

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2008



Southwest Florida
Water Management District



A Component Unit of the State of Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2008

Prepared by: Finance Department

Southwest Florida
Water Management District



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A Component Unit of the State of Florida

Mission Statement:

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

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

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.

**Southwest Florida Water Management District
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2008**

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March 31, 2009

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, 2008, 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, 2008.

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 opinion on the District's financial statements for the year ended September 30, 2008. 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.

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

About the District

Approximately one quarter of the state's population (4.7 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 recommendation by the Governor for 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, the conduct of two public hearings for taxpayer comment, and review by the Executive Office of the Governor for comments between the first and second hearings, 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 Statutes to fund its general operations from ad valorem property taxes. The District Governing Board, with the approval of the Executive Office of the Governor (EOG), may levy up to one-half mill Districtwide to fund regulatory activities and projects of Districtwide significance as well as Green Swamp Basin projects. In addition, each of the eight Basin Boards may levy up to one-half mill with the approval of the Governing Board and the EOG

to support projects undertaken within, or directly affecting, their individual geographic 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, 2008, will be incorporated into the State of Florida's financial statements for the state's fiscal year ending June 30, 2009, as a discretely presented component unit. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the primary government, which is the State of Florida, and to differentiate their financial position, results of operations and cash flows.

Factors Affecting Financial Condition

Economic Conditions and Outlook.¹ The economic conditions within the District have weakened relative to the previous year as a result of a general macroeconomic slowdown. However, the District continues to outperform the state and the nation in key economic indicators. Nevertheless, the current growth rates and forecasts are lower than in the preceding year. The significant downturn in the housing market, a tightening credit market, and a reduction in consumer spending have thrown the economy into a recession.

The total population for the District grew 1.67 percent between 2007 and 2008. This was slower than Florida's total population growth (1.77 percent) but faster than the nation (0.98 percent). Although the state has not lost population, some counties have experienced net loss in population in the past year. Pinellas County lost less than 1.0 percent of its total population (5,456 residents) between 2007 and 2008. This is the second largest drop in statewide population after Broward County which lost 13,154². The District's total population growth from 2008 through 2010 is forecast at 3.33 percent. The District is growing apace with Florida (3.51 percent) and faster than the nation (1.98 percent). However, this year's projected population growth rates are lower than the previous year's projections. The leveling of population growth is sobering news as it is the historical driver of Florida's economy³.

Total employment Districtwide grew at approximately 1.64 percent from 2007 to 2008 in comparison to 1.62 percent for the state and 1.21 percent for the nation. This figure is slightly lower than the previous year's (1.65 percent). Total employment for the District is projected to increase around 3.31 percent between 2008 and 2010 in contrast to 3.26 percent for Florida and 2.43 percent for the nation. District counties that are projected to experience the largest growth in total employment between 2008 and 2010 include: Charlotte (4.49 percent), Hernando (4.35 percent), Pasco (4.33 percent), and Manatee (4.32 percent). Those with the lowest projected increases include Pinellas (2.4 percent) and Sarasota (2.63 percent).

¹ Except as noted, all data are based on countywide data and are derived from Woods and Poole Economics. 2008 State Profile: State and County Projections to 2040.

² "Pinellas, Broward lose most people". St. Petersburg Times. March 20, 2008.

<http://www.tampabay.com/news/growth/article426314.ece>. Accessed: November 14, 2008

³ "Growth won't pay the bills in Florida". St. Petersburg Times. November 30, 2008.

<http://www.tampabay.com/news/politics/State/article919617.ece>. Accessed: December 4, 2008

Unemployment has increased considerably between 2007 and 2008. Florida's preliminary unemployment rate as of October 2008 was 7.0 percent, compared to 4.3 percent in October 2007, representing a 63 percent increase over the year⁴. As of October 2008 Florida lost 156,200 jobs from the same time one year ago, with construction losses (79,800) accounting for 51 percent of job losses within the state⁵. The national unemployment rate for October 2008 is lower than Florida's at 6.5 percent. October 2008 unemployment rates for metropolitan areas in the District range from 7.4 percent (Tampa-St. Petersburg-Clearwater metropolitan area) to 8.1 percent (Lakeland-Winter Haven metropolitan area). This represents a 65.3 percent increase in the unemployment rate from the previous year for the Lakeland-Winter Haven metropolitan area and a 64.4 percent increase in the Tampa-St. Petersburg-Clearwater metropolitan area.

The services sector continues to be the fastest growing economic segment within the District. Between 2007 and 2008 Districtwide services employment expanded 2.07 percent compared to 2.03 percent for Florida and 1.66 percent for the nation. The services sector is expected to expand through 2010 with the District (4.16 percent) leading the state (4.10 percent) and the nation (3.33 percent). Districtwide farm employment growth (0.54 percent) led the state (0.43 percent) and nation (0.24 percent) as a whole between 2007 and 2008. The District is forecasted to retain its position in farm employment growth through 2010 with increases of 1.08 percent compared to 0.84 percent and 0.47 percent for the state and nation, respectively. However, proposed federal regulations addressed below may impact these projected growth rates. Faster growth relative to the state and nation is also expected in forestry, fishing and related activities as well as in the mining sector.

The momentum of the real estate sector has continued to decelerate throughout the District, state and nation. Abundant home inventories, reduced wealth, tightened credit conditions, and increasing foreclosures have dramatically impacted the sector. Despite falling median sales prices across the state, statewide sales of existing single family homes and condominiums fell 7 percent and 11 percent, respectively, between October 2007 and October 2008^{6,7}. Bucking this trend, realtor sales of existing single family homes between October 2007 and October 2008 increased in the four Metropolitan Statistical Areas (MSAs) in the District: Lakeland-Winter Haven (14 percent), Punta Gorda (35 percent), Sarasota-Bradenton (3 percent), and Tampa-St. Petersburg-Clearwater (11 percent). A downward adjustment in sales prices between October 2007 and October 2008 possibly sparked the increase in sales of existing single family homes for the MSAs within the District. Median sale prices were lower 16 percent (Lakeland-Winter Haven) to 36 percent (Sarasota-Bradenton) for existing single family homes. Unlike single family home sales, realtor sales of existing condominiums fell sharply in the four MSAs in the District: Lakeland-Winter Haven (64 percent), Punta Gorda (10 percent), Sarasota-Bradenton (47 percent), and Tampa-St. Petersburg-Clearwater (12 percent). Median sale prices were lower 5 percent (Sarasota-Bradenton) to 55 percent (Lakeland-Winter Haven) for existing condominiums over the October 2007 to October 2008 period. Although the national construction industry has experienced negative economic impacts as a result of the real estate sector slowdown, the District experienced greater growth in construction employment of 1.53 percent compared to the state (1.49 percent) and the nation (1.35 percent) from 2007 to 2008 and is expected to show larger gains in construction employment between 2008 and 2010 (3.07 percent) than the state (3.01 percent) or the nation (2.71 percent). School districts, counties, and municipalities within the state are facing fiscal pressures as a result of weakening tax revenues associated with the real estate sector⁸.

⁴ "Local Area Unemployment Statistics". U.S. Department of Labor. 2007-2008. Bureau of Labor Statistics, <http://www.data.bls.gov/PDQ/Servlet/SurveyOutputServlet>. Accessed: December 4, 2008.

⁵ "Florida's October Employment Figures Released". Agency for Workforce Innovation. November 21, 2008. http://www.floridajobs.org/publications/news_rel/LMS%20Release%2011-21-08.pdf. Accessed: December 9, 2008.

⁶ Florida Sales Report – October 2008. Single-Family, Existing Homes. Florida Association of Realtors and the University of Florida Real Estate Research Center. <http://media.living.net/statistics/2008/Oct%202008%20home%20chart.pdf>. Accessed: December 9, 2008.

⁷ Florida Sales Report – October 2008. Existing Condominiums. Florida Association of Realtors and the University of Florida Real Estate Research Center. <http://media.living.net/statistics/2008/Oct08%20condo%20chart.pdf>. Accessed: December 9, 2008.

⁸ U.S. Metro Economies – June 2008. Global Insight. The United States Conference of Mayors. <http://www.usmayors.org/pressreleases/uploads/MetroEcon0608.pdf>. Accessed: December 9, 2008.

Tourism dependent sectors have also felt the effects of the economic slowdown. For example, the St. Petersburg/Clearwater Area Convention and Visitors Bureau reported a 1.8 percent reduction in total visitors and a 6.9 percent decline in total room nights between October 2007 and October 2008⁹. The decline in visitors to the district is also evidenced by a reduction in airport activity at major airports within the District^{10,11,12}. The number of total passengers at Tampa International Airport and Sarasota Bradenton International Airport declined 4.43 percent and 2.34 percent, respectively, between November 2007 and November 2008. The St. Petersburg-Clearwater International Airport realized a marginal increase of approximately 1 percent from November 2007 to November 2008.

Agriculture is generally a key stabilizing component of the District's economy. The agriculture segment of the economy has posted growth in farm employment and farm earnings higher than the state and the nation. District farmers are reported to have experienced an increase in farm earnings of 0.99 percent compared to the state (0.90 percent) and the nation (0.61 percent). Through 2010, farm earnings are projected to increase by 1.97 percent for the district, 1.79 percent for the state, and 1.22 percent for the nation. However, the outlook for some important crops is uncertain.

Citrus crops play a vital role within the agricultural sector of the District. The 2008-2009 citrus season is expected to produce 2.5 percent less fruit than the prior season¹³. The Navel orange crop is forecasted to increase 10 percent, whereas the Valencia crop is forecasted to decrease 10 percent. Florida's grapefruit crop is also expected to decrease, with the 2008-2009 forecast projecting 13.5 percent less fruit. The total on-tree revenues for all Florida citrus will decrease 13.2 percent from 2007-2008 levels to \$1.1 billion for the 2008-2009 season. This reduction is primarily a result of excess supply of beginning inventories from the previous year and not necessarily a long-term trend.

Of more concern is the trend of declining prices and acreage for tomatoes in the state and the potential impact of soil fumigant buffer zones in strawberry and vegetable production. The price per unit for tomatoes in Florida has declined from \$51.80/hundred weight (cwt) in 2005, to \$40.90/cwt in 2006 and \$31.90/cwt in 2007. Planted acreage declined from 45,200 acres to 38,200 between 2005 and 2007¹⁴. Data for 2008 and projections are not currently available. Falling prices are blamed on competition from Mexico. The tomato/vegetable industry, and in particular, the strawberry industry, could be significantly impacted by proposed soil fumigant buffer zones and related costs. The strawberry industry could be particularly hard hit as strawberries are often grown on smaller fields and near residential areas – which exacerbates the impact of the buffers on available growing area. Decisions about the buffers are likely to be made by the EPA in late 2009¹⁵. Food crops tend to provide more balance to the economy than nursery crops which tend to follow population growth trends. A significant or persistent decline in food crop acreage could undermine the infrastructure needed to support agricultural activities and would tend to reduce the economic stability provided by agriculture.

In spite of the many economic uncertainties, the counties in the District are expected to fare *relatively* well. The percentage change in Gross Regional Product (GRP) is an informative benchmark used to compare the economic growth of regions within the nation. Districtwide GRP is forecasted to increase by 5.56 percent between 2008 and 2010, remaining ahead of the state (5.49 percent) and the nation

⁹ "October 2008 Visitor Profile." Prepared for the St. Petersburg/Clearwater Area Convention and Visitors Bureau by Research Data Services, Inc. December 10, 2008.

¹⁰ "Tampa International Airport-Monthly Activity Report." Hillsborough County Aviation Authority. November 2008.

http://www.tampaairport.com/about/facts/activity_reports/2008/activity_nov2008.pdf. Accessed: December 30, 2008

¹¹ "Sarasota Bradenton International Airport-Activity Report." Sarasota-Manatee Airport Authority. November 30, 2008.

http://www.srq-airport.com/editor/assets/SRQ_Documents/Airport_Statistics/November08Stats.pdf. Accessed: December 30, 2008.

¹² "Total Passengers 1992 through 2008 (Nov). Airport Statistics. St. Petersburg-Clearwater International Airport.

http://www.fly2pie.com/about/airport_statistics.asp. Accessed: December 30, 2008

¹³ Citrus statistics are derived from: Brown, Mark G. Florida Citrus Outlook 2008-2009 Season. Prepared for Florida Citrus Commission Economic and Market Research Committee. October 22, 2008

¹⁴ U.S. & All States Data – Tomatoes, U.S. Department of Agriculture, National Agricultural Statistics Service.

http://www.nass.usda.gov/QuickStats/PullData_US.jsp. Accessed January 5, 2009.

¹⁵ "New Pesticide Regulations Concern Berry Farmers," The Lakeland Ledger. Published October 31, 2008.

(4.46 percent). Income per capita is another factor used as an indicator of the economic health of a region. The Districtwide income per capita increased by a meager 0.38 percent between 2007 and 2008, however, this small increase is greater than the state's growth of 0.32 percent. The nation increased income per capita by 0.62 percent. Between 2008 and 2010, income per capita is projected to increase 1.77 percent for the District, 1.67 percent for the state, and 1.92 for the nation.

In summary, the mortgage crisis will continue to be a dominant factor in the current economic climate. As a consequence the real estate sector and related industries will continue to both negatively impact and be impacted by the overall economy. As a result, local municipalities may suffer from reduced property and transfer tax revenues. The dynamic economy of the counties that constitute the District has outperformed state and national indicators in recent years and this is expected to continue. The unknown factor is any financial assistance that will be available to Florida from the federal government. Nevertheless, declining macroeconomic conditions will likely reduce the amount of available District funding for water supply projects and the amount of matching funding from state and local governments for water quality, reuse, land conservation, environmental restoration and flood control projects. As opposed to water supply projects that are primarily funded by user rates and fees, water quality, reuse, land acquisition, restoration and flood control projects often do not have dedicated sources of funding and are more likely to be impacted by budget shortfalls. The singular "up" side of reduced population growth rates and economic activity is that projected increases in water demand will likely decline and reduce the need for new water supply projects for the near future.

Long-term financial planning. The District exercises its management of water resources through four "areas of responsibility": Water Supply, Flood Protection, Water Quality, and Natural Systems. 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 Improvement Plan that connects planning and program budgeting.

As one example of long-term financial planning in the area of water supply, consider the District's 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 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 property 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 with the next revision scheduled for 2010. 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.

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), two money market funds 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

3.5 percent. Interest earnings include depreciation in the fair value of investments. Decreases in fair value during the current year, however, do not necessarily represent trends that will continue; nor will the District necessarily realize such amounts, especially in the case of temporary changes in the fair value of investments that the District intends to hold to maturity.

Risk Management. The Risk Management Section of the District's Human Resources Department is charged with the responsibility to provide a safe and healthy environment to protect employees and the public against losses that would affect the District's ability to fulfill its goals and objectives. Districtwide 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 2008.

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, 2007. This was the 20th 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.

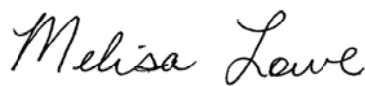
A Certificate of Achievement is valid for a period of one year only. We believe that the District's current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



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, 2008, 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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2009 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 13 and the schedule of funding progress on page 51 are not a required part of the basic financial statements but are 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 18, 2009
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, 2008. 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 \$1.3 billion. Of this amount, \$518.1 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 \$288.4 million and (2) pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.9 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 \$120.4 million. The increase is primarily attributable to the investment in capital assets and to the Governing Board's decision to set aside current year revenues to fund planned 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 \$609.9 million, an increase of \$46.8 million in comparison with the prior year. Of this total amount, \$256.9 million is available for spending at the District's discretion and has been earmarked as noted above.
- At the beginning of fiscal year 2008, the District had \$298 million invested in the State Board of Administration's (SBA) Local Government Surplus Funds Trust Fund Investment Pool (LGIP). On November 29, 2007, the SBA implemented a temporary freeze on the assets held in the LGIP due to an unprecedented amount of withdrawals from the LGIP coupled with the absence of market liquidity for certain securities within the LGIP. The significant amount of withdrawals followed reports that the LGIP 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 LGIP into two separate funds. The LGIP (formerly LGIP A) consisted of all money market appropriate assets, which was approximately \$12 billion or 86 percent of pool assets. Fund B (formerly LGIP 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 LGIP assets.

At the time of the restructuring, all current LGIP participants had their existing balances proportionately allocated into the LGIP and Fund B. At that time, the District had \$247 million allocated to the LGIP, with a 2 percent redemption rate, and \$41 million allocated to Fund B for a total investment of \$288 million. At September 30, 2008, the remaining funds still considered at risk in Fund B had been reduced from \$41 million to \$13 million (a reduction of \$28 million). District staff is not aware of any plans by the SBA to liquidate Fund B investments below cost. At September 30, 2008, the District's investment in Fund B had a fair market value of \$10 million (see Note IV.A., page 40).

- The District continues to have no bonded debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains 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 52 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 2008 and 2007.

