



SOUTH FLORIDA WATER MANAGEMENT DISTRICT



Audit Results & Financial Overview

September 30, 2008



SHARPTON, BRUNSON & COMPANY, P.A.

Certified Public Accountants & Business Consultants

South Florida Water Management District

Scope of Examination:

- Audit of Financial Statements Pursuant to Generally Accepted Auditing Standards and Government Auditing Standards
- Review of Internal Controls Governing Financial Operations, as Well as Laws and Regulations
- Tests of Compliance with Major Federal Awards and State Projects
- Audit in Accordance with the Provisions of Chapter 10.550, Rules of Florida's Auditor General



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Major Federal Award Programs

- U.S. Department of Agriculture– Wetland Reserve Conservation Easement and the Natural Resource Conservation Services Grant Program
- U.S. Department of Homeland Security – Hurricane Disaster Relief

Major State Projects

- Water Management District – Land Acquisition
- Management Expenditures and Capital Improvements Save Our River Lands
- Fish and Wildlife Conservation Projects
- Everglades Restoration Projects



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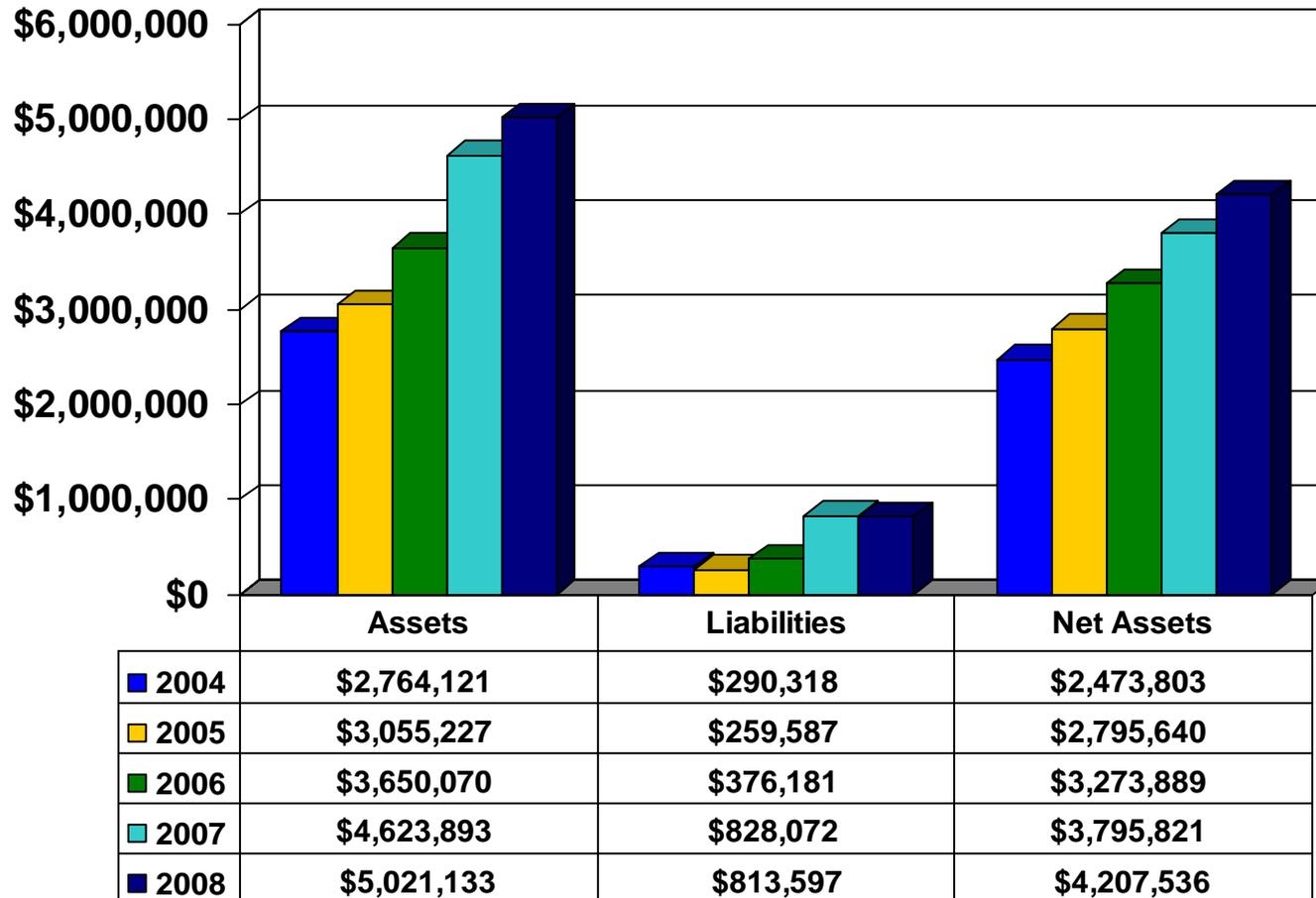
Significant Audit Results:

