4.4%	14,375.69	27,459	4.9%
2003	31,895.86	34,485	5.3%	13,394.16	26,256	5.5%
2002	32,279.04	34,913	5.6%	13,043.76	26,094	5.8%
2001	31,950.11	34,589	4.3%	12,962.68	26,348	5.0%
2000	31,768.25	34,444	3.3%	12,481.32	25,708	4.1%
1999	30,209.26	32,930	2.8%	12,286.15	25,701	5.1%
1998	29,704.19	32,534	3.2%	11,824.69	25,082	5.7%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics, 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

(Continued)

**Southwest Florida Water Management District  
Demographic Statistics-- Income and Unemployment by County  
For the Last Ten Fiscal Years  
(Continued)**

Fiscal Year	Sarasota County			Sumter County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 17,306.70	\$ 46,177	3.9%	\$ 1,464.02	\$ 20,892	2.9%
2006	16,823.14	45,525	3.0%	1,424.31	20,712	2.7%
2005	16,667.94	45,651	3.3%	1,359.06	21,266	3.4%
2004	16,283.12	45,808	4.0%	1,251.29	20,677	4.5%
2003	14,800.10	42,712	4.6%	1,130.10	19,099	5.2%
2002	14,838.90	43,645	4.8%	1,041.13	18,032	5.8%
2001	14,485.04	43,454	3.9%	977.73	17,835	5.4%
2000	14,022.31	42,875	3.2%	895.63	16,712	4.3%
1999	13,306.71	41,218	2.3%	863.08	16,686	2.9%
1998	13,048.28	40,925	2.6%	810.25	16,615	3.4%

All data is based on county-wide data and income figures are presented in 2004 dollars.

Source: Unemployment data obtained from U.S. Department of Labor, Bureau of Labor Statistics. 2007 unemployment rate is an eleven month average.

Source: Personal and Per Capita Income data obtained from Woods and Poole Economics, Inc., 2007 Florida State Profile: State and County Projections to 2030 with 2006 and 2007 being Woods and Poole projections.

**Southwest Florida Water Management District  
Budgeted Personnel (FTE's) by Program  
For the Last Ten Fiscal Years**

Fiscal Year	Water Resources Planning and Monitoring		Acquisition, Restoration and Public Works		Operation and Maintenance of Lands and Works		Regulation		Outreach-Public Education		Management and Administration		Total Budgeted Personnel (FTE's)	
	FTE	%	FTE	%	FTE	%	FTE	%	FTE	%	FTE	%	FTE	%
2007	125	16.98%	67	9.10%	107	14.54%	213	28.94%	20	2.72%	204	27.72%	736	100.00%
2006	120	16.30%	67	9.10%	109	14.81%	213	28.94%	20	2.72%	207	28.13%	736	100.00%
2005	120	16.30%	65	8.83%	107	14.54%	216	29.35%	20	2.72%	208	28.26%	736	100.00%
2004	118	16.03%	60	8.15%	112	15.22%	214	29.08%	18	2.45%	214	29.07%	736	100.00%
2003	120	16.30%	54	7.34%	118	16.03%	214	29.08%	17	2.31%	213	28.94%	736	100.00%
2002	123	16.71%	48	6.52%	120	16.30%	216	29.35%	18	2.45%	211	28.67%	736	100.00%
2001	122	16.58%	52	7.07%	116	15.76%	215	29.21%	19	2.58%	212	28.80%	736	100.00%
2000	122	16.58%	52	7.07%	118	16.03%	216	29.35%	19	2.58%	209	28.39%	736	100.00%
1999	108	14.67%	65	8.83%	124	16.85%	214	29.08%	18	2.45%	207	28.12%	736	100.00%
1998	105	14.27%	70	9.51%	122	16.58%	214	29.08%	18	2.45%	207	28.11%	736	100.00%

This schedule reports the budgeted personnel full-time equivalents by program.

Source: Southwest Florida Water Management District, Standard Format Tentative Budget Submission, August 1, 2007.