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 \$1.3 billion. At September 30, 2008, 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 \$120.4 million. The majority of the increase is attributable to the Governing Board's decision to set aside current year revenues to fund planned 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	
	2008	2007
Current and Other Assets	\$ 717,773,729	\$ 668,405,607
Capital Assets	764,890,981	689,145,591
Total Assets	<u>1,482,664,710</u>	<u>1,357,551,198</u>
Current and Other Liabilities	107,173,959	104,708,028
Long-term Liabilities	28,872,386	26,662,747
Total Liabilities	<u>136,046,345</u>	<u>131,370,775</u>
Net Assets:		
Invested in Capital Assets, net of related debt	764,726,676	689,145,591
Restricted for:		
Partnership Agreement	63,750,000	85,000,000
Unrestricted	518,141,689	452,034,832
Total Net Assets	<u>\$ 1,346,618,365</u>	<u>\$ 1,226,180,423</u>

By far the largest portion of the District's net assets, for fiscal year 2008, in the amount of \$764.7 million (56.8 percent) reflects its investment in capital assets, net of related debt (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 \$63.8 million (4.7 percent) represent resources that are subject to external restrictions on how they may be used.

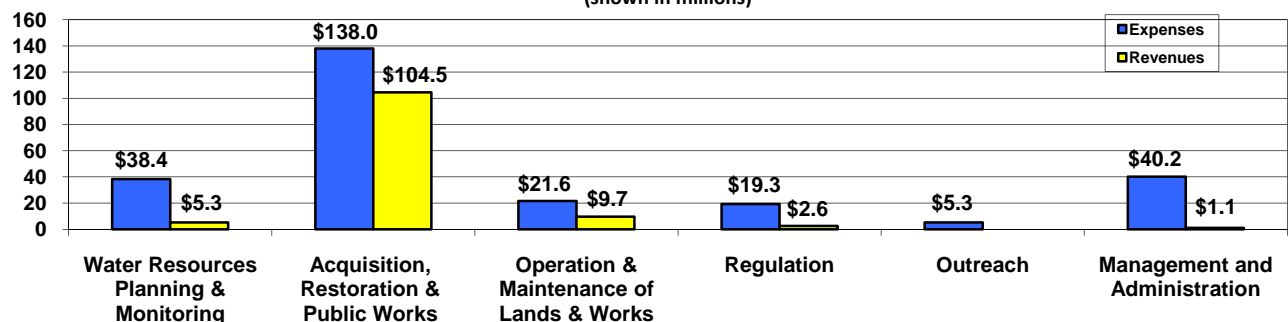
Unrestricted net assets in the amount of \$518.1 million (38.5 percent) may be used to meet the District's ongoing obligations to citizens and creditors. As noted earlier, it is the District's intent to use these assets to: (1) liquidate contracts and purchase orders in the amount of \$288.4 million and (2) to pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.9 million based on an independent actuarial determination. The remaining funds are earmarked for planned Water Supply and Resource Development projects and funding for future years.

Governmental activities. Governmental activities increased the District's net assets by \$120.4 million. Changes in key elements of this increase are as follows:

Southwest Florida Water Management District's Changes in Net Assets

	Governmental Activities	
	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$ 5,024,017	\$ 5,780,825
Operating grants and contributions	55,273,724	34,828,465
Capital grants and contributions	62,873,713	2,691,252
General revenues:		
Ad valorem property taxes	238,923,620	237,448,913
Unrestricted investment earnings	17,906,722	28,204,657
Other	3,252,835	3,880,051
Total Revenues	<u>383,254,631</u>	<u>312,834,163</u>
Expenses:		
Water Resources Planning and Monitoring	38,436,046	32,807,602
Acquisition, Restoration and Public Works	138,016,223	97,762,937
Operation and Maintenance of Lands and Works	21,623,536	15,914,021
Regulation	19,281,444	18,493,860
Outreach	5,290,433	5,306,415
Management and Administration	40,169,007	37,981,400
Total Expenses	<u>262,816,689</u>	<u>208,266,235</u>
Change in net assets	120,437,942	104,567,928
Net assets - beginning of year	1,226,180,423	1,121,612,495
Net assets - end of year	<u>\$ 1,346,618,365</u>	<u>\$ 1,226,180,423</u>

Fiscal Year 2008 Expenses and Program Revenues* - Governmental Activities
(shown in millions)



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

Revenues

Ad valorem property taxes are the District's primary source of revenue. For fiscal year 2008, ad valorem property taxes increased \$1.5 million (.6 percent) above fiscal year 2007. A Special Session of the Legislature was held June 12 through June 14, 2007, and concluded with the enactment of tax reform legislation (HB 1B). For fiscal year 2008, the legislation required that the District rollback millage rates to 97 percent of the rolled-back rate. The rolled-back rate is a rate which, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes, will provide the same level of revenue for each taxing authority as was levied during the prior year. Certain limited millage rate override provisions were included in the legislation. Therefore, the Districtwide General fund and all eight Basins adopted millage rates in compliance with HB 1B. Specific millage rates for the District and the eight Basins are listed below. Even with decreasing millage rates, the District received an increase in ad valorem property tax revenues due to higher property valuations resulting from resales, reassessments and new construction throughout the District.

	<u>2008</u>	<u>2007</u>	<u>Decrease</u>
Districtwide	0.387	0.422	-0.035
Basins*			
Alafia River	0.216	0.240	-0.024
Hillsborough River	0.255	0.285	-0.030
Northwest Hillsborough	0.242	0.268	-0.026
Coastal Rivers	0.189	0.205	-0.016
Pinellas-Anclote River	0.370	0.400	-0.030
Withlacoochee River	0.231	0.265	-0.034
Peace River	0.183	0.195	-0.012
Manasota	0.148	0.160	-0.012

*District Governing Board serves as the Basin Board for the Green Swamp Basin. There is no separate Basin millage rate at present.

Charges for services decreased by \$0.8 million (13.1 percent) below fiscal year 2007, due primarily to the slowing economy within the construction industry which has resulted in a reduction in Environmental Resource and Water Well Construction Permit applications. In addition, the District was not able to harvest as much timber as expected due to market conditions.

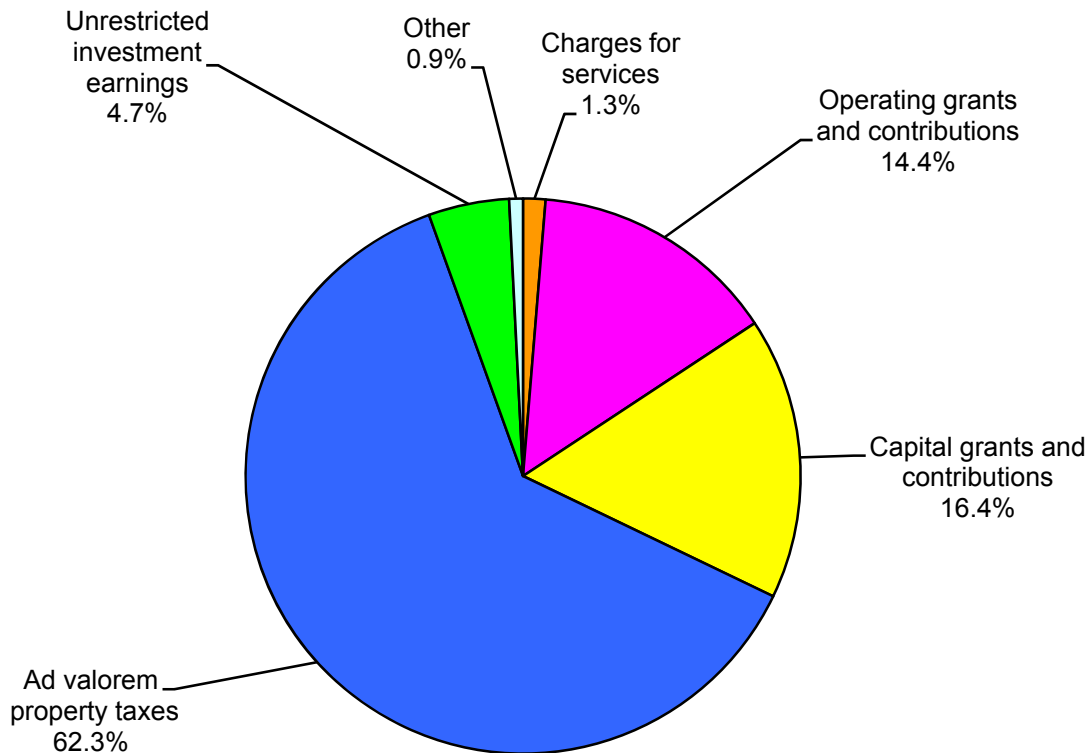
Operating grants and contributions increased by \$20.4 million (58.7 percent) above fiscal year 2007, due primarily to an increase in intergovernmental revenues received from the Water Protection and Sustainability Trust Fund for alternative water supply and surface water restoration projects.

Capital grants and contributions increased by \$60.2 million (2,236.2 percent) above fiscal year 2007 due primarily to an increase in the number of acres of land acquired in fiscal year 2008 as compared with fiscal year 2007. The Florida Department of Environmental Protection provided the majority of this revenue from the Florida Forever Trust Fund for land acquisition.

Unrestricted investment earnings decreased by \$10.3 million (36.5 percent) below fiscal year 2007 due to the current economic conditions and declining interest rates. The District received a 5.2 percent average yield on its investments during fiscal year 2007 compared with an average yield of 3.5 percent during fiscal year 2008.

Other Revenues decreased by \$0.6 million (16.2 percent) below fiscal year 2007 due primarily to a reduction in miscellaneous interest income that is earned by and paid to the District by the county tax collector and property appraiser offices that is earned while holding District funds, a decrease in the value of donated land from fiscal year 2007 as compared to fiscal year 2008 and a reduction in consent order settlement fees.

FY2008 Revenues by Source – Governmental Activities



Expenses

Water Resources Planning and Monitoring program expenses increased \$5.6 million (17.2 percent) compared with fiscal year 2007. Expenses included in this program include all water management planning, research, data collection, analysis and monitoring. Actual expenditures associated with these projects are incurred as work on the projects is completed. Since the projects are often multi-year and the work is generally completed by outside consultants and 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 2008 as compared to fiscal year 2007 are as follows:

- **NAVD88 Migration Project** - This project will support the development of Watershed Management Plans in all basins thus contributing to flood protection, natural systems, water quality and water supply. The establishment and implementation of the NAVD 1988 will enable more accurate elevations and mapping throughout the District, and the conversion to the modern vertical datum will allow the ability to establish accurate and reliable elevations using Global Positioning System (GPS) technology.
- **Maintenance of Watershed Parameters & Models Project** - This project provides a method to evaluate the capacity of a watershed to protect, enhance, and restore water quality and natural systems, while achieving flood protection. The information developed assists local governments with their land management responsibilities by establishing a level of service and developing Best Management Practices to address level of service deficiencies. In addition, the information provides the District with the best available information to evaluate adverse impacts and mitigation of floodplain impacts for proposed environmental resources permits.

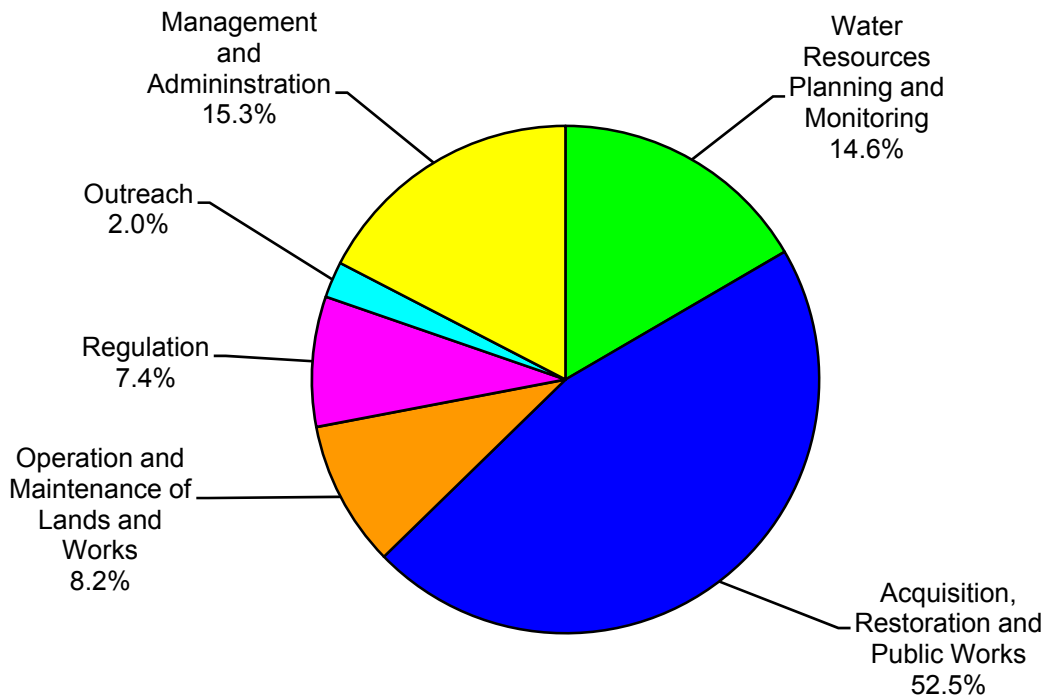
- **Lower Hillsborough River Recovery Strategy-Tampa Bypass Canal Pump Stations Project** - This project will ensure that natural resources associated with the Lower Hillsborough River are protected from significant harm from consumptive water use. It entailed diverting up to 75 percent of the 7.1 million gallons per day of water from the Tampa Bypass Canal to the Lower Hillsborough River.

Acquisition, Restoration and Public Works program expenses increased \$40.3 million (41.2 percent) compared with fiscal year 2007. 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. 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 2008 as compared to fiscal year 2007 are as follows:

- **Peace River Regional Reservoir Expansion Project** - This is an alternative water supply project that will expand the surface water storage capacity of the Peace River/Manasota Regional Water Supply Authority's (Authority) water supply facilities by constructing a 6 billion gallon reservoir. Because the Peace River experiences significant periods of low flow, it is important for the Authority to have sufficient capacity to store excess flows during wet periods for use during dry periods when river flows are insufficient to meet demands.
- **Peace River Facility Expansion Project** - This is an alternative water supply project that involves expansion of the Peace River/Manasota Regional Water Supply Authority's (Authority) water treatment facilities from a capacity of 24 to 48 million gallons per day (mgd) and construct five miles of pipeline from the Authority's facilities to extended areas of DeSoto County to supply up to 5.5 mgd to the county. Because of the Peace River's seasonal flow pattern, characterized by significant periods of low flow that are insufficient for providing potable supply, the Peace River facility must possess the necessary capacity to capture, treat, and store high flows from the river when they occur so that sufficient reserves are available to meet customer demand during low flow periods.
- **Tampa Bay Water's System Configuration II Project** - This project consists of various project components that build on Tampa Bay Water's existing Enhanced Surface Water System to provide an additional 25 mgd to the regional system that will enable future demands to be met using non-ground-water sources. This will ensure that recovery of natural systems impacted by ground-water withdrawals in the region can be achieved.

Operation & Maintenance of Lands and Works program expenses increased \$5.7 million (35.9 percent) compared with fiscal year 2007. Expenses included in this program include all operation and maintenance of facilities, flood control and water supply structures, lands and other works authorized by Chapter 373, Florida Statutes. The increase in expenses is due to a number of different projects relating to this program area. There were increased costs associated with field maintenance of District water control structures and well sites, including mowing, painting, tree trimming and fence repair; aquatic plant control; land management and maintenance costs associated with the Save Our Rivers Program; maintenance of District facilities; loss on the disposal of capital assets and other general operating costs.

FY2008 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, 2008, unreserved fund balance totals \$256.9 million. This total includes deficit undesignated fund balances totaling \$32 million in the 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 \$288.9 million available for spending at the District's discretion. Of this amount, the Governing Board has designated \$284.1 million for various purposes including Water Supply and Resource Development, and funding for the fiscal year 2009 budget. Reserved fund balance totals \$353 million and is reserved to indicate that it is not available for new spending because it has already been committed to 1) liquidate \$352.1 million in contracts and purchase orders and 2) pay approximately \$0.9 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 fiscal year 2008, unreserved fund balance of the general fund was \$200 million, while the total fund balance was \$264.8 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 \$152.1 million.

Unreserved, including undesignated, fund balance represents 131.5 percent of the total general fund expenditures, while total fund balance represents 174.1 percent of that same amount. In the general fund, the Governing Board has designated \$173.2 million for projects and reserves primarily for Water Supply and Resource Development, \$23.4 million as funding for the fiscal year 2009 budget, and \$0.5 million for the self-funded workers' compensation program. The remaining \$2.9 million is available to offset ad valorem property tax requirements as balance forward in future years.

The fund balance of the *general fund* increased \$31.2 million during the current fiscal year due primarily to the Governing Board's decision to set aside current year revenues to fund future water supply and resource development projects in the amount of \$46.4 million.

