



COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Fiscal Year Ended
September 30, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

A Component Unit of the State of Florida

Fiscal Year Ended September 30, 2010

**Prepared by
Accounting and Financial Services Division
Christian Flierl, Director**

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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INTRODUCTORY SECTION



Common Cooter Turtle in the Corkscrew Regional Ecosystem Watershed (CREW). The Common Cooter can grow up to 12 inches in length and lives in springs and vegetated fresh water. The 7,000-acre Corkscrew Marsh Unit is the headwaters for the Corkscrew Regional Ecosystem Watershed. The entire watershed, more than 60,000 acres, spans both Lee and Collier Counties and provides natural flood protection, water purification, and critical aquifer recharge. The watershed also serves as important habitat for animal species.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

TO: Governing Board Members and Carol Ann Wehle, Executive Director

SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2010

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 (the “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, 2010.

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 unqualified opinion that the South Florida Water Management District’s basic financial statements for the fiscal year ended September 30, 2010 are fairly presented in accordance with GAAP. The independent auditors’ report is presented as the first component of the financial section (Section II) of this report.

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

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

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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 7.6 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 1,969 miles of maintained canals and levees along with more than 500 primary water control structures operated by the District. Nearly 2,000 smaller structures are in place system-wide to control inflows from secondary sources (local, municipal, or county drainage and/or water control districts) into the District's primary system. The District has approximately 60 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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 Plantation, Fort Myers, Naples, Stuart, Miami, Orlando, Okeechobee, and Key Largo.

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 recreations.

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.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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 increased during the recent fiscal year, with a 0.8 percent increase, compared to a 0.5 percent (as adjusted) decrease for the prior year. The District's population is expected to steadily increase from the 2010 rate at an average of 1.0 percent per year over the next five years, with the largest numerical increases occurring in Miami-Dade, Lee, and Palm Beach Counties and the highest percentage growth rates occurring in Osceola, St. Lucie and Lee Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida's economic conditions, similar to economic conditions nationwide, are projected to continue their decline into 2011 and possibly beyond. The October 2010 unemployment rate for Florida was 11.6 percent compared to 11.5 percent (as adjusted) from a year ago; and 9.7 percent for the entire United States compared to 10.1 percent (as adjusted) from a year ago. This increase in state unemployment coupled with other economic indicators, such as the slowing housing market and increased rate of foreclosures will translate into continued reductions to property values in 2011.

While the District-adopted ad valorem millage rates were not increased for fiscal year 2010, the fiscal year 2010 budget reflected a 12.4 percent reduction in ad valorem property taxes. This reflects a decrease of \$65.3 million, or 12.4 percent, from fiscal year 2009. This decrease is attributable primarily to the devaluation of property values within the District's 16 counties. 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 has taken steps to prepare for potential terrorism, economic downturns and catastrophic weather events by establishing an Economic Stabilization Reserve. As of September 30, 2010, the economic stabilization reserve was \$24.1 million.

MAJOR INITIATIVES

EVERGLADES RESTORATION

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

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

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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 52,000 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 3,500 metric tons of phosphorus from entering the Everglades.

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

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

The United States Congress approved CERP in 2000, under the Water Resources Development Act, authorizing ten initial full-scale projects along with six pilot projects. Implementation is currently estimated to cost \$12.5 billion, according to the 2007-2008 CERP Update to the Public, 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, which includes approximately \$315.0 million in construction.

During 2005, the District launched Acceler8, an expedited initiative to be financed by Certificates of Participation to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. Through fiscal year 2010, proceeds from the certificates totaling \$420.9 million have been utilized to reimburse construction costs related to the projects.

On October 12, 2010, the District completed the acquisition of land from United States Sugar Corporation for Everglades restoration. The acquisition will provide access to land for restoration and water quality improvement projects. Under the terms of the agreement, the District purchased approximately 27,200 acres of land for \$194.0 million in cash and received options to purchase up to 153,200 additional acres over the next ten years. The initial 27,200 acres of land comprises 18,300 acres located in Hendry County and 8,900 acres located in Palm Beach County.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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 2010 totaled \$32.7 million, including \$8.3 million in capital outlay.

KISSIMMEE BASIN RESTORATION

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

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

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

The state and federal governments will split the estimated \$620 million cost to restore the river. The United States Army Corps of Engineers is responsible for the construction and the design of the restoration. The District has completed all voluntary acquisitions of the approximate 105,000 acres of land needed for the Project. Currently, the District is in the process of complex settlement negotiations, condemnation and/or engineering solutions relating to a remaining estimated 1,900 acres.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

FINANCIAL POLICIES

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 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 Governing Board also approves budget transfers among departments and capital projects during the year. Encumbrance accounting is used to reserve budgeted appropriations for obligations incurred but not received.

RISK MANAGEMENT

During fiscal year 2010, the District established 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 District is also self-insured, within varying limits, for workers' compensation, general liability, and automobile liability insurance programs. All premium revenue and claims expenditures are reported in the District's Self-Insurance Fund and Health Benefits Fund, both internal service funds.

DEBT ADMINISTRATION

The largest portion of the District's debt is comprised of the unpaid balance of revenue bonds referred to as Certificates of Participation, (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 accelerated projects in furtherance of Everglades restoration. Land acquisition bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. At September 30, 2010, the District's COPS were rated AA3, AA+, and AA by Moody's, Standard & Poor's, and Fitch Ratings, respectively, and the District's Land Acquisition Bonds, Series 2002 and 2003, were rated A2, A+, and A by Moody's, Standard & Poor's, and Fitch Ratings, respectively. The total liability for the revenue bonds and the land acquisition bonds at September 30, 2010 is \$520.1 million and \$36.2 million, respectively. The District is obligated for payments on the COPS through fiscal year 2037, and on the bonds through fiscal year 2016.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

New 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 a Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2009. This was the twentieth 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 provided countless hours of research and analysis in the preparation of this report. Special thanks go to the employees of the Division of Accounting and Financial Services for their diligence in the production of this report.

Respectfully submitted,

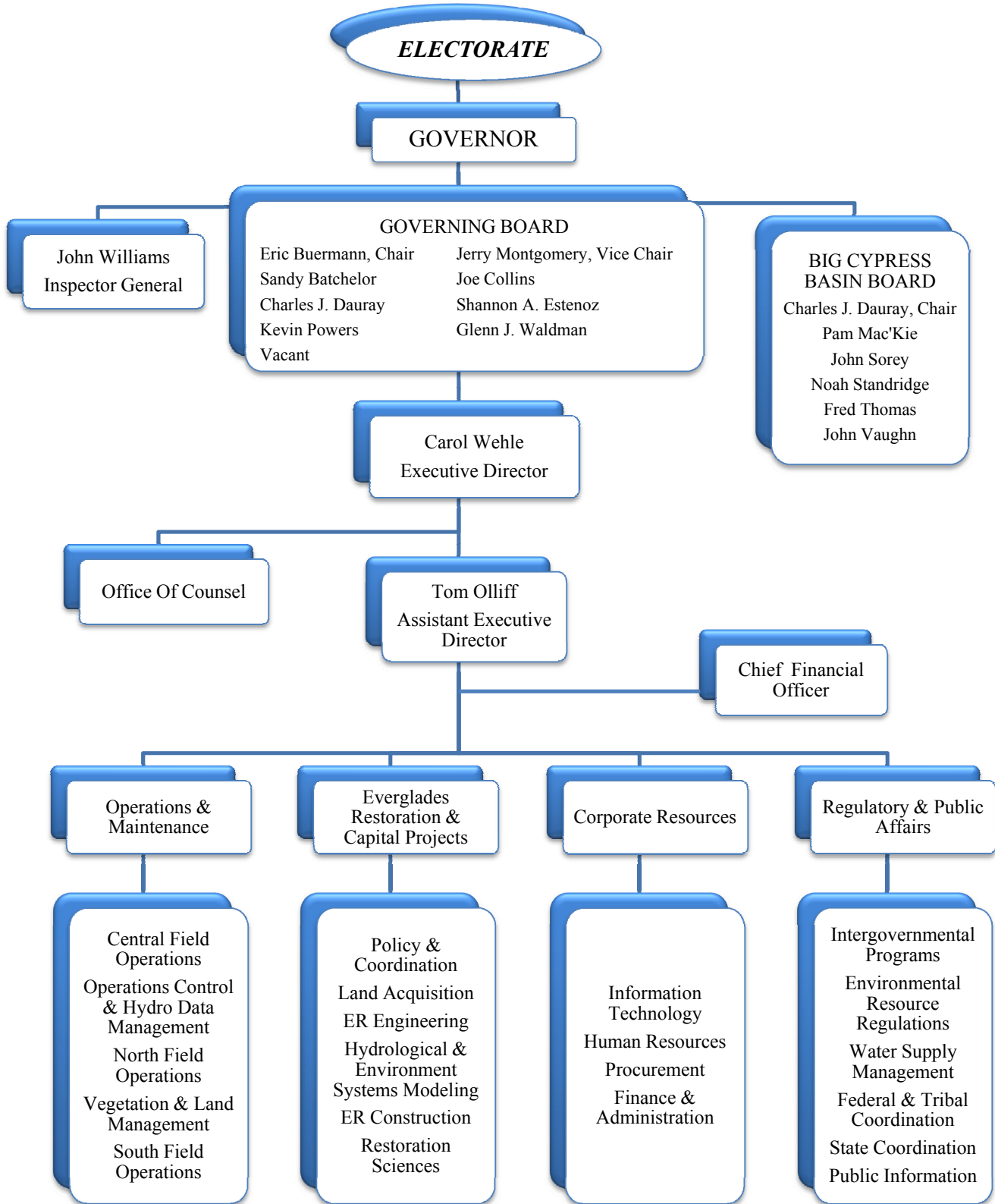


Paul E. Dumars, Sr.,
Chief Financial Officer
March 24, 2011



Christian Flierl, Director
Division of Accounting and Financial Services

ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICIALS



Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Florida Water Management District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

South Florida Water Management District Geographic Boundaries



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

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



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FINANCIAL SECTION



The Great Egret is one of 15 species of wading birds native to Florida, including herons, bitterns, roseate spoonbills and wood storks. The Great Egret lives in the marshes and sandbars of Florida and stands over three feet high with a wingspan of more than four feet. The District continues to monitor these and other wading birds since they are good "indicator species." Wading birds are able to track food densities and water levels across large areas of the Everglades, because they fly long distances and are quick to visit places where other birds are feeding. Wading birds exemplify the critical connection between Everglades animals and water.



Independent Auditors' Report

To the Governing Board of the
South Florida Water Management District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of September 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued, under separate cover, our report dated March 24, 2011 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 and should be considered in assessing the results of our audit.

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, Okeechobee basin SR fund, and state appropriations fund are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary comparison schedules, the statistical and disclosure section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory, statistical and disclosure sections, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

West Palm Beach, Florida
March 24, 2011

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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, 2010. 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 the close of fiscal year 2010 by approximately \$4.5 billion.
- Net assets increased approximately 4.0 percent during the year, from \$4.4 billion at September 30, 2009 to \$4.5 billion at September 30, 2010, an increase of \$176.2 million.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$76.7 million, or about 50.3 percent of total General Fund expenditures.
- The District's total capital assets increased by \$165.0 million during the current fiscal year. This increase resulted primarily from construction of various projects.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages III-1 to III-2 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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 30 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, State Appropriations Fund, Everglades Trust Fund, Comprehensive Everglades Restoration Plan Fund, Save Our Everglades Fund, and Acceler8 Everglades Construction Project Fund, all of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-10 of this report.

Individual fund data for each of the 23 non-major governmental funds is provided in the form of combining statements on pages V-4 to V-18 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 assets, a statement of revenues, expenses, and changes in fund net assets 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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 assets, the statement of revenues, expenses, and changes in fund net assets 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-11 to III-13 of this report.

Individual fund data for each of the two proprietary funds is provided in the form of combining statements on pages V-52 to V-54 of this report.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Okeechobee Basin Special Revenue Fund, and the State Appropriations Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these three funds are being reported as required supplementary information other than management's discussion and analysis and are presented immediately after the notes on pages IV-1 to IV-8. Budgetary comparison schedules for the other governmental funds are presented on pages V-20 to V-50 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-15 to III-44 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by over \$4.5 billion at the close of the most recent fiscal year, an increase of \$176.2 million from the prior fiscal year. By far, the largest portion of the District's net assets (85.6 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 assets (6.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (7.8 percent) of net assets 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 assets.

The balance of current and other assets at the end of fiscal year 2010 remained constant with the prior year balance, reflecting a net increase of \$141 thousand. A number of offsetting variances contributed to the net increase, the most significant of which are lower overall cash and investments held during the period, which decreased \$4.7 million, offset by a \$6.5 million increase in amounts due from other governments. The decrease in cash and investments is attributable to a 49.2% decrease in investment earnings while the increase in amounts due from other governments corresponds with the increase in intergovernmental

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

revenues, as more fully discussed on page II-8. Total liability obligations saw a decrease of \$11.1 million. This decrease is primarily a net effect of the pay-down of outstanding debt (\$16.6 million) which is offset by a net increase of \$5.3 million relating to other post employment benefits and self insurance, which are based on actuarial estimates. Together, the changes in current assets and total liabilities between fiscal years represents the significant portion of the change in restricted and unrestricted net assets, which shows a net increase of \$75.3 million.

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

District's Net Assets As of September 30		
	2010	2009
Current and Other Assets	\$ 966,549,507	\$ 966,408,130
Capital Assets, Net	4,279,634,869	4,114,683,017
Total Assets	5,246,184,376	5,081,091,147
Current and Other Liabilities	75,964,186	103,403,702
Long-term Liabilities Outstanding	626,615,928	610,266,308
Total Liabilities	702,580,114	713,670,010
Net Assets:		
Invested in Capital Assets,		
Net of Related Debt	3,889,860,428	3,788,956,243
Restricted	298,284,060	107,077,010
Unrestricted	355,459,774	471,387,884
Total Net Assets	\$ 4,543,604,262	\$ 4,367,421,137

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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

	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues		
Charges for Services	\$ 21,035,669	\$ 9,442,388
Operating Grants and Contributions	24,383,669	38,787,196
Capital Grants and Contributions	104,693,960	61,030,024
General Revenues		
Property Taxes	466,380,372	532,429,588
Investment Earnings	14,467,902	28,483,350
Miscellaneous	<u>8,391,237</u>	<u>26,747,397</u>
Total Revenues	<u>639,352,809</u>	<u>696,919,943</u>
Expenses		
Mission Support	\$ 114,123,630	\$ 105,245,086
Operations and Maintenance	122,360,621	133,417,655
Restoration	170,045,556	179,584,139
Water Supply	30,375,078	50,853,964
Interest on Long-Term Debt	<u>26,264,799</u>	<u>26,880,613</u>
Total Expenses	<u>463,169,684</u>	<u>495,981,457</u>
Increase in Net Assets	176,183,125	200,938,486
Net assets – Beginning of fiscal year	4,367,421,137	4,207,536,118
Restatement	<u>-</u>	<u>(41,053,467)</u>
Net assets – Beginning of fiscal year (As Restated)	<u>4,367,421,137</u>	<u>4,166,482,651</u>
Net assets – End of fiscal year	<u>\$ 4,543,604,262</u>	<u>\$ 4,367,421,137</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Property taxes continue as the District's primary source of revenue. For fiscal year 2010, revenue from property taxes totaled \$466.4 million of which \$11.7 million represents Agricultural Privilege Taxes. This reflects a decrease of \$66.0 million, or 12.4 percent, from fiscal year 2009. This decrease is attributable primarily to the devaluation of property values within the District's 16 counties, which can be seen in the corresponding 12.4 percent decrease of taxable property values within the District in fiscal year 2010 from the prior year.

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 2010 tax revenues derived from the Agricultural Privilege Tax remained constant with the prior fiscal year's level of \$11.7 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 \$21.0 million for fiscal year 2010, an increase of \$11.6 million. The most significant factors contributing to the net increase resulted from the establishment of an internal service fund that recognized \$7.6 million in health premiums received from employees and retirees under the Mission Support Program combined with a \$4.5 million increase related to permit fees.

Operating grants and contributions totaled \$24.4 million for fiscal year 2010, a decrease of approximately \$14.4 million from the prior fiscal year. In recent years the District has been receiving pass through funding from the Florida Department of Environmental Protection Trust Funds for water supply and regional water management purposes. During the current fiscal year the District received \$7.4 million less in funding from the Water Protection and Sustainability Program for alternative water supply projects than in the prior year. In addition, the District saw a reduction of \$4.5 million in funding from the Ecosystem Management and Restoration Trust Fund for local government surface water improvement and management projects and a \$3.0 million reduction from the Florida Fish and Wildlife Commission for managing invasive plant programs. Finally, in fiscal year 2009, the District received \$4.9 million from the Federal Emergency Management Agency and Natural Resources Conservation Service, which represented the last remaining amount received in federal funding for canal repairs resulting from Hurricane Wilma.

