



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Fiscal Year Ended  
September 30, 2014





#### Mottled Duck

Individuals hiking along the levees in STA-3/4 are certain to see numerous species of south Florida wildlife. As spring progresses, the flock of wading birds becomes dense as adults are foraging for their developing chicks. Bird species typically observed in the STA include the mottled duck (pictured). The Florida mottled duck (*Anas fulvigula fulvigula*), is a unique species found only in the marches in the peninsular Florida. The Florida mottled duck spends its entire life within the state and has inhabited Florida for thousands of years, showing the importance of the management and protection of the Florida water resources.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

**Fiscal Year Ended September 30, 2014**

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Prepared by  
Finance Bureau, Administrative Services Division  
Christian Flierl, Bureau Chief



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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# **INTRODUCTORY SECTION**





**TO: Governing Board Members and Blake Guillory, Executive Director**

**SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2014**

Florida Statutes require an external audit of the 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 (District) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, the comprehensive annual financial report for the District is hereby issued for the fiscal year ended September 30, 2014.

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. Management believes the information to be accurate in all material respects and fairly presents the District's financial position and operating results. The report includes disclosures required to provide an understanding of the District's 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. District management believes these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of District 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 unmodified opinion that the South Florida Water Management District's basic financial statements for the fiscal year ended September 30, 2014 are fairly presented, in all material respects, 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 major federal awards and major state financial assistance. These reports are available in the District's separately issued Single Audit Report.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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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.

### **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 United States 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 (the "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 District 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 8.0 million people live within the District's boundaries. A map showing the geographic boundaries of the District can be found on page I-11.

### **GENERAL OPERATIONS**

The District's water management system includes roughly 4,101 miles of maintained canals and levees along with 678 water control structures and weirs and 627 smaller project culverts operated by the District. The District has approximately 70 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. 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 the 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 St. Cloud, Okeechobee, Clewiston, West Palm Beach, Fort Lauderdale, Miami, Homestead, and Naples. District headquarters are in West Palm Beach with Service Centers located in Fort Myers, Naples, Orlando and Okeechobee.

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),
- 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 for the conservation and preservation of water resources as well as for the ancillary benefit of public recreation.

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**

Conditions in the local economy affect 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 unemployment and interest rates are the primary factors that contribute to changes in property prices, which result in adjustments to assessed values.

Population growth within the District's geographic boundaries has remained constraint during the recent fiscal year, with a 1.2 percent increase, compared to the prior year's increase of 1.0 percent. The District's population is expected to steadily increase by 6.7 percent from 2014 through 2019, with the largest numerical increases through 2019 occurring in Lee, Miami-Dade, and Palm Beach Counties and the highest percentage growth rates occurring in Lee, Osceola, and St. Lucie Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida, along with the nation, continues to manage the slow economic conditions. The October 2014 unemployment rate for Florida was 6.2 percent compared to 7.4 percent (adjusted) from a year ago; and 5.7 percent for the entire United States compared to 7.2 (adjusted) percent from a year ago. This decrease in state and national unemployment rates suggests stabilization in the economic downturn of recent years, and the reduced unemployment rate, coupled with other economic indicators such as a moderate resurgence in the housing market and leveling off of foreclosure rates should translate into property values remaining steady in 2015 and even experiencing a slight increase over values of recent past.

The District's adopted ad valorem millage rates decreased for fiscal year 2014, to a District-wide rate of .1685 for fiscal year 2014 compared to .1757 mills for the prior fiscal year. This decrease in millage rate is a reflection of Governing Board policy to levy rolled-back millage rate which represents no tax increase. In 2011 Senate Bill (SB) 2142 set a maximum amount of revenue that can be raised each fiscal year by the five water management districts. Senate Bill 1986 subsequently superseded SB 2142, authorizing the Florida Legislature to set the maximum millage rate for each water management district, and providing legislative review and oversight for district budgets. In addition, the District's ad valorem revenue growth is limited by the Property Tax Reduction and Reform bill passed by the Florida Legislature in June 2007, which 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. This legislation also limited future year revenues by setting more stringent Governing Board voting requirements to increase agency millage rates. The District's 2014 budget reflected a 0.6 percent reduction in ad valorem property taxes levied, which equates to a decrease of \$1.6 million from the prior fiscal year.

## 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 and animals; mercury accumulation in the tissue of some Everglades fish, birds, and other animals; and a reduction in the size of the Everglades marshes.

The **Everglades Forever Act** (EFA), passed by the Florida Legislature in 1994, 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 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) was the first major step in Everglades restoration pursuant to the 1994 Everglades Forever Act. The STAs, which consist of six large constructed wetlands, totaling over 57,000 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. Operations and maintenance of the STAs and other features of the ECP have commenced upon completion of each individual project. The latest data indicates that over the past fifteen years, phosphorus control programs consisting of Stormwater Treatment Areas and best farming/management practices together have prevented over 4,582 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.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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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 \$13.5 billion (at 2009 price levels, including subsequently authorized CERP revisions), according to the 2010 Report to Congress, half of which will be paid by the federal government. Through 2010, the State of Florida and the District have invested approximately \$2.4 billion towards this effort.

During 2005, the District launched 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. Through fiscal year 2014, proceeds from the certificates totaling \$578.4 million have been utilized to reimburse project construction costs.

### **LAKE OKEECHOBEE**

The Lake Okeechobee Project is a multi-year, multi-component project which is designed to improve Lake Okeechobee and its estuaries by reducing excess nutrient loading, managing water levels, and reducing or eliminating exotic plant species. In 2000, the Florida State Legislature passed the Lake Okeechobee Protection Bill, which required the District, in partnership with the Florida Department of Agriculture and Consumer Services and the Florida Department of Environmental Protection, to restore the lake and its watershed. In 2007, the project was further extended under the Northern Everglades and Estuaries Protection legislation. This legislation, which expanded the existing Lake Okeechobee Protection Bill to include the Caloosahatchee and St. Lucie Rivers and estuaries, addressed both water quality and water storage needs. Total expenditures for the Lake Okeechobee Project for fiscal year 2014 totaled \$14.3 million.

## **FINANCIAL POLICIES**

### **LONG RANGE FINANCIAL PLANNING AND FINANCIAL POLICIES**

In accordance with Senate Bill 1986 and budgetary guidance from the Florida Department of Environmental Protection and our Governing Board, the District has thoroughly evaluated its fiscal commitments in order to fulfill Executive and Legislative direction. The District has reduced taxes and directed its fiscal resources towards its core mission of flood control, water supply, water quality and natural systems. The District has established a five-year spend-down plan to dedicate accumulated reserves and cash balances toward further improvements in water storage and water quality in the northern and southern Everglades, Lake Okeechobee and the St. Lucie and Caloosahatchee watersheds, while ensuring sufficient reserves remain available to address hurricane or unanticipated flood control infrastructure emergencies. In addition, a long-range strategic plan is prepared which provides the District and the public it serves with a guide for successfully meeting the District's priorities for the next five years. The plan is used during the development of the annual operating budget and to achieve the long term goals of the District.

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

Management acknowledges its responsibility for sound administration of the District's financial resources. This responsibility begins with *Principles of Sound Financial Management*. These are sixteen guiding principles established by the Governing Board that reflect core business beliefs of the District. One of the principles states that the District will maintain accountability and prudently



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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use financial resources. As an integral part of the goal of fiscal accountability, management currently provides 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 millage rates 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 Board also approves budget transfers among departments and capital projects during the year. Chapter 373.536, Florida Statutes, provides additional guidance and criteria regarding the District's budget development, adoption and approval process. Encumbrance accounting is used to reserve budgeted appropriations of commitments for unperformed contracts for goods and services.

### **DEBT ADMINISTRATION**

The majority of the District's debt is comprised of the unpaid balance of revenue bonds referred to as Certificates of Participation (COPS), 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 projects in furtherance of Everglades restoration. Acquisition bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. At September 30, 2014, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A3, A+ and A by Moody's, S&P and Fitch Ratings, respectively. The total liability for the revenue bonds and the land acquisition bonds at September 30, 2014 is \$478.6 million and \$13.1 million, respectively. The District is obligated for payments on the COPS through fiscal year 2037, and on the bonds through fiscal year 2016.

Legislation passed by the Florida Legislature in 2009 limits the District's annual debt service for revenue bonds to an amount not to exceed 20.0 percent of annual ad valorem tax revenues of the District, unless otherwise approved by the Joint Legislative Budget Commission. Bonds issued and outstanding before January 1, 2009, are exempt from this statute and are not included in the calculation of this limitation.

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

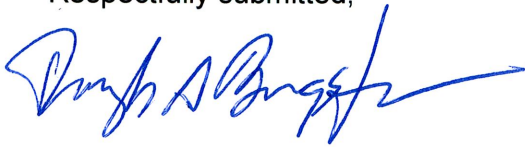
The Government Finance Officers Association of the United States and Canada (GFOA) awarded their Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the twenty-fourth 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. Management believes that the 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**

Management extends its sincere appreciation to the many District employees who provide their dedicated efforts to complete the research and analysis necessary for the preparation of this report. Special thanks go to the employees of the Finance Bureau for their diligence in the production of this report.

Respectfully submitted,

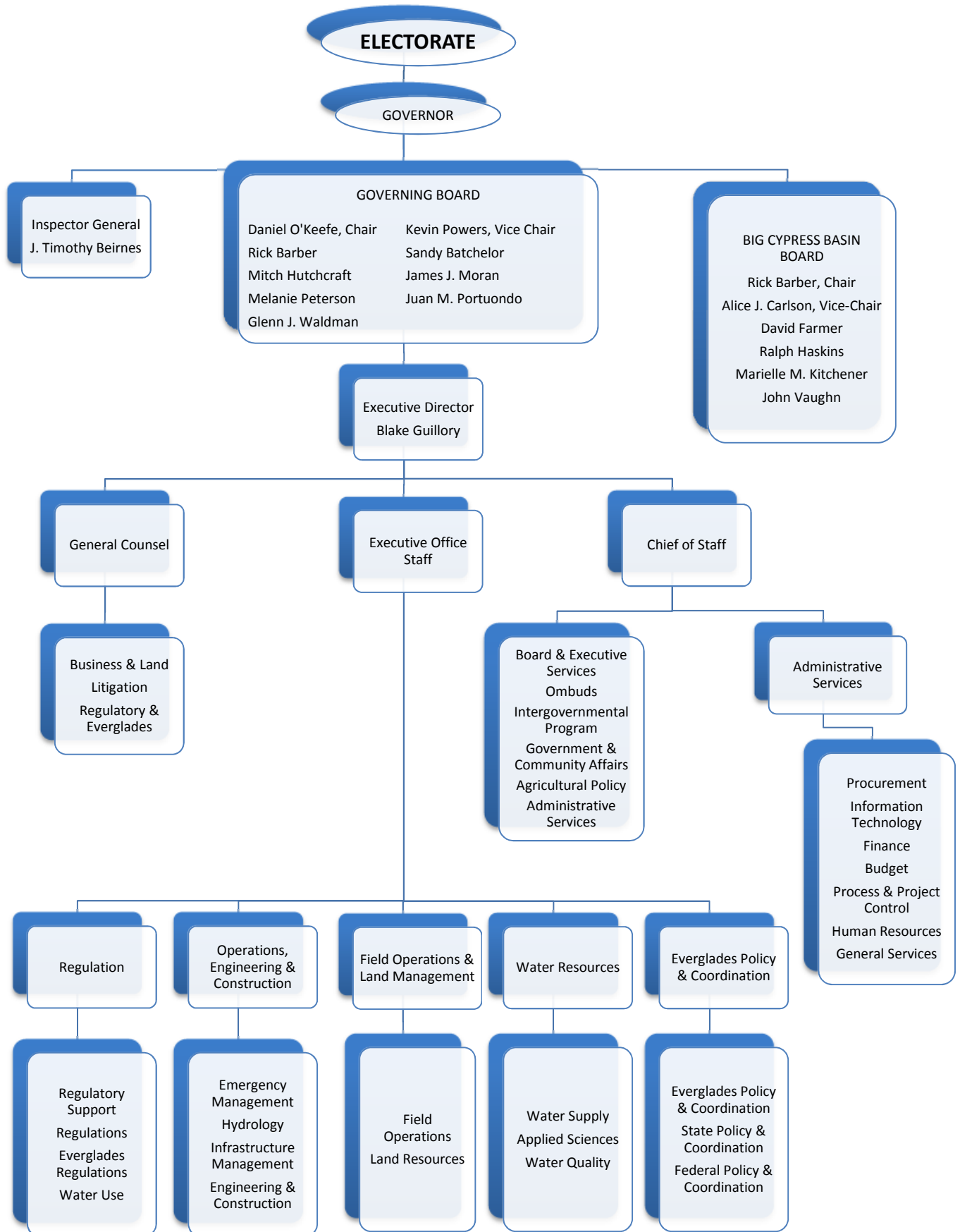


Doug Bergstrom  
Director of Administrative Services  
March 31, 2015



Christian Flierl, Chief  
Finance Bureau, Administrative Services

**ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICERS**





Government Finance Officers Association

**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, 2013**

Executive Director/CEO

## 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  |



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# **FINANCIAL SECTION**







## Independent Auditor's Report

To the Governing Board of the  
South Florida Water Management District

### Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, other post-employment benefit plan schedules of employer contributions and funding progress, and the budgetary comparison schedules – General Fund, the Okeechobee Basin Special Revenue Fund and the Everglades Restoration Special Revenue Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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, combining and individual fund financial statements, the budgetary comparison schedules, the statistical and disclosure sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the statistical and disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 31, 2015 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering the District's internal control over financial reporting and compliance.



West Palm Beach, Florida  
March 31, 2015

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014**

Management's 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, 2014. 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**

- District assets exceeded liabilities at fiscal year-end 2014 by approximately \$4.71 billion.
- Net position increased approximately \$102.9 million, or approximately 2.23 percent during the year, remaining relatively stable at \$4.71 billion at September 30, 2014.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6.0 million, or about 5.81 percent of total General Fund expenditures.
- The District's total capital assets increased by \$103.9 million during the current fiscal year. This increase is the net of \$105.0 million in additions resulting from construction of various projects, and \$1.1 million in retirements.

**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 position 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 position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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  
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**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. The District maintains governmental funds and proprietary 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 funds balance sheet and the governmental funds 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 35 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, Everglades Restoration Trust Special Revenue Fund, Okeechobee Basin Capital Projects Fund, Everglades Trust Capital Projects Fund, Save Our Everglades Capital Projects Fund, and COPS Everglades Forever Capital Projects Fund, all of which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-8 of this report.

Individual fund data for each of the 28 non-major governmental funds is provided in the form of combining statements on pages V-5 to V-16 of this report.

Proprietary funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, which are in a manner similar to a private-sector business. Similar to the government-wide financial statements, proprietary fund financial statements focus on both short-term and long-term financial information. Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in fund net position and a statement of cash flows. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds can be categorized as enterprise funds or internal service funds. Enterprise funds account for goods and services provided to those outside the District, generally on a user-charge basis. Internal service funds report activities that provide supplies and services for the District's other programs and activities.

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Currently, the District maintains no enterprise funds. However, the District maintains two individual internal service funds. Information is presented combined in the statement of net position, the statement of revenues, expenses, and changes in fund net position and the statement of cash flows for the Self-Insurance Fund and the Health Benefits Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages III-9 to III-11 of this report.

Individual fund data for each of the two proprietary funds is provided in the form of combining statements on pages V-53 to V-55 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 Everglades Restoration Trust Special Revenue 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's discussion and analysis and are presented immediately after the notes on pages IV-1 to IV-5. 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-13 to III-44 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position is \$4.71 billion at the close of the most recent fiscal year, an increase of \$102.9 million from the prior fiscal year. By far, the largest portion of the District's net position (90.9 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related outstanding debt used to acquire those assets. 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. An additional portion of the District's net position (8.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (1.0 percent) of net position relates to the unrestricted portion. At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

The balance of current and other assets at the end of fiscal year 2014 decreased from the prior year balance, reflecting a net decrease of \$7.9 million. A number of variances contributed to the net decrease, the most significant of which is a lower balance in cash and investments, which decreased \$37.6 million. This decrease in cash and investments is primarily a result of the

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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combination of a \$6.8 million reduction in liabilities and expenditures incurred for the acquisition and construction of capital assets. As noted, total liability obligations saw a decrease of \$6.8 million primarily due to the pay-down of outstanding debt (\$15.7 million) offset by an increase in accounts payable balance of \$11.4 million. Together, the changes in current assets and total liabilities between fiscal years represents the significant portion of the change in restricted and unrestricted net position, which shows a net decrease of \$8.0 million. The increase of \$110.9 million in net investment in capital assets is primarily a result of capital assets, net of depreciation increasing by \$103.9 million from FY13 to FY14, and the outstanding debt associated with capital assets being reduced by \$17.2 million during the same period. Additional information relative to capital asset and long term debt activity during FY14 can be found on pages II-15 to II-16 of this report.

Key elements of the total net position increase are presented below.

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

	2014	2013
Current and Other Assets	\$ 568,165,087	\$ 576,084,770
Capital Assets, Net	4,747,093,454	4,643,195,945
<b>Total Assets</b>	<b>5,315,258,541</b>	<b>5,219,280,715</b>
Current and Other Liabilities	54,597,908	42,038,809
Long-term Liabilities	551,128,744	569,785,646
Deferred Inflows of Resources	-	784,477
<b>Total Liabilities &amp; Deferred</b>	<b>605,726,652</b>	<b>612,608,932</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	4,278,898,454	4,167,995,965
Restricted	385,052,895	380,196,140
Unrestricted	45,580,540	58,479,678
<b>Total Net Position</b>	<b>\$ 4,709,531,889</b>	<b>\$ 4,606,671,783</b>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**District's Changes in Net Position  
Fiscal Years Ended September 30**

	<u>2014</u>	<u>2013</u>
Revenues		
Program Revenues		
Charges for Services	\$ 37,677,609	\$ 34,146,056
Operating Grants and Contributions	41,020,689	24,198,843
Capital Grants and Contributions	65,112,460	53,064,079
General Revenues		
Property Taxes	280,667,290	280,080,376
Investment Earnings	6,058,186	385,038
Other	<u>2,087,127</u>	<u>1,092,105</u>
Total Revenues	<u>432,623,361</u>	<u>392,966,497</u>
Expenses		
Land Stewardship	\$ 13,762,682	\$ 11,221,915
Mission Support	45,166,915	46,556,301
Modeling and Scientific Support	11,572,865	10,775,376
Operations and Maintenance	114,290,603	135,936,264
Regulation	19,194,734	22,769,011
Restoration	85,037,648	146,728,178
Water Supply	17,464,823	14,127,405
Interest on Long-Term Debt	<u>23,272,985</u>	<u>26,521,567</u>
Total Expenses	<u>329,763,255</u>	<u>414,636,017</u>
Increase (Decrease) in Net Position	102,860,106	(21,669,520)
Net Position at Beginning of Year	<u>4,606,671,783</u>	<u>4,628,341,303</u>
Net Position at End of Year	<u>\$ 4,709,531,889</u>	<u>\$ 4,606,671,783</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**Property taxes** continue as the District's primary source of revenue. For fiscal year 2014, revenue from property taxes totaled \$280.6 million of which \$11.4 million represents Agricultural Privilege Taxes. This reflects a slight increase of \$0.6 million, or 0.2 percent, from fiscal year 2013.

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 tax roll information received from Palm Beach and Hendry counties' property appraisers. The tax is calculated based on the assessed tax-per-acre and the number of agricultural acres reflected on the tax rolls. The Governing Board certifies the tax rolls at the District's Annual Tentative Budget Adoption Public Hearing held each September. The Agricultural Privilege Tax continues to be a steady source of revenue for the Everglades Trust Fund. During fiscal year 2014 tax revenues derived from the Agricultural Privilege Tax remained consistent with the prior fiscal year's level of \$11.6 million. Annual revenue realized is directly related to a change in acres in the Everglades Agricultural Area and C-139 basin from the previous year's tax rolls. Acres can be taken off the tax rolls due to construction and change in land status to non-agricultural use tax classification.

**Charges for services** totaled \$37.7 million for fiscal year 2014, an increase of \$3.5 million. This increase is primarily due to \$2.3 million received for mitigation fees related to the Loxahatchee Mitigation Bank in Palm Beach County. There were no comparable revenues received by the District in fiscal year 2013.

**Operating grants and contributions** totaled \$41.0 million for fiscal year 2014, an increase of approximately \$16.8 million from the prior fiscal year. The majority of this variance relates to revenue received from the Save Our Everglades Trust Fund for Restoration Strategies and L-8 Reservoir Infrastructure Projects in the amount of \$3.6 million and \$8.1 million respectively. In addition, the District deferred \$5.3 million of revenues that are expected to be received from The State for reimbursement of expenditures related to Hurricanes Charley and Isaac.

**Capital grants and contributions** totaled \$65.1 million for fiscal year 2014, an increase of approximately \$12.0 million from fiscal year 2013. During fiscal year 2014, the District received \$26.1 million from Florida Department of Environmental Protection for the purchase of approximately 1.9 thousand acres of land related to the Loxahatchee River Watershed Restoration Project. In addition, the District received additional funding in fiscal year 2014 for Restoration Strategies Projects totaling \$15.0 million. Offsetting this increase was a \$28.7 million decrease in revenue recognized during fiscal year 2014 related to the contribution of capital assets.

**Investment earnings** during fiscal year 2014 increased by approximately \$5.7 million to \$6.1 million from the previous fiscal year 2013 level of \$0.4 million. This increase is primarily attributed to market value losses recognized on the District's pooled investments, particularly U.S. Treasury bonds that realized significant market losses during 2013. At the end of fiscal year 2014 the District's net market gain on investments amounted to \$0.1 million, compared to a net market loss of \$4.1 million at the end of fiscal year 2013. Additionally, interest earnings increased by \$1.2 million, from \$4.5 million to \$5.7 million between fiscal years 2013 and 2014, due to increased yields on investments and as a result of a marginally reduced cash and investment portfolio balance.



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**Other Revenue** totaled \$2.1 million for fiscal year 2014, and consists primarily of miscellaneous revenue not otherwise designated. The slight increase from revenue of \$1.1 million in prior fiscal year 2013 was primarily due to a \$1.1 million release of municipal construction insurance program premiums related to certain construction projects.

**Program Expenses** related to the Mission Support, Operations and Maintenance, and Restoration Programs totaled approximately \$244.5 million or 74.1 percent of the \$329.8 million in total expenses for fiscal year 2014. These three largest District programs and the most significant reasons for variances from prior fiscal year 2013 program expenses are discussed below.

**Mission Support Program** expenses decreased \$1.4 million, or 3.0 percent, from \$46.6 million in fiscal year 2013 to \$45.2 million in fiscal year 2014. The most significant variances contributing to the net decrease resulted from a \$1.1 million reduction in salaries and fringes charged against the program and reduction \$.07 million in Self Insurance Charges. These decreases were offset by a \$0.7 million increase in property tax collector and appraiser fees charged to the program.

This 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 goal of the program is to provide the District with optimum support and logistical functions.

**Operations and Maintenance (O&M) Program** expenses incurred during fiscal year 2014 was \$114.3 million, a decrease of \$21.6 million, or 15.9 percent from the \$135.9 million expensed in fiscal year 2013. A number of variances within the Program contributed to the net decrease in expenses; the most significant of which are \$14.4 million related to various types of maintenance and repairs contracts, \$2.4 million in inventory usage for chemicals, fuel, and parts, and \$3.9 million less spent in fiscal year 2014 compared to the prior year relative to interagency agreements with local, state and federal governments. Other decreases in expenditures were realized in salaries and fringes charged against the program of \$0.9 million.

This program is primarily responsible for the operation and maintenance and flood control within 16 counties of South Florida. Currently, region-wide water management is accomplished by the District's multi-purpose system, which currently includes 678 water control structures and weirs; 627 smaller project culverts; management of 70 pump stations, which send water south and through waterways eastward and westward to both coasts; and oversight of approximately 4,101 miles of canals and levees. The strategic priority goal of the Operations and Maintenance Program is to refurbish, replace, improve and manage the regional water management system by implementing flood control system refurbishment projects as part of the 50-year plan; incorporating new works into water management system operations; operating the water management system to meet flood control and water supply needs; optimizing infrastructure maintenance by adhering to, or exceeding, industry standards and best practices; and coordinating with the U.S. Army Corps of Engineers on levee inspections and improvements

Projects completed or significantly under way included ongoing construction on the S-5A Hardening/Bridge Repair, Hillsboro Canal Bank Stabilization, North Shore Trash Rakes, C-4 Canal Bank Improvements, G-94 Refurbishment, S-13 Repowering and Automation and Diesel Oxidation Catalyst Project. Completion of the C-41A Canal Bank Repairs Phase III, East Coast Protective

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Levee Rehabilitation Phase 1, 2 and 3. Other tasks include ongoing exotic plant control, mowing, vehicle inspection, pumping operations and maintenance programs.

**Restoration Program** expenses for fiscal year 2014 decreased by \$61.7 million or 42.0 percent from the prior year to \$85.0 million. Restoration Program expenses saw a net decrease of \$69.6 million in capital assets. The majority of this decrease was the result of the write-off of capital assets related to the Everglades Agricultural Area Reservoir Project, with \$76.6 million being written-off in fiscal year 2013 and no comparable amounts in fiscal year 2014. In addition, the Program had a net reduction in operating expenses of approximately \$2.0 million related to inventory usage for chemicals, fuel, and parts; property assessments; indirect central service charges; and utility services, coupled with a \$0.1 million decrease in salaries and fringe benefits. These decreases were offset by a \$10.0 million increase in contractual services for fiscal year 2014 related to the Dispersed Water Management Projects and Restoration Strategies Projects.

This program oversees restoration projects for the agencies Coastal Watersheds, Comprehensive Everglades Restoration Plan, District Everglades, Kissimmee Watershed, and Lake Okeechobee programs. The program activities include project development through implementation; providing computer modeling, water quality monitoring, and assessment for all aspects of water management; and fulfilling the District's responsibilities outlined in the Everglades Forever Act and the Federal Settlement Agreement as well as implementation of the Comprehensive Everglades Restoration Plan. In June 2012, the State of Florida and the U.S. Environmental Protection Agency reached consensus on new restoration strategies for further improving water quality in America's Everglades. Under these strategies, the District is implementing a regional water quality plan to complete six water treatment and storage projects, implementation of additional source controls and a science plan that will ensure continued research and monitoring to improve and optimize the performance of the STAs.

During fiscal year 2014, there were 104 active projects within the Restoration Program which incurred costs. Some major program accomplishments include the start of construction on the Indian River Lagoon C-44 STA, continued design on the Indian River Lagoon C-44 pump station and the Lake Hicpochee shallow storage and hydrologic enhancement project, and within Restoration Strategies continued construction of the A-1 Flow Equalization Basin (FEB) project, the L-8 FEB and L-8 Divide and the S-5A Divide Structure Modifications; continuation of the design phase of the STA-1 West Expansion and G-716 Structure Expansion.

## **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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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**General Fund**

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

At fiscal year end, the fund balance of the General Fund was \$63.4 million, of which \$48.5 million was either assigned or unassigned and \$14.9 million was committed to various District projects. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned/unassigned fund balance represents 46.8 percent of the General Fund expenditures totaling \$103.6 million, while total fund balance represents 61.2 percent of that same amount. Revenues exceeded expenditures by \$14.5 million and the General Fund had net operational transfers to other funds amounting to \$14.2 million, resulting in a slight increase in fund balance of \$0.3 million.

Total revenues in the General Fund increased approximately \$1.9 million from the prior year. The majority of this increase relates to investment earnings, which saw a \$1.2 million increase between fiscal years, primarily due to a significant net market gain on investments.

Total expenditures decreased approximately \$10.8 million, or 9.4 percent, in fiscal year 2014 to \$103.6 million. During fiscal year 2013 an amount of \$7.0 million was expended in the General Fund to recognize funding provided to the Health Benefits Internal Service Fund in support of subsidizing retiree health premiums and no corresponding expenditure was recognized in the current year.

Operating transfers out of the fund totaled \$39.6 million in other financing uses for fiscal year 2014. Of significance, transfers-out in the amount of \$38.6 million went to the District Capital Projects Fund, representing the General Fund's 2014 annual contribution to fund planned capital projects and debt service on the Certificates of Participation, with additional transfers-out of \$1.1 million to the Save Our Everglades Capital Projects Fund to cover costs which were deemed ineligible for funding from the Save Our Everglades Trust Fund. Operating transfers into the General Fund totaled \$25.4 million, which included \$22.9 million from the Comprehensive Everglades Restoration Plan Capital Projects Fund in an effort to close out that fund and \$2.5 million from the District Capital Projects Fund and Comprehensive Everglades Restoration Plan Other Creditable Fund to fund related non-capital expenditures.

**Okeechobee Basin Special Revenue Fund**

The Okeechobee Basin Special Revenue Fund is restricted for revenues and expenditures within all or part of a 15-county area designated as the Okeechobee Basin. Revenue is provided by ad valorem property taxes, intergovernmental funding, permit fees, investment earnings and other sources.

The total fund balance of the Okeechobee Basin Special Revenue Fund at September 30, 2014 was \$107.5 million, a decrease of \$0.6 million from fiscal year 2013. Revenues in excess of expenditures of \$25.1 million were offset by a \$28.6 million decrease related to net transfers out of the fund. Total revenues recorded in the Okeechobee Basin Special Revenue Fund were stable,

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increasing slightly to \$120.6 million from prior year's total of \$118.5 million. The slight increase is attributable to a \$1.5 million increase in investment earnings. Total expenditures decreased by \$16.2 million, or 14.9 percent in fiscal year 2014 to \$92.6 million. The majority of the decrease relates to the completion of the East Coast Protective Levee Rehabilitation Phase 1, 2 and 3 in fiscal year 2013, which accounted for \$14.1 million of the variance. The remaining decrease is related to various offsetting items, including a \$3.8 million payment in fiscal year 2013 to FEMA for de-obligated costs related to Hurricane Charlie, additional contract service costs in fiscal year 2014, and offsetting decreases in fuel costs.

For fiscal year 2014, operating transfers-out totaling \$28.6 million went to the Okeechobee Basin Capital Projects Fund to support scheduled capital improvement projects. Operating transfers-in totaled \$0.2 million during fiscal year 2014.

**Everglades Restoration Trust Special Revenue Fund**

The Everglades Restoration Trust Special Revenue (SR) Fund accounts for fiscal activity related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0587 mill tax levy, non-ad valorem assessments to property owners in the Everglades Agricultural Area, Alligator Alley toll revenues pursuant to Florida Statutes, and interest earnings.

At September 30, 2014, total fund balance amounted to \$9.8 million, of which \$21.5 million is restricted, leaving a (\$11.7) million unrestricted fund balance. The fund balance is restricted above the total fund balance due to the Governing Board obligating these funds for future projects in the special revenue fund verses the capital projects fund of the same name, where the project expenditures are recorded. This negative fund balance will be adjusted with future transfers between the Everglades Restoration Trust Special Revenue Fund and the Everglades Restoration Trust Capital Projects Fund. Ad valorem and agricultural privilege tax revenues of \$35.7 million and \$11.4 million, respectively, were recognized in fiscal year 2014, reflecting comparable amounts from prior fiscal year revenues of \$35.6 million and \$11.6 million.

Expenditures accounted for in the Everglades Restoration Trust Special Revenue Fund were relatively comparable between fiscal years 2014 and 2013, increasing slightly by \$1.0 million, to \$30.1 million from \$29.1 million. Transfers-out to other funds totaled \$24.1 million, with \$21.9 million going to the Everglades Restoration Trust Capital Projects Fund to fund capitalizable expenditures, and \$2.2 million to the Florida Bay Special Revenue Fund, representing half the Alligator Alley toll proceeds received from FDOT. Fund balance decreased slightly by \$0.8 million from fiscal year 2013 to fiscal year 2014.

**Okeechobee Basin Capital Projects Fund**

The Okeechobee Basin Capital Projects Fund is restricted for proceeds of ad valorem taxes for capital expenditures incurred towards projects benefiting all or part of a 15-county area designated as the Okeechobee Basin. Revenue is mainly provided by operating transfer from the Okeechobee Basin Special Revenue Fund. The total fund balance of the Okeechobee Basin Capital Projects Fund at September 30, 2014 was \$16.9 million, a decrease of \$1.7 million from fiscal year 2013.