The eight watershed basins, *Alafia River, Hillsborough River, Northwest Hillsborough River, Coastal Rivers, Pinellas-Anclote River, Withlacoochee River, Peace River and Manasota* are all project driven special revenue funds. The fluctuation (increases or decreases) in the Basins fund balances from year to year is primarily due to the timing differences of when revenues are budgeted to fund the projects and when the project expenditures actually occur. Actual expenditures associated with cooperative funding and restorations 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 vary year to year depending on the status of the projects and when they are completed. Ad valorem property taxes are the Basins primary funding source and from fiscal year 2007 to 2008 there was a minimal increase (0.4 percent) in tax revenue. The property taxes received were recognized in fiscal year 2008. The majority of these funds are allocated to either current year projects or set aside for future year projects. If the current year projects do not incur substantial costs during the year of funding then the Basin's fund balance will increase. During the year in which substantial costs are incurred, if subsequent to the year of funding, then the Basin's fund balance will decrease. For fiscal year 2008, six of the Basins had substantial increases in fund balance and two Basins had minimal decreases in fund balance.

The fund balance of the *Partnership Trust* special revenue fund decreased \$21.3 million during the current fiscal year because all of the revenues allocated to fund the projects accounted for in this fund were budgeted and recognized in prior years.

General Fund Budgetary Highlights

The District's General Fund budget was not amended during fiscal year 2008.

In total, the general fund revenue budget was \$207.1 million with actual revenues of \$181.1 million, resulting in a variance of \$25.9 million (12.5 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 2008, the Intergovernmental Revenues budget was \$46.5 million and actual revenues were \$19.9 million, resulting in a variance of \$26.6 million (57.2 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 \$52.9 million and actual expenditures were \$39.7 million. After removing encumbrances totaling \$5.4 million, a variance of \$7.8 million (14.8 percent) remains. The variance is primarily due to: \$4.9 million of budgeted reserves not required in fiscal year 2008; commission expenditures that were \$1.9 million less than anticipated due primarily to the refund of excess commissions from county property appraisers and tax collectors; legal expenditures that were \$0.3 million less for outside legal services and expert legal testimony/analysis; and risk management workers' compensation and operating expenditures that were \$0.2 million less than anticipated.

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, 2008, amounted to \$764.9 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:

- In connection with the Lake Hancock project, the District acquired 1,678.3 acres in Polk County at a cost of \$53.1 million. The District's share of the land acquisition costs (not including ancillary costs) was \$15.9 million funded from the general fund and \$37.2 million funded from the Florida Forever Trust Fund.
- In connection with the Myakkahatchee Creek Project, the District partnered with Sarasota County and acquired 7,812 acres in Sarasota County at a cost of \$51.1 million. The District's share of \$19.8 million was funded by the Florida Forever Trust Fund leaving \$31.3 million being contributed by Sarasota County.
- Following are some of the construction in progress projects that were completed during fiscal year 2008:
 - Wellsite – ROMP 43, Bee Branch
 - Wellsite – ROMP 8, Warm Mineral Springs
 - Tampa, Building 2 Renovations

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

	2008	2007
Land	\$ 590,637,197	\$ 537,664,192
Land Interests (less-than-fee)	56,368,504	32,245,555
Buildings	28,307,145	26,529,520
Machinery and Equipment	11,857,184	10,192,094
Infrastructure	70,964,263	75,238,582
Construction in Progress	6,741,535	7,254,049
Other Capital Assets	15,153	21,599
Total Assets	<u>\$ 764,890,981</u>	<u>\$ 689,145,591</u>

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 44.

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 decreased 8.84 percent in 2008 due to declining property values and the impact of Amendment 1 to the Florida Constitution (Amendment 1) that was passed by the voters on January 29, 2008. Amendment 1 allows homeowners to transfer up to \$500,000 of accumulated Save Our Homes Exemption from an existing homestead property to a newly purchased one; doubles the homestead exemption from \$25,000 to \$50,000 (does not apply to school taxes); exempts tangible personal property up to \$25,000; and caps all non-homestead property at 10 percent.

The property tax levy for fiscal year 2009 budget requirements is based on the tax roll for calendar year 2008. All millage rates are below the rolled-back rates and the maximum millage rates in compliance with Sections 200.065 and 200.185, Florida Statutes. The District's Governing Board and seven of the eight Basin Boards elected to maintain their fiscal year 2009 millage rates at the fiscal year 2008 levels, as opposed to increasing these rates to either the rolled-back or maximum millage rates. The Pinellas-Anclote River Basin reduced its millage rate from 0.3701 for fiscal year 2008 to 0.3600 for fiscal year 2009. Ad valorem tax revenue for fiscal year 2009 is budgeted at \$216.1 million, approximately \$21.4 million below fiscal year 2008.

The current economic conditions and declining interest rates have negatively affected the District's interest earnings for fiscal year 2008 and are expected to continue for fiscal year 2009. The District received an average return of 3.5 percent on its investments for fiscal year 2008, compared to the 5 percent that had been budgeted. The fiscal year 2009 budget for interest earnings is based on an expected return of 2 percent. As of the end of the first quarter of fiscal year 2009, interest earnings appeared to be on track with the budget and interest projections indicate interest earnings will equal or moderately exceed the budgeted amounts within the individual funds. Management will continue to closely monitor interest revenue throughout the fiscal year and report any variances to the Governing Board as conditions warrant.

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.

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Basic Financial Statements

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

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

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

**Southwest Florida Water Management District
Statement of Net Assets
September 30, 2008**

ASSETS	<u>Governmental Activities</u>
Cash and Investments	\$ 575,312,502
Receivables	39,969,156
Deposits	30,000
Inventories	50,395
Other Assets	279,767
Restricted assets:	
Cash and Investments	102,131,909
Capital Assets not being depreciated:	
Land	590,637,197
Land Interests	56,368,504
Construction in Progress	6,741,535
Capital Assets (net of accumulated depreciation):	
Buildings	28,307,145
Machinery and Equipment	11,857,184
Infrastructure	70,964,263
Other Capital Assets	15,153
Total Assets	<u>1,482,664,710</u>
 LIABILITIES	
Accounts and Contracts Payable	65,035,219
Payroll and Related Costs	3,206,311
Contracts Payable-Retainage	2,461,250
Due To Other Governments	58,215
Unearned Revenue	26,030,177
Liabilities Payable From Restricted Assets	10,382,787
Noncurrent Liabilities:	
Due Within One Year	2,923,991
Due in More Than One Year	25,948,395
Total Liabilities	<u>136,046,345</u>
 NET ASSETS	
Invested in Capital Assets, net of related debt	764,726,676
Restricted for:	
Partnership Agreement	63,750,000
Unrestricted (Note V.B., Page 48)	518,141,689
Total Net Assets	<u><u>\$ 1,346,618,365</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, 2008

	Program Revenues			Capital	Total
Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs					
Primary government:					
Governmental activities:					
Water Resources Planning and Monitoring	\$ 38,436,046	\$ 4,870,709	-	\$	(33,161,998)
Acquisition, Restoration and Public Works	138,016,223	41,591,552	62,873,713		(33,550,958)
Operation and Maintenance of Lands and Works	21,623,536	8,491,132	-		(11,886,366)
Regulation	19,281,444	301,518	-		(16,690,515)
Outreach	5,290,433	-	-		(5,290,433)
Management and Administration	40,169,007	18,813	-		(39,064,965)
Total governmental activities	<u>\$ 262,816,689</u>	<u>\$ 55,273,724</u>	<u>\$ 62,873,713</u>		<u>(139,645,235)</u>
General Revenues:					
Ad Valorem Property Taxes					238,923,620
Unrestricted investment earnings					17,906,722
Other					3,252,835
Total general revenues					<u>260,083,177</u>
Change in net assets					120,437,942
Net assets - beginning					1,226,180,423
Net assets - ending					<u>\$ 1,346,618,365</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, 2008**

	General	Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin	Coastal Rivers Basin	Pinellas- Anclote River Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	SWIM Program	DOT Mitigation	Partnership Trust	Save Our Rivers	Facilities	Total Governmental Funds
ASSETS															
Cash and Investments	\$ 282,544,820	\$ 14,948,828	\$ 35,471,473	\$ 32,425,358	\$ 13,048,293	\$ 122,505,813	\$ 10,663,548	\$ 27,999,333	\$ 43,348,910	\$ 9,096,151	\$ 229,903	\$ 73,913,025	\$ 8,647,583	\$ 2,601,373	\$ 677,444,411
Due From Other Governments	13,522,541	579,286	562,516	170,682	1,156,455	2,496,385	1,744,930	3,935,702	6,962,692	3,492,834	1,759,398	-	967,417	-	37,350,838
Interest Receivable	1,265,640	70,910	158,236	143,291	60,577	542,076	48,820	122,259	204,382	2,127	-	-	-	-	2,618,318
Deposits	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Inventories	50,395	-	-	-	-	-	-	-	-	-	-	-	-	-	50,395
Other Assets	277,805	28	64	58	23	218	102	47	551	871	-	-	-	-	279,767
Total Assets	<u>297,691,201</u>	<u>15,599,052</u>	<u>36,192,289</u>	<u>32,739,389</u>	<u>14,265,348</u>	<u>125,544,492</u>	<u>12,457,400</u>	<u>32,057,341</u>	<u>50,516,535</u>	<u>12,591,983</u>	<u>1,989,301</u>	<u>73,913,025</u>	<u>9,615,000</u>	<u>2,601,373</u>	<u>717,773,729</u>
LIABILITIES AND FUND BALANCES															
Liabilities:															
Accounts and Contracts Payable	25,078,841	1,104,494	2,505,191	1,093,639	2,158,301	9,472,648	1,963,642	7,431,291	8,734,186	5,290,045	130,257	10,163,025	211,142	81,304	75,418,006
Payroll and Related Costs	2,893,020	27,480	46,456	9,399	33,701	36,016	47,468	36,464	36,618	34,836	4,853	-	-	-	3,206,311
Contracts Payable-Retainage	338,667	8,041	3,461	-	145,571	27,469	1,118,215	133,314	11,260	577,106	75,702	-	-	22,444	2,461,250
Due To Other Governments	-	-	58,215	-	-	-	-	-	-	-	-	-	-	-	58,215
Deferred Revenue	4,578,666	192,532	35,704	13,211	23,495	1,074,411	62,204	2,701,711	1,449,246	5,676,878	1,520,819	-	9,403,858	-	26,732,735
Total Liabilities	<u>32,889,194</u>	<u>1,332,547</u>	<u>2,649,027</u>	<u>1,116,249</u>	<u>2,361,068</u>	<u>10,610,544</u>	<u>3,191,529</u>	<u>10,302,780</u>	<u>10,231,310</u>	<u>11,578,865</u>	<u>1,731,631</u>	<u>10,163,025</u>	<u>9,615,000</u>	<u>103,748</u>	<u>107,876,517</u>
Fund Balances:															
Reserved for Encumbrances	63,859,708	6,214,349	23,187,190	18,950,046	10,745,659	70,453,724	8,533,515	18,908,042	33,532,599	23,881,501	923,326	63,750,000	8,433,040	740,911	352,113,610
Reserved for Workers' Compensation Claims	882,000	-	-	-	-	-	-	-	-	-	-	-	-	-	882,000
Unreserved:															
Designated for Future Projects	173,237,213	5,479,944	3,887,025	9,074,277	-	27,313,167	-	262,981	1,897,745	-	-	-	-	-	221,152,352
Designated for Subsequent Year's Expenditures	23,351,163	2,572,212	6,469,047	3,598,817	1,158,621	17,167,057	732,356	2,583,538	4,854,881	-	-	-	-	459,285	62,946,977
Designated for Workers' Compensation Self-Insurance Program	544,819	-	-	-	-	-	-	-	-	-	-	-	-	-	544,819
Undesignated	2,927,104	-	-	-	-	-	-	-	-	(22,868,383)	(665,656)	-	(8,433,040)	1,297,429	(27,742,546)
Total Fund Balances	<u>264,802,007</u>	<u>14,266,505</u>	<u>33,543,262</u>	<u>31,623,140</u>	<u>11,904,280</u>	<u>114,933,948</u>	<u>9,265,871</u>	<u>21,754,561</u>	<u>40,285,225</u>	<u>1,013,118</u>	<u>257,670</u>	<u>63,750,000</u>	<u>-</u>	<u>2,497,625</u>	<u>609,897,212</u>
Total Liabilities and Fund Balances	<u>\$ 297,691,201</u>	<u>\$ 15,599,052</u>	<u>\$ 36,192,289</u>	<u>\$ 32,739,389</u>	<u>\$ 14,265,348</u>	<u>\$ 125,544,492</u>	<u>\$ 12,457,400</u>	<u>\$ 32,057,341</u>	<u>\$ 50,516,535</u>	<u>\$ 12,591,983</u>	<u>\$ 1,989,301</u>	<u>\$ 73,913,025</u>	<u>\$ 9,615,000</u>	<u>\$ 2,601,373</u>	

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. 764,890,981

Delinquent taxes are not available to pay for current period expenditures and, therefore, are not reported in the funds. 702,558

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (28,872,386)

Net assets of governmental activities \$ 1,346,618,365

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, 2008**

	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
REVENUES															
Ad Valorem Property Taxes	\$ 147,940,801	\$ 5,526,420	\$ 12,611,129	\$ 6,665,194	\$ 5,086,354	\$ 30,934,560	\$ 5,411,367	\$ 9,350,470	\$ 13,910,581	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000	\$ 238,836,876
Intergovernmental Revenues	19,870,804	319,065	941,411	116,506	1,966,102	2,374,137	5,599,683	5,375,412	7,661,558	7,072,487	5,032,310	-	62,654,292	-	118,983,767
Interest on Invested Funds	8,766,436	463,085	1,031,918	938,060	409,148	3,532,217	328,997	868,154	1,530,645	-	38,062	-	-	-	17,906,722
License and Permit Fees	2,289,611	-	-	-	-	-	-	-	-	-	-	-	-	-	2,289,611
Other	2,264,144	7,120	16,142	9,065	265,871	50,680	11,512	12,324	29,783	-	-	-	-	-	2,666,641
Total Revenues	<u>181,131,796</u>	<u>6,315,690</u>	<u>14,600,600</u>	<u>7,728,825</u>	<u>7,727,475</u>	<u>36,891,594</u>	<u>11,351,559</u>	<u>15,606,360</u>	<u>23,132,567</u>	<u>7,072,487</u>	<u>5,070,372</u>	<u>-</u>	<u>62,654,292</u>	<u>1,400,000</u>	<u>380,683,617</u>
EXPENDITURES															
Current:															
Water Resources Planning and Monitoring	22,650,840	585,699	1,319,309	450,234	3,291,958	750,007	2,717,952	1,753,061	3,001,297	1,362,340	-	-	-	-	37,882,697
Acquisition, Restoration and Public Works	58,377,550	1,251,996	2,379,567	1,199,608	1,614,858	12,192,175	4,387,983	12,242,287	19,949,700	9,150,091	5,032,310	21,250,000	62,338,727	1,706,730	213,073,582
Operation and Maintenance of Lands and Works	10,474,598	460,262	1,927,628	180,597	727,079	1,423,125	1,688,796	1,535,520	867,118	-	-	-	315,565	-	19,600,288
Regulation	19,080,448	-	-	-	-	-	-	-	-	-	-	-	-	-	19,080,448
Outreach	1,834,911	201,136	439,934	220,029	260,414	737,465	265,498	468,150	421,292	418,694	-	-	-	-	5,267,523
Management and Administration	39,666,342	118,167	258,040	130,589	135,772	639,242	165,346	292,443	190,259	-	-	-	-	-	41,596,200
Total Expenditures	<u>152,084,689</u>	<u>2,617,260</u>	<u>6,324,478</u>	<u>2,181,057</u>	<u>6,030,081</u>	<u>15,742,014</u>	<u>9,225,575</u>	<u>16,291,461</u>	<u>24,429,666</u>	<u>10,931,125</u>	<u>5,032,310</u>	<u>21,250,000</u>	<u>62,654,292</u>	<u>1,706,730</u>	<u>336,500,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,047,107</u>	<u>3,698,430</u>	<u>8,276,122</u>	<u>5,547,768</u>	<u>1,697,394</u>	<u>21,149,580</u>	<u>2,125,984</u>	<u>(685,101)</u>	<u>(1,297,099)</u>	<u>(3,858,638)</u>	<u>38,062</u>	<u>(21,250,000)</u>	<u>-</u>	<u>(306,730)</u>	<u>44,182,879</u>
OTHER FINANCING SOURCES (USES)															
Transfers In	-	-	-	-	-	-	-	-	-	3,773,441	-	-	-	-	3,773,441
Transfers Out	-	(132,105)	(361,692)	(177,110)	(75,066)	(447,942)	(1,051,189)	(287,190)	(1,241,147)	-	-	-	-	-	(3,773,441)
Sale of Capital Assets	111,242	-	-	-	-	-	-	-	-	-	-	-	-	525,629	636,871
Capital Lease Proceeds	1,995,697	-	-	-	-	-	-	-	-	-	-	-	-	-	1,995,697
Total Other Financing Sources and Uses	<u>2,106,939</u>	<u>(132,105)</u>	<u>(361,692)</u>	<u>(177,110)</u>	<u>(75,066)</u>	<u>(447,942)</u>	<u>(1,051,189)</u>	<u>(287,190)</u>	<u>(1,241,147)</u>	<u>3,773,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,629</u>	<u>2,632,568</u>
Net Change In Fund Balances	31,154,046	3,566,325	7,914,430	5,370,658	1,622,328	20,701,638	1,074,795	(972,291)	(2,538,246)	(85,197)	38,062	(21,250,000)	-	218,899	46,815,447
Fund Balances - Beginning	233,647,961	10,700,180	25,628,832	26,252,482	10,281,952	94,232,310	8,191,076	22,726,852	42,823,471	1,098,315	219,608	85,000,000	-	2,278,726	563,081,765
Fund Balances - Ending	<u>\$ 264,802,007</u>	<u>\$ 14,266,505</u>	<u>\$ 33,543,262</u>	<u>\$ 31,623,140</u>	<u>\$ 11,904,280</u>	<u>\$ 114,933,948</u>	<u>\$ 9,265,871</u>	<u>\$ 21,754,561</u>	<u>\$ 40,285,225</u>	<u>\$ 1,013,118</u>	<u>\$ 257,670</u>	<u>\$ 63,750,000</u>	<u>\$ -</u>	<u>\$ 2,497,625</u>	<u>\$ 609,897,212</u>