Capital grants and contributions totaled \$104.7 million for fiscal year 2010, an increase of approximately \$43.7 million from fiscal year 2009. This increase is primarily due to the District receiving \$39.5 million from the Department of Environmental Protection for the Comprehensive Everglades Restoration Project and the District recognizing approximately \$11.0 million in revenue representing reimbursable expenditures for the Comprehensive Everglades Restoration Plan and Northern Everglades projects that had yet to be billed at year end.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
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Investment earnings during fiscal year 2010 decreased by approximately \$14.0 million to \$14.5 million from the previous fiscal year 2009 level of \$28.5 million. The reduction is primarily attributed to two factors. First, cash on hand from the 2006 Series Certificates of Participation (COPS) proceeds was reduced due to the construction expenditures incurred during the fiscal year, leaving less money invested, and in turn resulting in a decrease of \$9.9 million in interest earned on such balances. Additionally, rates earned on investments dropped on average due to economic conditions. The District kept a slightly higher allocation of idle funds in cash accounts that have lower yields due to the uncertainty and volatility in the markets, translating to a drop of \$4.1 million in pooled investment earnings.

Miscellaneous Revenue totaled \$8.4 million for fiscal year 2010, and consists of indirect costs recovered (\$5.5 million); and other revenue (\$2.9 million). The net decrease of approximately \$18.4 million relating to other revenue from fiscal year 2009 is primarily attributed to premium rebates totaling \$8.4 million the District received during fiscal year 2009 related to builders risk insurance purchased towards major construction projects in prior fiscal years, \$2.5 million received in fiscal year 2009 relating to self-insurance premiums, which are now accounted for as charges for service, and a \$1.4 million decrease associated with the CERP indirect cost allocation.

Program Expenses related to the Mission Support, Operations and Maintenance and Restoration Programs totaled approximately \$406.5 million or 87.8 percent of the \$463.2 million in total expenses for fiscal year 2010. It should be noted that during fiscal year 2010, the District reorganized its program structure. Due to this change in program structure, all the District programs and their significant variances are discussed below. All figures presented relating to fiscal year 2009 expenses have been recalculated based on the new program structure for ease in comparison.

Mission Support Program expense increased \$8.9 million, or 8.4 percent, from \$105.2 million in fiscal year 2009 to \$114.1 million in fiscal year 2010. The most significant variance contributing to the net increase resulted from the District increasing its 2010 estimated liability associated with other post employment benefits and health insurance, resulting in additional expenses of approximately \$6.5 million and \$1.5 million, respectively.

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.

Program accomplishments for fiscal year 2010 included: Implemented and successfully tested the WebEOC program, which is a web-enabled crisis management system; launched Cost Avoidance, a portal based system to capture data on cost savings resulting from non-negotiated procurement transactions; received the Certification of Achievement for Excellence in Financial Reporting for the District's fiscal year 2009 Comprehensive Annual Financial Report and the Distinguished Budget Presentation with Special Recognition for Communications for the District's fiscal year 2010 budget document from the Government Finance Officers Association; created the STAR Project, a vegetation management database for Stormwater Treatment Area Operations; and continued the implementation of a new budget module for the Enterprise Resource Planning (ERP) system to assist with the District's budget development, strategic planning, and annual work plan preparation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
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Operations and Maintenance (O&M) Program expense incurred during fiscal year 2010 was \$122.4 million, a decrease of \$11.1 million, or 8.3 percent from the \$133.4 million expensed in fiscal year 2009. A number of offsetting variances within the Program contributed to the net decrease in expenses, the most significant of which included a reduction of \$2.3 million in interagency expenses and a reduction of \$1.7 million relating to compensated absences.

This program is primarily responsible for the operation and maintenance of over 500 water control structures and over 60 pump stations, installation and maintenance of more than 2,000 automated remote terminal units and 29 weather stations, and maintenance of 1,969 miles of canals and levees, of which 1,800 are in the C&SF Project and 169 in the Big Cypress Basin. During fiscal year 2010, the Land Stewardship Program, which was accounted for separately in fiscal year 2009, was incorporated into the Operations and Maintenance Program adding the responsibilities of land stewardship, vegetation and exotic species management and right of way protection. The strategic priority goal of the Operations and Maintenance Program is to minimize damage from flooding, provide adequate regional water supply, and protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system.

Program accomplishments during the fiscal year included the completion of several capital construction projects, including the S-129 and S-131 Pump Station Repowering, S-63rd Street bridge demolition, S-127 and S-133 Pump Bearing Replacement, G-92 Structure Replacement, S-6 Gearbox Replacement, G-136 Gate and Culvert Replacement, S-39 Concrete Repair, Clewiston Field Station Generator Replacement, S-49 Gate Operator Replacement, L-19 Bridges (1,2,3) and S-60 Gate Operator Replacement. Ongoing exotic plant control, mowing, and vehicle inspection and maintenance programs remained on schedule and within budget. Preventive maintenance was performed at pump stations and structures, and inspection of storage tanks and other facilities were completed per schedule.

Restoration Program expense decreased by \$9.5 million or 5.3 percent from the prior year to \$170.0 million. One of the factors contributing to this decrease was the planned acquisition of large tracts of land in the Everglades Agricultural Area for Everglades restoration. During fiscal year 2009 the District performed the majority of due diligence matters relating to the acquisition of land from the United States Sugar Corporation, which was finalized in October 2010. Fiscal year 2010 expenses relating to this purchase were \$5.5 million less than in the prior fiscal year. Other projects with large expenditure variances between fiscal years include the Lake Trafford dredging project, which increased \$4.3 million and the Acme Basin project, which increased \$4.6 million. The remaining variance is a culmination of offsetting increases and decreases among the multiple projects which are included in the Restoration Program.

The Restoration Program consolidated several regional and functional programs in order to centralize the coordination of restoration projects District-wide. After the fiscal year 2010 program restructuring, the following programs were integrated into the Restoration Program: Coastal Watersheds, Comprehensive Everglades Restoration Plan, District Everglades, Kissimmee Watershed, Lake Okeechobee, and Modeling and Scientific Support. This new program oversees all capital projects for the agency, from project development through implementation; provides computer modeling, water quality monitoring, and assessment for all aspects of water management; and fulfills 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Program accomplishments during the fiscal year include successfully negotiating the CERP Master Agreement between the U.S. Army Corps of Engineers (USACE) and the District; initiating several construction projects associated with the Kissimmee River Restoration including Canal C-37 dredging, River Acres Flood Protection, and CSX Railroad Bridge modifications; continuing the Lakeside Ranch Stormwater Treatment Area construction, which is approximately 40 percent complete; completing 18 restoration, water quality, and stormwater improvement projects which benefit the Florida Keys; completing six restoration, water quality, and stormwater improvement projects on the Lower West Coast; completing nine projects in Martin and St. Lucie Counties for habitat restoration, water quality, and hydrologic improvements; and completing production of the 2010 South Florida Environmental Report (SFER).

Water Supply Program expense decreased by \$20.5 million or 40.3 percent from the prior year to \$30.4 million. The majority of the reduction is associated with a \$15.6 million reduction in funds received through the State in support of Alternative Water Supply projects. This decreased funding translates to a comparable decrease in the District's required match relating to these funds.

Beginning in fiscal year 2010 the Regulation Program was consolidated into the Water Supply Program. As a result, this program is now responsible for the District's evaluation of long-term water supply needs, planning and development associated with various water resource projects, as well as use of the District's regulatory authority through the issuance of various types of permits to help manage and protect South Florida's water resources. The strategic priority goal of the Water Supply Program is to ensure an adequate supply of water to protect natural systems and to meet all existing and projected reasonable-beneficial uses while sustaining water resources for future generations.

Program accomplishments in fiscal year 2010 include initiating implementation of the Water Conservation Hotel and Motel Program (Water CHAMP) through a pilot roll-out in the Florida Keys, whereby 17 hotels and motels with a combined 669 rooms enrolled in the program; completing Digital Elevation Models (DEMs) for Monroe, Miami-Dade, and Broward counties for updated topography for Climate Change Initiative and Water Supply Plans; and funding 13 projects in the Water Savings Incentive (WaterSIP) program which have a potential estimated water savings of 238 million gallons per year.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
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FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

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

At fiscal year end, the fund balance of the General Fund was \$87.8 million, of which \$76.7 million was unreserved and \$11.1 million was reserved for encumbrances and inventory. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 50.3 percent of the General Fund expenditures totaling \$152.5 million, while total fund balance represents 57.6 percent of that same amount. Revenues exceeded expenditures by \$49.2 million and the General Fund had net operational transfers to other funds amounting to \$50.4 million, resulting in a net decrease in fund balance of \$1.0 million.

Total revenues in the General Fund decreased approximately \$34.5 million from the prior year. The majority of this decrease is comprised of a reduction in property tax revenue of \$27.5 million which is attributable to a decrease in property values, a \$1.9 million decrease in investment earnings resulting from lower yields on securities held for investment purposes, and a \$1.4 million decrease relative to indirect cost recovery related to a change in the District's overhead rate from 104.5 percent to 92.4 percent.

Total expenditures decreased approximately \$13.5 million in fiscal year 2010 to \$152.5 million primarily due to the Water Supply program, which decreased approximately \$11.3 million, or 27.7%. The decrease in the Water Supply program is the result of a reduction in State funding related to the Alternative Water Supply program and the related decrease in the required District match of those revenues.

Operating transfers netted to \$50.1 million in other financing uses for fiscal year 2010. Transfers-out in the amount of \$39.2 million went to the CERP Fund, representing the General Fund's 2010 annual contribution to CERP to fund planned operations and capital projects with an additional transfer-out of \$11.2 million to the Self Insurance Fund in order to establish the fund.

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Okeechobee Basin Special Revenue Fund

The Okeechobee Basin Special Revenue Fund accounts for the normal operating expenditures covering all or part of a 15-county area designated as the Okeechobee Basin. 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, 2010 was \$87.7 million, an increase of \$3.0 million from fiscal year 2009. Although the Fund experienced a decrease in revenues in excess of expenditures compared to fiscal 2009, this decrease was offset by a \$21.8 million reduction in transfers-out. Total revenues in the Okeechobee Basin Special Revenue Fund decreased \$36.8 million from the previous fiscal year. This decrease is due primarily to less property taxes and intergovernmental revenues of \$27.7 million and \$7.5 million, respectively.

Total expenditures decreased by \$7.2 million, or 6.8 percent, in fiscal year 2010 to \$98.2 million. The net decrease is due to decreases in the Restoration and Mission Support programs of \$7.0 million and \$3.1 million, respectively. The decrease in the Mission Support program is due to fewer costs spent in fiscal year 2010 relating to the Enterprise Resource Planning (ERP) System and development and implementation of the Public Budget Formulation Module of the ERP. The decrease in Restoration program expenditures relates to the District's match for the Hybrid Wetland Treatment Technology Implementation/Evaluation.

For fiscal year 2010, operating transfers netted to \$91.0 million, with transfers-out totaling \$91.1 million and transfers-in totaling \$0.1 million. Transfers-out in the amount of \$34.0 million were to the CERP Fund, representing the Okeechobee Basin Special Revenue Fund's 2010 annual contribution for CERP in order to fund planned operations and capital projects. Of the remaining transfers-out, \$56.0 million went to the Okeechobee Basin Capital Fund to support scheduled capital improvement projects and various purchases of goods and services and \$1.1 million went to the Save Our Everglades Trust Fund to realign program revenues relating to the Northern Everglades projects.

State Appropriations Fund

The State Appropriations Fund accounts for expenditures incurred for various projects utilizing revenue from state sources. The Water Protection and Sustainability Trust Fund, Ecosystem Management and Restoration Trust Fund, and other state appropriations are the primary sources of revenue for this fund. In recent years, the State has advanced funds to the District for major long-term projects such as flood mitigation and restoration of various water bodies. Other grant revenues are recognized on a cost reimbursement basis.

During fiscal year 2010, the fund balance of the State Appropriations Fund decreased by \$14.0 million to \$10.8 million by the end of the fiscal year. The State Appropriations Fund spent \$14.3 million in 2010, and recognized advances and reimbursements in the amount of \$0.3 million from the State of Florida. Total revenues decreased by \$12.5 million from the prior year. Balances and activity in this fund vary from year to year based on the amount and timing of revenues received from the State and the status of on-going projects. Total expenditures in the State Appropriations Fund decreased \$4.0 million in fiscal year 2010 primarily as a result of decreased state advances and reduced funding available in the trust funds for alternative water supply projects and other relevant flood mitigation and restoration projects. There were no operating transfers in the State Appropriations Fund during fiscal year 2010.

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Everglades Trust Fund

The Everglades Trust Fund was established to account for 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 through a .0894 mill tax levy, non-ad valorem tax assessments to property owners in the EAA, state and federal contributions, and interest earnings.

During fiscal year 2010, the fund balance of the Everglades Trust Fund increased \$4.0 million to \$98.5 million at fiscal year end. Several factors contributed to this increase including excess of revenues over expenditures of \$20.7 million.

Total revenues in the Everglades Trust Fund decreased by \$12.5 million to \$74.4 million. This decrease was primarily due to a decrease in ad valorem tax revenues for fiscal year 2010.

Total expenditures decreased by approximately \$8.2 million in fiscal year 2010 to \$53.7 million. This decrease was attributable to a decrease in capital outlay expenditures of \$8.6 million during the year relative to the completion of the design of several construction projects during fiscal year 2009, including STA Compartment B and C build-outs the design costs of which were funded from Everglades Trust Fund revenues and the construction of which will utilize proceeds from the Series 2006 Certificates of Participation (COPS).

For fiscal year 2010, operating transfers-out totaled \$16.7 million which represented annual funding to cover on-going operations and maintenance costs of the STAs.

Comprehensive Everglades Restoration Plan (CERP) Fund

The CERP Fund accounts for expenditures associated with the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. Primarily, this fund receives its resources from property taxes via operating transfers from the General Fund and the Okeechobee Basin Special Revenue Fund.

During fiscal year 2010, the fund balance of the CERP Fund increased by \$24.9 million to \$208.7 million at fiscal year end.

Total revenues of the fund were \$4.2 million, the majority of which is from investment earnings which increased due to the fund carrying higher cash balances than in the prior year. Total expenditures decreased \$18.0 million during fiscal year 2010 in comparison to fiscal year 2009, from \$70.5 million to \$52.5 million. The majority of the reduction related to capital outlay, which decreased by \$19.6 million, due primarily to various CERP projects with capitalizable costs such as land acquisition, design and construction being completed. During fiscal year 2010, debt service payments related to the COPS totaled \$15.8 million, which was consistent with the prior fiscal year.

Operating transfers-in totaled \$73.2 million in other financing sources for fiscal year 2010, comprised of funding received from the General Fund (\$39.2 million) and Okeechobee Basin Fund (\$34.0 million).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Save Our Everglades Trust Fund (SOETF)

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

At September 30, 2010 the fund balance for the SOETF was \$22.0 million, an increase of \$22.0 million from the balance a year earlier. The increase in fund balance is due to several factors, the most significant being \$39.5 million in reimbursements received within the fund for costs incurred in other governmental funds in prior years. This additional fund balance will be transferred out via operating transfers to the appropriate funds in fiscal year 2011. In addition, approximately \$8.7 million in revenue that was billed but not collected within 60 days of fiscal year end and approximately \$11.0 million in revenue which related to reimbursable expenditures that had yet to be billed at year end were deferred.

Total revenues in the Save Our Everglades Trust Fund increased approximately \$39.1 million from the prior fiscal year. As already stated, this is due to the \$39.5 million in reimbursement that was recognized as revenue pertaining to expenditures that were originally funded with revenues accounted for in other governmental funds in prior years, which has been deemed eligible for reimbursement with Save Our Everglades Trust funding.

Overall expenditures increased by \$16.8 million in fiscal year 2010 from the prior year amount of \$41.1 million. This increase is due to significant project delays which were encountered in fiscal year 2009, which is related to the comparative increase in the Fund's revenue.

Acceler8 Everglades Construction Project Fund

The Acceler8 Everglades Construction Project Fund accounts for the revenues from Certificates of Participation issued to support expenditures associated with the accelerated construction of projects in the Everglades/Long-Term Plan Implementation.

