

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

The South Florida Water Management District  
is a Component Unit of the State of Florida

FISCAL YEAR ENDED  
SEPTEMBER 30, 2007





# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT** A Component Unit of the State of Florida

**Fiscal Year Ended September 30, 2007**

**Prepared by**  
**Accounting and Financial Services Division**  
**Robert N. Gray, Chief Accountant**



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL .....I-1

ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICIALS .....I-8

GFOA CERTIFICATE OF ACHIEVEMENT .....I-9

MAP OF THE GEOGRAPHIC BOUNDARIES OF THE DISTRICT.....I-10

**FINANCIAL SECTION**

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS .....II-1

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED).....II-3

BASIC FINANCIAL STATEMENTS

    GOVERNMENT-WIDE FINANCIAL STATEMENTS

        Statement of Net Assets .....III-1

        Statement of Activities .....III-2

    FUND FINANCIAL STATEMENTS

        Governmental Funds Financial Statements

            Balance Sheet .....III-3

            Reconciliation of the Governmental Funds Balance Sheet to the Statement of  
             Net Assets .....III-7

            Statement of Revenues, Expenditures and Changes in Fund Balances.....III-8

            Reconciliation of the Statement of Revenues, Expenditures and Changes in  
             Fund Balances of Governmental Funds to the Statement of Activities.....III-11

        NOTES TO THE BASIC FINANCIAL STATEMENTS.....III-12

REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A (UNAUDITED)

    BUDGET TO ACTUAL COMPARISON – MAJOR FUNDS (General and Special Revenue)

        General Fund.....IV-1

        Okeechobee Basin SR .....IV-3

        State Appropriations .....IV-5

    NOTES TO REQUIRED SUPPLEMENTAL INFORMATION.....IV-7



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**TABLE OF CONTENTS**

---

**FINANCIAL SECTION (Continued)**

OTHER SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds

Descriptions of the Nonmajor Governmental Funds .....	V-1
Combining Balance Sheet .....	V-4
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	V-12

Budget to Actual Comparison - Other Major and Nonmajor Governmental Funds

Special Revenue Funds

Big Cypress Basin SR .....	V-18
Save Our Rivers SR .....	V-20
Aquatic Plant Control .....	V-22
Melaleuca Control .....	V-23
Wetlands Mitigation .....	V-24
Indian River Lagoon Restoration .....	V-25
External Grants .....	V-26
Alternative Water Supply .....	V-27
Stormwater Treatment Areas - Operations and Maintenance .....	V-28
Lake Belt Mitigation .....	V-29
Everglades License Plate .....	V-30
Lake Okeechobee Trust Fund .....	V-31

Capital Projects Funds

District CP .....	V-32
Okeechobee Basin CP .....	V-33
Big Cypress Basin CP .....	V-34
Save Our Rivers CP .....	V-35
Everglades Trust Fund .....	V-36
Federal Emergency Management Agency .....	V-38
Florida Bay .....	V-39
Comprehensive Everglades Restoration Plan – Ad Valorem .....	V-40
Federal Land Acquisitions .....	V-42
Save Our Everglades .....	V-43
Comprehensive Everglades Restoration Plan – Federal Funds .....	V-44
Comprehensive Everglades Restoration Plan – Other Creditable .....	V-45
Acceler8 – Everglades Construction Project .....	V-46
Acceler8 – Comprehensive Everglades Restoration Plan .....	V-47

Permanent Fund

Wetlands Mitigation .....	V-48
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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**TABLE OF CONTENTS**

---

**STATISTICAL SECTION (UNAUDITED)**

Net Assets by Category.....	VI-2
Changes in Net Assets .....	VI-3
Fund Balances, Governmental Funds.....	VI-5
Changes in Fund Balances, Governmental Funds.....	VI-6
Assessed Value of Taxable Property .....	VI-8
Direct Property Tax Rates.....	VI-9
Principal Property Tax Payers .....	VI-10
Property Tax Collections .....	VI-11
Ratios of Outstanding Debt by Type.....	VI-12
Pledged-Revenue Bond Coverage.....	VI-13
Demographic and Economic Statistics .....	VI-14
Ten Largest Employers .....	VI-15
Employment Data 1998 – 2006 for SFWMD’s 16 Counties.....	VI-16
District Employees by Resource Area/Program.....	VI-17
Permit Applications Received .....	VI-18
Water Moved by District Pump Stations.....	VI-19

**DISCLOSURE SECTION (UNAUDITED)**

SEC RULE 15c2-12 DISCLOSURES

District Agreement and Effective Dates.....	VII-1
Annual Financial Information .....	VII-2
Security for the Bonds .....	VII-2
Documentary Stamp Tax .....	VII-2
Funding and Allocation of the Trust Fund .....	VII-3
Use of the Trust Fund .....	VII-4
Escrow and Reserve Funds .....	VII-4
Annual Debt Service Requirements .....	VII-6
Audited Annual Financial Statements.....	VII-6
Required Notices.....	VII-7



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# **INTRODUCTORY SECTION**





## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

**TO: GOVERNING BOARD MEMBERS AND CAROL ANN WEHLE, EXECUTIVE DIRECTOR**

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT – FISCAL YEAR 2007**

Florida Statutes require that an external audit of our financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the South Florida Water Management District (the District) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, we hereby issue the comprehensive annual financial report for the District for the fiscal year ended September 30, 2007.

Responsibility for the integrity, objectivity, accuracy, completeness and fairness of presentation of these basic financial statements rests with management. The basic financial statements were prepared in conformity with generally accepted accounting principles for governmental entities. To our knowledge, the information is accurate in all material respects and fairly presents our financial position and operating results. The report includes disclosures required to provide an understanding of our financial affairs.

Management is responsible for maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and the evaluation of costs and benefits requires management's estimates. The Governing Board and management have a plan of organization and policies in place to safeguard assets, validate the reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies and procedures. We believe these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of our finances.

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the South Florida Water Management District's basic financial statements for the fiscal year ended September 30, 2007 are fairly presented in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section (Section II) of this report.

The independent audit of the District's basic financial statements was part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the basic financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the District's separately issued Single Audit Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **DISTRICT BACKGROUND**

South Florida's subtropical extremes of hurricane, flood, and drought combined with efforts to populate this "new frontier" led the U.S. Congress to adopt legislation creating the Central and Southern Florida Flood Control Project in 1948.

The project's primary goal was to serve the needs of the region's growing agricultural and urban populations and to protect and manage water resources. The U.S. Army Corps of Engineers would, over the following decades, design and build a vast network of levees, canals, water control structures, and other improved waterways designed to help manage the often unpredictable weather extremes of the region.

In 1949 the Florida Legislature created the Central and Southern Florida Flood Control District (FCD) to act as the local sponsor for the project, operating and maintaining the water control network with funding from property taxes levied within the District boundaries. Throughout its history, this regional water resource agency evolved and grew primarily in response to population growth and development and their impact on water resources.

The Florida Water Resources Act of 1972 launched the most significant change in the state's approach to natural resource management. This legislation divided the state into five regional water management districts and greatly expanded the responsibilities of the existing FCD. This included a greater emphasis on water quality and environmental protection initiatives.

The FCD was renamed the South Florida Water Management District in 1976, and new boundaries were drawn to encompass the region's primary watersheds. Since 1949 the District has grown into a multi-faceted agency responsible for most water resource related issues – from providing flood protection and water supply protection to people living in cities and on farms to restoring and managing natural ecosystems.

The District's Governing Board is composed of nine members appointed from specific geographic areas within our boundaries. The members are appointed by the Governor and are confirmed by the Florida Senate. Appointments are made on a staggered basis and members serve without salary for a term of four years. The Board elects its own officers, including a chairman and vice-chairman.

### **GEOGRAPHIC BOUNDARIES OF THE DISTRICT**

Water management district boundaries are based on natural, hydrological basins rather than political or county limits to allow for effective and efficient planning and management. The boundaries of the District encompass all or part of 16 south Florida counties, covering a total area of 17,930 square miles. Approximately 7.9 million people live within the District's boundaries. A map showing the geographic boundaries of the District can be found on page I-10.

### **GENERAL OPERATIONS**

The District's water management system includes roughly 1,969 miles of maintained canals and levees, with 542 primary water control structures operated by the District. Nearly 2,000 smaller structures are in place system-wide to control inflows from secondary sources (local, municipal, or county drainage and/or water control districts) into the District's primary system. The District has 63 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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The man-made water management system undergoes continuous enlargement and refinement with new construction, acquisitions, and upgrades to the existing network. This enhances the system's ability to provide flood control and water supply protection as well as preserve water quality and environmental values.

District employees are located at facilities across our 16 county jurisdiction to offer the public more direct and responsive access to permitting and other agency functions. These locations include eight Field Stations located in Kissimmee, Okeechobee, Clewiston, West Palm Beach, Fort Lauderdale, Miami, Homestead, and Naples. District headquarters are in West Palm Beach with Service Centers located in Plantation, Fort Myers, Naples, Stuart, Miami, Orlando, Okeechobee, and Plantation Key.

The Big Cypress Basin Branch Office and Field Station are headquartered in Naples. Operations and policies for the Basin are directed by a six-member Basin Board and are carried out by Basin staff, under the direction of the Basin Administrator.

### **REGULATORY POWERS**

The District has a number of regulatory programs designed to protect the region's water resources. Under the state's 1993 environmental streamlining initiative, land alteration activities or works affecting water resources are regulated under one type of permit – the Environmental Resource Permit. The water management districts and the Florida Department of Environmental Protection have developed uniform wetland delineation, mitigation banking, and environmental resource permitting criteria. The District is also responsible for regulating consumptive uses of water. Types of activities regulated by the District include:

- projects with impacts on wetlands or other surface waters (dredge and fill),
- Surface Water Improvement and Management (SWIM) “Works of the District”,
- use of District lands, canals, streams or aquifers,
- drainage system construction or operation, and
- well construction.

### **OTHER DISTRICT PROGRAMS**

The District's responsibilities reach far beyond regulatory programs and operations. The District acquires, manages, and restores lands through Florida's Save Our Rivers and Florida Forever programs.

Water resource education targeted at schools and at the general public is an important District focus. Partnerships and coordination with other levels of government and other agencies help support water resource development projects, development of alternative water supplies, water conservation, reuse, and stormwater management goals.

Research, data collection, and analysis help ensure District projects and programs are effective and efficient. Emergency operations and management are a cornerstone of District operations, especially during the hurricane season, or the seven-month dry season when serious water shortages can occur. The District is also a leader in melaleuca, aquatic weed, and other exotic pest plant control.

## **REGIONAL ECONOMIC CONDITION AND OUTLOOK**

Growth in the local economy affects the District's ability to generate revenues. This is because the District's primary revenue is from ad valorem taxes, which are property taxes based on assessed values of property in the region. Population growth and the associated construction of housing and commercial structures along with low unemployment and interest rates are the primary factors that contribute to the maintenance or increase in property prices, resulting in higher assessed values.

Population in the District has increased significantly in the recent past and this growth is expected to continue over the next five years. Overall, the District's population is expected to grow at an average rate of 2.2 percent per year with the largest numerical increases occurring along the southeast coast (Palm Beach, Broward and Miami-Dade Counties) and the highest percentage growth rates occurring in Lee, Collier and St. Lucie Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida's economic conditions have stabilized from the recent past, yet overall remain favorable. The October 2007 unemployment rate for Florida was 4.2 percent compared to 4.7 percent for the entire United States, and compared to 3.3 percent from a year ago. The increase over the past year can be attributed in large part to the reduction in new construction. In 2007, the real estate market in South Florida continued to slow down due to a decline in the demand for residential property as indicated by a fall in housing unit sales during the year. This reduction in demand for new housing will also translate into a significant slow down in property value growth into 2008. In the meantime, Florida's tourism industry continues to create thousands of leisure and hospitality jobs.

While District-adopted ad valorem millage rates have remained constant over the past ten years, the fiscal year 2008 budget process saw a reduction in levied rates as a result of legislative action aimed at addressing rising property taxes in the State of Florida. House Bill 1-B required a reduction in taxes by all local governments and special taxing districts from three to nine percent, depending on their past per capita tax increases, and also limited future year revenues by setting a maximum limit on future tax levies to the rolled-back millage rate.

The District has taken steps to prepare for potential terrorism, economic downturns and catastrophic weather events by establishing an Economic Stabilization Fund. As of September 30, 2007, the economic stabilization reserve was \$20.8 million.

## **MAJOR INITIATIVES**

### **EVERGLADES RESTORATION**

Florida's Everglades are the largest subtropical wetlands in the United States and are a unique resource. The Everglades "River of Grass" contains a diversity of plants and wildlife not found anywhere else in the United States. For more than a century, human activities have altered the ecosystem to provide for the development of a growing population, agriculture, and protection against deadly hurricanes and droughts.

Today, the Everglades face critical challenges as a result of more than 100 years of human progress. Phosphorus-enriched agricultural and stormwater runoff has threatened the ecosystem's delicate balance. Other threats include changes in the quantity, distribution and timing of freshwater; an infestation of non-native plants; mercury accumulation in the tissue of some Everglades fish, birds and other animals; and a reduction in the size of the Everglades marshes.



## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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The **Everglades Forever Act (EFA)**, passed by the Florida Legislature in 1994, established requirements essential to restore significant portions of the Everglades. The District implemented the Everglades Construction Project and the Everglades Restoration Program in order to meet the requirements of the Everglades Forever Act. In 2003, the Everglades Forever Act was amended, requiring the implementation of the Long-Term Plan for Achieving Water Quality Goals in the Everglades Protection Area (Long-Term Plan).

The **Everglades Construction Project (ECP)** is the first major step in Everglades restoration pursuant to the Everglades Forever Act. The EFA directs the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The STAs, which consist of six large constructed wetlands, totaling over 40,000 acres of effective treatment area, are the cornerstone of the ECP.

Other ECP components include hydropattern improvements and diversion of stormwater flows from Lake Okeechobee. In total, the ECP is composed of 12 interrelated construction projects located between Lake Okeechobee and the Everglades. Operations and maintenance of the STAs and other features of the ECP have commenced upon completion of each individual project. Over the past decade, phosphorus control programs consisting of Stormwater Treatment Areas and best farming/management practices together have prevented over 2,600 metric tons of phosphorus from entering the Everglades.

The Long-Term Plan, which builds upon and expands the ECP, contains activities to achieve Everglades water quality goals and to permit the State of Florida and the District to fulfill their obligations under both the Everglades Forever Act, and the federal Everglades Settlement Agreement. The success of the Long-term Plan is predicated upon using an adaptive implementation approach, whereby the best available information is used to develop and implement incremental improvement measures as their need and utility is confirmed.

The **Comprehensive Everglades Restoration Plan (CERP)** is a 30-year plan which provides the framework for the restoration, protection, and preservation of the naturally occurring water resources of the central and southern Florida region which originate in the Everglades. As the plan's major local sponsor, the South Florida Water Management District has partnered with the United States Army Corps of Engineers to implement CERP, the goal of which is to increase water storage and improve the timing, quality, and distribution of water deliveries to the Everglades ecosystem. Principal features of the plan are the creation of new reservoirs and wetlands-based water treatment areas.

The United States Congress approved CERP in 2000, under the Water Resources Development Act, authorizing ten initial full-scale projects along with six pilot projects. Implementation is currently estimated to cost \$10.9 billion, according to the CERP 2005 Report to Congress, half of which will be paid by the federal government. The State of Florida will provide one-fourth of the total cost, and the South Florida Water Management District and various local agencies in South Florida will provide one-fourth of the total cost. To date, the District has expended \$1.7 billion which includes \$1.3 billion for project land acquisition.

During 2005, the District launched Acceler8, an expedited initiative to be financed by certificates of participation to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. By accelerating the funding, design and construction of these projects, the Everglades will experience positive benefits sooner and more cost-effectively. Through fiscal year 2007, proceeds from the certificates totaling \$172 million have been utilized to reimburse construction costs related to the projects.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **KISSIMMEE BASIN RESTORATION**

In 1947, some 250,000 acres were flooded in and south of the cities of Kissimmee and Orlando. In 1962, in an attempt to keep these cities protected from further destruction, the U.S. Army Corps of Engineers dredged the Kissimmee River, turning it from 103 miles of winding river into a 56-mile long canal.

The environmental devastation of the dredging was staggering. Native vegetation disappeared, as did animals dependent upon it for food, nesting and shelter. Of the original 40,000 acres of wetlands, only 10,000 remain.

In 1976, the Legislature created a commission to study restoration of the river. After years of studies and experimenting with ways to restore the river, a plan evolved to fill 22 continuous miles of the canal with the original spoil material, forcing the water into the historic river channel and floodplain. The project also calls for removing two of the six dams and locks along the canal. When finished, 43 miles of the historic river and approximately 40 square miles of river/floodplain ecosystem will be restored.

The state and federal governments will split the estimated \$578 million cost to restore the river. The U.S. Army Corps of Engineers is responsible for the construction and the design of the restoration. The District has completed all voluntary acquisitions comprising approximately 105,000 acres of land needed for the Project. In addition, engineering solutions will be implemented in lieu of acquiring land.

## **FINANCIAL POLICIES**

### **PRINCIPLES OF SOUND FINANCIAL MANAGEMENT**

Management acknowledges its responsibility for sound administration of our financial resources. This responsibility begins with our *Principles of Sound Financial Management*. These are sixteen guiding principles established by our Governing Board that reflect the core beliefs of how we do business. One of the principles states that we will maintain accountability and prudently use financial resources. As an integral part of our goal of fiscal accountability, we currently provide useful, timely, and accurate financial information for reporting, analysis, and decision making. The objective of this report is to clearly communicate the agency's operating results and financial position.

### **BUDGET ADOPTION AND CONTROLS**

The Truth-in-Millage (TRIM) Act enacted by state legislation requires disclosures of information regarding tax millage and budget adoption. Each year, following the required disclosures and two statutorily required public hearings, the Governing Board sets the millage and adopts a budget.

The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. The Governing Board also approves budget transfers among departments and capital projects during the year. Encumbrance accounting is used to reserve budgeted appropriations for obligations incurred but not received.

### **CASH MANAGEMENT**

Our cash position is bolstered by our aggressive but prudent investment policy. Cash not currently needed for operations is placed in a variety of investments, depending on how soon the cash will be needed for spending. During the last fiscal year our investments included U.S. Agency obligations, the Florida Local Government Surplus Funds Trust Fund Investment Pool, and money market accounts.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

### **RISK MANAGEMENT**

The District is self-insured, within varying limits, for workers' compensation, general liability, and automobile liability insurance programs. All premium revenue and claims expenditures are reported in the District's General Fund. The District participates in a fully insured health care program that has enabled the District to realize substantial cost savings.

Risk control procedures have been established to reasonably ensure that the District's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control procedures have been established to reduce possible losses to property owned by or under District control.

### **DEBT ADMINISTRATION**

The largest portion of the District's debt is comprised of the unpaid balance of revenue bonds referred to as Certificates of Participation, Series 2006, and to a lesser extent, the unpaid balance of Special Obligation Land Acquisition Bonds. The certificates were issued to provide funds for the construction of accelerated projects in furtherance of Everglades restoration. Land acquisition bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. The District has no general obligation bonds authorized or outstanding. Our credit rating remains Aaa for these insured bonds. The total liability for the revenue bonds and the land acquisition bonds at September 30, 2007 is \$546.1 million and \$51.1 million, respectively. We are obligated for payments on the certificates through fiscal year 2037, and on the bonds through fiscal year 2016.

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

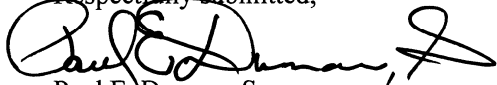
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2006. This was the seventeenth consecutive year 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, satisfying both generally accepted accounting principles and applicable legal requirements.

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

### **ACKNOWLEDGMENTS**

We extend our sincere appreciation to the many District employees who provided countless hours of research and preparation in the production of this report. Special thanks go to the employees of the Division of Accounting and Financial Services for their diligence in the production of this report.

Respectfully submitted,



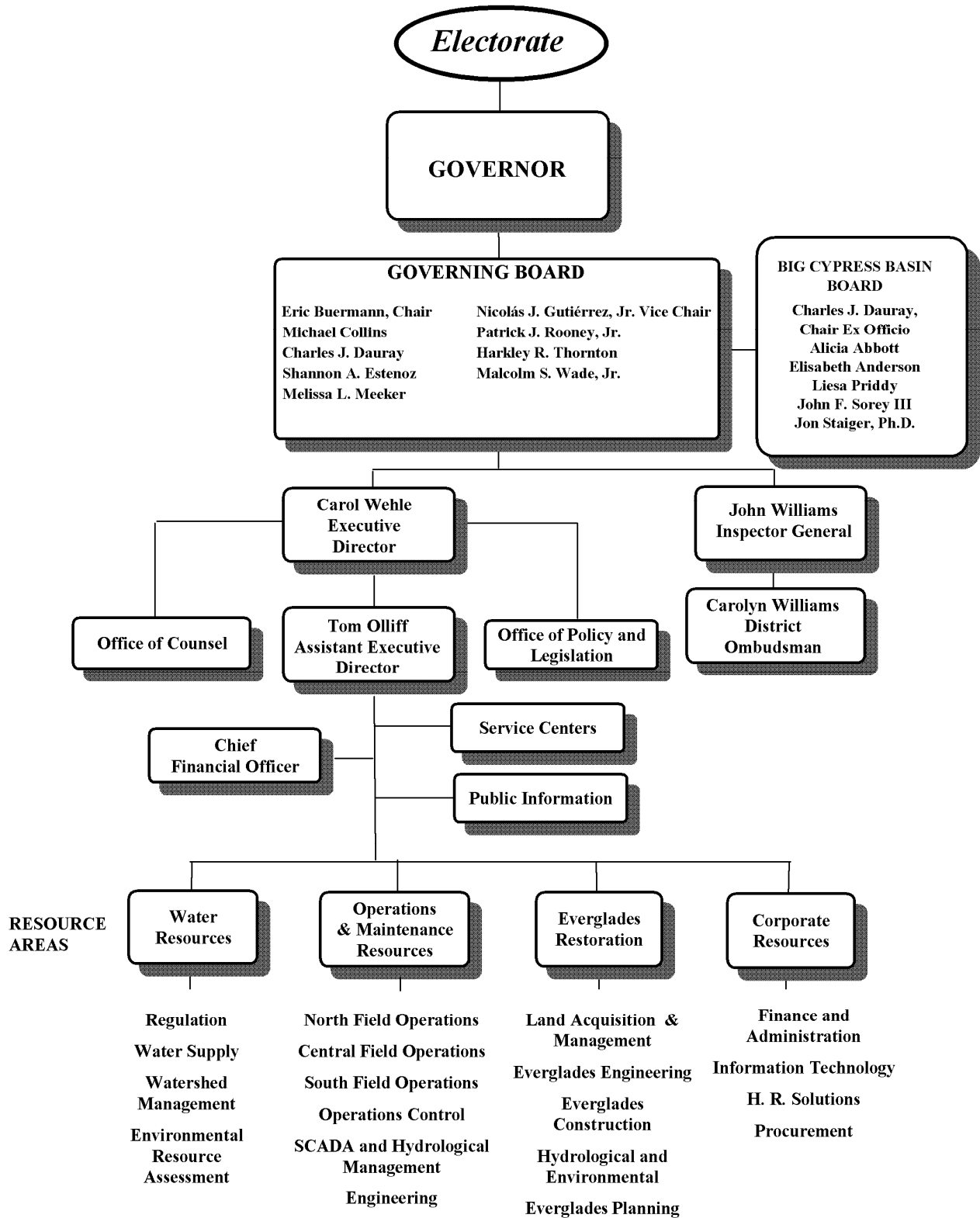
Paul E. Dumars, Sr.,  
Chief Financial Officer  
March 24, 2008



Christian Flierl, Director  
Division of Accounting and Financial Services



**ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICIALS**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## South Florida Water Management District

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2006

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



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

## South Florida Water Management District Geographic Boundaries



The South Florida Water Management District (SFWMD) encompasses all or part\* of 16 counties:

Broward	Glades	Martin	Osceola*
Charlotte*	Hendry	Monroe	Palm Beach
Collier	Highlands*	Okeechobee*	Polk*
Miami-Dade	Lee	Orange*	St. Lucie

# **FINANCIAL SECTION**







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## Independent Auditor's Report

To the Governing Board of the  
South Florida Water Management District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, each major fund, and the aggregate remaining fund information of the District as of September 30, 2007 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2008 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis (MD&A) and the required supplementary information other than MD&A, on pages II-3 through II-24 and IV-1 through IV-8, respectively are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplemental information, statistical section, and disclosure section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has 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 section, statistical section, and disclosure section 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.

*Shampton Brunson & Company P.A.*

March 14, 2008



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

Our discussion and analysis of the South Florida Water Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2007. Please read it in conjunction with the transmittal letter beginning on page I-1 and the District's basic financial statements, which begin on page III-1.

**FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded its liabilities at the close of its most recent fiscal year by nearly \$3.8 billion. Of this amount, there is a negative \$111.1 million (unrestricted net assets) which results from the \$412.0 million portion of the District's first Certificates of Participation (COPS) to fund the construction of Acceler8 projects that is not invested in capital assets.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$54.3 million, or about 30.0 percent of total general fund expenditures.
- The District's total capital assets increased by \$491.0 million during the current fiscal year. This increase resulted mainly from the District's major land acquisitions and construction for various projects totaling \$432.5 million in 2007.

**OVERVIEW OF THE BASIC 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 includes 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. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

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 government'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 the 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 can be found on pages III-1 to III-2 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**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. All of the funds of the District are categorized as governmental funds.

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

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

The District maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, State Appropriations Fund, Save Our Rivers Capital Projects Fund, Everglades Trust Fund, Comprehensive Everglades Restoration Plan Fund, Save Our Everglades Fund, Acceler8 Everglades Construction Project Fund, and Acceler8 Comprehensive Everglades Restoration Plan Fund all of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-11 of this report.

Individual fund data for each of the 21 non-major governmental funds is provided in the form of combining statements on pages V-4 to V-17 of this report.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Okeechobee Basin Special Revenue Fund, and the State Appropriations Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these three funds are being reported as required supplementary information other than management discussion and analysis and are presented immediately after the notes on pages IV-1 to IV-6. Budgetary comparison schedules for the other governmental funds are presented on pages V-18 to V-48 of this report.

**Notes to the basic 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 basic financial statements can be found on pages III-12 to III-36 of this report.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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 nearly \$3.8 billion at the close of the most recent fiscal year, an increase of nearly \$522.0 million from the prior fiscal year. By far the largest portion of the District's net assets (89.5 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**District's Net Assets  
As of September 30**

	<u>2007</u>	<u>2006</u>
Current and Other Assets	\$ 988,154,137	\$ 505,351,252
Capital Assets	<u>3,635,739,029</u>	<u>3,144,718,962</u>
Total Assets	<u>4,623,893,166</u>	<u>3,650,070,214</u>
Current and Other Liabilities	112,167,529	188,452,229
Long-term Liabilities Outstanding	<u>715,904,201</u>	<u>187,728,757</u>
Total Liabilities	<u>828,071,730</u>	<u>376,180,986</u>
Net Assets:		
Invested in Capital Assets,		
Net of Related Debt	3,398,712,773	2,991,538,729
Restricted	508,207,299	66,952,132
Unrestricted	<u>(111,098,636)</u>	<u>215,398,367</u>
Total Net Assets	<u>\$3,795,821,436</u>	<u>\$3,273,889,228</u>

An additional portion of the District's net assets (13.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets, the unrestricted portion relates to the \$412.0 million portion of the District's first Certificates of Participation (COPS) to fund the construction of Acceler8 projects that is not invested in capital assets during fiscal year 2007.

At the end of the current fiscal year, the District is able to report positive balances in two categories of net assets.

Key elements of the net asset increase are presented on the following page.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**District's Changes in Net Assets  
Fiscal Years Ended September 30**

Revenues	2007	2006
Program Revenues		
Charges for Services	\$12,761,049	\$ 11,805,719
Operating Grants and Contributions	106,834,171	65,413,523
Capital Grants and Contributions	285,443,922	383,460,366
General Revenues		
Property Taxes	561,510,785	457,262,710
Investment Earnings	47,506,506	18,440,431
Gain (Loss) on Sale of Capital Assets	0	15,365,812
Other	20,105,295	11,220,865
Total Revenues	1,034,161,728	962,969,426
Expenses		
Land Stewardship	14,480,201	19,315,572
District Everglades	71,929,012	40,238,293
Operations and Maintenance	83,000,117	72,203,106
Water Supply	59,868,436	55,510,219
Kissimmee Restoration	12,166,328	36,033,207
Regulation	17,322,886	15,729,501
Lake Okeechobee	26,628,565	14,476,700
Coastal Watersheds	32,484,337	32,415,897
Mission Support	128,467,596	115,901,217
Comprehensive Everglades Restoration Plan	24,865,512	60,600,287
Modeling and Scientific Support	15,550,268	16,434,291
Interest on Long-term Debt	25,466,262	5,862,342
Total Expenses	512,229,520	484,720,632
Increase in Net Assets	521,932,208	478,248,794
Net assets – Beginning of fiscal year	3,273,889,228	2,795,640,434
Net assets – End of fiscal year	\$3,795,821,436	\$3,273,889,228



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Property taxes** continue as the District's primary source of revenue. For fiscal year 2007, property taxes totaled approximately \$561.5 million of which \$11.7 million represents Agricultural Privilege Taxes.

The Agricultural Privilege Tax is one of the dedicated funding sources identified in the Everglades Forever Act (EFA) and is used to fund Everglades Construction Project and Long Term Plan expenditures. Agricultural privilege tax revenues vary each year based on the assessed tax-per-acre and the number of agricultural acres reflected on the tax rolls. This tax continues to be a steady source of revenue for the Everglades Trust Fund. In fiscal year 2007, tax revenues increased about \$200,000 from prior fiscal year's level of \$11.5 million.

Through fiscal year 2007, ad valorem property tax revenues have increased annually due to the increase in property values and new construction throughout the District even though the District had maintained its existing millage (tax) rate. In fiscal year 2007, taxable property values within the District increased by 24.6 percent. For fiscal year 2007, ad valorem property tax revenues increased by \$104.1 million from last fiscal year's level of \$445.7 million which represents a 23.4 percent increase. The Economic Climate in the State of Florida and around the country since fiscal year 2007 has changed, driven primarily by a depressed housing market. In addition, the Florida legislature has also pursued ad valorem property tax relief proposals which will affect future ad valorem collections and will be discussed more in the *Economic Outlook Section*.

**Operating grants and contributions** totaled \$106.8 million for fiscal year 2007, an increase of approximately \$41.4 million from the prior fiscal year. This consists primarily of advance funding from the Florida Department of Environmental Protection for water supply and regional water management purposes. Each year the State appropriates funds to the District. The amount varies depending on the Department's available funds. The District records this revenue in the fiscal year it is received not the year it is appropriated. The State's 2006 appropriation was received in September 2005 resulting in the revenue being recorded by the District in fiscal year 2005. No appropriation revenue was received during fiscal year 2006; however, \$37.5 million was received and recorded in fiscal year 2007.

**Capital grants and contributions** totaled \$285.4 million, a net decrease of approximately \$98.0 million from the prior fiscal year. The decrease in Capital Grants was largely due to two grant funded land acquisitions which occurred during fiscal year 2006: the C-44 reservoir project and the Pomcor acquisition.

**Investment earnings** during fiscal year 2007 increased by approximately \$29.1 million from \$18.4 million in fiscal 2006 to \$47.5 million in fiscal year 2007. A substantial amount of the \$18.4 million increase was generated by cash balances resulting from the issuance of the District's first COPS early in fiscal year 2007 (November 2006) to fund the construction of the Everglades Restoration Acceler8 projects. A total of \$572.1 million was received in debt issuance proceeds. Other factors include an increase in the average portfolio balance, overall higher interest rates and adopting a strategy of shortening the portfolio duration. The District's treasurer reviews cash needs throughout the fiscal year and attempts to match investment maturities with known cash expenditure outlays.

**Miscellaneous Revenue** totaled \$20.1 million, and consists of self-insurance premiums (\$2.5 million); indirect costs recovered (\$5.8 million); and other revenue totaling \$11.8 million. The net increase of approximately \$8.9 million from fiscal year 2006 was primarily attributed to the District receiving \$10.0 million for payment related to land development rights.