**Southwest Florida Water Management District  
Permit Applications Received  
For the Last Ten Fiscal Years**

Fiscal Year	Water Use		Environmental		Well		Total Permit Applications
	Permit Applications	Resource Permit Applications	Construction Permit Applications	Permit Applications	Permit Applications	Permit Applications	
2007	718 4.10%	3,928 22.45%	12,854 73.45%			17,500 100.00%	
2006	659 3.16%	4,321 20.72%	15,870 76.12%			20,850 100.00%	
2005	641 3.31%	3,953 20.40%	14,779 76.29%			19,373 100.00%	
2004	652 3.68%	3,767 21.26%	13,301 75.06%			17,720 100.00%	
2003	6,700 (1) 31.07%	3,334 15.46%	11,529 53.47%			21,563 100.00%	
2002	729 4.31%	3,128 18.47%	13,076 77.22%			16,933 100.00%	
2001	833 4.70%	3,032 17.12%	13,841 78.18%			17,706 100.00%	
2000	851 4.88%	3,031 17.38%	13,560 77.74%			17,442 100.00%	
1999	933 5.63%	3,127 18.86%	12,521 75.51%			16,581 100.00%	
1998	923 6.30%	2,892 19.73%	10,840 73.97%			14,655 100.00%	

(1) Water use permits in the Southern Water Use Caution Area (SWUCA) were automatically updated in 2003, to be in line with the SWUCA I rule, which accounted for the large number of permit applications for that fiscal year.

Source: Southwest Florida Water Management District Regulatory Database, Regulation Performance Management Department.



**Southwest Florida Water Management District**  
**Estimated Total Water Use by County**  
(million gallons per day)  
**September 30, 2007**

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 *	6.028	0.045	0.733	6.369	2.502	2.887	18.564	15.071	27.266
Citrus	1.522	0.930	0.796	15.646	6.894	3.893	29.681	15.886	29.921
Desoto	40.017	0.128	0.059	23.882	2.088	0.569	66.743	1.197	44.058
Hardee	26.215	0.229	1.994	1.488	1.604	0.192	31.722	1.513	31.747
Hernando	1.998	6.519	10.791	22.534	2.375	4.375	48.592	23.580	49.638
Highlands *	29.336	0.227	0.259	8.206	0.472	2.193	40.693	9.375	41.862
Hillsborough	48.384	14.480	0.735	226.958	1.181	14.067	305.805	141.436	220.283
Lake *	0.889	0.000	0.000	0.000	0.125	0.000	1.014	0.000	1.014
Levy *	6.756	0.041	0.000	0.828	1.818	0.262	9.705	0.837	9.714
Manatee	73.556	0.174	4.076	50.983	0.163	6.551	135.503	40.519	125.039
Marion *	2.729	0.144	0.000	8.840	6.011	2.675	20.399	9.542	21.101
Pasco	9.541	1.905	0.347	74.647	4.754	5.660	96.854	43.317	65.524
Pinellas	0.265	0.059	0.090	23.059	1.089	5.353	29.915	106.621	113.477
Polk *	55.223	36.442	29.332	70.681	0.479	9.086	201.243	72.147	202.709
Sarasota	3.472	0.107	0.971	26.355	0.805	9.288	40.998	34.143	48.786
Sumter	6.327	0.197	3.882	10.335	2.121	1.847	24.709	9.530	23.904
	<u>312.258</u>	<u>61.627</u>	<u>54.065</u>	<u>570.811</u>	<u>34.481</u>	<u>68.898</u>	<u>1,102.140</u>	<u>524.714</u>	<u>1,056.043</u>

\* 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 inter-county transfers).

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

Source: 2005 Estimated Water Use Report, District, June 2007.