During fiscal year 2010, the fund balance decreased by \$96.9 million to \$133.4 million at fiscal year end. This decrease is the result of expenditures relating to the construction of Compartments B and C buildouts, which are part of the Long-Term Plan.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues and expenditures in the final General Fund budget were \$201.9 million and \$186.9 million, respectively. Budgeted revenues were equal to the original adopted budget for fiscal year 2010, while budgeted expenditures increased slightly (approximately \$7,000) from the original budget. For the fiscal year, the variance between budgeted and actual revenues was \$0.2 million, or 0.1 percent of budget.

At the end of fiscal year 2010, the General Fund's budget for Corporate Resources reflected \$6.2 million remaining as available balance. The majority of this available balance resides in the Mission Support Program. The Mission Support Program reflects \$6.0 million in unspent budget authority due largely to outstanding encumbrances (\$4.6 million) and actual tax collector's/county appraisal's fees (\$1.6 million) which were less than budgeted amounts.

At the end of the fiscal year, the General Fund's budget for Regulatory and Public Affairs reflected \$7.7 million remaining as available balance. This is a result of \$4.5 million left unspent in the Restoration Program due primarily to outstanding encumbrances (\$4.5 million) of which \$4.2 million were for intergovernmental agreements relating to the Northern Everglades and Estuaries Protection Plan - St. Lucie River Watershed Protection Plan 5/5/5 Initiative.

At fiscal year end, the General Fund budget for Everglades Restoration and Capital Projects reflected \$2.5 million remaining as available balance. Of this balance, \$1.3 million resides in the Mission Support Program, which relates primarily to outstanding encumbrances (\$1.1 million) associated to the District's Emergency Operations Construction Project.

The final amended General Fund budget also included \$17.6 million in reserves comprised of managerial reserves of \$14.4 million and \$3.2 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of September 30, 2010, the District's investment in capital assets, net of accumulated depreciation, was \$4.28 billion, up \$165 million from \$4.11 billion at the end of fiscal year 2009. This investment in capital assets includes land, easements, canals and levees, buildings, intangibles, equipment, improvements, water control structures, and construction in progress.

Capital Assets (net of depreciation)		
	<u>2010</u>	<u>2009</u>
Land	\$ 2,361,438,100	\$ 2,369,106,064
Easements	39,442,335	14,505,601
Canals and Levees	557,073,642	554,743,051
Buildings	69,936,499	48,895,275
Intangibles	23,017,836	20,902,131
Equipment	50,237,332	49,943,324
Improvements	16,536,396	13,539,225
Water Control Structures	482,374,386	473,516,925
Construction in Progress	<u>679,578,343</u>	<u>569,531,421</u>
Total	<u>\$ 4,279,634,869</u>	<u>\$ 4,114,683,017</u>

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

Land Highlights

The District's investment in land decreased approximately \$7.7 million during fiscal year 2010. This change is primarily due to the net effect of the following:

- \$24.6 million of land acquired for the Biscayne Bay Coastal Wetlands.
- \$1.1 million of land acquired for the Southern CREW/Imperial River Floway.
- \$24.0 million of reclassifications of capital assets from the category of land to easements.
- \$9.4 million of land retirements related to the write-off of capitalized costs due to the downsizing of the United States Sugar Corporation land acquisition.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Building Highlights

The District's investment in buildings increased \$23.5 million during fiscal year 2010. This change is primarily due to the acquisition and/or completion of the following projects:

- \$11.7 million for the Kissimmee/St. Cloud field station.
- \$6.1 million for microwave and telemetry towers.
- \$2.7 million for the Big Cypress Basin administration and maintenance facility.

Construction in Progress Highlights

The District's investment in construction in progress increased \$110.0 million during fiscal year 2010. This change is primarily due to the net effect of the following:

- \$163.2 million expended on continuing projects as follows:
 - \$53.3 million expended on construction for STA - Compartment B Buildout.
 - \$45.6 million expended on construction for STA - Compartment C Buildout.
 - \$17.4 million expended on the enhancement of the C-111 Spreader Canal.
 - \$10.1 million expended on construction for Lakeside Ranch STA.
 - \$5.3 million expended on S-65, S-65A, S-61 and S-65D lock refurbishing.
 - \$31.5 million expended on 75 other continuing projects.
- \$43.5 million related to completed projects which were transferred out of construction in progress, the most significant of which are:
 - \$18.9 million related to buildings and telemetry, the most significant are noted above.
 - \$17.5 million related to water control structures, the most significant of which are:
 - \$5.9 million for trash rakes.
 - \$4.8 million related to S-135 Upgrades.
 - \$3.9 million for S-129 and S-131 repowering.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

LONG-TERM DEBT ADMINISTRATION

At the end of fiscal year 2010, the District had \$560.3 million in total outstanding long-term debt, representing a decrease of \$16.6 million from the prior year. The majority of the balance is comprised of bonds, bank loans, and Certificates of Participation.

Long-term Debt Outstanding

	2010	2009
Special Obligation Land Acquisition Bonds	\$ 36,160,000	\$ 41,350,000
Bank Loans	4,118,196	5,950,678
Certificates of Participation	520,060,000	529,430,000
Capital Leases	-	200,330
Total	\$ 560,338,196	\$ 576,931,008

The Special Obligation Land Acquisition Refunding Bonds Series 2002 (\$13.6 million) and Series 2003 (\$22.6 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.

At the end of fiscal year 2010, the outstanding balance on commercial bank debt was approximately \$4.1 million. This amount represents two lines of credit and a bank loan. The lines of credit were obtained to fund the conversion of a telemetry system from analog to digital and the bank loan to fund the implementation of the District's Enterprise Resource Planning (ERP) system.

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 2010 was \$520.1 million.

In fiscal year 2009, Moody's Investor Services ("Moody's"), Standard and Poor's (S&P), and Fitch Ratings downgraded the District's bond insurer, AMBAC Assurance Corporation. At fiscal year end, AMBAC Assurance Corporation was rated Caa2 and CC by Moody's and S&P, respectively. Previously, all debt issued by the District carried an AAA "insured" crediting rating. This downgrade of the District's insurer has caused the rating on all District debt to be based on the District's underlying "non-insured" credit rating. At September 30, 2010, 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 A2, 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 this superior bond rating for its obligations in order to realize more favorable borrowing costs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Debt Management Policy

During 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.

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-35 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Outlook

The District developed a series of revenue assumptions used during the preparation of its 2011 fiscal year budget. These revenue assumptions were based on current and projected economic indicators and historical trends. The Florida Department of Revenue and the State Ad Valorem Estimating Conference provided county projection data and trends in ad valorem tax-roll growth rates over a five-year period along with tax reform legislation which was analyzed by the District's Budget Office. Revenue-collection history and information supplied by various departments within the District were used to determine all remaining ad valorem and ad valorem related sources. The District's dedicated revenue assumptions were formulated using information from state trust fund balances and from agreements with federal, state and local governments.

As in prior fiscal years, ad valorem property taxes continue to be the District's largest single, ongoing source of revenue. Approximately 37.2 percent of the District's fiscal year 2011 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District decreased by 12.4 percent from \$894.7 billion in 2009 to \$783.8 billion in 2010. Ad valorem taxes projected for fiscal year 2011 are \$399.0 million, an estimated \$60.9 million less than the prior year due to the slowing real estate market coupled with the devaluation of property values and the high rate of foreclosures. As a result, fiscal year 2011 reflects budget reductions in the following areas: agency management and administration, water quality projects for estuaries, Everglades restoration projects, Everglades Stormwater Treatment Areas, the long-term plan, and program operating costs such as travel, training, fleet, building services, conferences, professional memberships, equipment and performance-based salary increases.

The remaining revenue budget includes anticipated funding from state and federal sources, as well as from fees and investment earnings. State revenues have also been declining, which is the District's second major source of revenue. The State of Florida has been impacted by the current economic factors resulting in overall lower revenue estimates and actual collections. As a result, the amounts that the State of Florida appropriated for District projects are less than in prior fiscal years. The fiscal year 2011 appropriation from the Save Our Everglades Trust Fund remains at \$47.0 million, the same as in fiscal year 2010. Of this amount, \$38.0 million is contingent upon the state's receipt of Medicaid funds from the Federal Government in order to release other state funds for Everglades restoration. There are no new state appropriations for alternative water supply or water quality projects from the Water Protection and Sustainability Trust Fund and no fiscal year 2011 state appropriations for water projects (Community Budget Issue Requests). Reductions in state funds are reflected primarily in Everglades Land acquisition, surface water improvement and other water resources projects.

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 District's budget for the 2011 fiscal year.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Property Values

Property values have a very large and direct impact on ad valorem taxes. An increase in property value will often be an indicator of a healthy economy. Counties experiencing population and economic growth are likely to enjoy a per unit long-term increase in property value due to increased demand for homes. Changes in property value are important to the District because ad valorem taxes are the primary revenue source for the agency.

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.

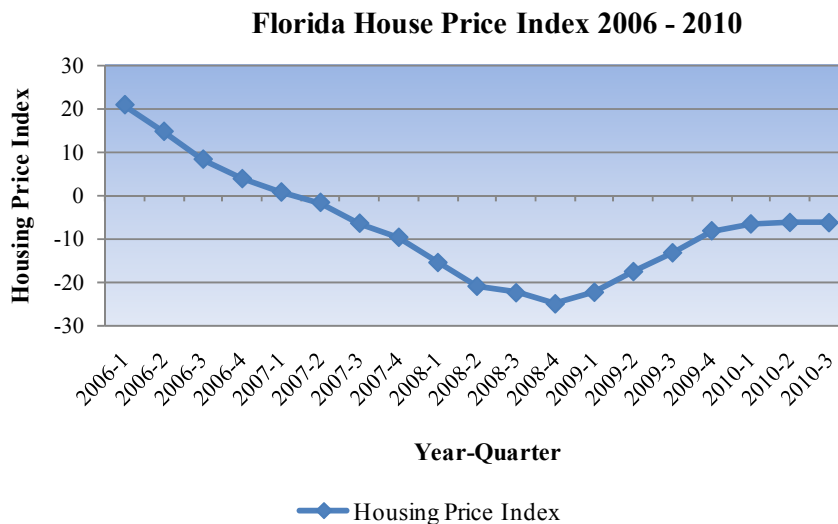
Foreclosures

According to RealtyTrac, the leading online marketplace for foreclosure properties, Florida ranks third in the nation, behind Nevada and Arizona, for the highest foreclosure filings, with 5.51 percent of its housing units or 485,283 properties receiving at least one foreclosure filing during 2010. This accounts for approximately 16.9 percent of the nation's foreclosures, which total 2,871,891 or 2.23 percent of housing units. The statewide foreclosure rate dropped 6.1 percent from 2009 and Florida foreclosure activity in December hit the lowest monthly level since July 2007. Three metro areas within the District, Cape Coral-Fort Meyers, Miami-Fort Lauderdale-Pompano Beach, and Orlando-Kissimmee were on the top ten listing of metro area foreclosures. These three metro areas showed decreases in foreclosure activity from 2009 by 28.3%, 0.7%, and 14.5% respectively.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Home Prices

The Federal Housing Finance Agency's House Price Index indicates that home prices have fallen 6.45 percent in Florida since September 2009. This is an improvement from the decrease of 13.3 percent in home price for the same period one year ago. The House Price Index is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties. Below is a graph which shows the trend in the Florida house price index from 2006 to present.



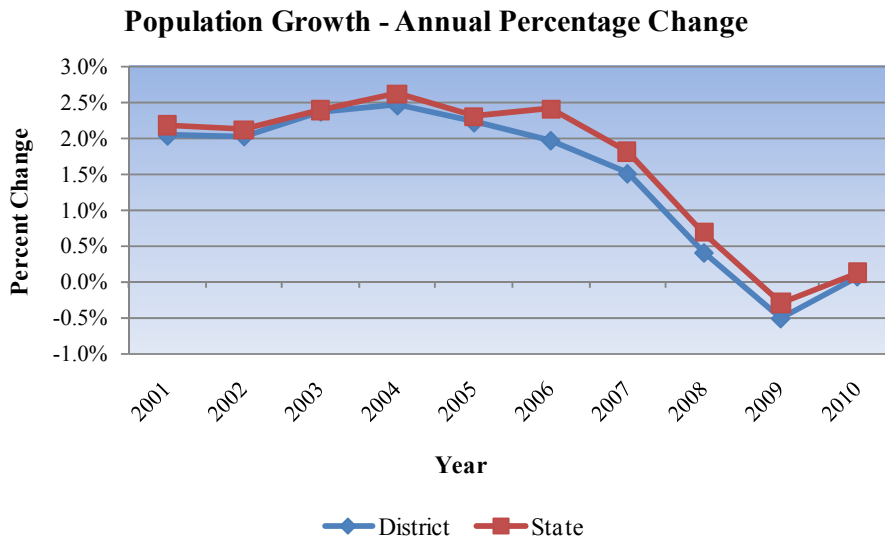
Source: Federal Housing Finance Agency

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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

In 2010, the District's population increased slightly by 0.08 percent, compared to the prior year's decline of 0.51 percent. Over the past ten years (2001 to 2010) the population growth across the District averaged 1.39 percent. The rate of population growth within the District's boundary is consistent with the state-wide trend as shown below:



Source: Florida Demographic Estimating Conference, August 2010

General Fund – Unreserved Fund Balance

At the end of fiscal year 2010, the total unreserved fund balance in the General Fund is \$76.7 million. This represents a decrease of \$4.4 million or approximately 5.5 percent from fiscal year 2009. The District has appropriated \$16.6 million of the \$76.7 million for spending in the fiscal year 2011 budget.

The District also designates a portion of its unreserved fund balance for Economic Stabilization. Presently, the District has placed in its General Fund's Designated for Economic Stabilization, a total of \$11.8 million to safeguard against short-term downturns in statewide economic activity. This amount is calculated as a minimum of 5.0 percent of total general fund revenues.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

NEXT YEAR'S BUDGETS AND RATES

The District's fiscal year 2011 adopted millage rates remain the same as fiscal year 2010 rates. In fiscal year 2011, all property owners within the District's boundaries will be assessed the same District-at-Large millage rate of .2549 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .2797 mills and the Everglades Construction Project tax rate of .0894 mills, which are each the same as fiscal year 2010, for a combined tax assessment of .6240 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .2265 mills, which is unchanged from fiscal year 2010 and the District-at-Large tax rate of .2549 mills, for a combined tax assessment of .4814 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).

The District's approved budget for fiscal year 2011 totals \$1.073 billion, a decrease of approximately \$462.8 million from the fiscal year 2010 amended budget of \$1.535 billion. This decrease is primarily attributable to lower funding levels for land acquisition and capital projects.

On October 12, 2010, the District completed the acquisition of land from United States Sugar Corporation for Everglades restoration. The acquisition will provide access to land for restoration and water quality improvement projects. Under the terms of the acquisition, the District purchased approximately 27,200 acres of land for \$194 million in cash and received options to purchase up to 153,200 additional acres over the next ten years. The initial 27,200 acres of land comprises 18,300 acres located in Hendry County and 8,900 acres located in Palm Beach County. United States Sugar Corporation began leasing the 27,200 acres from the District until such time that the District needs the land for restoration projects or land exchange. In addition, United States Sugar Corporation is responsible for controlling the land for exotic and invasive plants and must implement Best Management Practices. This lease is expected to provide approximately \$1 million in annual revenue for the District.