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Total revenues of the fund remained steady at \$0.1 million, all of which is investment earnings.

Total expenditures increased \$12.1 million during fiscal year 2014 in comparison to fiscal year 2013, from \$18.4 million to \$30.5 million. The increase is related to increases in project costs associated with the District's water control infrastructure.

Operating transfers-in totaled \$28.6 million, received from the Okeechobee Basin Special Revenue Fund to support scheduled capital improvement projects.

**Everglades Trust Capital Projects Fund**

The Everglades Trust Capital Projects Fund was established to account for and report financial resources that are restricted, committed or assigned to capital 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. Additional objectives include hydroperiod restoration and water supply. Revenue for this fund is provided mainly through operating transfers from the Everglades Restoration Trust Special Revenue Fund.

During fiscal year 2014, the fund balance of the Everglades Trust Capital Projects Fund decreased \$2.0 million to \$96.8 million at fiscal year end.

Total revenues in the fund increased by \$1.0 million; to \$1.1 million. This increase relates to investment earnings, which saw a \$0.7 million increase between fiscal years primarily due to a significant net market gain on investments.

Total expenditures decreased slightly, by approximately \$2.0 million in fiscal year 2014 to \$23.8 million, resulting from the completion, or substantial completion of several Everglades-related capital projects during the prior year.

For fiscal year 2014, operating transfers netted to a total of \$20.7 million to support costs associated with capital outlay incurred towards projects pursuant to the Everglades Forever Act for restoration of the Everglades. The recipient fund was the Everglades Restoration Trust Special Revenue Fund.

**Save Our Everglades Capital Projects Fund**

The Save Our Everglades Capital Projects Fund accounts for revenues and capital expenditures for the Comprehensive Everglades Restoration Plan (CERP) and the Northern Everglades Estuary Protection Program (NEEPP) which are funded from the State's Save Our Everglades Trust Fund.

During fiscal year 2014, the fund balance of the Save Our Everglades Capital Projects Fund decreased \$3.8 million to (\$2.4) million. This deficit is expected to be funded by a pending reimbursement from Florida Department of Environmental Protection.

Revenues in the fund increased \$38.5 from the prior fiscal year to \$50.3 million. The majority of this increase is attributable to \$26.1 million received from Palm Beach County for the purchase of

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approximately 1.9 thousand acres of land related to the Loxahatchee River Watershed Restoration Project. In addition, the District received additional funding in fiscal year 2014 for Restoration Strategies Projects of \$11.3 million.

Operating transfers-in totaled \$1.2 million, of which \$1.0 million was received from the General Fund to cover costs deemed ineligible for funding from the Save Our Everglades Trust Fund.

**COPS Everglades Forever Capital Projects Fund**

The COPS Everglades Forever Capital Projects Fund accounts for capital expenditures to support the construction of projects in the Everglades/Long Term Plan Implementation Program with resources from issuance of the Certificates of Participation.

Revenues in the fund remained constant at \$0.1 million at the end of fiscal year 2014 and consisted of investment earnings.

Expenditures increased to \$25.8 million from the prior year total of \$0.5 million. This increase is related to the beginning of construction on the A-1 Flow Equalization Basin, a key Restoration Strategies project to clean water flowing into the Everglades.

Operating transfers-in totaled \$15.9 million which was received from the COPS Comprehensive Everglades Restoration Plan Capital Fund to fund the A-1 Flow Equalization Basin project.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgeted revenues and expenditures in the final General Fund budget were \$115.8 million and \$134.5 million, respectively. Budgeted revenues increased \$0.3 million from the original adopted budget for fiscal year 2014, while budgeted expenditures increased slightly (approximately \$1.0 million) from the original budget. Actual revenues were \$2.3 million (2.0 percent) more than the budget.

At the end of fiscal year 2014, the General Fund's budget for Administrative Services and Executive Offices reflected a remaining available balance of \$5.3 million. The available balance in Administrative Services and Executive Offices was primarily due to outstanding encumbrances in the Mission Support Program and the Restoration Program, each of which had outstanding encumbrances totaling \$1.3 million. The outstanding encumbrances in Mission Support related to the General Services, Information Technology, and Office of Counsel organization units, and the outstanding encumbrance in the Restoration Program related to local government agreements with various counties and contractual services.

At the end of fiscal year 2014, the General Funds budget for Operations and Maintenance reflected a remaining available balance \$3.5 million. Of that amount, \$1.3 million was attributed to the Operations and Maintenance Program and consisted of unspent budget due to lower fuel costs and outstanding encumbrances related to the CERP Bio-Control Implementation Project, contractual services, and interagency agreements; and \$1.9 million was attributed to the Restoration Program and consisted of unspent budget related to salaries and fringes and lower

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fuel costs and \$1.6 million in outstanding encumbrances related to L-8 Infrastructure Maintenance and Repairs, FPL Distribution Agreement-electrical services, and other contractual services.

The final amended General Fund budget included \$20.6 million in reserves comprised of managerial reserves of \$4.7 million and \$15.7 million in contingency reserves. The District does not expend funds directly out of managerial or contingency reserve accounts. The use of this funding requires Governing Board budget transfer approval, authorizing the movement of budget authority out of managerial reserves and/or contingency reserves to a District program within a resource area's operating or capital budget.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of September 30, 2014, the District's investment in capital assets was \$4.7 billion, up \$103.9 million from the end of fiscal year 2013. This investment in capital assets includes land, easements, canals and levees, buildings, intangibles, equipment, improvements, water control structures, and construction in progress.

	<b>Capital Assets (net of depreciation)</b>	
	2014	2013
Land	\$ 2,564,959,930	\$ 2,535,347,849
Easements	70,390,549	52,415,282
Canals and Levees	702,110,108	656,383,787
Buildings	84,503,044	81,698,507
Intangibles	8,617,340	13,489,226
Equipment	40,636,068	43,362,730
Improvements	14,990,688	15,344,591
Water Control Structures	813,466,178	714,425,092
Construction in Progress	447,419,549	530,728,881
Total	<u>\$ 4,747,093,454</u>	<u>\$ 4,643,195,945</u>

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

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**Construction in Progress Highlights**

The District's investment in construction in progress decreased \$83.3 million during fiscal year 2014. This change is primarily due to the net effect of the following:

- \$87.0 million expended on continuing projects as follows:
  - \$25.8 A-1 Flow Equalization Basin
  - \$15.3 million expended on L-8 Reservoir Infrastructure.
  - \$11.0 million expended on North Shore Trash Rakes.
- 170.3 million related to completed projects which were transferred out of construction in progress, the most significant of which are:
  - \$133.0 million for STA-Compartment C Build-out (water control structures and canals and levees).
  - \$31.1 million for Lakeside Ranch STA.
  - \$4.3 million for C-44 Building for microwave, tower, and generator.
  - \$1.9 million for other projects.

**Water Control Structure Highlights**

The District's investment in water control structures increased \$99.0 million during fiscal year 2014, \$115.9 million of which was transferred from construction in progress, the most significant completed projects include:

- \$61.0 million expended on the In-Flow Pump Structure at G-508.
- \$31.1 million expended on various pump stations.
- \$9.3 million expended on the G-335 Pump Station.
- \$3.3 million expended on Gated Structures at Lakeside Ranch STA.
- \$11.2 million in other projects.

Additional information on the District's capital assets can be found in Note 9 on page III-32 of this report.



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**LONG-TERM DEBT ADMINISTRATION**

At the end of fiscal year 2014, the District had \$491.7 million in total outstanding long-term debt, representing a decrease of \$17.2 million from the prior year. The balance is comprised of bonds and Certificates of Participation (COPS).

**Long-term Debt Outstanding**

	2014	2013
Special Obligation Land Acquisition Bonds	\$ 13,105,000	\$ 19,225,000
Certificates of Participation	478,550,000	489,610,000
Total	\$ 491,655,000	\$ 508,835,000

The Special Obligation Land Acquisition Refunding Bonds Series 2002 (\$4.9 million) and Series 2003 (\$8.2 million) 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 to provide for the lease-purchase financing of the acquisition, construction, and equipping of certain expedited Everglades Restoration projects. The outstanding balance at the end of fiscal year 2014 was \$478.6 million.

At September 30, 2014, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A3, A+ and A by Moody's, S&P and Fitch Ratings, respectively. 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 strives to maintain superior bond rating for its obligations in order to realize more favorable borrowing costs.

**Debt Management Policy**

Since the 1990's, 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. The Governing Board of the District adopted a *Debt Management Policy* in May 1993, which was updated in April 2005 and revised again in October 2008. The policy and related guidelines enables the District to identify and address potential concerns and alternatives early in the capital planning and debt issuance process.

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The policy directs the District to:

- Exhibit purposeful restraint in incurring debt.
- Follow a policy of full disclosure in all financial reports and official statements issued for indebtedness.
- Refrain from issuing short-term debt that requires repeated annual appropriation.
- Limit long-term debt to no more than the estimated life of the capital assets financed and refrain from issuing debt to finance current operations or normal maintenance.
- Project debt requirements on a five-year basis to facilitate better short-term decisions in light of other priorities that may arise, and examine the longer-range implications and effects of debt issuance.

Included in the District's adopted *Debt Management Policy* are benchmarks which are self-imposed boundaries and not statutorily established levels of acceptance 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 shall not exceed \$350.
- Debt service shall not exceed 30 percent of revenues legally available to the District to pay debt service including, but not limited to, the available ad-valorem revenues, related interest income thereon and permit fee revenue.
- The debt-to-assessed value shall not exceed 0.30 percent of the assessed value of property within the District.

Florida Statute requires that total annual debt service for debt issued after January 1, 2009 cannot exceed 20 percent of the annual ad valorem tax revenues, unless approved by the Joint Legislative Budget Commission.

Additional information about the District's long-term debt can be found in Note 10 on pages III-33 through III-34 of this report.

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

**Economic Outlook**

Ad valorem property taxes continue to be the District's largest single, ongoing source of revenue. Approximately 36.9 percent of the District's fiscal year 2015 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District increased by 3.7 percent from \$670.2 billion in 2013 to \$694.9 billion in 2014. Ad valorem taxes projected for fiscal year 2015 are \$265.9 million, an estimated \$0.7 million less than the prior year. This decrease in ad valorem revenue is a result of rolled-back millage rates and reduced prior year taxable values.

The District's fiscal year 2015 budget is based on a rolled-back millage rate to maintain baseline ad valorem revenue at \$266.6 million. Rolled-back millage rates do not provide a continuation level of baseline Ad Valorem revenue due to reduced prior year final taxable values. The adopted rates will generate \$263.1 million in baseline revenues, plus \$2.8 million of new construction, for total ad valorem revenue of \$265.9 million.

The remaining revenue budget includes anticipated funding from state and federal sources, as well as from fees and investment earnings. State revenues, which are the District's second major source of funding, are projected at \$204.2 million, primarily from the Save Our Everglades Trust Fund in support of initiatives related to Everglades' restoration.

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 following discussion will focus on economic factors affecting the District's ad valorem revenue budget and were considered in preparing the budget for the 2014 fiscal year.

**Property Values**

Property values have a significant and direct impact on ad valorem taxes. An increase in property values will often indicate a healthy economy. Counties experiencing population and economic growth are likely to experience long-term increases in property values due to increased demand for homes. Since property values are the primary revenue source to the District, the District monitors the market values and continues to perform rolled-back rate calculations in accordance with the Truth In Millage (TRIM) process in an effort to achieve a stabilized revenue source.

The housing market has deteriorated significantly since its peak at the end of 2006 and Florida has been one of the hardest hit states along with Arizona, California, and Nevada. This downturn, which began in 2007, can be attributed to soaring home prices and over-supply from home builders and investors. These conditions resulted from the easing of underwriting standards and the consumers increased appetite for risk, making it less difficult for prospective homebuyers to qualify for a mortgage. In order to afford a home, homebuyers became increasingly dependent on exotic mortgage products intended to reduce down payments and monthly payments. After reaching the lowest levels in late 2010 / early 2011, property values have seen a gradual increase in the past

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four years, with indications of stabilization to moderate gains through 2015, as further depicted by trend data presented under the Home Prices section on the following page.

**Foreclosures**

According to RealtyTrac®, the leading online marketplace for foreclosure properties, foreclosure filings, which include default notices, scheduled auctions, and bank repossessions, were reported on 922,267 properties in the United States as of the report date, compared to the prior year figures of 1,231,082. Their report shows a nationwide foreclosure rate of one in every 1,316 U.S. housing units, compared to one in every 1,155 twelve months prior. Florida, rounding off the top five states related to foreclosure rates, reflected a foreclosure rate of one in every 518 units, with compared to one in every 392 units reported last year. Of the five top counties in Florida, in terms of foreclosure rates only Osceola is within the District's boundaries. In January 2015, the number of properties that received a foreclosure filing in Florida was 6.0% higher than the previous month and 33.0% lower than the same time last year.

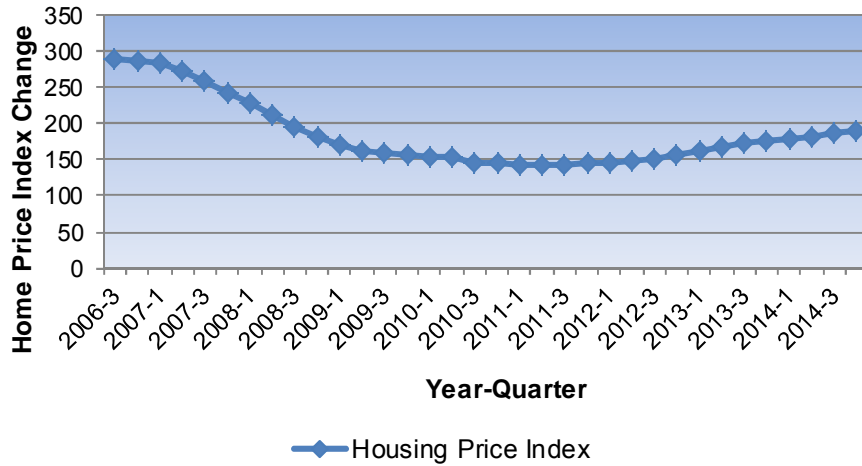
In summary, while foreclosure rates nationwide, and in Florida have decreased over the past year, Florida continues to lead the nation in foreclosures, with significant counties with higher ratios residing within the District's tax base, thereby having a continuing impact on economics of the region and accordingly, tax revenues available to the District.

**Home Prices**

The Federal Housing Finance Agency's House Price Index indicates that home prices have increased slightly since bottoming out in 2011 when real estate values saw declines in the fifty percent range compared to peaks in 2007. Home prices and property values in central and south Florida have seen a continual and steady resurgence over the past few years, gaining a portion of the market loss of 10 to 12 percent on average compared to the valley experienced in 2011. While home prices continue to be significantly below the peaks of late 2006, recent trends indicate a continual upward movement in value. The Federal Housing Finance Agency Home Price Index, graphically depicted below, measures the average change in value of residential real estate in central and southern Florida given a constant level of quality.

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**Federal Housing Finance Agency  
Home Price Index 2006 - 2014**

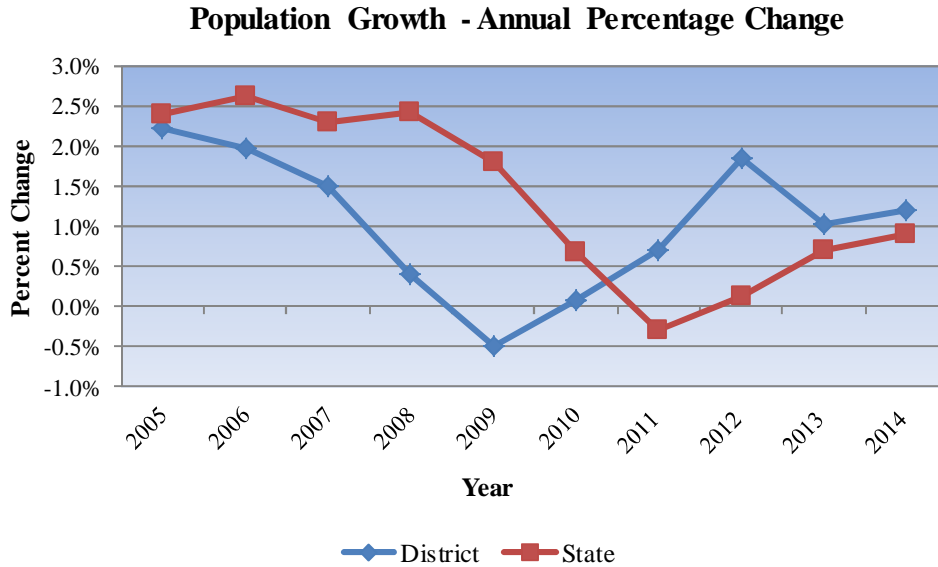


**Population Growth**

Another 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 increases, 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 respective county property appraiser. It is important to monitor population trends to effectively develop future budgets capable of being supported by the tax base. In addition, as the population increases, the use of water resources increases, which amplifies the need to protect and restore natural resources and manage and regulate the usage and storage of the region's water supply.

In 2014, the District's population increased slightly by 1.2 percent, compared to the prior year's increase of 1.03 percent. Over the past ten years (2005 to 2014) the population growth across the District averaged 1.07 percent. The rate of population growth within the District's boundary is consistent with the state-wide trend as shown below:

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Source: State of Florida, Office of Economic & Demographic Research

**General Fund – Assigned and Unassigned Fund Balance**

At the end of fiscal year 2014, the total assigned and unassigned fund balance in the General Fund is \$48.5 million. This represents an increase of \$13.1 million or approximately 37.0 percent from the comparable fund balance reported in fiscal year 2014. The District has appropriated \$35.4 million of the \$48.5 million for spending in the fiscal year 2015 budget.

**NEXT YEAR’S BUDGETS AND RATES**

As a result of the requirements mandated by Senate Bill 1986, the District’s fiscal year 2015 adopted millage rates have been reduced from the fiscal year 2014 rates. Beginning in fiscal year 2015, all property owners within the District’s boundaries will be assessed a lower District-at-Large millage rate of .1577 mills, reduced from the prior year’s rate of .1685 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1717 mills and the Everglades Construction Project tax rate of .0554 mills, both of which are reduced from the fiscal year 2014 rates of .1838 and .0587, respectively, for a combined tax assessment of .3842 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .1577 mills, which represents a reduction from the fiscal year 2014 rate of .1593, and the District-at-Large tax rate of .1685 mills, for a combined tax assessment of .3097 mills. State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value). Consequently, the District’s approved budget for fiscal year 2015 totals \$720.4 million, an increase of approximately \$92.9 million from the fiscal year 2014 amended budget of \$627.5 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**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 Finance Bureau Chief, Administrative Services Division at P.O. Box 24680, West Palm Beach, Florida 33416-4680.



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# **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**



**South Florida Water Management District**  
**Statement of Net Position**  
**September 30, 2014**

	<u>Total Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 359,554,296
Accounts Receivable	1,249,197
Due from Other Governments	20,350,067
Inventory	5,718,178
Prepays	613,249
Other Assets	2,004,217
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	163,708,784
Permanently Restricted	
Cash and Investments	14,967,099
Capital Assets	
Land and Easements	2,635,350,479
Construction In Progress	447,419,549
Canals and Levees	702,110,108
Other Capital Assets, Net of Depreciation	962,213,318
<b>Total Assets</b>	<u><u>5,315,258,541</u></u>
<b>LIABILITIES</b>	
Accounts Payable	52,888,707
Due to Other Governments	600,000
Unearned Revenue	1,109,201
Noncurrent Liabilities:	
Due Within One Year	
Bonds Payable	6,400,000
Certificates of Participation Payable	11,610,000
Compensated Absences	10,539,000
Self Insurance Claims Payable	2,564,240
Due in More Than One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	6,738,839
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	480,150,427
Compensated Absences	3,849,600
OPEB Obligation	26,322,960
Self Insurance Claims Payable	2,953,678
<b>Total Liabilities</b>	<u><u>605,726,652</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,278,898,454
Restricted for:	
Debt Service	30,249,638
Wetlands Mitigation	
Expendable	22,584,805
Nonexpendable	14,967,099
Environmental Programs	290,169,479
Capital Construction	27,081,874
Unrestricted	45,580,540
<b>Total Net Position</b>	<u><u>\$ 4,709,531,889</u></u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Land Stewardship	\$ 13,762,682	\$ 21,846,034	\$ 3,169,386	\$ -	\$ 11,252,738
Mission Support	45,166,915	12,035,727	3,833,388	-	(29,297,800)
Modeling and Scientific Support	11,572,865	-	25,955	-	(11,546,910)
Operations and Maintenance	114,290,603	77,820	16,552,486	-	(97,660,297)
Regulation	19,194,734	3,718,028	16,865	-	(15,459,841)
Restoration	85,037,648	-	17,319,769	65,112,460	(2,605,419)
Water Supply	17,464,823	-	102,840	-	(17,361,983)
Interest on Long Term Debt	23,272,985	-	-	-	(23,272,985)
Total	\$329,763,255	\$ 37,677,609	\$ 41,020,689	\$ 65,112,460	(\$ 185,952,497)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					233,527,102
Property Taxes, Levied for Everglades Restoration					47,140,188
Investment Earnings					6,058,186
Miscellaneous					2,087,127
Total General Revenues					288,812,603
Change in Net Position					102,860,106
Net Position at Beginning of Year					4,606,671,783
Net Position at End of Year					\$ 4,709,531,889

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2014**

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Okeechobee Basin Capital Projects	Everglades Trust Capital Projects
<b>ASSETS</b>					
Cash and Investments	\$ 71,128,904	\$ 101,602,287	\$ 10,383,286	\$ 24,871,470	\$ 80,352,391
Cash Held by Trustee	-	-	-	-	13,016,100
Accounts Receivable	113,407	619,661	14,590	30,179	112,440
Due from Other Governments	929,192	8,603,659	382,034	97,985	328,261
Due from Other Funds	-	4,404,227	-	-	4,395,155
Inventory	-	5,569,856	-	-	-
Prepaid and Other Assets	65,451	-	-	375	-
Total Assets	\$ 72,236,954	\$ 120,799,690	\$ 10,779,910	\$ 25,000,009	\$ 98,204,347
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 8,418,667	\$ 4,756,013	\$ 776,148	\$ 8,049,275	\$ 1,112,601
Due to Other Governments	-	-	-	-	-
Due to Other Funds	368,279	301,482	91,655	-	-
Unearned Revenue	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	30,310	7,885,273	28,965	97,985	328,261
Total Liabilities & Deferred Inflows of Resources	8,817,256	12,942,768	896,768	8,147,260	1,440,862
<b>FUND BALANCES</b>					
Nonspendable	-	5,569,856	-	-	-
Restricted	-	102,287,066	21,530,559	16,852,749	96,763,485
Committed	14,919,347	-	-	-	-
Assigned	42,477,518	-	-	-	-
Unassigned	6,022,833	-	(11,647,417)	-	-
Total Fund Balances	63,419,698	107,856,922	9,883,142	16,852,749	96,763,485
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 72,236,954	\$ 120,799,690	\$ 10,779,910	\$ 25,000,009	\$ 98,204,347

See Accompanying Notes to the Financial Statements

Continued

**South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2014**

	Save Our Everglades Capital Projects	COPS Everglades Forever Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ -	\$ 171,506,330	\$ 459,844,668
Cash Held by Trustee	-	22,731,767	24,497,331	60,245,198
Accounts Receivable	-	-	317,975	1,208,252
Due from Other Governments	8,136,563	-	1,872,373	20,350,067
Due from Other Funds	-	-	-	8,799,382
Inventory	-	-	148,322	5,718,178
Prepaid and Other Assets	-	-	817,623	883,449
Total Assets	\$ 8,136,563	\$ 22,731,767	\$ 199,159,954	\$ 557,049,194
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 4,791,942	\$ 7,701,126	\$ 4,311,079	\$ 39,916,851
Due to Other Governments	-	-	600,000	600,000
Due to Other Funds	4,016,664	4,395,155	406,530	9,579,765
Unearned Revenue	-	-	1,109,201	1,109,201
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	1,691,871	-	18,643	10,081,308
Total Liabilities & Deferred Inflows of Resources	10,500,477	12,096,281	6,445,453	61,287,125
<b>FUND BALANCES</b>				
Nonspendable	-	-	15,115,421	20,685,277
Restricted	-	10,635,486	164,612,246	412,681,591
Committed	-	-	-	14,919,347
Assigned	-	-	22,923,057	65,400,575
Unassigned	(2,363,914)	-	(9,936,223)	(17,924,721)
Total Fund Balances (Deficits)	(2,363,914)	10,635,486	192,714,501	495,762,069
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 8,136,563	\$ 22,731,767	\$ 199,159,954	\$ 557,049,194

See Accompanying Notes to the Financial Statements

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2014

Fund balances - total governmental funds		\$495,762,069
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$5,117,196,151	
Less accumulated depreciation	<u>(\$370,134,824)</u>	\$4,747,061,327
<p>Long term liabilities not due and payable with current available resources are not reported in the governmental funds.</p>		
Bonds payable	(\$13,105,000)	
Bond premium payable	(\$33,839)	
Certificates of participation payable	(\$478,550,000)	
Certificates of participation premium payable	(\$13,210,427)	
Compensated absences	(\$14,388,600)	
Other post employment benefits (OPEB) payable	(\$26,322,960)	
Unamortized deferred interest	<u>\$280,768</u>	(\$545,330,058)
<p>Bond and certificates of participation interest due October 1, 2014 are not reported as a liability of the governmental funds.</p>		
Accrued interest payable - bonds	(\$313,663)	
Accrued interest payable - certificates of participation	<u>(\$11,925,975)</u>	(\$12,239,638)
<p>Assets not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the liability and recognition of revenue increases net position in the Statement of Net Position.</p>		
		\$10,081,308
<p>Internal Service Funds are used by management to charge the costs of certain activities, such as worker's compensation, general and automobile liability, and health benefits to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.</p>		
		<u>\$14,196,881</u>
Net position of governmental activities		<u><u>\$4,709,531,889</u></u>

**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2014**

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Okeechobee Basin Capital Projects	Everglades Trust Capital Projects
<b>REVENUES</b>					
Ad Valorem Property Taxes	\$ 112,385,298	\$ 111,802,444	\$ 35,700,467	\$ -	\$ -
Agricultural Privilege Taxes	-	-	11,439,721	-	-
Intergovernmental	106,458	5,517,940	4,752,985	-	150,000
Investment Earnings (Losses)	1,357,462	1,513,729	375,219	134,231	917,627
Licenses, Permits and Fees	3,720,028	85,738	-	-	-
Sale of District Property	38,592	213,400	6,267	-	310
Leases	141,169	1,169,445	-	-	-
Other	378,105	308,762	9,125	15	-
Total Revenues	<u>118,127,112</u>	<u>120,611,458</u>	<u>52,283,784</u>	<u>134,246</u>	<u>1,067,937</u>
<b>EXPENDITURES</b>					
Current Operating					
Land Stewardship	1,162,863	5,207,524	-	-	-
Mission Support	30,913,752	2,829,717	-	-	-
Modeling and Scientific Support	12,235,335	437,607	-	-	-
Operations and Maintenance	20,032,114	71,681,043	10,839	-	-
Regulation	18,206,221	1,692	-	-	-
Restoration	13,495,929	12,094,074	30,126,462	-	-
Water Supply	7,537,341	334,662	-	-	-
Capital Outlay	-	-	-	30,479,333	4,331,068
Debt Service					
Bond Principal Retirement	-	-	-	-	-
Bond Interest	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	6,116,512
COPS Bond Interest	-	-	-	-	13,342,313
Total Expenditures	<u>103,583,555</u>	<u>92,586,319</u>	<u>30,137,301</u>	<u>30,479,333</u>	<u>23,789,893</u>
Revenues in Excess of (Less than) Expenditures	<u>14,543,557</u>	<u>28,025,139</u>	<u>22,146,483</u>	<u>(30,345,087)</u>	<u>(22,721,956)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	25,360,610	173,861	1,138,000	28,613,627	21,856,958
Transfers Out	(39,600,356)	(28,819,795)	(24,056,958)	(10,704)	(1,138,000)
Total Other Financing Sources (Uses)	<u>(14,239,746)</u>	<u>(28,645,934)</u>	<u>(22,918,958)</u>	<u>28,602,923</u>	<u>20,718,958</u>
Net Change in Fund Balances	303,811	(620,795)	(772,475)	(1,742,164)	(2,002,998)
Fund Balances at Beginning of Year	<u>63,115,887</u>	<u>108,477,717</u>	<u>10,655,617</u>	<u>18,594,913</u>	<u>98,766,483</u>
Fund Balances at End of Year	<u>\$ 63,419,698</u>	<u>\$ 107,856,922</u>	<u>\$ 9,883,142</u>	<u>\$ 16,852,749</u>	<u>\$ 96,763,485</u>



**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2014**

	Save Our Everglades Capital Projects	COPS Everglades Forever Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ 9,339,360	\$ 269,227,569
Agricultural Privilege Taxes	-	-	-	11,439,721
Intergovernmental	50,251,826	-	24,832,603	85,611,812
Investment Earnings (Losses)	-	155,487	1,437,101	5,890,856
Licenses, Permits and Fees	-	-	21,836,116	25,641,882
Sale of District Property	-	-	15,577	274,146
Leases	-	-	3,318,139	4,628,753
Other	-	-	1,299,546	1,995,553
Total Revenues	<u>50,251,826</u>	<u>155,487</u>	<u>62,078,442</u>	<u>404,710,292</u>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	7,579,911	13,950,298
Mission Support	-	-	170,540	33,914,009
Modeling and Scientific Support	-	-	-	12,672,942
Operations and Maintenance	-	-	6,227,949	97,951,945
Regulation	-	-	63,889	18,271,802
Restoration	-	-	20,475,644	76,192,109
Water Supply	-	-	956,111	8,828,114
Capital Outlay	55,303,404	25,803,587	12,147,462	128,064,854
Debt Service				
Bond Principal Retirement	-	-	6,120,000	6,120,000
Bond Interest	-	-	768,598	768,598
COPS Bond Principal Retirement	-	-	4,943,488	11,060,000
COPS Bond Interest	-	-	10,783,527	24,125,840
Total Expenditures	<u>55,303,404</u>	<u>25,803,587</u>	<u>70,237,119</u>	<u>431,920,511</u>
Revenues in Excess of (Less than) Expenditures	<u>(5,051,578)</u>	<u>(25,648,100)</u>	<u>(8,158,677)</u>	<u>(27,210,219)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,217,308	15,928,773	49,904,730	144,193,867
Transfers Out	-	(100,000)	(50,468,054)	(144,193,867)
Total Other Financing Sources (Uses)	<u>1,217,308</u>	<u>15,828,773</u>	<u>(563,324)</u>	<u>-</u>
Net Change in Fund Balances	(3,834,270)	(9,819,327)	(8,722,001)	(27,210,219)
Fund Balances at Beginning of Year	<u>1,470,356</u>	<u>20,454,813</u>	<u>201,436,502</u>	<u>522,972,288</u>
Fund Balances (Deficit) End of Year	<u>(\$ 2,363,914)</u>	<u>\$ 10,635,486</u>	<u>\$ 192,714,501</u>	<u>\$ 495,762,069</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, 2014

Net change in fund balances - total governmental funds		(\$27,210,219)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.</p>		
Capital outlay	\$128,064,854	
Current year depreciation expense	(\$35,536,796)	\$92,528,058
<p>The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is a decrease to net position</p>		
		\$11,374,562
<p>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 position.</p>		
Bonds principal payment	\$6,120,000	
COPs loan principal payment	\$11,060,000	\$17,180,000
<p>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.</p>		
Change in long term compensated absences	\$1,447,400	
Change in OPEB payable	(\$2,283,592)	
Change in bond interest payable	\$141,272	
Change in COPs interest payable	\$273,890	
Amortization of deferred interest on bonds	(\$280,768)	
Amortization of discount on debt - bonds	(\$3,237)	
Amortization of discount on debt - certificates	(\$2,348)	
Amortization of premium on debt - bonds	\$77,793	
Amortization of premium on debt - certificates	\$1,414,848	\$785,258
<p>Revenues that are earned but not received within the District's availability period are recognized in the Statement of Activities when earned and subsequently in the governmental funds when they become available. The net difference is recorded as a reconciling item.</p>		
		\$8,017,796
<p>Internal service funds are used by management to charge the costs of certain activities to the individual funds. The change in net assets of the internal service funds is reported with governmental activities.</p>		
		\$184,651
Change in net position of governmental activities		<u>\$102,860,106</u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Net Position  
Proprietary Funds  
September 30, 2014**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 18,140,313
Accounts Receivable	51,887
Due from Other Funds	782,722
Prepays	538,249
Other Assets	915,000
Total Current Assets	20,428,171
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,459
Computer Hardware	3,030
Vehicles	36,224
Accumulated Depreciation	(34,586)
Total Noncurrent Assets	32,127
Total Assets	20,460,298
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 743,160
Due to Other Funds	2,339
Claims Payable	2,564,240
Total Current Liabilities	3,309,739
Noncurrent Liabilities	
Claims Payable	2,953,678
Total Noncurrent Liabilities	2,953,678
Total Liabilities	6,263,417
<b>NET POSITION</b>	
Net Investment in Capital Assets	32,127
Unrestricted	14,164,754
Total Net Position	\$ 14,196,881

See Accompanying Notes to the Financial Statements

**South Florida Water Management District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 30,534,861
Other Operating Revenue	85,132
Total Operating Revenues	30,619,993
<b>OPERATING EXPENSES</b>	
Salaries	442,774
Benefits	147,081
Claims	26,204,479
Purchased Services	191,476
Administrative Fees	1,922,790
Other	1,688,984
Depreciation	5,111
Total Operating Expenses	30,602,695
<b>OPERATING INCOME</b>	17,298
<b>NONOPERATING REVENUES</b>	
Interest Earnings	167,330
Gain on Disposal of Capital Assets	23
Total Nonoperating Revenues	167,353
Change in Net Position	184,651
Net Position at Beginning of Year	14,012,230
Net Position at End of Year	\$ 14,196,881

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2014**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Receipts from Customers	\$ 30,529,532
Cash Payments to Suppliers	(3,320,988)
Cash Payments for Salaries, Benefits	(589,855)
Claims Paid	(27,030,517)
Other Receipts (Payments)	(176,996)
Net Cash Used in Operating Activities	(588,824)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Sale of Capital Assets	23
Net Cash Provided by Capital and Related Financing Activities	23
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Earnings	167,330
Net Cash Provided by Investing Activities	167,330
Net Increase (Decrease) in Cash and Cash Equivalents	(421,471)
Cash and Cash Equivalents, Beginning of Year	18,561,784
Cash and Cash Equivalents, End of Year	\$ 18,140,313
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating Income	17,298
Adjustments to Reconcile Operating Income to Net Cash Used In Operating Activities	
Depreciation	5,111
<b>CHANGES IN ASSETS AND LIABILITIES:</b>	
Decrease (Increase) in Accounts Receivable	(5,329)
Decrease (Increase) in Due from Other Funds	(262,128)
Decrease (Increase) in Prepays	47,438
Increase (Decrease) in Accounts Payable	434,590
Increase (Decrease) in Due to Other Funds	234
Increase (Decrease) in Estimated Unpaid Claims	(826,038)
Net Cash Used in Operating Activities	\$ (588,824)

See Accompanying Notes to the Financial Statements



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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*(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 (9) 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 protection and restoration of natural systems, facilitate the development and proper utilization of surface and ground water within District boundaries, and 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", as amended by GASB Codification No. 2100, "Defining the Financial Reporting Entity" to determine the inclusion of an organization as part of its reporting entity. The Statement defines the criteria for inclusion as 1) the economic resources received or held by the separate organization are primarily for the direct benefit of the primary government, 2) the primary government is entitled to, or has the ability to access a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by the separate organization on behalf of the specific primary government are significant to that primary government. Based on these criteria, the District has determined that the South Florida Water Management District Leasing Corporation (the "Corporation") is a blended component unit. The Corporation's sole purpose is to provide financing for certain District projects. The Corporation is legally separate from the District and the Board of the Corporation consists of the nine Board members of the District. Therefore, the financial activities of the Corporation have been blended (reported as if it were part of the District) with the activities of the District. The Corporation does not publish individual component unit financial statements. The District is not a participant in any joint venture.