- Unqualified Audit Opinion on Financial Statements, OMB Circular A-133 and Florida Single Audit Act
- No Material Weaknesses Noted in the Internal Control Systems
- No Significant Matters of Noncompliance Noted Pursuant to OMB A-133 or Florida's Single Audit Act
- Status of Prior Year Recommendations
- Other Comments and Discussion Items



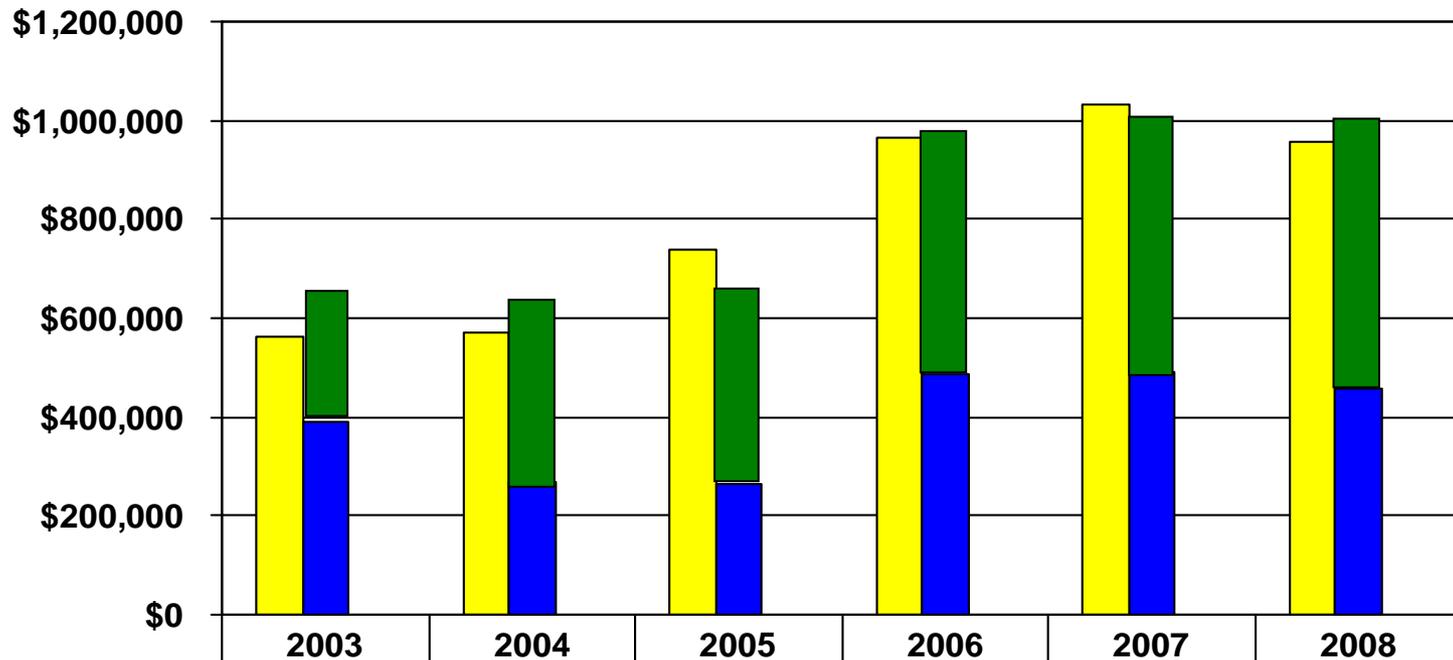
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Statements of Financial Position (000's)