Requests for Information

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



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FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

South Florida Water Management District
Statement of Net Assets
September 30, 2010

	Total Governmental Activities
ASSETS	
Cash and Investments	\$636,989,439
Accounts Receivable	1,570,223
Due from Other Governments	29,666,163
Inventory	3,970,146
Prepays	581,648
Other Assets	5,303,744
Restricted Assets:	
Temporarily Restricted - Cash and Investments	275,760,508
Permanently Restricted - Cash and Investments	12,707,636
Capital Assets	
Land and Easements	2,400,880,435
Construction In Progress	679,578,343
Canals and Levees	557,073,642
Other Capital Assets, Net of Depreciation	642,102,449
Total Assets	5,246,184,376
LIABILITIES	
Accounts Payable	72,375,010
Due to Other Governments	3,214,175
Unearned Revenue	375,001
Noncurrent Liabilities:	
Due Within One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	5,543,940
Bank Loans Payable	1,832,482
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	11,346,054
Compensated Absences	9,158,250
Self Insurance Claims Payable	2,375,103
Due in More Than One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	31,098,466
Bank Loans Payable	2,285,714
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	528,053,492
Compensated Absences	15,490,750
OPEB Obligation	14,409,130
Self Insurance Claims Payable	5,022,547
Total Liabilities	702,580,114
NET ASSETS	
Invested In Capital Assets, Net of Related Debt	3,889,860,428
Restricted for:	
Debt Service	28,802,266
Wetlands Mitigation	
Expendable	23,272,435
Nonexpendable	12,707,636
Environmental Programs	233,501,723
Unrestricted	355,459,774
Total Net Assets	\$4,543,604,262

See Accompanying Notes to the Financial Statements

South Florida Water Management District
Statement of Activities
For the Year Ended September 30, 2010

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Change in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
Mission Support	\$114,123,630	\$10,379,191	\$ -	\$3,193,658	(\$100,550,781)
Operations and Maintenance	122,360,621	4,857,675	4,291,272	14,276,400	(98,935,274)
Restoration	170,045,556	-	20,087,646	80,199,258	(69,758,652)
Water Supply	30,375,078	5,798,803	4,751	-	(24,571,524)
Interest on Long Term Debt	26,264,799	-	-	7,024,644	(19,240,155)
 Total	 <u>\$463,169,684</u>	 <u>\$21,035,669</u>	 <u>\$24,383,669</u>	 <u>\$104,693,960</u>	 <u>(313,056,386)</u>
 General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					394,194,577
Property Taxes, Levied for Everglades Construction					72,185,795
Investment Earnings					14,467,902
Miscellaneous					<u>8,391,237</u>
Total General Revenues					<u>489,239,511</u>
Change in Net Assets					176,183,125
Net Assets at Beginning of Year					<u>4,367,421,137</u>
Net Assets at End of Year					<u>\$4,543,604,262</u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District
 Balance Sheet
 Governmental Funds
 September 30, 2010

	General	Okeechobee Basin SR	State Appropriations
ASSETS			
Cash and Investments	\$94,231,878	\$81,237,756	\$13,289,861
Cash Held by Trustee	-	-	-
Accounts Receivable	350,313	273,195	-
Due from Other Governments	3,524,471	3,933,721	31,852
Due from Other Funds	1,226,167	1,890,965	-
Inventory	112,559	3,696,157	-
Other Assets	40,950	-	-
	<u>\$99,486,338</u>	<u>\$91,031,794</u>	<u>\$13,321,713</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$11,295,804	\$3,006,199	\$718,778
Due to Other Governments	117,338	26,579	1,770,258
Due to Other Funds	277,212	207,909	-
Deferred Revenue	15,428	53,868	31,852
	<u>11,705,782</u>	<u>3,294,555</u>	<u>2,520,888</u>
FUND BALANCES			
Reserved for:			
Encumbrances	11,008,109	2,225,250	13,293,075
Inventory	112,559	3,696,157	-
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	16,561,194	-	-
Designated for Economic Stabilization	11,807,000	-	-
Undesignated	48,291,694	-	-
Special Revenue Fund			
Designated for Subsequent Years Expenditures	-	28,616,230	-
Designated for Economic Stabilization	-	11,445,000	-
Undesignated	-	41,754,602	(2,492,250)
Capital Projects Fund			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	-	-	-
	<u>87,780,556</u>	<u>87,737,239</u>	<u>10,800,825</u>
Total Fund Balances	<u>87,780,556</u>	<u>87,737,239</u>	<u>10,800,825</u>
Total Liabilities and Fund Balances	<u>\$99,486,338</u>	<u>\$91,031,794</u>	<u>\$13,321,713</u>

South Florida Water Management District
Balance Sheet
Governmental Funds
September 30, 2010

	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)	Save Our Everglades
ASSETS			
Cash and Investments	\$93,154,581	\$211,579,391	\$26,679,553
Cash Held by Trustee	-	-	-
Accounts Receivable	253,980	310,722	150,539
Due from Other Governments	1,305,949	-	19,084,726
Due from Other Funds	7,230,227	-	-
Inventory	-	-	-
Other Assets	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$101,944,737</u></u>	<u><u>\$211,890,113</u></u>	<u><u>\$45,914,818</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$3,386,679	\$3,124,924	\$4,840,301
Due to Other Governments	-	-	-
Due to Other Funds	23,101	28,876	-
Deferred Revenue	-	-	19,084,726
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>3,409,780</u></u>	<u><u>3,153,800</u></u>	<u><u>23,925,027</u></u>
FUND BALANCES			
Reserved for:			
Encumbrances	3,619,967	5,020,411	10,593,834
Inventory	-	-	-
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Undesignated	-	-	-
Special Revenue Fund			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Undesignated	-	-	-
Capital Projects Fund			
Designated for Subsequent Years Expenditures	78,077,830	167,166,122	10,550,462
Undesignated	16,837,160	36,549,780	845,495
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u><u>98,534,957</u></u>	<u><u>208,736,313</u></u>	<u><u>21,989,791</u></u>
Total Liabilities and Fund Balances	<u><u>\$101,944,737</u></u>	<u><u>\$211,890,113</u></u>	<u><u>\$45,914,818</u></u>

See Accompanying Notes to the Financial Statements

	Acceler8 Everglades Construction Project	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ -	\$191,460,605	\$711,633,625
Cash Held by Trustee	159,415,951	31,031,994	190,447,945
Accounts Receivable	-	221,944	1,560,693
Due from Other Governments	-	1,785,444	29,666,163
Due from Other Funds	-	4,580,759	14,928,118
Inventory	-	161,430	3,970,146
Other Assets	-	-	40,950
	<u>-\$159,415,951</u>	<u>\$229,242,176</u>	<u>\$952,247,640</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$18,818,729	\$12,481,186	\$57,672,600
Due to Other Governments	-	1,300,000	3,214,175
Due to Other Funds	7,230,227	7,732,541	15,499,866
Deferred Revenue	-	904,756	20,090,630
	<u>26,048,956</u>	<u>22,418,483</u>	<u>96,477,271</u>
FUND BALANCES			
Reserved for:			
Encumbrances	20,420,570	33,341,703	99,522,919
Inventory	-	161,430	3,970,146
Acquisition of Land	-	3,847,740	3,847,740
Enhancement of Land	-	19,424,695	19,424,695
Long-term Management of Land	-	12,707,636	12,707,636
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	-	-	16,561,194
Designated for Economic Stabilization	-	-	11,807,000
Undesignated	-	-	48,291,694
Special Revenue Fund			
Designated for Subsequent Years Expenditures	-	28,984,257	57,600,487
Designated for Economic Stabilization	-	886,000	12,331,000
Undesignated	-	7,199,945	46,462,297
Capital Projects Fund			
Designated for Subsequent Years Expenditures	107,732,284	57,772,998	421,299,696
Undesignated	5,214,141	42,497,289	101,943,865
	<u>133,366,995</u>	<u>206,823,693</u>	<u>855,770,369</u>
Total Fund Balances	<u>\$159,415,951</u>	<u>\$229,242,176</u>	<u>\$952,247,640</u>
Total Liabilities and Fund Balances	<u>\$159,415,951</u>	<u>\$229,242,176</u>	<u>\$952,247,640</u>

South Florida Water Management District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Assets
 September 30, 2010

Fund Balances - Total Governmental Funds \$855,770,369

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

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

Governmental capital assets	\$4,535,103,563	
Less accumulated depreciation	<u>(255,514,037)</u>	4,279,589,526

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

Bonds payable	(36,160,000)	
Bond premiums / discounts	(482,406)	
Bank loans payable	(4,118,196)	
Certificates of participation payable	(520,060,000)	
Certificates of participation premiums / discounts	(19,339,546)	
Compensated absences	(24,649,000)	
Other post employment benefits	<u>(14,409,130)</u>	(619,218,278)

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

Unamortized debt issuance costs - bonds	195,903	
Unamortized debt issuance costs - certificates of participation	2,945,060	
Unamortized deferred interest	<u>1,403,831</u>	4,544,794

Bond and certificates of participation interest due October 1, 2010 are not reported as a liability of the governmental funds.

Accrued interest payable - bonds	(888,929)	
Accrued interest payable - certificates of participation	<u>(12,877,444)</u>	(13,766,373)

Assets not available to provide current resources are offset with deferred revenues in the fund statements. The reduction of the liability and recognition of revenue increases net assets in the Statement of Net Assets. 19,715,629

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 Assets. 16,968,595

Net Assets of Governmental Activities \$4,543,604,262

See Accompanying Notes to the Financial Statements

South Florida Water Management District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2010

	General	Okeechobee Basin SR	State Appropriations
REVENUES			
Ad Valorem Property Taxes	\$189,659,164	\$189,304,921	\$ -
Agricultural Privilege Taxes	-	-	-
Intergovernmental	113,353	162,808	332,223
Investment Earnings	2,975,362	2,130,776	18,931
Licenses, Permits and Fees	2,559,337	92,760	-
Sale of District Property	97,368	203,421	-
Indirect Costs Recovered	5,445,432	-	-
Leases	89,589	-	-
Other	738,694	245,657	-
	201,678,299	192,140,343	351,154
EXPENDITURES			
Current Operating			
Mission Support	87,132,407	9,701,726	-
Operations and Maintenance	13,692,971	72,902,707	-
Restoration	20,916,015	14,226,288	12,891,954
Water Supply	29,464,927	432,494	1,449,355
Capital Outlay	-	-	-
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	1,142,857	689,625	-
Bank Loan Interest	168,000	38,172	-
Capital Lease Principal Payments	-	200,330	-
Capital Lease Interest	-	5,543	-
COPS Bond Principal Retirement	-	-	-
COPS Bond Interest	-	-	-
	152,517,177	98,196,885	14,341,309
Revenues in Excess of (Less than) Expenditures	49,161,122	93,943,458	(13,990,155)
OTHER FINANCING SOURCES (USES)			
Transfers In	289,233	132,000	-
Transfers Out	(50,385,840)	(91,051,698)	-
	(50,096,607)	(90,919,698)	-
Net Change in Fund Balances	(935,485)	3,023,760	(13,990,155)
Fund Balances (Deficits) at Beginning of Year	88,716,041	84,713,479	24,790,980
Fund Balances at End of Year	\$87,780,556	\$87,737,239	\$10,800,825

South Florida Water Management District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2010

	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)	Save Our Everglades
REVENUES			
Ad Valorem Property Taxes	\$60,507,638	\$ -	\$ -
Agricultural Privilege Taxes	11,678,158	-	-
Intergovernmental	-	-	77,076,606
Investment Earnings	2,220,495	3,225,808	578,211
Licenses, Permits and Fees	-	-	-
Sale of District Property	-	-	42,500
Indirect Costs Recovered	-	-	-
Leases	-	990,565	429,751
Other	3,319	5,596	-
	<u>74,409,610</u>	<u>4,221,969</u>	<u>78,127,068</u>
EXPENDITURES			
Current Operating			
Mission Support	-	-	-
Operations and Maintenance	-	3,001	-
Restoration	31,089,957	27,202,557	11,821,347
Water Supply	-	-	-
Capital Outlay	3,110,870	9,472,801	46,074,138
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	-	-	-
Bank Loan Interest	-	-	-
Capital Lease Principal Payments	-	-	-
Capital Lease Interest	-	-	-
COPS Bond Principal Retirement	5,181,891	4,188,109	-
COPS Bond Interest	14,336,499	11,587,047	-
	<u>53,719,217</u>	<u>52,453,515</u>	<u>57,895,485</u>
Revenues in Excess of (Less than) Expenditures	<u>20,690,393</u>	<u>(48,231,546)</u>	<u>20,231,583</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	73,174,783	1,783,806
Transfers Out	(16,720,648)	-	-
	<u>(16,720,648)</u>	<u>73,174,783</u>	<u>1,783,806</u>
Net Change in Fund Balances	3,969,745	24,943,237	22,015,389
Fund Balances (Deficits) at Beginning of Year	<u>94,565,212</u>	<u>183,793,076</u>	<u>(25,598)</u>
Fund Balances at End of Year	<u><u>\$98,534,957</u></u>	<u><u>\$208,736,313</u></u>	<u><u>\$21,989,791</u></u>

See Accompanying Notes to the Financial Statements

	Acceler8 Everglades Construction Project	Other Governmental Funds	Total Governmental Funds
REVENUES			
Ad Valorem Property Taxes	\$ -	\$15,230,491	\$454,702,214
Agricultural Privilege Taxes	-	-	11,678,158
Intergovernmental	-	14,384,147	92,069,137
Investment Earnings	636,394	2,618,772	14,404,749
Licenses, Permits and Fees	-	8,337,107	10,989,204
Sale of District Property	181,096	78,640	603,025
Indirect Costs Recovered	-	-	5,445,432
Leases	-	933,561	2,443,466
Other	-	1,940,970	2,934,236
	<u>817,490</u>	<u>43,523,688</u>	<u>595,269,621</u>
EXPENDITURES			
Current Operating			
Mission Support	-	750,069	97,584,202
Operations and Maintenance	-	25,684,395	112,283,074
Restoration	230,782	38,623,300	157,002,200
Water Supply	-	1,213,047	32,559,823
Capital Outlay	97,436,861	27,031,622	183,126,292
Debt Service			
Bond Principal Retirement	-	5,190,000	5,190,000
Bond Interest	-	1,722,396	1,722,396
Bank Loan Principal Payments	-	-	1,832,482
Bank Loan Interest	-	-	206,172
Capital Lease Principal Payments	-	-	200,330
Capital Lease Interest	-	-	5,543
COPS Bond Principal Retirement	-	-	9,370,000
COPS Bond Interest	-	-	25,923,546
	<u>97,667,643</u>	<u>100,214,829</u>	<u>627,006,060</u>
Revenues in Excess of (Less than) Expenditures	<u>(96,850,153)</u>	<u>(56,691,141)</u>	<u>(31,736,439)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	88,364,650	163,744,472
Transfers Out	-	(16,797,343)	(174,955,529)
	<u>-</u>	<u>71,567,307</u>	<u>(11,211,057)</u>
Net Change in Fund Balances	(96,850,153)	14,876,166	(42,947,496)
Fund Balances (Deficits) at Beginning of Year	<u>230,217,148</u>	<u>191,947,527</u>	<u>898,717,865</u>
Fund Balances at End of Year	<u><u>\$133,366,995</u></u>	<u><u>\$206,823,693</u></u>	<u><u>\$855,770,369</u></u>

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, 2010

Net Change in Fund Balances - Total Governmental Funds \$(42,947,496)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlay	\$162,596,540	
Current year depreciation expense	<u>(30,897,560)</u>	131,698,980

The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is an increase to net assets 33,255,919

Repayment of borrowed principal from bonds, bank loans, COPS, and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Bonds principal payment	5,190,000	
Bank loan principal payment	1,832,482	
COPS principal payment	9,370,000	
Capital lease principal payment	<u>200,330</u>	16,592,812

Some expenses reported in the Statement of Activities do not require current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in long-term compensated absences	351,000	
Change in OPEB payable	(6,468,724)	
Bond interest payable at September 30, 2010	(888,929)	
Bond interest payable at September 30, 2009	1,042,087	
COPS interest payable at September 30, 2010	(12,877,444)	
COPS interest payable at September 30, 2009	13,046,104	
Amortization of deferred interest on bonds	(280,767)	
Amortization of discount on debt - bonds	(24,160)	
Amortization of discount on debt - certificates	(10,841)	
Amortization of premium on debt - bonds	214,695	
Amortization of premium on debt - certificates	1,717,694	
Amortization of cost of issuance on bonds	(88,341)	
Amortization of cost of issuance on certificates	<u>(1,270,297)</u>	(5,537,923)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements. 19,715,629

The net revenue of certain activities of Internal Service Funds is reported with governmental activities net of capital contributions and assumption of liabilities for self insurance claims previously reported in the government-wide statements. 23,405,204

Change in Net Assets of Governmental Activities \$176,183,125

See Accompanying Notes to the Financial Statements

South Florida Water Management District
Statement of Net Assets
Proprietary Funds
September 30, 2010

	Governmental Activities
	Internal Service Funds
ASSETS	
Current Assets	
Cash and Investments	\$23,376,013
Accounts Receivable	9,530
Due from Other Funds	577,525
Prepays	581,648
Other Assets	718,000
Total Current Assets	25,262,716
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,458
Computer Hardware	8,196
Vehicles	25,974
Accumulated Depreciation	(16,285)
Total Noncurrent Assets	45,343
Total Assets	\$25,308,059
LIABILITIES	
Current Liabilities	
Accounts Payable	\$936,037
Due to Other Funds	5,777
Claims Payable	2,375,103
Total Current Liabilities	3,316,917
Noncurrent Liabilities	
Claims Payable	5,022,547
Total Noncurrent Liabilities	5,022,547
Total Liabilities	\$8,339,464
NET ASSETS	
Net Assets	
Invested in Capital Assets, Net of Related Debt	45,343
Unrestricted	16,923,252
Total Net Assets	\$16,968,595