The District is a component unit of the State of Florida since the Governor appoints the nine member Governing Board and the District has a financial benefit/burden relationship with the State. 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.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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

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

The government-wide financial statements, i.e., the statement of net position 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 as general revenues.

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

*(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, intergovernmental sources and interest to be available if they are collected within sixty (60) days of the end of the current fiscal period.

Revenues susceptible to accrual are property taxes, interest on investments, intergovernmental revenues, and leases. Property taxes are recorded as revenues in the fiscal year in which they are levied for, provided they are collected in the current period or within sixty (60) days thereafter. Interest on invested funds is recognized when earned and available. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met and it is available. All other revenues are recognized when cash is received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenses related to compensated absences, claims and judgments, and other post-employment benefits (OPEB) are recorded only when payment is due.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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

*(c) Measurement Focus and Basis of Accounting (continued)*

The District often acquires land for environmental restoration and related purposes sometimes involving condemnation action in a court of law. Upon action of the Court's Stipulated Order of Taking, the District recognizes an expenditure for the amount deposited with the Court.

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.

The following are definitions of the governmental fund types, excluding the general fund:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The restricted or committed proceeds are expected to comprise a substantial portion of the inflows reported in the fund.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In addition to governmental funds, the District uses a proprietary fund type to report its internal service fund activity. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. With the accrual method of accounting, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating expenses include salaries, benefits, claims payments, purchased services and depreciation. All items not meeting this definition are reported as nonoperating revenues and expenses.

*(d) Major Governmental Funds and Other Fund Types*

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 accounted for in another fund.

The Okeechobee Basin Special Revenue Fund is used to record revenues from within all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by a .1838 mill property tax levy, intergovernmental revenues and permitting fees, which must be used for expenditures within the Okeechobee Basin.

The Everglades Restoration Trust Special Revenue Fund is used to account for expenditures related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0587 mill tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Major Governmental Funds and Other Fund Types (continued)

The Okeechobee Basin Capital Projects Fund is used to record capital expenditures incurred towards projects benefiting all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided from operating transfers from the Okeechobee Basin Special Revenue Fund and from interest earnings.

The Everglades Trust Capital Projects Fund is used to record capital expenditures to construct 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 from operating transfers from the Everglades Restoration Trust Special Revenue Fund, and interest earnings.

The Save Our Everglades Capital Projects Fund accounts for revenues and capital expenditures for the Comprehensive Everglades Restoration Plan (CERP) and the Northern Everglades Estuary Protection Program (NEEPP) which are funded from the State's Save Our Everglades Trust Fund.

The COPS Everglades Forever Capital Projects Fund accounts for capital expenditures to support the construction of projects in the Everglades/Long Term Plan Implementation Program with resources from issuance of the Certificates of Participation.

The District reports the following type of proprietary funds:

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The District reports two internal service funds, one used to account for workers' compensation, general liability, automobile, and other insurance activities and one to account for self-funded health and medical benefits provided to the employees of the District and retirees who choose to remain within the plan.

(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-6.

(f) Cash and Investments

Cash includes currency on hand and demand deposits. Cash equivalents for purposes of the statement of cash flows consist of pooled cash and short-term investments with original maturities of three months or less from the date of acquisition. The District utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in loaning fund(s). In accordance with GASB Statement No.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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

*(f) Cash and Investments (continued)*

31, the District reports investments at their fair market value, with unrealized gains and losses credited to or charged against investment earnings.

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

Non-participating investments, such as non-negotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized costs. The District has investments in two investment pools, Florida Prime (previously known as the Local Government Surplus Funds Trust Fund - Pool A), and the Florida Local Government Investment Trust (Trust Fund). Florida Prime is managed by the State Board of Administration. The Florida Local Government Investment Trust is a member-owned, member-governed investment fund. Under the guidelines of GASB Statement No. 31, Florida Prime is a "2a-7 like" pool. Accordingly, investments in Florida Prime are reported at amortized cost. The Trust Fund is accounted for as net asset value (NAV) pools. As such, its investments have been valued based on their respective fair value factor as of the financial statement date.

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

*(g) Prepaid Items*

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. These amounts do not constitute available spendable resources even though they are a component of current assets.

*(h) Inventory*

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

*(i) Capital Assets*

Capital assets, which include land, canals and levees, buildings, equipment, vehicles, infrastructure assets (bridges, water control structures) and intangible assets 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. Intangible assets are defined as assets that lack physical substance, are nonfinancial in nature, and have initial useful lives which extend beyond a single reporting period. The District reports two main types of intangible assets, easements, which are considered non-depreciable and internally generated software, which is depreciated over its estimated useful life. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair value on the date donated. Maintenance, repairs and minor renovations are not capitalized.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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

*(i) Capital Assets (continued)*

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

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

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

Land, easements (intangibles), canals and levees have indefinite useful lives and as such are not considered to be depreciable capital assets.

*(j) Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government-wide Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discounts. Bond premiums and discounts are amortized over the life of the bonds using the straight line method, which does not result in a material difference from the effective interest method. Deferred amounts (the difference between the reacquisition price and the net carrying amount) on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight line method, which does not result in a material difference from the effective interest method. Debt issuance costs, except for the portion which relates to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and are recognized as expense on a straight line basis over the duration of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt principal payments and issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

*(k) 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 240 hours of vacation as of the end of the payroll calendar year. Managers are permitted to accrue a maximum of 480 hours of vacation as of the end of the payroll calendar year. Annual leave in excess of maximum carryover amounts at the end of the payroll calendar year will be converted to sick

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(k) Compensated Absences (continued)*

leave. Upon termination of employment, employees hired prior to July 1, 2012 are paid for 25 percent of unused sick leave after vesting with at least six years of service. Employees hired after July 1, 2012 must have eight or more consecutive years of District service to receive the 25 percent payout. The maximum payout for accrued but unused sick leave is 480 hours.

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 for any eligible leave taken throughout the year while active. However, the liability for all accrued and vested vacation and sick leave benefits is recorded in the government-wide financial statements. The District normally liquidates its liability for compensated absences resulting from payouts of vested accrued leave upon termination, separation, retirement, etc. from the General Fund and the Okeechobee Basin Special Revenue Fund.

*(l) Wetland Mitigation*

The District manages a program for mitigating the impact of wetland destruction through a specialized regulatory permitting 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 Wetland Mitigation Special Revenue and Capital Projects Funds. Funds received for long-term management (nonexpendable) are placed in the Wetland Mitigation Permanent Fund.

*(m) Fund Balances / Net Position*

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Represents amounts which are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash, such as inventories and prepaid amounts, and items such as long-term amount of loans and notes receivable. The corpus, or principal of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted – Represents amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Fund Balances / Net Position (continued)

Committed – Represents amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District's Governing Board, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board taking the same formal action (resolution) that imposed the constraint originally.

Assigned – Represents amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the District's Executive Director or his or her designee based on Board direction as delegated in Chapter 101 of the District's policies and procedures.

Unassigned - Represents the residual classification for the general fund. This classification represents spendable fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include residual deficit equity balances of other governmental funds, after allocating amounts to nonspendable, restricted, and committed categories.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. Additionally, the District would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position represents the difference between assets & deferred outflows of resources and liabilities & deferred inflows of resources, and is reported in the three components of net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets is that portion of net position that relates to the District's capital assets, reduced by debt outstanding used to purchase or construct the capital assets. The related debt is reduced by any unspent proceeds that are outstanding at year-end.

Net position is restricted when there are limitations imposed on use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The types of restrictions the District has on its net position are:

Restricted for Debt Service - Represents the portion of net position which is restricted for debt service payments or long-term borrowings.

Restricted for Wetlands Mitigation - Represents the expendable and nonexpendable portions of net position which are restricted for land acquisition, land restoration and long-term management of the wetlands.

Restricted for Environmental Programs - Represents the portion of net position which is restricted for specific environmental programs through legally enforceable requirements

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Fund Balances / Net Position (continued)**

stipulated in legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of September 30, 2014, the District has approximately \$290.2 million in restricted net position through enabling legislation.

Restricted for Capital Construction – Represents the portion of net position restricted for construction of capital facilities through legally enforceable legislative requirements.

Net position unrestricted represents amounts not included in other categories, which is generally available for use.

**(n) Deferred Inflows of Resources**

In addition to liabilities, the Balance Sheet includes a separate section for Deferred Inflows of Resources. This represents the acquisitions of net resources applicable to future periods and will not be recognized as an inflow of resources (revenue) until the future period to which it applies. Currently, the only item in this category is Unavailable Revenue, which will be recognized as inflows of resources in the period that the amounts become available.

The sources of unavailable revenue are:

<u>Description</u>	<u>Governmental Balances</u>
Intergovernmental Sources:	
Land Acquisition	\$ 620,900
Lease Revenue	2,652
Reimbursement	9,007,756
Other Sources:	
Pollution Remediation	<u>450,000</u>
Total Unavailable Revenue	<u>\$ 10,081,308</u>

**(o) Use of Estimates**

The preparation of financial statements in conformity with GAAP 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.

**(p) Impact of Recently Issued Accounting Pronouncements**

**Recently Issued and Implemented Accounting Pronouncements**

In March 2012, GASB issued Statement No. 66 “Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62.” The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(p) Impact of Recently Issued Accounting Pronouncements (continued)*

conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The District implemented this Statement during the fiscal year ended September 30, 2014. The implementation had no effect on the District financial statements.

In June 2012, GASB issued Statement No. 67 "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25." This Statement replaces the requirements of Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", and Statement No. 50, "Pension Disclosures", as they relate to plans that are administered through trusts or equivalent arrangements that meet certain criteria. For defined benefit pension plans, this statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan, about which information is required to be presented. The District implemented this Statement during the fiscal year ended September 30, 2014. The implementation had no effect on the District financial statements.

In January 2013, GASB issued Statement No. 69 "Government Combinations and Disposals of Government Operations." This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. The District early implemented this Statement during the fiscal year ended September 30, 2014. The implementation had no effect on the District financial statements.

In April, 2013, GASB issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The District implemented this Statement during the fiscal year ended September 30, 2014. The implementation had no effect on the District financial statements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(p) Impact of Recently Issued Accounting Pronouncements (continued)*

**Recently Issued Accounting Pronouncements, Not Yet Implemented**

The District has not yet determined the impact of the following GASB pronouncements which have been issued but are not yet effective and have not been implemented.

In June 2012, GASB issued Statement No. 68 “Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.” The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that meet certain characteristics. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The District is required to implement this Statement in its fiscal year beginning October 1, 2014. The adoption of this Statement will require the District to record a liability for the unfunded portion of its cost sharing plan. The unfunded portion has not yet been determined.

In November, 2013, GASB issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.” This Statement requires a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government’s reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, the Statement requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement No. 68. The District is required to implement this Statement in its fiscal year beginning October 1, 2014.

In February 2015, GASB issued Statement No. 72 “Fair Value Measurement and Application”. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District is required to implement this Statement in its fiscal year beginning October 1, 2015.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**(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 investment returns 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. In March 2012 the Governing Board approved changes to a majority of District policies to update references to positions and departments to ensure they were aligned with the District's new organization structure. No substantive changes were made to the policies during that effort. The most recent substantive revisions to the investment policy were approved by the Governing Board in June 2008.

The District's investment policy authorizes investments in: 1) the Florida Local Government Surplus Funds Trust Fund (which includes Florida Prime, Pool B and the Florida Local Government Investment Trust), 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, A1 by Standard and Poor's or F-1 by Fitch, 7) corporate notes rated at a minimum Aa by Moody's, AA by Standard and Poor's or AA by Fitch, 8) Bankers Acceptances rated at a minimum P-1 by Moody's and A-1 by Standard and Poor's, 9) state and/or local government taxable and/or tax exempt debt, general obligation and/or revenue bonds, rated at least Aa by Moody's and AA by Standard and Poor's or AA by Fitch 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 rated AAAM or AAAM-G or better by Standard & Poor's, or the equivalent by another rating agency, 11) master repurchase agreements collateralized by United States government, government agencies and federal instrumentalities, 12) hedging instruments, 13) reverse repurchase agreements and 14) agency mortgage backed securities or non-agency mortgage backed securities that maintain a AAA rating by a nationally recognized statistical rating agency.

As of September 30, 2014, the District had placed approximately 8% of its investments in U.S. government agencies backed by the full faith and credit of the United States government, 62% in U.S. government-sponsored agencies, 3% in Corporate Bonds, 11% in Florida Prime and the Local Government Investment Pool and 16% in the Florida Local Government Investment Trust.

Florida Prime is an investment pool available for investing temporarily idle cash by Florida governments and is managed by the State Board of Administration (the "SBA"). According to the SBA, Florida Prime meets the criteria to be considered as "2a-7 like", as defined by GASB Statement No. 31. Accordingly, it has been reported at the same value as the pool shares allocated to the District. Florida Prime maintains an AAAM rating by Standard and Poor's Ratings Services.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(3) CASH AND INVESTMENTS (continued)*

Florida Prime 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 Funds. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 ongoing management of the portfolio allows for actions designed to meet cash needs of the District and attempts to maximize investment yield while minimizing losses. Investments can be sold prior to maturity 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 three (3) 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 30% of the total portfolio balance at the time of purchase.

As of September 30, 2014 the District had the following investments in its pooled portfolio:

Investment Type	Fair Value	Effective Duration (in yrs)
U.S. Agency Obligations	\$ 69,966,000	2.43
Investments in Mortgage Backed Securities	153,897,030	4.02
Corporate Bonds	9,982,000	0.71
Florida Prime	33,720,246	0.11
Florida Local Government Investment Trust	<u>52,468,844</u>	1.82
Total Fair Value	<u>\$ 320,034,120</u>	
Portfolio Effective Duration		<b>2.80</b>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(3) CASH AND INVESTMENTS (continued)*

**Credit Risk**

Credit risk is the risk than an issuer will not fulfill its obligations. For liquidity purposes, the District invests in Florida Prime, which is managed in accordance with State statutes. Florida Prime is rated AAAm by Standard & Poor's, and investment into the fund by local governments is consistent with SEC rule 2a-7.

All of the District's investments in agency securities for fiscal year 2014 were rated AA+ by Standard and Poor's, AAA by Fitch ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage Backed Securities were rated AAA by at least two of the three listed rating services. This applies to the direct agency obligations as well as the investment into non-agency mortgages and CMO's.

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

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Florida Prime	AAAm	\$ 33,720,246
Fannie Mae – U.S. Agency Obligations	AAA	39,895,000
Fannie Mae – Mortgage Backed Securities	AAA	70,957,538
Freddie Mac – Mortgage Backed Securities	AAA	58,478,092
Federal Home Loan Bank – U.S. Agency Obligations	AAA	30,071,000
Ginnie Mae - Mortgage Backed Securities	AAA	24,461,400
General Electric Capital Corp.	AA+	9,982,000
Florida Local Government Investment Trust	AAAf	52,468,844
		<u>\$ 320,034,120</u>

**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. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balance held with these institutions at September 30, 2014 is \$157,950,861.

A significant cash deposit of the District at September 30, 2014 is the balance of proceeds from the issuance of Certificates of Participation (COPS) in fiscal year 2007. The "Cash and Investments Held by Trustee" balance consists of \$36,709,223 in COPS proceeds which are invested in FLGIT and held in trust by a third party financial institution on behalf of the District, and \$23,535,975 representing debt service on the COPS due October 1, 2014.

**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 registered 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(3) CASH AND INVESTMENTS (continued)*

**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 District Treasurer to implement as needed.

**Percentage Allocation by Issuer as of September 30, 2014**

<u>Issuer</u>	<u>Percent of Total</u>
Florida Prime	10.54%
Fannie Mae	34.64%
Freddie Mac	18.27%
Federal Home Loan Bank	9.40%
Ginnie Mae	7.64%
General Electric Capital Corp.	3.12%
Florida Local Government Investment Trust	16.39%

Cash and investments as of September 30, 2014 are comprised of the following:

*Cash Deposits:*

Money Market Accounts	\$ 38,111,636
Demand Deposit Accounts	119,833,475
Petty Cash	<u>5,750</u>
Total Cash Deposits	<u>157,950,861</u>

*Cash and Investments Held by Trustee:* 60,245,198

*Investments:*

U.S. Agency Obligations	69,966,000
Investments in Mortgage Backed Securities	153,897,030
Corporate Bonds	9,982,000
Florida Prime	33,720,246
Florida Local Government Investment Trust	<u>52,468,844</u>
Total Investments	<u>320,034,120</u>
Total Cash and Investments	<u>\$ 538,230,179</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(4) ACCOUNTS RECEIVABLE**

Accounts receivable at September 30, 2014 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Everglades Trust SR Fund	Okeechobee Basin CP Fund	Everglades Trust CP Fund	Non Major / Internal Service Funds	Total
Leases	\$ 533	\$ 503,349	\$ -	\$ -	\$ -	\$ 140,692	\$ 644,574
Interest	108,658	113,072	14,590	30,179	112,440	196,094	575,033
Other	4,216	3,240	-	-	-	22,134	29,590
	<u>\$ 113,407</u>	<u>\$ 619,661</u>	<u>\$ 14,590</u>	<u>\$ 30,179</u>	<u>\$ 112,440</u>	<u>\$ 358,920</u>	<u>\$ 1,249,197</u>

**(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables as of September 30, 2014 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 368,279
Okeechobee Basin Fund	4,404,227	301,482
Everglades Rest. Trust SR Fund	-	91,655
Okeechobee Basin CP Fund	-	-
Everglades Trust CP Fund	4,395,155	-
Save Our Everglades Trust CP Fund	-	4,016,664
COPS Everglades Forever Act CP Fund	-	4,395,155
Other Governmental Funds	-	406,530
Internal Service Funds	782,722	2,339
	<u>\$ 9,582,104</u>	<u>\$ 9,582,104</u>

Interfund balances at year end represent temporary loans to cover negative cash balances and amounts due to internal service funds for amounts due at year end.

Interfund transfers during the year are as follows:

From:	To:								Totals
	General Fund	Okeechobee Basin SR Fund	Everglades Trust SR Fund	Okeechobee Basin CP Fund	Everglades Trust CP Fund	Save Our Everglades Trust CP Fund	COPS Everglades Forever Act CP Fund	Other Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,011,140	\$ -	\$ 38,589,216	\$ 39,600,356
Okee. Basin SR Fund	-	-	-	28,613,627	-	206,168	-	-	28,819,795
Everglades Trust SR Fund	-	-	-	-	21,856,958	-	-	2,200,000	24,056,958
Okee. Basin CP Fund	-	10,704	-	-	-	-	-	-	10,704
Everglades Trust CP Fund	-	-	1,138,000	-	-	-	-	-	1,138,000
CERP CP Fund	-	-	-	-	-	-	-	100,000	100,000
Other Governmental Funds	25,360,610	163,157	-	-	-	-	15,928,773	9,015,514	50,468,054
	<u>\$ 25,360,610</u>	<u>\$ 173,861</u>	<u>\$ 1,138,000</u>	<u>\$ 28,613,627</u>	<u>\$ 21,856,958</u>	<u>\$ 1,217,308</u>	<u>\$ 15,928,773</u>	<u>\$ 49,904,730</u>	<u>\$ 144,193,867</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)*

Transfers into the General Fund from the CERP Capital Projects Fund reflect a District decision to phase out the CERP Capital Projects Fund, resulting in the movement of a portion of existing fund balance over to the General Fund for future appropriations. Transfers into the Okeechobee Basin Capital Projects Fund from the Okeechobee Basin Special Revenue Fund reflect funding support related to capital outlay expenditures recorded in that fund. Similarly, transfers into the Everglades Trust Capital Projects Fund from the Everglades Trust Special Revenue Fund reflect support for capital outlay expenditures incurred in the capital fund. Transfers into the COPS Everglades Forever Act CP Fund from the COPS-CERP CP Fund were to fund A1 Flow Equalization Basin (FEB) expenditures accounted for in that fund. The majority of the remaining transfers represent funding for District-wide capital projects and funding between special revenue funds and their related capital projects fund as required.

*(6) OPERATING LEASE RENTAL REVENUES*

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

The District purchases land for environmental restoration projects. 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 as it results in lower land maintenance costs. In addition, rent is charged for the use of the land for farming until such time it is needed for project purposes. The District investment in land on which operating leases exist is \$747.9 million as of September 30, 2014.

**Revenues under Operating Leases**

The following is a schedule by year of minimum future revenues on noncancelable operating leases, including contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. For fiscal year 2014, contingent revenues were \$-0-.

Year Ending September 30:

2015	\$ 2,896,470
2016	2,766,511
2017	2,587,172
2018	2,244,409
2019	1,623,380
2020 - 2024	<u>914,799</u>
Total minimum future revenues	<u>\$13,032,741</u>



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(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 2014 was .4110 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, 2013, upon which the fiscal year 2014 levy was based, was approximately \$694.9 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, 2014, is \$2,149,511 and is included in tax revenues.

**(8) INTERGOVERNMENTAL TRANSACTIONS**

Amounts due from other governments at September 30, 2014 and intergovernmental revenues for 2014 consist of the following:

	<u>Due From Other Governments</u>	<u>Intergovernmental Revenues</u>
U.S. Army Corps of Engineers	\$ 837,324	\$ 2,150,630
U.S. Department of Homeland Security	2,652	3,290
U.S. Department of Agriculture & Consumer Affairs	65,497	1,128,015
U.S. Fish and Wildlife Service	26,937	261,515
Florida Department of Environmental Protection	11,605,131	71,106,595
Florida Department of Emergency Management	5,253,623	
Florida Department of Motor Vehicles	-	313,127
Florida Department of Transportation	1,207	4,501,781
Florida Fish and Wildlife Conservation Commission	373,137	5,830,173
Collier County	5,344	
Miami Dade County	14,970	14,917
Southwest Florida Water Management District	14,734	136,648
St. Johns River Water Management District	-	165,121
Ad Valorem Taxes	641,855	- *
Property Appraiser/Tax Collector Fee Credits	1,507,656	- *
	<u>1,507,656</u>	<u>                    </u>
<b>Total</b>	<u><u>\$ 20,350,067</u></u>	<u><u>\$ 85,611,812</u></u>

\* On the Statement of Revenues, Expenditures and Changes in Fund Balances, Ad Valorem Taxes are reported as Ad Valorem Property Taxes and the Property Appraiser/Tax Collector Fee Credits are netted against the original expenditure in the respective program.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(9) CAPITAL ASSETS ACTIVITY**

	Balance at October 1, 2013	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2014
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 2,535,347,849	\$ 46,979,836	\$ (41,795)	\$ (17,325,960)	\$ 2,564,959,930
Easements (Intangibles)	52,415,282	649,454	(147)	17,325,960	70,390,549
Construction in Process	530,728,881	87,010,608	(3,339)	(170,316,601)	447,419,549
Canals and Levees	656,383,787	300,208	-	45,426,113	702,110,108
	<u>3,774,875,799</u>	<u>134,940,106</u>	<u>(45,281)</u>	<u>(124,890,488)</u>	<u>3,784,880,136</u>
<b>Capital Assets Being Depreciated:</b>					
Buildings	116,824,013	436,550	(454,895)	6,137,056	122,942,724
Intangibles	40,795,055	33,767	-	309,932	41,138,754
Equipment	136,270,828	3,547,169	(4,973,127)	1,659,092	136,503,962
Improvements	29,145,032	-	(12,497)	868,249	30,000,784
Water Control Structures	884,540,310	1,610,808	(270,773)	115,916,159	1,001,796,504
	<u>1,207,575,238</u>	<u>5,628,294</u>	<u>(5,711,292)</u>	<u>124,890,488</u>	<u>1,332,382,728</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	(35,125,506)	(3,662,560)	335,707	12,679	(38,439,680)
Intangibles	(27,305,829)	(5,215,585)	-	-	(32,521,414)
Equipment	(92,908,098)	(7,038,825)	4,242,563	(163,534)	(95,867,894)
Improvements	(13,800,441)	(1,221,674)	12,019	-	(15,010,096)
Water Control Structures	(170,115,218)	(18,403,263)	37,300	150,855	(188,330,326)
	<u>(339,255,092)</u>	<u>(35,541,907)</u>	<u>4,627,589</u>	<u>-</u>	<u>(370,169,410)</u>
<b>Capital Assets Being Depreciated, Net</b>					
	<u>868,320,146</u>	<u>(29,913,613)</u>	<u>(1,083,703)</u>	<u>124,890,488</u>	<u>962,213,318</u>
Capital Assets, Net	<u>\$ 4,643,195,945</u>	<u>\$ 105,026,493</u>	<u>\$ (1,128,984)</u>	<u>\$ -</u>	<u>\$ 4,747,093,454</u>

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

Mission Support	\$ 7,181,459
Operations and Maintenance	14,795,875
Restoration	13,333,745
Water Supply	225,717
	<u>35,536,796</u>

Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function

	<u>5,111</u>
Total Depreciation Expense	<u>\$ 35,541,907</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(10) LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2014:

	Balance at October 1, 2013	Additions	Retirements And Adjustments	Balance at September 30, 2014	Amounts Due Within One Year
Land Acquisition Bonds	\$ 19,225,000	\$ -	\$ (6,120,000)	\$ 13,105,000	\$ 6,400,000
Bond Premium / Discount	108,395	-	(74,556)	33,839	-
COPS	489,610,000	-	(11,060,000)	478,550,000	11,610,000
COPS Premium / Discount	14,622,927	-	(1,412,500)	13,210,427	-
Compensated Absences	15,836,000	8,430,000	(9,877,400)	14,388,600	10,539,000
Other Post Emp Benefits	24,039,368	2,283,592	-	26,322,960	-
Self Insurance Claims	6,343,956	26,204,480	(27,030,518)	5,517,918	2,564,240
	<u>\$ 569,785,646</u>	<u>\$ 36,918,072</u>	<u>\$ (55,574,974)</u>	<u>\$ 551,128,744</u>	<u>\$ 31,113,240</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 (WMLTF). For the current fiscal year, principal and interest payments and total revenue recognized by the District were \$6,888,598 and \$7,027,325, respectively. The District accounts for related debt service in the Save Our Rivers SR Fund.

Summary of the status of the District's bonded debt as of September 30, 2014 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002 Refunding	\$ 23,810,000	2015-2016	3.875-4.000%	\$ 4,855,000
2003 Refunding	<u>34,550,000</u>	2015-2016	4.100-5.250%	<u>8,250,000</u>
	<u>\$ 58,360,000</u>			<u>\$ 13,105,000</u>

Fiscal year requirements to amortize bonded debt as of September 30, 2014 are as follows:

	Principal	Interest	Total
2015	\$ 6,400,000	\$ 474,200	\$ 6,874,200
2016	<u>6,705,000</u>	<u>160,538</u>	<u>6,865,538</u>
	<u>\$ 13,105,000</u>	<u>\$ 634,738</u>	<u>\$ 13,739,738</u>

An interagency agreement between the District and Florida Department of Environmental Protection (FDEP) requires FDEP to set aside and escrow from the first monies allocable to the District in the WMLTF, sufficient monies for the payment of principal and interest on the land acquisition bonds becoming due in each subsequent year. As of the District's financial statement date, FDEP had reserved an amount of \$7,032,125 for such purpose.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(10) LONG-TERM LIABILITIES (continued)*

In fiscal year 2007, 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 evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the South Florida Water Management District Leasing Corporation (the "Corporation"), a not-for-profit entity (see Note (2)(a) on page III-14). The COPS 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. Lease payments are funded from ad valorem revenues. Total COPS issued amounted to \$546,120,000, 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 Fund.