**Expenses for District Everglades, Operations and Maintenance, Water Supply, Mission Support, and Comprehensive Everglades Restoration Program** totaled approximately \$368.1 million or 71.9 percent of the \$512.2 million in total expenses for fiscal year 2007. A discussion of the expenses associated with each program is presented on the following page.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**District Everglades Program** expenses during fiscal year 2007 were approximately \$72.0 million. This represents an increase of \$31.8 million over the \$40.2 million expensed in fiscal year 2006. Program costs represent various projects designed to restore the Everglades water quality, hydrology and ecology by implementing a legislatively approved Long-term restoration plan. The strategic priority of the District Everglades Program is to achieve specific Everglades water quality standards by implementing the Long-Term Plan.

**Operations and Maintenance Program** expenses during fiscal year 2007 were \$83.0 million. This represents an increase of \$10.8 million over the \$72.2 million expensed in fiscal year 2006. Additional expenses are primarily attributable to an increase in repairs and maintenance associated with the District's water control infrastructure. Activities contributing to this cost include moving of 12 million acre-feet of water to meet flood control and water supply requirements, maintaining 34,375 acres of levee and canal banks, treating 58,713 acres of exotic/terrestrial vegetation, installing 110 telemetry sites of 15,439 maintaining visits and the contracting of 41 capital projects to improve facilities. This program is primarily responsible for the operation and maintenance of more than 500 water control structures, over 50 pump stations, installation and maintenance of over 2,000 automated remote terminal units and over 25 weather stations, and the maintenance of approximately 1,969 miles of canals and levees, of which 1,800 are in the C&SF Project, and 169 are in the Big Cypress Basin. The strategic priority of the Operations and Maintenance Program is to refurbish the regional water management system by implementing the 50-year plan.

**Water Supply Program** expenses during fiscal year 2007 were \$59.9 million. This represents an increase of \$4.4 million over the \$55.5 million expensed in fiscal year 2006. This program is responsible for the District's evaluation of long-term water supply needs and planning and development associated with various water resource projects. The strategic priority of the Water Supply Program is to meet the current and future demands of water users and the environment by implementing Governing Board adopted regional water supply plans.

Program accomplishments in fiscal year 2007 include the completion of the Lake Okeechobee Water Shortage Management Rule; funding and participating in 17 Water Savings Incentive Program & 72 Alternative Water Supply Funding Program projects; and completing revisions to Guidelines for Local Governments in Preparing 10-Year Water Supply Facilities Work Plans in cooperation with the Florida Department of Community Affairs (DCA).

**Mission Support Program** expenses during fiscal year 2007 were \$128.5 million. This represents an increase of \$12.6 million over the \$115.9 million expensed in fiscal year 2006. The Mission Support Program delivers critical business support services such as information technology, procurement, finance, human resources, legal support, project management, internal audit, and public and executive level policy guidance. The strategic priority of the Mission Support Program is to retain and recruit a high-quality, diverse workforce by continuing to recognize the value of employees.

**Comprehensive Everglades Restoration Plan Program (CERP)** expenses during fiscal year 2007 were \$24.9 million. This represents a decrease of \$35.7 million over the \$60.6 million expensed in fiscal year 2006. About half of the reduction was in the area of contractual services. These expenses were for projects associated with Everglades restoration and protection. The strategic priority of the Comprehensive Everglades Restoration Plan Program is to expedite Everglades restoration by advancing construction schedules of key projects.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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 financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**General Fund**

The General Fund is the chief operating fund of the District. It accounts for all financial resources, except those required to be accounted for in another fund. This fund accounts for District-wide expenditures and is supported primarily by ad valorem property taxes, permit fees and interest earnings.

The total fund balance of the General Fund was \$64.0 million, an increase of nearly \$15.0 million during the fiscal year 2007. At the end of the 2007 fiscal year, total fund balance reached was \$64.0 million of which \$54.3 million was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 29.9 percent of total General Fund expenditures, while total fund balance represents 35.3 percent of that same amount. Several factors contributed to this increase including excess of revenues over expenditures of \$70.1 million.

Total revenues in the General Fund increased approximately \$47.0 million over the prior year. This increase is comprised mainly of an increase in property tax revenues of \$43.5 million due to new construction and to the increase in the assessed value of existing property within the District.

Total expenditures increased approximately \$40.5 million in fiscal year 2007 to \$181.4 million. The increase was largely due to three program areas within the General Fund. The Water Supply program expenditures increase of \$12.5 million is mainly attributed to alternative water supply projects. The Regulation program expenditure increase of \$1.6 million is primarily due to water use basin permit renewals and e-permitting. The Mission Support program expenditures increase of \$22.6 million is mostly due to planning, implementation, support and licenses for the new Enterprise Resource Planning system.

Transfers netted to \$55.1 million for fiscal year 2007. Transfers out totaled \$62.4 million. The majority of the transfers out (\$59.5 million) were to the Comprehensive Everglades Restoration Plan (CERP) Fund, representing the General Fund's 2007 contribution for CERP. Other transfers out of \$2.9 million from the General Fund were for scheduled capital improvement funding and implementation of the new SAP Human Resources software.

**Okeechobee Basin Special Revenue Fund**

The Okeechobee Basin Special Revenue Fund accounts for the normal operating expenditures covering all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by ad valorem property taxes, intergovernmental revenues, permit fees, interest earnings and other revenue sources.

The total fund balance of the Okeechobee Basin Special Revenue Fund was \$80.4 million, an increase of \$34.2 million during the fiscal year 2007. Several factors contributed to this increase including excess of revenues over expenditures of \$136.6 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Okeechobee Basin Special Revenue Fund (Continued)**

Total revenues in the Okeechobee Basin Special Revenue Fund increased \$41.1 million over the prior year. This net increase resulted from an increase in property tax revenues of \$43.2 million due to new construction and to the increase in the assessed value of existing property within the District.

Total expenditures decreased overall by \$4.0 million in fiscal year 2007 to \$101.1 million. The net reduction is a 4.0 percent change from fiscal year 2006.

Net transfers of \$102.4 million for fiscal year 2007; the largest transfers out (\$69.1 million) was to the Comprehensive Everglades Restoration Plan (CERP) Fund, representing the Okeechobee Basin Special Revenue Fund's 2007 contribution for CERP. The remaining transfer out amount funded scheduled capital improvement projects.

**State Appropriations Fund**

The State Appropriations Fund accounts for expenditures made for various projects utilizing revenue originating from state sources. The Water Protection and Sustainability Trust Fund and Ecosystem Management and Restoration Trust Fund are the primary funding sources for this fund. In recent years the state has advanced funds to the District for major long-term projects, such as flood mitigation and restoration of various water bodies.

During fiscal year 2007, the fund balance of the State Appropriations fund increased by \$11.4 million to \$35.9 million by the end of fiscal year. The State Appropriations Fund spent \$39.8 million in 2007, and received advances in the amount of \$37.5 million from the State of Florida.

Total revenues increased by \$24.4 million in the State Appropriations Fund over the prior year. Balances in this fund will vary from year to year based on the amount and timing of revenues received by the State and the status of on-going projects..

Total expenditures in the State Appropriations Fund decreased \$10.9 million in fiscal year 2007. The decrease is primarily due to on-going local government agreements which were not completed and alternative water supply projects that were cancelled. There were no operating transfers in the State Appropriations Fund during fiscal year 2007.

**Save Our Rivers Capital Projects Fund**

The Save Our Rivers Capital Projects Fund accounts for expenditures for the purchase of sensitive water resource land. Funding is provided through allocations from the Florida Forever Trust Fund.

The fund balance of the Save Our Rivers Capital Projects Fund increased approximately \$1.9 million during the current fiscal year. This brings total fund balance at the end of fiscal year 2007 to \$14.2 million.

Total revenues decreased by \$48.6 million in the Save Our Rivers Capital Projects Fund from the prior year. The decrease is a result of State funding from the Florida Forever Trust Fund. Balances in this fund vary from year to year based on State funding, fund expenditures and the status of on-going capital projects.

Total expenditures decreased overall by \$35.7 million in fiscal year 2007 to \$5.0 million. During fiscal year 2007, capital outlay expenditures in the fund decreased by \$35.9 million. This decrease was mainly due to a reduction in land acquisition during the fiscal year.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Everglades Trust Fund**

The Everglades Trust Fund was established to account for expenditures to construct stormwater treatment areas (STAs) which will cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Funding is provided through a .100 mill tax levy, non-ad valorem tax assessments to property owners in the EAA, state and federal contributions, and interest earnings.

During the fiscal year 2007 the fund balance of the Everglades Trust Fund increased \$38.1 million to \$74.8 million at fiscal year end. Several factors contributed to this increase including excess of revenues over expenditures of \$41.4 million.

Total revenues in the Everglades Trust Fund increased approximately \$15.0 million over the prior year. This was primarily due to an increase in property tax revenues of \$13.9 million as result of new construction and to the increase in the assessed value of existing property within the District.

Total expenditures decreased approximately \$3.9 million in fiscal year 2007 to \$49.4 million. This was primarily due to a decrease in capital outlay expenditures of \$6.2 million offset by the first debt service payment of \$41.2 million on the Certificates of Participation (COPS).

The net transfers out of \$3.3 million results from transfers out of \$15.5 million offset by transfers in of \$12.2 million. This transfers out represents annual operating transfers to cover on-going operations and maintenance costs of the STAs (\$14.5 million) and Florida Bay Capital Projects Fund for Florida Bay restoration projects (\$1.0 million) as outlined in the Everglades Forever Act.

Transfers in represent funding received from the Acceler8 Everglades Construction Project (ECP) Fund to support projects in the Everglades Program and Long-Term Plan Implementation.

**Comprehensive Everglades Restoration Plan (CERP) Fund**

The Comprehensive Everglades Restoration Plan (CERP) Fund accounts for expenditures associated with the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. This fund receives most of its resources from property taxes via transfers from the General Fund and the Okeechobee Basin Special Revenue Fund.

During fiscal year 2007, the fund balance of the CERP fund increased by \$40.4 million.

Total revenues decreased approximately \$1.7 million over the prior year. This was largely due to a reduction in intergovernmental funding received during fiscal year 2007.

Total expenditures in the CERP Fund increased from \$91.8 million in fiscal year 2006 to \$108.5 million in fiscal year 2007. The increase in expenditures was due to activities associated with the Acceler8 projects, including the first debt service payment on the Certificates of Participation (COPS). In fiscal year 2007, the COPS bond interest payment for projects funded in the CERP Fund totaled \$8.9 million.

Transfers netted to \$147.0 million for fiscal year 2007. The transfers in amount totaled \$149.0 million. The majority of the transfers in amount (\$128.6 million) were from the General Fund (\$59.5 million) and Okeechobee Basin Special Revenue Fund (\$69.1 million). The remaining transfers in amount of \$20.4 million were from the Save Our Everglades Trust Fund and the Acceler8 CERP Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Save Our Everglades Trust Fund (SOETF)**

The Save Our Everglades Trust Fund (SOETF) accounts for revenues received from, and expenditures funded through, the State of Florida's fund by the same name. State monies are used for the design, construction and associated land costs for the CERP projects.

Total revenues in the Save Our Everglades Trust Fund decreased approximately \$167.1 million over the prior fiscal year. The decrease was largely due to grant funded land acquisitions which occurred during fiscal year 2006.

Total expenditures decreased overall by \$127.3 million in fiscal year 2007. During fiscal year 2007, capital outlay expenditures in the SOETF were \$51.1 million, a decrease of \$150.6 million when compared to fiscal year 2006. The decrease was due to a reduction in land acquisition activities. The offset is an increase in expenditures of \$23.1 million for land easement payments during fiscal year 2007.

**Acceler8 Everglades Construction Project (ECP) Fund**

The Acceler8 Everglades Construction Project (ECP) Fund accounts for the revenues from debt issued to support the accelerated construction of projects in the Everglades Program / Long-Term Plan Implementation.

During fiscal year 2007, the District received \$66.5 million through the issuance of Certificates of Participation (COPS) and an additional \$3.2 million of net premiums on the bonds issued. These funds are being used to fund the construction of the Acceler8 projects of the Everglades Program, and were also used in fiscal year 2007 to pay off \$35.0 million in short term loans obtained in fiscal year 2006 to begin the construction of those projects. A more in-depth discussion of the COPS issuance is outlined in the *Long-Term Debt Administration* Section of this document.

**Acceler8 Comprehensive Everglades Restoration Plan (CERP) Fund**

The Acceler8 Comprehensive Everglades Restoration Plan (CERP) Fund accounts for the revenues from debt issued to support the accelerated construction of projects in the Comprehensive Everglades Restoration Plan (CERP).

During fiscal year 2007, the District received \$479.7 million through the issuance of Certificates of Participation (COPS) and an additional \$22.8 million of net premiums on the bonds issued. These funds are being used to fund the construction of the Acceler8 projects of the CERP Program, and were also used in fiscal year 2007 to pay off \$47.0 million in short term loans obtained in fiscal year 2006 to begin the construction of those projects. A more in-depth discussion of the COPS issuance is outlined in the *Long-Term Debt Administration* Section of this document.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgeted expenditures in the final General Fund budget were equal to the original adopted budget of \$214.2 million for fiscal year 2007. Within the General Fund's Resource Areas and Programs, budget authority (\$5.8 million) was realigned to fund debt service (\$1.5 million) and move additional funding into the managerial reserve (\$4.3 million) account.

At the end of the fiscal year, the General Fund's budget for Water Resources – Water Supply Program showed \$4.0 million left unspent due primarily to outstanding encumbrances (\$3.4 million) of which \$1.5 million is for



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

Intergovernmental Agreements-Alternative Water Supply and Water Conservation projects, and the remainder is associated with various other Water Supply Projects. The outstanding encumbrances and remaining available balance represents ongoing work associated with alternative water supply and other implementation / planning projects.

At the end of fiscal year 2007, the General Fund's budget for Corporate Resources – Mission Support Program reflects \$9.3 million in unspent budget authority due largely to outstanding encumbrances (\$4.0 million) and actual Tax Collector's / County Appraisal's Fees (\$3.1 million) which were less than budgeted amounts. The remainder can be attributed to interagency and contractual services funding associated with various District projects and activities associated with the District's Self Insurance programs.

The final amended General Fund budget also included over \$15.7 million in reserves: Managerial Reserves of \$12.9 million and \$2.8 million in Contingency Reserves. The District does not spend directly out of Managerial Reserve Accounts. The use of this funding is handled through Governing Board budget transfer approval, which authorizes the movement of budget authority out of managerial reserves and/or contingency reserves to a District Program within an Resource Area's operating or capital budget.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

The District's investment in capital assets as of September 30, 2007 amounts to \$3.64 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, water control structures, and construction in process. In fiscal year 2007, land had a net increase of 4.2 percent or approximately \$89.5 million and water control structures increased by 44.9 percent or approximately \$128.3 million when compared to fiscal year 2006.

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

**Land Acquisition Highlights**

- 7,331 total acres of land acquired, which includes 4,295 acres for CERP projects and 1,484 acres for Save Our Rivers projects of which 53 acres were for Kissimmee River Restoration projects.
- \$ 50.7 million of land acquisitions funded by the Save Our Everglades Trust Fund
- \$ 13.6 million of land acquisitions funded by District ad valorem sources
- \$ 9.0 million of land acquisitions funded by Local Governments
- \$ 5.5 million of land acquisitions funded by Florida Forever
- \$ 3.8 million of land acquisitions funded by Federal Sources

**Water Control Structures Construction Highlights**

- \$ 114.0 million of construction completed on STA-1E Project
- \$ 9.0 million of construction completed on Telemetry Towers Project Components
- \$ 5.0 million on construction completed on Pump Station Hardening

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

<b>Capital Assets (net of depreciation)</b>		
	2007	2006
Land	\$2,218,327,873	\$2,128,790,088
Canals and Levees	491,144,479	435,263,388
Buildings	41,807,778	43,380,296
Equipment	66,733,034	63,320,527
Improvements	10,850,775	10,027,238
Water Control Structures	413,596,363	285,343,415
Construction in Process	393,278,727	178,594,010
Total	\$3,635,739,029	\$3,144,718,962

Additional information on the District's capital assets can be found in Note 9 on page III-25 of this report.

**LONG-TERM DEBT ADMINISTRATION**

At the end of the 2007 fiscal year, the District had \$649.4 million in outstanding total long-term debt. This amount is comprised of bonds and bank loans totaling \$608.3 million and the remaining balance of \$41.1 million attributed to land purchases payable and capital leases. The District's total debt in fiscal year 2007 reflects a net increase of \$498.2 million.

<b>Long-term Debt Outstanding</b>		
	2007	2006
Special Obligation Land Acquisition Bonds	\$51,110,000	\$55,770,000
Bank Loans	11,031,537	15,878,527
Certificates of Participation	546,120,000	-
Land Purchase Payable	40,219,445	77,679,516
Capital Leases	895,678	1,863,645
Total	\$649,376,660	\$151,191,688

Special Obligation Land Acquisition Refunding Bonds Series 2002 and Series 2003 finance the acquisition of environmentally sensitive lands. Documentary stamp tax revenues provided through the State of Florida's Water Management Lands Trust Fund secure the repayment of this debt.

In November 2006, the District issued \$546.1 million in Certificates of Participation (COPS) to fund the construction of "Acceler8" projects. The COPS yielded \$572.1 million in proceeds, which included a \$26 million premium. Proceeds from the COPS were used to pay off \$82.0 million in short term loans which had been secured the previous fiscal year to finance the start of construction of the Acceler8 projects. Debt service for this obligation will be paid from annual ad valorem CERP appropriations, currently at \$100.0 million, and the .1 mill Okeechobee levy which supports the Everglades Program. The District does not plan to issue any additional COPS during fiscal year 2008.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**LONG-TERM DEBT ADMINISTRATION (Continued)**

The District has received very favorable ratings on its bonds. The Special Obligation Bonds are rated AAA/A+ by Standard and Poor's, AAA/A- by Fitch and Aaa/A1 by Moody's. The COPS are rated AAA/AA+ by Standard and Poor's, AAA/AA- by Fitch and Aaa/Aa1 by Moody's. A bond rating indicates the investment quality of the bonds which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District continuously strives to maintain this superior bond rating for its obligations in order to realize more favorable borrowing costs.

The District's Governing Board approved a Memorandum of Agreement (MOA) on October 14, 2004 with the Office of the Governor which provides specific guidelines for the issuance and management of this debt. Guidelines include:

- Acceleration of the Comprehensive Everglades Restoration Plan (CERP) and Everglades Forever Act (EFA) Projects shall not result in an increase in state funding or in the millage rates levied by the District.
- Each accelerated project shall be subject to the review and approval of the Executive Office of the Governor.
- The borrowing shall be consistent with the District's debt management policies.
- The District's debt management policies shall be amended to limit the debt service associated with District long-term debt to no more than 20 percent of the available ad valorem, related interest thereon, and permit fee revenues.

The District's existing debt management policy has been modified to comply with the fourth guideline listed above.

The District is not legally restricted as to the amount of debt that can be issued; however, guidelines on debt limits are included in the District's *Debt Management Policy*. During the 1990s, the District made a commitment to the citizens of south Florida to operate in accordance with sixteen guiding principles designed to achieve and maintain the highest standards of fiscal accountability. Included in the District's Adopted *Debt Management Policy* are benchmarks dedicated to prudent debt management.

The District's debt burden shall not exceed the benchmark levels, as described below, and no additional debt shall be authorized if the projected debt burden would exceed these levels:

- The net debt-per-capita ratio shall not exceed \$250.
- Debt service (including payments required on certificates of participation to accelerate the Comprehensive Everglades Restoration Plan – Acceler8) shall not exceed 20 percent of the available ad-valorem revenues, related interest income thereon and permit fee revenue.
- The debt-to-assessed value shall not exceed 30 percent of the assessed value of property within the District.

Additional information about the District's long-term debt can be found in Note 11 on pages III-26 through III-28 of this report.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**LONG –TERM CONSTRUCTION COMMITMENTS**

The **Everglades Construction Project** (ECP) is the first major step in Everglades restoration pursuant to the Everglades Forever Act (EFA), passed by the Florida Legislature in 1994. Currently estimated to cost approximately \$836.0 million over 20 years, 1994 ECP is one of the nation's largest environmental restoration projects. The 1994 EFA directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. These six large constructed wetlands, totaling over 47,000 acres, are the cornerstone of the ECP.

The 1994 EFA also provided the funding sources for program implementation, including a .1 mill ad valorem tax levy in the Okeechobee Basin, and agricultural privilege taxes levy in the Everglades Agricultural Area and the C-139 Basin, and other federal, state and local sources. The original project component estimates were based on the 1994 Conceptual Design Document and have been refined through the years. ECP program expenditures have been scheduled to comply with legislative timelines for land acquisition and construction, while keeping within the approved revenue stream.

The District has expended approximately \$514.8 million on the 1994 Everglades Construction Project through fiscal year 2007. The increase of approximately \$1.0 million was largely attributed to STA-1 East construction components and upgrades. A few minor close-out ECP components were completed in FY2007. There are no remaining 1994 ECP project estimates for capital expenditures as of September 30, 2007. STA-1-E/C-51W is the only ECP project component that is federally funded. The federal government is responsible for \$198.9 million of the total estimated cost of \$221.4 million. The remaining \$22.5 million represents the local share of the total estimated cost.

The **Long-Term Plan**: In 2003, the 1994 EFA was amended to include implementation of the Long-Term Plan as the strategy for achieving compliance with water quality standards in Everglades protection area. The amendment also expanded the use of the District's dedicated .1 mill ad valorem, agricultural privilege taxes and other revenue sources which fund this plan. Project timelines and cost estimates were established in the Conceptual Plan for Achieving Long-Term Water Quality Goals final report, dated March 17, 2003. They were further refined in the Long-Term Plan for Achieving Water Quality Goals final report, dated October 27, 2003. Each fiscal year's Long-Term Plan budget / expenditures will be based on this document. The 2003 Plan, a key component of Everglades restoration, continues and expands the objectives of the 1994 ECP.

As described above, the total cost associated with implementing the 1994 ECP, 2003 Long-Term Plan, and other EFA-related activities continues to be shared among the District, state and federal governments, and the agricultural community. It is currently projected that the Long-Term Plan will cost approximately \$1.7 billion.

The amended 1994 EFA authorized implementation of the initial phase of the Long-Term Plan. The Long-Term Plan will contain two phases: an initial 13-year phase (2003-2016) and a second nine-year phase (2017-2026). The legislature amended the EFA to require implementation of the first phase. The legislature indicated that a review of the EFA should occur at least ten years after implementation of the initial phase. The second phase (as needed to meet planning objectives) must be approved by the legislature and codified into the EFA prior to implementation of the projects.

During fiscal year 2007, the District continued implementation of the Long-Term Plan, as required by the EFA. In fiscal year 2007, approximately \$36.9 million was expended for work related to implementing the Long-Term Plan (not including the Accelerated projects that are part of the Long-Term Plan). Construction expenditures associated with the Long-Term Plan Accelerated projects totaled \$21.8 million, which were funded from proceeds of Certificates of Participation, Series 2006 (COPS), issued in fiscal year 2007. The total inception-to-date spent on the Long-Term Plan is approximately \$160.6 million.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

The **Kissimmee River Basin Restoration** is a massive project that includes converting the Kissimmee River and adjacent lands to a more natural state. This involves restoring 43 miles of the historic river and approximately 40 square miles of river/floodplain ecosystem.

The state and federal governments will split the estimated \$578 million cost to restore the river. The U.S. Army Corps of Engineers is responsible for the construction and the design of the restoration. As of September 30, 2007, the District completed land acquisition of over 100,000 acres needed for the restoration resulting in a project completion status of approximately 97 percent for land acquisition. Noteworthy land acquisitions include the \$4.5 million Grape Hammock Fish Camp.

The remaining land parcels, about 3,600 acres, are comprised of approximately 700 acres to be acquired through the condemnation process, 940 acres are associated with engineering cost-to-cure negotiations, and 260 acres are public-owned lands.

The remaining 1,700 acres are within the authorized project boundary, but are no longer required for backfilling. By the end of fiscal year 2007, there were several ongoing engineering projects in lieu of land acquisition, also referred to as "cost-to-cure." For construction in lieu of land acquisitions, District staff, together with private landowners, developed feasible engineering solutions to eliminate or abate adverse project impacts and thus eliminate or minimize project lands needed. Estimated five-year expenditures for construction in lieu of land acquisition (cost-to-cure) are approximately \$4.7 million.

The **Comprehensive Everglades Restoration Plan (CERP)** is the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. The CERP Plan covers sixteen counties over an 18,000 square mile area and centers on an update of the Central & Southern Florida (C&SF) Project.

Through the Water Resources Development Act of 2000, Congress has authorized an initial \$1.4 billion package of projects that will begin implementation of the CERP Comprehensive Plan. The initial authorization includes: (1) six pilot projects, (2) ten specific project features, and (3) a programmatic authority through which smaller projects can be more quickly implemented.

The CERP Plan includes 68 components (features) which are in varying stages of implementation. In total the Comprehensive Everglades Restoration Plan is estimated to cost \$10.9 billion and will take more than 30 years to construct. To date, the District has expended \$1.7 billion which includes \$1.3 billion for project land acquisition.

In the fall of 2004, the state and South Florida Water Management District Governing Board introduced the Acceler8 initiative. During 2005, the District launched Acceler8, an expedited initiative to be financed by Certificates of Participation (COPS) to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades programs. By accelerating the funding, design and construction of these projects, the Everglades will experience positive benefits sooner and more cost-effectively.

Many Acceler8 projects are part of the Comprehensive Everglades Restoration Plan (CERP). As previously stated, Acceler8 accelerates eight restoration projects through the District's issuance of COPS to finance the construction of these projects. Acceler8 projects include: C-44 (St. Lucie Canal) Reservoir / Stormwater Treatment Area; C-43 (Caloosahatchee River) West Reservoir; Everglades Agricultural Area (EAA) Reservoir – Phase 1, with Bolles and Cross canals improvements; EAA STA Expansion (STA 2 Cell 4, STA 6 – 2, STA 5 Flowway 3); Water Preserve Areas (includes Fran Reich Preserve, C-9, C-11, Acme Basin B, WCA-3A/3B); Picayune Strand (Southern Golden Gate Estates) Restoration; Biscayne Bay Coastal Wetlands – Phase 1; and, C-111 Spreader Canal.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Comprehensive Everglades Restoration Plan (Continued)**

During the 2007 fiscal year, the District issued the first 30-year COPS, which yielded \$572.1 million, including \$26.0 million in premiums, most of which (\$498.3 million) will be used to fund CERP Acceler8 projects. A smaller portion of the proceeds (\$69.0 million) will be applied to Everglades Program Acceler8 projects. The remaining balance of the proceeds (\$4.8 million) covered issuance related costs. Through September 30, 2007, a total of \$172.0 million has been expended from COPS proceeds on project construction through the Acceler8 initiative.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District developed a series of revenue assumptions used during the preparation of its 2008 fiscal year budget. These revenue assumptions were based on current and projected economic indicators and historical trends. The Florida Department of Revenue and the State Ad Valorem Estimating Conference provided county projection data and trends in ad valorem tax-roll growth rates over a five-year period which was analyzed by the District's Budget Division. Revenue-collection history for the last four years and information supplied by various departments within the District were used to determine all remaining ad valorem and ad valorem related sources. The District's dedicated revenue assumptions were formulated using information from state trust fund balances and from agreements with federal, state and local governments.

As in prior fiscal years, ad-valorem property taxes continue to be the District's largest single source of revenue. In addition to state and federal revenue sources, 43.0 percent of the District's fiscal year 2008 budget is funded through ad valorem property tax revenues. Although taxable property values within the District increased by 10.7 percent from 2006 (\$845.2 billion) to 2007 (\$936.1 billion), ad valorem taxes projected for fiscal year 2008 are \$549.5 million, an estimated \$3.5 million less than the prior year due to lower millage rates resulting from implementation of new tax legislation in 2007.

The District recognizes the importance of how available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District and changes in these economic factors directly impact the District's financial health and future revenue outlook.

The discussion in this section will focus on economic factors and property tax reform legislation affecting the District's ad valorem revenue budget. The following factors were considered in preparing the District's budget for the 2008 fiscal year.

**Property Values**

Property values have a very large and direct impact on ad valorem taxes. An increase in property value will often be an indicator of a healthy economy. Changes in property value are most important to the District because over half of the agency's funding is derived from ad valorem taxes.

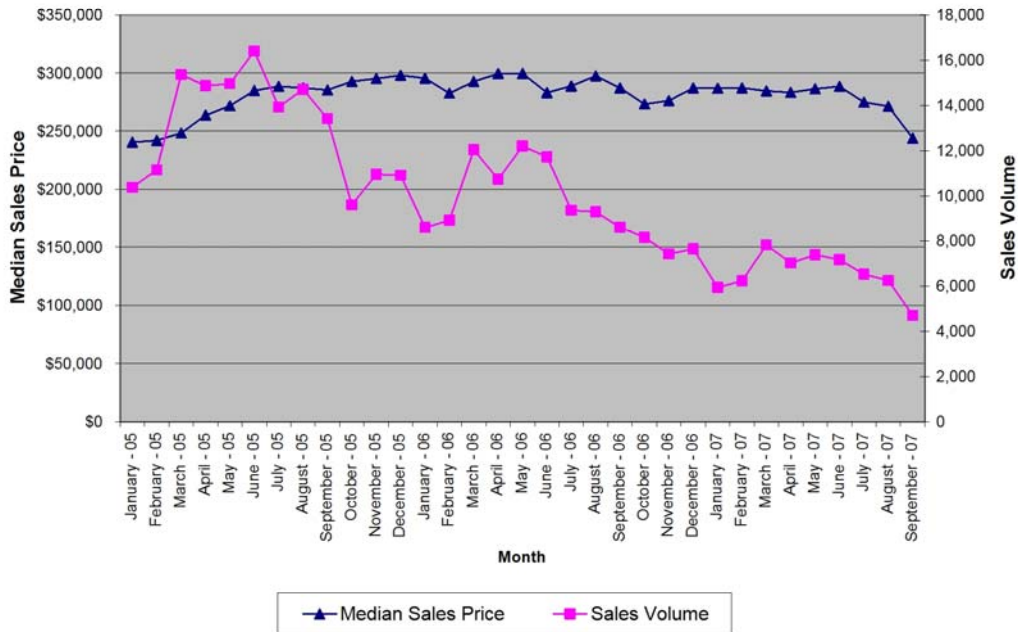
Historically, the District adopts fixed millage rates to be levied and the millage rates have remained constant over the past ten years. However: there was a reduction in millage rates levied this year was a result of House Bill 1-B being passed during the first special legislative session held to address rising property taxes in Florida. The Bill required a tax reduction by all Local Governments and Special Districts by three, five, seven, or nine

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

percent, depending on their past five years' per capita tax increases compared to statewide averages. The Bill also limited revenue in future years by setting the maximum allowed tax levy in any year to the rolled-back millage rate (a millage rate that generates the same tax revenue as last year, excluding new construction) plus the annual percent change of per capita Florida personal income.

Based on the trends, in the graph on the following page, the District can expect a significant slow down in property value growth during 2008 because of the continued decline in the demand for residential property observed by the fall in Housing Unit Sales from June of 2006 to September of 2007. When there is a large gap in supply and demand as exists in the current south Florida real estate market, the market will adjust to stimulate demand (prices are anticipated to decrease to stimulate demand, otherwise future demand will continue to fall) to bring supply and demand back in balance. In the near future the District can expect a decline in home prices.