See Accompanying Notes to the Financial Statements

South Florida Water Management District
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2010

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$30,339,921
Other Operating Revenue	3,318,987
Total Operating Revenues	33,658,908
OPERATING EXPENSES	
Salaries	489,615
Benefits	230,280
Claims	17,925,098
Purchased Services	230,206
Administrative Fees	1,387,584
Other	1,259,177
Depreciation	5,954
Total Operating Expenses	21,527,914
OPERATING INCOME	12,130,994
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	63,153
Total Nonoperating Revenues	63,153
INCOME BEFORE TRANSFERS	12,194,147
OTHER FINANCING SOURCES (USES)	
Transfers In	11,211,057
Capital Contributions	48,391
Assumption of Liabilities for Self Insurance Claims	(6,485,000)
Total Other Financing Sources (Uses)	4,774,448
Change in Net Assets	16,968,595
Net Assets at Beginning of Year	-
Net Assets at End of Year	\$16,968,595

See Accompanying Notes to the Financial Statements

South Florida Water Management District
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2010

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Receipts from Customers	\$29,758,640
Cash Payments to Suppliers	(3,413,968)
Cash Payments for Salaries, Benefits	(719,895)
Cash Payments to Administrators	(718,000)
Claims Paid	(16,121,057)
Other Receipts (Payments)	3,318,989
Net cash provided by operating activities	12,104,709
CASH FLOWS FROM NONCAPITAL FINANCING	
Transfers In	11,211,057
Net cash provided by noncapital financing activities	11,211,057
CASH FLOWS FROM CAPITAL ACTIVITIES:	
Purchase of Capital Assets	(2,906)
Net cash used for capital activities	(2,906)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Earnings	63,153
Net cash provided by investing activities	63,153
Net Increase in Cash and Cash Equivalents	23,376,013
Cash and Cash Equivalents, Beginning of Year	-
Cash and Cash Equivalents, End of Year	\$23,376,013
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating Income	12,130,994
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	5,954
CHANGES IN ASSETS AND LIABILITIES:	
Decrease (Increase) in Accounts Receivable	(9,530)
Decrease (Increase) in Due from Other Funds	(577,525)
Decrease (Increase) in Prepaids	(581,648)
Decrease (Increase) in Deposits	(718,000)
Increase (Decrease) in Accounts Payable	936,037
Increase (Decrease) in Due to Other Funds	5,777
Increase (Decrease) in Estimated Unpaid Claims	912,650
Net Cash Provided by (Used in) Operating Activities	\$12,104,709
NONCASH CAPITAL AND FINANCING ACTIVITIES:	
Capital contributions from government	48,391
Assumption of liabilities for self-insurance claims	(6,485,000)

See Accompanying Notes to the Financial Statements



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(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. For financial reporting purposes, the District is a component unit of the State of Florida.

(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 Statement No. 39, "Determining Whether Certain Organizations Are Component Units" 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. 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, 2010

(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 assets and the statement of activities, report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

(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 for. 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, and intergovernmental revenues. 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.

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

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.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

In addition to governmental funds, the District reports proprietary funds. 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 required to be accounted for in another fund.

The Okeechobee Basin SR Fund accounts for the normal operating expenditures of the Okeechobee Basin, an area covering all or part of fifteen (15) counties in South Florida. Funding is provided by a .2797 mill property tax levy, intergovernmental revenues and permitting fees.

The State Appropriations Fund accounts for expenditures made 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. While not required to be a major fund, this fund is deemed a major fund and is reported separately due to its high level of public interest.

The Everglades Trust Fund accounts for 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 through a .0894 mill tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.

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

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

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The 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-7.

(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. 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, YIELDBOOK 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 three investment pools, Florida Prime (previously known as the Local Government Surplus Funds Trust Fund - Pool A), the Local Government Surplus Funds Trust Fund - Pool B (Pool B), and the Florida Local Government Investment Trust (Trust Fund). Both Florida Prime and Pool B are 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 net asset value per share. Pool B and the Trust Fund are accounted for as fluctuating net asset value (NAV) pools. As such, their investments have been valued based on their respective fair value factor as of the balance sheet 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.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives 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	5-25
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) Compensated Absences

District employees are granted a specific number of vacation and sick leave hours with pay. Non-management employees are permitted to accrue a maximum of 360 hours of vacation as of December 31.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Compensated Absences (continued)

Managers are permitted to accrue a maximum of 480 hours of vacation as of December 31. Employees are paid for excess vacation time over the maximum in January. Semi-annually, employees are granted the option to buy-down accrued annual leave, up to a maximum of 80 hours per calendar year. A minimum of 120 hours must be maintained after any buy down. Upon termination of employment, employees are paid for a percentage of unused sick leave ranging from 25 to 50 percent after at least six years of service.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds when payments are made to employees. However, the liability for all accrued and vested vacation and sick leave benefits plus sick leave benefits expected to become vested is recorded in the government-wide financial statements. The District normally liquidates its liability for compensated absences from the General Fund and the Okeechobee Basin Special Revenue Funds.

(k) 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 SR Fund. Funds received for long-term management (nonexpendable) are placed in the Wetland Mitigation Permanent Fund.

(l) Fund Balances / Net Assets

In the fund financial statements, reservations of fund balance are reported to indicate that a portion of fund balance is not available for appropriation for expenditure or is legally segregated for a specific purpose. Designations of fund balance identify tentative plans for the future use of financial resources. The undesignated fund balance is available for future appropriation. The types of reserves and designations of the District's fund balance are as follows:

Reserved for Encumbrances - Represents outstanding purchase orders and contracts at fiscal year-end which will be honored in the subsequent fiscal year.

Reserved for Inventory - Represents the value of consumable inventory recorded as an asset but which is unavailable for appropriation.

Reserved for Acquisition of Land and Enhancement of Land - Represents the expendable portion of specialized regulatory permits received by the District, which is accounted for in the Wetland Mitigation SR Fund. The use of funds is restricted by the permit.

Reserved for Long Term Management of Land - Represents the nonexpendable portion of specialized regulatory permits received by the District, which is accounted for in the Wetland Mitigation Permanent Fund. The use of funds is restricted by the permit.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Fund Balances / Net Assets (continued)

Designated for Subsequent Years Expenditures - Represents fund balance available as of the end of the current fiscal year which has been budgeted for the subsequent year's expenditures.

Designated for Economic Stability - Represents the amount designated to allow the District to address the impact of emergencies, without utilizing short term borrowings. Board policy requires the amount to be at least 5% of the previous fiscal year's actual revenue from all sources of ad valorem tax-supported funds.

Net assets represent the difference between assets and liabilities and are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The types of reserves the District has of its net assets are:

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

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

Restricted for Environmental Programs - Represents the portion of net assets which is restricted for specific environmental programs through legally enforceable requirements stipulated in legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of September 30, 2010, the District has approximately \$233.5 million in restricted net assets through enabling legislation.

(m) 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.

(n) Impact of Recently Issued Accounting Pronouncements

Recently Issued and Implemented Accounting Pronouncements

In June 2007, GASB issued Statement No. 51 "Accounting and Reporting for Intangible Assets." The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets. Examples of intangible assets include easements, water rights, timber rights, patents, trademarks, and computer software. This Statement requires that all intangible assets not specifically excluded by its scope provision be classified as capital assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009 and are generally required to be retroactive. The District implemented this Statement during the fiscal year ended September 30, 2010. The implementation had no material effect on the District financial statements.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Impact of Recently Issued Accounting Pronouncements (continued)

In December 2009, GASB issued Statement No. 57 “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.” This Statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan’s financial reporting requirements. The District implemented this Statement during the fiscal year ended September 30, 2010. The implementation had no effect on the District financial statements.

In December 2009, GASB issued Statement No. 58 “Accounting and Financial Reporting for Chapter 9 Bankruptcies.” The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (that is, approves) a new payment plan. The District implemented this Statement during the fiscal year ended September 30, 2010. The implementation had no effect on the District financial statements.

In June 2010, GASB issued Statement No. 59 “Financial Instruments Omnibus.” The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The District implemented this Statement during the fiscal year ended September 30, 2010. The implementation had no effect on the District financial statements.

Recently Issued Accounting Pronouncements, Not Yet Implemented

In March 2009, GASB issued Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement also clarifies the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented. The District will implement this Statement in its fiscal year beginning October 1, 2010.

(3) CASH AND INVESTMENTS

Statement of Policy

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

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) CASH AND INVESTMENTS (continued)

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. The most recent 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, 2010, the District had placed approximately 41% of its investments in U.S. Agency Obligations, 31% in Agency Mortgage Backed Securities, 2% in Corporate Bonds, 5% in Commercial Paper, 8% in Florida Prime and the Local Government Investment Pool and 13% in the Florida Local Government Investment Trust (mutual fund).

Florida Prime and the Local Government Investment Pool (Pool B) are investment pools available for investing temporarily idle cash by Florida governments and are managed by the State Board of Administration (the "SBA"). On November 29, 2007, the SBA implemented a temporary freeze on the assets in the Pool due to an unprecedented amount of withdrawals coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the SBA restructured the Pool into two (2) separate pools. Florida Prime, which was previously known as Pool A, consisted of all money market appropriate assets, which represented approximately 86% of pool assets. Pool B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which represented approximately 14% of pool assets. At that time, all current participants had their existing balances proportionately allocated into Florida Prime and Pool B. As of September 30, 2010, 3.0% of the District's original balance in SBA remains inaccessible, which represents investments currently valued at \$1,952,770.

The District has full access to funds in Florida Prime. Participants in Pool B receive periodic distributions to the extent that Pool B receives proceeds from: 1) maturities of securities, coupon interest collections or collateral interest and principal pay downs, or 2) the sale of securities, collateral liquidation or other restructure or workout activities. At such time, the Investment Manager transfers cash or securities to Florida Prime for the benefit of Pool B shareholders. Such transfers are consistent with the

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) CASH AND INVESTMENTS (continued)

pro rata allocation of Pool B shareholders of record as of the initial segregation of assets in the Pool. Effective March 2008, the SBA contracted with Federated Investors, Inc. to provide investment advisory services to the investment pool. The SBA has since put into place processes that allow for improved reporting, full transparency, conservative investment practices, improved portfolio guidelines and stricter internal controls. 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 a AAAM rating by Standard and Poor's Ratings Services. Pool B is accounted for as a fluctuating net asset value (NAV) pool with a fair value factor of .707058094 at September 30. The pool is currently not rated by any nationally recognized statistical rating agency.

Florida Prime and Pool B are 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

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. Investment in Mortgage Backed Securities allows for a monthly return of principal with interest in order to meet current expenditures. In addition, investments can be sold prior to maturity in order to improve yield, modify the target duration or improve the overall credit position of the portfolio.

The District uses a duration method to construct a portfolio of bonds to fund its future cash needs. For reporting purposes, it selects the effective duration to disclose the portfolio's exposure to changes in interest rates. Through its investment policy, the District manages its exposure to fair value losses arising from interest rate increases by limiting the effective duration of its investment portfolio, including cash balances, to less than three (3) years, excluding Pool B. Funds in Pool B are not readily available to participants, but are systematically transferred to Florida Prime as the underlying assets mature.

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, 2010 the District had the following investments in its pooled portfolio:

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

(3) CASH AND INVESTMENTS (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (in yrs)</u>
U.S. Agency Obligations	\$ 161,152,720	1.19
Investments in Mortgage Backed Securities	124,015,791	0.56
Corporate Bonds	9,269,100	2.19
Commercial Paper	19,975,856	0.15
Florida Prime	30,658,217	0.14
Local Government Surplus Trust Fund - Pool B	1,952,770	7.49
Florida Local Government Investment Trust	<u>50,494,775</u>	1.88
Total Fair Value	<u>\$ 397,519,229</u>	
Portfolio Effective Duration		1.00

Credit Risk

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. Pool B is currently not rated by any nationally recognized statistical rating agency.

All of the District's investments in agency securities for fiscal year 2010 were rated AAA by Standard and Poor's and 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	\$ 30,658,217
Local Government Surplus Trust Fund - Pool B	Unrated	1,952,770
Fannie Mae – Agencies & Mortgages	AAA	149,601,661
Freddie Mac – Agencies & Mortgages	AAA	77,038,490
Federal Home Loan Bank – Agencies	AAA	30,125,000
Federal Farm Credit Bank – Agencies	AAA	10,138,000
Ginnie Mae - Mortgage Backed Security	AAA	18,265,360
General Electric Capital Corp.	AA+	9,269,100
Silver Tower US	A1P1	19,975,856
Florida Local Government Investment Trust	AAAf	<u>50,494,775</u>
		<u>\$ 397,519,229</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) CASH AND INVESTMENTS (continued)

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.

The most significant cash deposit of the District at September 30, 2010 is the balance of proceeds from the issuance of Certificates of Participation (COPS) in fiscal year 2007. The "Cash Deposits Held by Trustee" balance consists of \$190,447,945 in COPS proceeds which are held in trust by a third party financial institution on behalf of the District, and \$22,582,443 representing debt service on the COPS due October 1, 2010.

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.

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 Chief Financial Officer and/or the District Treasurer to implement as needed.

Percentage Allocation by Issuer as of September 30, 2010

<u>Issuer</u>	<u>Percent of Total</u>
Florida Prime	7.71%
Local Government Surplus Trust Fund - Pool B	0.49%
Fannie Mae	37.63%
Freddie Mac	19.38%
Ginnie Mae	4.60%
Federal Farm Credit Bank	2.55%
Federal Home Loan Bank	7.58%
General Electric Capital Corp.	2.33%
Silver Tower US	5.03%
Florida Local Government Investment Trust	12.70%

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) CASH AND INVESTMENTS (continued)

Cash and investments as of September 30, 2010 are comprised of the following:

Cash Deposits:

Money Market Accounts	\$ 88,771,184
Demand Deposit Accounts	226,130,107
Petty Cash	<u>6,675</u>
Total Cash Deposits	<u>314,907,966</u>

<i>Cash Deposits Held by Trustee:</i>	<u>213,030,388</u>
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Investments Held by the District:

U.S. Agency Obligations	161,152,720
Investments in Mortgage Backed Securities	124,015,791
Corporate Bonds	9,269,100
Commercial Paper	19,975,856
Florida Prime	30,658,217
Local Government Surplus Trust Fund - Pool B	1,952,770
Florida Local Government Investment Trust	<u>50,494,775</u>
Total Investments	<u>397,519,229</u>
Total Cash and Investments	<u>\$ 925,457,583</u>

(4) ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2010 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Everglades Trust Fund	Comprehensive Everglades Rest. Plan CP Fund	Save Our Everglades	Non Major Funds/ Internal Service Funds	Total
Leases	\$ 8,674	\$ 604	\$ -	\$ -	\$ 150,539	\$ 1,636	\$ 161,453
Interest	341,626	272,591	253,980	310,722	-	229,838	1,408,757
Other	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
	<u>\$ 350,313</u>	<u>\$ 273,195</u>	<u>\$ 253,980</u>	<u>\$ 310,722</u>	<u>\$ 150,539</u>	<u>\$ 231,474</u>	<u>\$ 1,570,223</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of September 30, 2010 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,226,167	\$ 277,212
Okeechobee Basin SR Fund	1,890,965	207,909
Everglades Trust Fund	7,230,227	23,101
CERP	-	28,876
Acceler8 ECP Fund	-	7,230,227
Other Governmental Funds	4,580,759	7,732,541
Internal Service Funds	577,525	5,777
	\$ 15,505,643	\$ 15,505,643

Interfund balances at year end represent pending transfers from funds in which revenues are recorded to their corresponding capital expenditure fund, pending transfers to the Health Insurance Fund for employee insurance expenditures or temporary loans to fund grant activity in special revenue funds with pending reimbursements.

Interfund transfers during the year are as follows:

<i>From:</i>	<i>To:</i>						Totals
	General Fund	Okeechobee Basin SR Fund	Comprehensive Everglades Fund	Save Our Everglades Fund	Other Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 39,174,783	\$ -	\$ -	\$ 11,211,057	\$ 50,385,840
Okeechobee Basin SR Fund	-	-	34,000,000	1,113,214	55,938,484	-	91,051,698
Everglades Trust Fund	-	-	-	-	16,720,648	-	16,720,648
Other Governmental Funds	289,233	132,000	-	670,592	15,705,518	-	16,797,343
	\$ 289,233	\$ 132,000	\$ 73,174,783	\$ 1,783,806	\$ 88,364,650	\$ 11,211,057	\$ 174,955,529

The majority of the transfers into the General Fund and the Okeechobee Basin Fund represent portions of State appropriations required to be used for general purposes. The transfers into the Comprehensive Everglades Fund represent the portion of ad valorem tax revenues to fund CERP projects. The transfers into the Save Our Everglades Fund represent funding for Northern Everglades projects and realignment of program revenues. The majority of the remaining transfers represent funding for operations of water control projects for the Okeechobee Basin, State-required transfers of Everglades Forever Act appropriations and other funds necessary to manage the related projects, transfers to realign program revenue, primarily consisting of rental income, to the funding source of the original land acquisitions, transfers to be used for wetlands mitigation activities and transfers relating to the establishment of internal service funds.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(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 \$420.1 million as of September 30, 2010.