Fiscal year requirements to amortize the COPS as of September 30, 2014 are as follows:

	Principal	Interest	Total
2015	\$ 11,610,000	\$ 23,572,247	\$ 35,182,247
2016	12,165,000	23,000,372	35,165,372
2017	12,750,000	22,392,425	35,142,425
2018	13,385,000	21,742,025	35,127,025
2019	14,055,000	21,056,025	35,111,025
2020-2024	81,485,000	93,792,625	175,277,625
2025-2029	103,915,000	70,792,375	174,707,375
2030-2034	132,620,000	41,365,500	173,985,500
2035-2037	<u>96,565,000</u>	<u>7,399,375</u>	<u>103,964,375</u>
	<u>\$478,550,000</u>	<u>\$325,112,969</u>	<u>\$803,662,969</u>

The liability for compensated absences is generally liquidated by the General Fund and the Okeechobee Basin SR Fund and the liability for other post-employment benefits is generally liquidated from the General Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(11) FUND BALANCE REPORTING**

The following is the governmental fund balances in detail as of September 30, 2014:

	General Fund	Okeechobee Basin SR Fund	Everglades Trust SR Fund	Okeechobee Basin CP Fund
<b><i>Nonspendable:</i></b>				
Inventory	\$ -	\$ 5,570	\$ -	\$ -
Permanent fund principal	-	-	-	-
<b><i>Restricted for:</i></b>				
Dispersed storage projects	-	11,435	-	-
Source control projects	-	75	75	-
External risk management	-	8,433	-	-
Okeechobee Basin operations	-	82,072	-	-
Water protection, ecosystem mgmt, and restoration projects	-	-	-	-
Water quality enhancement projects	-	-	-	-
Caloosahatchee Basin storage treatment	-	-	-	1,171
Local government agreements	-	-	-	-
Big Cypress Basin operations	-	-	-	-
Debt service	-	-	-	-
Indian River Lagoon surface water environmental enhancement	-	-	-	-
Ops. & maint. of Everglades Stormwater Treatment Areas	-	-	-	-
Everglades conservation and natural resource protection	-	168	-	8,212
Lake Okeechobee restoration	-	-	-	-
Big Cypress Basin capital projects	-	-	-	-
Acquisition, restoration or mgmt of environmentally sensitive lands	-	-	-	-
Florida Bay restoration	-	-	-	-
Wetland creation, restoration and management	-	-	-	-
Construction & ops. of facilities-Everglades restoration & protection	-	-	-	-
Restoration strategies projects	-	-	21,451	-
Land management activities	-	-	-	-
Aquatic plant control	-	-	-	-
Workforce reduction plan	-	103	5	-
Other capital projects	-	-	-	7,470
<b><i>Committed for:</i></b>				
Caloosahatchee Basin storage treatment	-	-	-	-
Source control projects	325	-	-	-
External risk management	7,180	-	-	-
Facilities lease	201	-	-	-
Research, data collection, analysis & monitoring	40	-	-	-
Workforce reduction plan	60	-	-	-
Restoration strategies projects	4,691	-	-	-
Capital Projects	2,422	-	-	-
<b><i>Assigned to:</i></b>				
District operations	42,478	-	-	-
Other capital projects	-	-	-	-
Everglades restoration	-	-	-	-
Wetland creation, restoration and management	-	-	-	-
<b><i>Unassigned:</i></b>				
	6,023	-	(11,647)	-
	<u>63,420</u>	<u>107,857</u>	<u>9,883</u>	<u>16,853</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(11) FUND BALANCE REPORTING (continued)*

	Everglades Trust CP Fund	Save Our Everglades CP Fund	COPS Everglades Forever CP Fund	Other Governmental Funds	Total Governmental Funds
<b><i>Nonspendable:</i></b>					
Inventory	\$ -	\$ -	\$ -	\$ 148	\$ 5,718
Permanent fund principal	-	-	-	14,967	14,967
<b><i>Restricted for:</i></b>					
Dispersed storage projects	-	-	-	-	11,435
Source control projects	-	-	-	-	150
External risk management	-	-	-	-	8,433
Okeechobee Basin operations	-	-	-	896	82,968
Water protection, ecosystem mgmt, and restoration projects	4,188	-	-	1,975	6,163
Water quality enhancement projects	-	-	-	-	-
Caloosahatchee Basin storage treatment	-	-	-	-	1,171
Local government agreements	-	-	-	-	-
Big Cypress Basin operations	-	-	-	-	-
Debt service	13,016	-	-	17,234	30,250
Indian River Lagoon surface water environmental enhancement	-	-	-	155	155
Ops. & maint. of Everglades Stormwater Treatment Areas	-	-	-	-	-
Everglades conservation and natural resource protection	-	-	-	642	9,022
Lake Okeechobee restoration	-	-	-	2,224	2,224
Big Cypress Basin capital projects	-	-	-	19,511	19,511
Acquisition, restoration or mgmt of environmentally sensitive lands	-	-	-	48,645	48,645
Florida Bay restoration	-	-	-	3,468	3,468
Wetland creation, restoration and management	-	-	-	46,280	46,280
Construction & ops. of facilities-Everglades restoration & protection	-	-	10,635	13,977	24,613
Restoration strategies projects	61,480	-	-	-	82,931
Land management activities	-	-	-	7,349	7,349
Aquatic plant control	-	-	-	32	32
Workforce reduction plan	-	-	-	-	108
Other capital projects	18,079	-	-	2,225	27,773
<b><i>Committed for:</i></b>					
Caloosahatchee Basin storage treatment	-	-	-	-	-
Source control projects	-	-	-	-	325
External risk management	-	-	-	-	7,180
Facilities lease	-	-	-	-	201
Research, data collection, analysis & monitoring	-	-	-	-	40
Workforce reduction plan	-	-	-	-	60
Restoration strategies projects	-	-	-	-	4,691
Capital Projects	-	-	-	-	2,422
<b><i>Assigned to:</i></b>					
District operations	-	-	-	13	42,490
Other capital projects	-	-	-	18,595	18,595
Everglades restoration	-	-	-	4,316	4,316
Wetland creation, restoration and management	-	-	-	-	-
<b><i>Unassigned:</i></b>					
	-	(2,364)	-	(9,936)	(17,925)
	96,763	(2,364)	10,635	192,715	495,762

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(12) DEFICIT FUND BALANCES*

At September 30, 2014, the following fund has a deficit fund balance:

Save Our Everglades Capital Project Fund	\$ 2,363,914
External Grants Fund	161,561

The deficit in the External Grant Fund is expected to be funded by future reimbursement from the US Department of Agriculture and Florida Department of Environmental Protection and the deficit in the Save Our Everglades Capital Project Fund will be funded by a pending reimbursement from Florida Department of Environmental Protection.

*(13) OPERATING LEASES*

The District is committed under various operating leases for building, office space, vehicles, office equipment and data processing equipment. The majority of the operating leases contain renewal options that the District may exercise. In most cases, the District expects that in the normal course of business the leases will be renewed or replaced with other leases. Lease expenditures for the year ended September 30, 2014 amounted to approximately \$1.3 million. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2015	\$ 900,857
2016	527,996
2017	261,512
2018	<u>172,932</u>
	<u>\$ 1,863,297</u>

*(14) 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. The System issues a publicly available annual 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, P.O. Box 9000, Tallahassee, Florida 32315-9000.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(14) DEFINED BENEFIT PENSION PLAN (continued)*

**Funding Policy**

During fiscal year 2011, the Florida Legislature passed Senate Bill 2100, which was signed into law by the Governor and became effective July 1, 2011. The bill requires all FRS Investment Plan and Pension Plan members, excluding those in the Deferred Retirement Option Program (DROP), to contribute 3% towards their retirement benefits. The District is required to contribute an actuarially determined rate, which is fixed by law and varies based on employee class. At fiscal year end the District's contribution rates were 7.37%, 21.14% and 12.284% of annual covered payroll for regular class, senior management class, and DROP class employees, respectively. 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, which is equal to the required contributions for each year, are as follows:

Year Ending September 30:

2014	\$ 10,752,615
2013	9,161,494
2012	8,086,080

*(15) 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%. Effective July 2, 2012, the direct subsidy program was closed to new participants. Eligibility requirements include a minimum six years of consecutive District service immediately preceding retirement and be age 62 or older, or have a minimum of 25 years of FRS service, regardless of age. In order to maintain eligibility for the 2.0% retiree subsidy program, current employees were required to declare their intent to retire by July 2, 2012, and must have separated from District employment by December 12, 2012.

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. There is no separately issued financial report for the plan.

As of the July 2013 valuation date, the plan covered 1,546 active participants and 372 retirees.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(15) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)*

**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 for retirees currently in the program. All other costs are paid by the retirees. The plan is financed on a pay-as-you-go basis. The liability for other post-employment benefits is generally liquidated from the General Fund.

**Annual OPEB Costs and Net OPEB Obligation**

For the fiscal year ended September 30, 2014, the District's annual OPEB cost of \$4,770,003 was equal to the annual required contribution (ARC) for the fiscal year, one year's interest on the net OPEB obligation, and an adjustment equal to the discounted present value of the balance of the net OPEB obligation at the beginning of the year. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2014, 2013, and 2012 are as follows:

	2014	2013	2012
Normal Cost (Service cost for one year)	\$ 1,857,787	\$ 2,007,312	\$ 2,015,202
Amortization of Unfunded Actuarial Accrued Liability	2,948,472	2,701,206	2,749,733
Interest on Normal Cost and Amortization	47,359	47,538	48,107
Annual Required Contribution (ARC)	4,853,618	4,756,056	4,813,042
Interest on NOO	961,575	865,917	764,305
Adjustment to ARC	(1,045,190)	(854,576)	(754,295)
Annual OPEB Cost (Expense)	4,770,003	4,767,397	4,823,052
Employer Contributions Made	(2,486,411)	(1,847,965)	(2,344,703)
Increase (decrease) in NOO	2,283,592	2,919,432	2,478,349
Net OPEB Obligation (NOO) at beginning of year	24,039,368	21,119,936	18,641,587
Estimated NOO at end of year	26,322,960	24,039,368	21,119,936
Percentage of annual OPEB Cost Contributed	52.13%	38.76%	48.61%

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(15) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)*

**Funded Status and Funding Progress**

The funded status of the plan as of September 30, 2014 was as follows:

Actuarial Accrued Liability (AAL)	\$ 66,497,952
Actuarial Value of Plan Assets	—
Unfunded Actuarial Accrued Liability (UAAL)	66,497,952
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	103,092,344
UAAL as a Percentage of Covered Payroll	64.50%

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. 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 July 1, 2013 actuarial valuation, as updated, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, a 3.0% rate of general price inflation, and an annual healthcare cost trend rate of 8.5% in 2014, followed by 8.0% and 7.5% trend rates the next two years, respectively, followed by a trending down to an ultimate rate of 5.26% per year after 12 years, or 2029. The actuarial value of assets was not determined as the District has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 23-year period with a closed amortization method. The assumed rate of payroll growth is 4.0% per year.

The required schedule of funding progress, as shown in the Notes to the Required Supplementary Information (see page IV-5), presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

*(16) 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 and in 1986 the District established a self-insurance program for automobile and general liability

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(16) INSURANCE ACTIVITIES (continued)*

claims. These self-insured claims are administered by a third party and are accounted for in the Self Insurance Fund (an internal service fund).

The District is totally self-insured for workers' compensation claims and the District's financial exposure for automobile and general liability is limited to \$200,000 per person and \$300,000 per occurrence pursuant to Section 768.28, Florida Statutes. Expenditures relating to insurance are charged to other funds based on a cost allocation study performed by Management. These expenditures include actuarial estimates utilizing the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense. The actuarial calculations are utilized to determine the amount needed for losses incurred but not reported (IBNR) at year end. 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 has a self-insurance program for health benefits, including medical, dental and vision coverage, for its employees and retirees who choose to remain within the plan. The claims are administered by a third party and accounted for in the Health Benefits Fund (an internal service fund). The participating funds make payments to the Health Benefits Fund by means of premiums charged and employee payroll deductions. The payments are based on management's estimates, using historical trends, of the amounts needed to pay prior and current year claims. The expenditures include an actuarial estimate to determine the amount needed for losses incurred but not reported at year end. The District maintains excess insurance coverage for health care costs.

The claims liabilities are based on actuarial valuations performed by independent actuaries as of September 30, 2014, and are presented on a net undiscounted basis. The liability includes claims incurred but not reported. The estimated liabilities by risk category at September 30, 2014 are as follows:

	Balance 9/30/2014	Amounts Due Within One Year
Workers' Compensation	\$ 3,706,000	\$ 769,330
General and Automobile	67,000	49,992
Health Insurance	1,744,918	1,744,918
	<u>\$ 5,517,918</u>	<u>\$ 2,564,240</u>

Changes in the claims liability amount for the current and prior fiscal year are summarized below:

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2013	6,743,395	25,435,821	(25,835,260)	6,343,956
2014	6,343,956	26,204,480	(27,030,518)	5,517,918

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(16) INSURANCE ACTIVITIES (continued)*

To minimize the financial impact of potential unforeseen catastrophes, District policy allows a fund balance reserve for the self-insurance of workers' compensation, general and automobile liability claims, of up to \$10 million in excess of the most recent actuarially-estimated liability determination.

There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed the insurance coverage for each of the past three years.

*(17) 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, 2014, the court had yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District is unable to estimate the potential financial exposure relative to these rulings, if any.

When the court rules there is a taking, the District will budget and appropriate funds to pay for the purchase of the land.

*(18) MAJOR CONSTRUCTION COMMITMENTS*

The **Everglades Construction Project (ECP)**, the first major step in the Everglades restoration pursuant to the Everglades Forever Act (EFA) was passed by the Florida Legislature in 1994. 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 (EPA). In total, the ECP was composed of 12 interrelated construction projects located between Lake Okeechobee and the EPA. The STAs, which consist of six large constructed wetlands with a combined area of over 52,000 acres, are the cornerstone of the ECP.

The ECP is one of the largest public works projects in the nation for environmental restoration. The total cost associated with implementing the ECP is shared among the District, state and federal governments, and the agricultural community. Major funding sources for the EFA include a one-tenth mill ad valorem property tax levy (0.0613 mill for FY2013), agricultural privilege taxes, state funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds. The 1994 ECP capital projects were completed in fiscal year 2007 for a total cost of \$514.8 million (local share). When combined with the federal share of \$198.9 million, the total capital cost associated with the 1994 ECP is \$713.7 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

In 2003 the Florida Legislature amended the 1994 EFA to include the 2003 Long-Term Plan for Achieving Water Quality Goals for Everglades Protection Area Tributary Basins (Long-Term Plan) as the strategy for achieving the long-term water quality goals for the Everglades Protection Area. The amended EFA also expanded the use of the District's one-tenth mill ad valorem property tax levy, agricultural privilege taxes and other funding sources for implementing the initial phase of the Long-Term Plan, including Everglades Stormwater Treatment Area enhancements, research and optimization, and operation and maintenance of the ECP. Also in 2003, the State of Florida's Environmental Regulation Commission adopted a water quality standard for phosphorus within the EPA that includes a numeric criterion of 10 parts per billion (ppb) for total phosphorus.

In 2004, the Long-Term Plan was revised to include the addition of approximately 18,000 acres of STAs on Compartments B and C in the Everglades Agricultural Area (EAA). There were subsequent revisions occurring in 2005, 2006 and 2007. These revisions also addressed modifications to the STA enhancement 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. The revised Long-Term Plan's initial 13-year phase is projected to cost approximately \$1.2 billion.

In 2013, the Florida legislature modified the EFA and redefined the Long-Term Plan to also include the Restoration Strategies Regional Water Quality Plan, as defined in Section 373.4592(13), F.S.

In FY2014, a total of \$53.6 million was expended for work associated with the Everglades Forever Act. Of this amount, \$6.5 million was expended for Restoration Strategies – Regional Projects Conceptual Planning and Design; and \$19.2 million for STA Operations and Maintenance. Debt Service payments related to Certificates of Participation issued in 2006 (FY2007) to fund construction totaled \$19.5 million. The remaining \$8.4 million was spent on other EFA-related components such as program support, monitoring, assessment, research, and evaluation in the EPA.

The **Comprehensive Everglades Restoration Plan** is a conceptual plan that proposes major modifications to the Central and Southern Florida Project in order to reverse decades of ecosystem decline. Specifically, the plan describes nearly 50 major projects and 68 project components to be constructed at an original cost estimate of \$10.9 billion, in 2004 dollars. Major components of CERP focus on restoring the quantity, quality, timing, and distribution of water for the natural system, and include aquifer storage and recovery, in-ground reservoirs, rainfall-driven operations, removing barriers to sheetflow, seepage management, stormwater treatment areas, surface water storage reservoirs, and water reuse and conservation. The estimated costs for CERP have increased to \$13.5 billion, based on price level (inflation) adjustments to 2009 dollars; and revisions made to scope based on finalized designs for projects such as the Indian River Lagoon – South, Picayune Strand Restoration, Site 1 Impoundment, and C-111 Spreader Canal Western projects.

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the South Florida Water Management District have invested approximately \$1.9 billion toward this effort. Through September 30, 2014, 256,011 acres or 63 percent of the estimated lands needed to implement CERP have been acquired.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

In FY2014, a total of \$95.3 million dollars were expended for the implementation of CERP projects, of which payments of Debt Service related to Certificates of Participation issued by the SFWMD and bonds issued by FDEP totaled \$33.9 million dollars.

*(19) OTHER COMMITMENTS AND CONTINGENCIES*

The District also participates in several other 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 any additional such disallowances, if any, will be immaterial.

# **FINANCIAL SECTION**

REQUIRED SUPPLEMENTARY 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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 111,232,713	\$ 111,554,463	\$ 112,385,298	\$ 830,835
Intergovernmental	452,374	452,374	106,458	(345,916)
Investment Earnings (Losses)	1,200,000	1,200,000	1,357,462	157,462
Licenses, Permits and Fees	2,042,999	2,042,999	3,720,028	1,677,029
Sale of District Property	75,000	75,000	38,592	(36,408)
Leases	56,181	56,181	141,169	84,988
Other	434,700	434,700	378,105	(56,595)
<b>Total Revenues</b>	<b>115,493,967</b>	<b>115,815,717</b>	<b>118,127,112</b>	<b>2,311,395</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Adminstrative Services and Executive Offices</b>				
Land Stewardship	274,752	235,958	232,839	3,119
Mission Support	33,167,988	32,403,404	30,415,548	1,987,856
Modeling and Scientific Support	3,250,830	2,582,530	2,520,477	62,053
Operations and Maintenance	10,968,915	10,842,510	10,436,203	406,307
Regulation	4,819,222	4,066,788	3,848,146	218,642
Restoration	10,572,665	8,396,345	5,948,589	2,447,756
Water Supply	1,271,983	1,134,998	945,397	189,601
	<b>64,326,355</b>	<b>59,662,533</b>	<b>54,347,199</b>	<b>5,315,334</b>
<b>Operations, Maintenance, and Construction</b>				
Land Stewardship	1,029,507	1,028,837	928,269	100,568
Mission Support	523,427	530,322	498,204	32,118
Modeling and Scientific Support	2,089,380	2,406,928	2,343,175	63,753
Operations and Maintenance	9,231,750	10,839,984	9,572,383	1,267,601
Regulation	72,244	147,248	133,674	13,574
Restoration	6,371,798	4,781,890	2,828,152	1,953,738
Water Supply	798,988	748,079	710,605	37,474
<b>Total Operations, Maintenance, and Construction</b>	<b>20,117,094</b>	<b>20,483,288</b>	<b>17,014,462</b>	<b>3,468,826</b>
<b>Regulation</b>				
Operations and Maintenance	24,300	23,773	23,529	244
Regulation	14,695,434	14,406,513	14,224,401	182,112
Restoration	637,173	590,075	548,367	41,708
Water Supply	-	47,585	31,097	16,488
<b>Total Regulation</b>	<b>15,356,907</b>	<b>15,067,946</b>	<b>14,827,394</b>	<b>240,552</b>

**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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Water Resources				
Land Stewardship	-	2,000	1,756	244
Modeling and Scientific Support	6,954,359	7,506,039	7,371,683	134,356
Restoration	4,858,758	4,929,345	4,170,821	758,534
Water Supply	6,162,214	6,233,510	5,850,240	383,270
Total Water Resources	<u>17,975,331</u>	<u>18,670,894</u>	<u>17,394,500</u>	<u>1,276,404</u>
Contingency				
Managerial Reserve	-	4,866,256	-	4,866,256
Managerial Reserve-Contingency	15,742,735	15,742,735	-	15,742,735
Total Contingency	<u>15,742,735</u>	<u>20,608,991</u>	<u>-</u>	<u>20,608,991</u>
Total Expenditures	<u>133,518,422</u>	<u>134,493,652</u>	<u>103,583,555</u>	<u>30,910,108</u>
Revenues in Excess of (Less than) Expenditures	<u>(18,024,455)</u>	<u>(18,677,935)</u>	<u>14,543,557</u>	<u>33,221,492</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	23,869,679	25,367,780	25,360,610	(7,170)
Transfers Out	(38,762,905)	(39,607,526)	(39,600,356)	7,170
Total Other Financing Sources (Uses)	<u>(14,893,226)</u>	<u>(14,239,746)</u>	<u>(14,239,746)</u>	<u>-</u>
Net Change in Fund Balance	(32,917,681)	(32,917,681)	303,811	33,221,492
Fund Balance at Beginning of Year	63,115,887	63,115,887	63,115,887	-
Fund Balance at End of Year	<u>\$ 30,198,206</u>	<u>\$ 30,198,206</u>	<u>\$ 63,419,698</u>	<u>\$ 33,221,492</u>

**South Florida Water Management District  
Okeechobee Basin Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 110,714,216	\$ 110,889,716	\$ 111,802,444	\$ 912,728
Intergovernmental	3,576,213	3,576,213	5,517,940	1,941,727
Investment Earnings (Losses)	850,000	850,000	1,513,729	663,729
Licenses, Permits and Fees	60,000	60,000	85,738	25,738
Sale of District Property	175,000	175,000	213,400	38,400
Leases	1,369,999	1,369,999	1,169,445	(200,554)
Other	25,000	25,000	308,762	283,762
Total Revenues	<u>116,770,428</u>	<u>116,945,928</u>	<u>120,611,458</u>	<u>3,665,530</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Land Stewardship	125,425	5,600	-	5,600
Mission Support	3,621,975	3,620,575	2,829,232	791,243
Operations and Maintenance	2,603,106	1,416,909	1,370,070	46,839
Restoration	9,862,759	6,889,821	5,036,737	1,853,084
	<u>16,213,265</u>	<u>11,932,905</u>	<u>9,236,039</u>	<u>2,696,766</u>
<b>Operations, Maintenance, and Construction</b>				
Land Stewardship	5,245,908	5,642,763	5,207,523	435,240
Mission Support	-	485	485	-
Modeling and Scientific Support	577,012	557,012	317,824	239,188
Operations and Maintenance	73,862,528	75,856,798	70,309,790	5,547,008
Regulation	-	2,012	1,692	320
Restoration	10,553,143	3,283,890	2,745,335	538,555
Water Supply	15,418	58,069	55,863	2,206
Total Operations, Maintenance, and Construction	<u>90,254,009</u>	<u>85,401,029</u>	<u>78,638,512</u>	<u>6,762,517</u>
<b>Regulation</b>				
Operations and Maintenance	1,000	-	-	-
Restoration	526,946	503,049	436,228	66,821
Total Regulation	<u>527,946</u>	<u>503,049</u>	<u>436,228</u>	<u>66,821</u>
<b>Water Resources</b>				
Modeling and Scientific Support	-	179,146	119,782	59,364
Operations and Maintenance	-	2,308	1,183	1,125
Restoration	4,287,379	4,236,033	3,875,776	360,257
Water Supply	452,974	339,516	278,799	60,717
Total Water Resources	<u>4,740,353</u>	<u>4,757,003</u>	<u>4,275,540</u>	<u>481,463</u>

**South Florida Water Management District  
Okeechobee Basin Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Contingency				
Managerial Reserve	-	8,973,533	-	8,973,533
Managerial Reserve-Contingency	40,512,602	40,512,602	-	40,512,602
Total Contingency	<u>40,512,602</u>	<u>49,486,135</u>	<u>-</u>	<u>49,486,135</u>
Total Expenditures	<u>152,248,175</u>	<u>152,080,121</u>	<u>92,586,319</u>	<u>59,493,702</u>
Revenues in Excess of (Less than) Expenditures	<u>(35,477,745)</u>	<u>(35,134,193)</u>	<u>28,025,139</u>	<u>63,159,332</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	163,157	418,780	173,861	(244,919)
Transfers Out	(28,465,539)	(29,064,714)	(28,819,795)	244,919
Total Other Financing Sources (Uses)	<u>(28,302,382)</u>	<u>(28,645,934)</u>	<u>(28,645,934)</u>	<u>-</u>
Net Change in Fund Balance	<u>(63,780,127)</u>	<u>(63,780,127)</u>	<u>(620,795)</u>	<u>63,159,332</u>
Fund Balance at Beginning of Year	108,477,717	108,477,717	108,477,717	-
Fund Balance at End of Year	<u>\$ 44,697,590</u>	<u>\$ 44,697,590</u>	<u>\$ 107,856,922</u>	<u>\$ 63,159,332</u>

**South Florida Water Management District**  
**Everglades Restoration Trust Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - (Unaudited)**  
**For the Year Ended September 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 35,358,675	\$ 35,446,425	\$ 35,700,467	\$ 254,042
Agricultural Privilege Taxes	11,300,000	11,300,000	11,439,721	139,721
Intergovernmental	5,107,500	5,107,500	4,752,985	(354,515)
Investment Earnings (Losses)	700,000	700,000	375,219	(324,781)
Sale of District Property	-	-	6,267	6,267
Other	-	-	9,125	9,125
<b>Total Revenues</b>	<u>52,466,175</u>	<u>52,553,925</u>	<u>52,283,784</u>	<u>(270,141)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Restoration	7,376,632	3,791,367	3,158,350	633,017
	<u>7,376,632</u>	<u>3,791,367</u>	<u>3,158,350</u>	<u>633,017</u>
<b>Operations, Maintenance, and Construction</b>				
Operations and Maintenance	-	10,959	10,839	120
Restoration	23,104,051	23,393,690	20,515,603	2,878,087
<b>Total Operations, Maintenance, and Construction</b>	<u>23,104,051</u>	<u>23,404,649</u>	<u>20,526,442</u>	<u>2,878,207</u>
<b>Regulation</b>				
Restoration	1,163,153	1,194,246	1,108,374	85,872
<b>Total Regulation</b>	<u>1,163,153</u>	<u>1,194,246</u>	<u>1,108,374</u>	<u>85,872</u>
<b>Water Resources</b>				
Restoration	5,231,977	5,696,391	5,344,135	352,256
<b>Total Water Resources</b>	<u>5,231,977</u>	<u>5,696,391</u>	<u>5,344,135</u>	<u>352,256</u>
<b>Contingency</b>				
Managerial Reserve	-	1,468,243	-	1,468,243
Managerial Reserve-Contingency	3,000,000	3,000,000	-	3,000,000
<b>Total Contingency</b>	<u>3,000,000</u>	<u>4,468,243</u>	<u>-</u>	<u>4,468,243</u>
<b>Total Expenditures</b>	<u>39,875,813</u>	<u>38,554,896</u>	<u>30,137,301</u>	<u>8,417,595</u>
Revenues in Excess of (Less than) Expenditures	<u>12,590,362</u>	<u>13,999,029</u>	<u>22,146,483</u>	<u>8,147,454</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,138,000	1,138,000	1,138,000	-
Transfers Out	(22,648,291)	(24,056,958)	(24,056,958)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(21,510,291)</u>	<u>(22,918,958)</u>	<u>(22,918,958)</u>	<u>-</u>
Net Change in Fund Balance	(8,919,929)	(8,919,929)	(772,475)	8,147,454
Fund Balance at Beginning of Year	10,655,617	10,655,617	10,655,617	-
Fund Balance at End of Year	<u>\$ 1,735,688</u>	<u>\$ 1,735,688</u>	<u>\$ 9,883,142</u>	<u>\$ 8,147,454</u>

South Florida Water Management District  
 Schedule of Employer Contributions  
 Other Post-Employment Benefit Plans  
 September 30, 2014

Schedule of Employer Contributions

Year Ended September 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 1,028,112	\$ 3,675,782	27.97%
2010	\$ 1,560,396	\$ 7,972,296	19.57%
2011	\$ 3,705,335	\$ 7,834,678	47.29%
2012	\$ 2,344,703	\$ 4,813,042	48.72%
2013	\$ 1,847,965	\$ 4,756,056	38.85%
2014	\$ 2,486,411	\$ 4,853,618	51.23%

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded Actuarial Accrued Liability (UAAL)	(4) Funded Ratio (Actuarial Value of Plan Assets/AAL)	(5) Covered Payroll (Active Plan Members)	(6) UAAL as a Percentage of Covered Payroll
			(2) - (1)	(1) / (2)		(3) / (5)
7/1/2009	-	\$ 93,842,506	\$ 93,842,506	0%	\$110,368,449	85.03%
7/1/2011	-	\$ 62,913,036	\$ 62,913,036	0%	\$108,728,010	57.86%
7/1/2013	-	\$ 66,497,962	\$ 66,497,962	0%	\$103,092,344	64.50%

As required by GASB Statement No. 45 an actuarial valuation is required at least biennially.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2014**

**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 seven Programs: Land Stewardship, Mission Support, Modeling and Scientific Support, Operations and Maintenance, Regulation, Restoration, and Water Supply. The District is organized by four main resource areas: Administrative Services and Executive Offices; Operations, Maintenance, and Construction; Regulation; and Water Resources.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. During fiscal year 2014, the Governing Board approved five budget amendments. Of the five budget amendments, only three amendments effected governmental funds. Two of the budget amendments recognized receipts of \$1.0 million in unbudgeted intergovernmental revenues. The two amendments impacted governmental funds other than the three presented herein. The last amendment impacted the General Fund, Okeechobee Basin Special Revenue Fund and the Everglades Restoration Trust Special Revenue Fund budgeted revenues and expenditures. This amendment authorized additional Ad Valorem revenue and increased expenditures up to \$1.5 million, respectively, to cover Health Insurance Claims. Only \$585,000 (General Fund - \$321,750, Okeechobee Basin Special Revenue Fund - \$175,500 and Everglades Restoration Trust Special Revenue Fund - \$87,750) was transferred to the Health Insurance Fund because it was determined to be sufficient to cover all remaining fiscal year 2014 claims. As part of the adoption of the original District budget, a Governing Board-authorized resolution provides for the transfer of funds from and to the General Fund and/or Special Revenue Funds to and from the corresponding Capital Projects Fund. These transfers are processed throughout the fiscal year, and while there is no impact to the overall District budget total, individual Funds will realize increases or decreases in budget in comparison to the amount originally adopted.
- As a result of the aforementioned inter-fund transfers processed during fiscal year 2014, General Fund realized an increase in budgeted expenditures of \$653,480, while the Okeechobee Basin Special Revenue Fund and the Everglades Restoration Trust Special Revenue Fund realized decreases in budgeted expenditures of \$343,552 and \$1,408,668, respectively. For the year ended September 30, 2014, the General Fund realized an overall increase in budgeted expenditures of \$975,230 and budgeted revenues of \$321,750. The Okeechobee Basin Special Revenue Fund realized a net decrease in budgeted expenditures of \$168,052 and an increase in budgeted revenues of \$175,500. The Everglades Restoration Trust Special Revenue Fund realized a net decrease in budgeted expenditures of \$1,320,918 and an increase in budgeted revenues of \$87,750. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2014**

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- The employer contributions reported on the Schedule of Employer Contributions (see page IV-6) 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, no assets have been placed in trust to advance fund the employer's obligation.



# **FINANCIAL SECTION**

OTHER SUPPLEMENTARY INFORMATION



## **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 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 .1593 mill tax levy and interest earnings.

### **Save Our Rivers Fund**

Accounts for revenues 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 used to fund expenditures incurred towards the management and restoration of environmentally sensitive water resource lands within the District. This fund also accounts for the principal and interest payments on special obligation land acquisition bonds.

### **State Appropriations Fund**

Accounts for revenue collected and operating expenditures for various projects utilizing state sources. Among the funding sources are the Ecosystem Management and Restoration Trust Fund, the Water Protection and Sustainability Trust Fund, and various state agencies.

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

Accounts for revenues provided by the Florida Department of Environmental Protection towards expenditures incurred for aquatic plant control throughout the District, including the Kissimmee River and Upper Chain of Lakes.

### **Upland Invasive Plant Control Fund**

Accounts for revenues provided by the Florida Department of Environmental Protection which fund expenditures incurred in order to control the spread of melaleuca trees in environmentally sensitive areas.

### **Wetland Mitigation Fund**

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by interest earnings on unspent fund balances.

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

Accounts for revenues provided by sales of Indian River Lagoon license plates, used in funding expenditures incurred for the purpose of enhancing the environmental and scenic value of surface waters in the Indian River Lagoon.

### **Federal Land Management Fund**

Accounts for grant revenues received from the federal government in support of expenditures relating to the management and maintenance of environmentally sensitive lands.

## **Special Revenue Funds (continued)**

### **External Grants Fund**

Accounts for revenues and expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts. This separate fund facilitates the detailed tracking of expenditures and/or cost share contributions.