**Existing Home Sales and Prices for SFWMD 16 Counties**



SOURCE: Florida Association of Realtors, Florida Sales Report



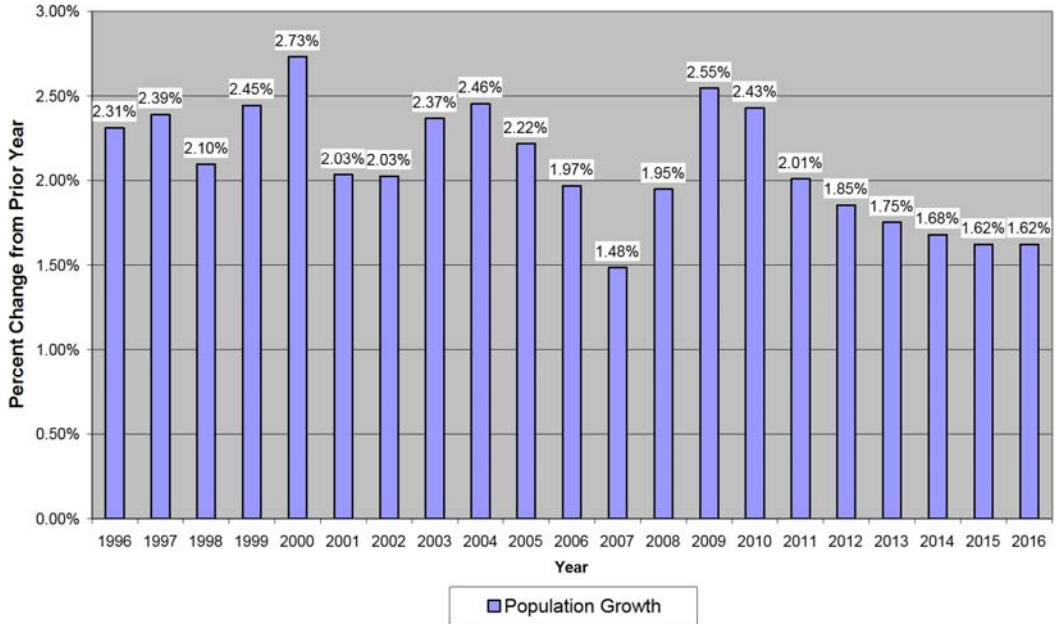
**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Population Growth**

Another main economic factor driving ad valorem taxes is population growth and the impact it has on property values. Population growth impacts property values because as the population increases demand for homes increase, which results in higher property values. This relationship between the real estate market and change in population will affect District revenues because ad valorem taxes are collected from property owners based on property values set by the county property appraiser’s office. It is important to closely monitor population trends to develop revenue and corresponding budget projections.

In 2006, the population of this agency’s jurisdiction increased by 1.97 percent, which is a decrease from the prior year’s growth of 2.22 percent. From 2001 to 2006 the population growth across the District averaged 2.18 percent. The consistent increase in population throughout southern Florida has been going on for the past thirty-five years and appears to be a trend that will continue into the foreseeable future. Population growth in southern Florida is expected to continue, but at a slower pace than previous projections.

**Population Growth Annual Percent Change for SFWMD 16 Counties**



SOURCE: Florida Division of Economic & Demographic Research

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Age of Population**

Average age of the population is another significant economic factor. The median age in 2005 for the sixteen counties under the District was 41.5 years of age. Average age is projected to only slightly increase to 42.5 years of age by 2010. An aging population and an increasing number of senior citizens could potentially have an adverse effect on the District because senior citizens typically have more conservative spending habits. As a result, high concentrations of senior citizens within a county can constrict local economies which negatively affect property values. Also, properties in age restricted communities typically have lower market values as compared to non-restricted communities, which results in lower assessed property values. The concentration of senior citizens, ages 65 and above, for the population of the District in 2005 was 16.58 percent. This concentration is projected to increase only slightly to 16.87 percent by 2010. With the percentages of senior citizens remaining constant, the District should not be overly concerned with an aging population adversely affecting its overall economic health.

**New Construction**

Residential construction is vital to any region with a growing population and economy because it allows for sustained growth into the future. Where there are new residents building homes there is also an opportunity for businesses to develop in that region because there will be an increased demand for products and services. Residential and commercial construction is a reliable indicator of how the economy will perform in the short run.

**Construction for SFWMD 16 Counties**



SOURCE: Fishkind & Associates Inc.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

Residential construction has been on a significant decline over the last three years and will likely bottom out in 2008, with a slow recovery in the next two years. While commercial construction will continue to decline during 2008, the market will likely bottom out in 2008 and have a moderate recovery during the next two years (See Graph 3). As a result of the projected decline in commercial construction and weak recovery of residential construction during 2008 there could be a cessation of property value growth next year, but the markets appear to stabilize and recover shortly into the future. However, increases in interest rates and insurance premiums should be closely watched because they are important factors that can adversely affect real estate market growth if income levels cannot support property values.

**Legislative Initiatives**

**Background information – leading up to the January 29, 2008 vote on Amendment 1:** Various Florida legislative initiatives play a large role in determining ad valorem taxes for the District because they impact real estate market dynamics. Currently, the Homestead Exemption and the Save Our Homes Amendment impact the District's ad valorem revenue.

The homestead exemption entitles every person who has legal or equitable title to real estate and maintains it as their permanent residence to be eligible to receive a \$25,000 property value tax exemption. In addition, the Save Our Homes Amendment states that the annual assessment of Homestead property shall not exceed the lower of either a 3.0 percent increase of the assessed value from the prior year or the percent increase in the Consumer Price Index (CPI).

With the Save Our Homes Amendment, assessed values will increase by the 3.0 percent cap every year regardless of market value changes. The cap allows the owner's assessed property value to be below market value.

The Florida Legislature was concerned that longtime residents are burdened by substantial tax increases when they move and non-Homestead property owners pay a disproportionate share of Florida's tax burden. The Florida Legislature proposed modification of the property tax code in the second special session held to address rising property taxes in Florida and constitutional changes to the current law which was voted for by the public in a special election held in January 2008.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3.0 percent) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10.0 percent), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**Legislative Initiatives (Continued)**

Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent (10.0 percent) assessment cap on non-homestead property which becomes effective on January 1, 2009. Based on information received from the Florida Department of Revenue, the estimated annual loss of property tax revenues for our special district from the additional homestead exemption and the \$25,000 exemption is approximately \$27.0 million or 5.0 percent. At present, there is no accurate way to determine the full impact of all components of Amendment 1 at this time.

Property tax reform legislation and economic factors affecting the real estate market will result in a decrease in ad valorem revenue growth. In developing projected forecasts, it was assumed that ad valorem revenues would increase only by the per capita personal income growth factor, per the new legislation.

Also, the Taxation and Budget Reform Commission is meeting this year to examine the state budgetary and expenditure process, revenue needs, and the appropriateness of the tax structure of the state. The commission has the power to place constitutional amendments directly on the November 2008 ballot without going through the Legislature, or it can submit proposals to lawmakers on any recommended statutory changes related to the taxation or budgetary laws of the state.

**General Fund – Unreserved Fund Balance**

At the end of fiscal year 2007, the total unreserved fund balance in the general fund is \$54.3 million. This represents an increase of \$17.2 million from 2006 fiscal year. The District has appropriated \$12.9 million of this amount for spending in the fiscal year 2008 budget.

The District also designates a portion of its unreserved fund balance for Economic Stabilization. Presently, the District has placed in its General Fund's Designated for Economic Stabilization, a total of \$10.2 million to safeguard against short-term fluctuations in statewide economic activity. This represents an increase of \$1.6 million or approximately 16.0 percent from 2006 fiscal year.

**Summary**

The external economic conditions for the South Florida Water Management District are projected to remain favorable overall, even though economic growth is anticipated to slow in 2008 and 2009. However, with uncertainty of future property tax reforms in the near future, the previous statement is made with caution until the full ramifications of tax reform are fully known. Staff will continually monitor these conditions to effectively evaluate the overall financial condition of the sixteen counties within its jurisdiction. This means that anticipation and preparation are the best methods for adapting to any changes in the external economic conditions. Carefully monitoring these critical indicators along with the implementation of sound financial practices and policies will provide a useful means of avoiding unexpected short and long-term financial shortfalls.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2007**

**NEXT YEAR'S BUDGETS AND RATES**

During the 2007 Florida legislative session, property tax reform was adopted in an effort to reduce that total amount of property taxes a county, city, or independent special district (such as the District) can levy. This change in the law reduces the property tax rates by a set percentage below the previous year's rolled-back rates based on historical taxing levels. Taxing entities were allowed to levy higher millage rates with a super majority or unanimous vote of its governing body, or through a voter referendum.

For tax rate purposes, the District comprises two basins: the Okeechobee Basin and the Big Cypress Basin. Based on legislative action, the District-wide Okeechobee Basin and Big Cypress Basin millage rates were reduced for the first time since fiscal year 1998 and fiscal year 2002 respectively. The District followed the direction of the Governor and legislature and reduced the Okeechobee Basin millage rate from .6970 to .6240 and the Big Cypress Basin millage rate from .5265 to .4814.

The approved fiscal year 2008 budget reflects a 10.0 percent reduction in millage rates below the fiscal year 2007 rates for 15 of the District's 16-county region (Okeechobee Basin) and an 8.0 percent reduction for taxpayers in Collier County (Big Cypress Basin). The budget was reduced in areas where cost-cutting and efficiency measures can be implemented, to better allocate available funds to the District's highest priorities and critical functions.

The District's approved budget for fiscal year 2008 totals \$1.283 billion, a decrease of approximately \$156.0 million from the fiscal year 2007 amended budget of \$1.439 billion.

**Requests for Information**

The District's basic financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's Director of Accounting and Financial Services at P.O. Box 24680, West Palm Beach, Florida 33416-4680.

# **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**



South Florida Water Management District  
Statement of Net Assets  
September 30, 2007

	Total Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$414,489,669
Accounts Receivable	3,858,428
Due from Other Governments	50,198,901
Inventory	3,707,497
Other Assets	7,692,343
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	500,668,342
Permanently Restricted	
Cash and Investments	7,538,957
Capital Assets	
Land	2,218,327,873
Construction In Process	393,278,727
Canals and Levees	491,144,479
Other Capital Assets, Net of Depreciation	532,987,950
	4,623,893,166
<b>LIABILITIES</b>	
Accounts Payable	111,973,617
Due to Other Governments	43,912
Unearned Revenue	150,000
Noncurrent Liabilities:	
Due Within One Year	
Bonds Payable	4,785,000
Bond Premiums Payable	2,154,197
Bank Loans Payable	3,248,377
Certificates of Participation Payable	7,675,000
Land Purchase Payable	40,219,445
Capital Leases Payable	502,187
Compensated Absences	7,700,000
OPEB Obligation	828,755
Self Insurance Claims Payable	711,088
Due in More Than One Year	
Bonds Payable	46,325,000
Bond Premiums Payable	23,830,669
Bank Loans Payable	7,783,160
Certificates of Participation Payable	538,445,000
Capital Leases Payable	393,491
Compensated Absences	12,925,000
OPEB Obligation	1,839,140
Self Insurance Claims Payable	8,213,692
Other Claims Payable	8,325,000
	828,071,730
<b>NET ASSETS</b>	
Invested In Capital Assets, Net of Related Debt	3,398,712,773
Restricted for:	
Debt Service	26,937,291
Wetlands Mitigation	
Expendable	11,552,393
Nonexpendable	7,538,957
Environmental Programs	49,828,254
Capital Construction	412,350,404
Unrestricted	(111,098,636)
	\$3,795,821,436

See Accompanying Notes to the Financial Statements



South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2007

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Land Stewardship	\$14,480,201	\$ -	\$20,820,155	\$ -	\$6,339,954
District Everglades	71,929,012	-	-	171,772,287	99,843,275
Operations and Maintenance	83,000,117	-	11,468,898	21,986,733	(49,544,486)
Water Supply	59,868,436	-	51,191,903	7,250	(8,669,283)
Kissimmee Watershed	12,166,328	-	273,714	4,953,070	(6,939,544)
Regulation	17,322,886	12,761,049	13,355	-	(4,548,482)
Lake Okeechobee	26,628,565	-	13,461,000	-	(13,167,565)
Coastal Watersheds	32,484,337	-	2,425,932	4,431,805	(25,626,600)
Mission Support	128,467,596	-	-	612,722	(127,854,874)
Comprehensive Everglades Restoration Plan	24,865,512	-	-	81,680,055	56,814,543
Modeling & Scientific Support	15,550,268	-	166,337	-	(15,383,931)
Interest on Long Term Debt	25,466,262	-	7,012,877	-	(18,453,385)
Total	\$512,229,520	\$12,761,049	\$106,834,171	\$285,443,922	(107,190,378)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					476,628,776
Property Taxes, Levied for Everglades Construction					84,882,009
Investment Earnings					47,506,506
Miscellaneous					20,105,295
Total General Revenues					629,122,586
Change in Net Assets					521,932,208
Net Assets - Beginning					3,273,889,228
Net Assets - Ending					\$3,795,821,436

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
 Balance Sheet  
 Governmental Funds  
 September 30, 2007

	General	Okeechobee Basin SR	State Appropriations
<b>ASSETS</b>			
Cash and Investments	\$84,793,548	\$77,852,031	\$25,461,884
Cash held by Trustee	-	-	-
Accounts Receivable	877,826	1,094,250	187,426
Due from Other Governments	2,849,303	2,941,569	15,516,746
Due from Other Funds	-	5,136,886	-
Inventory	5,370	3,674,363	-
Other Assets	369,867	3,420	-
	<b>\$88,895,914</b>	<b>\$90,702,519</b>	<b>\$41,166,056</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$24,849,681	\$10,327,767	\$5,246,033
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue	-	-	-
	<b>24,849,681</b>	<b>10,327,767</b>	<b>5,246,033</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	9,776,476	8,862,939	31,616,304
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	12,938,279	-	-
Designated for Economic Stabilization	10,227,000	-	-
Designated for Insurance Claims	13,438,378	-	-
Undesignated	17,666,100	-	-
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	31,256,711	2,658,012
Designated for Economic Stabilization	-	9,831,000	-
Undesignated	-	30,424,102	1,645,707
Capital Projects Funds			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	-	-	-
Permanent Fund			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	-	-	-
	<b>64,046,233</b>	<b>80,374,752</b>	<b>35,920,023</b>
<b>Total Fund Balances</b>	<b>\$88,895,914</b>	<b>\$90,702,519</b>	<b>\$41,166,056</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$88,895,914</b>	<b>\$90,702,519</b>	<b>\$41,166,056</b>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
 Balance Sheet  
 Governmental Funds  
 September 30, 2007

	Save Our Rivers CP	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)
<b>ASSETS</b>			
Cash and Investments	\$12,960,025	\$77,787,854	\$93,673,316
Cash held by Trustee	-	-	-
Accounts Receivable	235,915	530,284	-
Due from Other Governments	1,025,344	1,079,776	43,322
Due from Other Funds	-	-	-
Inventory	-	-	-
Other Assets	-	65,768	-
	<u>\$14,221,284</u>	<u>\$79,463,682</u>	<u>\$93,716,638</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$4,621,646	\$11,688,654
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue	-	-	-
	<u>-</u>	<u>4,621,646</u>	<u>11,688,654</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	14,293,155	18,855,821	22,200,671
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Designated for Insurance Claims	-	-	-
Undesignated	-	-	-
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Undesignated	-	-	-
Capital Projects Funds			
Designated for Subsequent Years Expenditures	-	23,910,702	13,674,407
Undesignated	(71,871)	32,075,513	46,152,906
Permanent Fund			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	-	-	-
	<u>14,221,284</u>	<u>74,842,036</u>	<u>82,027,984</u>
Total Liabilities and Fund Balances	<u>\$14,221,284</u>	<u>\$79,463,682</u>	<u>\$93,716,638</u>

	Save Our Everglades	ACCELER8 Everglades Construction Project	ACCELER8 Comprehensive Everglades Restoration Plan
<b>ASSETS</b>			
Cash and Investments	\$ -	\$84	\$5,648,138
Cash held by Trustee	-	15,181,078	397,169,326
Accounts Receivable	256,518	-	-
Due from Other Governments	2,895,970	-	-
Due from Other Funds	-	-	-
Inventory	-	-	-
Other Assets	-	-	-
	<u>-\$3,152,488</u>	<u>\$15,181,162</u>	<u>\$402,817,464</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$132,102	\$1,370,893	\$25,165,517
Due to Other Governments	-	-	-
Due to Other Funds	557,853	-	-
Deferred Revenue	-	-	-
	<u>689,955</u>	<u>1,370,893</u>	<u>25,165,517</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	7,104,779	1,443,635	36,995,873
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Designated for Insurance Claims	-	-	-
Undesignated	-	-	-
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Undesignated	-	-	-
Capital Projects Funds			
Designated for Subsequent Years Expenditures	-	-	270,368,446
Undesignated	(4,642,246)	12,366,634	70,287,628
Permanent Fund			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	-	-	-
	<u>2,462,533</u>	<u>13,810,269</u>	<u>377,651,947</u>
Total Fund Balances	<u>2,462,533</u>	<u>13,810,269</u>	<u>377,651,947</u>
Total Liabilities and Fund Balances	<u>\$3,152,488</u>	<u>\$15,181,162</u>	<u>\$402,817,464</u>

Continued



South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2007

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Investments	\$132,169,684	\$510,346,564
Cash held by Trustee	-	412,350,404
Accounts Receivable	676,209	3,858,428
Due from Other Governments	23,846,871	50,198,901
Due from Other Funds	-	5,136,886
Inventory	27,764	3,707,497
Other Assets	483,022	922,077
	<u>\$157,203,550</u>	<u>\$986,520,757</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$13,886,764	\$97,289,057
Due to Other Governments	43,912	43,912
Due to Other Funds	4,579,033	5,136,886
Deferred Revenue	150,000	150,000
	<u>18,659,709</u>	<u>102,619,855</u>
FUND BALANCES		
Reserved for:		
Encumbrances	41,704,871	192,854,524
Acquisition of Land	3,526,056	3,526,056
Enhancement of Land	8,026,336	8,026,336
Long-term Management of Land	7,538,957	7,538,957
Unreserved, Reported in:		
General Fund		
Designated for Subsequent Years Expenditures	-	12,938,279
Designated for Economic Stabilization	-	10,227,000
Designated for Insurance Claims	-	13,438,378
Undesignated	-	17,666,100
Special Revenue Funds		
Designated for Subsequent Years Expenditures	15,102,361	49,017,084
Designated for Economic Stabilization	773,000	10,604,000
Undesignated	28,595,224	60,665,033
Capital Projects Funds		
Designated for Subsequent Years Expenditures	20,158,796	328,112,351
Undesignated	12,993,801	169,162,365
Permanent Fund		
Designated for Subsequent Years Expenditures	11,904	11,904
Undesignated	112,535	112,535
	<u>138,543,841</u>	<u>883,900,902</u>
Total Liabilities and Fund Balances	<u>\$157,203,550</u>	<u>\$986,520,757</u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 September 30, 2007

Fund balances - total governmental funds \$883,900,902

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

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

Governmental capital assets	\$3,815,662,368	
Less accumulated depreciation	<u>(179,923,339)</u>	3,635,739,029

Long term liabilities not due and payable in the current period are not reported in the governmental funds.

Bonds payable	(51,110,000)	
Bond premium payable	(25,984,866)	
Bank loans payable	(11,031,537)	
Certificates of participation payable	(546,120,000)	
Land purchases payable	(40,219,445)	
Capital leases payable	(895,678)	
Compensated absences	(20,625,000)	
Other post employment benefits (OPEB) payable	(2,667,895)	
Self-insurance claims payable	(8,924,780)	
Other claims payable	<u>(8,325,000)</u>	(715,904,201)

The difference between retired debt and new debt is amortized as an adjustment of interest expense in the statement of activities over the remaining life of the debt. The discounts, premiums, and issuance costs on the debt are not accrued/deferred in governmental funds, but rather are recognized as other financing sources or uses when the debt is issued.

Unamortized debt issuance costs - bonds	535,929	
Unamortized debt issuance costs - certificates of participation	3,802,540	
Unamortized discount on debt - bonds	121,285	
Unamortized discount on debt - certificates of participation	64,381	
Unamortized deferred interest	<u>2,246,131</u>	6,770,266

Bond and certificates of participation interest due October 1, 2007 is not reported as a liability of the governmental funds.

Accrued interest payable - bonds	(1,327,757)	
Accrued interest payable - certificates of participation	<u>(13,356,803)</u>	<u>(14,684,560)</u>

Net assets of governmental activities \$3,795,821,436

South Florida Water Management District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2007

	General	Okeechobee Basin SR	State Appropriations	Save Our Rivers CP
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$229,241,081	\$229,311,863	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	193,542	136,188	51,191,903	4,953,070
Investment Earnings (Loss)	7,101,632	7,508,791	-	766,784
Licenses, Permits, and Fees	5,406,659	139,828	-	-
Self-Insurance Premiums	2,536,441	-	-	-
Sale of District Property	102,558	537,974	-	22,500
Indirect Costs Recovered	5,814,975	-	-	-
Leases	73,488	-	-	1,231,609
Other	1,057,799	36,334	-	-
<b>Total Revenues</b>	<b>251,528,175</b>	<b>237,670,978</b>	<b>51,191,903</b>	<b>6,973,963</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	242,448	2,094,771	-	-
District Everglades	-	-	113,582	-
Operations and Maintenance	12,800,340	64,091,875	900,000	-
Water Supply	27,978,547	4,760,648	21,429,687	-
Kissimmee Watershed	224,652	9,355,073	950,000	106,358
Regulation	17,197,158	129,327	-	-
Lake Okeechobee	1,055,097	8,037,531	160,925	-
Coastal Watersheds	3,422,436	3,237,588	15,702,095	232,196
Mission Support	100,388,622	7,574,989	-	-
Comprehensive Everglades Restoration Plan	-	-	507,621	-
Modeling & Scientific Support	16,628,572	-	-	-
Capital Outlay	-	-	-	4,710,197
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Bank Loan Principal Payments	1,142,857	689,625	-	-
Bank Loan Interest	311,733	114,375	-	-
Capital Lease Principal Payments	-	968,060	-	-
Capital Lease Interest	-	53,983	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>181,392,462</b>	<b>101,107,845</b>	<b>39,763,910</b>	<b>5,048,751</b>
Revenues in Excess of (Less than) Expenditures	70,135,713	136,563,133	11,427,993	1,925,212
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issue	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
Discounts on Bonds Issued	-	-	-	-
Transfers In	7,313,000	1,074,191	-	-
Transfers Out	(62,438,065)	(103,509,202)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(55,125,065)</b>	<b>(102,435,011)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	15,010,648	34,128,122	11,427,993	1,925,212
Fund Balances at Beginning of Year	49,035,585	46,246,630	24,492,030	12,296,072
Fund Balances at End of Year	\$64,046,233	\$80,374,752	\$35,920,023	\$14,221,284

See Accompanying Notes to the Financial Statements



	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)	Save Our Everglades	ACCELER8 Everglades Construction Project
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$73,220,971	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	11,661,037	-	-	-
Intergovernmental	1,836,844	43,322	73,241,362	-
Investment Earnings (Loss)	4,138,150	1,342,793	1,766,939	2,714,703
Licenses, Permits, and Fees	-	-	-	-
Self-Insurance Premiums	-	-	-	-
Sale of District Property	-	5,781	-	-
Indirect Costs Recovered	-	-	-	-
Leases	-	-	-	-
Other	3,007	583,368	23	-
<b>Total Revenues</b>	<b>90,860,009</b>	<b>1,975,264</b>	<b>75,008,324</b>	<b>2,714,703</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
District Everglades Operations and Maintenance	27,920,481	-	-	1,542,755
Water Supply	-	-	-	-
Kissimmee Watershed Regulation	-	-	-	-
Lake Okeechobee Coastal Watersheds	-	-	223,593	-
Mission Support	12,896	-	-	-
Comprehensive Everglades Restoration Plan Modeling & Scientific Support	-	82,081,294	23,051,125	-
Capital Outlay	20,286,446	17,591,335	51,113,774	21,777,256
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Bank Loan Principal Payments	-	-	-	33,500,000
Bank Loan Interest	-	-	-	-
Capital Lease Principal Payments	-	-	-	-
Capital Lease Interest	-	-	-	-
COPS Bond Interest	1,228,274	8,863,533	-	-
<b>Total Expenditures</b>	<b>49,448,097</b>	<b>108,536,162</b>	<b>74,388,492</b>	<b>56,820,011</b>
Revenues in Excess of (Less than) Expenditures	41,411,912	(106,560,898)	619,832	(54,105,308)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issue	-	-	-	66,468,265
Premiums on Bonds Issued	-	-	-	3,174,416
Discounts on Bonds Issued	-	-	-	(9,866)
Transfers In	12,189,636	148,975,790	-	-
Transfers Out	(15,521,614)	(1,964,242)	(37,150,575)	(12,189,636)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,331,978)</b>	<b>147,011,548</b>	<b>(37,150,575)</b>	<b>57,443,179</b>
Net Change in Fund Balances	38,079,934	40,450,650	(36,530,743)	3,337,871
Fund Balances at Beginning of Year	36,762,102	41,577,334	38,993,276	10,472,398
Fund Balances at End of Year	\$74,842,036	\$82,027,984	\$2,462,533	\$13,810,269

Continued

South Florida Water Management District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2007

	ACCELER8 Comprehensive Everglades Restoration Plan	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$18,075,833	\$549,849,748
Agricultural Privilege Taxes	-	-	11,661,037
Intergovernmental	-	73,210,377	204,806,608
Investment Earnings (Loss)	17,133,092	5,033,623	47,506,507
Licenses, Permits, and Fees	-	2,567,450	8,113,937
Self-Insurance Premiums	-	-	2,536,441
Sale of District Property	-	628	669,441
Indirect Costs Recovered	-	-	5,814,975
Leases	-	3,342,014	4,647,111
Other	-	10,034,297	11,714,828
	<u>17,133,092</u>	<u>112,264,222</u>	<u>847,320,633</u>
<b>EXPENDITURES</b>			
Current Operating			
Land Stewardship	-	12,417,805	14,755,024
District Everglades	-	14,491,574	44,068,392
Operations and Maintenance	-	19,639,847	97,432,062
Water Supply	-	5,619,968	59,788,850
Kissimmee Watershed	-	640,232	11,276,315
Regulation	-	4,475	17,330,960
Lake Okeechobee	-	21,054,283	30,531,429
Coastal Watersheds	-	10,103,251	32,697,566
Mission Support	-	1,460,148	109,436,655
Comprehensive Everglades Restoration Plan	5,222,721	10,022,761	120,885,522
Modeling & Scientific Support	-	-	16,628,572
Capital Outlay	87,289,421	71,458,134	274,226,563
Debt Service			
Bond Principal Retirement	-	4,660,000	4,660,000
Bond Interest	-	2,303,401	2,303,401
Bank Loan Principal Payments	48,500,000	3,014,860	86,847,342
Bank Loan Interest	-	154,739	580,847
Capital Lease Principal Payments	-	-	968,060
Capital Lease Interest	-	-	53,983
COPS Bond Interest	-	-	10,091,807
	<u>141,012,142</u>	<u>177,045,478</u>	<u>934,563,350</u>
Revenues in Excess of (Less than) Expenditures	<u>(123,879,050)</u>	<u>(64,781,256)</u>	<u>(87,242,717)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Issue	479,651,735	-	546,120,000
Premiums on Bonds Issued	22,907,381	-	26,081,797
Discounts on Bonds Issued	(71,194)	-	(81,060)
Transfers In	1,022,051	91,319,129	261,893,797
Transfers Out	(11,975,790)	(17,144,673)	(261,893,797)
	<u>491,534,183</u>	<u>74,174,456</u>	<u>572,120,737</u>
Net Change in Fund Balances	367,655,133	9,393,200	484,878,020
Fund Balances at Beginning of Year	<u>9,996,814</u>	<u>129,150,641</u>	<u>399,022,882</u>
Fund Balances at End of Year	<u>\$377,651,947</u>	<u>\$138,543,841</u>	<u>\$883,900,902</u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2007

Net change in fund balances - total governmental funds		\$484,878,020
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Governmental capital assets	\$529,085,300	
Current year depreciation expense	<u>(23,675,888)</u>	505,409,412
The issuance of debt is reported as a financing resource in governmental funds and thus contributes to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities.		
Debt issued:		
Certificates of participation	(546,120,000)	
Net premium on certificates of participation	(26,000,737)	
Cost of issuance on certificates of participation	<u>4,140,137</u>	(567,980,600)
Repayment of borrowed principal from bonds, bank loans, and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bonds principal payment	4,660,000	
Bank loan principal payment	86,846,990	
Capital lease principal payment	<u>967,967</u>	92,474,957
Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in land purchases payable	37,460,071	
Change in long term compensated absences	(1,535,000)	
Change in long term self-insurance claims payable	(1,066,256)	
Change in OPEB payable	(2,667,895)	
Change in other claims payable	(725,000)	
Bond interest payable at September 30, 2007	(1,327,757)	
Bond interest payable at September 30, 2006	3,521,956	
COPs interest payable at September 30, 2007	(13,356,803)	
Amortization of deferred interest on bonds	(280,767)	
Amortization of discount on debt - bonds	(31,330)	
Amortization of discount on debt - certificates	(16,679)	
Amortization of premium on debt - bonds	548,626	
Amortization of premium on debt - certificates	1,536,850	
Amortization of cost of issuance on bonds	(182,655)	
Amortization of cost of issuance on certificates	<u>(337,597)</u>	21,539,764
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differ from the change in fund balance by the cost of the assets sold.		
Gain/loss on sale of capital assets		<u>(14,389,345)</u>
Change in net assets of governmental activities		<u>\$521,932,208</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT .....	III-13
(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	III-13
(a) Reporting Entity .....	III-13
(b) Government-wide and Fund Financial Statements.....	III-13
(c) Measurement Focus and Basis of Accounting .....	III-14
(d) Major Funds .....	III-14
(e) Budgetary Information.....	III-15
(f) Cash and Investments .....	III-15
(g) Inventory .....	III-16
(h) Capital Assets.....	III-16
(i) Compensated Absences .....	III-17
(j) Wetlands Mitigation .....	III-17
(k) Fund Balances / Net Assets .....	III-17
(l) Use of Estimates.....	III-18
(3) CASH AND INVESTMENTS .....	III-18
(4) ACCOUNTS RECEIVABLE.....	III-21
(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS .....	III-22
(6) OPERATING LEASE RENTAL REVENUES.....	III-22
(7) PROPERTY TAXES.....	III-23
(8) INTERGOVERNMENTAL TRANSACTIONS .....	III-24
(9) CAPITAL ASSETS ACTIVITY .....	III-25
(10) SHORT-TERM FINANCING.....	III-26
(11) LONG-TERM LIABILITIES .....	III-26
(12) DEFICIT FUND BALANCES.....	III-29
(13) OPERATING LEASES.....	III-29
(14) CAPITAL LEASES .....	III-29
(15) DEFINED BENEFIT PENSION PLAN .....	III-30
(16) OTHER POST EMPLOYMENT BENEFITS (OPEB).....	III-31
(17) INSURANCE ACTIVITIES.....	III-32
(18) COMMITMENTS-CONDEMNATION PROCEEDINGS.....	III-33
(19) MAJOR CONSTRUCTION COMMITMENTS .....	III-33
(20) OTHER COMMITMENTS AND CONTINGENCIES .....	III-35
(21) SUBSEQUENT EVENT.....	III-35



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

*(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT*

The South Florida Water Management District (the District) is a public corporation organized under Florida Statutes, Chapter 373, and is controlled by a Governing Board consisting of nine members appointed by the Governor to staggered four-year terms.

The District covers all or parts of sixteen counties in Central and Southern Florida. The primary objectives of the District are to promote the natural systems protection and restoration; development and proper utilization of surface and ground water within District boundaries; and to prevent damage from floods, soil erosion and excessive drainage. To accomplish these objectives, the District is empowered to manage and regulate the usage and storage of water within District boundaries and to acquire properties and construct facilities as necessary. The District works in concert with the State of Florida (the State) and agencies of the federal government to accomplish the previously described water management objectives.

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The more significant accounting policies are summarized in the following paragraphs.

*(a) Reporting Entity*

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, to define the reporting entity. The financial statements include all operations over which the District is financially accountable. The District has not identified any component units and is not a participant in any joint venture.

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

*(b) Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Measurement Focus and Basis of Accounting

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. 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. The District considers revenues from property taxes and interest to be available if they are collected within sixty days of the end of the current fiscal period. Intergovernmental revenues are considered to be available if they are received within ten months.

Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

(d) Major Funds

The District reports the following major governmental funds:

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

The Okeechobee Basin SR Fund accounts for the normal operating expenditures of the Okeechobee Basin, an area covering all or part of fifteen counties in South Florida. Funding is provided by a .313 mill property tax levy, intergovernmental revenues, permitting fees and interest earnings.

The State Appropriations Fund accounts for expenditures made for various projects utilizing state sources. Among the funding sources are the Surface Water Projects from Ecosystem Management and Restoration Trust Fund, the Water Protection and Sustainability Trust Fund, and various state agencies.

The Save Our Rivers CP Fund accounts for capital expenditures for the purchase of sensitive water resource land. Funding is provided through allocations from the Florida Forever Trust Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(d) Major Funds (continued)*

The Everglades Trust Fund accounts for capital expenditures to construct six stormwater treatment areas to cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Funding is provided through a .100 mill tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.