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

Net change in fund balances -- total governmental funds \$ 46,815,447

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. 80,872,126

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. (5,126,736)

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, 2008, were more than the amount recorded at prior year-end, resulting in a net increase to income. 86,744

The borrowing of resources associated with a capital lease provides current financial resources to governmental funds, while the repayment of the principal of the long-term borrowing consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the proceeds borrowed and the repayment of principal associated with the long-term borrowing. (1,308,866)

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. (900,773)

Change in net assets of governmental activities \$ 120,437,942

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, 2008**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 147,116,265	\$ 147,940,801	\$ 824,536
Intergovernmental Revenues	46,463,168	19,870,804	(26,592,364)
Interest on Invested Funds	9,000,000	8,766,436	(233,564)
License and Permit Fees	3,000,000	2,289,611	(710,389)
Other	1,478,978	2,264,144	785,166
Total Revenues	<u>207,058,411</u>	<u>181,131,796</u>	<u>(25,926,615)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	41,605,818	22,650,840	18,954,978
Acquisition, Restoration and Public Works	276,584,660	58,377,550	218,207,110
Operation and Maintenance of Lands and Works	13,314,692	10,474,598	2,840,094
Regulation	21,510,266	19,080,448	2,429,818
Outreach	2,033,813	1,834,911	198,902
Management and Administration	52,896,119	39,666,342	13,229,777
Total Expenditures	<u>407,945,368</u>	<u>152,084,689</u>	<u>255,860,679</u>
Excess (Deficiency) of Revenues Over Expenditures	(200,886,957)	29,047,107	229,934,064
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	111,242	111,242
Capital Lease Proceeds	-	1,995,697	1,995,697
Total Other Financing Sources and Uses	<u>-</u>	<u>2,106,939</u>	<u>2,106,939</u>
Net Change In Fund Balance	(200,886,957)	31,154,046	232,041,003
Fund Balance - Beginning	200,886,957	233,647,961	32,761,004
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 264,802,007</u>	<u>\$ 264,802,007</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, 2008**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 5,500,853	\$ 5,526,420	\$ 25,567
Intergovernmental Revenues	2,239,204	319,065	(1,920,139)
Interest on Invested Funds	400,000	463,085	63,085
Other	-	7,120	7,120
Total Revenues	<u>8,140,057</u>	<u>6,315,690</u>	<u>(1,824,367)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	1,842,027	585,699	1,256,328
Acquisition, Restoration and Public Works	9,963,540	1,251,996	8,711,544
Operation and Maintenance of Lands and Works	3,159,077	460,262	2,698,815
Outreach	374,623	201,136	173,487
Management and Administration	667,601	118,167	549,434
Total Expenditures	<u>16,006,868</u>	<u>2,617,260</u>	<u>13,389,608</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,866,811)	3,698,430	11,565,241
OTHER FINANCING SOURCES (USES)			
Transfers Out	(2,351,914)	(132,105)	2,219,809
Net Change In Fund Balance	<u>(10,218,725)</u>	<u>3,566,325</u>	<u>13,785,050</u>
Fund Balance - Beginning	10,218,725	10,700,180	481,455
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 14,266,505</u>	<u>\$ 14,266,505</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, 2008**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Ad Valorem Property Taxes	\$ 12,542,076	\$ 12,611,129	\$ 69,053
Intergovernmental Revenues	6,674,188	941,411	(5,732,777)
Interest on Invested Funds	800,000	1,031,918	231,918
Other	-	16,142	16,142
Total Revenues	20,016,264	14,600,600	(5,415,664)
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	4,277,527	1,319,309	2,958,218
Acquisition, Restoration and Public Works	31,020,747	2,379,567	28,641,180
Operation and Maintenance of Lands and Works	5,047,284	1,927,628	3,119,656
Outreach	783,747	439,934	343,813
Management and Administration	1,409,310	258,040	1,151,270
Total Expenditures	42,538,615	6,324,478	36,214,137
Excess (Deficiency) of Revenues Over Expenditures	(22,522,351)	8,276,122	30,798,473
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,676,221)	(361,692)	1,314,529
Net Change In Fund Balance	(24,198,572)	7,914,430	32,113,002
Fund Balance - Beginning	24,198,572	25,628,832	1,430,260
Fund Balance - Ending	\$ -	\$ 33,543,262	\$ 33,543,262

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, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 6,635,464	\$ 6,665,194	\$ 29,730
Intergovernmental Revenues	2,533,601	116,506	(2,417,095)
Interest on Invested Funds	1,000,000	938,060	(61,940)
Other	-	9,065	9,065
Total Revenues	<u>10,169,065</u>	<u>7,728,825</u>	<u>(2,440,240)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	820,068	450,234	369,834
Acquisition, Restoration and Public Works	32,355,693	1,199,608	31,156,085
Operation and Maintenance of Lands and Works	409,184	180,597	228,587
Outreach	405,706	220,029	185,677
Management and Administration	1,105,503	130,589	974,914
Total Expenditures	<u>35,096,154</u>	<u>2,181,057</u>	<u>32,915,097</u>
Excess (Deficiency) of Revenues Over Expenditures	(24,927,089)	5,547,768	30,474,857
OTHER FINANCING SOURCES (USES)			
Transfers Out	(593,964)	(177,110)	416,854
Net Change In Fund Balance	<u>(25,521,053)</u>	<u>5,370,658</u>	<u>30,891,711</u>
Fund Balance - Beginning	25,521,053	26,252,482	731,429
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 31,623,140</u>	<u>\$ 31,623,140</u>

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, 2008**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 5,044,346	\$ 5,086,354	\$ 42,008
Intergovernmental Revenues	6,280,360	1,966,102	(4,314,258)
Interest on Invested Funds	500,000	409,148	(90,852)
Other	258,750	265,871	7,121
Total Revenues	<u>12,083,456</u>	<u>7,727,475</u>	<u>(4,355,981)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	6,298,327	3,291,958	3,006,369
Acquisition, Restoration and Public Works	11,806,637	1,614,858	10,191,779
Operation and Maintenance of Lands and Works	1,859,514	727,079	1,132,435
Outreach	463,925	260,414	203,511
Management and Administration	620,011	135,772	484,239
Total Expenditures	<u>21,048,414</u>	<u>6,030,081</u>	<u>15,018,333</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,964,958)	1,697,394	10,662,352
OTHER FINANCING SOURCES (USES)			
Transfers Out	(133,919)	(75,066)	58,853
Net Change In Fund Balance	<u>(9,098,877)</u>	<u>1,622,328</u>	<u>10,721,205</u>
Fund Balance - Beginning	9,098,877	10,281,952	1,183,075
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 11,904,280</u>	<u>\$ 11,904,280</u>

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

Southwest Florida Water Management District
Pinellas-Anclote River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 30,759,058	\$ 30,934,560	\$ 175,502
Intergovernmental Revenues	12,202,294	2,374,137	(9,828,157)
Interest on Invested Funds	4,500,000	3,532,217	(967,783)
Other	-	50,680	50,680
Total Revenues	<u>47,461,352</u>	<u>36,891,594</u>	<u>(10,569,758)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	3,667,984	750,007	2,917,977
Acquisition, Restoration and Public Works	113,587,506	12,192,175	101,395,331
Operation and Maintenance of Lands and Works	10,872,516	1,423,125	9,449,391
Outreach	1,362,000	737,465	624,535
Management and Administration	2,561,255	639,242	1,922,013
Total Expenditures	<u>132,051,261</u>	<u>15,742,014</u>	<u>116,309,247</u>
Excess (Deficiency) of Revenues Over Expenditures	(84,589,909)	21,149,580	105,739,489
OTHER FINANCING SOURCES (USES)			
Transfers Out	(4,660,052)	(447,942)	4,212,110
Net Change In Fund Balance	(89,249,961)	20,701,638	109,951,599
Fund Balance - Beginning	89,249,961	94,232,310	4,982,349
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 114,933,948</u>	<u>\$ 114,933,948</u>

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

**Southwest Florida Water Management District
Withlacoochee River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2008**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 5,402,761	\$ 5,411,367	\$ 8,606
Intergovernmental Revenues	9,857,273	5,599,683	(4,257,590)
Interest on Invested Funds	300,000	328,997	28,997
Other	-	11,512	11,512
Total Revenues	<u>15,560,034</u>	<u>11,351,559</u>	<u>(4,208,475)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	8,401,573	2,717,952	5,683,621
Acquisition, Restoration and Public Works	9,119,946	4,387,983	4,731,963
Operation and Maintenance of Lands and Works	3,719,019	1,688,796	2,030,223
Outreach	407,954	265,498	142,456
Management and Administration	480,661	165,346	315,315
Total Expenditures	<u>22,129,153</u>	<u>9,225,575</u>	<u>12,903,578</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,569,119)	2,125,984	8,695,103
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(1,383,136)</u>	<u>(1,051,189)</u>	<u>331,947</u>
Net Change In Fund Balance	(7,952,255)	1,074,795	9,027,050
Fund Balance - Beginning	7,952,255	8,191,076	238,821
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 9,265,871</u>	<u>\$ 9,265,871</u>

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

Southwest Florida Water Management District
Peace River Basin Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Ad Valorem Property Taxes	\$ 9,276,980	\$ 9,350,470	\$ 73,490
Intergovernmental Revenues	24,290,933	5,375,412	(18,915,521)
Interest on Invested Funds	1,300,000	868,154	(431,846)
Other	-	12,324	12,324
Total Revenues	34,867,913	15,606,360	(19,261,553)
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	5,167,574	1,753,061	3,414,513
Acquisition, Restoration and Public Works	44,386,736	12,242,287	32,144,449
Operation and Maintenance of Lands and Works	3,412,128	1,535,520	1,876,608
Outreach	921,976	468,150	453,826
Management and Administration	888,412	292,443	595,969
Total Expenditures	54,776,826	16,291,461	38,485,365
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,908,913)	(685,101)	19,223,812
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,391,993)	(287,190)	1,104,803
Net Change In Fund Balance	(21,300,906)	(972,291)	20,328,615
Fund Balance - Beginning	21,300,906	22,726,852	1,425,946
Fund Balance - Ending	\$ -	\$ 21,754,561	\$ 21,754,561

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, 2008**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ad Valorem Property Taxes	\$ 13,849,455	\$ 13,910,581	\$ 61,126
Intergovernmental Revenues	16,412,822	7,661,558	(8,751,264)
Interest on Invested Funds	1,800,000	1,530,645	(269,355)
Other	-	29,783	29,783
Total Revenues	<u>32,062,277</u>	<u>23,132,567</u>	<u>(8,929,710)</u>
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	10,190,213	3,001,297	7,188,916
Acquisition, Restoration and Public Works	54,882,219	19,949,700	34,932,519
Operation and Maintenance of Lands and Works	2,348,591	867,118	1,481,473
Outreach	644,886	421,292	223,594
Management and Administration	1,073,398	190,259	883,139
Total Expenditures	<u>69,139,307</u>	<u>24,429,666</u>	<u>44,709,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,077,030)	(1,297,099)	35,779,931
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(4,284,672)</u>	<u>(1,241,147)</u>	<u>3,043,525</u>
Net Change In Fund Balance	(41,361,702)	(2,538,246)	38,823,456
Fund Balance - Beginning	41,361,702	42,823,471	1,461,769
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 40,285,225</u>	<u>\$ 40,285,225</u>

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

Southwest Florida Water Management District
SWIM Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2008

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental Revenues	\$ 30,209,057	\$ 7,072,487	\$ (23,136,570)
EXPENDITURES			
Current:			
Water Resources Planning and Monitoring	2,465,291	1,362,340	1,102,951
Acquisition, Restoration and Public Works	43,730,097	9,150,091	34,580,006
Outreach	548,417	418,694	129,723
Total Expenditures	<u>46,743,805</u>	<u>10,931,125</u>	<u>35,812,680</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,534,748)	(3,858,638)	12,676,110
OTHER FINANCING SOURCES (USES)			
Transfers In	16,475,871	3,773,441	(12,702,430)
Net Change In Fund Balance	(58,877)	(85,197)	(26,320)
Fund Balance - Beginning	58,877	1,098,315	1,039,438
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,013,118</u>	<u>\$ 1,013,118</u>

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, 2008**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenues	\$ 7,885,744	\$ 5,032,310	\$ (2,853,434)
Interest on Invested Funds	-	38,062	38,062
Total Revenues	7,885,744	5,070,372	(2,815,372)
EXPENDITURES			
Current:			
Acquisition, Restoration and Public Works	7,885,744	5,032,310	2,853,434
Excess of Revenues Over Expenditures	-	38,062	38,062
Fund Balance - Beginning	-	219,608	219,608
Fund Balance - Ending	\$ -	\$ 257,670	\$ 257,670

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, 2008**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXPENDITURES			
Current:			
Acquisition, Restoration and Public Works	\$ <u>85,000,000</u>	\$ <u>21,250,000</u>	\$ <u>(63,750,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,000,000)	(21,250,000)	63,750,000
Fund Balance - Beginning	<u>85,000,000</u>	<u>85,000,000</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ 63,750,000</u></u>	<u><u>\$ 63,750,000</u></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, 2008

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, 2009.

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 properly not 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, 2008

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 earned and are both measurable and available.

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, 2008

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 48).

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, 2008

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 and capital lease proceeds, of the general fund (\$6,638,260), Alafia River Basin Fund (\$191,060), Pinellas-Anclote River Basin Fund (\$1,007,640), Withlacoochee River Basin Fund (\$949,383), Peace River Basin Fund (\$2,801,396), Manasota Basin Fund (\$1,480,292), SWIM Program Fund (\$6,444,002), DOT Mitigation Fund (\$1,580,428), Save Our Rivers Fund (\$7,126,423), and the Partnership Trust Fund (\$73,913,025) 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, 2008

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, 2008

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 \$28,872,386 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.H., page 47)	\$19,251,573
Compensated Absences	6,997,418
Other Post Employment Benefits (see Note V.D., page 50)	432,529
Capital Lease	1,308,866
Claims (Workers’ Compensation)	<u>882,000</u>
Net adjustment to reduce <i>fund balances—total governmental funds</i> to arrive at <i>net assets of governmental activities</i>	<u><u>\$28,872,386</u></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 \$80,872,126 difference are as follows:

Capital outlay	\$87,069,935
Depreciation expense	<u>(6,197,809)</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><u>\$80,872,126</u></u>

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

The details of this \$5,126,736 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.	\$(4,631,927)
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.	2,484,270
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>(2,979,079)</u>
Net adjustment to decrease net change in fund balances – total governmental funds to arrive at change in net assets of governmental activities	<u><u>\$(5,126,736)</u></u>

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 \$86,744 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.

Another element of that reconciliation states, "The borrowing of resources associated with a capital lease provides current financial resources to governmental funds, while the repayment of the principal of the long-term borrowing consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The \$1,308,866 difference is the net effect of the proceeds borrowed and the repayment of principal associated with the long-term borrowing.

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."

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The details of this \$900,773 difference are as follows:

Judgment (Skyway Trap and Skeet Club, Inc., see Note IV.H., page 47)	\$ (43,103)
Compensated absences	597,644
Other Post Employment Benefits (see Note V.D., page 50)	223,232
Workers' Compensation	<u>123,000</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>\$900,773</u>

III. Stewardship, compliance and accountability

A. Budgetary information

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

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

B. Deficit undesignated fund equity

A deficit undesignated fund balance exists in the SWIM Program Fund (\$22,868,383), the DOT Mitigation Fund (\$665,656) and the Save Our Rivers Fund (\$8,433,040). 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, 2008.

IV. Detailed notes

A. Cash and investments

Deposits: At September 30, 2008, 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, 2008, the carrying amount of the District's cash demand deposit account was a deficit (\$7,225,973) and the bank balance was \$617,299. 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.