### **Lake Belt Mitigation Fund**

Accounts for revenues received pursuant to Chapter 373.41492, Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County, and related expenditures incurred towards the restoration and management of environmentally sensitive lands.

### **Everglades License Plate Fund**

Accounts for proceeds derived from Everglades license plate sales, which are used to fund expenditures incurred towards the conservation and protection of the natural resources and abatement of water pollution in the Everglades.

### **Lake Okeechobee Fund**

Accounts for revenues provided by the State of Florida through the Department of Environmental Protection towards restoration projects associated with Lake Okeechobee.

### **Save Our Everglades Fund**

Accounts for revenues and operating expenditures for the Comprehensive Everglades Restoration Plan (CERP) and the Northern Everglades Estuary Protection Program (NEEPP) which are funded from the State's Save Our Everglades Trust Fund.

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

Accounts for revenues provided by the Department of Homeland Security to fund operating costs associated with noncapital project expenditures.

### **Florida Bay Fund**

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

## **Capital Projects Funds**

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

### **District Fund**

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

### **Big Cypress Basin Fund**

Accounts for capital expenditures incurred towards projects benefiting the Big Cypress Basin. Revenue is provided through operating transfers from the Big Cypress Basin Special Revenue Fund.

### **Save Our Rivers Fund**

Accounts for revenues received from annual allocations through the State's Florida Forever Trust Fund, and related expenditures incurred for the purchase of environmentally sensitive lands.

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

Accounts for revenues provided by the Department of Homeland Security to fund related capital project expenditures.

### **Florida Bay Fund**

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

### **Wetland Mitigation Fund**

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund capital expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by interest earnings on unspent fund balances.

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

Accounts for capital 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 C&SF Flood Control Project. Funding is provided by transfers from the General Fund and Okeechobee Basin Special Revenue Fund.

### **Federal Land Acquisition Fund**

Accounts for grant revenues received from the federal government in support of expenditures relating to the purchase of environmentally sensitive lands.

## **Capital Projects Funds (continued)**

### **Comprehensive Everglades Restoration Plan (CERP) – Other Creditable Funds Fund**

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

### **COPS – Comprehensive Everglades Restoration Plan (CERP) Fund**

Accounts for revenues from Certificates of Participation issued to support the accelerated construction of projects in the Comprehensive Everglades Restoration Plan.

### **Lake Belt Mitigation Fund**

Accounts for revenues received pursuant to Chapter 373.41492, Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County, and related capital expenditures incurred towards the acquisition, restoration and management of environmentally sensitive lands.

### **Lake Okeechobee Fund**

Accounts for revenues provided by the State of Florida through the Department of Environmental Protection towards capital restoration projects associated with Lake Okeechobee.

## **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.

### **Wetland Mitigation 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, 2014**

	Special Revenue Funds					
	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control	Upland Invasive Plant Control	Wetland Mitigation
<b>ASSETS</b>						
Cash and Investments	\$ 10,858,266	\$ 7,809,190	\$ 2,154,973	\$ -	\$ -	\$ 19,640,951
Cash Held by Trustee	-	-	-	-	-	-
Accounts Receivable	10,586	60,230	-	-	-	23,049
Due from Other Governments	88,254	17,622	-	269,638	103,499	-
Inventory	148,322	-	-	-	-	-
Prepaid and Other Assets	-	-	-	-	-	-
Total Assets	<u>\$ 11,105,428</u>	<u>\$ 7,887,042</u>	<u>\$ 2,154,973</u>	<u>\$ 269,638</u>	<u>\$ 103,499</u>	<u>\$ 19,664,000</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 164,891	\$ 266,404	\$ 180,190	\$ 32,653	\$ 103,499	\$ 302,321
Due to Other Governments	600,000	-	-	-	-	-
Due to Other Funds	14,932	-	-	204,865	-	636
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	892,622	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>779,823</u>	<u>1,159,026</u>	<u>180,190</u>	<u>237,518</u>	<u>103,499</u>	<u>302,957</u>
<b>FUND BALANCES</b>						
Nonspendable	148,322	-	-	-	-	-
Restricted	10,177,283	6,728,016	1,974,783	32,120	-	19,361,043
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>10,325,605</u>	<u>6,728,016</u>	<u>1,974,783</u>	<u>32,120</u>	<u>-</u>	<u>19,361,043</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 11,105,428</u>	<u>\$ 7,887,042</u>	<u>\$ 2,154,973</u>	<u>\$ 269,638</u>	<u>\$ 103,499</u>	<u>\$ 19,664,000</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2014**

Special Revenue Funds (Continued)						
	Indian River Lagoon Restoration	Federal Land Management	External Grants	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee
<b>ASSETS</b>						
Cash and Investments	\$ 286,189	\$ 3,936,945	\$ -	\$ 43,105,182	\$ 597,116	\$ 2,350,491
Cash Held by Trustee	-	-	-	-	-	-
Accounts Receivable	334	36,974	-	48,888	686	-
Due from Other Governments	-	-	54,547	-	-	-
Inventory	-	-	-	-	-	-
Prepaid and Other Assets	-	-	-	742,623	-	-
Total Assets	\$ 286,523	\$ 3,973,919	\$ 54,547	\$ 43,896,693	\$ 597,802	\$ 2,350,491
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 232,468	\$ 33,409	\$ 93,837	\$ 119,998	\$ 100,438
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	-	182,699	681	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	234,201	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	-	466,669	216,108	94,518	119,998	100,438
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	286,523	3,507,250	-	43,802,175	477,804	2,250,053
Assigned	-	-	-	-	-	-
Unassigned	-	-	(161,561)	-	-	-
Total Fund Balances	286,523	3,507,250	(161,561)	43,802,175	477,804	2,250,053
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 286,523	\$ 3,973,919	\$ 54,547	\$ 43,896,693	\$ 597,802	\$ 2,350,491



**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2014**

	Special Revenue Funds (Concluded)				Capital Projects Funds	
	Save Our Everglades	Federal Emergency Management Agency	Florida Bay	Total	District	Big Cypress Basin
<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>ASSETS</b>						
Cash and Investments	\$ 1,961,934	\$ 12,820	\$ 1,262,964	\$ 93,977,021	\$ 14,502,793	\$ 10,511,765
Cash Held by Trustee	-	-	-	-	10,519,874	-
Accounts Receivable	43,489	-	1,564	225,800	33,202	12,261
Due from Other Governments	1,337,793	-	1,020	1,872,373	-	-
Inventory	-	-	-	148,322	-	-
Prepaid and Other Assets	-	-	-	742,623	75,000	-
Total Assets	\$ 3,343,216	\$ 12,820	\$ 1,265,548	\$ 96,966,139	\$ 25,130,869	\$ 10,524,026
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 1,265,695	\$ -	\$ 314,780	\$ 3,210,583	\$ 423,892	\$ 294,901
Due to Other Governments	-	-	-	600,000	-	-
Due to Other Funds	-	-	2,717	406,530	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	1,021	1,127,844	-	-
Total Liabilities & Deferred Inflows of Resources	1,265,695	-	318,518	5,344,957	423,892	294,901
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	148,322	-	-
Restricted	2,217,345	-	947,030	91,761,425	10,519,875	10,229,125
Assigned	-	12,820	-	12,820	14,187,102	-
Unassigned	(139,824)	-	-	(301,385)	-	-
Total Fund Balances	2,077,521	12,820	947,030	91,621,182	24,706,977	10,229,125
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 3,343,216	\$ 12,820	\$ 1,265,548	\$ 96,966,139	\$ 25,130,869	\$ 10,524,026

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2014**

	Capital Projects Funds (Continued)					
	Save Our Rivers	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition
<b>ASSETS</b>						
Cash and Investments	\$ 12,049,819	\$ 114,917	\$ 2,534,578	\$ 9,046,593	\$ 4,437,696	\$ 3,932,715
Cash Held by Trustee	-	-	-	-	-	-
Accounts Receivable	14,234	-	2,937	10,521	-	-
Due from Other Governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid and Other Assets	-	-	-	-	-	-
Total Assets	<u>\$ 12,064,053</u>	<u>\$ 114,917</u>	<u>\$ 2,537,515</u>	<u>\$ 9,057,114</u>	<u>\$ 4,437,696</u>	<u>\$ 3,932,715</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ 16,371	\$ -	\$ 145,013	\$ -
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>16,371</u>	<u>-</u>	<u>145,013</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	12,064,053	-	2,521,144	18,691,952	-	3,932,715
Assigned	-	114,917	-	-	4,292,683	-
Unassigned	-	-	-	(9,634,838)	-	-
Total Fund Balances	<u>12,064,053</u>	<u>114,917</u>	<u>2,521,144</u>	<u>9,057,114</u>	<u>4,292,683</u>	<u>3,932,715</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 12,064,053</u>	<u>\$ 114,917</u>	<u>\$ 2,537,515</u>	<u>\$ 9,057,114</u>	<u>\$ 4,437,696</u>	<u>\$ 3,932,715</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2014**

	Capital Project Funds (Concluded)					Permanent Fund
	Comprehensive Everglades Restoration Plan Other Creditable	COPS Comprehensive Everglades Restoration Plan	Lake Belt Mitigation	Lake Okeechobee	Total	Wetland Mitigation
<b>ASSETS</b>						
Cash and Investments	\$ 4,339,947	\$ -	\$ 868,632	\$ 6,986	\$ 62,346,441	\$ 15,182,868
Cash Held by Trustee	-	13,977,457	-	-	24,497,331	-
Accounts Receivable	-	-	1,306	-	74,461	17,714
Due from Other Governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid and Other Assets	-	-	-	-	75,000	-
Total Assets	<u>\$ 4,339,947</u>	<u>\$ 13,977,457</u>	<u>\$ 869,938</u>	<u>\$ 6,986</u>	<u>\$ 86,993,233</u>	<u>\$ 15,200,582</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 24,412	\$ -	\$ 195,907	\$ -	\$ 1,100,496	\$ -
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>24,412</u>	<u>-</u>	<u>195,907</u>	<u>-</u>	<u>1,100,496</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	14,967,099
Restricted	-	13,977,457	674,031	6,986	72,617,338	233,483
Assigned	4,315,535	-	-	-	22,910,237	-
Unassigned	-	-	-	-	(9,634,838)	-
Total Fund Balances	<u>4,315,535</u>	<u>13,977,457</u>	<u>674,031</u>	<u>6,986</u>	<u>85,892,737</u>	<u>15,200,582</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 4,339,947</u>	<u>\$ 13,977,457</u>	<u>\$ 869,938</u>	<u>\$ 6,986</u>	<u>\$ 86,993,233</u>	<u>\$ 15,200,582</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2014**

	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>	
Cash and Investments	\$ 171,506,330
Cash Held by Trustee	24,497,331
Accounts Receivable	317,975
Due from Other Governments	1,872,373
Inventory	148,322
Prepaid and Other Assets	817,623
Total Assets	<u>\$ 199,159,954</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 4,311,079
Due to Other Governments	600,000
Due to Other Funds	406,530
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue	1,127,844
Total Liabilities & Deferred Inflows of Resources	<u>6,445,453</u>
 <b>FUND BALANCES</b>	
Nonspendable	15,115,421
Restricted	164,612,246
Assigned	22,923,057
Unassigned	(9,936,223)
Total Fund Balances	<u>192,714,501</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 199,159,954</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

Special Revenue Funds

	Big Cypress Basin	Save Our Rivers	State Appropriations	Invasive Aquatic Plant Control	Upland Invasive Plant Control	Wetland Mitigation
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ 9,339,360	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	-	7,042,242	-	2,786,921	3,043,253	-
Investment Earnings (Losses)	129,441	-	-	-	-	255,202
Licenses, Permits and Fees	15,475	-	-	-	-	2,328,276
Sale of District Property	9,947	5,503	-	-	-	-
Leases	26,720	684,307	-	-	-	-
Other	13,312	2,179	-	4,552	5,865	2,502
<b>Total Revenues</b>	<b>9,534,255</b>	<b>7,734,231</b>	<b>-</b>	<b>2,791,473</b>	<b>3,049,118</b>	<b>2,585,980</b>
<b>EXPENDITURES</b>						
<b>Current Operating</b>						
Land Stewardship	142,702	710,620	-	-	3,049,118	1,365,889
Mission Support	170,540	-	-	-	-	-
Operations and Maintenance	2,954,299	127,576	-	2,686,174	-	9,900
Regulation	3,927	-	-	-	-	59,962
Restoration	3,298,073	174,575	1,507,980	-	-	106,923
Water Supply	956,111	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Debt Service</b>						
Bond Principal Retirement	-	6,120,000	-	-	-	-
Bond Interest	-	768,598	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	-	-
COPS Bond Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>7,525,652</b>	<b>7,901,369</b>	<b>1,507,980</b>	<b>2,686,174</b>	<b>3,049,118</b>	<b>1,542,674</b>
Revenues in Excess of (Less than) Expenditures	2,008,603	(167,138)	(1,507,980)	105,299	-	1,043,306
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	152,570	-	-	-	-
Transfers Out	(2,278,657)	-	-	-	-	(4,204,029)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,278,657)</b>	<b>152,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,204,029)</b>
<b>Net Change in Fund Balances</b>	<b>(270,054)</b>	<b>(14,568)</b>	<b>(1,507,980)</b>	<b>105,299</b>	<b>-</b>	<b>(3,160,723)</b>
Fund Balances (Deficits) at Beginning of Year	10,595,659	6,742,584	3,482,763	(73,179)	-	22,521,766
Fund Balances (Deficits) at End of Year	\$ 10,325,605	\$ 6,728,016	\$ 1,974,783	\$ 32,120	\$ -	\$ 19,361,043

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

Special Revenue Funds (Continued)

	Indian River Lagoon Restoration	Federal Land Management	External Grants	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	91,871	-	573,652	-	221,256	-
Investment Earnings (Losses)	3,022	2,812	-	368,812	5,498	-
Licenses, Permits and Fees	-	-	-	19,479,675	-	-
Sale of District Property	-	-	-	-	-	-
Leases	-	1,883,223	-	-	-	-
Other	-	-	-	9	-	-
<b>Total Revenues</b>	<b>94,893</b>	<b>1,886,035</b>	<b>573,652</b>	<b>19,848,496</b>	<b>226,754</b>	<b>-</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	-	472,694	-	929,650	-	-
Mission Support	-	-	-	-	-	-
Operations and Maintenance	-	-	450,000	-	-	-
Regulation	-	-	-	-	-	-
Restoration	-	-	298,713	-	246,461	1,323,237
Water Supply	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Bond Principal Retirement	-	-	-	-	-	-
Bond Interest	-	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	-	-
COPS Bond Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>472,694</b>	<b>748,713</b>	<b>929,650</b>	<b>246,461</b>	<b>1,323,237</b>
Revenues in Excess of (Less than) Expenditures	94,893	1,413,341	(175,061)	18,918,846	(19,707)	(1,323,237)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	248,526	-	233,531	-	1,652
Transfers Out	-	-	-	(1,463,966)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>248,526</b>	<b>-</b>	<b>(1,230,435)</b>	<b>-</b>	<b>1,652</b>
<b>Net Change in Fund Balances</b>	<b>94,893</b>	<b>1,661,867</b>	<b>(175,061)</b>	<b>17,688,411</b>	<b>(19,707)</b>	<b>(1,321,585)</b>
Fund Balances (Deficits) at Beginning of Year	191,630	1,845,383	13,500	26,113,764	497,511	3,571,638
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 286,523</b>	<b>\$ 3,507,250</b>	<b>(\$ 161,561)</b>	<b>\$ 43,802,175</b>	<b>\$ 477,804</b>	<b>\$ 2,250,053</b>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

	Special Revenue Funds ( Concluded)				Capital Projects Funds	
	Save Our Everglades	Federal Emergency Management Agency	Florida Bay	Total	District	Big Cypress Basin
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ 9,339,360	\$ -	\$ -
Intergovernmental	10,845,294	3,290	39,423	24,647,202	88,971	-
Investment Earnings (Losses)	4,378	-	3,861	773,026	71,068	96,236
Licenses, Permits and Fees	-	-	-	21,823,426	-	-
Sale of District Property	-	-	-	15,450	74	-
Leases	723,889	-	-	3,318,139	-	-
Other	-	-	-	28,419	97,813	-
<b>Total Revenues</b>	<b>11,573,561</b>	<b>3,290</b>	<b>43,284</b>	<b>59,945,022</b>	<b>257,926</b>	<b>96,236</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	909,238	-	-	7,579,911	-	-
Mission Support	-	-	-	170,540	-	-
Operations and Maintenance	-	-	-	6,227,949	-	-
Regulation	-	-	-	63,889	-	-
Restoration	11,799,405	3,290	1,616,987	20,375,644	-	-
Water Supply	-	-	-	956,111	-	-
Capital Outlay	-	-	-	-	9,452,366	967,751
Debt Service						
Bond Principal Retirement	-	-	-	6,120,000	-	-
Bond Interest	-	-	-	768,598	-	-
COPS Bond Principal Retirement	-	-	-	-	4,943,488	-
COPS Bond Interest	-	-	-	-	10,783,527	-
<b>Total Expenditures</b>	<b>12,708,643</b>	<b>3,290</b>	<b>1,616,987</b>	<b>42,262,642</b>	<b>25,179,381</b>	<b>967,751</b>
Revenues in Excess of (Less than) Expenditures	(1,135,082)	-	(1,573,703)	17,682,380	(24,921,455)	(871,515)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	2,200,000	2,836,279	37,756,788	2,278,657
Transfers Out	-	-	(432,583)	(8,379,235)	(2,299,149)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,767,417</b>	<b>(5,542,956)</b>	<b>35,457,639</b>	<b>2,278,657</b>
Net Change in Fund Balances	(1,135,082)	-	193,714	12,139,424	10,536,184	1,407,142
Fund Balances (Deficits) at Beginning of Year	3,212,603	12,820	753,316	79,481,758	14,170,793	8,821,983
Fund Balances (Deficits) at End of Year	<b>\$ 2,077,521</b>	<b>\$ 12,820</b>	<b>\$ 947,030</b>	<b>\$ 91,621,182</b>	<b>\$ 24,706,977</b>	<b>\$ 10,229,125</b>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

	Capital Projects Funds (Continued)					
	Save Our Rivers	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Investment Earnings (Losses)	131,883	-	23,103	94,080	-	-
Licenses, Permits and Fees	-	-	-	-	-	-
Sale of District Property	-	19	-	-	34	-
Leases	-	-	-	-	-	-
Other	33,133	-	-	-	-	-
<b>Total Revenues</b>	<b>165,016</b>	<b>19</b>	<b>23,103</b>	<b>94,080</b>	<b>34</b>	<b>-</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	-	-	-	-	-	-
Mission Support	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Regulation	-	-	-	-	-	-
Restoration	-	-	-	-	-	-
Water Supply	-	-	-	-	-	-
Capital Outlay	1,172	-	27,653	29,787	577,781	-
Debt Service						
Bond Principal Retirement	-	-	-	-	-	-
Bond Interest	-	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	-	-
COPS Bond Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,172</b>	<b>-</b>	<b>27,653</b>	<b>29,787</b>	<b>577,781</b>	<b>-</b>
Revenues in Excess of (Less than) Expenditures	163,844	19	(4,550)	64,293	(577,747)	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	432,583	383,680	832,428	-
Transfers Out	(152,570)	-	-	-	(22,869,679)	(411,682)
<b>Total Other Financing Sources (Uses)</b>	<b>(152,570)</b>	<b>-</b>	<b>432,583</b>	<b>383,680</b>	<b>(22,037,251)</b>	<b>(411,682)</b>
Net Change in Fund Balances	11,274	19	428,033	447,973	(22,614,998)	(411,682)
Fund Balances (Deficits) at Beginning of Year	12,052,779	114,898	2,093,111	8,609,141	26,907,681	4,344,397
Fund Balances (Deficits) at End of Year	<u>\$ 12,064,053</u>	<u>\$ 114,917</u>	<u>\$ 2,521,144</u>	<u>\$ 9,057,114</u>	<u>\$ 4,292,683</u>	<u>\$ 3,932,715</u>



**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

	Capital Projects Funds (Concluded)				Permanent Fund	
	Comprehensive Everglades Restoration Plan Other Creditable	COPS Comprehensive Everglades Restoration Plan	Lake Belt Mitigation	Lake Okeechobee	Total	Wetland Mitigation
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	88,971	96,430
Investment Earnings (Losses)	-	81,597	11,573	-	509,540	154,535
Licenses, Permits and Fees	-	-	-	-	-	12,690
Sale of District Property	-	-	-	-	127	-
Leases	-	-	-	-	-	-
Other	-	1,140,181	-	-	1,271,127	-
<b>Total Revenues</b>	<b>-</b>	<b>1,221,778</b>	<b>11,573</b>	<b>-</b>	<b>1,869,765</b>	<b>263,655</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	-	-	-	-	-	-
Mission Support	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Regulation	-	-	-	-	-	-
Restoration	-	100,000	-	-	100,000	-
Water Supply	-	-	-	-	-	-
Capital Outlay	137,614	-	928,851	24,487	12,147,462	-
Debt Service						
Bond Principal Retirement	-	-	-	-	-	-
Bond Interest	-	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	4,943,488	-
COPS Bond Interest	-	-	-	-	10,783,527	-
<b>Total Expenditures</b>	<b>137,614</b>	<b>100,000</b>	<b>928,851</b>	<b>24,487</b>	<b>27,974,477</b>	<b>-</b>
Revenues in Excess of (Less than) Expenditures	(137,614)	1,121,778	(917,278)	(24,487)	(26,104,712)	263,655
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	3,000,000	100,000	1,463,966	-	46,248,102	820,349
Transfers Out	(191,783)	(15,928,773)	(233,531)	(1,652)	(42,088,819)	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,808,217</b>	<b>(15,828,773)</b>	<b>1,230,435</b>	<b>(1,652)</b>	<b>4,159,283</b>	<b>820,349</b>
<b>Net Change in Fund Balances</b>	<b>2,670,603</b>	<b>(14,706,995)</b>	<b>313,157</b>	<b>(26,139)</b>	<b>(21,945,429)</b>	<b>1,084,004</b>
Fund Balances (Deficits) at Beginning of Year	1,644,932	28,684,452	360,874	33,125	107,838,166	14,116,578
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 4,315,535</b>	<b>\$ 13,977,457</b>	<b>\$ 674,031</b>	<b>\$ 6,986</b>	<b>\$ 85,892,737</b>	<b>\$ 15,200,582</b>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>	
Ad Valorem Property Taxes	\$ 9,339,360
Intergovernmental	24,832,603
Investment Earnings (Losses)	1,437,101
Licenses, Permits and Fees	21,836,116
Sale of District Property	15,577
Leases	3,318,139
Other	1,299,546
	<hr/>
Total Revenues	62,078,442
<b>EXPENDITURES</b>	
Current Operating	
Land Stewardship	7,579,911
Mission Support	170,540
Operations and Maintenance	6,227,949
Regulation	63,889
Restoration	20,475,644
Water Supply	956,111
Capital Outlay	12,147,462
Debt Service	
Bond Principal Retirement	6,120,000
Bond Interest	768,598
COPS Bond Principal Retirement	4,943,488
COPS Bond Interest	10,783,527
	<hr/>
Total Expenditures	70,237,119
Revenues in Excess of (Less than) Expenditures	<hr/> (8,158,677) <hr/>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In	49,904,730
Transfers Out	(50,468,054)
	<hr/>
Total Other Financing Sources (Uses)	(563,324)
Net Change in Fund Balances	(8,722,001)
Fund Balances (Deficits) at Beginning of Year	<hr/> 201,436,502
Fund Balances (Deficits) at End of Year	<hr/> <u>\$ 192,714,501</u> <hr/>



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**South Florida Water Management District**  
**Special Revenue Fund**  
**Big Cypress Basin**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 9,251,574	\$ 9,339,360	\$ 87,786
Investment Earnings (Losses)	120,000	129,441	9,441
Licenses, Permits and Fees	8,000	15,475	7,475
Sale of District Property	-	9,947	9,947
Leases	-	26,720	26,720
Other	1,500	13,312	11,812
Total Revenues	<u>9,381,074</u>	<u>9,534,255</u>	<u>153,181</u>
<b>EXPENDITURES</b>			-
<b>Operations, Maintenance, and Construction</b>			
Land Stewardship	159,000	142,702	16,298
Operations and Maintenance	3,019,735	2,731,150	288,585
Restoration	494,473	464,344	30,129
Total Operations, Maintenance, and Construction	<u>3,673,208</u>	<u>3,338,196</u>	<u>335,012</u>
<b>Water Resources</b>			
Operations and Maintenance	685	685	-
Restoration	273,380	175,128	98,252
Total Water Resources	<u>274,065</u>	<u>175,813</u>	<u>98,252</u>
<b>Contingency</b>			
Managerial Reserve	133,369	-	133,369
Managerial Reserve-Contingency	760,401	-	760,401
Total Contingency	<u>893,770</u>	<u>-</u>	<u>893,770</u>
<b>Administrative Services and Executive Offices</b>			
Mission Support	379,669	170,540	209,129
Operations and Maintenance	155,756	222,464	(66,708)
Regulation	3,928	3,928	-
Restoration	4,240,149	2,658,600	1,581,549
Water Supply	3,054,511	956,111	2,098,400
Total Expenditures	<u>7,834,013</u>	<u>4,011,643</u>	<u>3,822,370</u>
Total Expenditures	<u>12,675,056</u>	<u>7,525,652</u>	<u>5,149,404</u>
Revenues in Excess of (Less than) Expenditures	(3,293,982)	2,008,603	5,302,585
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(2,278,657)	(2,278,657)	-
Total Other Financing Sources (Uses)	<u>(2,278,657)</u>	<u>(2,278,657)</u>	<u>-</u>
Net Change in Fund Balance	(5,572,639)	(270,054)	5,302,585
Fund Balance at Beginning of Year	10,595,659	10,595,659	-
Fund Balance at End of Year	<u>\$ 5,023,020</u>	<u>\$ 10,325,605</u>	<u>\$ 5,302,585</u>

**South Florida Water Management District**  
**Special Revenue Fund**  
**Save Our Rivers**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 10,903,598	\$ 7,042,242	(\$ 3,861,356)
Sale of District Property	-	5,503	5,503
Leases	777,589	684,307	(93,282)
Other	-	2,179	2,179
<b>Total Revenues</b>	<b>11,681,187</b>	<b>7,734,231</b>	<b>(3,946,956)</b>
<b>EXPENDITURES</b>			
Operations, Maintenance, and Construction			
Land Stewardship	719,883	710,620	9,263
Operations and Maintenance	138,166	127,576	10,590
Restoration	179,605	174,575	5,030
<b>Total Operations, Maintenance, and Construction</b>	<b>1,037,654</b>	<b>1,012,771</b>	<b>24,883</b>
Debt Service			
Bond Principal Retirement	6,120,000	6,120,000	-
Bond Interest	768,598	768,598	-
<b>Total Debt Service</b>	<b>6,888,598</b>	<b>6,888,598</b>	<b>-</b>
Contingency			
Managerial Reserve	3,967,178	-	3,967,178
<b>Total Contingency</b>	<b>3,967,178</b>	<b>-</b>	<b>3,967,178</b>
<b>Total Expenditures</b>	<b>11,893,430</b>	<b>7,901,369</b>	<b>3,992,061</b>
Revenues in Excess of (Less than) Expenditures	(212,243)	(167,138)	45,105
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	152,570	152,570	-
<b>Total Other Financing Sources (Uses)</b>	<b>152,570</b>	<b>152,570</b>	<b>-</b>
Net Change in Fund Balance	(59,673)	(14,568)	45,105
Fund Balance at Beginning of Year	6,742,584	6,742,584	-
Fund Balance at End of Year	<b>\$ 6,682,911</b>	<b>\$ 6,728,016</b>	<b>\$ 45,105</b>

**South Florida Water Management District  
Special Revenue Fund  
State Appropriations  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Contingency			
Managerial Reserve	\$ 428,042	\$ -	\$ 428,042
Total Contingency	428,042	-	428,042
Administrative Services and Executive Offices			
Restoration	2,786,084	1,507,980	1,278,104
	2,786,084	1,507,980	1,278,104
Total Expenditures	3,214,126	1,507,980	1,706,146
Revenues in Excess of (Less than) Expenditures	(3,214,126)	(1,507,980)	1,706,146
Net Change in Fund Balance	(3,214,126)	(1,507,980)	1,706,146
Fund Balance at Beginning of Year	3,482,763	3,482,763	-
Fund Balance at End of Year	\$ 268,637	\$ 1,974,783	\$ 1,706,146

**South Florida Water Management District**  
**Special Revenue Fund**  
**Invasive Aquatic Plant Control**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,999,353	\$ 2,786,921	(\$ 212,432)
Other	-	4,552	4,552
Total Revenues	<u>2,999,353</u>	<u>2,791,473</u>	<u>(207,880)</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Operations and Maintenance	3,033,887	2,686,174	347,713
Total Operations, Maintenance, and Construction	<u>3,033,887</u>	<u>2,686,174</u>	<u>347,713</u>
Total Expenditures	<u>3,033,887</u>	<u>2,686,174</u>	<u>347,713</u>
Revenues in Excess of (Less than) Expenditures	<u>(34,534)</u>	<u>105,299</u>	<u>139,833</u>
Net Change in Fund Balance	<u>(34,534)</u>	<u>105,299</u>	<u>139,833</u>
Fund Balance at Beginning of Year	(73,179)	(73,179)	-
Fund Balance at End of Year	<u><u>(\$ 107,713)</u></u>	<u><u>\$ 32,120</u></u>	<u><u>\$ 139,833</u></u>

**South Florida Water Management District  
Special Revenue Fund  
Upland Invasive Plant Control  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 3,050,000	\$ 3,043,253	(\$ 6,747)
Other	-	5,865	5,865
Total Revenues	<u>3,050,000</u>	<u>3,049,118</u>	<u>(882)</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	3,050,000	3,049,118	882
Total Operations, Maintenance, and Construction	<u>3,050,000</u>	<u>3,049,118</u>	<u>882</u>
Total Expenditures	<u>3,050,000</u>	<u>3,049,118</u>	<u>882</u>
Revenues in Excess of (Less than) Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**South Florida Water Management District**  
**Special Revenue Fund**  
**Wetland Mitigation**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Losses)	\$ -	\$ 255,202	\$ 255,202
Licenses, Permits and Fees	-	2,328,276	2,328,276
Other	-	2,502	2,502
<b>Total Revenues</b>	<b>-</b>	<b>2,585,980</b>	<b>2,585,980</b>
<b>EXPENDITURES</b>			
Operations, Maintenance, and Construction			
Land Stewardship	1,647,879	1,365,889	281,990
Operations and Maintenance	10,000	9,900	100
Restoration	110,000	105,757	4,243
<b>Total Operations, Maintenance, and Construction</b>	<b>1,767,879</b>	<b>1,481,546</b>	<b>286,333</b>
Regulation			
Regulation	80,773	59,962	20,811
<b>Total Regulation</b>	<b>80,773</b>	<b>59,962</b>	<b>20,811</b>
Contingency			
Managerial Reserve	195,760	-	195,760
<b>Total Contingency</b>	<b>195,760</b>	<b>-</b>	<b>195,760</b>
Administrative Services and Executive Offices			
Restoration	10,879	1,166	9,713
<b>Total Expenditures</b>	<b>2,055,291</b>	<b>1,542,674</b>	<b>512,617</b>
Revenues in Excess of (Less than) Expenditures	(2,055,291)	1,043,306	3,098,597
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(4,204,029)	(4,204,029)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,204,029)</b>	<b>(4,204,029)</b>	<b>-</b>
Net Change in Fund Balance	(6,259,320)	(3,160,723)	3,098,597
Fund Balance at Beginning of Year	22,521,766	22,521,766	-
Fund Balance at End of Year	<b>\$ 16,262,446</b>	<b>\$ 19,361,043</b>	<b>\$ 3,098,597</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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 95,000	\$ 91,871	(\$ 3,129)
Investment Earnings (Losses)	-	3,022	3,022
Total Revenues	<u>95,000</u>	<u>94,893</u>	<u>(107)</u>
EXPENDITURES			
Adminstrative Services and Executive Offices			
Restoration	125,564	-	125,564
	<u>125,564</u>	<u>-</u>	<u>125,564</u>
Total Expenditures	<u>125,564</u>	<u>-</u>	<u>125,564</u>
Revenues in Excess of (Less than) Expenditures	(30,564)	94,893	125,457
Net Change in Fund Balance	<u>(30,564)</u>	<u>94,893</u>	<u>125,457</u>
Fund Balance at Beginning of Year	191,630	191,630	-
Fund Balance at End of Year	<u>\$ 161,066</u>	<u>\$ 286,523</u>	<u>\$ 125,457</u>