The Comprehensive Everglades Restoration Plan (CERP) Fund accounts for revenues and expenditures associated with projects included in the Central and Southern Florida (C&SF) Restudy and which form the basis of the CERP. These projects are designed to increase the availability of water supplies for consumptive use or cost share with the federal government on regional projects intended to mitigate consequences that are an outgrowth of the original Central and Southern Florida Flood Control Project. Funding is provided by operating transfers from the General Fund and the Okeechobee Basin SR Fund.

The Save Our Everglades Fund accounts for revenues and expenditures for the Comprehensive Everglades Restoration Plan that are funded from the state's Save Our Everglades Trust Fund.

The Acceler8 Everglades Construction Project Fund accounts for revenues derived from debt, both short term and long term, issued to support the construction of projects in the Everglades / Long Term Plan Implementation Program and expenditures associated with the construction of those projects.

The Acceler8 Comprehensive Everglades Restoration Plan Fund accounts for revenues derived from debt, both short term and long term, issued to support the construction of projects in the Comprehensive Everglades Restoration Plan and expenditures associated with the construction of those projects.

*(e) Budgetary Information*

The District has elected to report budgetary comparisons as required supplementary information (RSI). Please refer to the accompanying notes to the RSI for the District's budgetary information on page IV-7.

*(f) Cash and Investments*

The District utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in loaning fund(s). Cash includes currency on hand and demand deposits.

The District's investment policy authorizes investments in (1) the Florida Local Government Surplus Funds Trust Fund (SBA), (2) United States government securities unconditionally guaranteed by the full faith and credit of the United States government, (3) United States government agencies backed by the full faith and credit of the United States government, (4) United States government sponsored agencies, (5) Interest bearing time deposit or savings accounts of Florida Banks and Savings and Loan Associations approved under Chapter 280, Florida Statutes, (6) Commercial paper rated "Prime 1" by Moody's and "A1" by Standard and Poor's, (7) Corporate notes rated at a minimum "Aa" by Moody's and "AA" by Standard and Poor's, (8) Bankers Acceptances rated at a minimum "P-1" by Moody's and "A-1" by Standard and Poor's, (9) State and Local government taxable and/or tax exempt debt rated at least "Aa"

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(f) Cash and Investments (continued)*

by Moody's and "AA" by Standard and Poor's for long term debt or rated at least "MIG-1" by Moody's and "SP-1" by Standard and Poor's for short-term debt, (10) Money market mutual funds which are invested in United States Treasury Securities or United States government agency securities, (11) Master Repurchase Agreements collateralized by United States government securities, and (12) Reverse Repurchase Agreements.

As of September 30, 2007, the District had placed approximately 42% of its investments in U.S. Agency Obligations, 32% in Mortgage Backed Securities, 25% in the Local Government Surplus Funds Trust Fund, and 1% in Corporate Bonds. The Local Government Surplus Funds Trust Fund is a highly liquid investment pool available for investing temporarily idle cash by Florida governments and is managed by the State Board of Administration (SBA). In order to accommodate pool participants with readily available cash, a substantial portion of the portfolio is placed in short term securities. According to the SBA, the pool met the criteria to be considered as "2a-7 like", as defined by GASB Statement No. 31. Accordingly, the fund has been reported at the same value as the pool shares allocated to the District.

The Local Government Surplus Funds Trust Fund is governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the Administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

The District's investment portfolio is valued based on a blend of third party market pricing services such as 'FISERV' and 'BLOOMBERG'.

During the year, the District did not directly invest any resources in derivatives. Investments made through State-administered trust funds include derivatives. These investments are made on a pooled basis and the individual risk to the District is unknown.

*(g) Inventory*

Inventory is stated at average cost and consists of fuel, chemicals and supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed.

*(h) Capital Assets*

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (bridges, water control structures, canals and levees), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of one year or more. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date donated. Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the costs and their related accumulated depreciation are eliminated from the respective accounts.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(h) Capital Assets (continued)*

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

<u>Asset</u>	<u>Years</u>
Vehicles	5-15
Equipment	5-25
Buildings	10-40
Improvements Other Than Buildings	12-20
Water Control Structures	25-50

Canals and levees are considered to be land improvements and therefore are not depreciated.

*(i) Compensated Absences*

District employees are granted a specific number of vacation and sick leave hours with pay. Non-management employees are permitted to accrue a maximum of 360 hours of vacation as of December 31. Managers are permitted to accrue a maximum of 480 hours of vacation as of December 31. Employees are paid for excess vacation time over the maximum in January. Upon termination of employment, employees are paid for a percentage of unused sick leave after at least six years of service. The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds when payments are made to employees. However, the liability for all accrued and vested vacation and sick leave benefits plus sick leave benefits expected to become vested is recorded in the government-wide financial statements. The District normally liquidates its liability for compensated absences from the General Fund and the Okeechobee Basin Special Revenue Funds.

*(j) Wetlands Mitigation*

The District manages a program for mitigating the impact of wetland destruction through a specialized regulatory permit process. Permit applicants are required to remit a specified cash payment to the District as part of the permit conditions. The permit restricts the use of the funds received by the District to land acquisition, land restoration and long-term management of the lands in areas managed by the District that are near the lands being developed by permittees. The District accounts for the money received to assure it is used only for the approved purpose in the assigned area. Funds received for land acquisition and restoration (expendable) are placed in the Wetlands Mitigation SR Fund. Funds received for long-term management (nonexpendable) are placed in the Wetlands Mitigation Permanent Fund.

*(k) Fund Balances / Net Assets*

In the fund financial statements, reservations of fund balance are reported to indicate that a portion of fund balance is not available for appropriation for expenditure or is legally segregated for a specific purpose. Designations of fund balance identify tentative plans for the future use of financial resources. The undesignated fund balance is available for future appropriation.

Net assets represent the difference between assets and liabilities and are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of September 30, 2007, the District had approximately \$50 million in restricted net assets through enabling legislation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(1) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

*(3) CASH AND INVESTMENTS*

**Statement of Policy:**

The purpose of the District's investment policy is to set forth the investment objectives and parameters for the management of public funds of the District. The policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

The District's policy is written in accordance with Section 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.

**Interest Rate Risk:**

Investments are made based upon prevailing market conditions at the time of the transaction. While the overall intent is to hold securities to maturity, the on-going management of the portfolio allows for actions designed to meet cash needs of the District and attempts to maximize investment yield while minimize losses. Investment in Mortgage Backed Securities allows for a monthly return of principal with interest in order to meet current expenditures. In addition, investments can be sold prior to maturity in order to improve yield, modify the target duration or improve the overall credit position of the portfolio.

The District uses a duration method to construct a portfolio of bonds to fund its future cash needs. For reporting purposes, it selects the effective duration to disclose the portfolio's exposure to changes in interest rates. Through its investment policy, the District manages its exposure to fair value losses arising from interest rate increases by limiting the effective duration of its investment portfolio, including cash balances, to less than two years.

The District maintains an allocation of its investments in U.S. Agency Obligation securities which are callable by the issuer. These bonds are subject to the risk of being called prior to maturity.

The District invests in Mortgage Backed Securities, including Collateralized Mortgage Obligations (CMO's) in part to maximize yield and as a protection against a rise in interest rates. These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. An increase in interest rates may increase the average maturity of these investments. The District currently limits its exposure to all mortgage investments to 35% of the total portfolio balance at the time of purchase.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(3) CASH AND INVESTMENTS (continued)*

As of September 30, 2007 the District had the following investments in its pooled portfolio.

Investment Type	Fair Value	Effective Duration (in yrs)
State Investment Pool	\$ 117,004,305	0.00
U.S. Agency Obligations	205,462,932	0.56
Mortgage Backed Securities	141,266,829	3.20
Corporate Bonds	<u>4,995,550</u>	0.06
Total Fair Value	<u>\$ 468,729,616</u>	
Portfolio Effective Duration		<b>1.21</b>

**Credit Risk:**

For liquidity purposes, the District invests in the State of Florida's Local Government Surplus Funds Trust Fund, which is managed in accordance with State statutes. The pool is unrated by the major rating agencies, and investment into the fund by local governments is consistent with SEC rule 2a-7.

All of the District's investments for fiscal year 2007 in the bonds of U.S. Agencies were rated AAA by Standard and Poor's and Fitch ratings, and Aaa by Moody's Investor Services. This applies to the direct agency obligations as well as the investment into Mortgage Backed Securities and CMO's.

**Credit Quality Distribution for Securities with Credit Exposure**

<u>Investment Type</u>	<u>Credit Rating</u>
State Investment Pool	Unrated
Fannie Mae – Agencies	AAA
Freddie Mac – Agencies	AAA
Federal Home Loan Bank – Agencies	AAA
Federal Farm Credit Bank – Agencies	AAA
Mortgage Backed Securities	AAA
MBIA Corporate Note	AAA
Wells Fargo Non-Agency Mortgage Backed Security	AAA
Goldman Sachs Non-Agency Mortgage Backed Security	AAA

**Custodial Credit Risk - Deposits:**

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(3) CASH AND INVESTMENTS (continued)*

**Custodial Credit Risk - Investments:**

The District's investment policy requires that all securities be held with a third party custodian in a separate account which is designated as an asset of the District. The custodian acts as the safekeeper of the District's investment securities. No withdrawal of securities, in whole or in part, is made from safekeeping without written authorization of designated District staff.

**Concentration of Credit Risk:**

The District's policy authorizes investment allocation limits on security types, issuers, and maturity limitations. However, the Executive Director has the option to modify investment percentages from time to time based on market conditions, risk and diversification investment strategies. These actions are delegated to the Director of Finance and Administration and/or the District Treasurer to implement as needed.

**Percentage Allocation by Issuer as of September 30, 2007**

<u>Issuer</u>	<u>Percent of Total Portfolio</u>
State Investment Pool	24.96%
Fannie Mae	17.96%
Freddie Mac	22.84%
Federal Home Loan Bank	24.87%
MBIA – Corporate Note	1.07%
Wells Fargo Non-Agency Mortgage Backed Security	5.43%
Goldman Sachs Non-Agency Mortgage Backed Security	1.80%
Federal Farm Credit Bank	<u>1.07%</u>
	<u>100.00%</u>



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(3) CASH AND INVESTMENTS (continued)*

Cash and investments as of September 30, 2007 are comprised of the following:

*Cash Deposits:*

Money Market Accounts	\$ 5,992,299
Demand Deposit Accounts	14,585,621
Petty Cash	<u>7,225</u>
<b>Total Cash Deposits</b>	<u><b>20,585,145</b></u>

*Cash Deposits Held by Trustee:* 433,382,207

*Investments Held by the District:*

U.S. Agency Obligations	205,462,932
Investments in Mortgage Backed Securities	141,266,829
Corporate Bonds	4,995,550
Investments in Local Government Surplus Trust Fund	<u>117,004,305</u>
<b>Total Investments</b>	<u><b>468,729,616</b></u>
<b>Total Cash and Investments</b>	<u><b>\$ 922,696,968</b></u>

*(4) ACCOUNTS RECEIVABLE*

Accounts receivable at September 30, 2007 consist of the following:

	General Fund	Okeechobee Basin SR Fund	State Appropriations Fund	Save Our Rivers CP Fund
Leases	\$ (49,512)	\$ -	\$ -	\$ -
Interest	885,082	1,069,813	187,426	93,604
Other	<u>42,256</u>	<u>24,437</u>	<u>-</u>	<u>142,311</u>
	<u><b>\$ 877,826</b></u>	<u><b>\$ 1,094,250</b></u>	<u><b>\$ 187,426</b></u>	<u><b>\$ 235,915</b></u>

	Everglades Trust Fund	Save Our Everglades Fund	Other Funds	Total
Leases	\$ -	\$ -	\$ 56,165	\$ 6,653
Interest	529,680	256,518	620,042	3,642,165
Other	<u>604</u>	<u>-</u>	<u>2</u>	<u>209,610</u>
	<u><b>\$ 530,284</b></u>	<u><b>\$ 256,518</b></u>	<u><b>\$ 676,209</b></u>	<u><b>\$ 3,858,428</b></u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS*

Interfund receivables and payables as of September 30, 2007 are as follows:

	Interfund Receivable	Interfund Payable
Okeechobee Basin SR Fund	\$ 5,136,886	\$ -
Save Our Everglades Fund	-	557,853
Other Funds	-	4,579,033
	\$ 5,136,886	\$ 5,136,886

Interfund transfers during the year are as follows:

	<i>To:</i>							
		Okeechobee	Everglades	Comprehensive	Acceler8	Other		
	General	Basin	Trust	Everglades	CERP	Funds		
<i>From:</i>	Fund	SR Fund	Fund	Rest. Plan CP	Fund	Funds	Totals	
General	\$ -	\$ -	\$ -	\$ 59,469,222	\$ -	\$ 2,968,843	\$ 62,438,065	
Okeechobee Basin SR	-	-	-	69,130,778	-	34,378,424	103,509,202	
Everglades Trust Fund	-	-	-	-	-	15,521,614	15,521,614	
Comprehensive Everglades	-	942,191	-	-	1,022,051	-	1,964,242	
Save Our Everglades Fund	6,600,000	-	-	8,400,000	-	22,150,575	37,150,575	
Acceler8 Everglades Fund	-	-	12,189,636	-	-	-	12,189,636	
Acceler8 CERP Fund	-	-	-	11,975,790	-	-	11,975,790	
Other Governmental Funds	713,000	132,000	-	-	-	16,299,673	17,144,673	
	\$ 7,313,000	\$ 1,074,191	\$ 12,189,636	\$ 148,975,790	\$ 1,022,051	\$ 91,319,129	\$ 261,893,797	

The majority of transfers are used to account for the District's required share of funding for Everglades restoration in accordance with the Comprehensive Everglades Restoration Plan. Other transfers are to reimburse funds for expenditures made on behalf of the paying funds.

*(6) OPERATING LEASE RENTAL REVENUES*

**Property on Operating Leases and Property Held for Lease**

The District purchases land for environmental restoration projects. Quite often there are agricultural activities occurring on parts of the land at the time of purchase. If the land is not needed for a project immediately, the District allows these activities to continue because it results in lower land maintenance costs. In addition, the District charges rent for the continued use of the land for farming until such time it is needed for an environmental restoration project. The District's investment in property on which there are operating leases is \$758 million as of September 30, 2007.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(6) OPERATING LEASE RENTAL REVENUES (continued)*

**Revenues under Operating Leases**

The following is a schedule by year of minimum future revenues on noncancelable operating leases as of September 30, 2007:

Year Ending September 30:

2008	\$ 3,630,578
2009	1,188,527
2010	942,095
2011	958,670
2012	706,428
2013 - 2017	<u>410,624</u>
Total minimum future revenues*	<u>\$ 7,836,922</u>

\*This amount does not include contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. Contingent revenues amounted to \$-0- in 2007.

*(7) PROPERTY TAXES*

The District is permitted by Florida Statutes to levy taxes up to .800 mills per \$1,000 of assessed valuation. The rate levied for a majority of the District for fiscal year 2007 was .697 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within the District. The assessed value at January 1, 2006, upon which the fiscal year 2007 levy was based, was approximately \$845.2 billion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the District based on the amount of receipts reported by the county tax collectors. Property taxes receivable from the county tax collectors at September 30, 2007, is \$2,873,732 and is included in tax revenues.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(8) INTERGOVERNMENTAL TRANSACTIONS*

Amounts due from other governments at September 30, 2007 and intergovernmental revenues for 2007 consist of the following:

	Due From Other Governments	Intergovernmental Revenues
U.S. Army Corps of Engineers	\$ 871,971	\$ 679,418
U.S. Department of Homeland Security	2,127,572	7,972,130
U.S. Department of the Interior	84,006	220,326
U.S. Department of Agriculture	4,589,252	9,116,480
U.S. Fish and Wildlife Service	52,998	
Florida Department of Environmental Protection	32,157,841	173,074,248
Florida Fish and Wildlife Conservation Commission	2,624,812	2,961,667
Florida Department of Agriculture and Consumer Services	822,853	586,208
Florida Department of Transportation	13,355	973,341
Florida Department of Revenue	-	4,746,018
Florida Department of Motor Vehicles	-	427,847
Florida Inland Navigation District	-	1,797,800
Martin County	-	2,208,128
Various Counties:		
Ad Valorem Taxes	2,873,732	
Property Appraiser/Tax Collector Fee Credits	3,831,291	
Other Governments	<u>149,218</u>	<u>42,997</u>
<b>Total</b>	<b><u>\$ 50,198,901</u></b>	<b><u>\$ 204,806,608</u></b>



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(9) CAPITAL ASSETS ACTIVITY*

	Balance at October 1, 2006	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2007
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$2,128,790,088	\$ 68,281,167	\$ (25,321)	\$ 21,281,939	\$2,218,327,873
Canals and Levees	435,263,388	55,881,091	-	-	491,144,479
Construction in Process	<u>178,594,010</u>	<u>275,269,471</u>	<u>(6,132,503)</u>	<u>(54,452,251)</u>	<u>393,278,727</u>
	<u>2,742,647,486</u>	<u>399,431,729</u>	<u>(6,157,824)</u>	<u>(33,170,312)</u>	<u>3,102,751,079</u>
<i>Capital Assets Being Depreciated:</i>					
Buildings	61,861,404	51,791	(21,904)	-	61,891,291
Equipment	126,817,083	14,717,737	(12,272,036)	1,645,327	130,908,111
Improvements	16,768,984	456,634	-	1,207,581	18,433,199
Water Control Structures	<u>363,727,777</u>	<u>123,705,883</u>	<u>(16,072,376)</u>	<u>30,317,404</u>	<u>501,678,688</u>
	<u>569,175,248</u>	<u>138,932,045</u>	<u>(28,366,316)</u>	<u>33,170,312</u>	<u>712,911,289</u>
<i>Less Accumulated Depreciation:</i>					
Buildings	18,481,108	1,617,352	(14,947)	-	20,083,513
Equipment	63,496,557	11,519,894	(10,841,374)	-	64,175,077
Improvements	6,741,746	840,678	-	-	7,582,424
Water Control Structures	<u>78,384,361</u>	<u>9,697,964</u>	<u>-</u>	<u>-</u>	<u>88,082,325</u>
	<u>167,103,772</u>	<u>23,675,888</u>	<u>(10,856,321)</u>	<u>-</u>	<u>179,923,339</u>
Capital Assets, Net	<u>\$3,144,718,962</u>	<u>\$514,687,886</u>	<u>\$(23,667,819)</u>	<u>\$ -</u>	<u>\$3,635,739,029</u>

Depreciation expense was charged to the following programs during the fiscal year:

Land Stewardship	\$ 250,569
District Everglades	1,914,909
Operations and Maintenance	11,673,520
Water Supply	39,420
Kissimmee Restoration	79,669
Regulation	48,465
Lake Okeechobee	93,521
Coastal Watersheds	16,075
Mission Support	9,045,928
Comprehensive Everglades Restoration Plan	328,118
Modeling and Scientific Support	<u>185,694</u>
Total Depreciation Expense	<u>\$23,675,888</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(10) SHORT-TERM FINANCING*

During fiscal year 2006, the District entered into an agreement with a commercial bank for an \$82 million loan with a term of one year. The proceeds from this loan were used to provide bridge financing for fast-track water storage and environmental enhancement construction projects, referred to as the Acceler8 initiative. The loan was repaid during fiscal year 2007, utilizing proceeds from the sale \$546,120,000 of Certificates of Participation (COPS) (see page II-17 of Management's Discussion and Analysis for further description of Acceler8, and COPS).

*(11) LONG-TERM LIABILITIES*

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2007:

	Balance at October 1, 2006	Additions	Retirements And Adjustments	Balance at September 30, 2007	Amounts Due Within One Year
Land Acquisition Bonds	\$ 55,770,000	\$ -	\$ (4,660,000)	\$ 51,110,000	\$ 4,785,000
Bond Premium	1,988,545	26,081,797	(2,085,476)	25,984,866	2,154,197
Bank Loans	15,878,527	-	(4,846,990)	11,031,537	3,248,377
Certificates of Participation	-	546,120,000	-	546,120,000	7,675,000
Land Purchase Payable	77,679,516	-	(37,460,071)	40,219,445	40,219,445
Capital Leases	1,863,645	-	(967,967)	895,678	502,187
Compensated Absences	19,090,000	11,114,000	(9,579,000)	20,625,000	7,700,000
Other Post Emp Benefits	-	2,667,895	-	2,667,895	828,755
Self Insurance Claims	7,858,524	2,497,127	(1,430,871)	8,924,780	711,088
Other Claims	7,600,000	8,225,000	(7,500,000)	8,325,000	-
	<u>\$ 187,728,757</u>	<u>\$ 596,705,819</u>	<u>\$ (68,530,375)</u>	<u>\$ 715,904,201</u>	<u>\$ 67,824,049</u>

Special Obligation Land Acquisition Bonds are issued by the District to provide funds for the acquisition of environmentally sensitive lands. Principal and interest on the Land Acquisition Bonds are secured by a lien on documentary stamp excise taxes collected statewide by the State of Florida and allocated to the State's five water management districts through the Water Management Lands Trust Fund. The District accounts for debt service transactions in the Save Our Rivers SR Fund.

A summary of the status of the District's bonded debt as of September 30, 2007 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002 Refunding	\$ 23,810,000	2007-2016	2.70-4.00%	\$ 19,385,000
2003 Refunding	<u>34,550,000</u>	2007-2016	3.50-5.25%	<u>31,725,000</u>
	<u>\$ 58,360,000</u>			<u>\$ 51,110,000</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(11) LONG-TERM LIABILITIES (continued)*

Fiscal year requirements to amortize bonded debt outstanding as of September 30, 2007 are as follows:

	Principal	Interest	Total
2008	\$ 4,785,000	\$ 2,143,086	\$ 6,928,086
2009	4,975,000	1,940,171	6,915,171
2010	5,190,000	1,722,396	6,912,396
2011	5,415,000	1,489,721	6,904,721
2012	5,655,000	1,265,749	6,920,749
2013-2016	<u>25,090,000</u>	<u>2,439,121</u>	<u>27,529,121</u>
	<u>\$ 51,110,000</u>	<u>\$ 11,000,244</u>	<u>\$ 62,110,244</u>

During previous fiscal years, the District entered into agreements with commercial banks to provide long-term financing for a major land purchase and for various capital projects.

A summary of the status of the District's outstanding bank loans at September 30, 2007 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002	\$ 9,000,000	2007-2008	3.57%	\$ 1,415,895
2003	2,827,374	2007-2011	4.30%	1,615,642
2003	2,000,000	2007-2011	2.83%	1,142,857
2005	<u>8,000,000</u>	2007-2013	4.20%	<u>6,857,143</u>
	<u>\$ 21,827,374</u>			<u>\$ 11,031,537</u>

Fiscal year requirements to amortize the bank loans as of September 30, 2007 are as follows:

	Principal	Interest	Total
2008	\$ 3,248,377	\$ 391,189	\$ 3,639,566
2009	1,832,482	279,620	2,112,102
2010	1,832,482	206,172	2,038,654
2011	1,832,482	132,724	1,965,206
2012	1,142,857	72,000	1,214,857
2013	<u>1,142,857</u>	<u>24,000</u>	<u>1,166,857</u>
	<u>\$ 11,031,537</u>	<u>\$ 1,105,705</u>	<u>\$ 12,137,242</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(11) LONG-TERM LIABILITIES (continued)*

In FY07, the District issued Certificates of Participation (COPS), Series 2006, in order to provide funds for the construction of accelerated projects in furtherance of restoration of the Everglades. COPS are statutorily-authorized tax-exempt certificates showing participation through ownership of a ‘share’ of lease payments for a capital facility of a governmental agency. Total COPS issued amounted to \$546,120,000.00, having interest rates ranging from 3.5% to 5.0%. The District accounts for debt service transactions relative to COPS in the Everglades Trust Fund and the Comprehensive Everglades Restoration Plan (CERP) Fund.

Fiscal year requirements to amortize the certificates of participation as of September 30, 2007 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 7,675,000	\$ 26,579,294	\$ 34,254,294
2009	9,015,000	26,268,594	35,283,594
2010	9,370,000	25,923,546	35,293,546
2011	9,705,000	25,539,177	35,244,177
2012	10,135,000	25,088,036	35,223,036
2013-2017	58,195,000	117,717,051	175,912,051
2018-2022	73,960,000	101,511,050	175,471,050
2023-2027	94,250,000	80,694,750	174,944,750
2028-2032	120,290,000	54,003,500	174,293,500
2033-2037	<u>153,525,000</u>	<u>19,938,625</u>	<u>173,463,625</u>
	<u>\$ 546,120,000</u>	<u>\$ 503,263,623</u>	<u>\$1,049,383,623</u>

During fiscal year 2003, the Governing Board approved the purchase of a major land acquisition known as Palm Beach Aggregates. The property is a commercial rock mine that is planned to be used to store water as part of the Comprehensive Everglades Restoration Plan described in Note 18. The District has taken title to the property but will allow the rock mining operation to continue to completion based on an agreed-upon schedule for surrender of storage volume.

Under the original agreement, the District’s total cost of the acquisition was \$157 million to acquire storage volume of up to 31,500 acre-feet of water. During fiscal year 2004, the agreement was amended. Under the amended agreement, the District will pay a total of \$217,581,500 to acquire total storage volume of up to 47,000 acre-feet of water. The final payment is scheduled to be made in 2008, in the amount of \$40,219,445.

The liability for compensated absences is generally liquidated by the General fund and the Okeechobee Basin SR fund. The liability for claims and judgments (which is identified in the schedule of long-term liabilities as “other liabilities”) is generally liquidated by the General fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(12) DEFICIT FUND BALANCES*

At September 30, 2007, the following funds have deficit fund balances:

Melaleuca Management Fund	\$53,048
External Grants Fund	364,694
Comprehensive Everglades Restoration Plan – Federal Sources Capital Projects Fund	353,452

These deficits are expected to be covered by future reimbursements from the State of Florida, the federal government and operating transfers from the Okeechobee Basin Special Revenue fund.

*(13) OPERATING LEASES*

The District is committed under various operating leases for building, office space, office equipment and data processing equipment. Lease expenditures for the year ended September 30, 2007 amounted to approximately \$3,453,000. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2008	\$ 4,364,037
2009	3,395,155
2010	2,771,308
2011	4,670,702
2012	2,947,342
2013	<u>491,265</u>
Total minimum future lease payments	<u>\$ 18,639,809</u>

*(14) CAPITAL LEASES*

The District has lease agreements that qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date of the lease. These lease agreements are to acquire equipment having an original cost of approximately \$2,439,000.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(14) CAPITAL LEASES (continued)*

The following is a schedule of the District's future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of September 30, 2007:

Year Ending September 30:

2008	\$ 528,081
2009	205,873
2010	<u>205,873</u>
Total minimum future lease payments	939,827
Less: Amount representing interest	<u>(44,149)</u>
Present value of future minimum lease payments	<u>\$ 895,678</u>

*(15) DEFINED BENEFIT PENSION PLAN*

**Plan Description:**

The District contributes to the Florida Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida Division of Retirement. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established the System under Chapter 121, Florida Statutes, and has sole authority to amend benefit provisions. Each year the System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

**Funding Policy:**

The System is non-contributory for employees and the District is required to contribute an actuarially determined rate. During the fiscal year the rate was 9.85 % of annual covered payroll. The contributions of the District are established and may be amended by the State Legislature. The District's contributions to the System for the past three fiscal years, equal to the required contributions for each year, are as follows:

Year Ending September 30:

2007	\$ 11,523,000
2006	9,167,000
2005	7,878,000

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(16) OTHER POST EMPLOYMENT BENEFITS (OPEB)*

**Plan Description:**

District retirees and their eligible dependents may continue participation in the District health insurance program as required by Florida Statutes, Section 112.0801. Because the cost to the retirees cannot be greater than that to active employees for the same coverage, an implicit subsidy is being provided to retirees.

In January 2007, the District Governing Board approved a direct subsidy program to aid retirees in retaining quality healthcare coverage. The subsidy is a discount of the total premium contribution equal to 2% for each year of creditable service under the Florida Retirement System to a maximum of 30 years of creditable service or 60%.

The plan, a single employer defined benefit plan, is administered by the District. No formal trust is currently in place and benefits are provided through the annual budget appropriation. The provisions of the direct subsidy were established and may be amended by resolution of the District Governing Board.

The plan covers 1,695 active participants and 141 retirees.

**Funding Policy:**

The District contributes 2% for each year of creditable service up to a maximum of 30 years or 60% of the total premium. In addition, active employees contribute \$5.00 per pay period towards the future costs of retiree health insurance. All other costs are paid by the retirees. The plan is financed on a pay as you go basis.

**Annual OPEB Costs and Net OPEB Obligation:**

The District first had an actuarial valuation performed for the plan as of October 1, 2006, to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2007. The District's annual OPEB cost of \$3,464,775 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of September 30, 2006. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the initial year is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2007	\$3,464,775	\$796,880	23.00%	\$2,667,895

The net OPEB obligation as of September 30, 2007 was calculated as follows:

Annual Required Contribution	\$3,464,775
Interest on Net OPEB Obligation	--
Adjustment to Annual Required Contribution	--
Annual OPEB Cost	<u>\$3,464,775</u>
Contributions Made	<u>796,880</u>
Net OPEB Obligation End of Year	<u>\$2,667,895</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(16) OTHER POST EMPLOYMENT BENEFITS (continued)*

**Funded Status and Funding Progress:**

The funded status of the plan as of September 30, 2007 was as follows:

Actuarial Accrued Liability (AAL)	\$43,089,773
Actuarial Value of Plan Assets	—
Unfunded Actuarial Accrued Liability (UAAL)	43,089,773
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	111,761,487
UAAL as a Percentage of Covered Payroll	38.56%

Actuarial valuations of an OPEB 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 continued revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the October 1, 2006 actuarial valuation the entry age normal actuarial cost method was used. The actuarial assumptions included 4.55% investment rate of return and an annual healthcare cost trend rate of 10% in 2007, trending down .5% per year to 5% in 2017 and thereafter. The actuarial value of assets was not determined as the District has not advanced funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 30-year period. The assumed rate of payroll growth is 4% per year.

*(17) INSURANCE ACTIVITIES*

The District is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In 1976 the District established a self-insurance program for its workers' compensation exposure. The District is totally self-insured for workers' compensation claims. In 1986 the District established a self-insurance program for automobile and general liability claims. The District's financial exposure for automobile and general liability is limited to \$100,000 per person and \$200,000 per occurrence pursuant to Section 768.28, Florida Statutes. The District transfers its risk for personal and real property through the purchase of an insurance policy. The coverage is written on a 100% replacement/stated value basis, with varying retentions. The District purchases commercial insurance for hospital and medical benefits. Settled claims have not exceeded the amount of commercial coverage or the legally defined liability limits in any of the past three fiscal years.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

*(17) INSURANCE ACTIVITIES (continued)*

The self-insurance program is accounted for in the General Fund. Expenditures relating to insurance are charged to other funds based on a cost allocation study. These expenditures include actuarial estimates utilizing the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense. The actuarial figures are utilized to determine the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses and for losses incurred but not reported (IBNR) at year end.

The total estimated liability as of September 30, 2007 is approximately \$8,925,000 and is presented on a discounted basis using an expected investment yield of 4.0%. Changes in the Fund's claims liability amount for the current and prior fiscal years are summarized below:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2006	\$6,752,950	\$1,915,695	\$810,121	\$7,858,524
2007	7,858,524	2,523,326	1,457,070	8,924,780

*(18) COMMITMENTS – CONDEMNATION PROCEEDINGS*

The District is party to numerous lengthy condemnation proceedings (as plaintiff) and inverse condemnation proceedings (as defendant or co-defendant) regarding the taking of private lands throughout the District for public use. The court may rule there was no taking of land by the District resulting in no commitment to the District. Where a taking is ruled, the court determines the value of the land claimed by the owner and payment is made to the owner upon transfer of title to the District.

At September 30, 2007, the court has yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District's estimated future commitment for the purchase price of these lands (including attorneys' fees, interest, and other costs) is approximately \$222.3 million.

Should the court rule there is no taking of land or that the value of the land claimed by the owners is lower than the amounts claimed, the estimated future purchase commitment will vary. When the court rules there is a taking, the District will budget and appropriate funds to pay for the purchase of the land.