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 2010, contingent revenues were \$-0-.

Year Ending September 30:

2011	\$ 3,170,804
2012	2,338,923
2013	1,959,349
2014	1,891,428
2015	1,602,300
2016 - 2020	<u>1,612,781</u>
Total minimum future revenues	<u>\$ 12,575,585</u>

(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 2010 was .624 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, 2010, upon which the fiscal year 2010 levy was based, was approximately \$783.8 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, 2010, is \$5,931,740 and is included in tax revenues.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(8) INTERGOVERNMENTAL TRANSACTIONS

Amounts due from other governments at September 30, 2010 and intergovernmental revenues for 2010 consist of the following:

	<u>Due From Other Governments</u>	<u>Intergovernmental Revenues</u>
U.S. Army Corps of Engineers	\$ 531,358	\$ 531,359
U.S. Department of Homeland Security	85,657	433,964
U.S. Department of Agriculture	471,381	190,485
Florida Department of Environmental Protection	19,116,578	87,501,924
Florida Fish and Wildlife Conservation Commission	745,717	3,069,202
Florida Department of Transportation	286	4,768
Florida Department of Motor Vehicles	-	378,717
Lee County	69,295	(69,295)
Miami Dade County	15,000	15,000
St. John's River Water Management District	-	-
Southwest Florida Water Management District	-	11,100
Town of Southwest Ranches	-	1,913
Various Counties:		
Ad Valorem Taxes	5,931,740	- *
Property Appraiser/Tax Collector Fee Credits	<u>2,699,151</u>	<u>- *</u>
Total	<u>\$ 29,666,163</u>	<u>\$ 92,069,137</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
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(9) CAPITAL ASSETS ACTIVITY

	Balance at October 1, 2009	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2010
Capital Assets Not Being Depreciated:					
Land	\$ 2,369,106,064	\$ 29,473,528	\$ (9,948,743)	\$ (27,192,749)	\$ 2,361,438,100
Easements (Intangibles)	14,505,601	166,842	(1,007)	24,770,899	39,442,335
Construction in Process	569,531,421	163,232,000	(9,712,544)	(43,472,534)	679,578,343
Canals and Levees	554,743,051	-	-	2,330,591	557,073,642
	<u>3,507,886,137</u>	<u>192,872,370</u>	<u>(19,662,294)</u>	<u>(43,563,793)</u>	<u>3,637,532,420</u>
Capital Assets Being Depreciated:					
Buildings	72,690,194	4,600,150	-	18,944,577	96,234,921
Intangibles	28,442,396	2,975,105	(11,292)	3,483,855	34,890,064
Equipment	121,302,291	8,187,113	(3,508,283)	1,668,498	127,649,619
Improvements	23,046,176	2,098,010	-	1,992,601	27,136,787
Water Control Structures	588,369,572	5,877,546	-	17,474,262	611,721,380
	<u>833,850,629</u>	<u>23,737,924</u>	<u>(3,519,575)</u>	<u>43,563,793</u>	<u>897,632,771</u>
Less Accumulated Depreciation:					
Buildings	(23,794,919)	(2,503,503)	-	-	(26,298,422)
Intangibles	(7,540,265)	(3,639,034)	380	(693,309)	(11,872,228)
Equipment	(71,358,967)	(9,173,190)	2,426,561	693,309	(77,412,287)
Improvements	(9,506,951)	(1,093,440)	-	-	(10,600,391)
Water Control Structures	(114,852,647)	(14,494,347)	-	-	(129,346,994)
	<u>(227,053,749)</u>	<u>(30,903,514)</u>	<u>2,426,941</u>	<u>-</u>	<u>(255,530,322)</u>
Capital Assets, Net	<u>\$ 4,114,683,017</u>	<u>\$ 185,706,780</u>	<u>\$ (20,754,928)</u>	<u>\$ -</u>	<u>\$ 4,279,634,869</u>

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

Mission Support	\$ 6,800,574
Operations and Maintenance	17,457,119
Restoration	6,423,489
Water Supply	<u>216,378</u>
	30,897,560

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

	<u>5,954</u>
Total Depreciation Expense	<u>\$ 30,903,514</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(10) LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2010:

	Balance at October 1, 2009	Additions	Retirements And Adjustments	Balance at September 30, 2010	Amounts Due Within One Year
Land Acquisition Bonds	\$ 41,350,000	\$ -	\$ (5,190,000)	\$ 36,160,000	5,415,000
Bond Premium / Discount	672,941	-	(190,535)	482,406	128,940
Bank Loans	5,950,678	-	(1,832,482)	4,118,196	1,832,482
COPS	529,430,000	-	(9,370,000)	520,060,000	9,705,000
COPS Premium / Discount	21,046,399	-	(1,706,853)	19,339,546	1,641,054
Capital Leases	200,330	-	(200,330)	-	-
Compensated Absences	25,000,000	13,109,000	(13,460,000)	24,649,000	9,158,250
Other Post Emp Benefits	7,940,406	8,029,120	(1,560,396)	14,409,130	-
Self Insurance Claims	6,485,000	17,925,098	(17,012,448)	7,397,650	2,375,103
	<u>\$ 638,075,754</u>	<u>\$ 39,063,218</u>	<u>\$ (50,523,044)</u>	<u>\$ 626,615,928</u>	<u>\$ 30,255,829</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. For the current fiscal year, principal and interest payments and total revenue recognized by the District were \$6,912,396 and \$7,094,748, respectively. Debt service payments have averaged approximately 25% of the related revenue collected and allocated to the District through the Water Management Lands Trust Fund over the past ten years. The District accounts for debt service transactions in the Save Our Rivers SR Fund.

A summary of the status of the District's bonded debt as of September 30, 2010 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002 Refunding	\$ 23,810,000	2011-2016	3.50-4.00%	\$ 13,560,000
2003 Refunding	34,550,000	2011-2016	3.50-5.25%	22,600,000
	<u>\$ 58,360,000</u>			<u>\$ 36,160,000</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(10) LONG-TERM LIABILITIES (continued)

Fiscal year requirements to amortize bonded debt outstanding as of September 30, 2010 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 5,415,000	\$ 1,489,721	\$ 6,904,721
2012	5,655,000	1,265,749	6,920,749
2013	5,865,000	1,035,786	6,900,786
2014	6,120,000	768,598	6,888,598
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>\$ 36,160,000</u>	<u>\$ 5,194,592</u>	<u>\$ 41,354,592</u>

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

A summary of the status of the District's outstanding bank loans at September 30, 2010 is shown below:

Issue	<u>Original Amount</u>	<u>Fiscal Year Maturity</u>	<u>Interest Rates</u>	<u>Remaining Balance</u>
2003	\$ 2,827,374	2011	4.30%	\$ 403,911
2003	2,000,000	2011	2.83%	285,714
2005	<u>8,000,000</u>	2013	4.20%	<u>3,428,571</u>
	<u>\$ 12,827,374</u>			<u>\$ 4,118,196</u>

Fiscal year requirements to amortize the bank loans as of September 30, 2010 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,832,482	\$ 132,724	\$ 1,965,206
2012	1,142,857	72,000	1,214,857
2013	<u>1,142,857</u>	<u>24,000</u>	<u>1,166,857</u>
	<u>\$ 4,118,196</u>	<u>\$ 228,724</u>	<u>\$ 4,346,920</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(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 District Leasing Corporation (the "Corporation"), a not-for-profit entity (see Note (2)(a) on page III-16). 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, 2010 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 9,705,000	\$ 25,539,177	\$ 35,244,177
2012	10,135,000	25,088,036	35,223,036
2013	10,610,000	24,626,168	35,236,168
2014	11,060,000	24,125,840	35,185,840
2015	11,610,000	23,572,247	35,182,247
2016-2020	67,110,000	108,526,622	175,636,622
2021-2025	85,535,000	89,641,725	175,176,725
2026-2030	109,110,000	65,466,750	174,576,750
2031-2035	139,250,000	34,568,750	173,818,750
2036-2037	65,935,000	3,336,875	69,271,875
	<u>\$ 520,060,000</u>	<u>\$ 424,492,190</u>	<u>\$ 944,552,190</u>

The liability for compensated absences is generally liquidated by the General Fund and the Okeechobee Basin SR Fund.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(11) DEFICIT FUND BALANCES

At September 30, 2010, the following funds have deficit fund balances:

Aquatic Plant Control Fund	\$ 276,286
External Grants Fund	1,948,586
District Capital Projects Fund	1,226,167
Comprehensive Everglades Restoration Plan – Federal Funds	547,823

The deficits in the Aquatic Plant Control and the Comprehensive Everglades Restoration Plan Fund are expected to be funded by future reimbursements from the State of Florida and the federal government. The deficits in the External Grants Fund and the District Capital Projects Fund will be funded by operating transfers from the General fund.

(12) 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, 2010 amounted to approximately \$3.7 million. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2011	\$ 2,530,871
2012	1,345,909
2013	1,559,765
2014	1,337,847
2015	667,759
Thereafter	<u>29,167</u>
Year Ending September 30:	<u>\$ 7,471,318</u>

(13) CAPITAL LEASES

The District had a lease agreement which qualified as a capital lease for accounting purposes and was recorded at present value of its future minimum lease payments as of the inception date of the lease. The lease agreement related to the acquisition of equipment having an original cost of approximately \$939,600 and was paid in full during the fiscal year.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(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.

Funding Policy

The System is non-contributory for employees and the District is required to contribute an actuarially determined rate. The rates are fixed by law and vary based on employee class. During the fiscal year the contribution rates were increased to 10.77%, 14.57% and 12.25% 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, equal to the required contributions for each year, are as follows:

Year Ending September 30:

2010	\$ 12,958,364
2009	13,340,000
2008	12,237,000

(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%.

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 2009 valuation date, the plan covered 1,810 active participants and 191 retirees.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(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. In addition, active employees contribute between \$2.50 and \$6.00 per pay period towards the future costs of retiree health insurance, depending on their medical coverage plan and tier. All other costs are paid by the retirees. The plan is financed on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation

For the fiscal year ended September 30, 2010, the District's annual OPEB cost of \$8,029,120 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 2010, 2009 and 2008 are as follows:

	2010	2009	2008
Normal Cost (Service cost for one year)	\$ 3,818,937	\$ 1,687,539	\$ 1,693,965
Amortization of Unfunded Actuarial Accrued Liability	4,060,461	1,907,242	1,764,550
Interest on Normal Cost and Amortization	92,898	81,001	-
Annual Required Contribution (ARC)	7,972,296	3,675,782	3,458,515
Net OPEB Obligation (NOO) at beginning of year	7,940,406	5,248,289	2,667,895
Annual Required Contribution (ARC)	7,972,296	3,675,782	3,458,515
Interest on NOO	381,140	251,917	128,059
Adjustment to ARC	(324,316)	(207,470)	(102,204)
Annual OPEB Cost (Expense)	8,029,120	3,720,229	3,484,370
Employer Contributions Made	(1,560,396)	(1,028,112)	(903,976)
Increase (decrease) in NOO	6,468,724	2,692,117	2,580,394
Estimated NOO at end of year	14,409,130	7,940,406	5,248,289
Percentage of annual OPEB Cost Contributed	19.43%	27.64%	25.94%

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(15) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Funded Status and Funding Progress

The funded status of the plan as of September 30, 2010 was as follows:

Actuarial Accrued Liability (AAL)	\$97,110,991
Actuarial Value of Plan Assets	—
Unfunded Actuarial Accrued Liability (UAAL)	97,110,991
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	123,626,745
UAAL as a Percentage of Covered Payroll	78.55%

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, 2009 base actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.80% investment rate of return and an annual healthcare cost trend rate of 5% in 2010, followed by a 9% increase the next year, trending down 0.5% per year to 5.0% in 2019 and thereafter. The actuarial value of assets was not determined as the District has not advanced funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 27-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-7), 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 claims. These self-insured claims are administered by a third party and are accounted for in the Self Insurance Fund (an internal service fund).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

(16) INSURANCE ACTIVITIES (continued)

The District is totally self-insured for workers' compensation claims and the District's financial exposure for automobile and general liability is limited to \$100,000 per person and \$200,000 per occurrence pursuant to Section 768.28, Florida Statutes. 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 figures 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.

Beginning on January 1, 2010, the District established 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.

During fiscal year 2010, the District established two internal service funds. The Self Insurance Fund accounts for workers' compensation, automobile and general liability insurance activities and the Health Benefits Fund accounts for the District's health benefits program. As part of the establishment of the Self Insurance Fund, this fund assumed liabilities for self insurance claims in the amount of \$6,485,000 and received capital contributions relating to capital assets in the amount of \$48,391, which were previously accounted for in the General Fund.

The claims liabilities are based on actuarial reviews performed by independent actuaries as of September 30, 2010, and are presented on a net undiscounted basis. The liability consists of claims incurred but not reported. The estimated liabilities by insurance coverage at September 30, 2010 are as follows:

	Balance @ 9/30/2010	Amounts Due Within One Year
Workers' Compensation	\$ 5,692,000	\$ 780,295
General and Automobile	194,000	83,158
Health Insurance	<u>1,511,650</u>	<u>1,511,650</u>
	<u>\$ 7,397,650</u>	<u>\$ 2,375,103</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

(16) INSURANCE ACTIVITIES (continued)

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

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2009	\$ 5,257,525	\$ 1,890,868	\$ (663,393)	\$ 6,485,000
2010	6,485,000	17,925,098	(17,012,448)	7,397,650

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) COMMITMENTS – CONDEMNATION PROCEEDINGS

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

At September 30, 2010, 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.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(18) MAJOR CONSTRUCTION COMMITMENTS (continued)

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 (0.0894 mill for FY2010), 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.

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.

During fiscal year 2010, the District continued implementation of the Long-Term Plan, as required by the EFA. In FY2010, a total of \$154.8 million was expended for work associated with the District's Everglades Program. Of this amount, \$24.2 million was for work related to implementing the Long-Term Plan. O&M accounted for \$15.7 million. Construction expenditures associated with the expansion of Compartments B and C (financed through issuance of COPS) totaled \$87.6 million. Debt service payments on the COPS related to Compartments B and C was approximately \$19.5 million. The remaining \$7.8 million was spent on other EFA-related components such as monitoring, assessment, research, and evaluation in the EPA. Project Management Plans will be revised at various phases of each project, and project cost estimate changes or schedule alterations will follow a required formal review and approval process. The total inception-to-date spent on the Long-Term Plan, which includes operations and maintenance, on-going construction costs for Compartments B and C, and debt service is approximately \$546.0 million.

The STAs continue to improve water quality in effective treatment areas. During water year 2010, which represents the period between May 1, 2009 and April 30, 2010, the STAs removed over 179 metric tons of phosphorus that otherwise would have entered the Everglades. Through the end of water year 2010, the STAs have removed over 1,200 metric tons of phosphorus. In addition, best management practices by landowners in the Everglades Agricultural Area have removed over 2,000 tons of phosphorus that would have otherwise gone to the Everglades.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(18) MAJOR CONSTRUCTION COMMITMENTS (continued)

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

The state and federal governments will split the estimated \$620 million cost to restore the river. The U.S. Army Corps of Engineers (USACE) is responsible for the construction and the design of the restoration. As of fiscal year 2010 year end, the District has acquired approximately 97% of the estimated 105,000 acres needed to complete the project with approximately 1,900 acres in process of complex settlement negotiations, condemnation, or engineering solutions in lieu of acquisition. For ongoing engineering cost-to-cure acquisitions the District determines, together with the private landowner, feasible engineering structural cures that will abate impacts from project implementation and minimize the lands needed.

Acquisition negotiations that include cost-to-cure solutions require more resources than land-only real estate acquisitions. Details and exceptions must be submitted to and approved by the USACE. The District is dedicated to completing these negotiations with full acceptance from all agency partners.