**South Florida Water Management District  
Special Revenue Fund  
Federal Land Management  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 2,812	\$ 2,812
Leases	358,474	1,883,223	1,524,749
Total Revenues	<u>358,474</u>	<u>1,886,035</u>	<u>1,527,561</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	636,047	472,694	163,353
Total Operations, Maintenance, and Construction	<u>636,047</u>	<u>472,694</u>	<u>163,353</u>
Total Expenditures	<u>636,047</u>	<u>472,694</u>	<u>163,353</u>
Revenues in Excess of (Less than) Expenditures	<u>(277,573)</u>	<u>1,413,341</u>	<u>1,690,914</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	248,526	248,526	-
Total Other Financing Sources (Uses)	<u>248,526</u>	<u>248,526</u>	<u>-</u>
Net Change in Fund Balance	<u>(29,047)</u>	<u>1,661,867</u>	<u>1,690,914</u>
Fund Balance at Beginning of Year	1,845,383	1,845,383	-
Fund Balance at End of Year	<u><u>\$ 1,816,336</u></u>	<u><u>\$ 3,507,250</u></u>	<u><u>\$ 1,690,914</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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 987,530	\$ 573,652	(\$ 413,878)
Total Revenues	<u>987,530</u>	<u>573,652</u>	<u>(413,878)</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Operations and Maintenance	450,000	450,000	-
Restoration	85,758	73,652	12,106
Total Operations, Maintenance, and Construction	<u>535,758</u>	<u>523,652</u>	<u>12,106</u>
Water Resources			
Restoration	75,000	30,000	45,000
Total Water Resources	<u>75,000</u>	<u>30,000</u>	<u>45,000</u>
Administrative Services and Executive Offices			
Restoration	496,030	195,061	300,969
	<u>496,030</u>	<u>195,061</u>	<u>300,969</u>
Total Expenditures	<u>1,106,788</u>	<u>748,713</u>	<u>358,075</u>
Revenues in Excess of (Less than) Expenditures	<u>(119,258)</u>	<u>(175,061)</u>	<u>(55,803)</u>
Net Change in Fund Balance	<u>(119,258)</u>	<u>(175,061)</u>	<u>(55,803)</u>
Fund Balance at Beginning of Year	13,500	13,500	-
Fund Balance at End of Year	<u><u>(\$ 105,758)</u></u>	<u><u>(\$ 161,561)</u></u>	<u><u>(\$ 55,803)</u></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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 368,812	\$ 368,812
Licenses, Permits and Fees	1,801,117	19,479,675	17,678,558
Other	-	9	9
Total Revenues	<u>1,801,117</u>	<u>19,848,496</u>	<u>18,047,379</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	1,951,251	897,220	1,054,031
Total Operations, Maintenance, and Construction	<u>1,951,251</u>	<u>897,220</u>	<u>1,054,031</u>
Contingency			
Managerial Reserve	2,689,000	-	2,689,000
Total Contingency	<u>2,689,000</u>	<u>-</u>	<u>2,689,000</u>
Administrative Services and Executive Offices			
Land Stewardship	33,707	32,430	1,277
Total Expenditures	<u>33,707</u>	<u>32,430</u>	<u>1,277</u>
Total Expenditures	<u>4,673,958</u>	<u>929,650</u>	<u>3,744,308</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,872,841)</u>	<u>18,918,846</u>	<u>21,791,687</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	233,531	233,531	-
Transfers Out	(1,463,966)	(1,463,966)	-
Total Other Financing Sources (Uses)	<u>(1,230,435)</u>	<u>(1,230,435)</u>	<u>-</u>
Net Change in Fund Balance	<u>(4,103,276)</u>	<u>17,688,411</u>	<u>21,791,687</u>
Fund Balance at Beginning of Year	26,113,764	26,113,764	-
Fund Balance at End of Year	<u>\$ 22,010,488</u>	<u>\$ 43,802,175</u>	<u>\$ 21,791,687</u>

**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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 145,000	\$ 221,256	\$ 76,256
Investment Earnings (Losses)	-	5,498	5,498
Total Revenues	<u>145,000</u>	<u>226,754</u>	<u>81,754</u>
EXPENDITURES			
Water Resources			
Restoration	271,463	246,461	25,002
Total Water Resources	<u>271,463</u>	<u>246,461</u>	<u>25,002</u>
Total Expenditures	<u>271,463</u>	<u>246,461</u>	<u>25,002</u>
Revenues in Excess of (Less than) Expenditures	<u>(126,463)</u>	<u>(19,707)</u>	<u>106,756</u>
Net Change in Fund Balance	<u>(126,463)</u>	<u>(19,707)</u>	<u>106,756</u>
Fund Balance at Beginning of Year	497,511	497,511	-
Fund Balance at End of Year	<u>\$ 371,048</u>	<u>\$ 477,804</u>	<u>\$ 106,756</u>

**South Florida Water Management District  
Special Revenue Fund  
Lake Okeechobee  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	\$ 14,001	\$ 13,130	\$ 871
Total Operations, Maintenance, and Construction	14,001	13,130	871
Water Resources			
Restoration	12,987	12,987	-
Total Water Resources	12,987	12,987	-
Contingency			
Managerial Reserve	739,138	-	739,138
Total Contingency	739,138	-	739,138
Administrative Services and Executive Offices			
Restoration	2,786,306	1,297,120	1,489,186
Total Expenditures	2,786,306	1,297,120	1,489,186
Total Expenditures	3,552,432	1,323,237	2,229,195
Revenues in Excess of (Less than) Expenditures	(3,552,432)	(1,323,237)	2,229,195
OTHER FINANCING SOURCES (USES)			
Transfers In	1,652	1,652	-
Total Other Financing Sources (Uses)	1,652	1,652	-
Net Change in Fund Balance	(3,550,780)	(1,321,585)	2,229,195
Fund Balance at Beginning of Year	3,571,638	3,571,638	-
Fund Balance at End of Year	\$ 20,858	\$ 2,250,053	\$ 2,229,195

**South Florida Water Management District  
Special Revenue Fund  
Save Our Everglades  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 8,388,724	\$ 10,845,294	\$ 2,456,570
Investment Earnings (Losses)	-	4,378	4,378
Leases	479,413	723,889	244,476
Total Revenues	<u>8,868,137</u>	<u>11,573,561</u>	<u>2,705,424</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	943,626	909,238	34,388
Restoration	10,100,639	8,211,014	1,889,625
Total Operations, Maintenance, and Construction	<u>11,044,265</u>	<u>9,120,252</u>	<u>1,924,013</u>
Contingency			
Managerial Reserve	4,383,509	-	4,383,509
Total Contingency	<u>4,383,509</u>	<u>-</u>	<u>4,383,509</u>
Administrative Services and Executive Offices			
Restoration	3,865,736	3,588,391	277,345
Total Expenditures	<u>3,865,736</u>	<u>3,588,391</u>	<u>277,345</u>
Total Expenditures	<u>19,293,510</u>	<u>12,708,643</u>	<u>6,584,867</u>
Revenues in Excess of (Less than) Expenditures	<u>(10,425,373)</u>	<u>(1,135,082)</u>	<u>9,290,291</u>
Net Change in Fund Balance	<u>(10,425,373)</u>	<u>(1,135,082)</u>	<u>9,290,291</u>
Fund Balance at Beginning of Year	3,212,603	3,212,603	-
Fund Balance at End of Year	<u><u>(\$ 7,212,770)</u></u>	<u><u>\$ 2,077,521</u></u>	<u><u>\$ 9,290,291</u></u>



**South Florida Water Management District  
Special Revenue Fund  
Federal Emergency Management Agency  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 3,290	\$ 3,290
Total Revenues	-	3,290	3,290
EXPENDITURES			
Adminstrative Services and Executive Offices			
Restoration	4,250	3,290	960
	4,250	3,290	960
Total Expenditures	4,250	3,290	960
Revenues in Excess of (Less than) Expenditures	(4,250)	-	4,250
Net Change in Fund Balance	(4,250)	-	4,250
Fund Balance at Beginning of Year	12,820	12,820	-
Fund Balance at End of Year	\$ 8,570	\$ 12,820	\$ 4,250

**South Florida Water Management District  
Special Revenue Fund  
Florida Bay  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 39,423	\$ 39,423
Investment Earnings (Losses)	-	3,861	3,861
Total Revenues	-	43,284	43,284
EXPENDITURES			
Water Resources			
Restoration	1,930,920	1,609,317	321,603
Total Water Resources	1,930,920	1,609,317	321,603
Contingency			
Managerial Reserve	7,276	-	7,276
Total Contingency	7,276	-	7,276
Administrative Services and Executive Offices			
Restoration	23,873	7,670	16,203
Total Expenditures	23,873	7,670	16,203
Total Expenditures	1,962,069	1,616,987	345,082
Revenues in Excess of (Less than) Expenditures	(1,962,069)	(1,573,703)	388,366
OTHER FINANCING SOURCES (USES)			
Transfers In	2,200,000	2,200,000	-
Transfers Out	(432,583)	(432,583)	-
Total Other Financing Sources (Uses)	1,767,417	1,767,417	-
Net Change in Fund Balance	(194,652)	193,714	388,366
Fund Balance at Beginning of Year	753,316	753,316	-
Fund Balance at End of Year	\$ 558,664	\$ 947,030	\$ 388,366

**South Florida Water Management District  
Capital Projects Fund  
District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 88,971	\$ 88,971
Investment Earnings (Losses)	-	71,068	71,068
Sale of District Property	-	74	74
Other	-	97,813	97,813
Total Revenues	<u>-</u>	<u>257,926</u>	<u>257,926</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Mission Support	1,027,297	1,020,833	6,464
Operations and Maintenance	1,828,767	1,027,027	801,740
Restoration	10,503,062	5,566,638	4,936,424
Total Operations, Maintenance, and Construction	<u>13,359,126</u>	<u>7,614,498</u>	<u>5,744,628</u>
Water Resources			
Modeling and Scientific Support	141,255	140,229	1,026
Restoration	170,146	170,146	-
Water Supply	2,830	2,830	-
Total Water Resources	<u>314,231</u>	<u>313,205</u>	<u>1,026</u>
Debt Service			
COPS Bond Principal Retirement	4,943,489	4,943,488	1
COPS Bond Interest	10,783,527	10,783,527	-
Total Debt Service	<u>15,727,016</u>	<u>15,727,015</u>	<u>1</u>
Contingency			
Managerial Reserve	15,624,166	-	15,624,166
Total Contingency	<u>15,624,166</u>	<u>-</u>	<u>15,624,166</u>
Administrative Services and Executive Offices			
Mission Support	616,800	534,999	81,801
Operations and Maintenance	548,551	548,551	-
Regulation	378,999	328,999	50,000
Restoration	115,364	112,114	3,250
Total Expenditures	<u>1,659,714</u>	<u>1,524,663</u>	<u>135,051</u>
Total Expenditures	<u>46,684,253</u>	<u>25,179,381</u>	<u>21,504,872</u>
Revenues in Excess of (Less than) Expenditures	<u>(46,684,253)</u>	<u>(24,921,455)</u>	<u>21,762,798</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	37,756,788	37,756,788	-
Transfers Out	(2,299,149)	(2,299,149)	-
Total Other Financing Sources (Uses)	<u>35,457,639</u>	<u>35,457,639</u>	<u>-</u>
Net Change in Fund Balance	(11,226,614)	10,536,184	21,762,798
Fund Balance at Beginning of Year	14,170,793	14,170,793	-
Fund Balance at End of Year	<u>\$ 2,944,179</u>	<u>\$ 24,706,977</u>	<u>\$ 21,762,798</u>

**South Florida Water Management District**  
**Capital Projects Fund**  
**Okeechobee Basin**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Losses)	\$ -	\$ 134,231	\$ 134,231
Other	-	15	15
<b>Total Revenues</b>	<b>-</b>	<b>134,246</b>	<b>134,246</b>
<b>EXPENDITURES</b>			
Operations, Maintenance, and Construction			
Land Stewardship	125,450	123,673	1,777
Operations and Maintenance	30,200,515	26,619,112	3,581,403
Restoration	11,097,731	2,202,948	8,894,783
<b>Total Operations, Maintenance, and Construction</b>	<b>41,423,696</b>	<b>28,945,733</b>	<b>12,477,963</b>
Water Resources			
Restoration	301,930	301,930	-
Water Supply	35,025	35,025	-
<b>Total Water Resources</b>	<b>336,955</b>	<b>336,955</b>	<b>-</b>
Contingency			
Managerial Reserve	4,060,629	-	4,060,629
<b>Total Contingency</b>	<b>4,060,629</b>	<b>-</b>	<b>4,060,629</b>
Administrative Services and Executive Offices			
Restoration	1,442,224	1,196,645	245,579
<b>Total Expenditures</b>	<b>1,442,224</b>	<b>1,196,645</b>	<b>245,579</b>
<b>Total Expenditures</b>	<b>47,263,504</b>	<b>30,479,333</b>	<b>16,784,171</b>
Revenues in Excess of (Less than) Expenditures	(47,263,504)	(30,345,087)	16,918,417
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	28,613,627	28,613,627	-
Transfers Out	(10,704)	(10,704)	-
<b>Total Other Financing Sources (Uses)</b>	<b>28,602,923</b>	<b>28,602,923</b>	<b>-</b>
Net Change in Fund Balance	(18,660,581)	(1,742,164)	16,918,417
Fund Balance at Beginning of Year	18,594,913	18,594,913	-
Fund Balance at End of Year	(\$ 65,668)	\$ 16,852,749	\$ 16,918,417

**South Florida Water Management District  
Capital Projects Fund  
Big Cypress Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 96,236	\$ 96,236
Total Revenues	-	96,236	96,236
EXPENDITURES			
Operations, Maintenance, and Construction			
Operations and Maintenance	1,116,352	659,735	456,617
Restoration	555,509	241,350	314,159
Total Operations, Maintenance, and Construction	1,671,861	901,085	770,776
Contingency			
Managerial Reserve	1,000,000	-	1,000,000
Total Contingency	1,000,000	-	1,000,000
Administrative Services and Executive Offices			
Restoration	66,667	66,666	1
Total Expenditures	2,738,528	967,751	1,770,777
Revenues in Excess of (Less than) Expenditures	(2,738,528)	(871,515)	1,867,013
OTHER FINANCING SOURCES (USES)			
Transfers In	2,278,657	2,278,657	-
Total Other Financing Sources (Uses)	2,278,657	2,278,657	-
Net Change in Fund Balance	(459,871)	1,407,142	1,867,013
Fund Balance at Beginning of Year	8,821,983	8,821,983	-
Fund Balance at End of Year	\$ 8,362,112	\$ 10,229,125	\$ 1,867,013

**South Florida Water Management District  
Capital Projects Fund  
Save Our Rivers  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 131,883	\$ 131,883
Other	-	33,133	33,133
Total Revenues	-	165,016	165,016
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	9,675,447	1,172	9,674,275
Total Operations, Maintenance, and Construction	9,675,447	1,172	9,674,275
Total Expenditures	9,675,447	1,172	9,674,275
Revenues in Excess of (Less than) Expenditures	(9,675,447)	163,844	9,839,291
OTHER FINANCING SOURCES (USES)			
Transfers Out	(152,570)	(152,570)	-
Total Other Financing Sources (Uses)	(152,570)	(152,570)	-
Net Change in Fund Balance	(9,828,017)	11,274	9,839,291
Fund Balance at Beginning of Year	12,052,779	12,052,779	-
Fund Balance at End of Year	\$ 2,224,762	\$ 12,064,053	\$ 9,839,291

**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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	150,000	150,000
Investment Earnings (Losses)	-	917,627	917,627
Sale of District Property	-	310	310
<b>Total Revenues</b>	<b>-</b>	<b>1,067,937</b>	<b>1,067,937</b>
<b>EXPENDITURES</b>			
Operations, Maintenance, and Construction			
Restoration	4,918,973	4,215,445	703,528
<b>Total Operations, Maintenance, and Construction</b>	<b>4,918,973</b>	<b>4,215,445</b>	<b>703,528</b>
Water Resources			
Restoration	120,657	115,623	5,034
<b>Total Water Resources</b>	<b>120,657</b>	<b>115,623</b>	<b>5,034</b>
Debt Service			
COPS Bond Principal Retirement	6,116,512	6,116,512	-
COPS Bond Interest	13,342,313	13,342,313	-
<b>Total Debt Service</b>	<b>19,458,825</b>	<b>19,458,825</b>	<b>-</b>
Contingency			
Managerial Reserve	6,104,319	-	6,104,319
<b>Total Contingency</b>	<b>6,104,319</b>	<b>-</b>	<b>6,104,319</b>
Administrative Services and Executive Offices			
Restoration	19,427	-	19,427
<b>Total Expenditures</b>	<b>19,427</b>	<b>-</b>	<b>19,427</b>
<b>Total Expenditures</b>	<b>30,622,201</b>	<b>23,789,893</b>	<b>6,832,308</b>
Revenues in Excess of (Less than) Expenditures	(30,622,201)	(22,721,956)	7,900,245
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	21,856,958	21,856,958	-
Transfers Out	(1,138,000)	(1,138,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>20,718,958</b>	<b>20,718,958</b>	<b>-</b>
Net Change in Fund Balance	(9,903,243)	(2,002,998)	7,900,245
Fund Balance at Beginning of Year	98,766,483	98,766,483	-
Fund Balance at End of Year	<b>\$ 88,863,240</b>	<b>\$ 96,763,485</b>	<b>\$ 7,900,245</b>

**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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Sale of District Property	\$ -	\$ 19	\$ 19
Total Revenues	-	19	19
EXPENDITURES			
Revenues in Excess of (Less than) Expenditures	-	19	19
Net Change in Fund Balance	-	19	19
Fund Balance at Beginning of Year	114,898	114,898	-
Fund Balance at End of Year	\$ 114,898	\$ 114,917	\$ 19



**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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 23,103	\$ 23,103
Total Revenues	-	23,103	23,103
EXPENDITURES			
Water Resources			
Restoration	27,782	27,653	129
Total Water Resources	27,782	27,653	129
Contingency			
Managerial Reserve	1,500,000	-	1,500,000
Total Contingency	1,500,000	-	1,500,000
Total Expenditures	1,527,782	27,653	1,500,129
Revenues in Excess of (Less than) Expenditures	(1,527,782)	(4,550)	1,523,232
OTHER FINANCING SOURCES (USES)			
Transfers In	432,583	432,583	-
Total Other Financing Sources (Uses)	432,583	432,583	-
Net Change in Fund Balance	(1,095,199)	428,033	1,523,232
Fund Balance at Beginning of Year	2,093,111	2,093,111	-
Fund Balance at End of Year	\$ 997,912	\$ 2,521,144	\$ 1,523,232

**South Florida Water Management District  
Capital Projects Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 94,080	\$ 94,080
Total Revenues	-	94,080	94,080
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	29,037	29,037	-
Restoration	25,754	750	25,004
Total Operations, Maintenance, and Construction	54,791	29,787	25,004
Contingency			
Managerial Reserve	3,471,180	-	3,471,180
Total Contingency	3,471,180	-	3,471,180
Total Expenditures	3,525,971	29,787	3,496,184
Revenues in Excess of (Less than) Expenditures	(3,525,971)	64,293	3,590,264
OTHER FINANCING SOURCES (USES)			
Transfers In	383,680	383,680	-
Total Other Financing Sources (Uses)	383,680	383,680	-
Net Change in Fund Balance	(3,142,291)	477,973	3,590,264
Fund Balance at Beginning of Year	8,609,141	8,609,141	-
Fund Balance at End of Year	\$ 5,466,850	\$ 9,087,114	\$ 3,590,264

**South Florida Water Management District  
Capital Projects Fund  
Comprehensive Everglades Restoration Plan (CERP)  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Sale of District Property	\$ -	\$ 34	\$ 34
Total Revenues	-	34	34
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	3,750,603	577,781	3,172,822
Total Operations, Maintenance, and Construction	3,750,603	577,781	3,172,822
Contingency			
Managerial Reserve	984,272	-	984,272
Total Contingency	984,272	-	984,272
Total Expenditures	4,734,875	577,781	4,157,094
Revenues in Excess of (Less than) Expenditures	(4,734,875)	(577,747)	4,157,128
OTHER FINANCING SOURCES (USES)			
Transfers In	832,428	832,428	-
Transfers Out	(22,869,679)	(22,869,679)	-
Total Other Financing Sources (Uses)	(22,037,251)	(22,037,251)	-
Net Change in Fund Balance	(26,772,126)	(22,614,998)	4,157,128
Fund Balance at Beginning of Year	26,907,681	26,907,681	-
Fund Balance at End of Year	\$ 135,555	\$ 4,292,683	\$ 4,157,128

**South Florida Water Management District  
Capital Projects Fund  
Federal Land Acquisition  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Transfers Out	(\$ 411,683)	(\$ 411,682)	\$ 1
Total Other Financing Sources (Uses)	(411,683)	(411,682)	1
Net Change in Fund Balance	(411,683)	(411,682)	1
Fund Balance at Beginning of Year	4,344,397	4,344,397	-
Fund Balance at End of Year	\$ 3,932,714	\$ 3,932,715	\$ 1

**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, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 66,456,886	\$ 50,251,826	(\$ 16,205,060)
Total Revenues	<u>66,456,886</u>	<u>50,251,826</u>	<u>(16,205,060)</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	77,261,776	55,303,404	21,958,372
Total Operations, Maintenance, and Construction	<u>77,261,776</u>	<u>55,303,404</u>	<u>21,958,372</u>
Contingency			
Managerial Reserve	29,015,629	-	29,015,629
Total Contingency	<u>29,015,629</u>	<u>-</u>	<u>29,015,629</u>
Total Expenditures	<u>106,277,405</u>	<u>55,303,404</u>	<u>50,974,001</u>
Revenues in Excess of (Less than) Expenditures	<u>(39,820,519)</u>	<u>(5,051,578)</u>	<u>34,768,941</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,217,308	1,217,308	-
Total Other Financing Sources (Uses)	<u>1,217,308</u>	<u>1,217,308</u>	<u>-</u>
Net Change in Fund Balance	<u>(38,603,211)</u>	<u>(3,834,270)</u>	<u>34,768,941</u>
Fund Balance at Beginning of Year	1,470,356	1,470,356	-
Fund Balance at End of Year	<u><u>(\$ 37,132,855)</u></u>	<u><u>(\$ 2,363,914)</u></u>	<u><u>\$ 34,768,941</u></u>

**South Florida Water Management District  
Capital Projects Fund  
Comprehensive Everglades Restoration Plan - Other Creditable Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	\$ 1,648,617	\$ 137,614	\$ 1,511,003
Total Operations, Maintenance, and Construction	1,648,617	137,614	1,511,003
Contingency			
Managerial Reserve	2,804,532	-	2,804,532
Total Contingency	2,804,532	-	2,804,532
Total Expenditures	4,453,149	137,614	4,315,535
Revenues in Excess of (Less than) Expenditures	(4,453,149)	(137,614)	4,315,535
OTHER FINANCING SOURCES (USES)			
Transfers In	3,000,000	3,000,000	-
Transfers Out	(191,783)	(191,783)	-
Total Other Financing Sources (Uses)	2,808,217	2,808,217	-
Net Change in Fund Balance	(1,644,932)	2,670,603	4,315,535
Fund Balance at Beginning of Year	1,644,932	1,644,932	-
Fund Balance at End of Year	\$ -	\$ 4,315,535	\$ 4,315,535

**South Florida Water Management District  
Capital Projects Fund  
COPS - Everglades Forever Act (EFA)  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 155,487	\$ 155,487
Total Revenues	-	155,487	155,487
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	36,055,728	25,803,587	10,252,141
Total Operations, Maintenance, and Construction	36,055,728	25,803,587	10,252,141
Total Expenditures	36,055,728	25,803,587	10,252,141
Revenues in Excess of (Less than) Expenditures	(36,055,728)	(25,648,100)	10,407,628
OTHER FINANCING SOURCES (USES)			
Transfers In	15,928,773	15,928,773	-
Transfers Out	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	15,828,773	15,828,773	-
Net Change in Fund Balance	(20,226,955)	(9,819,327)	10,407,628
Fund Balance at Beginning of Year	20,454,813	20,454,813	-
Fund Balance at End of Year	\$ 227,858	\$ 10,635,486	\$ 10,407,628

**South Florida Water Management District**  
**Capital Projects Fund**  
**COPS - Comprehensive Everglades Restoration Plan (CERP)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 81,597	\$ 81,597
Other	-	1,140,181	1,140,181
Total Revenues	-	1,221,778	1,221,778
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	100,000	100,000	-
Total Operations, Maintenance, and Construction	100,000	100,000	-
Total Expenditures	100,000	100,000	-
Revenues in Excess of (Less than) Expenditures	(100,000)	1,121,778	1,221,778
OTHER FINANCING SOURCES (USES)			
Transfers In	100,000	100,000	-
Transfers Out	(15,928,773)	(15,928,773)	-
Total Other Financing Sources (Uses)	(15,828,773)	(15,828,773)	-
Net Change in Fund Balance	(15,928,773)	(14,706,995)	1,221,778
Fund Balance at Beginning of Year	28,684,452	28,684,452	-
Fund Balance at End of Year	\$ 12,755,679	\$ 13,977,457	\$ 1,221,778



**South Florida Water Management District  
Capital Projects Fund  
Lake Belt Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 11,573	\$ 11,573
Total Revenues	-	11,573	11,573
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	1,331,041	928,851	402,190
Total Operations, Maintenance, and Construction	1,331,041	928,851	402,190
Total Expenditures	1,331,041	928,851	402,190
Revenues in Excess of (Less than) Expenditures	(1,331,041)	(917,278)	413,763
OTHER FINANCING SOURCES (USES)			
Transfers In	1,463,966	1,463,966	-
Transfers Out	(233,531)	(233,531)	-
Total Other Financing Sources (Uses)	1,230,435	1,230,435	-
Net Change in Fund Balance	(100,606)	313,157	413,763
Fund Balance at Beginning of Year	360,874	360,874	-
Fund Balance at End of Year	\$ 260,268	\$ 674,031	\$ 413,763

**South Florida Water Management District  
Capital Projects Fund  
Lake Okeechobee  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	\$ 115,961	\$ 24,487	\$ 91,474
Total Operations, Maintenance, and Construction	115,961	24,487	91,474
Total Expenditures	115,961	24,487	91,474
Revenues in Excess of (Less than) Expenditures	(115,961)	(24,487)	91,474
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,652)	(1,652)	-
Total Other Financing Sources (Uses)	(1,652)	(1,652)	-
Net Change in Fund Balance	(117,613)	(26,139)	91,474
Fund Balance at Beginning of Year	33,125	33,125	-
Fund Balance at End of Year	(\$ 84,488)	\$ 6,986	\$ 91,474

**South Florida Water Management District  
Permanent Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2014**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 96,430	\$ 96,430
Investment Earnings (Losses)	-	154,535	154,535
Licenses, Permits and Fees	-	12,690	12,690
Total Revenues	<u>-</u>	<u>263,655</u>	<u>263,655</u>
EXPENDITURES			
Adminstrative Services and Executive Offices			
Land Stewardship	820,349	-	820,349
	<u>820,349</u>	<u>-</u>	<u>820,349</u>
Total Expenditures	<u>820,349</u>	<u>-</u>	<u>820,349</u>
Revenues in Excess of (Less than) Expenditures	<u>(820,349)</u>	<u>263,655</u>	<u>1,084,004</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	820,349	820,349	-
Total Other Financing Sources (Uses)	<u>820,349</u>	<u>820,349</u>	<u>-</u>
Net Change in Fund Balance	-	1,084,004	1,084,004
Fund Balance at Beginning of Year	14,116,578	14,116,578	-
Fund Balance at End of Year	<u>\$ 14,116,578</u>	<u>\$ 15,200,582</u>	<u>\$ 1,084,004</u>



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# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Internal Service Funds**

Internal Service Funds are used to account for District activities that provide services to other funds and organizational units on a cost reimbursement basis.

### **Self Insurance Fund**

Accounts for the operations related to providing workers' compensation, general liability, and automobile insurance coverage to all District resource areas. Revenue is provided through interfund charges based on a cost allocation study.

### **Health Benefits Fund**

Accounts for the operations related to providing health and medical insurance coverage to District employees and retirees who choose to remain in the plan. Revenue is provided through interfund charges and employee and retiree contributions.