*(19) MAJOR CONSTRUCTION COMMITMENTS*

The Everglades Construction Project (ECP) is the first major step in Everglades's restoration pursuant to the Everglades Forever Act (EFA), passed by the Florida Legislature in 1994. The ECP is one of the largest public works projects in the nation for environmental restoration, estimated to cost approximately \$836 million over 20 years. The District has expended \$514.8 million on the Everglades Construction Project through fiscal year 2007. The total cost associated with implementing the 1994 ECP is shared among the District, state and federal governments, and the agricultural community. Major funding sources for the EFA include ad valorem property taxes (one-tenth mill tax levy), agricultural privilege taxes, state funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

*(19) MAJOR CONSTRUCTION COMMITMENTS (continued)*

The 1994 EFA directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The STAs, which consist of six large constructed wetlands totaling over 47,000 acres, are the cornerstone of the ECP.

In 2003, the Florida Legislature amended the EFA to expand and extend the use of the District's one-tenth mill ad valorem property tax levy, agricultural privilege taxes and other funding sources for implementing the Everglades "Long-Term Plan." Also in 2003, the State Environmental Regulation Commission approved a numeric water quality standard "phosphorus criterion" of 10 parts per billion (ppb) for the Everglades.

In 2004, the 2003 Long-Term Plan was revised to include the addition of approximately 18,000 acres of STAs on Compartments B and C in the EAA. There were subsequent revisions occurring in 2005, 2006 and 2007. These revisions also addressed modifications to the STA enhancements projects, changes to the source controls component of the plan, changes to the plan's Process Development and Engineering component, and the addition of new projects to the Long-Term Plan. It is currently projected that the Long-Term Plan's initial 13-year phase, including these revisions, will cost approximately \$1.7 billion.

During fiscal year 2007, the District continued implementation of the Long-Term Plan, as required by the EFA. In fiscal year 2007, approximately \$36.9 million was expended for work related to implementing the Long-Term Plan (not including the Accelerated projects that are part of the Long-Term Plan). Construction expenditures associated with the Long-Term Plan Accelerated projects totaled \$21.8 million, which were funded from proceeds of Certificates of Participation, Series 2006 (COPs), issued in fiscal year 2007. The remaining expenditure amount was associated with completion of some of the remaining ECP components and other EFA-related components. Project Management Plans will be revised at various phases of each project, and project cost estimate changes or schedule alterations will follow a required formal review and approval process. The total inception-to-date spent on the Long-Term Plan is approximately \$160.6 million.

Six of the STAs are operational in over 40,000 acres of effective treatment area. During the last water year (WY07), the STAs removed over 150 metric tons of phosphorus that otherwise would have entered the Everglades. To date, the STAs have removed over 960 metric tons of phosphorus. In addition, best management practices by landowners in the Everglades Agricultural Area have removed over 1,700 tons of phosphorus over the past ten years.

The restoration of the **Kissimmee River Basin** is a massive project that includes converting the Kissimmee River and adjacent lands back to a more natural state. This involves restoring 43 miles of the historic river and approximately 40 square miles of river/floodplain ecosystem.

The state and federal governments will split the estimated \$578 million cost to restore the river. The U.S. Army Corps of Engineers is responsible for the construction and the design of the restoration. As of fiscal year 2007 year end, the District has purchased approximately 97% of the estimated 105,000 acres needed to complete the project.

The **Comprehensive Everglades Restoration Plan (CERP)** is the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. Principal features of the plan are the creation of approximately 217,000 acres of new reservoirs and wetlands-based water treatment areas. These features vastly increase storage and water supply for the



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

*(19) MAJOR CONSTRUCTION COMMITMENTS (continued)*

natural system, as well as for urban and agricultural needs. The CERP is intended to restore a more natural flow of water, improve water quality and restore a more natural hydroperiod in the South Florida ecosystem.

Through the Water Resources Development Act of 2000, Congress has authorized an initial \$1.4 billion package of projects that will begin implementation of the Comprehensive Plan. The initial authorization includes (1) six pilot projects, (2) ten specific project features, and (3) a programmatic authority through which smaller projects can be more quickly implemented.

Implementation of the Comprehensive Everglades Restoration Plan is estimated to cost \$7.8 billion, half of which will be paid by the federal government. The State of Florida and the District, with other local agencies, will share the remaining half. As of fiscal year 2007 year end the District has expended \$1.7 billion with \$1.3 billion being spent for project land acquisition.

*(20) OTHER COMMITMENTS AND CONTINGENCIES*

The District participates in several federal and state assistance programs that are subject to financial and program compliance audits. Such audits could lead to reimbursements to the grantor agency for disallowed expenditures. However, management believes such disallowances, if any, will be immaterial.

*(21) SUBSEQUENT EVENT*

As discussed in Note (3), at September 30, 2007, the District had \$117,004,305 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

*(21) SUBSEQUENT EVENT (continued)*

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of February 29, 2008, the District has \$83,461,992 and \$9,899,953 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

# **FINANCIAL SECTION**

**REQUIRED SUPPLEMENTAL INFORMATION  
OTHER THAN MD&A  
(UNAUDITED)**



South Florida Water Management District  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - (Unaudited)  
 For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$230,442,781	\$230,442,781	\$229,241,081	(\$1,201,700)
Intergovernmental	101,697	101,697	193,542	91,845
Investment Earnings (Loss)	2,900,360	2,900,360	7,101,632	4,201,272
Licenses, Permits, and Fees	5,100,550	5,100,550	5,406,659	306,109
Self-Insurance Premiums	5,087,430	5,087,430	2,536,441	(2,550,989)
Sale of District Property	300,000	300,000	102,558	(197,442)
Indirect Costs Recovered	6,884,980	6,884,980	5,814,975	(1,070,005)
Leases	75,000	75,000	73,488	(1,512)
Other	-	-	1,057,799	1,057,799
	<u>250,892,798</u>	<u>250,892,798</u>	<u>251,528,175</u>	<u>635,377</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current				
Water Resources				
Land Stewardship	74,217	-	-	-
Operations and Maintenance	40,979	24,577	24,577	-
Water Supply	35,506,608	30,814,139	26,798,300	4,015,839
Kissimmee Watershed	198,601	116,109	114,651	1,458
Regulation	12,067,396	14,035,920	13,259,150	776,770
Lake Okeechobee	-	929,979	928,428	1,551
Coastal Watersheds	3,226,319	3,392,845	3,245,892	146,953
Mission Support	27,017	70,660	60,403	10,257
Modeling & Scientific Support	11,345,242	10,922,544	9,689,239	1,233,305
	<u>62,486,379</u>	<u>60,306,773</u>	<u>54,120,640</u>	<u>6,186,133</u>
Total Water Resources				
Operations and Maintenance				
Operations and Maintenance	13,559,387	13,756,859	12,702,811	1,054,048
Water Supply	676,650	613,651	606,751	6,900
Kissimmee Watershed	154,906	154,415	109,143	45,272
Regulation	218,091	214,950	153,923	61,027
Lake Okeechobee	59,234	127,792	126,669	1,123
Coastal Watersheds	132,447	123,252	123,252	-
Mission Support	142,650	142,650	138,928	3,722
Modeling & Scientific Support	814,806	776,855	666,118	110,737
	<u>15,758,171</u>	<u>15,910,424</u>	<u>14,627,595</u>	<u>1,282,829</u>
Total Operations and Maintenance				



South Florida Water Management District  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - (Unaudited)  
 For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Corporate Resources				
Operations and Maintenance	17,000	77,666	11,220	66,446
Water Supply	153,381	168,670	155,129	13,541
Regulation	6,326,307	3,908,407	3,784,085	124,322
Coastal Watersheds	103,202	57,633	23,165	34,468
Mission Support	111,478,935	109,263,105	100,011,423	9,251,682
Modeling & Scientific Support	402,417	561,429	465,478	95,951
Total Corporate Resources	<u>118,481,242</u>	<u>114,036,910</u>	<u>104,450,500</u>	<u>9,586,410</u>
Everglades Restoration				
Land Stewardship	175,865	256,144	242,448	13,696
Operations and Maintenance	143,652	64,307	61,732	2,575
Water Supply	609,108	464,152	418,367	45,785
Kissimmee Watershed	91,044	858	858	-
Coastal Watersheds	79,376	30,163	30,127	36
Mission Support	311,633	179,216	177,868	1,348
Modeling & Scientific Support	4,772,736	5,832,402	5,807,737	24,665
Total Everglades Restoration	<u>6,183,414</u>	<u>6,827,242</u>	<u>6,739,137</u>	<u>88,105</u>
Debt Service				
Bank Loan Principal Payments	-	1,142,857	1,142,857	-
Bank Loan Interest	-	326,607	311,733	14,874
Total Debt Service	<u>-</u>	<u>1,469,464</u>	<u>1,454,590</u>	<u>14,874</u>
Contingency				
Managerial Reserve	8,518,505	12,876,885	-	12,876,885
Contingency Reserve	2,816,711	2,816,711	-	2,816,711
Total Contingency	<u>11,335,216</u>	<u>15,693,596</u>	<u>-</u>	<u>15,693,596</u>
Total Expenditures	<u>214,244,422</u>	<u>214,244,409</u>	<u>181,392,462</u>	<u>32,851,947</u>
Revenues in Excess of (Less than) Expenditures	<u>36,648,376</u>	<u>36,648,389</u>	<u>70,135,713</u>	<u>33,487,324</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	7,795,616	7,313,000	7,313,000	-
Transfers Out	(61,118,377)	(62,618,377)	(62,438,065)	180,312
Total Other Financing Sources (Uses)	<u>(53,322,761)</u>	<u>(55,305,377)</u>	<u>(55,125,065)</u>	<u>180,312</u>
Net Change in Fund Balances	(16,674,385)	(18,656,988)	15,010,648	33,667,636
Fund Balances at Beginning of Year	49,035,585	49,035,585	49,035,585	-
Fund Balances at End of Year	<u>\$32,361,200</u>	<u>\$30,378,597</u>	<u>\$64,046,233</u>	<u>\$33,667,636</u>

South Florida Water Management District  
Okeechobee Basin SR  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$230,765,411	\$230,765,411	\$229,311,863	(\$1,453,548)
Intergovernmental	1,142,793	1,142,793	136,188	(1,006,605)
Investment Earnings (Loss)	3,142,058	3,142,058	7,508,791	4,366,733
Licenses, Permits, and Fees	83,000	83,000	139,828	56,828
Sale of District Property	-	-	537,974	537,974
Other	-	-	36,334	36,334
	<u>235,133,262</u>	<u>235,133,262</u>	<u>237,670,978</u>	<u>2,537,716</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Water Resources</b>				
Operations and Maintenance	-	20,384	20,384	-
Water Supply	828,771	1,385,291	694,149	691,142
Kissimmee Watershed	3,692,804	3,972,612	3,368,934	603,678
Regulation	-	200,000	-	200,000
Lake Okeechobee	6,014,708	6,124,314	5,463,474	660,840
Coastal Watersheds	2,245,781	1,543,287	1,252,976	290,311
Mission Support	-	28,621	27,931	690
	<u>12,782,064</u>	<u>13,274,509</u>	<u>10,827,848</u>	<u>2,446,661</u>
<b>Operations and Maintenance</b>				
Land Stewardship	3,293	3,293	2,723	570
Operations and Maintenance	64,513,570	64,338,850	60,182,508	4,156,342
Kissimmee Watershed	1,731,523	1,594,014	1,373,611	220,403
Lake Okeechobee	453,519	215,626	214,117	1,509
Coastal Watersheds	22,714	22,714	-	-
Mission Support	174,249	155,101	95,615	59,486
	<u>66,898,868</u>	<u>66,329,598</u>	<u>61,891,288</u>	<u>4,438,310</u>
<b>Corporate Resources</b>				
Land Stewardship	120,522	60,180	25,000	35,180
Operations and Maintenance	4,877,896	2,869,105	2,477,612	391,493
Water Supply	3,173,577	4,957,680	4,066,499	891,181
Kissimmee Watershed	4,944,394	4,537,231	3,810,446	726,785
Regulation	267,000	297,000	129,327	167,673
Lake Okeechobee	5,821,921	4,185,317	2,215,457	1,969,860
Coastal Watersheds	4,064,369	3,241,847	1,960,322	1,281,525
Mission Support	10,685,433	11,655,902	7,442,733	4,213,169
	<u>33,955,112</u>	<u>31,804,262</u>	<u>22,127,396</u>	<u>9,676,866</u>

South Florida Water Management District  
Okeechobee Basin SR  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Everglades Restoration				
Land Stewardship	1,043,290	2,284,231	2,067,048	217,183
Operations and Maintenance	1,399,428	1,495,037	1,411,371	83,666
Kissimmee Watershed	1,449,444	802,082	802,082	-
Lake Okeechobee	171,128	144,534	144,483	51
Coastal Watersheds	13,643	1,576	1,576	-
Mission Support	14,044	8,710	8,710	-
Total Everglades Restoration	<u>4,090,977</u>	<u>4,736,170</u>	<u>4,435,270</u>	<u>300,900</u>
Debt Service				
Bank Loan Principal Payments	-	689,625	689,625	-
Bank Loan Interest	-	114,375	114,375	-
Capital Lease Principal Payments	-	968,060	968,060	-
Capital Lease Interest	-	53,983	53,983	-
Total Debt Service	<u>-</u>	<u>1,826,043</u>	<u>1,826,043</u>	<u>-</u>
Contingency				
Managerial Reserve	13,731,976	13,488,411	-	13,488,411
Contingency Reserve	3,560,186	3,560,186	-	3,560,186
Total Contingency	<u>17,292,162</u>	<u>17,048,597</u>	<u>-</u>	<u>17,048,597</u>
Total Expenditures	<u>135,019,183</u>	<u>135,019,179</u>	<u>101,107,845</u>	<u>33,962,089</u>
Revenues in Excess of (Less than) Expenditures	<u>100,114,079</u>	<u>100,114,083</u>	<u>136,563,133</u>	<u>36,449,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	4,144,468	1,074,191	1,074,191	-
Transfers Out	(113,283,483)	(111,300,867)	(103,509,202)	7,791,665
Capital Leases	1,076,500	1,076,500	-	(1,076,500)
Total Other Financing Sources (Uses)	<u>(108,062,515)</u>	<u>(109,150,176)</u>	<u>(102,435,011)</u>	<u>6,715,165</u>
Net Change in Fund Balances	(7,948,436)	(9,036,093)	34,128,122	43,164,215
Fund Balances at Beginning of Year	46,246,630	46,246,630	46,246,630	-
Fund Balances at End of Year	<u>\$38,298,194</u>	<u>\$37,210,537</u>	<u>\$80,374,752</u>	<u>\$43,164,215</u>

South Florida Water Management District  
 State Appropriations  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - (Unaudited)  
 For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$56,060,249	\$56,060,249	\$51,191,903	(\$4,868,346)
Total Revenues	<u>56,060,249</u>	<u>56,060,249</u>	<u>51,191,903</u>	<u>(4,868,346)</u>
<b>EXPENDITURES</b>				
Current				
Water Resources				
District Everglades	360,672	251,353	113,582	137,771
Operations and Maintenance	900,000	900,000	900,000	-
Water Supply	25,777,194	23,821,603	18,759,063	5,062,540
Coastal Watersheds	17,859,236	17,630,796	7,493,672	10,137,124
Total Water Resources	<u>44,897,102</u>	<u>42,603,752</u>	<u>27,266,317</u>	<u>15,337,435</u>
Operations and Maintenance				
Coastal Watersheds	74,053	74,053	67,231	6,822
Total Operations and Maintenance	<u>74,053</u>	<u>74,053</u>	<u>67,231</u>	<u>6,822</u>
Corporate Resources				
Operations and Maintenance	74,038	74,038	-	74,038
Water Supply	-	7,865,235	2,670,624	5,194,611
Kissimmee Watershed	1,525,000	1,525,000	950,000	575,000
Lake Okeechobee	160,925	160,925	160,925	-
Coastal Watersheds	17,416,912	25,239,989	8,141,192	17,098,797
Comprehensive Everglades Restoration Plan	1,000,000	1,000,000	-	1,000,000
Total Corporate Resources	<u>20,176,875</u>	<u>35,865,187</u>	<u>11,922,741</u>	<u>23,942,446</u>
Everglades Restoration				
Comprehensive Everglades Restoration Plan	1,267,682	1,267,682	507,621	760,061
Total Everglades Restoration	<u>1,267,682</u>	<u>1,267,682</u>	<u>507,621</u>	<u>760,061</u>
Contingency				
Managerial Reserve	18,927,293	8,602,606	-	8,602,606
Total Expenditures	<u>85,343,005</u>	<u>88,413,280</u>	<u>39,763,910</u>	<u>48,649,370</u>
Revenues in Excess of (Less than) Expenditures	<u>(29,282,756)</u>	<u>(32,353,031)</u>	<u>11,427,993</u>	<u>43,781,024</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(3,070,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>

South Florida Water Management District  
 State Appropriations  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - (Unaudited)  
 For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balances	(32,353,033)	(32,353,031)	11,427,993	43,781,024
Fund Balances at Beginning of Year	<u>24,492,030</u>	<u>24,492,030</u>	<u>24,492,030</u>	<u>-</u>
Fund Balances at End of Year	<u><u>(\$7,861,003)</u></u>	<u><u>(\$7,861,001)</u></u>	<u><u>\$35,920,023</u></u>	<u><u>\$43,781,024</u></u>



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

### **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2007**

#### **BUDGETARY INFORMATION**

- Budgets are legally adopted for all funds and are adopted on a basis consistent with generally accepted accounting principles. The adopted budget represents a fiscal-year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. There are 11 Programs: Coastal Watersheds, District Everglades, Kissimmee Watershed, Lake Okeechobee, Modeling & Scientific Support, Regulation, Water Supply, Operations & Maintenance, Comprehensive Everglades Restoration Plan (CERP), Land Stewardship and Mission Support. The District is organized by departments which are grouped into four main resource areas: Water Resources, Operations & Maintenance (O&M), Corporate Resources and Everglades Restoration.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. Three budget amendments were approved by the Governing Board during the fiscal year 2007.
- For the year ended September 30, 2007, amendments to the State Appropriations Fund increased budgeted expenditures by a total of \$3.1 million. There were no budgeted expenditure changes for either the General Fund or the Okeechobee Basin Special Revenue Fund.

#### **OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

- The employer contributions reported on the Schedule of Employer Contributions represents the current amount paid by the District for the current year cost of the benefits, which were entirely paid to or on behalf of retirees. Accordingly, as disclosed on the Schedule of Funding Progress (see note 16 on page III-31), no assets have been placed in trust to advance fund the employer's obligation.

South Florida Water Management District  
Schedule of Employer Contributions  
Other Post-Employment Benefit Plans  
September 30, 2007

<u>Year Ended September 30</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2007	\$796,880	\$3,464,775	23.00%

# **FINANCIAL SECTION**

OTHER SUPPLEMENTAL INFORMATION



# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

#### **Big Cypress Basin SR Fund**

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by a .278 mill tax levy and interest earnings.

#### **Save Our Rivers SR Fund**

Accounts for expenditures made to manage and restore sensitive water resource lands within the District and to make the principal and interest payments on special obligation land acquisition bonds. Funding is provided by (1) a portion of documentary stamp tax revenues appropriated and allocated in the District's name and deposited in the Florida Water Management Lands Trust Fund administered by the State of Florida, (2) regulatory fines, and (3) interest earnings.

#### **Aquatic Plant Control Fund**

Accounts for expenditures made for aquatic plant control in the Kissimmee River and Upper Chain of Lakes. Funding is provided by the Florida Department of Environmental Protection.

#### **Melaleuca Control Fund**

Accounts for expenditures made for controlling the spread of melaleuca trees in environmentally sensitive areas. Funding is provided by the Florida Department of Environmental Protection.

#### **Wetlands Mitigation Fund**

Accounts for expenditures to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Funding is provided by private and other governmental contributions as part of the required permit.

#### **Indian River Lagoon Restoration Fund**

Accounts for expenditures to enhance the environmental and scenic value of surface waters in the Indian River Lagoon. Funding is provided by sales of Indian River Lagoon license plates.

#### **External Grants Fund**

Accounts for revenues and expenditures related to grants that are received primarily for research purposes. This separate fund facilitates the detailed tracking of expenditures and/or cost share contributions.

#### **Alternative Water Supply Fund**

Accounts for expenditures associated with the development of alternate water supply facilities including aquifer storage and recovery and wastewater reuse technologies. Funding is provided by operating transfers from the General Fund.

#### **Stormwater Treatment Areas Operations and Maintenance Fund**

Accounts for expenditures made for the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided by operating transfers from the District's Everglades Trust Fund.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

### **Nonmajor Governmental Funds**

#### **Special Revenue Funds (Continued)**

##### **Lake Belt Mitigation Fund**

Accounts for revenues and expenditures associated with Chapter 373.4249(2), Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County.

##### **Everglades License Plate Fund**

Accounts for expenditures for the conservation and protection of the natural resources and abatement of water pollution in the Everglades. Funding is provided by proceeds from Everglades License Plate sales.

##### **Lake Okeechobee Trust Fund**

Accounts for restoration projects associated with Lake Okeechobee. Funding is provided by the Florida Department of Environmental Protection.

#### **Capital Projects Funds**

Capital Projects Funds are maintained to account for financial resources to be used for the acquisition or construction of major capital facilities.

##### **District Fund**

Accounts for capital expenditures on projects associated with district-wide functions. Funding is provided through transfers from the General Fund.

##### **Okeechobee Basin CP Fund**

Accounts for capital expenditures on projects benefiting the Basin. Funding is provided through transfers from the Okeechobee Basin SR Fund.

##### **Big Cypress Basin CP Fund**

Accounts for capital expenditures on projects benefiting the Basin. Funding is provided through transfers from the Big Cypress Basin SR Fund.

##### **Federal Emergency Management Agency Fund**

Accounts for capital expenditures on projects funded by the Federal Emergency Management Agency.

##### **Florida Bay Fund**

Accounts for capital expenditures associated with restoring a more natural quantity, distribution, and timing of water flows to Florida Bay.

##### **Federal Land Acquisitions Fund**

Accounts for expenditures relating to land purchases that are reimbursed by the federal government.

##### **CERP – Federal Funds**

Accounts for revenues received from and expenditures funded through the federal government for the Comprehensive Everglades Restoration Plan.



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

### **Nonmajor Governmental Funds**

#### **Capital Projects Funds (Continued)**

##### **CERP – Other Creditable Funds Fund**

Accounts for revenues received from and expenditures funded through various sources for the Comprehensive Everglades Restoration Plan. This excludes revenues and expenditures from federal sources, district ad-valorem property tax sources, and the state's Save Our Everglades Trust Fund.

##### **Permanent Fund**

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the District's programs.

##### **Wetlands Mitigation Permanent Fund**

Accounts for the long-term maintenance portion of fees collected from private businesses and other governmental agencies as a condition for issuing wetlands mitigation permits. Interest earned on these fees is used to pay for the costs associated with long-term maintenance of lands purchased pursuant to the District's wetlands mitigation program.

South Florida Water Management District  
Combining Balance Sheet  
NonMajor Governmental Funds  
September 30, 2007

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Management
<b>ASSETS</b>				
Cash and Investments	\$10,576,221	\$777,907	\$365,161	\$23,986
Accounts Receivable	140,515	56,165	-	109
Due from Other Governments	202,239	10,823,547	810,603	259,266
Inventory	27,764	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>\$10,946,739</b>	<b>\$11,657,619</b>	<b>\$1,175,764</b>	<b>\$283,361</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$416,448	\$2,156,437	\$71,634	\$336,409
Due to Other Governments	-	43,912	-	-
Due to Other Funds	-	-	1,081,553	-
Deferred Revenue	-	150,000	-	-
<b>Total Liabilities</b>	<b>416,448</b>	<b>2,350,349</b>	<b>1,153,187</b>	<b>336,409</b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	2,549,450	4,525,002	77,019	250,000
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	1,072,111	-	-	-
Economic Stabilization	773,000	-	-	-
Undesignated	6,135,730	4,782,268	(54,442)	(303,048)
<b>Total Fund Balances</b>	<b>10,530,291</b>	<b>9,307,270</b>	<b>22,577</b>	<b>(53,048)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$10,946,739</b>	<b>\$11,657,619</b>	<b>\$1,175,764</b>	<b>\$283,361</b>

## Special Revenue Funds (Continued)

	Wetlands Mitigation	Indian River Lagoon Restoration	External Grants
<b>ASSETS</b>			
Cash and Investments	\$16,650,883	\$324,021	\$ -
Accounts Receivable	118,006	2,295	-
Due from Other Governments	-	-	703,534
Inventory	-	-	-
Other Assets	-	-	-
	<u>16,650,883</u>	<u>326,316</u>	<u>703,534</u>
Total Assets	<u>\$16,768,889</u>	<u>\$326,316</u>	<u>\$703,534</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$141,495	\$1	\$209,125
Due to Other Governments	-	-	-
Due to Other Funds	-	-	859,103
Deferred Revenue	-	-	-
	<u>141,495</u>	<u>1</u>	<u>1,068,228</u>
Total Liabilities	<u>141,495</u>	<u>1</u>	<u>1,068,228</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	1,492,920	83,356	303,603
Acquisition of Land	3,526,056	-	-
Enhancement of Land	8,026,336	-	-
Long Term Management of Land	-	-	-
Unreserved			
Designated for:			
Subsequent Years Expenditures	3,521,876	1,000	-
Economic Stabilization	-	-	-
Undesignated	60,206	241,959	(668,297)
	<u>16,627,394</u>	<u>326,315</u>	<u>(364,694)</u>
Total Fund Balances	<u>16,627,394</u>	<u>326,315</u>	<u>(364,694)</u>
Total Liabilities and Fund Balances	<u>\$16,768,889</u>	<u>\$326,316</u>	<u>\$703,534</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
NonMajor Governmental Funds  
September 30, 2007

Special Revenue Funds (Continued)

	Alternative Water Supply	Stormwater Treatment Areas Operation & Maintenance	Lake Belt Mitigation
<b>ASSETS</b>			
Cash and Investments	\$1,462,620	\$3,411,554	\$14,051,521
Accounts Receivable	14,460	-	121,758
Due from Other Governments	-	-	-
Inventory	-	-	-
Other Assets	-	-	-
	<u>\$1,477,080</u>	<u>\$3,411,554</u>	<u>\$14,173,279</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$1,104,331	\$4,229
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue	-	-	-
	<u>-</u>	<u>1,104,331</u>	<u>4,229</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	390,000	538,354	1,089,240
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long Term Management of Land	-	-	-
Unreserved			
Designated for:			
Subsequent Years Expenditures	945,342	-	-
Economic Stabilization	-	-	-
Undesignated	141,738	1,768,869	13,079,810
	<u>1,477,080</u>	<u>2,307,223</u>	<u>14,169,050</u>
Total Fund Balances	<u>\$1,477,080</u>	<u>\$3,411,554</u>	<u>\$14,173,279</u>
Total Liabilities and Fund Balances	<u>\$1,477,080</u>	<u>\$3,411,554</u>	<u>\$14,173,279</u>

## Special Revenue Funds (Continued)

	Everglades License Plate	Lake Okeechobee Trust Fund	Total
<b>ASSETS</b>			
Cash and Investments	\$686,275	\$15,760,703	\$64,090,852
Accounts Receivable	4,298	117,824	575,430
Due from Other Governments	-	4,063,910	16,863,099
Inventory	-	-	27,764
Other Assets	-	483,022	483,022
	<u>\$690,573</u>	<u>\$20,425,459</u>	<u>\$82,040,167</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$9,239	\$1,174,323	\$5,623,671
Due to Other Governments	-	-	43,912
Due to Other Funds	-	-	1,940,656
Deferred Revenue	-	-	150,000
	<u>9,239</u>	<u>1,174,323</u>	<u>7,758,239</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	143,972	6,816,035	18,258,951
Acquisition of Land	-	-	3,526,056
Enhancement of Land	-	-	8,026,336
Long Term Management of Land	-	-	-
Unreserved			
Designated for:			
Subsequent Years Expenditures	-	9,562,032	15,102,361
Economic Stabilization	-	-	773,000
Undesignated	537,362	2,873,069	28,595,224
	<u>681,334</u>	<u>19,251,136</u>	<u>74,281,928</u>
Total Fund Balances	<u>\$690,573</u>	<u>\$20,425,459</u>	<u>\$82,040,167</u>
Total Liabilities and Fund Balances	<u>\$690,573</u>	<u>\$20,425,459</u>	<u>\$82,040,167</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
NonMajor Governmental Funds  
September 30, 2007

	Capital Projects Funds			
	District CP	Okeechobee Basin CP	Big Cypress Basin CP	Federal Emergency Management Agency
<b>ASSETS</b>				
Cash and Investments	\$649,411	\$39,859,217	\$10,306,755	\$1,806
Accounts Receivable	-	-	8,049	-
Due from Other Governments	-	3,851,549	-	1,563,001
Inventory	-	-	-	-
Other Assets	-	-	-	-
	<u>-\$649,411</u>	<u>-\$43,710,766</u>	<u>-\$10,314,804</u>	<u>-\$1,564,807</u>
<b>Total Assets</b>	<b><u>\$649,411</u></b>	<b><u>\$43,710,766</u></b>	<b><u>\$10,314,804</u></b>	<b><u>\$1,564,807</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$184,685	\$7,478,632	\$522,631	\$15,983
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	1,395,225
Deferred Revenue	-	-	-	-
	<u>-\$184,685</u>	<u>-\$7,478,632</u>	<u>-\$522,631</u>	<u>-\$15,983</u>
<b>Total Liabilities</b>	<b><u>184,685</u></b>	<b><u>7,478,632</u></b>	<b><u>522,631</u></b>	<b><u>1,411,208</u></b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	146,324	18,799,191	3,263,587	362,066
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	318,403	13,265,750	3,749,279	-
Economic Stabilization	-	-	-	-
Undesignated	(1)	4,167,193	2,779,307	(208,467)
	<u>-\$464,726</u>	<u>-\$36,232,134</u>	<u>-\$9,792,173</u>	<u>-\$153,599</u>
<b>Total Fund Balances</b>	<b><u>464,726</u></b>	<b><u>36,232,134</u></b>	<b><u>9,792,173</u></b>	<b><u>153,599</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$649,411</u></b>	<b><u>\$43,710,766</u></b>	<b><u>\$10,314,804</u></b>	<b><u>\$1,564,807</u></b>



Capital Projects Funds (Continued)				
	Florida Bay	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable
<b>ASSETS</b>				
Cash and Investments	\$3,704,323	\$1,519,934	\$ -	\$4,429,388
Accounts Receivable	21,489	10,708	-	5,135
Due from Other Governments	679,418	-	889,804	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>\$4,405,230</b>	<b>\$1,530,642</b>	<b>\$889,804</b>	<b>\$4,434,523</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$60,619	\$ -	\$104	\$439
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	1,243,152	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>60,619</b>	<b>-</b>	<b>1,243,256</b>	<b>439</b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	769,484	-	75,503	29,765
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	617,236	-	-	2,208,128
Economic Stabilization	-	-	-	-
Undesignated	2,957,891	1,530,642	(428,955)	2,196,191
<b>Total Fund Balances</b>	<b>4,344,611</b>	<b>1,530,642</b>	<b>(353,452)</b>	<b>4,434,084</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$4,405,230</b>	<b>\$1,530,642</b>	<b>\$889,804</b>	<b>\$4,434,523</b>

Continued

South Florida Water Management District  
Combining Balance Sheet  
NonMajor Governmental Funds  
September 30, 2007

	<u>Capital Projects Funds (Continued)</u>	<u>Permanent Fund</u>	Total NonMajor Governmental Funds
	<u>Total</u>	<u>Wetlands Mitigation</u>	<u>Funds</u>
<b>ASSETS</b>			
Cash and Investments	\$60,470,834	\$7,607,998	\$132,169,684
Accounts Receivable	45,381	55,398	676,209
Due from Other Governments	6,983,772	-	23,846,871
Inventory	-	-	27,764
Other Assets	-	-	483,022
	<u>-\$67,499,987</u>	<u>-\$7,663,396</u>	<u>-\$157,203,550</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$8,263,093	\$ -	\$13,886,764
Due to Other Governments	-	-	43,912
Due to Other Funds	2,638,377	-	4,579,033
Deferred Revenue	-	-	150,000
	<u>10,901,470</u>	<u>-</u>	<u>18,659,709</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	23,445,920	-	41,704,871
Acquisition of Land	-	-	3,526,056
Enhancement of Land	-	-	8,026,336
Long Term Management of Land	-	7,538,957	7,538,957
Unreserved			
Designated for:			
Subsequent Years Expenditures	20,158,796	11,904	35,273,061
Economic Stabilization	-	-	773,000
Undesignated	12,993,801	112,535	41,701,560
	<u>56,598,517</u>	<u>7,663,396</u>	<u>138,543,841</u>
Total Fund Balances	<u>\$67,499,987</u>	<u>\$7,663,396</u>	<u>\$157,203,550</u>
Total Liabilities and Fund Balances	<u>\$67,499,987</u>	<u>\$7,663,396</u>	<u>\$157,203,550</u>