**Southwest Florida Water Management District  
Schedule of Insurance in Force  
September 30, 2007**

Policy Expiration Date	Types Of Coverage	Company	Policy Number	Annual Premium	Limits Of Coverage	Deductible
10/01/07	<b>Property</b> \$90,463,463 values including Bldgs / BPP / WCS	Arch Specialty Landmark Axis Surplus	ESP0001750-02 LHD349185 EAF728934-06	\$ 375,000 112,000 100,000	\$5,000,000 \$45,000,000 (xs of \$5M) Extra Expense - \$475,000 Replacement Cost \$10,000,000 wind coverage	\$5,000 per occurrence Flood - \$100,000 Windstorm - 5% minimum \$100,000
10/01/07	<b>Inland Marine</b>	St. Paul Travelers	QT-660-1032C436-06	97,035		
	Boat			incl.	Physical Damage: \$160,047	\$2,500
	Contractor's Equipment			incl.	\$5,469,695 (Scheduled Equipment) \$200,000 Rented Equipment (incl) \$25,000 (Unscheduled Equipment)	\$2,500 \$2,500 \$2,500
	Radio / Tower / Equipment			incl.	\$10,412	\$2,500
	Electronic Data Processing			incl.	\$9,173,733 Extra Expense - \$500,000	\$2,500 all losses
	Valuable Papers & Records			incl.	\$6,800,600	\$2,500
10/01/07	<b>Boiler &amp; Machinery</b>	St. Paul Travelers	BAJ-BM-21-445D4554-06	5,195	\$10,000,000	\$2,500
09/29/08	<b>Flood</b>	Philadelphia Indemnity	00200023402007 00200023412007	1,558 1,558	\$500,000 Bldg / \$500,000 Contents - Tpa Bldg 1 \$500,000 Bldg / \$500,000 Contents - Tpa Data Ctr	\$500 Bldg / \$500 Contents \$500 Bldg / \$500 Contents
01/20/08	<b>Flood</b>	Philadelphia Indemnity	87022353602007	5,113	\$500,000 Bldg / \$300,000 Contents - Sarasota	\$50,000 Bldg / \$50,000 Contents
10/01/07	<b>Liability Coverage</b> General Liability Law Enforcement Liability Auto Liability and Physical Damage on 239 Vehicles Public Officials Errors and Omissions/Employment Practices (Retroactive date 10/1/93) Service Fee	PGIT	PK FL1 0274501 05-04	308,452 incl. incl. incl. incl.	\$1M per claim / \$3M Aggregate \$1M per claim / \$1M Aggregate \$1M per Occurrence / \$1M Aggregate \$1M per claim	First Dollar First Dollar First Dollar/\$1K Comprehensive and Collision \$25,000 per claim
08/26/08	<b>Petroleum Liability</b>	Commerce & Industry	FLP7511732#5	550	\$1M Occurrence / \$2M Aggregate	\$500 Third Party \$300,000 Corrective Action
10/01/07	<b>Crime</b>	Great American	GVT 554-41-69-02	5,356	\$1,000,000	\$10,000
			<b>Subtotal</b>	<b>\$ 1,035,317</b>		
10/01/07	<b>Self-Funded Workers' Compensation</b>			\$ 346,233	\$600,000 Budgeted for W/C Claim Costs Medical / Indemnity / Expenses / Settlements	
10/01/07	<b>Excess Insurance</b>	Midwest Employers	EWOC005056	74,396	Statutory limits	\$500,000 SIR (Self-Insured Retention)
09/30/07	<b>Service Fee for TPA</b>	Johns Eastern Milliman	03CONC00030	24,779 8,901	Third Party Administrative Fee Bi-annual Actuarial Fee	
09/30/07	<b>State Assessment</b>	Dept. of Insurance		31,012	Self-Insurer Assessment	
			<b>Subtotal</b>	<b>\$ 485,321</b>		
			<b>Total</b>	<b>\$ 1,520,638</b>		

**Southwest Florida Water Management District**  
**Miscellaneous Statistical Data**  
**September 30, 2007**

Highest Total Water Use by County (million gallons per day)		Highest Total Population by County		
	Total Usage	% Of District	Total Population	% Of District
Hillsborough County	220.283	20.86%	1,179,430	25.50%
Polk County	202.709	19.20%	931,880	20.16%
Manatee County	125.039	11.84%	552,259	11.95%
Pinellas County	113.477	10.75%	457,050	9.89%
Pasco County	65.524	6.20%	374,790	8.11%
	<u>727.032</u>	<u>68.85%</u>	<u>3,495,409</u>	<u>75.61%</u>