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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, 2008, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Agencies	\$ 324,659,464	1.72
State Board of Administration LGIP	105,253,297 (1)	0.02
State Board of Administration Fund B	10,424,638 (1)	9.36
Money Market Funds	<u>244,326,785</u>	liquid daily
Total Fair Value	<u>\$ 684,664,184</u>	
Portfolio weighted average maturity		.96

- (1) The District participates in the State Board of Administration's (SBA) Local Government Surplus Funds Trust Fund (LGIP) and the Fund B Surplus Funds Trust Fund (Fund B). As a LGIP and Fund B pool participant, the District invests in pools of investments whereby the District owns a share of the respective pool, not the underlying securities. GASB Statement No. 31, titled *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, applies to the LGIP and Fund B. GASB 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value (NAV). GASB 31 describes a "2a-7 like" pool as an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the 1940 Act). Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions.

The LGIP is considered a SEC "2a-7 like" fund, thus the account balance is also considered the fair value of the District's investment. As of September 30, 2008, withdrawals from the LGIP are restricted to 65 percent of a participant's account balance at November 30, 2007; withdrawals in excess of this amount are subject to a 2 percent redemption fee. Deposits made to LGIP after November 30, 2007, have no limit on the amount of funds that can be withdrawn.

The Fund B is accounted for as a fluctuating NAV pool. The Fair Value factor for September 30, 2008, was 79.8385 percent. The account balance was multiplied by the factor in order to report the fair value of the District's investment in Fund B. Currently, participants are unable to withdraw funds from Fund B. Rather as cash becomes available in Fund B from interest receipts, maturities, or sales, it is distributed to participant accounts in the LGIP according to each participant's pro rata share of Fund B. All such distributions from Fund B to LGIP will be 100 percent available for withdrawal upon transfer.

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, \$180,909,006 is callable by the issuer

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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 SBA **LGIP** is rated by Standard and Pooors. The current rating is AAAM. The SBA **Fund B** is not rated by any nationally recognized statistical rating agency. The District's investment in the money market funds were rated AAAM by Standard and Poor's and Aaa by Moody'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, 2008, the District had the following percentage allocation by issuer:

<u>Issuer</u>	<u>Percentage of Total Portfolio</u>
State Board of Administration Investment Pool	16.90%
Federal Home Loan Bank	14.99%
Federal Home Loan Mortgage Corporation	10.22%
Federal National Mortgage Association	14.93%
Federal Farm Credit Bank	7.28%
Government Obligation Fund IS	22.20%
Dreyfus Government Cash Management	13.31%
Ridgeworth FD-US Treasury Money Market	0.17%
Federal American U.S. Treasury Money Market Class Y	<u>(less than .001%)</u>
	<u>100.00%</u>

The fair value of cash and investments at September 30, 2008, is summarized as follows:

	<u>FAIR VALUE</u>
U.S. Agencies	\$ 250,746,806
Money Market Funds	244,326,418
Investments Held by Trustees:	
U.S. Agencies	73,912,658
Money Market Funds	367
Investments in State Board of Administration Investment Pool:	
LGIP	105,253,297
Fund B	10,424,638
Total Investments	<u>684,664,184</u>
Demand Deposit Accounts	(7,225,973)
Petty Cash	6,200
Total Demand Deposits and Petty Cash	<u>(7,219,773)</u>
Total Cash and Investments	<u>\$ 677,444,411</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	\$ 13,522,541	\$ 1,265,640	\$ 14,788,181
Alafia River Basin	579,286	70,910	650,196
Hillsborough River Basin	562,516	158,236	720,752
Northwest Hillsborough Basin	170,682	143,291	313,973
Coastal Rivers Basin	1,156,455	60,577	1,217,032
Pinellas-Anclote River Basin	2,496,385	542,076	3,038,461
Withlacoochee River Basin	1,744,930	48,820	1,793,750
Peace River Basin	3,935,702	122,259	4,057,961
Manasota Basin	6,962,692	204,382	7,167,074
SWIM Program	3,492,834	2,127	3,494,961
DOT Mitigation	1,759,398	-	1,759,398
Save Our Rivers	967,417	-	967,417
Total	\$ 37,350,838	\$ 2,618,318	\$ 39,969,156

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	\$ 435,594	
Grant drawdowns prior to meeting all eligibility requirements		\$ 4,143,072
Alafia River Basin		
Delinquent property taxes receivable	7,457	
Grant drawdowns prior to meeting all eligibility requirements		185,075
Hillsborough River Basin		
Delinquent property taxes receivable	35,704	
Northwest Hillsborough Basin		
Delinquent property taxes receivable	13,211	
Coastal Rivers Basin		
Delinquent property taxes receivable	23,495	
Pinellas-Anclote River Basin		
Delinquent property taxes receivable	74,411	
Grant drawdowns prior to meeting all eligibility requirements		1,000,000
Withlacoochee River Basin		
Delinquent property taxes receivable	43,086	
Grant drawdowns prior to meeting all eligibility requirements		19,118
Peace River Basin		
Delinquent property taxes receivable	42,239	
Grant drawdowns prior to meeting all eligibility requirements		2,659,472
Manasota Basin		
Delinquent property taxes receivable	27,361	
Grant drawdowns prior to meeting all eligibility requirements		1,421,885
SWIM Program		
Grant drawdowns prior to meeting all eligibility requirements		5,676,878
DOT Mitigation		
Grant drawdowns prior to meeting all eligibility requirements		1,520,819
Save Our Rivers		
Grant drawdowns prior to meeting all eligibility requirements		9,403,858
Total deferred revenue for governmental funds	<u>\$ 702,558</u>	<u>\$ 26,030,177</u>

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E. Capital Assets

Capital asset activity for the year ended September 30, 2008, was as follows:

	Balance at October 1, 2007	Increases/ Adjustments	Decreases/ Adjustments	Balance at September 30, 2008
Capital assets, not being depreciated:				
Land	\$ 537,664,192	\$ 57,630,307	\$ (4,657,302)	\$ 590,637,197
Land Interests	32,245,555	24,122,949	-	56,368,504
Construction in Progress	7,254,049	2,849,994	(3,362,508)	6,741,535
Total capital assets, not being depreciated	577,163,796	84,603,250	(8,019,810)	653,747,236
Capital assets, being depreciated:				
Buildings	34,011,589	2,694,635	(96,700)	36,609,524
Machinery and Equipment	25,951,202	4,487,478	(2,138,424)	28,300,256
Infrastructure	121,006,193	1,031,059	(4,533,150)	117,504,102
Other	107,857	3,991	(2,738)	109,110
Total capital assets being depreciated	181,076,841	8,217,163	(6,771,012)	182,522,992
Less accumulated depreciation for:				
Buildings	7,482,069	812,473	7,837	8,302,379
Machinery and Equipment	15,759,108	2,720,400	(2,036,436)	16,443,072
Infrastructure	45,767,611	2,654,499	(1,882,271)	46,539,839
Other	86,258	10,437	(2,738)	93,957
Total accumulated depreciation	69,095,046	6,197,809	(3,913,608)	71,379,247
Total capital assets, being depreciated, net	111,981,795	2,019,354	(2,857,404)	111,143,745
Governmental activities capital assets, net	<u>\$ 689,145,591</u>	<u>\$ 86,622,604</u>	<u>\$ (10,877,214)</u>	<u>\$ 764,890,981</u>

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
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Depreciation expense was charged to programs of the District as follows:

Governmental activities	
Water Resources Planning and Monitoring	\$ 193,894
Acquisition, Restoration and Public Works	2,450,614
Operation and Maintenance of Lands and Works	1,595,105
Regulation	15,242
Management and Administration	1,942,954
Total depreciation expense - governmental activities	<u><u>\$ 6,197,809</u></u>

F. Interfund transfers

Interfund transfers occurring during fiscal year 2008 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Alafia River Basin	\$ -	\$ 132,105
Hillsborough River Basin	-	361,692
Northwest Hillsborough Basin	-	177,110
Coastal Rivers Basin	-	75,066
Pinellas-Anclote River Basin	-	447,942
Withlacoochee River Basin	-	1,051,189
Peace River Basin	-	287,190
Manasota Basin	-	1,241,147
SWIM Program	3,773,441	-
	<u><u>\$ 3,773,441</u></u>	<u><u>\$ 3,773,441</u></u>

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

- (1) To move Basin fund revenues to the SWIM Program Fund to cover the District's share of program expenditures. During fiscal year 2008, \$3,773,441 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 2013. Lease expenditures for the year ended September 30, 2008, amounted to \$628,615.

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

Fiscal Year Ending September 30,	Minimum Lease Payments
2009	\$ 109,375
2010	106,183
2011	93,931
2012	65,843
2013	38,200
	\$ 413,532

Capital Leases

The District has entered into a lease agreement as lessee for financing the acquisition of the Storage Area Network (SAN) and related hardware, software, warranty and services. The lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The initial capital lease payable was \$1,995,697 with the initial payment of \$686,831 leaving a lease payable balance of \$1,308,866. Since the Storage Area Network (SAN) was being constructed, the initial capital lease proceeds were deposited in a cash escrow account. The initial payment of the capital lease asset was \$851,136 leaving a balance of \$1,144,561 in the cash escrow account.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2008, were as follows:

Fiscal Year Ending September 30,	Governmental Activities
2009	\$ 456,000
2010	456,000
2011	456,000
Total minimum lease payments	1,368,000
Less: amount representing interest	(59,134)
Present value of minimum lease payments	\$ 1,308,866

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H. Long-term obligations

Long-term liability activity for the year ended September 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Judgment	\$ 19,294,676	\$ -	\$ 43,103	\$ 19,251,573 ⁽¹⁾	\$ 1,300,000
Compensated Absences	6,399,774	1,541,924	944,280	6,997,418 ⁽²⁾	699,742
Other Post Employment Benefits	209,297	414,403	191,171	432,529 ⁽²⁾	-
Capital Lease	-	1,995,697	686,831	1,308,866 ⁽³⁾	456,000
Workers' Compensation	759,000	386,615	263,615	882,000 ⁽³⁾	468,249
Total	\$ 26,662,747	\$ 4,338,639	\$ 2,129,000	\$ 28,872,386	\$ 2,923,991

- (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 and the capital lease payments.

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, 2008, 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 09/30/2008	Year ended 09/30/2007
Unpaid claims, beginning of fiscal year	\$ 759,000	\$ 759,000
Incurred claims, including IBNRs and changes in estimates	386,615	338,665
Claim payments	(263,615)	(338,665)
Unpaid claims, end of fiscal year	<u>\$ 882,000</u>	<u>\$ 759,000</u>

At September 30, 2008, general fund assets of \$1,426,819 were held for the purpose of funding future workers' compensation claims liabilities, with a corresponding \$882,000 reserve for workers' compensation claims and a \$544,819 designation of the general fund balance.

B. Commitments and contingencies

At September 30, 2008, the District had unrestricted net assets (as defined by GASB, Statement No. 34) of approximately \$518.1 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 \$288.4 million; and 2) to pay claims associated with the District's Workers' Compensation Self-insurance Program estimated at \$0.9 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. Under the Agreement, the District has contributed \$183 million toward development of alternative water supply projects, and \$90 million toward conservation and reuse projects that effectively reduce potable water use. The \$183 million was held in a trust account and disbursed to Tampa Bay Water in accordance with the contractual terms applicable to the various projects. As of September 30, 2008, \$73.9 million remained in the trust account and is allocated to the Seawater Desalination Funding Agreement. Of the \$73.9 million, \$63.7 million remained from the initial \$85 million allocated to fund the project and \$10.2 million represented interest earnings on the \$85 million which began accruing to the benefit of Tampa Bay Water on January 24, 2006. 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 interest earned, and any unspent funding for the desalination plant shall revert back to the District. For fiscal year 2008, interest earnings in the amount of \$10.2 million have been recorded as a liability on the District's financial records. The entire fund balance of \$63.7 million has been reserved for project expenses under the agreement.

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.

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Notes to the Financial Statements
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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, 2008, 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 2006, 2007 and 2008 were \$3,179,057, \$4,135,395 and \$4,405,920, respectively, equal to the required contributions for each year.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2008

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. During 2008, the District introduced a new subsidy to reduce the cost of Medical Coverage to retirees prior to age 65. The subsidy is a reduction in the medical premium paid by retirees in the amount of \$5 per month for each year of service. A minimum of 6 years of service at retirement is necessary to qualify for the subsidy. The subsidy has a maximum amount payable of \$150 per month. The subsidy ceases at the earlier of age 65 or Medicare enrollment. 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 accounts for this plan in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*.

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 and the cost of the new subsidy. 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** less the cost of the new subsidy. 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 2008.

	<u>Retiree</u>	<u>Retiree + Spouse</u>
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, 2008.

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2008

Determination of Annual Required Contribution:	
Normal Cost at year-end	\$ 198,687
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	219,448
Annual Required Contribution	<u>\$ 418,135</u>

Determination of Net OPEB Obligation:	
Annual Required Contribution	\$ 418,135
Interest on prior year Net OPEB Obligation	8,372
Adjustment to ARC	(12,104)
Annual OPEB Cost	414,403
Contributions made	191,171
Increase in Net OPEB Obligation	223,232
Net OPEB Obligation - beginning of year	209,297
Net OPEB Obligation - end of year	<u>\$ 432,529</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and the two preceding years were as follows:

Fiscal Year- Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2008	\$414,403	46.1%	\$432,529
09/30/2007	\$358,533	41.6%	\$209,297
09/30/2006	N/A	N/A	N/A

Funded Status and Funding Progress

As of September 30, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$3,794,706, resulting in an unfunded actuarial accrued liability of \$3,794,706.

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
09/30/2008	0	\$3,794,706	\$3,794,706	0.00%	N/A	N/A
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

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Notes to the Financial Statements
September 30, 2008

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, 2008, 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 percent for medical and 6 percent for dental in 2008; and an ultimate inflation rate and an ultimate healthcare cost trend rate of 5 percent for medical and 2 percent for dental. The UAAL is being amortized over a 30-year period on the level dollar method on an open basis with 28 years remaining.



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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ 32,875,500	\$ 80,703,023	\$ 62,654,292	\$ (18,048,731)
Total Revenues	<u>32,875,500</u>	<u>80,703,023</u>	<u>62,654,292</u>	<u>(18,048,731)</u>
EXPENDITURES				
Current:				
Acquisition, Restoration and Public Works	32,500,500	77,524,900	62,338,727	15,186,173
Operation and Maintenance of Lands and Works	<u>375,000</u>	<u>3,178,123</u>	<u>315,565</u>	<u>2,862,558</u>
Total Expenditures	<u>32,875,500</u>	<u>80,703,023</u>	<u>62,654,292</u>	<u>18,048,731</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<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, 2008**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Ad Valorem Property Taxes	\$ 1,400,000	\$ 1,400,000	\$ -
Total Revenues	1,400,000	1,400,000	-
EXPENDITURES			
Current:			
Acquisition, Restoration and Public Works	3,390,382	1,706,730	1,683,652
Deficiency of Revenues Under Expenditures	(1,990,382)	(306,730)	1,683,652
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	525,629	525,629
Net Change In Fund Balance	(1,990,382)	218,899	2,209,281
Fund Balance - Beginning	1,990,382	2,278,726	288,344
Fund Balance - Ending	\$ -	\$ 2,497,625	\$ 2,497,625

See accompanying independent auditors' report.



Statistical Section

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.

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

	2008	2007	2006	Fiscal Year				2002	2001
				2005	2004	2003			
Governmental activities									
Invested in Capital Assets (net of related debt)	\$ 764,726,676	(1) \$ 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	63,750,000	85,000,000	85,022,824	86,964,669	85,841,584	85,251,298	85,682,484	86,963,804	
Unrestricted	518,141,689	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	\$ 1,346,618,365	\$ 1,226,180,423	\$ 1,121,612,495	\$ 995,355,144	\$ 901,711,146	\$ 842,955,867	\$ 780,812,645	\$ 722,069,734	

(1) Fiscal year 2008 was the first year the District had Capital related Debt.