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South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended September 30, 2007

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Control
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$18,075,833	\$ -	\$ -	\$ -
Intergovernmental	-	22,883,477	5,304,240	5,221,729
Investment Earnings (Loss)	1,298,817	13,100	-	215
Licenses, Permits, and Fees	24,450	-	-	-
Sale of District Property	492	-	-	-
Leases	-	3,342,014	-	-
Other	1,167	232	-	2,100
<b>Total Revenues</b>	<b>19,400,759</b>	<b>26,238,823</b>	<b>5,304,240</b>	<b>5,224,044</b>
<b>EXPENDITURES</b>				
<b>Current Operating</b>				
Land Stewardship	-	9,295,993	-	-
District Everglades	-	-	-	-
Operations and Maintenance	3,993,086	1,555,260	4,895,011	5,277,092
Water Supply	2,551,753	1,058,215	-	-
Kissimmee Watershed	-	-	-	-
Regulation	4,475	-	-	-
Lake Okeechobee	-	4,646,354	-	-
Coastal Watersheds	5,778,206	767,864	-	-
Mission Support	716,240	1,333	-	-
Comprehensive Everglades Restoration Plan	524,841	59,556	-	-
Modeling & Scientific Support	-	-	-	-
Capital Outlay	-	-	-	-
<b>Debt Service</b>				
Bond Principal Retirement	-	4,660,000	-	-
Bond Interest	-	2,303,401	-	-
Bank Loan Principal Payments	-	-	-	-
Bank Loan Interest	-	-	-	-
<b>Total Expenditures</b>	<b>13,568,601</b>	<b>24,347,976</b>	<b>4,895,011</b>	<b>5,277,092</b>
Revenues in Excess of (Less than) Expenditures	5,832,158	1,890,847	409,229	(53,048)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(11,352,003)	-	(220,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(11,352,003)</b>	<b>-</b>	<b>(220,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(5,519,845)</b>	<b>1,890,847</b>	<b>189,229</b>	<b>(53,048)</b>
Beginning Fund Balances	16,050,136	7,416,423	(166,652)	-
Ending Fund Balances	<u>\$10,530,291</u>	<u>\$9,307,270</u>	<u>\$22,577</u>	<u>(\$53,048)</u>

Special Revenue Funds (Continued)				
	Wetlands Mitigation	Indian River Lagoon Restoration	External Grants	Alternative Water Supply
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	139,680	3,268,225	-
Investment Earnings (Loss)	980,485	20,984	-	186,694
Licenses, Permits, and Fees	2,234,200	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>3,214,685</b>	<b>160,664</b>	<b>3,268,225</b>	<b>186,694</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	1,582,991	-	59,985	-
District Everglades	-	-	-	-
Operations and Maintenance	1,450	-	1,448,181	-
Water Supply	-	-	-	2,010,000
Kissimmee Watershed	-	-	174,145	-
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	-
Coastal Watersheds	-	182,609	1,742,000	-
Mission Support	-	-	-	-
Comprehensive Everglades Restoration Plan	730,199	-	-	-
Modeling & Scientific Support	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Bank Loan Principal Payments	-	-	-	-
Bank Loan Interest	-	-	-	-
<b>Total Expenditures</b>	<b>2,314,640</b>	<b>182,609</b>	<b>3,424,311</b>	<b>2,010,000</b>
Revenues in Excess of (Less than) Expenditures	900,045	(21,945)	(156,086)	(1,823,306)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	327,413	-	-	-
Transfers Out	(835,000)	-	-	(625,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(507,587)</b>	<b>-</b>	<b>-</b>	<b>(625,000)</b>
Net Change in Fund Balances	392,458	(21,945)	(156,086)	(2,448,306)
Beginning Fund Balances	16,234,936	348,260	(208,608)	3,925,386
Ending Fund Balances	<u>\$16,627,394</u>	<u>\$326,315</u>	<u>(\$364,694)</u>	<u>\$1,477,080</u>

Continued

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended September 30, 2007

	Special Revenue Funds (Continued)			
	Stormwater Treatment Areas Operations & Maintenance	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee Trust Fund
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	4,746,018	288,167	13,461,000
Investment Earnings (Loss)	16,136	908,373	33,217	115,992
Licenses, Permits, and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	786	-	-	11,200
	<u>16,922</u>	<u>5,654,391</u>	<u>321,384</u>	<u>13,588,192</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	1,478,836	-	-
District Everglades	14,304,879	-	186,695	-
Operations and Maintenance	1,272	-	-	-
Water Supply	-	-	-	-
Kissimmee Watershed	-	-	-	-
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	16,081,411
Coastal Watersheds	-	-	-	-
Mission Support	87	-	-	-
Comprehensive Everglades Restoration Plan	-	-	-	-
Modeling & Scientific Support	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Bank Loan Principal Payments	-	-	-	-
Bank Loan Interest	-	-	-	-
	<u>14,306,238</u>	<u>1,478,836</u>	<u>186,695</u>	<u>16,081,411</u>
Total Expenditures				
Revenues in Excess of (Less than) Expenditures	<u>(14,289,316)</u>	<u>4,175,555</u>	<u>134,689</u>	<u>(2,493,219)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	14,521,614	-	-	-
Transfers Out	-	(3,785,257)	-	-
	<u>14,521,614</u>	<u>(3,785,257)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	232,298	390,298	134,689	(2,493,219)
Beginning Fund Balances	<u>2,074,925</u>	<u>13,778,752</u>	<u>546,645</u>	<u>21,744,355</u>
Ending Fund Balances	<u>\$2,307,223</u>	<u>\$14,169,050</u>	<u>\$681,334</u>	<u>\$19,251,136</u>



	Special Revenue Funds (Continued)	Capital Projects Funds		
	Total	District CP	Okeechobee Basin CP	Big Cypress Basin CP
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$18,075,833	\$ -	\$ -	\$ -
Intergovernmental	55,312,536	-	9,072,388	-
Investment Earnings (Loss)	3,574,013	64,446	304,006	149,059
Licenses, Permits, and Fees	2,258,650	-	-	-
Sale of District Property	492	-	-	-
Leases	3,342,014	-	-	-
Other	15,485	-	10,009,687	-
	<u>82,579,023</u>	<u>64,446</u>	<u>19,386,081</u>	<u>149,059</u>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	12,417,805	-	-	-
District Everglades	14,491,574	-	-	-
Operations and Maintenance	17,171,352	-	2,288,879	95,508
Water Supply	5,619,968	-	-	-
Kissimmee Watershed	174,145	-	466,087	-
Regulation	4,475	-	-	-
Lake Okeechobee	20,727,765	-	326,518	-
Coastal Watersheds	8,470,679	-	626,621	-
Mission Support	717,660	742,488	-	-
Comprehensive Everglades Restoration Plan	1,314,596	-	-	70,065
Modeling & Scientific Support	-	-	-	-
Capital Outlay	-	842,867	50,103,610	5,824,278
Debt Service				
Bond Principal Retirement	4,660,000	-	-	-
Bond Interest	2,303,401	-	-	-
Bank Loan Principal Payments	-	3,014,860	-	-
Bank Loan Interest	-	154,739	-	-
	<u>88,073,420</u>	<u>4,754,954</u>	<u>53,811,715</u>	<u>5,989,851</u>
Revenues in Excess of (Less than) Expenditures	<u>(5,494,397)</u>	<u>(4,690,508)</u>	<u>(34,425,634)</u>	<u>(5,840,792)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	14,849,027	2,968,843	55,121,681	11,352,003
Transfers Out	(16,817,260)	-	-	-
	<u>(1,968,233)</u>	<u>2,968,843</u>	<u>55,121,681</u>	<u>11,352,003</u>
Net Change in Fund Balances	(7,462,630)	(1,721,665)	20,696,047	5,511,211
Beginning Fund Balances	<u>81,744,558</u>	<u>2,186,391</u>	<u>15,536,087</u>	<u>4,280,962</u>
Ending Fund Balances	<u><u>\$74,281,928</u></u>	<u><u>\$464,726</u></u>	<u><u>\$36,232,134</u></u>	<u><u>\$9,792,173</u></u>

Continued

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended September 30, 2007

	Capital Projects Funds (Continued)			
	Federal Emergency Management Agency	Florida Bay	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Federal Funds
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,431,805	689,830	-	1,495,690
Investment Earnings (Loss)	-	199,483	95,938	-
Licenses, Permits, and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>4,431,805</b>	<b>889,313</b>	<b>95,938</b>	<b>1,495,690</b>
<b>EXPENDITURES</b>				
<b>Current Operating</b>				
Land Stewardship	-	-	-	-
District Everglades	-	-	-	-
Operations and Maintenance	84,108	-	-	-
Water Supply	-	-	-	-
Kissimmee Watershed	-	-	-	-
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	-
Coastal Watersheds	314,725	691,226	-	-
Mission Support	-	-	-	-
Comprehensive Everglades Restoration Plan	-	724,608	-	501,621
Modeling & Scientific Support	-	-	-	-
Capital Outlay	3,683,004	53,378	3,464,000	152,628
<b>Debt Service</b>				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Bank Loan Principal Payments	-	-	-	-
Bank Loan Interest	-	-	-	-
<b>Total Expenditures</b>	<b>4,081,837</b>	<b>1,469,212</b>	<b>3,464,000</b>	<b>654,249</b>
Revenues in Excess of (Less than) Expenditures	349,968	(579,899)	(3,368,062)	841,441
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	1,000,000	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>349,968</b>	<b>420,101</b>	<b>(3,368,062)</b>	<b>841,441</b>
Beginning Fund Balances	(196,369)	3,924,510	4,898,704	(1,194,893)
Ending Fund Balances	\$153,599	\$4,344,611	\$1,530,642	(\$353,452)

	Capital Projects Funds (Continued)		Permanent Fund	
	Comprehensive Everglades Restoration Plan Other Creditable	Total	Wetlands Mitigation	Total NonMajor Governmental Funds
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$18,075,833
Intergovernmental	2,208,128	17,897,841	-	73,210,377
Investment Earnings (Loss)	206,730	1,019,662	439,948	5,033,623
Licenses, Permits, and Fees	-	-	308,800	2,567,450
Sale of District Property	136	136	-	628
Leases	-	-	-	3,342,014
Other	9,125	10,018,812	-	10,034,297
<b>Total Revenues</b>	<b>2,424,119</b>	<b>28,936,451</b>	<b>748,748</b>	<b>112,264,222</b>
<b>EXPENDITURES</b>				
<b>Current Operating</b>				
Land Stewardship	-	-	-	12,417,805
District Everglades	-	-	-	14,491,574
Operations and Maintenance	-	2,468,495	-	19,639,847
Water Supply	-	-	-	5,619,968
Kissimmee Watershed	-	466,087	-	640,232
Regulation	-	-	-	4,475
Lake Okeechobee	-	326,518	-	21,054,283
Coastal Watersheds	-	1,632,572	-	10,103,251
Mission Support	-	742,488	-	1,460,148
Comprehensive Everglades Restoration Plan	7,411,871	8,708,165	-	10,022,761
Modeling & Scientific Support	-	-	-	-
Capital Outlay	7,334,369	71,458,134	-	71,458,134
<b>Debt Service</b>				
Bond Principal Retirement	-	-	-	4,660,000
Bond Interest	-	-	-	2,303,401
Bank Loan Principal Payments	-	3,014,860	-	3,014,860
Bank Loan Interest	-	154,739	-	154,739
<b>Total Expenditures</b>	<b>14,746,240</b>	<b>88,972,058</b>	<b>-</b>	<b>177,045,478</b>
Revenues in Excess of (Less than) Expenditures	(12,322,121)	(60,035,607)	748,748	(64,781,256)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	6,027,575	76,470,102	-	91,319,129
Transfers Out	-	-	(327,413)	(17,144,673)
<b>Total Other Financing Sources (Uses)</b>	<b>6,027,575</b>	<b>76,470,102</b>	<b>(327,413)</b>	<b>74,174,456</b>
<b>Net Change in Fund Balances</b>	<b>(6,294,546)</b>	<b>16,434,495</b>	<b>421,335</b>	<b>9,393,200</b>
Beginning Fund Balances	10,728,630	40,164,022	7,242,061	129,150,641
Ending Fund Balances	\$4,434,084	\$56,598,517	\$7,663,396	\$138,543,841

## South Florida Water Management District

## Special Revenue Fund

## Big Cypress Basin SR

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$18,074,677	\$18,075,833	\$1,156
Investment Earnings (Loss)	581,592	1,298,817	717,225
Licenses, Permits, and Fees	19,000	24,450	5,450
Sale of District Property	-	492	492
Other	-	1,167	1,167
<b>Total Revenues</b>	<b>18,675,269</b>	<b>19,400,759</b>	<b>725,490</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>Water Resources</b>			
Coastal Watersheds	458,900	308,950	149,950
Comprehensive Everglades Restoration Plan	64,240	64,240	-
<b>Total Water Resources</b>	<b>523,140</b>	<b>373,190</b>	<b>149,950</b>
<b>Operations and Maintenance</b>			
Operations and Maintenance	2,952,995	2,370,805	582,190
Comprehensive Everglades Restoration Plan	312,184	174,972	137,212
<b>Total Operations and Maintenance</b>	<b>3,265,179</b>	<b>2,545,777</b>	<b>719,402</b>
<b>Corporate Resources</b>			
Land Stewardship	1,986	-	1,986
Operations and Maintenance	1,774,532	1,555,184	219,348
Water Supply	2,711,070	2,551,753	159,317
Regulation	37,489	4,475	33,014
Coastal Watersheds	8,302,985	5,469,256	2,833,729
Mission Support	1,170,356	716,240	454,116
Comprehensive Everglades Restoration Plan	421,525	208,860	212,665
<b>Total Corporate Resources</b>	<b>14,419,943</b>	<b>10,505,768</b>	<b>3,914,175</b>
<b>Everglades Restoration</b>			
Operations and Maintenance	105,565	67,097	38,468
Comprehensive Everglades Restoration Plan	130,974	76,769	54,205
<b>Total Everglades Restoration</b>	<b>236,539</b>	<b>143,866</b>	<b>92,673</b>
<b>Contingency</b>			
Managerial Reserve	473,021	-	473,021
Contingency Reserve	289,856	-	289,856
<b>Total Contingency</b>	<b>762,877</b>	<b>-</b>	<b>762,877</b>
<b>Total Expenditures</b>	<b>19,207,678</b>	<b>13,568,601</b>	<b>5,639,077</b>
<b>Revenues in Excess of (Less than) Expenditures</b>	<b>(532,409)</b>	<b>5,832,158</b>	<b>6,364,567</b>

South Florida Water Management District  
Special Revenue Fund  
Big Cypress Basin SR  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(11,504,600)	(11,352,003)	152,597
Net Change in Fund Balances	(12,037,009)	(5,519,845)	6,517,164
Fund Balances at Beginning of Year	16,050,136	16,050,136	-
Fund Balances at End of Year	<u>\$4,013,127</u>	<u>\$10,530,291</u>	<u>\$6,517,164</u>

## South Florida Water Management District

## Special Revenue Fund

## Save Our Rivers SR

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$21,269,938	\$22,883,477	\$1,613,539
Investment Earnings (Loss)	-	13,100	13,100
Leases	3,300,000	3,342,014	42,014
Other	-	232	232
<b>Total Revenues</b>	<b>24,569,938</b>	<b>26,238,823</b>	<b>1,668,885</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>Water Resources</b>			
Water Supply	1,911,000	1,058,215	852,785
Kissimmee Watershed	69	-	69
Lake Okeechobee	6,261,888	4,228,816	2,033,072
Coastal Watersheds	617,804	607,171	10,633
<b>Total Water Resources</b>	<b>8,790,761</b>	<b>5,894,202</b>	<b>2,896,559</b>
<b>Operations and Maintenance</b>			
Land Stewardship	853,981	853,981	-
Operations and Maintenance	1,768,348	1,527,148	241,200
Lake Okeechobee	291,767	209,936	81,831
<b>Total Operations and Maintenance</b>	<b>2,914,096</b>	<b>2,591,065</b>	<b>323,031</b>
<b>Corporate Resources</b>			
Land Stewardship	255,369	117,778	137,591
Lake Okeechobee	287,247	207,602	79,645
Coastal Watersheds	199,987	160,693	39,294
Mission Support	1,397	1,333	64
<b>Total Corporate Resources</b>	<b>744,000</b>	<b>487,406</b>	<b>256,594</b>
<b>Everglades Restoration</b>			
Land Stewardship	9,794,764	8,324,234	1,470,530
Operations and Maintenance	28,112	28,112	-
Comprehensive Everglades Restoration Plan	-	59,556	(59,556)
<b>Total Everglades Restoration</b>	<b>9,822,876</b>	<b>8,411,902</b>	<b>1,410,974</b>
<b>Debt Service</b>			
Bond Principal Retirement	4,660,000	4,660,000	-
Bond Interest	2,303,402	2,303,401	1
<b>Total Debt Service</b>	<b>6,963,402</b>	<b>6,963,401</b>	<b>1</b>
<b>Contingency</b>			
Managerial Reserve	157,029	-	157,029
<b>Total Expenditures</b>	<b>29,392,164</b>	<b>24,347,976</b>	<b>5,044,188</b>

South Florida Water Management District  
Special Revenue Fund  
Save Our Rivers SR  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues in Excess of (Less than) Expenditures	<u>(4,822,226)</u>	<u>1,890,847</u>	<u>6,713,073</u>
Net Change in Fund Balances	(4,822,226)	1,890,847	6,713,073
Fund Balances at Beginning of Year	<u>7,416,423</u>	<u>7,416,423</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$2,594,197</u></u>	<u><u>\$9,307,270</u></u>	<u><u>\$6,713,073</u></u>



South Florida Water Management District  
Special Revenue Fund  
Aquatic Plant Control  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$5,180,792	\$5,304,240	\$123,448
Total Revenues	<u>5,180,792</u>	<u>5,304,240</u>	<u>123,448</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	5,280,511	4,895,011	385,500
Total Operations and Maintenance	<u>5,280,511</u>	<u>4,895,011</u>	<u>385,500</u>
Contingency			
Managerial Reserve	54,409	-	54,409
Total Expenditures	<u>5,334,920</u>	<u>4,895,011</u>	<u>439,909</u>
Revenues in Excess of (Less than) Expenditures	<u>(154,128)</u>	<u>409,229</u>	<u>563,357</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(220,000)	(220,000)	-
Net Change in Fund Balances	(374,128)	189,229	563,357
Fund Balances at Beginning of Year	(166,652)	(166,652)	-
Fund Balances at End of Year	<u>(\$540,780)</u>	<u>\$22,577</u>	<u>\$563,357</u>

## South Florida Water Management District

## Special Revenue Fund

## Melaleuca Control

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$6,000,000	\$5,221,729	(\$778,271)
Investment Earnings (Loss)	-	215	215
Other	-	2,100	2,100
	<u>6,000,000</u>	<u>5,224,044</u>	<u>(775,956)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	5,995,238	5,277,092	718,146
	<u>5,995,238</u>	<u>5,277,092</u>	<u>718,146</u>
Contingency			
Managerial Reserve	4,762	-	4,762
	<u>4,762</u>	<u>-</u>	<u>4,762</u>
	<u>6,000,000</u>	<u>5,277,092</u>	<u>722,908</u>
Revenues in Excess of (Less than) Expenditures	-	(53,048)	(53,048)
Net Change in Fund Balances	-	(53,048)	(53,048)
Fund Balances at Beginning of Year	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>(\$53,048)</u>	<u>(\$53,048)</u>

## South Florida Water Management District

## Special Revenue Fund

## Wetlands Mitigation

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$980,485	\$980,485
Licenses, Permits, and Fees	-	2,234,200	2,234,200
<b>Total Revenues</b>	<b>-</b>	<b>3,214,685</b>	<b>3,214,685</b>
EXPENDITURES			
Current			
Corporate Resources			
Land Stewardship	260,000	-	260,000
<b>Total Corporate Resources</b>	<b>260,000</b>	<b>-</b>	<b>260,000</b>
Everglades Restoration			
Land Stewardship	5,905,580	1,582,991	4,322,589
Operations and Maintenance	22,050	1,450	20,600
Comprehensive Everglades Restoration Plan	730,199	730,199	-
<b>Total Everglades Restoration</b>	<b>6,657,829</b>	<b>2,314,640</b>	<b>4,343,189</b>
Contingency			
Managerial Reserve	2,444	-	2,444
<b>Total Expenditures</b>	<b>6,920,273</b>	<b>2,314,640</b>	<b>4,605,633</b>
Revenues in Excess of (Less than) Expenditures	(6,920,273)	900,045	7,820,318
OTHER FINANCING SOURCES (USES)			
Transfers In	327,413	327,413	-
Transfers Out	(835,000)	(835,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(507,587)</b>	<b>(507,587)</b>	<b>-</b>
Net Change in Fund Balances	(7,427,860)	392,458	7,820,318
Fund Balances at Beginning of Year	16,234,936	16,234,936	-
Fund Balances at End of Year	<b>\$8,807,076</b>	<b>\$16,627,394</b>	<b>\$7,820,318</b>

South Florida Water Management District  
Special Revenue Fund  
Indian River Lagoon Restoration  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$185,191	\$139,680	(\$45,511)
Investment Earnings (Loss)	14,809	20,984	6,175
Total Revenues	<u>200,000</u>	<u>160,664</u>	<u>(39,336)</u>
EXPENDITURES			
Current			
Water Resources			
Coastal Watersheds	<u>238,912</u>	<u>129,677</u>	<u>109,235</u>
Total Water Resources	<u>238,912</u>	<u>129,677</u>	<u>109,235</u>
Corporate Resources			
Coastal Watersheds	<u>52,932</u>	<u>52,932</u>	<u>-</u>
Total Corporate Resources	<u>52,932</u>	<u>52,932</u>	<u>-</u>
Contingency			
Managerial Reserve	<u>3,120</u>	<u>-</u>	<u>3,120</u>
Total Expenditures	<u>294,964</u>	<u>182,609</u>	<u>112,355</u>
Revenues in Excess of (Less than) Expenditures	<u>(94,964)</u>	<u>(21,945)</u>	<u>73,019</u>
Net Change in Fund Balances	(94,964)	(21,945)	73,019
Fund Balances at Beginning of Year	<u>348,260</u>	<u>348,260</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$253,296</u></u>	<u><u>\$326,315</u></u>	<u><u>\$73,019</u></u>

## South Florida Water Management District

## Special Revenue Fund

## External Grants

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$6,079,750	\$3,268,225	(\$2,811,525)
Total Revenues	<u>6,079,750</u>	<u>3,268,225</u>	<u>(2,811,525)</u>
EXPENDITURES			
Current			
Water Resources			
Kissimmee Watershed	450,000	174,145	275,855
Coastal Watersheds	60	-	60
Total Water Resources	<u>450,060</u>	<u>174,145</u>	<u>275,915</u>
Operations and Maintenance			
Operations and Maintenance	378,545	373,150	5,395
Total Operations and Maintenance	<u>378,545</u>	<u>373,150</u>	<u>5,395</u>
Corporate Resources			
Operations and Maintenance	1,275,000	1,075,031	199,969
Coastal Watersheds	2,699,750	1,742,000	957,750
Total Corporate Resources	<u>3,974,750</u>	<u>2,817,031</u>	<u>1,157,719</u>
Everglades Restoration			
Land Stewardship	1,376,831	59,985	1,316,846
Total Everglades Restoration	<u>1,376,831</u>	<u>59,985</u>	<u>1,316,846</u>
Total Expenditures	<u>6,180,186</u>	<u>3,424,311</u>	<u>2,755,875</u>
Revenues in Excess of (Less than) Expenditures	<u>(100,436)</u>	<u>(156,086)</u>	<u>(55,650)</u>
Net Change in Fund Balances	(100,436)	(156,086)	(55,650)
Fund Balances at Beginning of Year	<u>(208,608)</u>	<u>(208,608)</u>	-
Fund Balances at End of Year	<u><u>(\$309,044)</u></u>	<u><u>(\$364,694)</u></u>	<u><u>(\$55,650)</u></u>

South Florida Water Management District  
Special Revenue Fund  
Alternative Water Supply  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$186,694	\$186,694
Total Revenues	-	186,694	186,694
EXPENDITURES			
Current			
Water Resources			
Water Supply	2,000,000	1,610,000	390,000
Total Water Resources	2,000,000	1,610,000	390,000
Corporate Resources			
Water Supply	400,000	400,000	-
Total Corporate Resources	400,000	400,000	-
Contingency			
Managerial Reserve	800,000	-	800,000
Total Expenditures	3,200,000	2,010,000	1,190,000
Revenues in Excess of (Less than) Expenditures	(3,200,000)	(1,823,306)	1,376,694
OTHER FINANCING SOURCES (USES)			
Transfers Out	(625,000)	(625,000)	-
Net Change in Fund Balances	(3,825,000)	(2,448,306)	1,376,694
Fund Balances at Beginning of Year	3,925,386	3,925,386	-
Fund Balances at End of Year	\$100,386	\$1,477,080	\$1,376,694

South Florida Water Management District  
Special Revenue Fund  
Stormwater Treatment Areas - Operations and Maintenance  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Loss)	\$ -	\$16,136	\$16,136
Other	-	786	786
Total Revenues	<u>-</u>	<u>16,922</u>	<u>16,922</u>
<b>EXPENDITURES</b>			
Current			
Water Resources			
District Everglades	2,028,565	1,837,738	190,827
Total Water Resources	<u>2,028,565</u>	<u>1,837,738</u>	<u>190,827</u>
Operations and Maintenance			
District Everglades	15,592,168	12,317,505	3,274,663
Operations and Maintenance	-	1,272	(1,272)
Total Operations and Maintenance	<u>15,592,168</u>	<u>12,318,777</u>	<u>3,273,391</u>
Corporate Resources			
District Everglades	149,636	149,636	-
Mission Support	-	87	(87)
Total Corporate Resources	<u>149,636</u>	<u>149,723</u>	<u>(87)</u>
Contingency			
Managerial Reserve	506,692	-	506,692
Total Expenditures	<u>18,277,061</u>	<u>14,306,238</u>	<u>3,970,823</u>
Revenues in Excess of (Less than) Expenditures	<u>(18,277,061)</u>	<u>(14,289,316)</u>	<u>3,987,745</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	16,202,136	14,521,614	(1,680,522)
Net Change in Fund Balances	(2,074,925)	232,298	2,307,223
Fund Balances at Beginning of Year	2,074,925	2,074,925	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$2,307,223</u>	<u>\$2,307,223</u>



South Florida Water Management District  
Special Revenue Fund  
Lake Belt Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$4,746,018	\$4,746,018
Investment Earnings (Loss)	190,602	908,373	717,771
Licenses, Permits, and Fees	2,741,298	-	(2,741,298)
<b>Total Revenues</b>	<b>2,931,900</b>	<b>5,654,391</b>	<b>2,722,491</b>
<b>EXPENDITURES</b>			
Current			
Everglades Restoration			
Land Stewardship	3,820,272	1,478,836	2,341,436
Comprehensive Everglades Restoration Plan	-	-	-
<b>Total Everglades Restoration</b>	<b>3,820,272</b>	<b>1,478,836</b>	<b>2,341,436</b>
<b>Total Expenditures</b>	<b>3,820,272</b>	<b>1,478,836</b>	<b>2,341,436</b>
Revenues in Excess of (Less than) Expenditures	(888,372)	4,175,555	5,063,927
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(3,785,257)	(3,785,257)	-
Net Change in Fund Balances	(4,673,629)	390,298	5,063,927
Fund Balances at Beginning of Year	13,778,752	13,778,752	-
Fund Balances at End of Year	<b>\$9,105,123</b>	<b>\$14,169,050</b>	<b>\$5,063,927</b>

South Florida Water Management District  
Special Revenue Fund  
Everglades License Plate  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$236,118	\$288,167	\$52,049
Investment Earnings (Loss)	13,671	33,217	19,546
Total Revenues	<u>249,789</u>	<u>321,384</u>	<u>71,595</u>
EXPENDITURES			
Current			
Water Resources			
District Everglades	580,700	186,695	394,005
Total Water Resources	<u>580,700</u>	<u>186,695</u>	<u>394,005</u>
Total Expenditures	<u>580,700</u>	<u>186,695</u>	<u>394,005</u>
Revenues in Excess of (Less than) Expenditures	<u>(330,911)</u>	<u>134,689</u>	<u>465,600</u>
Net Change in Fund Balances	(330,911)	134,689	465,600
Fund Balances at Beginning of Year	<u>546,645</u>	<u>546,645</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$215,734</u></u>	<u><u>\$681,334</u></u>	<u><u>\$465,600</u></u>

South Florida Water Management District  
Special Revenue Fund  
Lake Okeechobee Trust Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$53,066,261	\$13,461,000	(\$39,605,261)
Investment Earnings (Loss)	-	115,992	115,992
Other	-	11,200	11,200
Total Revenues	<u>53,066,261</u>	<u>13,588,192</u>	<u>(39,478,069)</u>
EXPENDITURES			
Current			
Water Resources			
Lake Okeechobee	14,675,240	11,447,425	3,227,815
Total Water Resources	<u>14,675,240</u>	<u>11,447,425</u>	<u>3,227,815</u>
Corporate Resources			
Lake Okeechobee	4,212,484	1,127,787	3,084,697
Total Corporate Resources	<u>4,212,484</u>	<u>1,127,787</u>	<u>3,084,697</u>
Everglades Restoration			
Lake Okeechobee	9,196,272	3,506,199	5,690,073
Total Everglades Restoration	<u>9,196,272</u>	<u>3,506,199</u>	<u>5,690,073</u>
Contingency			
Managerial Reserve	44,252,808	-	44,252,808
Total Expenditures	<u>72,336,804</u>	<u>16,081,411</u>	<u>56,255,393</u>
Revenues in Excess of (Less than) Expenditures	<u>(19,270,543)</u>	<u>(2,493,219)</u>	<u>16,777,324</u>
Net Change in Fund Balances	(19,270,543)	(2,493,219)	16,777,324
Fund Balances at Beginning of Year	<u>21,744,355</u>	<u>21,744,355</u>	<u>-</u>
Fund Balances at End of Year	<u>\$2,473,812</u>	<u>\$19,251,136</u>	<u>\$16,777,324</u>

## South Florida Water Management District

## Capital Projects Fund

## District CP

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$64,446	\$64,446
Total Revenues	-	64,446	64,446
EXPENDITURES			
Current			
Corporate Resources			
Mission Support	1,614,938	1,585,355	29,583
Total Corporate Resources	1,614,938	1,585,355	29,583
Debt Service			
Bank Loan Principal Payments	3,014,860	3,014,860	-
Bank Loan Interest	154,739	154,739	-
Total Debt Service	3,169,599	3,169,599	-
Contingency			
Managerial Reserve	551,009	-	551,009
Total Expenditures	5,335,546	4,754,954	580,592
Revenues in Excess of (Less than) Expenditures	(5,335,546)	(4,690,508)	645,038
OTHER FINANCING SOURCES (USES)			
Transfers In	3,149,155	2,968,843	(180,312)
Net Change in Fund Balances	(2,186,391)	(1,721,665)	464,726
Fund Balances at Beginning of Year	2,186,391	2,186,391	-
Fund Balances at End of Year	\$ -	\$464,726	\$464,726

## South Florida Water Management District

## Capital Projects Fund

## Okeechobee Basin CP

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$9,072,388	\$9,072,388
Investment Earnings (Loss)	-	304,006	304,006
Other	-	10,009,687	10,009,687
<b>Total Revenues</b>	<b>-</b>	<b>19,386,081</b>	<b>19,386,081</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>Water Resources</b>			
Lake Okeechobee	1,206,719	326,518	880,201
<b>Total Water Resources</b>	<b>1,206,719</b>	<b>326,518</b>	<b>880,201</b>
<b>Operations and Maintenance</b>			
Operations and Maintenance	47,685,427	42,725,872	4,959,555
<b>Total Operations and Maintenance</b>	<b>47,685,427</b>	<b>42,725,872</b>	<b>4,959,555</b>
<b>Corporate Resources</b>			
Operations and Maintenance	425,000	350,154	74,846
Kissimmee Watershed	125,000	23,851	101,149
Coastal Watersheds	3,359,500	626,621	2,732,879
<b>Total Corporate Resources</b>	<b>3,909,500</b>	<b>1,000,626</b>	<b>2,908,874</b>
<b>Everglades Restoration</b>			
Land Stewardship	93,219	6,414	86,805
Kissimmee Watershed	16,054,297	6,897,861	9,156,436
Comprehensive Everglades Restoration Plan	7,035,257	2,854,424	4,180,833
<b>Total Everglades Restoration</b>	<b>23,182,773</b>	<b>9,758,699</b>	<b>13,424,074</b>
<b>Contingency</b>			
Managerial Reserve	2,465,014	-	2,465,014
<b>Total Expenditures</b>	<b>78,449,433</b>	<b>53,811,715</b>	<b>24,637,718</b>
Revenues in Excess of (Less than) Expenditures	(78,449,433)	(34,425,634)	44,023,799
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	62,913,346	55,121,681	(7,791,665)
Net Change in Fund Balances	(15,536,087)	20,696,047	36,232,134
Fund Balances at Beginning of Year	15,536,087	15,536,087	-
Fund Balances at End of Year	\$ -	\$36,232,134	\$36,232,134