**Population Projections**

Year	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		Total SWFWMD
2010	56,371	342,693	815,094	366,555	431,700	1,055,279	359,054	713,037	750,700	4,890,483								
2015	61,450	374,783	894,523	401,391	479,024	1,093,089	404,825	776,000	823,600	5,308,685								
2020	66,107	404,306	967,565	433,468	522,288	1,128,753	447,429	832,989	890,200	5,693,105								
2025	70,188	430,294	1,031,969	461,743	560,575	1,161,191	485,522	883,216	948,800	6,033,498								
2030	73,943	454,286	1,091,509	487,870	596,493	1,191,515	521,395	929,519	1,002,900	6,349,430								

**OTHER MISCELLANEOUS STATISTICS**

Date of Incorporation	July 1, 1961
District Headquarters	Brooksville, Florida - Hernando County
Satellite Offices	Tampa, Bartow, Sarasota
Employees (Board-authorized FTE's)	736
Area	9,822 square miles
Maximum Tax Levy-District	\$0.50 per \$1,000 of assessed taxable property value
Maximum Tax Levy-Basins	\$0.50 per \$1,000 of assessed taxable property value
Water Use Permits (Applications Received / Permits Issued)	718 / 613
Environmental Resource Permits (Applications Received / Permits Issued)	3,928 / 3,809
Well Construction Permits (Applications Received / Permits Issued)	12,854 / 11,974
Average Rainfall	50-55 inches per year
Elevation Range	0-300 feet above mean sea level

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# Single Audit



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

**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited 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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 10, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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, management, others within 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

March 10, 2008  
Certified Public Accountants



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

**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**

The Members of the Governing Board  
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, 2007. 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, 2007.

**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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Governing Board, management, others within 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

March 10, 2008  
Certified Public Accountants

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year ended September 30, 2007

<u>Federal/State Grantor/Pass-through Grantor</u>	<u>CFDA, CSFA Number</u>	<u>Grant ID#</u>	<u>Expenditures</u>
<b><u>U.S. Department of Housing &amp; Urban Development, Community Planning and Development</u></b>			
Passed through Pasco County Board of County Commissioners			
City of San Antonio Watershed Management Plan	14.218	none	\$ 18,822
Total U.S. Dept of Housing & Urban Development			<u>18,822</u>
<b><u>U.S. Environmental Protection Agency</u></b>			
Direct Program:			
Weeki Wachee Stormwater Project	66.202	XP-96450406-0	1,300
Total Program			<u>1,300</u>
Passed through Florida Department of Environmental Protection:			
McIntosh Park Enhanced Stormwater Project	66.460	C9-99451502-0	117,300
McKay Bay Eastshore Commerce Park	66.460	C9-99451504-0	838
Total Program			<u>118,138</u>
Total U.S. Environmental Protection Agency			<u>119,438</u>
<b><u>U.S. Department of Homeland Security - FEMA</u></b>			
Direct Program:			
FY2004 Map Modernization Management Support	97.070	EMA-2004-CA-5038	49,875
FY2005 Map Modernization Management Support	97.070	EMA-2005-CA-5244	67,850
FY2006 Map Modernization Management Support	97.070	EMA-2006-CA-5631	59,479
FY2006 Map Modernization Management Support	97.070	EMA-2006-CA-5624	243
Total Program			<u>177,447</u>
Direct Program:			
Cooperating Technical Partners MAS Desoto & Hardee Co	97.045	EMA-2005-CA-5218	32,496
Cooperating Technical Partners MAS Hernando County	97.045	EMA-2004-CA-5021	307,698
Cooperating Technical Partners MAS Pasco & Sarasota Co	97.045	EMA-2003-GR-5373	940,431
Cooperating Technical Partners MAS Citrus & Highlands Co	97.045	EMA-2006-CA-5613	39,851
Total Program			<u>1,320,476</u>
Passed through Florida Department of Community Affairs:			
Hurricanes Wilma & Dennis Disaster Assistance	97.036	FEMA-DR-1609, 1595	608
Hurricane Charley Disaster Assistance	97.036	FEMA-DR-1539-FL	13,536
Total Program			<u>14,144</u>
Total Department of Homeland Security - FEMA			<u>1,512,067</u>
<b><u>U.S. Department of Interior, Geological Survey</u></b>			
Direct Program:			
Collection of Digital High Resolution Orthophotography Evaluation Data	15.809	06ERAG0036	250,000
Total U.S. Department of Interior, Geological Survey			<u>250,000</u>
<b><u>National Oceanic and Atmospheric Administration</u></b>			
Passed through Florida Department of Environmental Protection:			
Coastal Impact Assistance Alligator Creek	11.419	NA17OZ2147	139,100
Coastal Impact Assistance Terra Ceia	11.419	NA17OZ2147	1,464,643
Total Program			<u>1,603,743</u>
Passed through Pinellas County Environmental Foundation:			
Terra Ceia Upland Habitat Restoration	11.463	2002-0005-034	35,924
Total Program			<u>35,924</u>
Total National Oceanic and Atmospheric Administration			<u>1,639,667</u>
<b><u>U.S. Department of Transportation</u></b>			
Passed through Florida Department of Transportation:			
Efficient Transportation Decision Making	20.205	none	336,976
Mitigation	20.205	none	19,529
Total Program			<u>356,505</u>
Total Department of Transportation			<u>356,505</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 3,896,499</b>