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 Eight Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year							
	2008	2007	2006	2005	2004	2003	2002	2001
Expenses								
Governmental activities:								
Water Resources Planning and Monitoring	\$ 38,436,046	\$ 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	138,016,223	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	21,623,536	15,914,021	15,929,460	13,754,235	14,653,283	12,900,859	12,316,549	13,014,948
Regulation	19,281,444	18,493,860	16,493,948	15,927,204	14,314,706	13,606,323	12,386,701	11,735,276
Outreach	5,290,433	5,306,415	4,543,475	3,707,207	3,727,632	3,527,078	2,948,200	2,890,486
Management and Administration	40,169,007	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	262,816,689	208,266,235	149,502,299	164,542,573	159,810,967	117,180,761	119,659,245	108,175,636
Program Revenues								
Governmental activities:								
Charges for services:								
Water Resources Planning & Monitoring	403,339	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	1,246,038	1,312,407	1,549,729	1,661,289	1,669,597	1,349,230	882,651	2,170,210
Regulation	2,289,411	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	1,085,229	1,051,604	994,953	986,226	1,035,609	1,368,194	1,182,522	9,098,570
Operating grants and contributions	55,273,724	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	62,873,713	2,691,252	25,585,607	39,018,186	37,012,993	28,467,877	38,046,026	-
Total governmental activities program revenues	123,171,454	43,300,542	61,452,527	68,248,950	68,807,725	43,681,438	51,349,212	55,637,330
Net (expense) revenue	<u>(139,645,235)</u>	<u>(164,965,693)</u>	<u>(88,049,772)</u>	<u>(96,293,623)</u>	<u>(91,003,242)</u>	<u>(73,499,323)</u>	<u>(68,310,033)</u>	<u>(52,538,306)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Ad Valorem Property Taxes	238,923,620	237,448,913	189,355,313	161,163,202	143,869,238	129,555,903	119,241,746	107,401,383
Unrestricted investment earnings	17,906,722	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	3,252,835	3,880,051	1,087,426	19,306,576	974,486	505,914	114,596	315,681
Total governmental activities general revenues	260,083,177	269,533,621	214,307,123	189,937,621	149,758,521	135,642,545	127,052,944	122,942,484
Change in Net Assets	<u>\$ 120,437,942</u>	<u>\$ 104,567,928</u>	<u>\$ 126,257,351</u>	<u>\$ 93,643,998</u>	<u>\$ 58,755,279</u>	<u>\$ 62,143,222</u>	<u>\$ 58,742,911</u>	<u>\$ 70,404,178</u>

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)
(unaudited)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund:										
Reserved	\$ 64,741,708	\$ 74,058,319	\$ 48,149,032	\$ 46,492,578	\$ 39,422,012	\$ 24,523,545	\$ 16,483,581	\$ 15,337,050	\$ 20,603,562	\$ 23,648,789
Unreserved	200,060,299	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
Total General Fund	<u>264,802,007</u>	<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>
All Other Governmental Funds										
Reserved	288,253,902	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
Unreserved:										
Special revenue funds	63,517,629	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
Capital projects funds	(6,676,326)	(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)
Total All Other Governmental Funds	<u>345,095,205</u>	<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>
Total Fund Balances	<u>\$609,897,212</u>	<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>

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

	Fiscal Year							
	2008	2007	2006	2005	2004	2003	2002	2001
REVENUES								
Ad Valorem Property Taxes	\$ 238,836,876	\$ 237,543,172	\$ 189,378,158	\$ 161,263,640	\$ 143,801,912	\$ 129,549,220	\$ 119,312,415	\$ 107,871,878
Intergovernmental Revenues	118,983,767	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	17,906,722	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	2,289,611	3,282,034	4,026,078	3,443,788	3,303,915	2,552,911	2,357,605	2,170,210
Other	2,666,641	3,276,451	3,542,367	3,371,782	3,349,578	2,755,089	1,954,882	1,825,072
Total Revenues	<u>380,683,617</u>	<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>
EXPENDITURES								
Current:								
Water Resources Planning and Monitoring	37,882,697	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	213,073,582	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	19,600,288	16,310,879	16,710,796	14,693,684	15,572,454	13,490,901	12,492,363	11,535,473
Regulation	19,080,448	18,311,066	16,280,759	15,892,959	14,250,561	13,506,724	12,326,062	11,661,561
Outreach	5,267,523	5,286,577	4,514,870	3,676,618	3,718,886	3,514,563	2,956,308	2,890,246
Management and Administration	41,596,200	37,229,097	33,187,587	31,295,098	28,428,608	27,445,094	25,792,026	23,944,272
Total Expenditures	<u>336,500,738</u>	<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>44,182,879</u>	<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>
OTHER FINANCING SOURCES (USES)								
Transfers In	3,773,441	17,275,932	14,211,995	17,269,052	17,496,250	15,709,133	15,630,592	14,225,763
Transfers Out	(3,773,441)	(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	636,871	-	4,289,660	-	-	-	-	-
Capital Lease Proceeds	1,995,697	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>2,632,568</u>	<u>-</u>	<u>4,289,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>46,815,447</u>	<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>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>
Fund Balances - Ending	<u>\$ 609,897,212</u>	<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 1999 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 1999 through 2000
(unaudited)

	Fiscal Year	
	2000	1999
REVENUES		
Ad Valorem Property Taxes	\$ 99,645,894	\$ 94,005,983
Intergovernmental Revenues	37,926,389	31,489,911
Interest on Invested Funds	13,521,786	8,565,607
License and Permit Fees	2,134,534	2,134,867
Other	1,602,377	1,260,264
Total Revenues	154,830,980	137,456,632
EXPENDITURES		
Current:		
Administration	20,563,316	19,600,000
General Counsel	2,717,420	2,898,528
Commissions	2,179,649	2,648,974
Resource Management	37,227,422	30,727,530
Resource Regulation	11,433,901	11,386,075
Operations and Maintenance	10,669,912	8,807,020
Land Resources	32,019,024	27,673,935
Total Expenditures	116,810,644	103,742,062
Excess of Revenues Over Expenditures	38,020,336	33,714,570
OTHER FINANCING SOURCES (USES):		
Transfers In	17,799,568	15,423,259
Transfers Out	(17,799,568)	(15,423,259)
Total Other Financing Sources and Uses	-	-
Net Change in Fund Balances	38,020,336	33,714,570
Fund Balances - Beginning	183,771,768	150,057,198
Residual Equity Transfers In	-	43,737,663
Residual Equity Transfers Out	-	(43,737,663)
Fund Balances - Ending	\$ 221,792,104	\$ 183,771,768

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
(unaudited)

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	
2008	\$ 200,060,299	\$ 152,084,689	131.55 %	2008	\$ 63,517,629	\$ 120,055,027	52.91 %
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

(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**

(unaudited)
(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>
2008	\$ (6,676,326) (3)	\$ 64,361,022	(10.37) %	2008	\$ 256,901,602	\$ 336,500,738	76.35 %
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

(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 Eight Fiscal Years

(unaudited)

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 Expenditures
2008	\$ 37,882,697 11.26%	\$ 213,073,582 63.32%	\$ 19,600,288 5.82%	\$ 19,080,448 5.67%	\$ 5,267,523 1.57%	\$ 41,596,200 12.36%	\$ 336,500,738 100.00%
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 1999 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 1999 through 2000**

(unaudited)

Fiscal Year	Administration	General Counsel	Commissions	Resource Management	Resource Regulation	Operations and Maintenance	Land Resources	Total Expenditures
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%

(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
(unaudited)

Fiscal Year	Ad Valorem Property Taxes	Inter-Governmental Revenues	Interest on Invested Funds	License and Permit Fees	Other Revenues	Total Revenues
2008	\$ 238,836,876 62.74%	\$ 118,983,767 31.26%	\$ 17,906,722 4.70%	\$ 2,289,611 0.60%	\$ 2,666,641 0.70%	\$ 380,683,617 100.00%
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%

(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
(unaudited)

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
2008	\$147,940,801	\$ 5,526,420	\$ 12,611,129	\$ 6,665,194	\$ 5,086,354	\$ 30,934,560	\$ 5,411,367	\$ 9,350,470	\$ 13,910,581	\$ 1,400,000	\$ 238,836,876	254.1 %	1.4 %								
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	252.7	51.2								
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	201.5	30.0								
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	171.5	18.5								
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	153.0	15.2								
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	137.8	10.9								
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	126.9	12.1								
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	114.8	8.8								
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	106.0	6.0								
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	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**
(unaudited)

Fiscal Year	Charlotte County	Citrus County	Desoto County	Hardee County	Hernando County	Highlands County	Hillsborough County	Lake County	Levy County
2008	\$12,740,821 5.33%	\$7,166,628 3.00%	\$1,018,393 0.43%	\$988,590 0.41%	\$6,370,297 2.67%	\$3,309,726 1.39%	\$53,172,802 22.26%	\$31,752 0.01%	\$751,259 0.31%
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%

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**

(unaudited)
(Continued)

Fiscal Year	Manatee County	Marion County	Pasco County	Pinellas County	Polk County	Sarasota County	Sumter County	Total
2008	\$ 17,765,391 7.44%	\$ 4,877,757 2.04%	\$ 18,381,150 7.70%	\$ 58,568,414 24.52%	\$ 17,854,305 7.48%	\$ 32,375,418 13.56%	\$ 3,464,173 1.45%	\$ 238,836,876 100.00%
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%

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
(unaudited)

Fiscal Year	Assessed Valuation	Total Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Tax Levy
2008	\$ 400,166,690,276	\$ 247,424,227	\$ 237,744,556	96.09%	\$ 1,092,320	\$ 238,836,876	96.53%
2007	364,100,486,292	246,000,306	236,984,777	96.34%	558,395	237,543,172	96.56%
2006	288,027,816,770	195,912,657	188,729,789	96.33%	648,369	189,378,158	96.66%
2005	244,929,632,264	166,878,893	159,400,042	95.52%	1,863,598	161,263,640	96.64%
2004	218,825,726,760	148,831,513	142,874,841	96.00%	927,071	143,801,912	96.62%
2003	196,733,416,139	134,674,084	128,923,451	95.73%	625,769	129,549,220	96.19%
2002	179,984,482,391	123,116,730	118,351,223	96.13%	961,192	119,312,415	96.91%
2001	162,692,043,704	111,512,461	106,626,498	95.62%	1,245,380	107,871,878	96.74%
2000	150,544,563,710	103,284,941	98,856,352	95.71%	789,542	99,645,894	96.48%
1999	141,288,924,735	96,966,953	93,352,010	96.27%	653,973	94,005,983	96.95%

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

Southwest Florida Water Management District
Taxable Assessed and Estimated Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)

Fiscal Year	Charlotte County		Citrus County		Desoto County		Hardee County	
	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)
2008	\$ 23,468,464,057 5.86%	\$ 30,502,113,285	\$ 12,388,874,371 3.10%	\$ 15,861,126,819	\$ 1,859,310,230 0.46%	\$ 3,837,360,015	\$ 1,775,558,774 0.44%	\$ 3,533,587,394
2007	24,129,410,539 6.63%	32,413,213,000	11,637,462,135 3.20%	15,252,149,646	1,758,121,481 0.48%	3,670,862,797	1,556,504,727 0.43%	2,689,526,887
2006	15,988,917,489 5.55%	20,937,367,172	8,700,489,533 3.02%	10,331,779,330	1,141,425,064 0.40%	2,094,506,489	1,404,977,510 0.49%	1,999,273,020
2005	12,924,151,263 5.28%	16,425,428,634	7,061,830,905 2.89%	7,951,200,451	1,049,892,450 0.43%	1,795,202,550	1,395,590,539 0.57%	1,841,574,901
2004	10,868,251,435 4.97%	13,787,164,905	6,377,731,045 2.91%	7,074,397,845	1,006,248,987 0.46%	1,680,115,048	1,381,408,737 0.63%	1,584,505,572
2003	9,397,451,189 4.78%	11,765,949,970	5,951,463,421 3.03%	6,257,479,829	861,104,943 0.44%	1,641,097,760	1,129,707,419 0.57%	1,555,385,773
2002	8,386,850,539 4.66%	10,329,838,220	5,585,926,065 3.10%	5,708,577,441	860,588,600 0.48%	1,608,953,885	934,388,620 0.52%	1,585,134,436
2001	7,595,307,510 4.67%	9,497,812,520	5,186,796,299 3.19%	5,308,083,181	769,162,554 0.47%	1,523,122,233	876,412,155 0.54%	1,533,016,212
2000	6,923,396,053 4.60%	8,578,159,248	4,889,387,557 3.25%	5,026,928,200	738,754,884 0.49%	1,485,278,334	886,008,919 0.59%	1,572,693,024
1999	6,532,613,607 4.62%	7,980,139,729	4,636,024,601 3.28%	4,705,350,500	685,385,819 0.49%	1,417,511,147	853,546,216 0.60%	1,523,595,499

(1) Assessments are calculated at 100 percent of market value less exempt and immune values and represent only those portions of counties within District boundaries.

(2) The estimated just value represents the estimated total value of taxable property within the 16-county area encompassed by the District.

Estimated Just Values are updated to the current year Department of Revenue Comparative Statement of Just Values, Real Property Only.

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 Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)
(Continued)

Fiscal Year	Hernando County		Highlands County		Hillsborough County		Lake County	
	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)
2008	\$ 11,357,529,621 2.84%	\$ 16,513,236,462	\$ 5,931,994,995 1.48%	\$ 9,629,781,192	\$ 88,033,093,322 22.02%	\$ 121,014,269,598	\$ 86,675,044 0.02%	\$ 27,890,683,868
2007	9,901,079,038 2.72%	14,737,835,803	5,037,731,165 1.38%	8,271,475,339	78,793,903,491 21.64%	110,793,362,933	74,401,396 0.02%	24,009,757,409
2006	7,646,691,051 2.65%	11,004,596,658	3,510,605,604 1.22%	5,710,710,588	64,750,787,840 22.47%	87,321,571,180	55,477,839 0.02%	17,331,581,237
2005	6,302,986,453 2.57%	8,743,878,355	2,933,630,183 1.20%	4,688,682,365	55,903,214,952 22.82%	72,964,455,006	46,727,001 0.02%	14,414,739,917
2004	5,600,584,555 2.56%	7,642,982,147	2,690,892,370 1.23%	4,194,944,329	50,779,806,100 23.21%	64,837,890,327	40,709,970 0.02%	12,541,891,742
2003	5,122,539,116 2.60%	6,820,855,210	2,565,605,756 1.30%	3,949,400,610	46,355,925,135 23.56%	59,207,297,196	35,141,203 0.02%	11,114,607,760
2002	4,734,177,073 2.63%	6,246,678,319	2,477,528,213 1.38%	3,782,245,187	42,891,979,863 23.83%	53,291,862,679	32,358,284 0.02%	10,087,584,597
2001	4,303,861,686 2.65%	5,562,618,435	2,385,636,554 1.47%	3,645,550,032	37,682,680,554 23.16%	46,085,148,076	29,283,069 0.02%	9,238,981,450
2000	4,096,364,117 2.72%	5,288,124,346	2,251,151,995 1.49%	3,580,436,059	34,496,030,668 22.91%	41,379,146,380	27,754,082 0.02%	8,348,378,288
1999	3,843,732,046 2.72%	5,026,183,128	2,148,770,949 1.52%	3,248,707,921	31,747,753,743 22.47%	38,338,369,171	25,861,753 0.02%	7,670,282,422

(1) Assessments are calculated at 100 percent of market value less exempt and immune values and represent only those portions of counties within District boundaries.

(2) The estimated just value represents the estimated total value of taxable property within the 16-county area encompassed by the District.

Estimated Just Values are updated to the current year Department of Revenue Comparative Statement of Just Values, Real Property Only.

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 Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)
(Continued)

Fiscal Year	Levy County		Manatee County		Marion County		Pasco County	
	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)
2008	\$ 1,283,131,348 0.32%	\$ 4,921,099,058	\$ 34,528,464,902 8.63%	\$ 44,560,788,198	\$ 8,364,377,817 2.09%	\$ 36,918,976,765	\$ 29,729,044,446 7.43%	\$ 42,731,680,816
2007	1,223,533,954 0.34%	4,651,266,241	30,735,678,005 8.44%	39,852,622,216	6,132,576,329 1.68%	28,210,769,525	25,750,555,212 7.07%	37,956,299,419
2006	788,382,168 0.27%	2,892,868,688	24,759,022,291 8.60%	31,744,642,359	4,216,130,979 1.46%	19,412,346,247	19,804,373,845 6.88%	27,816,171,324
2005	634,607,144 0.26%	2,319,580,260	21,188,932,148 8.65%	26,527,994,186	3,412,304,183 1.39%	16,203,462,528	16,171,800,551 6.60%	22,176,529,678
2004	549,645,916 0.25%	1,828,924,432	18,574,279,816 8.49%	22,702,620,085	3,020,525,681 1.38%	14,177,653,309	13,883,582,485 6.34%	18,859,943,686
2003	514,932,657 0.26%	1,709,505,277	16,270,421,255 8.27%	19,384,158,966	2,738,924,877 1.39%	12,819,400,375	12,262,273,454 6.23%	16,827,458,579
2002	472,650,625 0.26%	1,507,735,121	14,359,883,510 7.98%	16,654,859,576	2,501,256,463 1.39%	11,587,044,419	11,002,947,919 6.11%	14,926,055,100
2001	440,252,953 0.27%	1,450,180,272	12,789,045,630 7.86%	14,792,186,341	2,283,066,481 1.40%	10,660,989,518	9,875,275,051 6.07%	13,152,044,529
2000	407,621,875 0.27%	1,342,014,746	11,586,175,475 7.70%	13,519,211,907	2,044,822,224 1.36%	9,835,274,891	9,092,768,760 6.04%	12,087,492,344
1999	379,082,077 0.27%	1,292,901,965	10,959,496,359 7.76%	12,707,449,501	1,884,601,020 1.33%	9,241,624,880	8,363,185,159 5.92%	10,904,978,467

(1) Assessments are calculated at 100 percent of market value less exempt and immune values and represent only those portions of counties within District boundaries.

(2) The estimated just value represents the estimated total value of taxable property within the 16-county area encompassed by the District.

Estimated Just Values are updated to the current year Department of Revenue Comparative Statement of Just Values, Real Property Only.