South Florida Water Management District  
 Capital Projects Fund  
 Big Cypress Basin CP  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$145,400	\$149,059	\$3,659
Total Revenues	145,400	149,059	3,659
EXPENDITURES			
Current			
Corporate Resources			
Operations and Maintenance	4,950,053	4,168,028	782,025
Comprehensive Everglades Restoration Plan	4,558,580	1,821,823	2,736,757
Total Corporate Resources	9,508,633	5,989,851	3,518,782
Contingency			
Managerial Reserve	3,749,279	-	3,749,279
Total Expenditures	13,257,912	5,989,851	7,268,061
Revenues in Excess of (Less than) Expenditures	(13,112,512)	(5,840,792)	7,271,720
OTHER FINANCING SOURCES (USES)			
Transfers In	11,504,600	11,352,003	(152,597)
Net Change in Fund Balances	(1,607,912)	5,511,211	7,119,123
Fund Balances at Beginning of Year	4,280,962	4,280,962	-
Fund Balances at End of Year	\$2,673,050	\$9,792,173	\$7,119,123

## South Florida Water Management District

## Capital Projects Fund

## Save Our Rivers CP

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$12,140,000	\$4,953,070	(\$7,186,930)
Investment Earnings (Loss)	-	766,784	766,784
Sale of District Property	-	22,500	22,500
Leases	-	1,231,609	1,231,609
	<u>12,140,000</u>	<u>6,973,963</u>	<u>(5,166,037)</u>
<b>Total Revenues</b>	<b>12,140,000</b>	<b>6,973,963</b>	<b>(5,166,037)</b>
<b>EXPENDITURES</b>			
Current			
Corporate Resources			
Kissimmee Watershed	82,591	16,166	66,425
Coastal Watersheds	976,000	232,196	743,804
Comprehensive Everglades Restoration Plan	96,640	-	96,640
	<u>1,155,231</u>	<u>248,362</u>	<u>906,869</u>
<b>Total Corporate Resources</b>	<b>1,155,231</b>	<b>248,362</b>	<b>906,869</b>
Everglades Restoration			
Land Stewardship	96,000	96,000	-
Kissimmee Watershed	7,754,173	3,629,612	4,124,561
Comprehensive Everglades Restoration Plan	10,696,619	1,074,777	9,621,842
	<u>18,546,792</u>	<u>4,800,389</u>	<u>13,746,403</u>
<b>Total Everglades Restoration</b>	<b>18,546,792</b>	<b>4,800,389</b>	<b>13,746,403</b>
	<u>19,702,023</u>	<u>5,048,751</u>	<u>14,653,272</u>
<b>Total Expenditures</b>	<b>19,702,023</b>	<b>5,048,751</b>	<b>14,653,272</b>
Revenues in Excess of (Less than) Expenditures	<u>(7,562,023)</u>	<u>1,925,212</u>	<u>9,487,235</u>
Net Change in Fund Balances	(7,562,023)	1,925,212	9,487,235
Fund Balances at Beginning of Year	12,296,072	12,296,072	-
Fund Balances at End of Year	<u>\$4,734,049</u>	<u>\$14,221,284</u>	<u>\$9,487,235</u>



## South Florida Water Management District

## Capital Projects Fund

## Everglades Trust Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$73,726,969	\$73,220,971	(\$505,998)
Agricultural Privilege Taxes	11,658,125	11,661,037	2,912
Intergovernmental	2,000,000	1,836,844	(163,156)
Investment Earnings (Loss)	343,961	4,138,150	3,794,189
Other	-	3,007	3,007
	<u>87,729,055</u>	<u>90,860,009</u>	<u>3,130,954</u>
<b>EXPENDITURES</b>			
Current			
Water Resources			
District Everglades	23,959,373	17,240,965	6,718,408
Total Water Resources	<u>23,959,373</u>	<u>17,240,965</u>	<u>6,718,408</u>
Operations and Maintenance			
District Everglades	16,331,643	12,441,067	3,890,576
Total Operations and Maintenance	<u>16,331,643</u>	<u>12,441,067</u>	<u>3,890,576</u>
Corporate Resources			
District Everglades	3,398,071	1,067,957	2,330,114
Mission Support	-	12,896	(12,896)
Total Corporate Resources	<u>3,398,071</u>	<u>1,080,853</u>	<u>2,317,218</u>
Everglades Restoration			
District Everglades	34,164,292	15,526,830	18,637,462
Comprehensive Everglades Restoration Plan	1,930,108	1,930,108	-
Total Everglades Restoration	<u>36,094,400</u>	<u>17,456,938</u>	<u>18,637,462</u>
Debt Service			
COPS Bond Interest	1,228,274	1,228,274	-
Contingency			
Managerial Reserve	27,680,095	-	27,680,095
Total Expenditures	<u>108,691,856</u>	<u>49,448,097</u>	<u>59,243,759</u>
Revenues in Excess of (Less than) Expenditures	<u>(20,962,801)</u>	<u>41,411,912</u>	<u>62,374,713</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	15,500,000	12,189,636	(3,310,364)
Transfers Out	(17,202,136)	(15,521,614)	1,680,522
Total Other Financing Sources (Uses)	<u>(1,702,136)</u>	<u>(3,331,978)</u>	<u>(1,629,842)</u>

South Florida Water Management District  
Capital Projects Fund  
Everglades Trust Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balances	(22,664,937)	38,079,934	60,744,871
Fund Balances at Beginning of Year	36,762,102	36,762,102	-
Fund Balances at End of Year	<u>\$14,097,165</u>	<u>\$74,842,036</u>	<u>\$60,744,871</u>

South Florida Water Management District  
 Capital Projects Fund  
 Federal Emergency Management Agency  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$8,572,000	\$4,431,805	(\$4,140,195)
Total Revenues	8,572,000	4,431,805	(4,140,195)
EXPENDITURES			
Current			
Water Resources			
Coastal Watersheds	496,529	314,725	181,804
Total Water Resources	496,529	314,725	181,804
Operations and Maintenance			
Operations and Maintenance	4,128,517	3,767,112	361,405
Total Operations and Maintenance	4,128,517	3,767,112	361,405
Contingency			
Managerial Reserve	4,355,114	-	4,355,114
Total Expenditures	8,980,160	4,081,837	4,898,323
Revenues in Excess of (Less than) Expenditures	(408,160)	349,968	758,128
Net Change in Fund Balances	(408,160)	349,968	758,128
Fund Balances at Beginning of Year	(196,369)	(196,369)	-
Fund Balances at End of Year	(\$604,529)	\$153,599	\$758,128

## South Florida Water Management District

## Capital Projects Fund

## Florida Bay

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$689,830	\$689,830
Investment Earnings (Loss)	83,327	199,483	116,156
<b>Total Revenues</b>	<b>83,327</b>	<b>889,313</b>	<b>805,986</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>Water Resources</b>			
District Everglades	240	-	240
Coastal Watersheds	1,303,511	697,847	605,664
Comprehensive Everglades Restoration Plan	1,435,055	653,742	781,313
<b>Total Water Resources</b>	<b>2,738,806</b>	<b>1,351,589</b>	<b>1,387,217</b>
<b>Corporate Resources</b>			
Coastal Watersheds	18,332	18,332	-
Comprehensive Everglades Restoration Plan	313,178	6,520	306,658
<b>Total Corporate Resources</b>	<b>331,510</b>	<b>24,852</b>	<b>306,658</b>
<b>Everglades Restoration</b>			
Water Supply	-	-	-
Comprehensive Everglades Restoration Plan	1,160,007	92,771	1,067,236
<b>Total Everglades Restoration</b>	<b>1,160,007</b>	<b>92,771</b>	<b>1,067,236</b>
<b>Contingency</b>			
Managerial Reserve	89,672	-	89,672
<b>Total Expenditures</b>	<b>4,319,995</b>	<b>1,469,212</b>	<b>2,850,783</b>
Revenues in Excess of (Less than) Expenditures	(4,236,668)	(579,899)	3,656,769
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,000,000	1,000,000	-
Net Change in Fund Balances	(3,236,668)	420,101	3,656,769
Fund Balances at Beginning of Year	3,924,510	3,924,510	-
Fund Balances at End of Year	<u>\$687,842</u>	<u>\$4,344,611</u>	<u>\$3,656,769</u>

South Florida Water Management District  
 Capital Projects Fund  
 Comprehensive Everglades Restoration Plan - Ad Valorem  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$43,322	\$43,322
Investment Earnings (Loss)	300,000	1,342,793	1,042,793
Sale of District Property	-	5,781	5,781
Other	-	583,368	583,368
	<u>300,000</u>	<u>1,975,264</u>	<u>1,675,264</u>
<b>EXPENDITURES</b>			
Current			
Water Resources			
Comprehensive Everglades Restoration Plan	10,380,217	5,439,571	4,940,646
Total Water Resources	<u>10,380,217</u>	<u>5,439,571</u>	<u>4,940,646</u>
Operations and Maintenance			
Comprehensive Everglades Restoration Plan	1,504,042	1,022,069	481,973
Total Operations and Maintenance	<u>1,504,042</u>	<u>1,022,069</u>	<u>481,973</u>
Corporate Resources			
Comprehensive Everglades Restoration Plan	10,386,210	7,504,629	2,881,581
Total Corporate Resources	<u>10,386,210</u>	<u>7,504,629</u>	<u>2,881,581</u>
Everglades Restoration			
Comprehensive Everglades Restoration Plan	109,378,169	85,706,360	23,671,809
Total Everglades Restoration	<u>109,378,169</u>	<u>85,706,360</u>	<u>23,671,809</u>
Debt Service			
COPS Bond Interest	8,863,533	8,863,533	-
COPS Bond Principal Repayment	25,086,467	-	25,086,467
Total Debt Service	<u>33,950,000</u>	<u>8,863,533</u>	<u>25,086,467</u>
Contingency			
Managerial Reserve	9,950,158	-	9,950,158
Total Expenditures	<u>175,548,796</u>	<u>108,536,162</u>	<u>67,012,634</u>
Revenues in Excess of (Less than) Expenditures	<u>(175,248,796)</u>	<u>(106,560,898)</u>	<u>68,687,898</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	148,975,790	148,975,790	-
Transfers Out	(12,111,080)	(1,964,242)	10,146,838
Total Other Financing Sources (Uses)	<u>136,864,710</u>	<u>147,011,548</u>	<u>10,146,838</u>

South Florida Water Management District  
 Capital Projects Fund  
 Comprehensive Everglades Restoration Plan - Ad Valorem  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balances	(38,384,086)	40,450,650	78,834,736
Fund Balances at Beginning of Year	41,577,334	41,577,334	-
Fund Balances at End of Year	<u>\$3,193,248</u>	<u>\$82,027,984</u>	<u>\$78,834,736</u>

South Florida Water Management District  
 Capital Projects Fund  
 Federal Land Acquisitions  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$1,732,000	\$ -	(\$1,732,000)
Investment Earnings (Loss)	-	95,938	95,938
Total Revenues	<u>1,732,000</u>	<u>95,938</u>	<u>(1,636,062)</u>
EXPENDITURES			
Current			
Everglades Restoration Land Stewardship	<u>3,464,000</u>	<u>3,464,000</u>	<u>-</u>
Total Everglades Restoration	<u>3,464,000</u>	<u>3,464,000</u>	<u>-</u>
Total Expenditures	<u>3,464,000</u>	<u>3,464,000</u>	<u>-</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,732,000)</u>	<u>(3,368,062)</u>	<u>(1,636,062)</u>
Net Change in Fund Balances	(1,732,000)	(3,368,062)	(1,636,062)
Fund Balances at Beginning of Year	<u>4,898,704</u>	<u>4,898,704</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$3,166,704</u></u>	<u><u>\$1,530,642</u></u>	<u><u>(\$1,636,062)</u></u>

## South Florida Water Management District

## Capital Projects Fund

## Save Our Everglades

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual

For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$97,058,225	\$73,241,362	(\$23,816,863)
Investment Earnings (Loss)	-	1,766,939	1,766,939
Other	-	23	23
Total Revenues	<u>97,058,225</u>	<u>75,008,324</u>	<u>(22,049,901)</u>
EXPENDITURES			
Current			
Everglades Restoration			
Lake Okeechobee	458,395	223,593	234,802
Comprehensive Everglades Restoration Plan	<u>91,564,765</u>	<u>74,164,899</u>	<u>17,399,866</u>
Total Everglades Restoration	<u>92,023,160</u>	<u>74,388,492</u>	<u>17,634,668</u>
Contingency			
Managerial Reserve	<u>3,851,605</u>	-	<u>3,851,605</u>
Total Expenditures	<u>95,874,765</u>	<u>74,388,492</u>	<u>21,486,273</u>
Revenues in Excess of (Less than) Expenditures	<u>1,183,460</u>	<u>619,832</u>	<u>(563,628)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(37,150,575)</u>	<u>(37,150,575)</u>	-
Net Change in Fund Balances	<u>(35,967,115)</u>	<u>(36,530,743)</u>	<u>(563,628)</u>
Fund Balances at Beginning of Year	<u>38,993,276</u>	<u>38,993,276</u>	-
Fund Balances at End of Year	<u><u>\$3,026,161</u></u>	<u><u>\$2,462,533</u></u>	<u><u>(\$563,628)</u></u>



South Florida Water Management District  
 Capital Projects Fund  
 Comprehensive Everglades Restoration Plan - Federal Funds  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$5,914,250	\$1,495,690	(\$4,418,560)
Total Revenues	<u>5,914,250</u>	<u>1,495,690</u>	<u>(4,418,560)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Comprehensive Everglades Restoration Plan	423,488	422,294	1,194
Total Operations and Maintenance	<u>423,488</u>	<u>422,294</u>	<u>1,194</u>
Everglades Restoration			
Comprehensive Everglades Restoration Plan	745,356	231,955	513,401
Total Everglades Restoration	<u>745,356</u>	<u>231,955</u>	<u>513,401</u>
Contingency			
Managerial Reserve	5,000,000	-	5,000,000
Total Expenditures	<u>6,168,844</u>	<u>654,249</u>	<u>5,514,595</u>
Revenues in Excess of (Less than) Expenditures	<u>(254,594)</u>	<u>841,441</u>	<u>1,096,035</u>
Net Change in Fund Balances	(254,594)	841,441	1,096,035
Fund Balances at Beginning of Year	<u>(1,194,893)</u>	<u>(1,194,893)</u>	<u>-</u>
Fund Balances at End of Year	<u><u>(\$1,449,487)</u></u>	<u><u>(\$353,452)</u></u>	<u><u>\$1,096,035</u></u>

South Florida Water Management District  
 Capital Projects Fund  
 Comprehensive Everglades Restoration Plan - Other Creditable  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$2,118,300	\$2,208,128	\$89,828
Investment Earnings (Loss)	-	206,730	206,730
Sale of District Property	-	136	136
Other	-	9,125	9,125
	<u>2,118,300</u>	<u>2,424,119</u>	<u>305,819</u>
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Current			
Everglades Restoration			
Comprehensive Everglades Restoration Plan	25,987,569	14,746,240	11,241,329
	<u>25,987,569</u>	<u>14,746,240</u>	<u>11,241,329</u>
<b>Total Everglades Restoration</b>			
	<u>25,987,569</u>	<u>14,746,240</u>	<u>11,241,329</u>
<b>Total Expenditures</b>			
	<u>25,987,569</u>	<u>14,746,240</u>	<u>11,241,329</u>
Revenues in Excess of (Less than) Expenditures	<u>(23,869,269)</u>	<u>(12,322,121)</u>	<u>11,547,148</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,027,575	6,027,575	-
Net Change in Fund Balances	(17,841,694)	(6,294,546)	11,547,148
Fund Balances at Beginning of Year	10,728,630	10,728,630	-
Fund Balances at End of Year	<u>(\$7,113,064)</u>	<u>\$4,434,084</u>	<u>\$11,547,148</u>

South Florida Water Management District  
 Capital Projects Fund  
 ACCELER8 - Everglades Construction Project  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Loss)	\$ -	\$2,714,703	\$2,714,703
Total Revenues	-	2,714,703	2,714,703
<b>EXPENDITURES</b>			
Current			
Corporate Resources			
District Everglades	1,825,000	1,542,755	282,245
Total Corporate Resources	1,825,000	1,542,755	282,245
Everglades Restoration			
District Everglades	30,418,898	21,777,256	8,641,642
Total Everglades Restoration	30,418,898	21,777,256	8,641,642
Debt Service			
Bank Loan Principal Payments	33,500,000	33,500,000	-
Contingency			
Managerial Reserve	-	-	-
Total Expenditures	65,743,898	56,820,011	8,923,887
Revenues in Excess of (Less than) Expenditures	(65,743,898)	(54,105,308)	11,638,590
<b>OTHER FINANCING SOURCES (USES)</b>			
Bank Loans	77,218,438	-	(77,218,438)
Debt Issue	-	66,468,265	66,468,265
Premiums on Bonds Issued	-	3,174,416	3,174,416
Discounts on Bonds Issued	-	(9,866)	(9,866)
Transfers Out	(15,500,000)	(12,189,636)	3,310,364
Total Other Financing Sources (Uses)	61,718,438	57,443,179	(4,275,259)
Net Change in Fund Balances	(4,025,460)	3,337,871	7,363,331
Fund Balances at Beginning of Year	10,472,398	10,472,398	-
Fund Balances at End of Year	\$6,446,938	\$13,810,269	\$7,363,331

South Florida Water Management District  
 Capital Projects Fund  
 ACCELER8 - Comprehensive Everglades Restoration Plan  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$ -	\$17,133,092	\$17,133,092
Total Revenues	-	17,133,092	17,133,092
EXPENDITURES			
Current			
Corporate Resources			
Comprehensive Everglades Restoration Plan	6,375,000	5,222,721	1,152,279
Total Corporate Resources	6,375,000	5,222,721	1,152,279
Everglades Restoration			
Comprehensive Everglades Restoration Plan	211,204,555	87,289,421	123,915,134
Total Everglades Restoration	211,204,555	87,289,421	123,915,134
Debt Service			
Bank Loan Principal Payments	48,500,000	48,500,000	-
Contingency			
Managerial Reserve	77,131,550	-	77,131,550
Total Expenditures	343,211,105	141,012,142	202,198,963
Revenues in Excess of (Less than) Expenditures	(343,211,105)	(123,879,050)	219,332,055
OTHER FINANCING SOURCES (USES)			
Bank Loans	336,379,806	-	(336,379,806)
Debt Issue	-	479,651,735	479,651,735
Premiums on Bonds Issued	-	22,907,381	22,907,381
Discounts on Bonds Issued	-	(71,194)	(71,194)
Transfers In	11,168,889	1,022,051	(10,146,838)
Transfers Out	(11,975,790)	(11,975,790)	-
Total Other Financing Sources (Uses)	335,572,905	491,534,183	155,961,278
Net Change in Fund Balances	(7,638,200)	367,655,133	375,293,333
Fund Balances at Beginning of Year	9,996,814	9,996,814	-
Fund Balances at End of Year	\$2,358,614	\$377,651,947	\$375,293,333

South Florida Water Management District  
 Permanent Fund  
 Wetlands Mitigation  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2007

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings (Loss)	\$171,173	\$439,948	\$268,775
Licenses, Permits, and Fees	-	308,800	308,800
Total Revenues	<u>171,173</u>	<u>748,748</u>	<u>577,575</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(327,413)</u>	<u>(327,413)</u>	<u>-</u>
Net Change in Fund Balances	(156,240)	421,335	577,575
Fund Balances at Beginning of Year	<u>7,242,061</u>	<u>7,242,061</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$7,085,821</u></u>	<u><u>\$7,663,396</u></u>	<u><u>\$577,575</u></u>

# **STATISTICAL SECTION**



## Statistical Section

This part of the South Florida Water Management District’s comprehensive annual financial report presents detailed information as context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the district’s overall financial health.

FINANCIAL TRENDS ..... VI - 2

*These schedules contain trend information to help the reader understand how the district’s financial performance and well-being have changed over time.*

REVENUE CAPACITY ..... VI - 8

*These schedules contain information to help the reader assess the factors affecting the district’s ability to generate its property taxes.*

DEBT CAPACITY ..... VI - 12

*These schedules present information to help the reader assess the affordability of the district’s current levels of outstanding debts and the district’s ability to issue additional debt in the future.*

DEMOGRAPHIC AND ECONOMIC INFORMATION ..... VI - 14

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the district’s financial activities take place and to help make comparisons over time and with other governments.*

OPERATING INFORMATION ..... VI - 18

*These schedules contain information about the district’s operations and resources to help the reader understand how the district’s financial information relates to the services the district’s 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. The district implemented Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.*



**Schedule 1**  
**South Florida Water Management District**  
**Net Assets by Category**  
Last Seven Fiscal Years  
(Accrual Basis of Accounting)

	<b>Fiscal Year</b>						
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Invested in capital assets, net of related debt	\$ 1,510,106,373	\$ 1,701,250,828	\$ 1,962,938,768	\$ 2,199,470,206	\$ 2,473,840,536	\$ 2,983,338,729	\$ 3,398,712,773
Restricted for:							
Debt Service	6,046,727	4,690,501	6,509,648	9,873,615	8,172,744	5,842,813	26,937,291
Wetlands Mitigation							
Expendable	10,726,221	14,855,135	19,199,337	20,463,621	14,048,767	13,048,502	11,552,393
Nonexpendable	5,570,107	5,380,398	5,656,211	6,945,763	7,030,157	7,230,157	7,538,957
Environmental Programs		55,443,173	69,154,265	32,524,198	26,097,971	40,830,660	49,828,254
Capital Construction							412,350,404
Totals for Restricted	22,343,055	80,369,207	100,519,461	69,807,197	55,349,639	66,952,132	508,207,299
Unrestricted	221,370,715	231,346,934	212,417,921	204,525,775	266,450,259	223,598,367	(111,098,636)
Total Net Assets	<u>\$ 1,753,820,143</u>	<u>\$ 2,012,966,969</u>	<u>\$ 2,275,876,150</u>	<u>\$ 2,473,803,178</u>	<u>\$ 2,795,640,434</u>	<u>\$ 3,273,889,228</u>	<u>\$ 3,795,821,436</u>

Note: South Florida Water Management District converted to GASB 34 in 2001, the first year a Statement of Net Assets was presented by the District.

**Schedule 2**  
**South Florida Water Management District**  
**Changes in Net Assets**  
Last Six Fiscal Years  
(Accrual Basis of Accounting)

Functions/Programs	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>						
Land Stewardship					\$ 19,315,572	\$ 14,480,201
District Everglades					40,238,293	71,929,012
Operations and Maintenance					72,203,106	83,000,117
Water Supply					55,510,219	59,868,436
Kissimmee Restoration					36,033,207	12,166,328
Regulation					15,729,501	17,322,886
Lake Okeechobee					14,476,700	26,628,565
Coastal Watersheds					32,415,897	32,484,337
Mission Support					115,901,217	128,467,596
Comprehensive Everglades Restoration Plan					60,600,287	24,865,512
Modeling and Scientific Support					16,434,291	15,550,268
Interest on Long-Term Debt					5,862,342	25,466,262
Total expenses	<u>\$ 357,547,401</u>	<u>\$ 299,134,119</u>	<u>\$ 373,574,001</u>	<u>\$ 417,298,017</u>	<u>\$ 484,720,632</u>	<u>\$ 512,229,520</u>
<b>Program Revenues</b>						
Operating Grants & Contributions						
Land Stewardship					15,225,629	20,820,155
District Everglades					610,693	
Operations and Maintenance					6,578,682	11,468,898
Water Supply					26,382,690	51,191,903
Kissimmee Restoration						273,714
Regulation						13,355
Lake Okeechobee					513,787	13,461,000
Coastal Watersheds					179,553	2,425,932
Mission Support						
Comprehensive Everglades Restoration Plan						
Modeling and Scientific Support						166,337
Interest on Long-Term Debt						7,012,877
Total Operating Grants & Contributions	<u>103,899,298</u>	<u>71,994,832</u>	<u>41,968,192</u>	<u>93,011,818</u>	<u>49,491,034</u>	<u>106,834,171</u>

**Schedule 2**  
**South Florida Water Management District**  
**Changes in Net Assets**  
Last Six Fiscal Years  
(Accrual Basis of Accounting)

Functions/Programs	2002	2003	2004	2005	2006	2007
Capital Grants & Contributions:						
Land Stewardship					3,609,064	
District Everglades					2,094,606	171,772,287
Operations and Maintenance					18,448,935	21,986,733
Water Supply					1,371,778	7,250
Kissimmee Restoration					54,478,969	4,953,070
Regulation						
Lake Okeechobee					3,509,464	
Coastal Watersheds					2,383,154	4,431,805
Mission Support						612,722
Comprehensive Everglades Restoration Plan					306,472,126	81,680,055
Modeling and Scientific Support						
Interest on Long-Term Debt					7,014,759	
Total Capital Grants & Contributions	<u>222,092,228</u>	<u>144,884,863</u>	<u>157,103,336</u>	<u>208,558,280</u>	<u>399,382,855</u>	<u>285,443,922</u>
Charges for Services	7,583,178	15,482,234	10,820,870	9,495,049		
Regulation					11,805,719	12,761,049
Total Program Revenues	<u>333,574,704</u>	<u>232,361,929</u>	<u>209,892,398</u>	<u>311,065,147</u>	<u>460,679,608</u>	<u>405,039,142</u>
Net (Expense) / Revenue	<u>(23,972,697)</u>	<u>(66,772,190)</u>	<u>(163,681,603)</u>	<u>(106,232,870)</u>	<u>(24,041,024)</u>	<u>(107,190,378)</u>
<b>General Revenues</b>						
Taxes:						
Property Taxes, Levied for General Purposes	279,028,610	308,054,749	343,908,082	388,403,092	386,282,388	476,628,776
Property Taxes, Levied for Everglades Construction					70,980,322	84,882,009
Investment Earnings	9,711,920	10,387,350	8,254,627	7,845,492	18,440,431	47,506,506
Miscellaneous	7,884,053	11,239,272	9,445,921	31,821,543	11,220,865	20,105,295
Gain on Sale of Capital Assets					15,365,812	
Total General Revenues	<u>296,624,583</u>	<u>329,681,371</u>	<u>361,608,630</u>	<u>428,070,127</u>	<u>502,289,818</u>	<u>629,122,586</u>
Total Revenue	<u>630,199,287</u>	<u>562,043,300</u>	<u>571,501,028</u>	<u>739,135,274</u>	<u>962,969,426</u>	<u>1,034,161,728</u>
<b>Change in Net Assets</b>	<u>\$ 272,651,886</u>	<u>\$ 262,909,181</u>	<u>\$ 197,927,027</u>	<u>\$ 321,837,257</u>	<u>\$ 478,248,794</u>	<u>\$ 521,932,208</u>

Note: South Florida Water Management District converted to GASB 34 in 2001. The first year the District presented a programmatic Statement of Activities was FY 2002. Because the District changed its level of control in FY 2006, we can present totals only for all years prior to FY 2006.

**Schedule 3**  
**South Florida Water Management District**  
**Fund Balances, Governmental Funds**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 18,488,906	\$ 13,497,220	\$ 10,549,806	\$ 16,460,385	\$ 14,852,102	\$ 11,765,623	\$ 10,503,187	\$ 12,557,883	\$ 11,933,752	\$ 9,776,476
Unreserved	16,380,188	17,382,569	25,924,522	32,604,539	23,338,160	22,181,011	28,534,385	26,251,006	37,101,833	54,269,757
<b>Total General Fund</b>	<b>34,869,094</b>	<b>30,879,789</b>	<b>36,474,328</b>	<b>49,064,924</b>	<b>38,190,262</b>	<b>33,946,634</b>	<b>39,037,572</b>	<b>38,808,889</b>	<b>49,035,585</b>	<b>64,046,233</b>
All Other Governmental Funds										
Reserved	86,940,235	82,951,922	150,515,183	102,578,012	157,553,563	209,167,052	238,721,295	178,809,881	137,723,123	202,169,397
Unreserved, reported in										
Special Revenue Funds	44,573,442	44,700,665	33,391,279	32,336,064	57,641,290	67,478,234	44,639,896	98,731,116	98,778,294	120,286,117
Capital Project Funds	176,737,089	64,497,258	50,728,253	81,941,984	83,700,381	29,896,880	(21,388,585)	30,963,011	113,473,976	497,274,716
Debt Service Funds				230,668	(194)	120,721	216,480			
Permanent Fund								156,240	11,904	124,439
<b>Total All Other Governmental Funds</b>	<b>308,250,766</b>	<b>192,149,845</b>	<b>234,634,715</b>	<b>217,086,728</b>	<b>298,895,040</b>	<b>306,662,887</b>	<b>262,189,086</b>	<b>308,660,248</b>	<b>349,987,297</b>	<b>819,854,669</b>
<b>Grand Total</b>	<b>\$ 343,119,860</b>	<b>\$ 223,029,634</b>	<b>\$ 271,109,043</b>	<b>\$ 266,151,652</b>	<b>\$ 337,085,302</b>	<b>\$ 340,609,521</b>	<b>\$ 301,226,658</b>	<b>\$ 347,469,137</b>	<b>\$ 399,022,882</b>	<b>\$ 883,900,902</b>

**Schedule 4**  
**South Florida Water Management District**  
**Changes in Fund Balances, Governmental Funds**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 209,808,109	\$ 221,882,734	\$ 237,882,520	\$ 243,421,127	\$ 266,530,649	\$ 295,177,218	\$ 331,671,331	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748
Agricultural Privilege Taxes				12,728,614	12,497,961	12,877,531	12,236,751	12,349,728	11,512,807	11,661,037
Intergovernmental	89,440,887	179,624,643	109,108,043	120,485,927	327,863,368	216,734,066	196,951,248	301,439,509	448,598,226	204,806,608
Interest	23,130,204	18,094,031	17,468,899	18,581,132						
Net Increase (Decrease) in the Fair Value of Investments		(6,593,761)	532,442							
Investment Earnings					9,861,898	10,532,979	8,374,907	7,976,081	18,716,094	47,506,507
Licenses, Permits and Fees	9,088,486	6,109,804	12,142,979	9,105,446	5,731,531	12,458,105	6,359,132	5,999,113	6,906,828	8,113,937
Self-Insurance Premiums				2,323,352	1,979,866	2,518,647	2,878,819	2,816,417	1,992,597	2,536,441
Sale of District Property				4,996,686	826,406	1,966,859	770,698	20,564,902	943,075	669,441
Indirect Costs Recovered				2,966,738	3,072,510	3,881,216	4,473,238	4,388,282	4,250,305	5,814,975
Leases				2,012,442	2,084,447	3,179,028	4,614,065	3,996,809	4,898,891	4,647,111
Other	4,086,838	4,456,624	8,771,829	880,003	1,772,471	2,717,651	1,170,839	3,551,069	4,034,888	11,714,828
<b>Total Revenues</b>	<b>335,554,524</b>	<b>423,574,075</b>	<b>385,906,712</b>	<b>417,501,467</b>	<b>632,221,107</b>	<b>562,043,300</b>	<b>569,501,028</b>	<b>739,135,274</b>	<b>947,603,614</b>	<b>847,320,633</b>
<b>EXPENDITURES</b>										
Current Operating	193,166,494	215,637,182	241,921,787	274,675,757	324,229,088	319,598,748	340,643,689	404,980,082		
Land Stewardship									14,373,694	14,755,024
District Everglades									40,439,537	44,068,392
Operations and Maintenance									92,631,396	97,432,062
Water Supply									55,327,584	59,788,850
Kissimmee Restoration									9,950,615	11,276,315
Regulation									15,712,972	17,330,960
Lake Okeechobee									15,282,944	30,531,429
Coastal Watersheds									32,433,357	32,697,566
Mission Support									112,631,686	109,436,655
Comprehensive Everglades Restoration Plan									85,837,595	120,885,522
Modeling and Scientific Support									15,794,092	16,628,572
Capital Outlay	83,802,257	334,024,047	99,605,065	113,020,124	237,726,536	238,468,225	252,652,260	284,130,917	475,145,947	274,226,563 *
Debt Service										
Bond Principal Retirement	3,530,000	3,665,000	3,820,000	3,985,000	4,160,000	3,450,000	2,025,000	3,260,000	4,500,000	5,628,060
Bond Interest and Other Fiscal Charges	4,336,097	4,191,315	4,032,838	3,861,824	3,677,680	2,728,371	1,981,904	2,583,429	2,444,126	2,303,401
Bank Loan Principal Payments							10,558,228	4,872,193	3,577,553	86,847,342
Bank Loan Interest							915,934	610,763	740,199	580,847
Bond Issuance Costs					421,036	608,179				
Defeasance Costs					1,880,274	1,633,561				
Capital Lease Principal Payments							1,405,367	1,296,990	1,144,988	
Capital Lease Interest							100,935	98,004	81,584	53,983
COPS Bond Interest										10,091,807
<b>Total Expenditures</b>	<b>284,834,848</b>	<b>557,517,544</b>	<b>349,379,690</b>	<b>395,542,705</b>	<b>572,094,614</b>	<b>566,487,084</b>	<b>610,283,317</b>	<b>701,832,378</b>	<b>978,049,869</b>	<b>934,563,350</b>
Revenues in Excess of (Less Than) Expenditures	50,719,676	(133,943,469)	36,527,022	21,958,762	60,126,493	(4,443,784)	(40,782,289)	37,302,896	(30,446,255)	(87,242,717)

\* This capital outlay amount includes capital outlay expenditures from the capital funds only. It does not include capital expenditures from the General Fund or Special Revenue Funds. That is why this amount is different from the capital outlay amount on Page III-11.