The **Comprehensive Everglades Restoration Plan** (CERP) is the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. Principal features of the plan are the creation of approximately 217,000 acres of new reservoirs and wetlands-based water treatment areas. These features vastly increase storage and water supply for the natural system, as well as for urban and agricultural needs. The CERP is intended to improve the quantity, quality, timing and distribution of water delivered to freshwater and coastal ecosystems in South Florida, including the Everglades, through a series of projects spanning three decades. The success of this monumental program is continuously monitored and evaluated through Restoration Coordination and Verification.

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

Most recently, through the Water Resources Development Act of 2007, the U.S. Congress authorized an additional three projects of the Comprehensive Plan.

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 \$2.4 billion toward this effort, including approximately \$315 million in construction. Through September 30, 2010, 60 percent, or approximately 232,505 acres, of the estimated lands needed to implement CERP have been acquired.

(19) OTHER COMMITMENTS AND CONTINGENCIES

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

SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(20) SUBSEQUENT EVENT

On October 12, 2010, the District completed the acquisition of land from United States Sugar Corporation for Everglades restoration. The acquisition will provide access to land for restoration and water quality improvement projects. Under the terms of the purchase, the District purchased approximately 27,200 acres of land for \$194 million in cash and received options to purchase up to 153,200 additional acres over the next ten years. The initial 27,200 acres of land comprises 18,300 acres located in Hendry County and 8,900 acres located in Palm Beach County.

Options include an exclusive 3-year option to purchase either a specific 46,800 acres or the entire 153,200 acres at \$7,400 per acre. After the expiration of the exclusive 3-year option period, the District has a subsequent 2-year, non-exclusive option to purchase a specific 46,800 acres at fair market value. In addition, after the expiration of the exclusive 3-year option period, there is a 7-year, non-exclusive option to purchase the remaining acres at fair market value.

United States Sugar Corporation is leasing the 27,200 acres from the District until such time that the District needs the land for restoration projects or land exchange. In addition, United States Sugar Corporation is responsible to control the land for exotic and invasive plants and must implement Best Management Practices. Lease revenue is expected to be approximately \$1 million annually for the District. In the event the District exercises any of its options to purchase additional land, the District may terminate portions of the lease and begin using the acreage for District purposes. The lease has an initial term of seven years followed by two renewal options which extend the lease to 20 years. The lease on the Palm Beach County land allows the District to terminate portions of the lease which are used in connection with District projects or exchange for property necessary for District projects. The lease on the Hendry County land can be terminated upon notice to the lessee prior to any July 1st and the lessee has until June 30th of the subsequent year to vacate the property. In March 2011, the District's Governing Board agreed to put United States Sugar Corporation on notice that the District intends to end its lease agreement on the land located in Hendry County in 2012.

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$191,796,473	\$191,796,473	\$189,659,164	(\$2,137,309)
Intergovernmental	-	-	113,353	113,353
Investment Earnings	2,458,910	2,458,910	2,975,362	516,452
Licenses, Permits and Fees	2,850,950	2,850,950	2,559,337	(291,613)
Sale of District Property	-	-	97,368	97,368
Indirect Costs Recovered	4,700,000	4,700,000	5,445,432	745,432
Leases	75,000	75,000	89,589	14,589
Other	-	-	738,694	738,694
Total Revenues	<u>201,881,333</u>	<u>201,881,333</u>	<u>201,678,299</u>	<u>(203,034)</u>
EXPENDITURES				
Current				
Operations and Maintenance				
Mission Support	175,538	175,538	143,540	31,998
Operations and Maintenance	12,612,791	12,193,662	11,891,139	302,523
Restoration	804,729	804,729	687,576	117,153
Water Supply	650,810	650,810	587,443	63,367
Total Operations and Maintenance	<u>14,243,868</u>	<u>13,824,739</u>	<u>13,309,698</u>	<u>515,041</u>
Corporate Resources				
Mission Support	86,297,562	85,398,376	79,414,304	5,984,072
Operations and Maintenance	835,754	950,438	848,403	102,035
Restoration	157,327	83,422	21,953	61,469
Water Supply	208,988	210,487	198,094	12,393
Total Corporate Resources	<u>87,499,631</u>	<u>86,642,723</u>	<u>80,482,754</u>	<u>6,159,969</u>
Regulatory and Public Affairs				
Mission Support	5,842,080	6,322,248	6,128,273	193,975
Operations and Maintenance	-	-	3,519	(3,519)
Restoration	6,098,835	6,395,011	1,879,938	4,515,073
Water Supply	32,328,244	30,176,391	27,209,852	2,966,539
Total Regulatory and Public Affairs	<u>44,269,159</u>	<u>42,893,650</u>	<u>35,221,582</u>	<u>7,672,068</u>
Everglades Restoration and Capital Projects				
Mission Support	2,811,739	2,765,970	1,446,290	1,319,680
Operations and Maintenance	819,601	912,334	949,910	(37,576)
Restoration	23,775,125	19,556,484	18,326,548	1,229,936
Water Supply	1,344,670	1,448,619	1,469,538	(20,919)
Total Everglades Restoration and Capital Projects	<u>28,751,135</u>	<u>24,683,407</u>	<u>22,192,286</u>	<u>2,491,121</u>

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Debt Service				
Bank Loan Principal Payments	1,143,358	1,143,358	1,142,857	501
Bank Loan Interest	169,977	169,977	168,000	1,977
Total Debt Service	<u>1,313,335</u>	<u>1,313,335</u>	<u>1,310,857</u>	<u>2,478</u>
Contingency				
Managerial Reserve	7,646,872	14,373,045	-	14,373,045
Managerial Reserve-Contingency	3,177,892	3,177,892	-	3,177,892
Total Contingency	<u>10,824,764</u>	<u>17,550,937</u>	<u>-</u>	<u>17,550,937</u>
Total Expenditures	<u>186,901,892</u>	<u>186,908,791</u>	<u>152,517,177</u>	<u>34,391,614</u>
Revenues in Excess of (Less than) Expenditures	<u>14,979,441</u>	<u>14,972,542</u>	<u>49,161,122</u>	<u>34,188,580</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	282,336	289,233	289,233	-
Transfers Out	(39,174,783)	(39,174,783)	(50,385,840)	(11,211,057)
Total Other Financing Sources (Uses)	<u>(38,892,447)</u>	<u>(38,885,550)</u>	<u>(50,096,607)</u>	<u>(11,211,057)</u>
Net Change in Fund Balance	(23,913,006)	(23,913,008)	(935,485)	22,977,523
Fund Balance at Beginning of Year	88,716,041	88,716,041	88,716,041	-
Fund Balance at End of Year	<u>\$64,803,035</u>	<u>\$64,803,033</u>	<u>\$87,780,556</u>	<u>\$22,977,523</u>

South Florida Water Management District
 Okeechobee Basin SR
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - (Unaudited)
 For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Ad Valorem Property Taxes	\$191,517,490	\$191,517,490	\$189,304,921	(\$2,212,569)
Intergovernmental	-	-	162,808	162,808
Investment Earnings	2,713,280	2,713,280	2,130,776	(582,504)
Licenses, Permits and Fees	83,000	83,000	92,760	9,760
Sale of District Property	300,000	300,000	203,421	(96,579)
Other	-	-	245,657	245,657
Total Revenues	<u>194,613,770</u>	<u>194,613,770</u>	<u>192,140,343</u>	<u>(2,473,427)</u>
EXPENDITURES				
Current				
Operations and Maintenance				
Mission Support	7,335	7,335	1,144	6,191
Operations and Maintenance	72,340,186	69,016,129	64,703,585	4,312,544
Restoration	935,295	1,015,295	810,712	204,583
Total Operations and Maintenance	<u>73,282,816</u>	<u>70,038,759</u>	<u>65,515,441</u>	<u>4,523,318</u>
Corporate Resources				
Mission Support	7,202,031	6,942,531	5,234,824	1,707,707
Operations and Maintenance	1,900,361	1,774,826	1,983,313	(208,487)
Restoration	197,782	64,430	64,429	1
Total Corporate Resources	<u>9,300,174</u>	<u>8,781,787</u>	<u>7,282,566</u>	<u>1,499,221</u>
Regulatory and Public Affairs				
Mission Support	4,048,798	4,551,360	4,462,447	88,913
Operations and Maintenance	544,881	534,931	258,589	276,342
Restoration	5,583,747	5,041,881	4,718,941	322,940
Water Supply	616,225	417,090	412,906	4,184
Total Regulatory and Public Affairs	<u>10,793,651</u>	<u>10,545,262</u>	<u>9,852,883</u>	<u>692,379</u>
Everglades Restoration and Capital Projects				
Mission Support	-	3,130	3,311	(181)
Operations and Maintenance	5,226,328	5,781,755	5,957,220	(175,465)
Restoration	9,048,051	9,671,285	8,632,206	1,039,079
Water Supply	-	42,350	19,588	22,762
Total Everglades Restoration and Capital Projects	<u>14,274,379</u>	<u>15,498,520</u>	<u>14,612,325</u>	<u>886,195</u>

South Florida Water Management District
Okeechobee Basin SR
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Unaudited)
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Debt Service				
Bank Loan Principal Payments	690,125	690,125	689,625	500
Bank Loan Interest	39,238	39,238	38,172	1,066
Capital Lease Principal Payments	200,830	200,830	200,330	500
Capital Lease Interest	5,643	5,643	5,543	100
Total Debt Service	<u>935,836</u>	<u>935,836</u>	<u>933,670</u>	<u>2,166</u>
Contingency				
Managerial Reserve	13,397,036	16,183,728	-	16,183,728
Managerial Reserve-Contingency	4,245,326	4,245,326	-	4,245,326
Total Contingency	<u>17,642,362</u>	<u>20,429,054</u>	<u>-</u>	<u>20,429,054</u>
Total Expenditures	<u>126,229,218</u>	<u>126,229,218</u>	<u>98,196,885</u>	<u>28,032,333</u>
Revenues in Excess of (Less than) Expenditures	<u>68,384,552</u>	<u>68,384,552</u>	<u>93,943,458</u>	<u>25,558,906</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	132,000	132,000	132,000	-
Transfers Out	(91,051,698)	(91,051,698)	(91,051,698)	-
Total Other Financing Sources (Uses)	<u>(90,919,698)</u>	<u>(90,919,698)</u>	<u>(90,919,698)</u>	<u>-</u>
Net Change in Fund Balance	<u>(22,535,146)</u>	<u>(22,535,146)</u>	<u>3,023,760</u>	<u>25,558,906</u>
Fund Balance at Beginning of Year	<u>84,713,479</u>	<u>84,713,479</u>	<u>84,713,479</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$62,178,333</u></u>	<u><u>\$62,178,333</u></u>	<u><u>\$87,737,239</u></u>	<u><u>\$25,558,906</u></u>

South Florida Water Management District
 State Appropriations
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - (Unaudited)
 For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$4,985,726	\$4,985,726	\$332,223	(\$4,653,503)
Investment Earnings	-	-	18,931	18,931
Total Revenues	<u>4,985,726</u>	<u>4,985,726</u>	<u>351,154</u>	<u>(4,634,572)</u>
EXPENDITURES				
Current				
Operations and Maintenance				
Restoration	58,614	58,614	58,614	-
Total Operations and Maintenance	<u>58,614</u>	<u>58,614</u>	<u>58,614</u>	<u>-</u>
Regulatory and Public Affairs				
Operations and Maintenance	60,238	-	-	-
Restoration	18,756,210	21,603,046	11,471,635	10,131,411
Water Supply	3,786,350	3,536,350	1,449,355	2,086,995
Total Regulatory and Public Affairs	<u>22,602,798</u>	<u>25,139,396</u>	<u>12,920,990</u>	<u>12,218,406</u>
Everglades Restoration and Capital Projects				
Restoration	6,042,582	2,437,918	1,361,705	1,076,213
Total Everglades Restoration and Capital Projects	<u>6,042,582</u>	<u>2,437,918</u>	<u>1,361,705</u>	<u>1,076,213</u>
Contingency				
Managerial Reserve	-	2,148,096	-	2,148,096
Total Contingency	<u>-</u>	<u>2,148,096</u>	<u>-</u>	<u>2,148,096</u>
Total Expenditures	<u>28,703,994</u>	<u>29,784,024</u>	<u>14,341,309</u>	<u>15,442,715</u>
Revenues in Excess of (Less than) Expenditures	<u>(23,718,268)</u>	<u>(24,798,298)</u>	<u>(13,990,155)</u>	<u>10,808,143</u>
Net Change in Fund Balance	<u>(23,718,268)</u>	<u>(24,798,298)</u>	<u>(13,990,155)</u>	<u>10,808,143</u>
Fund Balance at Beginning of Year	24,790,980	24,790,980	24,790,980	-
Fund Balance at End of Year	<u>\$1,072,712</u>	<u>(\$7,318)</u>	<u>\$10,800,825</u>	<u>\$10,808,143</u>

South Florida Water Management District
Schedule of Employer Contributions
Other Post-Employment Benefit Plans
September 30, 2010

Schedule of Employer Contributions

Year Ended September 30,	Employer Contributions	Annual Required Contribution	Percentage Contributed
2008	\$ 903,976	\$ 3,458,515	25.94%
2009	1,028,112	3,675,782	27.64%
2010	1,560,396	7,972,296	19.43%

Schedule of Funding Progress

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (Actuarial Value of Plan Assets/AAL)	Covered Payroll (Active Plan Members)	UAAL as a Percentage of Covered Payroll
			(2) - (1)	(1) / (2)		(3) / (5)
2008	-	\$ 44,993,790	\$ 44,993,790	0%	\$ 115,455,078	38.97%
2009	-	46,761,760	46,761,760	0%	115,455,078	40.50%
2010	-	97,110,991	97,110,991	0%	123,626,745	78.55%

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2010**

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 four Programs: Mission Support, Operations and Maintenance, Restoration, and Water Supply. The District is organized by departments which are grouped into four main resource areas: Operations and Maintenance, Corporate Resources, Regulatory and Public Affairs, and Everglades Restoration and Capital Projects.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. Three budget amendments were approved by the Governing Board during fiscal year 2010.
- For the year ended September 30, 2010, there were no adjustments to the total budgeted expenditures in the Okeechobee Basin Special Revenue Fund as a result of the budget amendments. The General Fund and the State Appropriations Fund realized increases in budgeted expenditures of \$6,899 and \$1.1 million, respectively, as a result of amendments during fiscal year 2010. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

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.



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FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

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

Big Cypress Basin SR Fund

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by a .2265 mill tax levy and interest earnings.

Save Our Rivers SR 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.

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.

Melaleuca 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 operating transfers from the Lake Belt Mitigation Fund.

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.

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.

Alternative Water Supply Fund

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

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds (continued)

Stormwater Treatment Areas Operations and Maintenance Fund

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

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 acquisition, 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 Trust Fund

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

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 CP Fund

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

Okeechobee Basin CP Fund

Accounts for capital expenditures incurred towards projects benefiting the Okeechobee Basin. Revenue is provided through operating transfers from the Okeechobee Basin SR Fund.

Big Cypress Basin CP Fund

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

Save Our Rivers CP 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.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Nonmajor Governmental Funds

Capital Projects Funds (continued)

Florida Bay Fund

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

Federal Land Acquisitions Fund

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

Comprehensive Everglades Restoration Plan (CERP) – Federal Funds

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

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.

Acceler8 – 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.