**South Florida Water Management District  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2014**

	Self Insurance Fund	Health Benefits Fund	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 10,111,256	\$ 8,029,057	\$ 18,140,313
Accounts Receivable	44,920	6,967	51,887
Due from Other Funds	-	782,722	782,722
Prepays	538,249	-	538,249
Other Assets	140,000	775,000	915,000
Total Current Assets	10,834,425	9,593,746	20,428,171
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,459	-	27,459
Computer Hardware	3,030	-	3,030
Vehicles	36,224	-	36,224
Accumulated Depreciation	(34,586)	-	(34,586)
Total Noncurrent Assets	32,127	-	32,127
Total Assets	10,866,552	9,593,746	20,460,298
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 100,072	\$ 643,088	\$ 743,160
Due to Other Funds	2,339	-	2,339
Claims Payable	819,322	1,744,918	2,564,240
Total Current Liabilities	921,733	2,388,006	3,309,739
Noncurrent Liabilities			
Claims Payable	2,953,678	-	2,953,678
Total Noncurrent Liabilities	2,953,678	-	2,953,678
Total Liabilities	3,875,411	2,388,006	6,263,417
<b>NET POSITION</b>			
Net Position			
Net Investment in Capital Assets	32,127	-	32,127
Unrestricted	6,959,014	7,205,740	14,164,754
Total Net Position	\$ 6,991,141	\$ 7,205,740	\$ 14,196,881

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2014**

	Self Insurance Fund	Health Benefits Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,730,901	\$ 28,803,960	\$ 30,534,861
Other Operating Revenue	85,132	-	85,132
Total Operating Revenues	<u>1,816,033</u>	<u>28,803,960</u>	<u>30,619,993</u>
<b>OPERATING EXPENSES</b>			
Salaries	442,774	-	442,774
Benefits	147,081	-	147,081
Claims	288,171	25,916,308	26,204,479
Purchased Services	180,151	11,325	191,476
Administrative Fees	-	1,922,790	1,922,790
Other	1,099,063	589,921	1,688,984
Depreciation	5,111	-	5,111
Total Operating Expenses	<u>2,162,351</u>	<u>28,440,344</u>	<u>30,602,695</u>
OPERATING INCOME (LOSS)	(346,318)	363,616	17,298
<b>NONOPERATING REVENUES</b>			
Interest Earnings	122,523	44,807	167,330
Gain on Disposal of Capital Assets	23	-	23
Total Nonoperating Revenues	<u>122,546</u>	<u>44,807</u>	<u>167,353</u>
Change in Net Position	(223,772)	408,423	184,651
Net Position at Beginning of Year	<u>7,214,913</u>	<u>6,797,317</u>	<u>14,012,230</u>
Net Position at End of Year	<u>\$ 6,991,141</u>	<u>\$ 7,205,740</u>	<u>\$ 14,196,881</u>

**South Florida Water Management District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2014**

	Self Insurance Fund	Health Benefits Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers	\$ 1,732,351	\$ 28,797,181	\$ 30,529,532
Cash Payments to Suppliers	(1,157,384)	(2,163,604)	(3,320,988)
Cash Payments for Salaries, Benefits	(589,855)	-	(589,855)
Claims Paid	(1,020,171)	(26,010,346)	(27,030,517)
Other Receipts (Payments)	85,132	(262,128)	(176,996)
Net Cash Provided by (Used in) Operating Activities	<u>(949,927)</u>	<u>361,103</u>	<u>(588,824)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Sale of Capital Assets	23	-	23
Net Cash Provided by Capital and Related Financing Activities	<u>23</u>	<u>-</u>	<u>23</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Earnings	122,523	44,807	167,330
Net Cash Provided by Investing Activities	<u>122,523</u>	<u>44,807</u>	<u>167,330</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(827,381)	405,910	(421,471)
Cash and Cash Equivalents, Beginning of Year	<u>10,938,637</u>	<u>7,623,147</u>	<u>18,561,784</u>
Cash and Cash Equivalents, End of Year	<u>\$ 10,111,256</u>	<u>\$ 8,029,057</u>	<u>\$ 18,140,313</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	(346,318)	363,616	17,298
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Depreciation	5,111	-	5,111
<b>CHANGES IN ASSETS AND LIABILITIES:</b>			
Decrease (Increase) in Accounts Receivable	1,450	(6,779)	(5,329)
Decrease (Increase) in Due from Other Funds	-	(262,128)	(262,128)
Decrease (Increase) in Prepays	47,438	-	47,438
Increase (Decrease) in Accounts Payable	74,158	360,432	434,590
Increase (Decrease) in Due to Other Funds	234	-	234
Increase (Decrease) in Estimated Unpaid Claims	(732,000)	(94,038)	(826,038)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (949,927)</u>	<u>\$ 361,103</u>	<u>\$ (588,824)</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-17

*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-19

*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-23

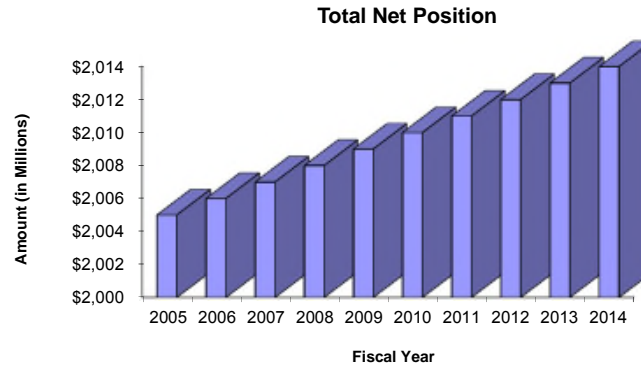
*These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District's provides and the activities it performs.*

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.*

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

	Fiscal Year									
	2005	2006	2007	2008 <sup>1</sup>	2009	2010	2011	2012	2013	2014
Net investment in capital assets	\$ 2,473,840,536	\$ 2,991,538,729	\$ 3,398,712,773	\$ 3,679,678,118	\$ 3,788,956,243	\$ 3,889,860,428	\$ 4,157,311,051	\$ 4,172,534,665	\$4,213,896,550	\$4,278,898,454
Restricted for:										
Debt Service	8,172,744	5,842,813	26,937,291	28,235,089	28,523,676	28,802,266	30,327,489	29,482,154	29,834,800	30,249,638
Wetlands Mitigation										
Expendable	14,048,767	13,048,502	11,552,393	13,790,936	16,476,384	23,272,435	23,290,831	22,168,650	21,723,599	22,584,805
Nonexpendable	7,030,157	7,230,157	7,538,957	7,687,077	10,262,096	12,707,636	13,988,620	14,016,126	14,037,630	14,967,099
Environmental Programs	26,097,971	40,830,660	49,828,254	57,195,146	51,814,854	233,501,723	267,486,175	278,835,411	287,183,215	290,169,479
Capital Construction	-	-	-	-	-	-	63,511,269	27,848,557	27,416,896	27,081,874
Totals for Restricted	55,349,639	66,952,132	95,856,895	106,908,248	107,077,010	298,284,060	398,604,384	372,350,898	380,196,140	385,052,895
Unrestricted	266,450,259	215,398,367	301,251,768	379,896,285	471,387,884	355,459,774	68,008,071	83,455,740	58,479,678	45,580,540
Total Net Position	<u>\$ 2,795,640,434</u>	<u>\$ 3,273,889,228</u>	<u>\$ 3,795,821,436</u>	<u>\$ 4,166,482,651</u>	<u>\$ 4,367,421,137</u>	<u>\$ 4,543,604,262</u>	<u>\$ 4,623,923,506</u>	<u>\$ 4,628,341,303</u>	<u>\$ 4,652,572,368</u>	<u>\$ 4,709,531,889</u>

<sup>1</sup> Ending net position restated by \$41,053,467.



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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Functions/Programs</b>										
<b>Expenses</b>										
Land Stewardship	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,230,408	\$ 11,221,915	\$ 13,762,682
Mission Support	-	115,901,217	128,467,596	103,599,908	105,245,086	114,123,630	121,213,117	59,451,321	46,556,301	45,166,915
Modeling and Scientific Support	-	-	-	-	-	-	-	10,229,236	10,775,376	11,572,865
Operations and Maintenance	-	91,518,678	97,480,318	146,532,283	133,417,655	122,360,621	134,014,814	130,821,218	135,936,264	114,290,603
Regulation	-	-	-	-	-	-	-	20,960,963	22,769,011	19,194,734
Restoration	-	183,764,384	183,624,022	195,459,257	179,584,139	170,045,556	115,552,532	106,379,179	146,728,178	85,037,648
Water Supply	-	71,239,720	77,191,322	73,680,009	50,853,964	30,375,078	28,085,557	15,496,110	14,127,405	17,464,823
Interest on Long-Term Debt	-	5,862,342	25,466,262	27,496,071	26,880,613	26,264,799	25,608,163	24,896,558	26,521,567	23,272,985
<b>Total Expenses</b>	<b>417,298,017</b>	<b>468,286,341</b>	<b>512,229,520</b>	<b>546,767,528</b>	<b>495,981,457</b>	<b>463,169,684</b>	<b>424,474,183</b>	<b>385,464,993</b>	<b>414,636,017</b>	<b>329,763,255</b>
<b>Program Revenues</b>										
<b>Operating Grants &amp; Contributions</b>										
Land Stewardship	-	-	-	-	-	-	-	1,000,814	1,414,592	3,169,386
Mission Support	-	-	-	-	-	-	-	784,356	487,103	3,833,388
Modeling and Scientific Support	-	-	-	-	-	-	-	20,170	27,206	25,955
Operations and Maintenance	-	37,726,800	39,301,930	39,287,214	20,070,144	4,291,272	3,993,318	9,852,785	14,351,306	16,552,486
Regulation	-	-	-	-	-	-	-	26,945	21,511	16,865
Restoration	-	1,304,033	16,326,983	21,103,303	11,061,814	20,087,646	23,810,358	4,824,792	7,897,125	17,319,769
Water Supply	-	26,382,690	51,205,258	27,172,174	7,655,238	4,751	3,521,120	70,000	-	102,840
<b>Total Operating Grants &amp; Contributions</b>	<b>93,011,818</b>	<b>65,413,523</b>	<b>106,834,171</b>	<b>87,562,691</b>	<b>38,787,196</b>	<b>24,383,669</b>	<b>31,324,796</b>	<b>16,579,862</b>	<b>24,198,843</b>	<b>41,020,689</b>
<b>Capital Grants &amp; Contributions:</b>										
Land Stewardship	-	-	-	-	-	-	-	32,827	46,065	-
Mission Support	-	-	612,722	1,902,128	12,000	3,193,658	-	9,585,221	269,933	-
Operations and Maintenance	-	13,656,576	21,986,733	54,381,178	7,806,297	21,301,044	12,560,490	-	85,415	-
Restoration	-	368,432,012	262,837,217	191,915,979	53,211,727	80,199,258	10,797,605	45,705,508	52,662,666	65,112,460
Water Supply	-	1,371,778	7,250	-	-	-	-	-	-	-
<b>Total Capital Grants &amp; Contributions</b>	<b>208,558,280</b>	<b>383,460,366</b>	<b>285,443,922</b>	<b>248,199,285</b>	<b>61,030,024</b>	<b>104,693,960</b>	<b>23,358,095</b>	<b>55,323,556</b>	<b>53,064,079</b>	<b>65,112,460</b>
<b>Charges for Services</b>										
Land Stewardship	-	-	-	-	-	-	-	11,616,667	20,114,342	21,846,034
Mission Support	-	-	-	148,175	99,733	10,379,191	11,278,950	9,140,164	10,978,092	12,035,727
Operations and Maintenance	-	-	-	6,388,625	3,280,921	4,857,675	8,039,514	115,421	71,392	77,820
Regulation	-	-	-	-	-	-	-	2,785,026	2,982,230	3,718,028
Water Supply	-	11,805,719	12,761,049	4,630,694	6,061,734	5,798,803	3,319,171	-	-	-
<b>Total Charges for Services</b>	<b>9,495,049</b>	<b>11,805,719</b>	<b>12,761,049</b>	<b>11,167,494</b>	<b>9,442,388</b>	<b>21,035,669</b>	<b>22,637,635</b>	<b>23,657,278</b>	<b>34,146,056</b>	<b>37,677,609</b>
<b>Total Program Revenues</b>	<b>311,065,147</b>	<b>460,679,608</b>	<b>405,039,142</b>	<b>346,929,470</b>	<b>109,259,608</b>	<b>150,113,298</b>	<b>77,320,526</b>	<b>95,560,696</b>	<b>111,408,978</b>	<b>143,810,758</b>
<b>Net (Expense)/Revenue</b>	<b>(106,232,870)</b>	<b>(7,606,733)</b>	<b>(107,190,378)</b>	<b>(199,838,058)</b>	<b>(386,721,849)</b>	<b>(313,056,386)</b>	<b>(347,153,657)</b>	<b>(289,904,297)</b>	<b>(303,227,039)</b>	<b>(185,952,497)</b>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues</b>										
Taxes:										
Property Taxes, Levied for General Purposes	325,825,399	386,282,388	476,628,776	475,621,991	451,384,521	394,194,577	347,234,986	236,860,170	232,838,276	233,527,102
Property Taxes, Levied for Everglades Constru	62,577,693	70,980,322	84,882,009	84,388,098	81,045,067	72,185,795	64,381,190	47,798,117	47,242,100	47,140,188
Investment Earnings	7,845,492	18,440,431	47,506,506	37,834,818	28,483,350	14,467,902	13,693,847	8,611,844	385,038	6,058,186
Other	31,821,543	11,220,865	20,105,295	13,707,833	26,747,397	8,391,237	2,162,878	1,051,963	1,092,105	2,087,127
Gain on Sale of Capital Assets	-	15,365,812	-	-	-	-	-	-	-	-
<b>Total General Revenues</b>	<u>428,070,127</u>	<u>502,289,818</u>	<u>629,122,586</u>	<u>611,552,740</u>	<u>587,660,335</u>	<u>489,239,511</u>	<u>427,472,901</u>	<u>294,322,094</u>	<u>281,557,519</u>	<u>288,812,603</u>
<b>Total Revenue</b>	<u>739,135,274</u>	<u>962,969,426</u>	<u>1,034,161,728</u>	<u>958,482,210</u>	<u>696,919,943</u>	<u>639,352,809</u>	<u>504,793,427</u>	<u>389,882,790</u>	<u>392,966,497</u>	<u>432,623,361</u>
<b>Change in Net Position</b>	<u>\$ 321,837,257</u>	<u>\$ 494,683,085</u>	<u>\$ 521,932,208</u>	<u>\$ 411,714,682</u>	<u>\$ 200,938,486</u>	<u>\$ 176,183,125</u>	<u>\$ 80,319,244</u>	<u>\$ 4,417,797</u>	<u>\$ (21,669,520)</u>	<u>\$ 102,860,106</u>

Notes: In fiscal year 2006 the District changed its level of control. Due to this change only totals will be presented for all years prior to fiscal year 2006.

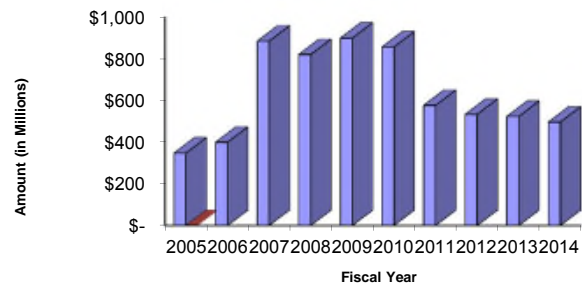
At the beginning of fiscal year 2012, the District reorganized its resource area and major program structure.

The increase in charges for services in the Mission Support program in fiscal year 2010 relates to services charged by the Self Insurance Fund and Health Insurance Fund, internal service funds.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 12,557,883	\$ 11,933,752	\$ 9,776,476	\$ 9,296,735	\$ 7,631,800	\$ 11,120,668	\$ -	\$ -	\$ -	\$ -
Unreserved	26,251,006	37,101,833	54,269,757	84,982,169	81,084,241	76,659,888	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	201,145	201,145	-
Restricted	-	-	-	-	-	-	1,190,857	-	-	-
Committed	-	-	-	-	-	-	13,571,806	20,532,474	27,514,703	14,919,347
Assigned	-	-	-	-	-	-	50,267,731	48,616,088	32,914,652	42,477,518
Unassigned	-	-	-	-	-	-	22,761,839	12,774,338	2,485,387	6,022,833
<b>Total General Fund</b>	<b>38,808,889</b>	<b>49,035,585</b>	<b>64,046,233</b>	<b>94,278,904</b>	<b>88,716,041</b>	<b>87,780,556</b>	<b>87,792,233</b>	<b>82,124,045</b>	<b>63,115,887</b>	<b>63,419,698</b>
All Other Governmental Funds										
Reserved	178,809,881	137,723,123	202,169,397	95,628,437	100,455,114	128,352,468	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	98,731,116	98,778,294	120,286,117	126,025,864	137,081,191	116,393,784	-	-	-	-
Capital Project Funds	30,963,011	113,473,976	497,274,716	504,835,607	572,503,303	523,243,561	-	-	-	-
Permanent Fund	156,240	11,904	124,439	(902,266)	(37,783)	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	19,858,805	20,196,060	20,088,942	20,685,277
Restricted	-	-	-	-	-	-	418,023,868	386,520,197	397,978,668	412,681,591
Committed	-	-	-	-	-	-	31,991,986	12,223,594	57,610	-
Assigned	-	-	-	-	-	-	32,464,433	34,453,856	41,804,359	22,923,057
Unassigned	-	-	-	-	-	-	(13,880,130)	(2,213,847)	(73,179)	(23,947,554)
<b>Total All Other Governmental Funds</b>	<b>308,660,248</b>	<b>349,987,297</b>	<b>819,854,669</b>	<b>725,587,642</b>	<b>810,001,825</b>	<b>767,989,813</b>	<b>488,458,962</b>	<b>451,179,860</b>	<b>459,856,400</b>	<b>432,342,371</b>
<b>Grand Total</b>	<b>\$ 347,469,137</b>	<b>\$ 399,022,882</b>	<b>\$ 883,900,902</b>	<b>\$ 819,866,546</b>	<b>\$ 898,717,866</b>	<b>\$ 855,770,369</b>	<b>\$ 576,251,195</b>	<b>\$ 533,303,905</b>	<b>\$ 522,972,287</b>	<b>\$ 495,762,069</b>

Note: The District implemented GASB #54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. The increase in fund balance in fiscal year 2007 is a result of the issuance of Certificates of Participation (COPS), Series 2006, in the amount of \$546,120,000, the proceeds of which will be used to provide funds for the construction of high priority projects. Details regarding the District's outstanding debt can be found in Note 10 of the financial statements.



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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810	\$ 269,227,569
Agricultural Privilege Taxes	12,349,728	11,512,807	11,661,037	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721
Intergovernmental	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812
Investment Earnings	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856
Licenses, Permits and Fees	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882
Self-Insurance Premiums	2,816,417	1,992,597	2,536,441	3,109,956	2,548,463	-	-	-	-	-
Sale of District Property	20,564,902	943,075	669,441	1,521,780	342,759	603,025	1,868,263	507,382	450,251	274,146
Indirect Costs Recovered	4,388,282	4,250,305	5,814,975	8,460,722	6,885,448	5,445,432	5,420,591	-	-	-
Leases	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753
Other	3,551,069	4,034,888	11,714,828	1,502,932	11,173,458	2,934,236	895,996	959,735	922,227	1,995,553
<b>Total Revenues</b>	<b>739,135,274</b>	<b>947,603,614</b>	<b>847,320,633</b>	<b>910,086,790</b>	<b>688,614,721</b>	<b>595,269,621</b>	<b>512,880,816</b>	<b>355,671,360</b>	<b>346,456,213</b>	<b>404,710,292</b>
<b>EXPENDITURES</b>										
Current Operating	404,980,082	-	-	-	-	-	-	-	-	-
Land Stewardship	-	-	-	-	-	-	-	17,149,280	11,248,730	13,950,298
Mission Support	-	112,631,686	109,436,655	107,521,245	102,689,836	97,584,202	94,765,560	46,163,905	35,441,096	33,914,009
Modeling and Scientific Support	-	-	-	-	-	-	-	10,937,113	11,266,205	12,672,942
Operations and Maintenance	-	107,005,090	112,187,086	140,170,271	119,992,071	112,283,074	125,507,410	110,555,983	119,821,310	97,951,945
Regulation	-	-	-	-	-	-	-	17,344,353	19,146,260	18,271,802
Restoration	-	199,738,140	256,087,796	228,347,719	148,745,910	157,002,200	129,413,639	70,143,349	66,650,596	76,192,109
Water Supply	-	71,040,556	77,119,810	73,702,317	50,649,663	32,559,823	32,328,114	10,398,423	9,627,209	8,828,114
Capital Outlay	284,130,917	475,145,947	274,226,563	379,030,673	143,169,182	183,126,292	370,729,580	66,970,460	48,449,472	128,064,854
Debt Service										
Bond Principal Retirement	3,260,000	4,500,000	4,660,000	4,785,000	4,975,000	5,190,000	5,415,000	5,655,000	5,865,000	6,120,000
Bond Interest and Other Fiscal Charges	2,583,429	2,444,126	2,303,401	2,143,086	1,940,171	1,722,396	1,489,721	1,265,749	1,035,786	768,598
1 Bank Loan Principal Payments	4,872,193	3,577,553	86,847,342	3,247,469	1,832,482	1,832,482	2,975,339	1,142,857	-	-
Bank Loan Interest	610,763	740,199	580,847	390,991	279,620	206,172	180,724	19,867	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Defeasance Costs	-	-	-	-	-	-	-	-	-	-
Capital Lease Principal Payments	1,296,990	1,144,988	968,060	502,187	193,161	200,330	-	-	-	-
Capital Lease Interest	98,004	81,584	53,983	25,894	12,712	5,543	-	-	-	-
COPS Principal Retirement	-	-	-	7,675,000	9,015,000	9,370,000	9,705,000	10,135,000	10,610,000	11,060,000
COPS Interest	-	-	10,091,807	26,579,294	26,268,593	25,923,546	25,539,177	25,088,037	24,626,167	24,125,840
<b>Total Expenditures</b>	<b>701,832,378</b>	<b>978,049,869</b>	<b>934,563,350</b>	<b>974,121,146</b>	<b>609,763,401</b>	<b>627,006,060</b>	<b>798,049,264</b>	<b>392,969,376</b>	<b>363,787,831</b>	<b>431,920,511</b>
Revenues in Excess of (Less Than) Expenditures	37,302,896	(30,446,255)	(87,242,717)	(64,034,356)	78,851,320	(31,736,439)	(285,168,448)	(37,298,016)	(17,331,618)	(27,210,219)



**Schedule 4**

**South Florida Water Management District  
Changes in Fund Balances, Governmental Funds**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	142,255,948	212,798,171	261,893,797	214,646,804	454,498,325	163,744,472	143,735,575	72,862,774	110,969,774	144,193,867
Transfers Out	(142,255,948)	(212,798,171)	(261,893,797)	(214,646,804)	(454,498,325)	(174,955,529)	(143,735,575)	(72,862,774)	(103,969,774)	(144,193,867)
Land Acquisition Refunding Bonds Issues	-	-	-	-	-	-	-	-	-	-
Proceeds of Bond Issuance	-	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	26,081,797	-	-	-	-	-	-	-
Discount on Bonds Issued	-	-	(81,060)	-	-	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Proceeds of Bank Loan	8,000,000	82,000,000	-	-	-	-	-	-	-	-
Proceeds of Capital Leases	939,583	-	-	-	-	-	-	-	-	-
Proceeds of Certificate of Participation (COPS)	-	-	546,120,000	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>8,939,583</b>	<b>82,000,000</b>	<b>572,120,737</b>	<b>-</b>	<b>-</b>	<b>(11,211,057)</b>	<b>-</b>	<b>-</b>	<b>7,000,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 46,242,479</b>	<b>\$ 51,553,745</b>	<b>\$ 484,878,020</b>	<b>\$ (64,034,356)</b>	<b>\$ 78,851,320</b>	<b>\$ (42,947,496)</b>	<b>\$ (285,168,448)</b>	<b>\$ (37,298,016)</b>	<b>\$ (10,331,618)</b>	<b>\$ (27,210,219)</b>
Debt Service as a percentage of noncapital expenditures <sup>1</sup>	2.88%	2.65%	26.02%	8.42%	8.51%	9.57%	11.11%	13.28%	13.36%	13.85%

Notes: At the beginning of fiscal year 2012 the District reorganized its resource area and major program structure.

Beginning in fiscal year 2012 the District changed its method of recording indirect cost recovered and these amounts are netted against the original associated costs.

Beginning in fiscal year 2010 the District established an internal service fund to account for worker's compensation, auto and general liability insurance. As such, premium revenues are now reported in the Self-Insurance Fund.

The increase in the debt service ratio in fiscal year 2007 is due to the issuance of Certificates of Participation (COPS), Series 2006, in the amount of \$546,120,000. Details regarding the District's outstanding debt can be found in Note 10 of the financial statements.

<sup>1</sup> For purposes of calculating debt service as a percentage of noncapital expenditures, noncapital expenditures excludes expenditures that are classified as capital outlay on the government-wide financial statements, which may be different than those shown above. The noncapital expenditure amount used in the calculation is determined by subtracting the capital outlay amount shown on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (see page III-11) from the total expenditure amount shown above.

**Schedule 5**  
**South Florida Water Management District**  
**Revenues by Source**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Property Taxes	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810	\$ 269,227,569
Agricultural Privilege Taxes	12,349,728	11,512,807	11,661,037	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566	11,439,721
Intergovernmental	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441	85,611,812
Investment Earnings	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207	5,890,856
Licenses, Permits & Fees	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967	25,641,882
Leases	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744	4,628,753
Other	31,320,670	11,220,865	20,735,685	14,595,390	20,950,128	8,982,693	8,184,850	1,467,117	1,372,478	2,269,699
<b>Total</b>	<b><u>\$ 739,135,274</u></b>	<b><u>\$ 947,603,614</u></b>	<b><u>\$ 847,320,633</u></b>	<b><u>\$ 910,086,790</u></b>	<b><u>\$ 688,614,721</u></b>	<b><u>\$ 595,269,621</u></b>	<b><u>\$ 512,880,816</u></b>	<b><u>\$ 355,671,360</u></b>	<b><u>\$ 346,456,213</u></b>	<b><u>\$ 404,710,292</u></b>

Schedule 6  
 South Florida Water Management District  
 Property Tax Revenue by County  
 Last Ten Fiscal Years  
 (in Thousands)

Fiscal Year	Broward	Charlotte *	Collier	Miami-Dade	Glades	Hendry	Highlands *	Lee
2005	\$ 77,187 19.87%	\$ 75 0.02%	\$ 26,063 6.71%	\$ 99,372 25.58%	\$ 298 0.08%	\$ 2,903 0.75%	\$ 362 0.09%	\$ 33,775 8.70%
2006	89,586 19.59%	105 0.02%	31,274 6.84%	116,767 25.54%	366 0.08%	2,834 0.62%	380 0.08%	43,411 9.49%
2007	105,682 18.82%	117 0.02%	39,245 6.99%	139,563 24.85%	513 0.09%	3,232 0.58%	672 0.12%	60,215 10.72%
2008	106,200 18.96%	222 0.04%	38,430 6.86%	145,653 26.01%	449 0.08%	3,103 0.55%	555 0.10%	58,010 10.36%
2009	101,545 19.07%	96 0.02%	36,569 6.87%	143,415 26.94%	410 0.08%	2,900 0.54%	536 0.10%	50,973 9.57%
2010	88,823 19.05%	83 0.02%	32,370 6.94%	129,243 27.71%	384 0.08%	2,746 0.59%	470 0.10%	39,242 8.41%
2011	77,688 18.87%	72 0.02%	28,407 6.90%	113,386 27.55%	356 0.09%	2,593 0.63%	427 0.10%	33,482 8.13%
2012	52,960 18.61%	48 0.02%	19,370 6.80%	77,466 27.21%	251 0.09%	2,177 0.76%	276 0.10%	22,653 7.96%
2013	52,800 18.85%	46 0.02%	19,197 6.85%	75,463 26.94%	239 0.09%	2,175 0.78%	302 0.11%	22,142 7.91%
2014	52,312 18.64%	42 0.01%	19,217 6.85%	77,324 27.55%	217 0.08%	2,154 0.77%	276 0.10%	21,755 7.75%

\* Amounts represent property taxes only for the portion of the county that is within the District's boundaries.

Schedule 6  
**South Florida Water Management District**  
**Property Tax Revenue by County**  
 Last Ten Fiscal Years  
 (in Thousands)

Fiscal Year	Martin	Monroe	Okeechobee *	Orange *	Osceola *	Palm Beach	Polk *	St. Lucie	Total
2005	\$ 10,414 2.68%	\$ 11,716 3.02%	\$ 910 0.23%	\$ 20,766 5.35%	\$ 9,119 2.35%	\$ 85,636 22.05%	\$ 595 0.15%	\$ 9,212 2.37%	\$ 388,403 100.00%
2006	12,413 2.71%	14,678 3.21%	1,016 0.22%	22,945 5.02%	10,868 2.38%	98,021 21.45%	790 0.17%	11,809 2.58%	457,263 100.00%
2007	13,846 2.47%	17,907 3.19%	1,481 0.26%	28,104 5.01%	14,495 2.58%	118,700 21.14%	1,322 0.24%	16,416 2.92%	561,510 100.00%
2008	13,724 2.45%	17,254 3.08%	1,399 0.25%	29,268 5.23%	15,810 2.82%	112,805 20.15%	1,568 0.28%	15,560 2.78%	560,010 100.00%
2009	12,370 2.32%	15,932 2.99%	1,218 0.23%	29,852 5.61%	15,614 2.93%	106,580 20.02%	1,446 0.27%	12,974 2.44%	532,430 100.00%
2010	11,279 2.42%	13,614 2.92%	1,140 0.24%	26,985 5.79%	13,017 2.79%	95,642 20.51%	1,104 0.23%	10,238 2.20%	466,380 100.00%
2011	10,582 2.57%	11,915 2.89%	891 0.22%	24,122 5.86%	10,901 2.65%	86,691 21.06%	818 0.20%	9,285 2.26%	411,616 100.00%
2012	7,196 2.53%	7,928 2.79%	599 0.21%	16,950 5.95%	7,093 2.49%	62,997 22.13%	524 0.18%	6,170 2.17%	284,658 100.00%
2013	7,130 2.55%	7,871 2.81%	610 0.22%	16,681 5.96%	6,863 2.45%	62,021 22.13%	515 0.18%	6,025 2.15%	280,080 100.00%
2014	6,790 2.42%	7,649 2.73%	582 0.21%	16,676 5.94%	7,325 2.61%	61,656 21.95%	522 0.19%	6,170 2.20%	280,667 100.00%

\* Amounts represent property taxes only for the portion of the county that is within the District's boundaries.

**Schedule 7**

**South Florida Water Management District**

**Direct Property Tax Rates**

Last Ten Fiscal Years

(Rate per \$1,000 of assessed value)

Year	Okeechobee Basin			Big Cypress Basin		
	District	Basin	Total	District	Basin	Total
2005	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2006	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2007	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2008	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2009	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2010	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2011	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2012	0.1785	0.2578	0.4363	0.1785	0.1633	0.3418
2013	0.1757	0.2532	0.4289	0.1757	0.1633	0.3390
2014	0.1685	0.2425	0.4110	0.1685	0.1593	0.3278

Notes: Since South Florida Water Management District is a regional governmental unit, it is not reasonable to present overlapping property tax rates.

The reduction of property tax rates in fiscal year 2008 is a result of the passage of House Bill 1-B, which required a reduction in taxes by all local governments and special taxing districts.

The reduction of property tax rates in fiscal year 2012 is a result of the passage of Senate Bill 2142, which limited the total ad valorem taxes that could be levied by the District.

State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (\$0.80 per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value).

Source: South Florida Water Management District Budget Bureau.

**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 <sup>1</sup></b>	<b>Total Collections to Date</b>	<b>Percentage of Levy <sup>2</sup></b>
2005	0.2840	0.4130	0.2425	\$ 375,371,188	\$ 372,357,871	99.2%	\$ 2,696,744	\$ 375,054,615	99.9%
2006	0.2840	0.4130	0.2425	444,075,931	423,518,333	95.4%	2,090,550	425,608,883	95.8%
2007	0.2840	0.4130	0.2425	553,009,838	553,009,740	100.0%	3,623,093	558,459,133	101.0%
2008	0.2549	0.3691	0.2265	549,484,359	539,248,357	98.1%	5,829,932	545,078,289	99.2%
2009	0.2549	0.3691	0.2265	525,229,365	514,311,078	97.9%	5,256,004	519,567,082	98.9%
2010	0.2549	0.3691	0.2265	459,945,322	442,168,909	96.1%	11,526,724	453,695,633	98.6%
2011	0.2549	0.3691	0.2265	399,025,958	384,381,001	96.3%	18,915,088	403,296,089	101.1%
2012	0.1785	0.2578	0.1633	270,685,220	268,398,410	99.2%	6,535,361	274,933,771	101.6%
2013	0.1757	0.2532	0.1633	268,114,920	261,778,333	97.6%	4,988,476	266,766,809	99.5%
2014	0.1685	0.2425	0.1593	267,142,178	265,299,466	99.3%	4,019,743	269,319,209	100.8%

NOTE: During fiscal year 2009 tax collections were received at a slower rate than typical, which caused an increase of prior year's cash collections in fiscal year 2010.

<sup>1</sup> Reflects taxes collected during the year that were levied in prior years. Not all tax collectors provide information sufficient to distinguish prior year tax collections by year that the tax was levied.

<sup>2</sup> Includes taxes collected for the current year levy plus collections of taxes that were levied in prior years. As such collections could be greater than 100% of the taxes levied during the year.

**Schedule 9**  
**South Florida Water Management District**  
**Taxable Property Values and Just Values of Taxable Property by County**  
Current Fiscal Year

<u>County</u>	<u>Just Value <sup>1</sup></u>	<u>Taxable Value <sup>2</sup></u>	<u>Taxable Value as a percentage of Just Value</u>
Broward	\$ 185,676,484,234	\$ 132,606,617,746	71.42%
Charlotte *	149,279,688	105,191,491	70.47%
Collier	74,164,539,075	60,812,999,127	82.00%
Glades	3,209,182,647	546,562,730	17.03%
Hendry	5,132,755,461	1,705,020,243	33.22%
Highlands *	1,027,597,735	678,967,208	66.07%
Lee	72,538,308,587	55,011,362,832	75.84%
Martin	23,594,340,009	17,223,760,068	73.00%
Miami-Dade	272,875,367,890	199,108,798,213	72.97%
Monroe	27,422,667,507	19,223,066,060	70.10%
Okeechobee *	2,403,363,448	1,407,992,438	58.58%
Orange *	57,562,291,298	42,150,717,378	73.23%
Osceola *	27,213,904,304	17,133,158,323	62.96%
Palm Beach	171,884,068,213	130,671,532,065	76.02%
Polk *	1,930,653,216	1,304,817,306	67.58%
St. Lucie	22,970,680,525	15,188,168,306	66.12%
	<u>\$ 949,755,483,837</u>	<u>\$ 694,878,731,534</u>	<u>73.16%</u>

\* County is only partially within the District's boundaries.

<sup>1</sup> Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book.  
Partial county just value is calculated based on the percentage of taxable value that is within the District's boundaries compared to the taxable value of the whole county.

Just value is a legal synonym for "full cash value" or "fair market value".  
<sup>2</sup> Source: South Florida Water Management District Budget Department, FY 2014 Budget.  
Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution.