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 Just Value of Taxable Property
For the Last Ten Fiscal Years
(unaudited)
(Continued)

Fiscal Year	Pinellas County			Polk County			Sarasota County			Sumter County			Total	
	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1) / Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1) / Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1) / Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)	Taxable Assessed Value (1) / Estimated Just Value (2)	Taxable Assessed Value (1)	Estimated Just Value (2)
2008	\$80,171,847,018 20.03%	\$114,317,705,946	8.18%	\$32,728,357,906 8.18%	\$45,514,480,070	15.66%	\$62,685,251,050 15.66%	\$83,515,987,446	\$ 5,774,715,375 1.44%	\$ 8,387,422,260	\$400,166,690,276 100.00%	\$ 5,774,715,375 1.44%	\$ 8,387,422,260	\$609,650,299,192
2007	75,661,254,861 20.78%	110,368,480,158	7.71%	28,070,713,660 7.71%	37,942,552,926	16.21%	59,015,112,895 16.21%	81,694,691,410	4,622,447,404 1.27%	6,755,285,291	364,100,486,292 100.00%	4,622,447,404 1.27%	6,755,285,291	559,270,151,000
2006	62,891,555,541 21.84%	87,770,598,200	7.80%	22,463,188,999 7.80%	27,996,939,791	16.15%	46,517,976,673 16.15%	61,995,122,756	3,387,814,344 1.18%	5,142,166,017	288,027,816,770 100.00%	3,387,814,344 1.18%	5,142,166,017	421,502,241,056
2005	54,946,057,068 22.43%	74,965,518,100	8.09%	19,808,792,690 8.09%	23,216,260,315	15.85%	38,833,229,197 15.85%	50,750,692,901	2,315,885,537 0.95%	3,487,213,628	244,929,632,264 100.00%	2,315,885,537 0.95%	3,487,213,628	348,472,413,775
2004	49,736,379,395 22.73%	66,487,561,200	8.31%	18,175,358,199 8.31%	21,243,060,892	15.60%	34,139,701,996 15.60%	43,539,696,480	2,000,620,073 0.91%	2,944,121,089	218,825,726,760 100.00%	2,000,620,073 0.91%	2,944,121,089	305,127,473,088
2003	45,522,214,631 23.15%	59,343,393,200	8.32%	16,372,841,445 8.32%	20,383,440,390	15.18%	29,864,864,281 15.18%	36,752,413,719	1,768,005,357 0.90%	2,650,276,940	196,733,416,139 100.00%	1,768,005,357 0.90%	2,650,276,940	272,182,121,554
2002	42,412,684,581 23.56%	52,852,990,700	8.60%	15,470,541,404 8.60%	18,441,382,093	14.64%	26,353,336,881 14.64%	31,567,616,197	1,507,383,751 0.84%	2,359,021,549	179,984,482,391 100.00%	1,507,383,751 0.84%	2,359,021,549	242,537,579,519
2001	39,016,510,925 23.98%	47,860,664,200	8.88%	14,449,672,403 8.88%	16,609,984,276	14.62%	23,783,753,695 14.62%	28,256,271,308	1,225,326,185 0.75%	1,778,675,015	162,692,043,704 100.00%	1,225,326,185 0.75%	1,778,675,015	216,955,327,598
2000	36,571,099,997 24.29%	44,382,705,500	9.02%	13,583,962,496 9.02%	15,365,515,433	14.57%	21,930,739,771 14.57%	25,931,541,134	1,018,524,837 0.68%	1,528,838,454	150,544,563,710 100.00%	1,018,524,837 0.68%	1,528,838,454	199,251,738,288
1999	34,874,382,682 24.69%	42,355,438,300	9.32%	13,168,283,712 9.32%	14,780,658,503	14.40%	20,352,366,804 14.40%	23,801,300,412	833,838,188 0.59%	1,297,878,196	141,288,924,735 100.00%	833,838,188 0.59%	1,297,878,196	186,292,369,741

(1) Assessments are calculated at 100 percent of market value less exempt and immune values and represent only those portions of counties within District boundaries.

(2) The estimated just value represents the estimated total value of taxable property within the 16-county area encompassed by the District.

Estimated Just Values are updated to the current year Department of Revenue Comparative Statement of Just Values. Real Property Only.

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
(unaudited)

Fiscal Year	District	Northwest			Pinellas-			Peace River Basin	Manasota Basin	District Wide	Per Basin
		Alafia River Basin	Hillsborough River Basin	Hillsborough Basin	Coastal Rivers Basin	Anclole River Basin	Withlacoochee River Basin				
2008	0.387	0.216	0.255	0.242	0.189	0.370	0.231	0.148	0.500	0.500	
2007	0.422	0.240	0.285	0.268	0.205	0.400	0.265	0.160	0.500	0.500	
2006	0.422	0.240	0.285	0.268	0.235	0.400	0.265	0.160	0.500	0.500	
2005	0.422	0.240	0.285	0.268	0.235	0.400	0.265	0.160	0.500	0.500	
2004	0.422	0.240	0.285	0.268	0.235	0.400	0.265	0.160	0.500	0.500	
2003	0.422	0.240	0.285	0.268	0.235	0.400	0.265	0.160	0.500	0.500	
2002	0.422	0.240	0.285	0.268	0.235	0.400	0.295	0.160	0.500	0.500	
2001	0.422	0.240	0.285	0.268	0.235	0.400	0.298	0.160	0.500	0.500	
2000	0.422	0.240	0.285	0.268	0.235	0.401	0.298	0.160	0.500	0.500	
1999	0.422	0.240	0.285	0.268	0.235	0.401	0.298	0.160	0.500	0.500	

(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 2008 Annual Service Budget.

**Southwest Florida Water Management District
Schedule of Principal Taxpayers by County
September 30, 2008**
(unaudited)

County	Ad Valorem Tax Collections	Percentage of Collections	Taxable Assessed Value	Percentage of Assessed Valuation
Pinellas	\$ 58,568,414	24.52%	\$ 80,171,847,018	20.03%
Hillsborough	53,172,802	22.26%	88,033,093,322	22.02%
Sarasota	32,375,418	13.56%	62,685,251,050	15.66%
Pasco	18,381,150	7.70%	29,729,044,446	7.43%
Polk	17,854,305	7.48%	32,728,357,906	8.18%
Manatee	17,765,391	7.44%	34,528,464,902	8.63%
Charlotte	12,740,821	5.33%	23,468,464,057	5.86%
Citrus	7,166,628	3.00%	12,388,874,371	3.10%
Hernando	6,370,297	2.67%	11,357,529,621	2.84%
Marion	4,877,757	2.04%	8,364,377,817	2.09%
Sumter	3,464,173	1.45%	5,774,715,375	1.44%
Highlands	3,309,726	1.39%	5,931,994,995	1.48%
DeSoto	1,018,393	0.43%	1,859,310,230	0.46%
Hardee	988,590	0.41%	1,775,558,774	0.44%
Levy	751,259	0.31%	1,283,131,348	0.32%
Lake	31,752	0.01%	86,675,044	0.02%
Total	<u>\$ 238,836,876</u>	<u>100.00%</u>	<u>\$ 400,166,690,276</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
Nature of Capital Assets by Program
Net of Accumulated Depreciation
September 30, 2008
(unaudited)

Capital Asset	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 Capital Assets
Capital Assets not subject to depreciation:							
Land	\$ 60,845	\$ 587,851,723	\$ 1,798,547	\$ -	\$ -	\$ 926,082	\$ 590,637,197
Land Interests	-	56,368,504	-	-	-	-	56,368,504
Construction in Progress	-	6,073,380	668,155	-	-	-	6,741,535
Capital Assets subject to depreciation:							
Buildings	6,614	12,780,045	15,397,410	-	-	123,076	28,307,145
Machinery & Equipment	398,686	744,649	3,822,788	25,261	-	6,865,800	11,857,184
Infrastructure	1,799,095	52,263,984	16,901,184	-	-	-	70,964,263
Other	-	-	15,153	-	-	-	15,153
Total Capital Assets by Program	\$ 2,265,240	\$ 716,082,285	\$ 38,603,237	\$ 25,261	\$ -	\$ 7,914,958	\$ 764,890,981
Percent of Total	0.30%	93.63%	5.05%	less than .01%	0.00%	1.03%	100.00%

Land Acquisitions
(acres)

Type of Ownership:	2008	2007	2006	2005	2004
Fee Simple Acquired	6,809	546	5,071	9,815	6,602
Cumulative	339,614	332,805	332,259	327,188	317,373
Less-Than-Fee Acquired	8,631	719	0	1,817	0
Cumulative	94,070	85,439	84,720	84,720	82,903
Total Acres	433,684	418,244	416,979	411,908	400,276

Water Control Structures

Fund	Structures
General	4
Alafia	3
Hillsborough	17
NW Hillsborough	14
Pinellas-Anclote	5
Withlacoochee	28
Peace	12
Total	83

Capital asset information by fiscal year and Program not retrievable prior to fiscal year 2008.
Land data not available by fiscal year prior to 2004.

No new structures acquired/constructed fiscal year 2008 through fiscal year 1999.

Source: District Records - Finance Department, Property Administration Section.

Southwest Florida Water Management District
Demographic Statistics--Population by District, Basin and County
September 30, 2008
(unaudited)

County	County Total	Within SWFWMD Population	Southwest Florida Water Management District by Basin									
			Green Swamp	Alafia River	Hillsborough River	Northwest Hillsborough	Coastal Rivers	Pinellas-Anclote River	Withlacoochee River	Peace River	Manasota	
Charlotte *	156,620	150,606	N/A	N/A	N/A	N/A	N/A	N/A	N/A	150,606	N/A	N/A
Citrus	143,670	143,670	N/A	N/A	N/A	N/A	55,686	N/A	87,984	N/A	N/A	N/A
DeSoto	35,410	35,410	N/A	N/A	N/A	N/A	N/A	N/A	N/A	35,410	N/A	N/A
Hardee	29,200	29,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29,200	N/A	N/A
Hernando	173,810	173,810	N/A	N/A	N/A	N/A	146,383	N/A	27,427	N/A	N/A	N/A
Highlands*	101,680	92,793	N/A	N/A	N/A	N/A	N/A	N/A	N/A	92,793	N/A	N/A
Hillsborough	1,189,810	1,189,810	N/A	265,804	578,604	345,402	N/A	N/A	N/A	N/A	N/A	N/A
Lake*	308,870	1,637	1,637	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Levy*	39,900	22,005	N/A	N/A	N/A	N/A	N/A	N/A	22,005	N/A	N/A	N/A
Manatee	323,350	323,350	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	323,350
Marion*	331,930	90,882	N/A	N/A	N/A	N/A	N/A	N/A	90,882	N/A	N/A	N/A
Pasco	476,410	476,410	2,239	N/A	126,344	N/A	237,777	78,893	31,157	N/A	N/A	N/A
Pinellas	920,640	920,640	N/A	N/A	N/A	N/A	N/A	920,640	N/A	N/A	N/A	N/A
Polk*	583,980	566,461	51,215	59,040	76,151	N/A	N/A	N/A	N/A	380,055	N/A	N/A
Sarasota	376,260	376,260	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	376,260
Sumter	74,140	74,140	N/A	N/A	N/A	N/A	N/A	N/A	74,140	N/A	N/A	N/A
Total	5,265,680	4,667,084	55,091	324,844	781,099	345,402	439,846	999,533	333,595	688,064	699,610	

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

Permanent Population = Year-round residents only.

Source: Fiscal year 2008 County Total population figures are projections obtained from 2008 Woods and Poole Economics, 2008 Florida State Profile: State and County Projections to 2040

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**
(unaudited)

Fiscal Year	Charlotte * County	Citrus County	Desoto County	Hardee County	Hernando County	Highlands * County	Hillsborough County	Lake * County
2008	150,606 3.23%	143,670 3.08%	35,410 0.76%	29,200 0.63%	173,810 3.72%	92,793 1.99%	1,189,810 25.47%	1,637 0.04%
2007	146,942 3.20%	140,170 3.05%	34,680 0.75%	28,830 0.63%	169,070 3.68%	90,667 1.97%	1,174,730 25.58%	1,596 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%

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

Source:

Fiscal Year 2008 *County Total* population figures are projections obtained from 2008 Woods and Poole Economics, 2008 Florida State Profile: State and County Projections to 2040.
 Fiscal year 2007 *County Total* population figures have been updated by figures obtained from 2008 Woods and Poole Economics, 2008 Florida State Profile: State and County Projections to 2040.
 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**

(unaudited)
(Continued)

Fiscal Year	Levy * County	Manatee County	Marion * County	Pasco County	Pinellas County	Polk * County	Sarasota County	Sumter County	Total
2008	22,005 0.47%	323,350 6.93%	90,882 1.95%	476,410 10.21%	920,640 19.73%	566,461 12.14%	376,260 8.06%	74,140 1.59%	4,667,084 100.00%
2007	21,547 0.47%	315,110 6.86%	88,947 1.94%	462,720 10.07%	917,440 19.97%	557,508 12.13%	372,070 8.10%	72,250 1.57%	4,594,277 100.00%
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%

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

Source:

Fiscal Year 2008 *County Total* population figures are projections obtained from 2008 Woods and Poole Economics, 2008 Florida State Profile: State and County Projections to 2040. Fiscal year 2007 *County Total* population figures have been updated by figures obtained from 2008 Woods and Poole Economics, 2008 Florida State Profile: State and County Projections to 2040. 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**
(unaudited)

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Increase</u>	<u>Percent Increase</u>
2008	4,667,084	72,807	1.58 %
2007	4,594,277	153,629	3.46
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		

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

Source:

Fiscal Year 2008 population figures are projections obtained from 2008 Woods and Poole Economics, 2008 Florida State Profile: State and County Projections to 2040.

Fiscal Year 2007 population figures have been updated by figures obtained from 2008 Woods and Poole Economics, 2008 Florida State Profile: State and County Projections to 2040.

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
(unaudited)

Fiscal Year	Charlotte County			Citrus County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2008	\$ 5,019.16	\$ 32,046	8.1%	\$ 3,810.40	\$ 26,522	7.3%
2007	4,796.24	29,718	5.2%	3,761.76	26,550	5.0%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

(Continued)

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

(unaudited)
(Continued)

Fiscal Year	Desoto County			Hardee County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2008	\$ 693.85	\$ 19,597	6.8%	\$ 560.97	\$ 19,211	6.0%
2007	674.53	18,741	5.0%	564.60	19,360	4.4%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

(Continued)

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

(unaudited)
(Continued)

Fiscal Year	Hernando County			Highlands County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2008	\$ 4,498.58	\$ 25,882	8.1%	\$ 2,401.83	\$ 23,622	6.8%
2007	4,459.51	26,197	5.7%	2,397.04	23,940	4.8%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

(Continued)

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

(unaudited)
(Continued)

Fiscal Year	Hillsborough County			Lake County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2008	\$ 39,848.27	\$ 33,491	5.9%	\$ 8,635.22	\$ 27,957	6.1%
2007	38,126.45	32,326	4.0%	8,365.00	28,253	4.2%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

(Continued)

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

(unaudited)
(Continued)

Fiscal Year	Levy County			Manatee County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2008	\$ 877.79	\$ 22,002	6.5%	\$ 11,991.07	\$ 37,084	6.3%
2007	868.62	21,872	4.3%	11,141.28	34,579	4.0%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

(Continued)

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

(unaudited)
(Continued)

Fiscal Year	Marion County			Pasco County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2008	\$ 9,226.00	\$ 27,795	7.4%	\$ 12,295.91	\$ 25,810	7.0%
2007	8,598.02	26,645	4.6%	11,824.71	25,872	4.8%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

(Continued)

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

(unaudited)
(Continued)

Fiscal Year	Pinellas County			Polk County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2008	\$ 36,436.89	\$ 39,578	5.8%	\$ 17,149.51	\$ 29,366	6.5%
2007	36,589.97	39,265	3.9%	16,351.02	28,719	4.5%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

(Continued)

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

Fiscal Year	Sarasota County			Sumter County		
	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate	Personal Income (Millions\$)	Per Capita Income	Unemployment Rate
2007	\$ 18,593.17	\$ 49,415	6.5%	\$ 1,667.47	\$ 22,492	4.0%
2007	17,306.70	46,177	4.3%	1,464.02	20,892	3.2%
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%

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. 2008 unemployment rate is an eleven month average. 2007 unemployment data has been updated from U.S. Department of Labor, Bureau of Labor Statistics. 2008.

Source: Personal and Per Capita Income data projections obtained from Woods and Poole Economics, Inc., 2008 Florida State Profile: State and County Projections to 2040.

Southwest Florida Water Management District
Demographic Statistics
Top Ten Non-Government Employers Within A Single County
(unaudited)

Employer	Business Line	Number of Employees	County
Verizon Communications	Communications, Information	14,000	Hillsborough
Publix Super Markets	Food Services	9,500	Polk
Tampa International Airport	Transportation, Warehousing	7,760	Hillsborough
St Joseph's Hospital	Healthcare & Social Assistance	5,242	Hillsborough
JPMorgan Chase	Finance & Insurance	5,237	Hillsborough
WalMart	Retail General Merchandise	5,100	Polk
Publix Super Markets	Food Services	4,630	Hillsborough
Lakeland Regional Medical Center	Hospital/Medical	4,600	Polk
MOSAIC	Phosphate Mining	4,000	Polk
Bank of America	Finance & Insurance	3,754	Hillsborough

Number of employees are tallied within each individual county, not District-wide. Employers listed were the top ten county employers within all sixteen District counties. Prior year data not available; comparison data will begin in 2009.
Source: EnterpriseFloridaCountyProfiles.efflorida.com, October 2008.