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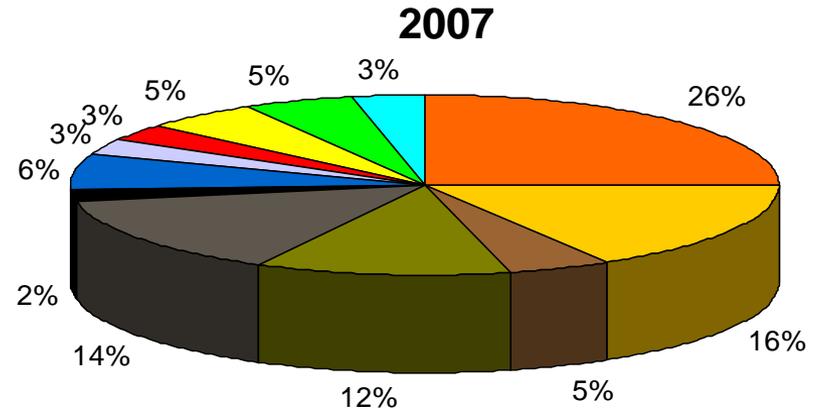
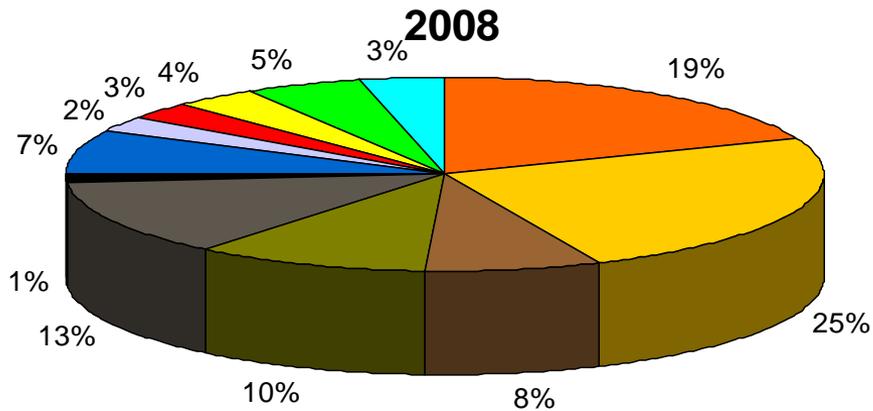
Statements of Activities (000's)



	2003	2004	2005	2006	2007	2008
■ Revenue	\$562,043	\$571,501	\$739,135	\$962,969	\$1,034,162	\$958,482
■ Capital Additions	\$389,146	\$268,150	\$264,251	\$485,975	\$491,020	\$456,375
■ Operating Expense	\$299,134	\$373,574	\$417,298	\$484,721	\$512,229	\$546,767

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Overview of Operating Expenses (000's)



Mission Support - \$103,600	Operations/Maintenance - \$133,248
CERP - \$41,425	Water Supply - \$54,678
District Everglades - \$70,075	Kissimmee Restoration - \$7,638
Costal Watersheds - \$40,077	Land Stewardship - \$13,285
Modeling and Scientific - \$15,629	Lake Okechobee - \$20,614
Interest on Long-term Debt - \$27,496	Regulation - \$19,002

Mission Support - \$128,467	Operations/Maintenance - \$83,000
CERP - \$24,865	Water Supply - \$59,868
District Everglades - \$71,929	Kissimmee Restoration - \$12,166
Costal Watersheds - \$32,484	Land Stewardship - \$14,480
Modeling and Scientific - \$15,550	Lake Okechobee - \$26,628
Interest on Long-term Debt \$25,466	Regulation - \$17,322

Grand Total \$546,767

Grand Total \$512,229

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Other Matters:

- Our Responsibility Under U.S. Generally Accepted Auditing Standards
 - Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles.
- Significant Accounting Policies and Unusual Transactions
 - Accounting policies used are those commonly used in the governmental industry-which are disclosed in the financial statements.
 - Unusual transactions may include Army Corps of Engineers Contributed Assets.
 - Accountability of reacquisition costs for capital projects



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Other Matters (cont'd):

- Management Judgments and Accounting Estimates
 - Allocation of cost among federal and state funding sources
 - Receivables from Grantor agencies
 - Valuation of Donated Assets
 - Actuarial Calculations
 - Self Insurance Liability
 - Other Post Employment Benefits (OPEB)
- Significant Audit Adjustments
 - Significant audit adjustments were recorded
 - Accounts Payable and Accrued Expenditures
 - Other Revenue
 - Expenditures
 - Interfund Transfers



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Other Matters (cont'd):

- Major Issues Discussed with Management Prior to Retention
 - Enterprise Resource Project Systems Progress
 - Progress of the Comprehensive Everglades Restoration Plan and Other Major Capital Additions
 - Army Corps of Engineer Cost Sharing Projects
 - Grants Management
 - Asset Valuations
- Disagreements with Management and Audit Difficulties
 - No disagreements were encountered with management during the audit.



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Internal Control Recommendations:

➤ Prior Year's Comments

- New enterprise resource project system implementation issues (ongoing efforts)
- Timelines of billing reimbursable grant / contract expense (ongoing efforts)
- Self Insurance surpluses (comment has been corrected)
- Timely submission of quarterly reports (comment has been corrected)



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Discussion Items:

- Capitalization Policy and Application Thereof
- Interim Reporting and Budget Modules
- \$59 Million Investment in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool
- Ratings of Investments and Debt
- Market - to - Market Valuation of Assets
- COPS Potential Arbitrage Issues
- Increase in Maintenance Costs Due to Capital Additions