**Schedule 10**  
**South Florida Water Management District**  
**Taxable Value of Property**  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Real Property <sup>1</sup></b>	<b>Personal Property <sup>2</sup></b>	<b>Centrally Assessed Property <sup>3</sup></b>	<b>Total</b>	<b>District Tax Rate <sup>4</sup></b>	<b>Okeechobee Basin Tax Rate <sup>4</sup></b>	<b>Total Direct Tax Rate <sup>5</sup></b>
2005	\$ 535,652,622,464	\$ 37,581,256,994	\$ 249,689,014	\$ 573,483,568,472	2.84	4.13	6.97
2006	639,271,283,210	39,061,362,113	270,717,328	678,603,362,651	2.84	4.13	6.97
2007	803,519,922,519	41,423,176,998	284,238,697	845,227,338,214	2.84	4.13	6.97
2008	892,858,395,941	42,892,968,298	300,886,190	936,052,250,429	2.55	3.69	6.24
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	3.69	6.24
2010	742,675,388,669	40,715,092,253	399,210,940	783,789,691,862	2.55	3.69	6.24
2011	645,555,800,822	41,283,680,011	312,424,992	687,151,905,825	2.55	3.69	6.24
2012	625,090,457,818	40,201,298,218	323,038,790	665,614,794,826	1.79	2.58	4.37
2013	628,500,005,272	41,359,190,647	347,320,003	670,206,515,922	1.76	2.53	4.29
2014	650,125,288,770	44,379,393,336	374,049,428	694,878,731,534	1.69	2.43	4.12

Note: Since the District applies its tax rates to the taxable value of property, the taxable value has been shown in this schedule. Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution. Valuations are as of January 1 on the calendar year preceding the applicable District fiscal year.

<sup>1</sup> Real property refers to land, land improvements, and any buildings or structures located on the land.

<sup>2</sup> Personal property includes property that can be moved from one location to another.

<sup>3</sup> Centrally assessed property generally refers to properties that are assessed as a whole unit. A railroad is an example of centrally assessed property.

<sup>4</sup> Tax rates are per \$1,000 of assessed value.

<sup>5</sup> Tax rates are per \$1,000 of assessed value. Total direct tax rate represents the rate in 15 of the District's 16 counties. Collier County is the District's only county which is not geographically located in the Okeechobee Basin.

Source: South Florida Water Management District Budget Bureau, Form DR-420s.

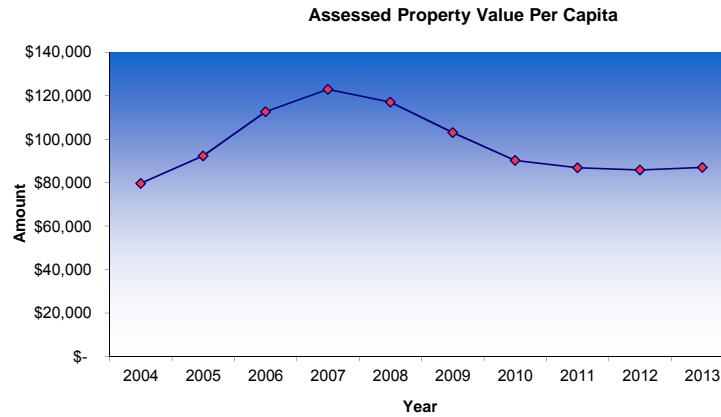


**Schedule 11**  
**South Florida Water Management District**  
**Assessed Value Per Capita**  
 Last Ten Calendar Years

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Property Value <sup>1</sup> (in Billions)	\$ 573.5	\$ 678.6	\$ 845.2	\$ 936.1	\$ 894.7	\$ 783.8	\$ 687.2	\$ 665.6	\$ 670.2	\$ 694.9
District Population <sup>2</sup>	7,199,934	7,359,652	7,504,525	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,986,730
Assessed Property Value Per Capita	\$ 79,654	\$ 92,205	\$ 112,625	\$ 122,885	\$ 116,974	\$ 102,998	\$ 90,235	\$ 86,787	\$ 85,795	\$ 87,007

<sup>1</sup> Assessed value is as of January 1st for real, personal and centrally assessed property located within the boundaries of the District.

<sup>2</sup> Population data is from The Office of Economic & Demographic Research and has been adjusted for counties with boundaries only partially within the District.



**Schedule 12**  
**South Florida Water Management District**  
**Principal Property Tax Payers**  
Current Year and Eight Years Prior

Taxpayer	2014			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	\$ 12,284,891,748	1	1.77%	\$ 6,331,743,321	1	0.93%
Walt Disney Company	8,037,161,628	2	1.16%	6,194,118,181	2	0.91%
Duke Energy	2,192,136,877	3	0.32%	1,565,314,671	3	0.23%
Universal Studios	1,490,000,000	4	0.21%	580,584,834	7	0.09%
Westgate Resorts	1,297,038,153	5	0.19%	1,001,813,446	6	0.15%
BellSouth Telecommunications Inc	1,177,312,951	6	0.17%	1,261,567,853	5	0.19%
Marriott Corporation	1,140,000,000	7	0.16%	396,000,000	10	0.06%
Hilton Corporation	822,700,000	8	0.12%	1,401,827,566	4	0.21%
Wyndham Resorts	793,023,853	9	0.11%	-	-	-
Orange Lake Contry Club	705,800,000	10	0.10%	-	-	-
Florida Power Corporation <sup>1</sup>	-	-	-	572,654,709	8	0.08%
R H Resorts/Rosen Hotels	-	-	-	418,720,980	9	0.06%
<b>Totals</b>	<b>\$ 29,940,065,210</b>		<b>4.31%</b>	<b>\$ 19,724,345,561</b>		<b>2.91%</b>

Notes: Amounts represent assessed value as of January 1 of the year presented. The amounts shown reflect county totals even though some counties may only partially be within the District's boundaries.

The earliest year for which this data is available is fiscal year 2006. As such, 2006 will be the base year for comparison.

<sup>1</sup> Florida Power Corporation now operates as Duke Energy.

Source: Data was obtained from the Tax Collector or Property Appraiser for the sixteen counties that are included in South Florida Water Management District's geographical boundaries.

**Schedule 13**  
**South Florida Water Management District**  
**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Governmental Activities					Total Outstanding Debt	Percentage of Personal Income <sup>3</sup>	Per Capita <sup>4</sup>	Percentage of Assessed Value <sup>5</sup>
	Land Acquisition Bonds - WMLTF <sup>2</sup>	Land Purchases Payable	Capital Leases	Bank Loans	Certificates of Participation				
2005	\$ 62,320,524	\$ 100,108,087	\$ 3,008,733	\$ 19,456,880	\$ -	\$ 184,894,224	0.0734%	25.12	0.0322%
2006 <sup>1</sup>	57,758,545	77,679,516	1,863,645	97,878,527	-	235,180,233	0.0858%	31.34	0.0347%
2007	52,025,278	40,219,445	895,678	11,031,537	568,849,724	673,021,662	0.2347%	88.35	0.0796%
2008	47,361,563	40,910,434	393,491	7,783,160	561,239,106	657,687,754	0.2235%	85.99	0.0703%
2009	42,022,941	-	200,330	5,950,678	550,476,399	598,650,348	0.2025%	78.67	0.0669%
2010	36,642,406	-	-	4,118,196	539,399,546	580,160,148	0.1965%	76.18	0.0740%
2011	31,098,466	-	-	1,142,847	528,053,493	560,294,806	0.1806%	73.06	0.0815%
2012	25,308,815	-	-	-	516,359,621	541,668,436	0.1619%	69.34	0.0814%
2013	19,333,395	-	-	-	504,232,927	523,566,322	0.1554%	66.34	0.0781%
2014	13,138,839	-	-	-	491,760,427	504,899,266	0.1459%	63.22	0.0727%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> During fiscal year 2006, the District utilized short-term bank financing.

<sup>2</sup> WMLTF stands for Water Management Lands Trust Fund.

<sup>3</sup> Refer to Schedule 15 for personal income information.

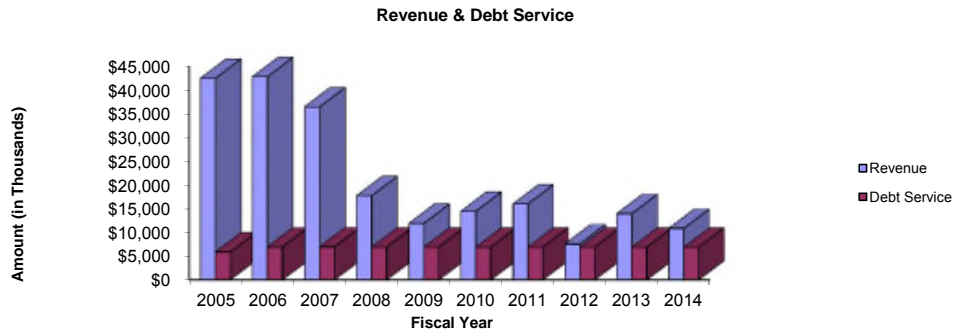
<sup>4</sup> Refer to Schedule 15 for population information.

<sup>5</sup> Refer to Schedule 10 for assessed value information.

**Schedule 14**  
**South Florida Water Management District**  
**Pledged-Revenue Bond Coverage**  
 Last Ten Fiscal Years

Fiscal Year	Revenue				Debt Service			Coverage Ratio
	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Total Revenue	Principal	Interest	Total Debt Service	
2005	\$ 40,825,275	\$ 641,382	\$ 1,004,100	\$ 42,470,757	\$ 3,260,000	\$ 2,583,429	\$ 5,843,429	7.27
2006	40,437,784	556,170	1,829,897	42,823,851	4,500,000	2,444,126	6,944,126	6.17
2007	34,619,597	810,573	1,042,873	36,473,043	4,660,000	2,303,401	6,963,401	5.24
2008	15,193,803	1,037,381	1,507,927	17,739,111	4,785,000	2,143,086	6,928,086	2.56
2009	10,909,497	450,011	522,616	11,882,124	4,975,000	1,940,171	6,915,171	1.72
2010	13,972,497	46,147	437,404	14,456,048	5,190,000	1,722,396	6,912,396	2.09
2011	15,760,042	12,956	208,320	15,981,318	5,415,000	1,489,721	6,904,721	2.31
2012	7,354,939	20,000	183,055	7,557,994	5,655,000	1,265,749	6,920,749	1.09
2013	13,775,608	18,081	168,925	13,962,614	5,865,000	1,035,786	6,900,786	2.02
2014	10,652,283	24,835	175,378	10,852,496	6,120,000	768,598	6,888,598	1.58

Source: Florida Department of Environmental Protection, Water Management Lands Trust Fund, Bureau of Finance and Accounting Contracts Disbursements Section and District accounting records.



**Schedule 15**  
**South Florida Water Management District**  
**Demographic and Economic Statistics**  
Last Ten Calendar Years

<b>Calendar Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income (in thousands) <sup>2</sup></b>	<b>Per Capita Personal Income</b>	<b>School Enrollment K - 12<sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2005	7,359,652	\$ 251,907,469	\$ 34,228	1,102,719	4.0%
2006	7,504,525	274,090,198	36,523	1,124,773	3.4%
2007	7,617,705	286,718,796	37,638	1,082,297	4.4%
2008	7,648,679	294,230,623	38,468	1,071,876	6.1%
2009	7,609,852	295,589,133	38,843	1,073,728	10.6%
2010	7,615,667	295,290,827	38,774	1,084,184	11.7%
2011	7,669,381	310,253,970	40,454	1,096,048	10.5%
2012	7,811,608	334,574,240	42,830	1,109,444	8.7%
2013	7,891,851	336,889,341	42,688	1,122,567	7.4%
2014	7,986,730	345,991,092	43,321	1,136,965	6.2%

Note: Data has been adjusted for counties with boundaries only partially within the District.

<sup>1</sup> Population data is from The Office of Economic & Demographic Research. See Schedule 16 for details on population.

<sup>2</sup> Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce. Final data for calendar year 2014 is currently unavailable. The figure shown for calendar year 2014 estimates 4th quarter results as an average of the first three quarters. Fiscal year 2013 data has been updated using final figures.

<sup>3</sup> Student enrollment data is obtained from the Florida Department of Education. Enrollment figures are based on the fall enrollment number for the calendar year specified.

<sup>4</sup> Source: Bureau of Labor Statistics - <http://www.bls.gov/lau/home>.

**Schedule 16**  
**South Florida Water Management District**  
**District Population by County**  
Last Ten Calendar Years

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Broward	1,740,987	1,753,162	1,765,707	1,758,494	1,744,922	1,742,891	1,748,066	1,771,099	1,784,715	1,803,903
Charlotte *	770	802	823	6,300	6,287	6,302	6,079	6,208	6,220	6,250
Collier	317,788	326,658	333,858	332,854	333,032	333,554	321,520	329,849	333,663	336,783
Miami-Dade	2,422,075	2,437,022	2,462,292	2,477,289	2,472,344	2,476,289	2,496,435	2,551,290	2,582,375	2,613,692
Glades	10,729	10,796	11,055	11,323	11,311	11,330	12,884	12,671	12,658	12,852
Hendry	38,376	38,678	39,651	41,216	41,320	41,026	39,140	38,132	37,808	37,895
Highlands *	9,626	9,957	10,169	8,718	8,675	8,677	8,594	8,609	8,621	8,684
Lee	549,442	585,608	615,741	623,725	615,124	616,626	618,754	638,029	643,367	653,485
Martin	141,059	142,645	143,737	143,868	143,856	143,848	146,318	147,203	148,077	148,585
Monroe	82,413	80,510	78,987	76,081	77,925	78,150	73,090	72,897	73,560	74,044
Okeechobee *	37,010	37,893	38,249	39,203	38,909	38,918	39,196	39,009	38,967	39,031
Orange *	260,859	269,881	276,401	269,825	268,349	268,860	277,321	284,578	291,121	297,175
Osceola *	234,451	255,135	265,325	270,972	270,060	270,541	265,998	278,057	285,477	292,597
Palm Beach	1,265,900	1,287,987	1,295,033	1,294,654	1,287,344	1,286,778	1,320,134	1,335,415	1,345,652	1,360,238
Polk *	8,128	8,476	8,716	17,572	17,530	17,514	18,063	18,207	18,419	18,695
St. Lucie	240,039	259,315	271,961	276,585	272,864	274,363	277,789	280,355	281,151	282,821
<b>Total</b>	<u>7,359,652</u>	<u>7,504,525</u>	<u>7,617,705</u>	<u>7,648,679</u>	<u>7,609,852</u>	<u>7,615,667</u>	<u>7,669,381</u>	<u>7,811,608</u>	<u>7,891,851</u>	<u>7,986,730</u>

\* County is only partially within the District's boundaries. Population is prorated based on estimated population within the geographic boundaries of the District.

Source: The Office of Economic & Demographic Research - Florida Demographic Database (2004 - 2010).  
Source: University of Florida, Bureau of Economic and Business Research (2011-2013).

**Schedule 17**  
**South Florida Water Management District**  
**Employment Data**  
 Last Ten Calendar Years

<u>Calendar Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate (%)</u>
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
2008	3,844,561	3,610,123	234,438	6.1
2009	3,844,536	3,438,418	406,118	10.6
2010	3,876,208	3,423,749	452,459	11.7
2011	3,857,912	3,454,296	403,616	10.5
2012	3,973,042	3,629,273	343,769	8.7
2013 <sup>1</sup>	4,017,108	3,720,853	296,255	7.4
2014 <sup>2</sup>	4,091,033	3,837,176	253,857	6.2

Note: Data has been adjusted for counties with boundaries only partially within the District.

<sup>1</sup> Figures have been updated to reflect revised inputs and reestimation.

<sup>2</sup> Final data for the calendar year 2014 is currently not available. The 2014 figures are based on the yearly average, through November, 2014.

Source: Bureau of Labor Statistics - <http://www.bls.gov/lau/home>.

**Schedule 18**  
**South Florida Water Management District**  
**Ten Largest Employers within District Boundaries**  
 Prior Calendar Year and Nine Years Prior

2013				2004			
Employers	Rank	Number of Employees	% of Total Employment	Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World Co.	1	69,700	1.9%	Walt Disney World Co.	1	54,450	1.6%
Miami-Dade County Public Schools	2	33,477	0.9%	Miami-Dade County Public Schools	2	54,387	1.6%
Broward County School Board	3	26,000	0.7%	Broward County School Board	4	36,853	1.1%
Miami-Dade County	4	25,502	0.7%	Miami-Dade County	5	32,265	0.9%
Publix Supermarkets	5	23,390	0.6%	Publix Supermarkets	8	18,100	0.5%
Orange County Public Schools	6	21,984	0.6%	Orange County Public Schools	6	23,000	0.7%
Palm Beach County School Board	7	20,810	0.6%	Palm Beach County School Board	7	18,672	0.5%
Adventist Health Systems	8	17,600	0.5%	Adventist Health Systems	3	44,000	1.3%
Universal Studios	9	16,500	0.4%	Universal Studios	10	12,787	0.4%
Orlando Health	10	15,867	0.4%	Orlando Health	-	-	-
Broward County Government	-	-	-	Broward County Government	9	13,914	0.4%
Total		<u>270,830</u>	<u>7.3%</u>	Total		<u>308,428</u>	<u>9.0%</u>
Total Employment in District Boundaries		<u>3,720,853</u>		Total Employment in District Boundaries		<u>3,422,407</u>	

Notes: Schedule excludes any county partially within the District boundaries that contributes less than 1% of total property tax revenue. Employers located in partial counties are scheduled at full employee count. Schedule excludes federal and state employees.

Source: Individual County Comprehensive Annual Financial Reports, where available. Employment detail for 2013 is shown on Schedule 17.



**Schedule 19**  
**South Florida Water Management District**  
**Authorized Positions per 100,000 Population**  
 Last Ten Calendar Years

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of Authorized Positions <sup>1</sup>	1,771	1,771	1,784	1,808	1,828	1,842	1,933	1,651	1,620	1,588
Population <sup>2</sup>	7,359,652	7,504,525	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851	7,986,730
Authorized Positions per 100,000 Population	24	24	23	24	24	24	25	21	21	20

<sup>1</sup> Number of authorized positions is a measurement utilized for budgeting purposes that includes both filled positions and planned positions. Each authorized position is equal to one full-time employee.

<sup>2</sup> Population data is from The Office of Economic & Demographic Research and has been adjusted for counties with boundaries only partially within the District. Details regarding population figures can be found on Schedule 16.

**Schedule 20**  
**South Florida Water Management District**  
**District Employees by Resource Area and Major Program**  
Current Fiscal Year

<u>Resource Area / Major Program</u>	<u>Number of Employees per Program<sup>1</sup></u>	<u>Percentage of Employees per Resource Area</u>	<u>Percentage of Employees District-wide</u>
<b>Administrative Services and Executive Offices</b>			
Land Stewardship	1	0.31%	0.07%
Mission Support	190	59.75%	13.05%
Modeling and Scientific Support	11	3.46%	0.75%
Operations and Maintenance	51	16.04%	3.50%
Regulation	19	5.97%	1.30%
Restoration	46	14.47%	3.16%
<b>Administrative Services and Executive Offices Total</b>	<b><u>318</u></b>	<b><u>100.00%</u></b>	<b><u>21.83%</u></b>
<b>Operations, Maintenance, and Construction</b>			
Land Stewardship	40	5.41%	2.75%
Mission Support	5	0.68%	0.34%
Modeling and Scientific Support	19	2.57%	1.30%
Operations and Maintenance	561	75.81%	38.50%
Regulation	1	0.13%	0.07%
Restoration	113	15.27%	7.76%
Water Supply	1	0.13%	0.07%
<b>Operations, Maintenance, and Construction Total</b>	<b><u>740</u></b>	<b><u>100.00%</u></b>	<b><u>50.79%</u></b>
<b>Regulation</b>			
Regulation	151	88.82%	10.37%
Restoration	19	11.18%	1.30%
<b>Regulation Total</b>	<b><u>170</u></b>	<b><u>100.00%</u></b>	<b><u>11.67%</u></b>
<b>Water Resources</b>			
Modeling and Scientific Support	79	34.50%	5.42%
Restoration	102	44.54%	7.00%
Water Supply	48	20.96%	3.29%
<b>Water Resources Total</b>	<b><u>229</u></b>	<b><u>100.00%</u></b>	<b><u>15.71%</u></b>
<b>District Total</b>	<b><u>1,457</u></b>		<b><u>100.00%</u></b>

<sup>1</sup> Number of employees includes all filled positions (including shared positions) at the end of the fiscal year.

**Schedule 21**  
**South Florida Water Management District**  
**District Employees by Major Program**  
Last Nine Fiscal Years

Major Program	Fiscal Year								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Land Stewardship	48	47	50	46	43	37	38	43	41
Mission Support	431	427	438	445	445	321	284	214	195
Modeling & Scientific Support	120	121	114	121	124	113	102	109	109
Operations and Maintenance	578	575	603	601	615	573	625	643	612
Regulation	174	179	189	182	193	167	178	182	171
Restoration	313	332	340	338	331	320	294	301	280
Water Supply	66	61	62	61	53	36	46	52	49
District Total	<u>1,730</u>	<u>1,742</u>	<u>1,796</u>	<u>1,794</u>	<u>1,804</u>	<u>1,567</u>	<u>1,567</u>	<u>1,544</u>	<u>1,457</u>

**District Employees by Major Program**  
Current Fiscal Year



Notes: During fiscal year 2012 the District reorganized its resource area and major program structure. The prior year's data has been adjusted to present the data in the current fiscal year's structure.  
During fiscal year 2006 the District underwent a major reorganization, affecting the resource area and major program structure. Due to that restructuring, information will be provided for fiscal year 2006 and forward.

**Schedule 22**

**South Florida Water Management District  
Permit Applications Received  
Last Ten Fiscal Years**

<b>Permit Category</b>	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Environmental Resource	2,690	2,706	2,229	1,673	1,423	1,917	1,656	2,232	2,094	2,114
Consumptive Use	2,541	2,503	3,806	3,037	2,638	2,818	2,144	1,970	1,737	1,964
SWIM & Everglades Works Of The District	<u>20</u>	<u>78</u>	<u>51</u>	<u>12</u>	<u>4</u>	<u>5</u>	<u>26</u>	<u>33</u>	<u>6</u>	<u>14</u>
<b>Total Applications Received</b>	<u><u>5,251</u></u>	<u><u>5,287</u></u>	<u><u>6,086</u></u>	<u><u>4,722</u></u>	<u><u>4,065</u></u>	<u><u>4,740</u></u>	<u><u>3,826</u></u>	<u><u>4,235</u></u>	<u><u>3,837</u></u>	<u><u>4,092</u></u>

Note: During fiscal year 2010 the District began to include minor permit application activities as workload indicators. This change in process also changed how permit applications are counted by the District. The permit application data shown has been adjusted retroactively to reflect this change.

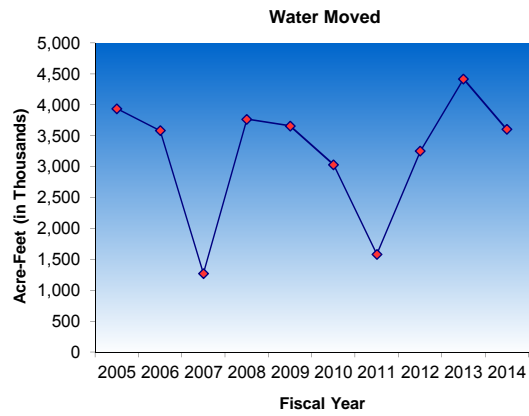
Source: Regulation Division of South Florida Water Management District.

**Schedule 23**  
**South Florida Water Management District**  
**Water Moved by District Pump Stations**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Acre-Feet (Thousands)	3,938	3,583	1,272	3,768	3,660	3,032	1,584	3,254	4,419	3,604

Note: The decrease in fiscal years 2007 and 2011 is due to severe drought conditions experienced in South and Central Florida during those years.

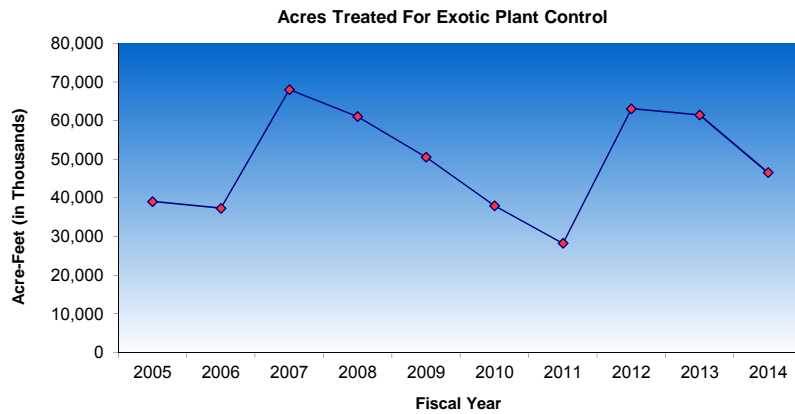
Source: Operations, Engineering & Construction Division of South Florida Water Management District.



**Schedule 24**  
**South Florida Water Management District**  
**Exotic Plant Control**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Acres treated	39,077	37,350	68,053	61,070	50,538	38,015	28,284	63,111	61,489	46,580

Source: Land Stewardship Section of South Florida Water Management District.

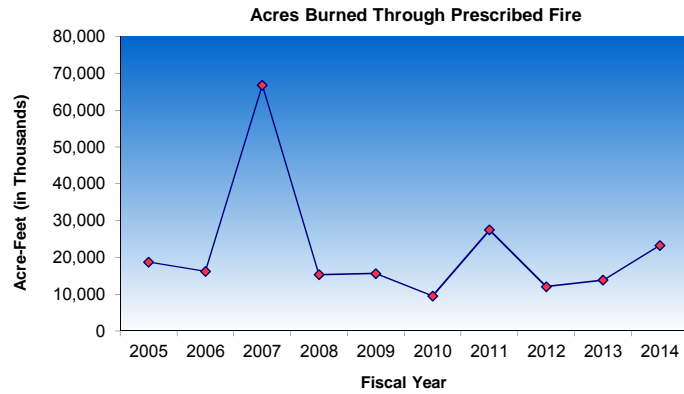


**Schedule 25**  
**South Florida Water Management District**  
**Prescribed Burns**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Acres burned	18,704	16,211	66,825 *	15,283	15,609	9,523	27,479	12,010	13,794	23,262

\* During fiscal year 2007, over 55,000 acres were burned in Lake Okeechobee as a suppression tool to combat wildfires.

Source: Land Stewardship Section of South Florida Water Management District.



**Schedule 26**  
**South Florida Water Management District**  
**Stormwater Treatment**  
 Last Ten Water Years

	<b>Water Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Metric tons of phosphorus removed	500	300	200	100	400	300	300	260	210	312

Notes: The District is directed by the Everglades Forever Act to reduce phosphorus levels from storm runoff and other sources before it enters the Everglades Protection Area. These reductions, which began in 1994, are achieved through Stormwater Treatment Areas (STA) and Best Management Practices.

A water year is the period from May 1 through April 30.

Source: South Florida Water Management District Environment Report.



**Schedule 27**  
**South Florida Water Management District**  
**Capital Assets by Major Program**  
Current Fiscal Year

<b>Major Program</b>	<b>Land</b>	<b>Intangibles- Not Depreciated</b>	<b>Construction In Process</b>	<b>Canals &amp; Levees</b>	<b>Buildings</b>	<b>Intangibles- Depreciated</b>	<b>Equipment</b>	<b>Improvements</b>	<b>Water Control Structures</b>	<b>Total</b>
Land Stewardship	\$ 942,098,084	\$ 25,724,972	\$ 2,134,250	\$ 28,837,293	\$ 1,047,279	\$ -	\$ 918,997	\$ 3,741,250	\$ 821,354	\$ 1,005,323,479
Mission Support	1,523	-	1,126,039	-	25,521,369	7,302,407	8,074,061	1,116	-	42,026,515
Modeling & Scientific Support	-	-	-	-	11,679,888	155,205	825,423	-	-	12,660,516
Operations & Maintenance	15,418,175	1,014,803	48,068,610	373,925,178	37,782,606	212,789	17,147,442	3,583,312	323,563,674	820,716,589
Regulation	-	-	630,769	-	-	129,068	382,635	-	-	1,142,472
Restoration	1,607,442,148	43,650,774	392,845,086	299,347,637	8,471,902	817,027	13,107,369	7,665,010	489,081,150	2,862,428,103
Water Supply	-	-	2,614,795	-	-	844	180,141	-	-	2,795,780
<b>District Total</b>	<b>\$ 2,564,959,930</b>	<b>\$ 70,390,549</b>	<b>\$ 447,419,549</b>	<b>\$ 702,110,108</b>	<b>\$ 84,503,044</b>	<b>\$ 8,617,340</b>	<b>\$ 40,636,068</b>	<b>\$ 14,990,688</b>	<b>\$ 813,466,178</b>	<b>\$ 4,747,093,454</b>

Note: At the beginning of fiscal year 2012 the District's programs were restructured. All restructuring has been adjusted for in the schedule.

Source: Capital asset records of South Florida Water Management District.



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# **DISCLOSURE SECTION**

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



# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

## 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 annual information and 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**

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

- The first 8% 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 current and historical taxation rates and percentage distribution to the Trust Fund.

<b>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	\$0.15	-	-
1981	\$0.15	\$0.45	7.20%
1985	\$0.15	\$0.50	9.80%
1987	\$0.15	\$0.55	9.20%
1990	\$0.32	\$0.55	6.90%
1991	\$0.32	\$0.60	6.56%
1992	\$0.35	\$0.70	5.84%
2001	\$0.35	\$0.70	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 AMBAC 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:

- the maximum amount of principal and interest on all outstanding bonds due in any succeeding fiscal year, or
- 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

## ANNUAL DEBT SERVICE REQUIREMENTS

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

<b>ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)</b>				
<b>Fiscal Years</b>	<b>Total</b>	<b>Series 2002</b>	<b>Series 2003</b>	<b>Series 2006</b>
2015	\$ 42.06	\$ 2.53	\$ 4.35	\$ 35.18
2016	42.02	2.52 <sup>1</sup>	4.34 <sup>1</sup>	35.16
2017	35.14			35.14
2018	35.13			35.13
2019 - 2023	175.38			175.38
2024 - 2028	174.83			174.83
2029 - 2033	174.14			174.14
2034 - 2037	138.70			138.70 <sup>2</sup>
<b>Totals</b>	<b>\$ 817.40</b>	<b>\$ 5.05</b>	<b>\$ 8.69</b>	<b>\$ 803.66</b>

## 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).

<sup>1</sup> Scheduled payoff – October 1, 2015.

<sup>2</sup> Scheduled payoff – October 1, 2036.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

### 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.

NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION		LAND ACQUISITION BONDS		CERTIFICATES
RULE SEC.	DESCRIPTION	SERIES 2002	SERIES 2003	SERIES 2006
(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.	(a)	(a)	(a)
(C)(12)	Bankruptcy, insolvency, receivership, or similar events.	None	None	None
(C)(13)	Merger, consolidation, or acquisition involving the sale of all or substantially all assets, other than in the ordinary course of business.	None	None	None
(C)(14)	Appointment of a successor or additional trustee, or the change of name of a trustee.	None	None	(b)
(D)	Failure to provide annual financial information or operating data in a timely manner.	None	None	None
(*)	Default of the Florida Department of Environmental Protection on its obligations under the Agreement.	None	None	None

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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- (a) During fiscal year 2011, Moody's Investor Services (Moody's) and Standard and Poor's (S&P) withdrew their ratings of the District's bond insurer, AMBAC Assurance Corporation. This rating was previously withdrawn by Fitch Ratings. During fiscal year 2012, Moody's lowered its credit rating on the District's Certificates and Land Acquisition Bonds to Aa3 from Aa2 and to A3 from A1 and Fitch Ratings downgraded the rating on the District's COPS to AA- from AA. On January 14, 2014, Fitch Ratings affirmed both the AA- rating on the District's COPS and the A rating on the Land Acquisition Bonds. The rating on all District debt is based on the District's underlying "non-insured" rating for the current fiscal year as follows:
- Certificates of Participation, Series 2006, rated Aa3, AA and AA- by Moody's, Standard & Poor's and Fitch, respectively.
  - Land Acquisition Bonds, Series 2002 and 2003, rated A3, A+ and A by Moody's, Standard & Poor's and Fitch, respectively.
- (b) During fiscal year 2013, U.S. Bank National Association, the lead bank of U.S. Bancorp, became the District's Trustee for the Certificates of Participation, Series 2006 when it acquired the municipal bond trustee business of Deutsche Bank, who formerly served as the District's Trustee.





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