(Continued)

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year ended September 30, 2007  
(Continued)

<u>Federal/State Grantor/Pass through Grantor</u>	CFDA, CSFA <u>Number</u>	<u>Grant ID #</u>	<u>Expenditures</u>
<b><u>Department of Agriculture and Consumer Services</u></b>			
Facilitating Agricultural Resource Management Services (FARMS)	42.017	010484	\$ 5,808
Total Department of Agriculture and Consumer Services			<u>5,808</u>
<b><u>Department of Community Affairs</u></b>			
Hurricane Charley & Tropical Storm Bonnie	52600308	05-PA-C%-13-00-20-516	728
Total Department of Community Affairs			<u>728</u>
<b><u>Department of Environmental Protection</u></b>			
Water Management Districts - Land Acquisition:			
Florida Forever - Land Acquisition	37.022	FFTF	1,310,480
Florida Forever - Lake Hancock/Saddle Creek	37.022	FFTF	607,320
Save Our Rivers - Pre-acquisition/Ancillary	37.022	WMLTF	1,381,172
Save Our Rivers - Land Management	37.022	WMLTF	5,052,827
Save Our Rivers - Payment in Lieu of Taxes	37.022	WMLTF	310,328
Total Program			<u>8,662,127</u>
Water Management District Permitting Assistance:			
Potable Water Well Permitting in Delineated Areas	37.030	GW218	133,600
Total Program			<u>133,600</u>
Statewide Surface Water Restoration and Wastewater Projects:			
Surface Water Improvement and Management (SWIM)	37.039	WMLTF	1,236,099
Myakka River Watershed Evaluation	37.039	SWW71,81	142,665
Lake Panasoffkee Restoration Project	37.039	SWW21,31,51	3,415,782
Sarasota Tidal Creek	37.039	SWW71	24,717
Shell Creek - District Resolutions 02-15	37.039	SWW31	148,054
Shell Creek - District Resolutions 04-13	37.039	SWW51	168,600
Shell Creek - District Resolutions 05-18	37.039	SWW61	15,387
Crystal River Kings Bay Surface Water Improvement	37.039	SWW51	56,000
Alligator Creek - District Resolution 04-13	37.039	SWW51	280,370
Rainbow River Veg Mapping & Elevation - District Res 04-13 W419	37.039	SWW51	7,207
Clam Bayou Stormwater Treatment - District Resolution 04-13	37.039	SWW51	198,400
Reed Property Shoreline	37.039	SWW51	75,000
Terra Ceia Habitat Restoration - District Resolution 04-13	37.039	SWW51	150,802
Robinson Preserve	37.039	SWW51/71	307,500
Tampa Bay Reg. RCLM	37.039	EMRTF	2,118,976
Tampa Bay Water System Configuration II	37.039	SWW71	1,288,446
McKay Bay Eastshore/Commerce Park - District Res. 04-13	37.039	SWW51	831
Peace Creek Canal Ecosystem Trust Fund - District Res. 05-18	37.039	SWW51,71	317,751
Rainbow River/Blue Cove Lake - District Res. 04-13 - W429	37.039	SWW51	15,000
Rainbow River/Sediment Survey - District Res. 04-13 - W424	37.039	SWW51	11,386
Total Program			<u>9,978,973</u>
Water Protection and Sustainability Program Trust Fund:			
SWIM Restoration Projects	37.066	WPSPTF	930,957
Surface Water Restoration Projects	37.066	WPSPTF	596,110
Alternative Water Supply	37.066	WPSPTF	3,739,071
Total Program			<u>5,266,138</u>
Total Department of Environmental Protection			<u>24,040,838</u>
<b><u>Department of Transportation (DOT)</u></b>			
DOT Mitigation	37.020	none	6,215,333
Maintenance and Monitoring	37.020	none	122,462
Total Program			<u>6,337,795</u>
North Dale Mabry Pond	55.024	A-O888	14,800
River Tower Restoration Project	55.024	none	5,789
Total Program			<u>20,589</u>
Total Department of Transportation			<u>6,358,384</u>
<b>Total State Financial Assistance</b>			<u>30,405,758</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<u>\$ 34,302,257</u>