**Schedule 4**  
**South Florida Water Management District**  
**Changes in Fund Balances, Governmental Funds**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	12,197,346	45,838,680	60,483,572	66,373,071	80,489,239	117,935,376	146,298,313	142,255,948	202,207,302	261,893,797
Transfers Out	(12,197,346)	(45,838,680)	(60,266,625)	(66,373,071)	(80,489,239)	(117,935,376)	(146,298,313)	(142,255,948)	(202,207,302)	(261,893,797)
Land Acquisition Refunding Bonds Issues					23,810,000	34,550,000				
Proceeds of Bond Issuance										
Premium on Bonds Issued						2,460,629				26,081,797
Discount on Bonds Issued					(102,843)					(81,060)
Payment to Bond Escrow Agent					(21,900,000)	(35,370,000)				
Proceeds of Bank Loan	3,518,131	15,036,499	10,000,000		9,000,000	4,827,374		8,000,000	82,000,000	
Proceeds of Capital Leases	2,379,828	2,156,814	1,335,440	3,530,940		1,500,000	1,399,426	939,583		
Certificate of Participation Proceeds										546,120,000
Total Other Financing Sources (Uses)	<u>5,897,959</u>	<u>17,193,313</u>	<u>11,552,387</u>	<u>3,530,940</u>	<u>10,807,157</u>	<u>7,968,003</u>	<u>1,399,426</u>	<u>8,939,583</u>	<u>82,000,000</u>	<u>572,120,737</u>
Net Change in Fund Balance	<u>\$ 56,617,635</u>	<u>\$ (116,750,156)</u>	<u>\$ 48,079,409</u>	<u>\$ 25,489,702</u>	<u>\$ 70,933,650</u>	<u>\$ 3,524,219</u>	<u>\$ (39,382,863)</u>	<u>\$ 46,242,479</u>	<u>\$ 51,553,745</u>	<u>\$ 484,878,020</u>
Debt Service as a percentage of noncapital expenditures	4.58%	4.48%	3.60%	3.02%	2.86%	4.64%	4.90%	2.88%	2.65%	17.79%

**Schedule 5**  
**South Florida Water Management District**  
**Assessed Value of Taxable Property**  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessed Value of Taxable Property (In Billions)</u>	<u>District Tax Rate</u>	<u>Okeechobee Basin Tax Rate</u>	<u>Total Direct Tax Rate*</u>
1998	\$ 280.4	\$ 2.84	\$ 4.13	\$ 6.97
1999	296.2	2.84	4.13	6.97
2000	316.0	2.84	4.13	6.97
2001	337.8	2.84	4.13	6.97
2002	366.1	2.84	4.13	6.97
2003	405.3	2.84	4.13	6.97
2004	451.0	2.84	4.13	6.97
2005	507.2	2.84	4.13	6.97
2006	573.5	2.84	4.13	6.97
2007	845.2	2.84	4.13	6.97

\* Represents the rate in 15 of our 16 counties. Tax rates are per \$1,000 of assessed value.

**Schedule 6**  
**South Florida Water Management District**  
**Direct Property Tax Rates**  
 Last Ten Fiscal Years  
 (Rate per \$1,000 of assessed value)

<b>Fiscal Year</b>	<b>District</b>	<b>Okeechobee Basin</b>	<b>Big Cypress Basin</b>
1998	0.2840	0.4130	0.2780
1999	0.2840	0.4130	0.2780
2000	0.2840	0.4130	0.2780
2001	0.2840	0.4130	0.2780
2002	0.2840	0.4130	0.2425
2003	0.2840	0.4130	0.2425
2004	0.2840	0.4130	0.2425
2005	0.2840	0.4130	0.2425
2006	0.2840	0.4130	0.2425
2007	0.2840	0.4130	0.2425

Note: Because South Florida Water Management District is a regional governmental unit,  
 it is not possible to present Overlapping Property Tax Rates.



**Schedule 7**  
**South Florida Water Management District**  
**Principal Property Tax Payers**  
Current and Prior Years

	2007			2006		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
<u>Taxpayer</u>						
Walt Disney Company	\$ 7,014,884,683	1	0.83%	\$ 6,194,118,181	1	1.08%
Florida Power & Light Company	6,150,724,696	2	0.73%	5,416,376,180	2	0.94%
Universal	1,471,723,371	3	0.17%	1,565,314,671	3	0.27%
Bellsouth Telecommunications, Inc.	1,367,343,551	4	0.16%	1,401,827,566	4	0.24%
Marriott Ownership Resorts, Inc.	1,202,049,533	5	0.14%	1,261,567,853	5	0.22%
Westgate Properties	1,035,352,969	6	0.12%	1,001,813,446	6	0.17%
Vistana	660,231,641	7	0.08%	580,584,834	7	0.10%
Florida Power Corp.	597,082,299	8	0.07%	572,654,709	8	0.10%
R H Resorts/Rosen Hotels	508,074,878	9	0.06%	418,720,980	9	0.07%
Progress Energy	443,733,861	10	0.05%	396,000,000	10	0.07%
Totals	<u>\$20,451,201,482</u>		<u>2.42%</u>	<u>\$18,808,978,420</u>		<u>3.28%</u>

Note: Amounts represent assessed value as of January 1, of the year presented.  
The earliest year for which this data is available is 2006. As such, 2006 will be our base year for comparison. The amounts shown herein reflect county totals even though the county may only partially be within the District's boundaries.

Source: This data was obtained from the Tax Collectors or Property Appraisers for the sixteen counties that make up South Florida Water Management District.

**Schedule 8**  
**South Florida Water Management District**  
**Property Tax Collections**  
Last Ten Fiscal Years

<b>Fiscal Year Ended Sept. 30</b>	<b>District Wide Tax Rate</b>	<b>Okee Basin Tax Rate</b>	<b>Big Cypress Basin Tax Rate</b>	<b>Total Tax Levy</b>	<b>Collections within the Fiscal Year of the Levy</b>	<b>Percentage of Levy</b>	<b>Collection of Prior Year Taxes *</b>	<b>Total Collections to Date</b>	<b>Percentage of Levy **</b>
1998	0.284	0.413	0.278	\$ 196,358,936	\$ 195,921,248	99.8%	\$ 1,357,107	\$ 197,278,355	100.5%
1999	0.284	0.413	0.278	220,244,344	208,695,407	94.8%	1,073,258	209,768,665	95.2%
2000	0.284	0.413	0.278	223,856,081	223,101,636	99.7%	1,378,159	224,479,795	100.3%
2001	0.284	0.413	0.278	241,403,497	241,321,389	100.0%	1,269,213	242,590,602	100.5%
2002	0.284	0.413	0.2425	265,735,680	264,039,232	99.4%	2,355,772	266,395,004	100.2%
2003	0.284	0.413	0.2425	295,346,451	292,857,702	99.2%	1,860,683	294,718,385	99.8%
2004	0.284	0.413	0.2425	331,860,455	329,382,620	99.3%	1,777,530	331,160,150	99.8%
2005	0.284	0.413	0.2425	375,371,188	372,357,871	99.2%	2,696,744	375,054,615	99.9%
2006	0.284	0.413	0.2425	444,075,931	423,518,333	95.4%	2,090,550	425,608,883	95.8%
2007	0.284	0.413	0.2425	553,009,838	544,902,110	98.5%	545,504	545,447,614	98.6%

\* Reflects taxes collected during the year that were levied in prior years. Tax Collectors do not provide information sufficient to distinguish prior year tax collections by year that the tax was levied.

\*\* Includes taxes collected for the current year levy plus collections of taxes that were levied in a prior years. As such collections could be greater than 100% of the taxes levied during the year.

**Schedule 9**  
**South Florida Water Management District**  
**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

As of Fiscal Year Ended Sept. 30	Governmental Activities					Total Primary Government	Percentage of Personal Income **	Per Capita
	Land Acquisition Bonds--WMLTF*	Land Purchases Payable	Capital Leases	Bank Loans	Certificates of Participation			
1998	\$ 83,545,000	-	\$ 3,428,638	\$ 3,518,131		\$ 90,491,769	0.0466%	\$ 14.24
1999	79,880,000	-	4,633,302	17,873,237		102,386,539	0.0499%	15.77
2000	76,060,000	-	4,520,677	25,824,243		106,404,920	0.0479%	16.13
2001	72,075,000	-	6,273,316	22,470,636		100,818,952	0.0433%	14.91
2002	69,825,000	-	4,125,961	26,764,555		100,715,516	0.0417%	14.58
2003	65,555,000	\$ 112,142,857	3,379,304	26,888,088		207,965,249	0.0840%	29.57
2004	63,530,000	134,396,198	3,373,363	16,329,860		217,629,421	0.0824%	30.29
2005	60,270,000	100,108,087	3,008,733	19,456,880		182,843,700	0.0646%	24.95
2006	55,770,000	77,679,516	1,863,644	15,878,527		151,191,687	0.0500%	20.22
2007	51,110,000	40,219,445	895,678	11,031,537	\$ 546,120,000	649,376,660	0.2010%	82.64

\* The acronym WMLTF stands for Water Management Lands Trust Fund.

\*\* Refer to schedule 11 for the total amount of personal income.

**Schedule 10**  
**South Florida Water Management District**  
**Pledged-Revenue Bond Coverage**  
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	District Balance	Revenues			Expenditures			Collection to Debt Service Coverage
	As of Sept. 30	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Acquisition/Maintenance Costs	State Transfers (1)	Debt Service Payments (2)	As of Sept. 30
1998	\$ 17,403,258	\$ 17,876,979	\$ 403,700	\$ 1,526,667	\$ 6,050,630	-	\$ 7,928,657	\$ 23,231,317
1999	23,231,317	19,354,065	457,636	1,468,828	3,821,274	-	7,931,153	32,759,419
2000	32,759,419	15,353,142	551,778	1,821,704	1,075,161	-	7,929,122	41,481,760
2001	41,481,760	20,692,711	921,210	2,696,414	19,447,263	\$ 5,700,000	7,925,247	32,719,585
2002	32,719,585	19,077,914	1,205,167	1,779,116	5,320,349	3,390,000	6,971,411	39,100,022
2003	39,100,022	25,308,332	677,827	1,793,006	26,091,491	9,600,000	5,642,343	25,545,353
2004	25,545,353	30,328,188	729,712	876,611	14,408,883	14,490,000	5,046,272	23,534,709
2005	23,534,709	40,825,275	641,382	1,004,100	12,542,033	(3,421,066)	7,020,805	49,863,694
2006	49,863,694	40,437,784	556,170	1,829,897	14,521,957	73,678,516	7,014,759	(2,527,687)
2007	(2,527,687)	34,619,597	810,573	1,042,873	13,011,316	(178,988)	7,012,876	14,100,152
Totals for 10 years		<u>\$ 263,873,987</u>	<u>\$ 6,955,155</u>	<u>\$ 15,839,216</u>	<u>\$ 116,290,357</u>	<u>\$ 103,258,462</u>	<u>\$ 70,422,645</u>	

(1) Transfers during fiscal years 2001 through 2007 represent transfers by the State to and from other State trust funds.

(2) Represent transfers from the Water Management Lands Trust Fund to the Debt Service Fund held by the Trustee. Amounts will vary from the actual debt service payments due to accumulated monies such as interest earnings in the Debt Service Fund.

Source: Department of Environmental Protection, Water Management Lands Trust Fund, Bureau of Finance and Accounting Contracts Disbursements Section

**Schedule 11**  
**South Florida Water Management District**  
**Demographic and Economic Statistics**  
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population <sup>1</sup></u>	<u>Personal Income (thousands of dollars) <sup>2</sup></u>	<u>Per Capita Personal Income <sup>2</sup></u>	<u>Median Age <sup>3</sup></u>	<u>Percentage of Population (25 yrs. And over) with High School Diploma or Equivalent <sup>3</sup></u>	<u>School Enrollment K - 12<sup>4</sup></u>	<u>Unemployment Rate <sup>3</sup></u>
1997	6,223,239	\$ 179,240,810	\$ 28,802			900,390	5.7%
1998	6,355,147	194,347,435	30,581			922,562	5.2%
1999	6,490,528	205,066,260	31,595			980,140	4.6%
2000	6,595,895	222,348,731	33,710	38.57	77.07%	1,011,089	4.0%
2001	6,762,157	232,990,280	34,455			1,045,571	4.9%
2002	6,906,096	241,365,788	34,950			1,063,783	5.9%
2003	7,033,592	247,650,823	35,210			1,084,866	5.5%
2004	7,185,051	264,272,390	36,781			1,096,057	4.8%
2005	7,328,975	295,134,205	40,270	39.18		1,102,719	3.9%
2006	7,475,555	302,165,669	41,138			1,124,773	3.3%
2007	7,858,268	323,012,195	41,105			1,082,297	4.4%

**Sources of Data**

- 1 U. S. Department of Commerce Bureau of Economic Analysis.
- 2 Florida Research & Economic Database. Information for 2007 pro-rated from Florida total.
- 3 U.S. Census Bureau American Fact Finder.
- 4 Florida Department of Education.

**Web Address**

- 1 [www.bea.gov](http://www.bea.gov)
- 2 [www.fred.labormarketinfor.com](http://www.fred.labormarketinfor.com)
- 3 <http://factfinder.census.gov>
- 4 <http://www.fldoe.org/eias/eiaspubs/>

**Schedule 12**  
**South Florida Water Management District**  
**Ten Largest Employers**  
Current Year

<u>Employers</u>	<b>2006</b>	
	<u>Number of Employees</u>	<u>Percentage of Total Employers Listed</u>
Miami-Dade County Public Schools	50,000	21.1%
Broward County School Board	36,853	15.5%
Miami-Dade County Government	32,000	13.5%
U. S. Federal Government	26,700	11.2%
Florida State Government	26,200	11.0%
Palm Beach County School Board	21,616	9.1%
Broward County Government	12,705	5.4%
Baptist Health South Florida	10,826	4.6%
Jackson Health System	10,500	4.4%
Lee County School Board	10,044	4.2%
Totals	<u>237,444</u>	<u>100.0%</u>

Source: The FY 2006 CAFRs of the following counties: Broward, Charlotte, Collier, Lee, Miami-Dade, and Palm Beach.

Note: Information prior to Fiscal Year 2006 is not available.

**Schedule 13**  
**South Florida Water Management District**  
**Employment Data 1998 - 2006 for SFWMD's 16 Counties**  
**(adjusted for partial counties)**

Year	Total Labor Force	Employed	Unemployed	Unemployment Rate (%)
1998	3,183,440	3,002,151	181,289	6.2
1999	3,219,175	3,058,775	160,400	4.9
2000	3,340,193	3,197,811	142,383	4.3
2001	3,417,293	3,243,669	173,624	5.1
2002	3,473,704	3,264,210	209,494	6.1
2003	3,520,975	3,325,940	195,035	5.5
2004	3,600,708	3,422,407	178,301	5.0
2005	3,714,548	3,564,785	149,763	4.0
2006	3,815,337	3,686,457	128,880	3.4
2007	3,855,439	3,685,668	169,771	4.4

Source: <http://www.bls.gov/lau/home.htm>

**Schedule 14**  
**South Florida Water Management District**  
**District Employees broken down into Resource Areas and Major Programs**

<u>Year</u>	<u>Resource Area/ Major Program</u>	<u>Number of Employees per Program</u>	<u>Percentage of Employees in Major Program</u>	<u>Percentage of Employees in District</u>
2007	<b>WATER RESOURCES</b>			
	Everglades Program	149	23.99%	8.38%
	Water Supply	67	10.79%	3.77%
	Kissimmee Watershed	30	4.83%	1.69%
	Regulation	183	29.47%	10.29%
	Lake Okeechobee	41	6.60%	2.30%
	Coastal Watersheds	51	8.21%	2.87%
	Modeling & Scientific Support	100	16.10%	5.62%
	<b>WATER RESOURCES TOTAL</b>	<b>621</b>	<b>100.00%</b>	<b>34.91%</b>
	<b>OPERATIONS &amp; MAINTENANCE RESOURCES</b>			
	Operations & Maintenance	585	100.00%	32.88%
	<b>OPERATIONS &amp; MAINTENANCE TOTAL</b>	<b>585</b>	<b>100.00%</b>	<b>32.88%</b>
	<b>EVERGLADES RESTORATION RESOURCES</b>			
	Land Stewardship	48	29.45%	2.70%
	Comprehensive Everglades Restoration Plan	115	70.55%	6.46%
	<b>EVERGLADES RESTORATION RES. TOTAL</b>	<b>163</b>	<b>100.00%</b>	<b>9.16%</b>
	<b>CORPORATE RESOURCES</b>			
	Mission Support	410	100.00%	23.05%
	<b>CORPORATE RESOURCES TOTAL</b>	<b>410</b>	<b>100.00%</b>	<b>23.05%</b>
	<b>DISTRICT TOTAL</b>	<b>1,779</b>		<b>100.00%</b>



**Schedule 15**

**South Florida Water Management District  
Permit Applications Received**

<b>Permit Category</b>	<b>Fiscal Year</b>									
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Environmental Resource	1,616	1,656	1,661	1,562	1,500	1,646	1,790	1,805	1,839	1,524
Consumptive Use	706	720	776	1,210	1,191	1,523	1,949	2,094	2,055	3,068
SWIM & Everglades Works OfThe District	16	14	49	38	84	37	9	20	78	51
Total Applications Received	<u>2,338</u>	<u>2,390</u>	<u>2,486</u>	<u>2,810</u>	<u>2,775</u>	<u>3,206</u>	<u>3,748</u>	<u>3,919</u>	<u>3,972</u>	<u>4,643</u>

Source: Regulation Department of South Florida Water Management District

**Schedule 16**  
**South Florida Water Management District**  
**Water Moved by District Pump Stations**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Acre-Feet (Thousands)	2,017	2,092	2,517	2,131	3,131	3,339	3,404	3,938	3,583	1,272*

\* Decrease due to severe drought conditions experienced in South and Central Florida during 2007.  
 Source: Water Quality Assessment Division of South Florida Water Management District.



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# **DISCLOSURE SECTION**

S.E.C. RULE 15c2-12 DISCLOSURES



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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**CONTINUING ANNUAL AND EVENT DISCLOSURES**

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) Rule 15c2-12 (b)(5)(i)(A) to (D). Effective in 1995 the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide annual information and notices of material events for disclosure to the secondary bond market. To enter the bond market, the District and other issuers of state and local government securities are indirectly affected by these amendments. We are using this section of the District's Comprehensive Annual Financial Report to comply with our continuing disclosure agreement.

**DISTRICT AGREEMENT AND EFFECTIVE DATES**

In respective Bond Resolutions, the District agreed to provide continuing disclosure of (a) annual information and (b) notices of material events upon issuing its

- Special Obligation Land Acquisition Refunding Bonds, Series 2002,
- Special Obligation Land Acquisition Refunding Bonds, Series 2003, and
- Certificates of Participation, Series 2006.

<b>SUMMARY OF CONTINUING BOND DISCLOSURE REQUIREMENTS</b>				
Recipient	Annual Financial Information	Audited Annual Financial Statements	Notice of Material Events	Notice of Failure to Provide Annual Financial Information
	SEC Rule 15c2-12 (b)(5)(i)(A)	SEC Rule 15c2-12 (b)(5)(i)(B)	SEC Rule 15c2-12 (b)(5)(i)(C)	SEC Rule 15c2-12 (b)(5)(i)(D)
	Effective FYE (1) After Jan. 1, 1996	Effective FYE (1) After Jan. 1, 1996	Effective July 3, 1995	Effective April 1 After FYE (1)
Each NRMSIR (2) or the MSRB (3)			X	X
Each NRMSIR (2)	X	X		
Paying Agent (4)	X	X	X	X
Underwriters (4)	X	X	X	X
(1) For the District, the date first effective was for Fiscal Year Ended (FYE) September 30, 1996. (2) Nationally Recognized Municipal Securities Information Repository. (3) Municipal Securities Rulemaking Board. (4) Required under Governing Board Resolution 95-28, Section 24, in connection with the issuance of the Special Obligation Land Acquisition Refunding Bonds, Series 1995.				

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **ANNUAL FINANCIAL INFORMATION**

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statements for each bond issue. The following paragraphs summarize the “Security for the Bonds” and the “Security for the Certificates” appearing in the Official Statements. Subsequent paragraphs, tables and exhibits contain the required financial information and operating data to include

- pledged revenues,
- funding and allocation of monies and deposits of the Trust Fund, and
- lease payments.

### **SECURITY FOR THE BONDS**

The Bonds are secured by a first lien on and payable solely from the “Pledged Revenues” as provided in the Bond Resolution.

The Bonds are limited obligations of the District. As such, the District, the State of Florida, or any public body in the State shall not

- pledge its full faith and credit to the payment of bond principal, interest or premium; or
- directly or indirectly be contingently obligated to levy any taxes or to make any appropriation for payment except from the pledged revenues for debt service on the Bonds.

*Pledged Revenues* consist of all monies collected, allocated to the District, and deposited in the Water Management Lands Trust Fund (the “Trust Fund”) which consist of:

- a share of the Documentary Stamp Tax,
- investment earnings and civil penalties.

The pledged revenues equally and ratably secure the Series 2002 and 2003 Bonds. The Florida Department of Environmental Protection maintains the Trust Fund.

### **DOCUMENTARY STAMP TAX**

The State of Florida imposes an excise tax on documents (the “Documentary Stamp Tax”). Under current law, the Documentary Stamp Tax is levied upon certain instruments whereby interests in real property are conveyed, original issues of stock, bonds and debentures issued in the State of Florida, promissory notes or other written obligations to pay money, and mortgages recorded in the State of Florida. In general, the amount of the Documentary Stamp Tax due with respect to an instrument is based upon the amount of indebtedness evidenced or secured thereby, or in the case of documents transferring interests in property, upon the consideration for the transfer, or, in the case of stocks and bonds, upon the face value or actual value thereof.

The Documentary Stamp Tax is collected by the Florida Department of Revenue (DOR) and by the Clerks of the Circuit Courts of the counties in Florida on behalf of the DOR. The Documentary Stamp Tax is distributed, for various purposes, pursuant to a statutorily-prescribed formula.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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Under current law, the DOR distributes the Documentary Stamp Tax collections and investment earnings, thereon, as follows:

- The first 7% to the State of Florida General Revenue Fund to pay a portion of the costs of general government.
- The costs of collection and enforcement of the Documentary Stamp Tax are deducted by and for the use of the Department of Revenue.
- A portion of the then remaining Documentary Stamp Tax collections (including investment earnings) are required to be deposited in the Trust Fund.

There is no assurance that the Florida Legislature will not change the percentage allocations to the General Fund, the Documentary Stamp Tax collections to the Trust Fund, or the percentage of the Trust Fund allocable to the District. Likewise, the Legislature could implement an appropriations bill affecting the distributions to the Trust Fund. Such changes, if made, could affect distributions to the Trust Fund. However, there exists an implied contract with the State to allocate sufficient documentary stamp revenues to cover debt service.

The following table illustrates the historical taxation rates and percentage distribution to the Trust Fund.

<b>HISTORICAL DOCUMENTARY STAMP TAX RATES AND TRUST FUND DISTRIBUTION</b>			
Year Effective	Tax (Per \$100) Stocks/Bonds/Mortgages	Tax (Per \$100) Deeds	Percent to Trust Fund
1963	\$.15		
1981		\$.45	7.20%
1985		\$.50	9.80%
1987		\$.55	9.20%
1990	\$.32		6.90%
1991		\$.60	6.56%
1992	\$.35	\$.70	5.84%
2001			4.20%

### FUNDING AND ALLOCATION OF THE TRUST FUND

Deposits distributed to the Trust Fund began accruing to the District and the State's other four water management districts in August 1981. Under present law, moneys from the Trust Fund (net of DEP's administrative expenses) are allocated monthly among the State's five water management districts in the following percentages:

- 30% - South Florida
- 25% - St. Johns River
- 25% - Southwest Florida
- 10% - Suwannee River
- 10% - Northwest Florida



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **USE OF THE TRUST FUND**

Expenditure of moneys from the Trust Fund is limited to payment of debt service and the acquisition, management, maintenance and capital improvement costs of certain lands included within the District's Five-Year Plan and to DEP's cost to administer the Trust Fund.

Moneys in the Trust Fund not needed to meet land acquisition and management costs, or current debt service, are invested by the State Treasurer to the credit of the Trust Fund, in the manner provided by Florida law. Interest received on such investments is credited to the Trust Fund and proportionally allocated to the District.

### **ESCROW AND RESERVE FUNDS**

Security for payment of debt service on outstanding bonds is provided from two sources:

- An Escrow Fund within the Trust Fund and
- A Surety Bond issued by MBIA and held by the Trustee.

#### **Trust Fund Escrow**

An agreement between the District and the Florida Department of Environmental Protection (DEP) requires DEP to set aside and escrow from the first moneys allocable to the District in the Trust Fund, sufficient moneys for the payment of principal and interest on the Bonds becoming due in such Bond Year. DEP is obligated to pay Trust Fund moneys sufficient to pay debt service as it becomes due on the Bonds to the District's Paying Agent. However, such payment shall not exceed the District's cumulative portion of funds in the Trust Fund.

#### **Debt Service Reserve Fund/Surety Bond**

The Bond Resolution provides for establishment and maintenance of the Reserve Fund for the purpose of making deposits in the Debt Service Fund in the event the moneys therein are insufficient for the payment of sums due on the Bonds, and for no other purpose. Moneys on deposit in the Reserve Fund shall be maintained for the benefit of the holders of the Series 2002 and 2003 Bonds, and any parity obligations of the District issued pursuant to the Resolution.

The District is required to have on deposit in the Reserve Fund an amount of money and/or Debt Service Reserve Fund Surety Bonds equal to the Reserve Fund Requirement. Beginning in 1995, the District obtained a Debt Service Reserve Fund Surety Bond to meet this requirement. The Reserve Fund Requirement is defined in the Resolution to mean, at any time, an amount equal to the lesser of

- (a) the maximum amount of principal and interest on all outstanding bonds due in any succeeding fiscal year, or
- (b) the aggregate of ten (10%) of the original proceeds of each series of bonds.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **SECURITY FOR THE CERTIFICATES OF PARTICIPATION**

The Series 2006 Certificates evidence undivided proportionate interests in the principal portion and interest portion of Basic Lease Payments made by the Governing Board to the Corporation under the Series 2006 Lease. The Series 2006 Certificates are secured by and payable from the Trust Estate established for the Series 2006 Certificates (the "Trust Estate") pursuant to the Trust Agreement and any amounts payable under the Financial Guaranty Insurance Policy. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2006 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement.

#### **Purpose of the Series 2006 Certificates**

The Series 2006 Lease is entered into, and the Series 2006 Certificates issued to provide for the lease-purchase financing of the acquisition, construction, installation and equipping of certain facilities and improvements to land for the restoration, protection and preservation of the Everglades ecosystem pursuant to the Acceler8 Project; refinance certain interim financings of the District, a portion of which was used to commence construction of certain of the 2006 Facilities; and pay certain costs of issuance of the Series 2006 Certificates, including the premium on a financial guaranty insurance policy for the Series 2006 Certificates. The Series 2006 Certificates are executed and delivered pursuant to a Master Trust Agreement dated November 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement, dated November 1, 2006.

#### **Lease Payments**

All Basic and Additional Lease Payments and all other amounts required to be paid by the Governing Board under the Series 2006 Lease and all other Leases are payable solely from legally available funds budgeted and appropriated by the Governing Board for such purpose. Revenues available to the Governing Board for operational purposes and capital projects such as the Series 2006 Facilities include, but are not necessarily limited to, ad valorem taxes, operating grants and contributions from various sources, including the State of Florida, and capital grants and contributions from various sources, including the State and Federal Government.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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### ANNUAL DEBT SERVICE REQUIREMENTS

Debt service requirements on the Series 2002 and 2003 Bonds, and Series 2006 Certificates are as follows:

ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)				
Fiscal Years	Total	Series 2002	Series 2003	Series 2006
2007	\$16.21	\$2.55	\$3.57	\$10.09
2008	41.17	2.55	4.37	34.25
2009	42.19	2.54	4.37	35.28
2010	42.20	2.55	4.36	35.29
2011	42.15	2.54	4.37	35.24
2012	42.14	2.54	4.38	35.22
2013 - 2017	203.44	10.12	17.41	175.91
2018 - 2022	175.47			175.47
2023 - 2027	174.94			174.94
2028 - 2032	174.29			174.29
2033 - 2037	173.46			173.46
Totals	\$1,127.66	\$25.39	\$42.83	\$1,059.44

### AUDITED ANNUAL FINANCIAL STATEMENTS

Section II of this Comprehensive Annual Financial Report contains the District's Basic Financial Statements and related Report of Independent Certified Public Accountants. These statements are consistent with the Basic Financial Statements contained in the Official Statements in compliance with SEC Rule 15c2-12(b)(5)(i)(A) and (B).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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**REQUIRED NOTICES**

The following table lists each material event and required notice defined in SEC Rule 15c2-12(b)(5)(i)(C) and (D). The table confirms that no notice to the NRMSIR or the MSRB and the SID was required for any of the material events related to each of the indicated Land Acquisition Bond Series currently outstanding. This confirms compliance with SEC Rule 15c2-12(b)(5)(i)(C) and (D) from July 3, 1995 to the date of this report.

<b>NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION</b>		<b>LAND ACQUISITION BONDS</b>		<b>CERTIFICATES</b>
<b>RULE SEC.</b>	<b>DESCRIPTION</b>	<b>SERIES 2002</b>	<b>SERIES 2003</b>	<b>SERIES 2006</b>
(C)(1)	Principal and interest payment delinquencies.	None	None	None
(C)(2)	Non-payment related defaults.	None	None	None
(C)(3)	Unscheduled draws on debt service reserves Reflecting financial difficulties.	None	None	None
(C)(4)	Unscheduled draws on credit enhancements Reflecting financial difficulties.	None	None	None
(C)(5)	Substitution of credit or liquidity providers, Or their failure to perform.	None	None	None
(C)(6)	Adverse tax opinions or events affecting the Tax-exempt status of the security.	None	None	None
(C)(7)	Modifications to rights of security holders.	None	None	None
(C)(8)	Bond calls.	None	None	None
(C)(9)	Defeasances.	None	None	None
(C)(10)	Release, substitution, or sale of property Securing repayment of the securities.	None	None	None
(C)(11)	Ratings changes.	None	None	None
(*)	Default of the Florida Department of Environmental Protection on its obligations Under the Agreement.	None	None	None
(D)	Failure to provide annual financial Information or operating data in a timely Manner.	None	None	None



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