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

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's	%	FTE's	%	FTE's	%	FTE's	%	FTE's	%	FTE's	%	FTE's	%
2008	125	16.98%	67	9.10%	107	14.54%	213	28.94%	20	2.72%	204	27.72%	736	100.00%
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%

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

Source: Southwest Florida Water Management District, Standard Format Tentative Budget Submission, August 1, 2008.

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

Fiscal Year	Water Use Permit Applications		Environmental Resource Permit Applications		Well Construction Permit Applications		Total Permit Applications	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
2008	794	5.95%	3,138	23.52%	9,410	70.53%	13,342	100.00%
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%

(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, Performance Management Office.

Southwest Florida Water Management District
Estimated Total Water Use by County
(million gallons per day)
September 30, 2008
(unaudited)

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 *	9.434	0.042	0.408	9.866	2.368	3.426	25.544	17.332	33.010
Citrus	2.368	0.956	1.094	18.446	8.658	4.196	35.718	19.275	36.547
Desoto	67.659	0.152	0.117	19.612	2.193	0.896	90.629	1.154	72.171
Hardee	48.402	0.408	4.363	1.655	1.265	0.196	56.289	1.773	56.407
Hernando	2.753	6.721	11.086	26.557	2.470	5.157	54.744	26.689	54.876
Highlands *	47.028	0.464	0.070	9.778	0.499	2.767	60.606	10.312	61.140
Hillsborough	68.080	9.635	0.941	275.635	1.244	13.905	369.440	144.485	238.290
Lake *	1.117	0.000	0.000	0.000	0.131	0.000	1.248	0.000	1.248
Levy *	11.182	0.108	0.000	0.797	1.814	0.305	14.206	0.821	14.230
Manatee	86.804	5.641	0.684	40.764	0.152	8.060	142.105	42.118	143.459
Marion *	4.687	0.201	0.000	12.598	9.079	3.558	30.123	13.139	30.664
Pasco	16.043	2.034	0.060	88.091	5.169	5.733	117.130	50.388	79.427
Pinellas	0.379	0.213	0.084	27.799	1.104	5.359	34.938	106.385	113.524
Polk *	101.954	46.308	20.818	79.224	0.506	10.803	259.613	81.028	261.417
Sarasota	9.396	0.174	0.200	26.670	0.790	11.740	48.970	35.794	58.094
Sumter	9.444	0.629	0.910	8.634	2.320	5.468	27.405	17.707	36.478
	<u>486.730</u>	<u>73.686</u>	<u>40.835</u>	<u>646.126</u>	<u>39.762</u>	<u>81.569</u>	<u>1,368.708</u>	<u>568.400</u>	<u>1,290.982</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: Table 9 - 2006 Estimated Water Use Report, District, June 2008.

Southwest Florida Water Management District
Schedule of Insurance in Force
September 30, 2008
(unaudited)

Policy Expiration Date	Types Of Coverage	Company	Policy Number	Annual Premium	Limits Of Coverage	Deductible
10/01/08	Property \$90,463,463 values including Bldgs / BPP / WCS	Arch Specialty Axis Surplus Landmark American	ESP0023318-00 EAF728934-07 LHD354801	\$ 280,000 100,000 50,000	\$5,000,000 10,000,000(xs of \$5M) 35,000,000 Extra Expense \$475,000 Replacement Cost \$6,800,600 Windstorm and Hail xs of underlying limits	\$5,000 per occurrence Flood - \$100,000 Windstorm - 5% minimum \$100,000
	Valuable Papers & Records	Westchester Surplus Lines	D36085935001	incl.		
10/01/08	Inland Marine	Chubb Insurance	7958-01-66 DAW	25,000		
	Boat			82,135		
	Contractor's Equipment			incl.	Physical Damage: \$350,000	\$2,500
	Electronic Data Processing			(50,129 of 82,135)	\$5,569,940 (Scheduled Equipment)	\$2,500
				(32,007 of 82,135)	\$9,208,315 Extra Expense - \$500,000	\$2,500 all losses
10/01/08	Boiler & Machinery	CAN	R 2097356570	8,983	\$10,000,000	\$2,500
09/29/09	Flood	Philadelphia Indemnity	00200023402006 00200023412006	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
01/20/09	Flood	Philadelphia Indemnity	87022353602007	5,113	\$500,000 Bldg / \$300,000 Contents - Sarasota	\$50,000 Bldg / \$50,000 Contents
10/01/08	Liability Coverage General Liability Law Enforcement Liability Auto Liability and Physical Damage on 238 Vehicles Public Officials Errors and Omissions/Employment Practices (Retroactive date 10/1/93) * Preferred Governmental Insurance Trust	PGIT*	PK FL 1 0274501 07-05	305,558 incl. incl. incl. incl.	\$1M per claim / \$3M Aggregate \$1M per claim / \$1M Aggregate \$1M per Occurrence / \$1M Aggregate \$1M per claim / \$1M Aggregate	First Dollar \$2,500 First Dollar/\$1K Comprehensive and Collision \$25,000 per claim
	Service Fee	Wachovia Insurance Services		23,500		
08/26/09	Petroleum Liability	Commerce & Industry	FLP7511732#4	991	\$1M Occurrence / \$2M Aggregate	\$500 Third Party \$300,000 Corrective Action
10/01/08	Crime	Great American	GVT 554-41-69-03	5,490	\$1,000,000	\$10,000
			Subtotal	\$ 889,886		
10/01/08	Self-Funded Workers' Compensation			\$	\$300,000 Budgeted for all W/C Claim Costs Medical / Indemnity / Expenses / Settlements	
10/01/08	Excess Insurance	Midwest Employers	EWCO05056	71,144	Statutory limits	\$500,000 SIR (Self-Insured Retention)
09/30/08	Service Fee for TPA	Johns Eastern Milliman	03CONC000030	23,450 10,000	Third Party Administrative Fee Bi-annual Actuarial Fee	
09/30/08	State Assessment	Dept. of Insurance		42,507	Self-insurer Assessment	
			Subtotal	\$ 400,616		
			Total	\$ 1,290,502		

Southwest Florida Water Management District
Miscellaneous Statistical Data
September 30, 2008
(unaudited)

Highest Total Water Use by County (million gallons per day)		Highest Total Population by County		
	Total Usage	% Of District	Total Population	% Of District
Polk County	261.417	20.25%	1,189,810	25.49%
Hillsborough County	238.290	18.46%	920,640	19.73%
Manatee County	143.459	11.11%	566,461	12.14%
Pinellas County	113.524	8.79%	476,410	10.21%
Pasco County	79.427	6.15%	376,260	8.06%
	<u>836.117</u>	<u>64.76%</u>	<u>3,529,581</u>	<u>75.63%</u>

Population Projections										
Year	General	Alafia River Basin	Hillsborough River Basin	Northwest Hillsborough Basin	Pinellas-Anclote River Basin	Coastal Rivers Basin	Withlacoochee River Basin	Peace River Basin	Manasota Basin	Total SWFWMD
2010	56,582	336,836	799,539	358,485	1,025,522	425,320	358,629	710,397	728,100	4,799,410
2015	62,154	367,658	875,529	390,911	1,050,933	472,740	406,435	771,738	794,500	5,192,598
2020	67,289	396,138	945,774	420,899	1,074,381	516,557	450,742	827,185	855,800	5,554,765
2025	72,256	423,698	1,013,836	449,928	1,097,114	559,149	494,095	880,697	914,900	5,905,673
2030	76,909	449,473	1,077,535	477,071	1,118,466	599,057	535,026	930,637	970,300	6,234,474

OTHER MISCELLANEOUS STATISTICS

Date of Incorporation	July 1, 1961
District Headquarters	Brooksville, Florida - Hernando County
Satellite Offices	Tampa, Bartow, Sarasota
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)	794 / 701
Environmental Resource Permits (Applications Received / Permits Issued)	3,138 / 3,046
Well Construction Permits (Applications Received / Permits Issued)	9,410 / 9,068
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, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2009. 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 18, 2009
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, 2008. 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, 2008.

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, federal and state awarding entities 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 18, 2009
Certified Public Accountants

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2008

<u>Grantor/Pass through Agency</u>	CFDA, CSFA		Expenditures
	Number	Grant ID#	
Federal Awards			
<u>U.S. Environmental Protection Agency</u>			
Direct Program:			
Weeki Wachee Stormwater Project	66.202	XP-96450406-0	\$ 191,600
Total Program			<u>191,600</u>
Passed through Florida Department of Environmental Protection:			
McIntosh Park Enhanced Stormwater Project	66.460	C9-99451502-0	71,627
McKay Bay Eastshore Commerce Park	66.460	C9-99451504-0	839
Total Program			<u>72,466</u>
Total U.S. Environmental Protection Agency			<u>264,066</u>
<u>U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA)</u>			
Direct Program:			
FY2004 Map Modernization Management Support	97.070	EMA-2004-CA-5038	11,710
FY2005 Map Modernization Management Support	97.070	EMA-2005-CA-5244	37,150
FY2005 Map Modernization Management Support	97.070	EMA-2005-CA-5231	33,890
FY2006 Map Modernization Management Support	97.070	EMA-2006-CA-5624	454
FY2007 Map Modernization Management Support	97.070	EMA-2007-CA-5779	88,000
Total Program			<u>171,204</u>
Direct Program:			
Cooperating Technical Partners Mapping Activity Statement Desoto & Hardee Co	97.045	EMA-2005-CA-5218	453,919
Cooperating Technical Partners Mapping Activity Statement Hernando County	97.045	EMA-2004-CA-5021	12,295
Cooperating Technical Partners Mapping Activity Statement Pasco & Sarasota Co	97.045	EMA-2003-GR-5373	363,678
Cooperating Technical Partners Mapping Activity Statement Citrus & Highlands Co	97.045	EMA-2006-CA-5613	30,000
Total Program			<u>859,892</u>
Passed through Florida Department of Community Affairs:			
Hurricane Wilma Disaster Assistance	97.036	FEMA-DR-1609	215
Hurricane Jeanne Disaster Assistance	97.036	FEMA-DR-1561-FL	89,498
Total Program			<u>89,713</u>
Total U.S. Department of Homeland Security - FEMA			<u>1,120,809</u>
<u>U.S. Department of Interior, Geological Survey</u>			
Direct Program:			
2007 Collection of Digital High Resolution Orthophotography Evaluation Data	15.808	07ERAG0013	322,400
2008 Collection of Digital High Resolution Orthophotography Evaluation Data	15.808	08ERAG0016	240,000
Total U.S. Department of Interior, Geological Survey			<u>562,400</u>
<u>National Oceanic and Atmospheric Administration</u>			
Passed through Florida Department of Environmental Protection:			
Coastal Impact Assistance Terra Ceia	11.419	NA17OZ2147	368,532
Total National Oceanic and Atmospheric Administration			<u>368,532</u>
<u>U.S. Department of Agriculture</u>			
Passed through Natural Resources Conservation Service (NRCS):			
Flying Eagle Shinn Ditch Hydrologic and Wetland Restoration	10.072	6642090601A	7,500
Total U.S. Department of Agriculture			<u>7,500</u>
<u>U.S. Department of Transportation</u>			
Passed through Florida Department of Transportation:			
Efficient Transportation Decision Making	20.205	Not Stated	156,576
Mitigation	20.205	Not Stated	33,686
Total U.S. Department of Transportation			<u>190,262</u>
Total Expenditures of Federal Awards			\$ 2,513,569

(Continued)

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2008
(Continued)

<u>Grantor/Pass through Agency</u>	CFDA, CSFA Number	Grant ID #	Expenditures
State Awards			
Department of Community Affairs			
Hurricane Jeanne & Wilma Disaster Relief	52600308	05-PA-E=-13-00-20-579 06-WL-&K-13-00-20-749	\$ 4,705
Total Department of Community Affairs			<u>4,705</u>
Department of Environmental Protection			
Water Management Districts - Land Acquisition:			
Florida Forever - Land Acquisition	37.022	FFTF	57,739,035
Florida Forever - Lake Hancock/Saddle Creek	37.022	FFTF	739,490
Save Our Rivers - Pre-acquisition/Ancillary	37.022	WMLTF	5,111,848
Save Our Rivers - Land Acquisition	37.022	WMLTF	22,830
Save Our Rivers - Land Management	37.022	WMLTF	8,081,099
Save Our Rivers - Payment in Lieu of Taxes	37.022	WMLTF	315,565
Total Program			<u>72,009,867</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:			
Alligator Creek Restoration Project	37.039	W511 SWW51,81	83,171
Clam Bayou Stormwater Treatment	37.039	W242 SWW51	626,477
Coral Creek Habitat Restoration	37.039	W553 SWW71,81	69,389
Crystal River Kings Bay Surface Water Improvement	37.039	W451 SWW51	14,000
Facilitating Agricultural Resource Management Systems (FARMS)	37.039	H017 SWW31,51,61,71,81	750,462
Lake Panasoffkee Restoration Project	37.039	B480 SWW21,31,51,61	2,919,581
McKay Bay Eastshore Commerce Park	37.039	W243 SWW51	831
Myakka River Watershed Evaluation	37.039	H048 SWW71,81	273,175
Peace Creek Canal Ecosystem Trust Fund	37.039	H034 SWW51,61	114,598
PR / MRWSA Regional Resource Development Study	37.039	H063 SWW81	50,000
Rainbow River Veg Mapping & Elevation	37.039	W419 SWW51	611
Rainbow River/Blue Cove Lake	37.039	W429 SWW51	10,000
River Garden Shoreline Restoration	37.039	W381 SWW71	124,999
Rock Pond Ecosystem Restoration	37.039	W395 SWW61,71,81	3,668
Sarasota Bay Spool Island	37.039	W611 SWW51,71	123,625
Sarasota Tidal Creek	37.039	W615 SWW71	9,168
Surface Water Improvement and Management (SWIM)	37.039	various WMLTF	3,725,350
Tampa Bay Water System Configuration II	37.039	H065 SWW71	3,555,264
Tampa Bay Regional Reclaimed Water Project - Pasco County Wet Weather Reclaimed Water Utilization	37.039	H305 SWW81	250,000
Terra Ceia Habitat Restoration	37.039	W348 SWW51	992,518
Tsala Apopka Water Quality	37.039	B218 SWW71	50,000
Upper Peace River	37.039	H024 SWW71	36,292
Total Program			<u>13,783,179</u>
Water Protection and Sustainability Program Trust Fund:			
SWIM Restoration Projects	37.066	WPSPTF	794,178
Surface Water Restoration Projects	37.066	WPSPTF	412,148
Alternative Water Supply	37.066	WPSPTF	20,040,750
Total Program			<u>21,247,076</u>
Total Department of Environmental Protection			<u>107,173,722</u>
Florida Fish and Wildlife Commission			
Tsala Apopka - Floral City and Leslie Heifner Sub Basins H066	77.016	FWC07236	112,127
Lake Panasoffkee Restoration Project	77.016	FWC07145	250,000
Total Florida Fish and Wildlife Commission			<u>362,127</u>
Department of Transportation (DOT)			
DOT Mitigation	37.020	Not Stated	4,927,070
Maintenance and Monitoring	37.020	Not Stated	196,147
Total Program			<u>5,123,217</u>
North Dale Mabry Pond	55.024	A-O888	29,205
Lake Marie and Lake Menzie Stormwater	55.024	A-OH32	20,118
River Tower Restoration Project	55.024	Not Stated	17,548
Total Program			<u>66,871</u>
Total Department of Transportation			<u>5,190,088</u>
Total State Financial Assistance			<u>112,730,642</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 115,244,211</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, 2008

(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, 2008

(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 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 federal programs and state projects are as follows:	
		<u>CFDA #</u>
	Federal programs:	
	Weeki Wachee Stormwater Project	66.202
	Collection of Digital High Resolution Orthophotography Eval. Data	15.808
		<u>CSFA #</u>
	State projects:	
	Water Management Districts - Land Acquisition	37.022
(h)	Dollar threshold used to distinguish between Type A and Type B federal programs/state projects:	
	Federal programs	\$ 300,000
	State projects	3,318,919
(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, 2008

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

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Management Letter



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

Management Letter

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, 2008, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 18, 2009.

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 18, 2009, 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, 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 local governmental entity 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 findings and recommendations made in the preceding annual financial audit report. There were no 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 recommendations to improve the District's financial management. 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 laws, regulations, contracts or 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 reported in the auditors' report on internal control over financial reporting and on compliance and other matters:

- (1) Violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements;
- (2) Control deficiencies in internal control that are not significant deficiencies, including, but not limited to:
 - (a) Improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements);
 - (b) Failures to properly record financial transactions; and
 - (c) 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, regulations, contracts or grant agreements, or abuse, 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, 2008, 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, 2008.

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.

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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 18, 2009
Certified Public Accountants