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

## **SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

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

Year ended September 30, 2007

### **(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, 2007

**(1) Summary of Auditors' Results**

(a)	The type of report issued on the basic financial statements:	Unqualified
(b)	Significant deficiencies 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)	Significant deficiencies 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:	
		<u>CFDA #</u>
	Federal programs:	
	Costal Zone Management Program/Alligator Creek Restoration	11.419
	Cooperating Technical Partners MAS	97.045
		<u>CSFA #</u>
	State projects:	
	Save Our Rivers	37.022
	Department of Transportation Mitigation	37.020
	Water Protection and Sustainability Program Trust Fund	37.066
(h)	Dollar threshold used to distinguish between Type A and Type B programs/projects:	
	Federal programs	\$ 300,000
	State projects	912,173
(i)	Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133:	Yes

(Continued)

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

Schedule of Findings and Questioned Costs

Year ended September 30, 2007

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

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# Management Letter





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

## Management Letter

The Member of the Governing Board  
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, 2007, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 10, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have also issued our reports dated March 10, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance, as well as our report on the District's compliance and internal control over compliance applicable to each major federal program and state project, and the related schedule of findings and questioned costs. Disclosures in those reports and schedule, 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)(i)(1), require that we address in the management letter, if not already addressed in the auditors' report on internal control over financial reporting and compliance and other matters, 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)(i)(2), require that we determine whether or not the District complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that caused us to believe that the District was not in compliance with Section 218.415, *Florida Statutes*.

The *Rules of the Auditor General*, Section 10.554(1)(i)(3), require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.

The *Rules of the Auditor General*, Section 10.554(1)(i)(4), require that we address in the management letter any violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.



The *Rules of the Auditor General*, Section 10.554(1)(i)(5), provide for disclosure in the management letter based on the auditors' professional judgment of the following inconsequential matters, if not already addressed in the auditors' report on internal control over financial reporting and compliance and other matters:

- (a) Violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements;
- (b) Improper expenditures or illegal acts that would have an immaterial effect on the financial statements;
- (c) Control deficiencies that are not significant deficiencies in internal control, including, but not limited to:
  - (1) Improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements);
  - (2) Failures to properly record financial transactions; and
  - (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 expenditures or illegal acts, or other control deficiencies that are not significant deficiencies.

The *Rules of the Auditor General*, Section 10.554(1)(i)(6), also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The disclosure of this information is included in the notes to the financial statements.

As required by the *Rules of Auditor General*, Section 10.554(1)(i)(7)(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, nothing came to our attention that would indicate the District is 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)(i)(7)(b), we determined that the annual financial report for the fiscal year ended September 30, 2007, 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, 2007.

As required by the *Rules of the Auditor General*, Section 10.554(1)(i)(7)(c), we applied financial condition assessment procedures pursuant to Section 10.556(7), *Rules of the Auditor General*. 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.

\* \* \* \* \*



This management letter is intended solely for the information and use of the Governing Board, management, others within the organization, 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

March 10, 2008  
Certified Public Accountants