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 Permanent Fund

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

South Florida Water Management District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2010

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Control
ASSETS				
Cash and Investments	\$10,208,434	\$6,829,415	\$ -	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	29,072	1,635	-	-
Due from Other Governments	144,553	12,500	507,247	-
Due from Other Funds	-	-	-	-
Inventory	34,739	23,710	-	-
Other Assets	-	-	-	-
Total Assets	\$10,416,798	\$6,867,260	\$507,247	\$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$406,351	\$59,998	\$76,495	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	5,775	4,580,759	430,752	-
Deferred Revenue	-	390,000	276,286	-
Total Liabilities	412,126	5,030,757	783,533	-
FUND BALANCES				
Reserved for:				
Encumbrances	532,715	-	87,342	-
Inventory	34,739	23,710	-	-
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	3,349,000	-	-	-
Economic Stabilization	886,000	-	-	-
Undesignated	5,202,218	1,812,793	(363,628)	-
Total Fund Balances (Deficits)	10,004,672	1,836,503	(276,286)	-
Total Liabilities and Fund Balances	\$10,416,798	\$6,867,260	\$507,247	\$ -

Special Revenue Funds (Continued)				
	Wetland Mitigation	Indian River Lagoon Restoration	External Grants	Alternative Water Supply
ASSETS				
Cash and Investments	\$32,471,092	\$397,454	\$ -	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	59,604	859	-	-
Due from Other Governments	-	-	238,470	-
Due from Other Funds	-	-	-	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$32,530,696	\$398,313	\$238,470	\$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$130,301	\$ -	\$161,453	\$ -
Due to Other Governments	-	-	1,300,000	-
Due to Other Funds	-	-	487,133	-
Deferred Revenue	-	-	238,470	-
Total Liabilities	130,301	-	2,187,056	-
FUND BALANCES				
Reserved for:				
Encumbrances	387,959	63,529	2,458,870	-
Inventory	-	-	-	-
Acquisition of Land	3,847,740	-	-	-
Enhancement of Land	19,424,695	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	8,169,689	329,928	-	-
Economic Stabilization	-	-	-	-
Undesignated	570,312	4,856	(4,407,456)	-
Total Fund Balances (Deficits)	32,400,395	398,313	(1,948,586)	-
Total Liabilities and Fund Balances	\$32,530,696	\$398,313	\$238,470	\$ -

Continued

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	Special Revenue Funds (Continued)			
	Stormwater Treatment Areas Operation & Maintenance	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee Trust Fund
ASSETS				
Cash and Investments	\$9,059,144	\$4,535,070	\$474,465	\$10,262,631
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	9,224	1,020	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Inventory	23,578	-	-	-
Other Assets	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$9,082,722</u></u>	<u><u>\$4,544,294</u></u>	<u><u>\$475,485</u></u>	<u><u>\$10,262,631</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$375,160	\$523	\$192,097	\$884,027
Due to Other Governments	-	-	-	-
Due to Other Funds	23,101	-	-	-
Deferred Revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>398,261</u>	<u>523</u>	<u>192,097</u>	<u>884,027</u>
FUND BALANCES				
Reserved for:				
Encumbrances	185,888	-	4,168	1,160,100
Inventory	23,578	-	-	-
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	6,168,088	2,714,210	200,000	8,053,342
Economic Stabilization	-	-	-	-
Undesignated	2,306,907	1,829,561	79,220	165,162
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>8,684,461</u>	<u>4,543,771</u>	<u>283,388</u>	<u>9,378,604</u>
Total Liabilities and Fund Balances	<u><u>\$9,082,722</u></u>	<u><u>\$4,544,294</u></u>	<u><u>\$475,485</u></u>	<u><u>\$10,262,631</u></u>

	<u>Special Revenue Funds (Concluded)</u>	<u>Capital Projects Funds</u>		
	<u>Total</u>	<u>District CP</u>	<u>Okeechobee Basin CP</u>	<u>Big Cypress Basin CP</u>
ASSETS				
Cash and Investments	\$74,237,705	\$ -	\$68,949,419	\$13,233,607
Cash Held by Trustee	-	-	-	-
Accounts Receivable	101,414	-	34,725	20,335
Due from Other Governments	902,770	-	-	-
Due from Other Funds	-	-	-	-
Inventory	82,027	-	79,403	-
Other Assets	-	-	-	-
	<u>-\$75,323,916</u>	<u>\$ -</u>	<u>\$69,063,547</u>	<u>\$13,253,942</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$2,286,405	\$ -	\$7,137,780	\$2,204,526
Due to Other Governments	1,300,000	-	-	-
Due to Other Funds	5,527,520	1,226,167	-	-
Deferred Revenue	904,756	-	-	-
	<u>10,018,681</u>	<u>1,226,167</u>	<u>7,137,780</u>	<u>2,204,526</u>
FUND BALANCES				
Reserved for:				
Encumbrances	4,880,571	-	17,765,782	80,503
Inventory	82,027	-	79,403	-
Acquisition of Land	3,847,740	-	-	-
Enhancement of Land	19,424,695	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	28,984,257	-	42,572,652	3,158,956
Economic Stabilization	886,000	-	-	-
Undesignated	7,199,945	(1,226,167)	1,507,930	7,809,957
	<u>65,305,235</u>	<u>(1,226,167)</u>	<u>61,925,767</u>	<u>11,049,416</u>
Total Fund Balances (Deficits)	<u>65,305,235</u>	<u>(1,226,167)</u>	<u>61,925,767</u>	<u>11,049,416</u>
Total Liabilities and Fund Balances	<u>\$75,323,916</u>	<u>\$ -</u>	<u>\$69,063,547</u>	<u>\$13,253,942</u>

Continued

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	Capital Projects Funds (Continued)			
	Save Our Rivers CP	Federal Emergency Management Agency	Florida Bay	Federal Land Acquisition
ASSETS				
Cash and Investments	\$15,717,140	\$70,100	\$3,113,039	\$1,230,447
Cash Held by Trustee	-	-	-	-
Accounts Receivable	33,931	-	6,829	-
Due from Other Governments	-	88,157	323,136	-
Due from Other Funds	-	-	-	4,580,759
Inventory	-	-	-	-
Other Assets	-	-	-	-
Total Assets	\$15,751,071	\$158,257	\$3,443,004	\$5,811,206
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$330,709	\$30,540	\$104,974	\$342,366
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	330,709	30,540	104,974	342,366
FUND BALANCES				
Reserved for:				
Encumbrances	10,088,075	45,334	135,210	230,905
Inventory	-	-	-	-
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long-term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	5,134,618	-	2,155,320	934,959
Economic Stabilization	-	-	-	-
Undesignated	197,669	82,383	1,047,500	4,302,976
Total Fund Balances (Deficits)	15,420,362	127,717	3,338,030	5,468,840
Total Liabilities and Fund Balances	\$15,751,071	\$158,257	\$3,443,004	\$5,811,206

Capital Projects Funds (Concluded)				
	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable	Acceler8 Comprehensive Everglades Restoration Plan	Total
ASSETS				
Cash and Investments	\$ -	\$2,225,955	\$267	\$104,539,974
Cash Held by Trustee	-	-	31,031,994	31,031,994
Accounts Receivable	-	-	-	95,820
Due from Other Governments	471,381	-	-	882,674
Due from Other Funds	-	-	-	4,580,759
Inventory	-	-	-	79,403
Other Assets	-	-	-	-
Total Assets	\$471,381	\$2,225,955	\$31,032,261	\$141,210,624
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$40,350	\$ -	\$3,536	\$10,194,781
Due to Other Governments	-	-	-	-
Due to Other Funds	978,854	-	-	2,205,021
Deferred Revenue	-	-	-	-
Total Liabilities	1,019,204	-	3,536	12,399,802
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	115,323	28,461,132
Inventory	-	-	-	79,403
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long-term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	-	-	3,816,493	57,772,998
Economic Stabilization	-	-	-	-
Undesignated	(547,823)	2,225,955	27,096,909	42,497,289
Total Fund Balances (Deficits)	(547,823)	2,225,955	31,028,725	128,810,822
Total Liabilities and Fund Balances	\$471,381	\$2,225,955	\$31,032,261	\$141,210,624

Continued

South Florida Water Management District
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Wetlands Mitigation</u>	
ASSETS		
Cash and Investments	\$12,682,926	\$191,460,605
Cash Held by Trustee	-	31,031,994
Accounts Receivable	24,710	221,944
Due from Other Governments	-	1,785,444
Due from Other Funds	-	4,580,759
Inventory	-	161,430
Other Assets	-	-
	<u> </u>	<u> </u>
Total Assets	<u>\$12,707,636</u>	<u>\$229,242,176</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$12,481,186
Due to Other Governments	-	1,300,000
Due to Other Funds	-	7,732,541
Deferred Revenue	-	904,756
	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>22,418,483</u>
FUND BALANCES		
Reserved for:		
Encumbrances	-	33,341,703
Inventory	-	161,430
Acquisition of Land	-	3,847,740
Enhancement of Land	-	19,424,695
Long-term Management of Land	12,707,636	12,707,636
Unreserved		
Designated for:		
Subsequent Years Expenditures	-	86,757,255
Economic Stabilization	-	886,000
Undesignated	-	49,697,234
	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>12,707,636</u>	<u>206,823,693</u>
Total Liabilities and Fund Balances	<u>\$12,707,636</u>	<u>\$229,242,176</u>



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South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2010

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Control
REVENUES				
Ad Valorem Property Taxes	\$15,230,491	\$ -	\$ -	\$ -
Intergovernmental	-	7,094,748	1,871,519	1,194,485
Investment Earnings	256,469	2	-	-
Licenses, Permits and Fees	8,850	-	-	-
Sale of District Property	-	-	-	-
Leases	-	696,483	-	-
Other	18,442	47	2,523	1,934
Total Revenues	15,514,252	7,791,280	1,874,042	1,196,419
EXPENDITURES				
Current Operating				
Mission Support	750,982	-	-	-
Operations and Maintenance	4,214,223	471,891	2,096,550	1,196,635
Restoration	4,669,419	25,545	-	-
Water Supply	1,147,236	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	5,190,000	-	-
Bond Interest	-	1,722,396	-	-
Total Expenditures	10,781,860	7,409,832	2,096,550	1,196,635
Revenues in Excess of (Less than) Expenditures	4,732,392	381,448	(222,508)	(216)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(4,240,245)	(4,140,583)	(220,000)	-
Total Other Financing Sources (Uses)	(4,240,245)	(4,140,583)	(220,000)	-
Net Change in Fund Balances	492,147	(3,759,135)	(442,508)	(216)
Fund Balances (Deficits) at Beginning of Year	9,512,525	5,595,638	166,222	216
Fund Balances (Deficits) at End of Year	<u>\$10,004,672</u>	<u>\$1,836,503</u>	<u>(\$276,286)</u>	<u>\$ -</u>

Special Revenue Funds (Continued)

	Wetland Mitigation	Indian River Lagoon Restoration	External Grants	Alternative Water Supply
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	119,397	-	-
Investment Earnings	519,110	8,930	-	-
Licenses, Permits and Fees	3,341,452	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	26,400	-	-	-
Total Revenues	3,886,962	128,327	-	-
EXPENDITURES				
Current Operating				
Mission Support	-	-	-	-
Operations and Maintenance	2,436,472	-	-	-
Restoration	481,413	101,160	1,538,475	-
Water Supply	-	-	65,828	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	2,917,885	101,160	1,604,303	-
Revenues in Excess of (Less than) Expenditures	969,077	27,167	(1,604,303)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	6,217,396	-	-	-
Transfers Out	-	-	-	(201,233)
Total Other Financing Sources (Uses)	6,217,396	-	-	(201,233)
Net Change in Fund Balances	7,186,473	27,167	(1,604,303)	(201,233)
Fund Balances (Deficits) at Beginning of Year	25,213,922	371,146	(344,283)	201,233
Fund Balances (Deficits) at End of Year	<u>\$32,400,395</u>	<u>\$398,313</u>	<u>(\$1,948,586)</u>	<u>\$ -</u>

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2010

	Special Revenue Funds (Continued)			
	Stormwater Treatment Areas Operations & Maintenance	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee Trust Fund
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	259,319	2,039,615
Investment Earnings	-	129,058	8,766	11,284
Licenses, Permits and Fees	-	4,319,151	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	7,918	-	48	21,428
	<u>7,918</u>	<u>4,448,209</u>	<u>268,133</u>	<u>2,072,327</u>
EXPENDITURES				
Current Operating				
Mission Support	-	-	-	-
Operations and Maintenance	308	4,014	-	-
Restoration	16,023,551	-	242,485	6,155,453
Water Supply	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
	<u>16,023,859</u>	<u>4,014</u>	<u>242,485</u>	<u>6,155,453</u>
Revenues in Excess of (Less than) Expenditures	<u>(16,015,941)</u>	<u>4,444,195</u>	<u>25,648</u>	<u>(4,083,126)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	16,720,648	-	-	-
Transfers Out	-	(7,816,560)	-	-
	<u>16,720,648</u>	<u>(7,816,560)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	704,707	(3,372,365)	25,648	(4,083,126)
Fund Balances (Deficits) at Beginning of Year	7,979,754	7,916,136	257,740	13,461,730
Fund Balances (Deficits) at End of Year	<u>\$8,684,461</u>	<u>\$4,543,771</u>	<u>\$283,388</u>	<u>\$9,378,604</u>

	Special Revenue Funds (Concluded)	Capital Projects Funds		
	Total	District CP	Okeechobee Basin CP	Big Cypress Basin CP
REVENUES				
Ad Valorem Property Taxes	\$15,230,491	\$ -	\$ -	\$ -
Intergovernmental	12,579,083	-	-	-
Investment Earnings	933,619	-	655,636	266,861
Licenses, Permits and Fees	7,669,453	-	-	-
Sale of District Property	-	-	78,640	-
Leases	696,483	-	-	-
Other	78,740	-	89,728	371
	<u>37,187,869</u>	<u>-</u>	<u>824,004</u>	<u>267,232</u>
EXPENDITURES				
Current Operating				
Mission Support	750,982	-	(871)	(42)
Operations and Maintenance	10,420,093	-	14,588,641	9,080
Restoration	29,237,501	-	2,517,370	5,230,742
Water Supply	1,213,064	-	-	-
Capital Outlay	-	-	20,369,859	4,312,840
Debt Service				
Bond Principal Retirement	5,190,000	-	-	-
Bond Interest	1,722,396	-	-	-
	<u>48,534,036</u>	<u>-</u>	<u>37,474,999</u>	<u>9,552,620</u>
Revenues in Excess of (Less than) Expenditures	<u>(11,346,167)</u>	<u>-</u>	<u>(36,650,995)</u>	<u>(9,285,388)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	22,938,044	-	55,938,484	4,240,245
Transfers Out	(16,618,621)	-	-	-
	<u>6,319,423</u>	<u>-</u>	<u>55,938,484</u>	<u>4,240,245</u>
Net Change in Fund Balances	(5,026,744)	-	19,287,489	(5,045,143)
Fund Balances (Deficits) at Beginning of Year	70,331,979	(1,226,167)	42,638,278	16,094,559
Fund Balances (Deficits) at End of Year	<u>\$65,305,235</u>	<u>(\$1,226,167)</u>	<u>\$61,925,767</u>	<u>\$11,049,416</u>

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2010

	Capital Projects Funds (Continued)			
	Save Our Rivers CP	Federal Emergency Management Agency	Florida Bay	Federal Land Acquisition
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	862,984	428,476	323,136	-
Investment Earnings	321,091	-	74,137	34,963
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	237,078
Other	-	-	-	-
Total Revenues	1,184,075	428,476	397,273	272,041
EXPENDITURES				
Current Operating				
Mission Support	-	-	-	-
Operations and Maintenance	666,581	-	-	-
Restoration	-	428,476	1,170,848	-
Water Supply	-	-	-	-
Capital Outlay	1,051,529	-	15,005	1,234,485
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	1,718,110	428,476	1,185,853	1,234,485
Revenues in Excess of (Less than) Expenditures	(534,035)	-	(788,580)	(962,444)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	3,469,991
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	3,469,991
Net Change in Fund Balances	(534,035)	-	(788,580)	2,507,547
Fund Balances (Deficits) at Beginning of Year	15,954,397	127,717	4,126,610	2,961,293
Fund Balances (Deficits) at End of Year	<u>\$15,420,362</u>	<u>\$127,717</u>	<u>\$3,338,030</u>	<u>\$5,468,840</u>

	Capital Projects Funds (Concluded)			
	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable	Acceler8 Comprehensive Everglades Restoration Plan	Total
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	190,485	-	-	1,805,081
Investment Earnings	-	-	115,960	1,468,648
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	78,640
Leases	-	-	-	237,078
Other	-	-	1,772,131	1,862,230
Total Revenues	190,485	-	1,888,091	5,451,677
EXPENDITURES				
Current Operating				
Mission Support	-	-	-	(913)
Operations and Maintenance	-	-	-	15,264,302
Restoration	-	-	38,363	9,385,799
Water Supply	-	-	-	-
Capital Outlay	40,350	-	7,554	27,031,622
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	40,350	-	45,917	51,680,810
Revenues in Excess of (Less than) Expenditures	150,135	-	1,842,174	(46,229,133)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	63,648,720
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	63,648,720
Net Change in Fund Balances	150,135	-	1,842,174	17,419,587
Fund Balances (Deficits) at Beginning of Year	(697,958)	2,225,955	29,186,551	111,391,235
Fund Balances (Deficits) at End of Year	(\$547,823)	\$2,225,955	\$31,028,725	\$128,810,822

Continued

South Florida Water Management District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2010

	<u>Permanent Fund</u>	
	Wetlands Mitigation	Total Nonmajor Governmental Funds
REVENUES		
Ad Valorem Property Taxes	\$ -	\$15,230,491
Intergovernmental	-	14,384,164
Investment Earnings	216,505	2,618,772
Licenses, Permits and Fees	667,654	8,337,107
Sale of District Property	-	78,640
Leases	-	933,561
Other	-	1,940,970
	<u>-</u>	<u>1,940,970</u>
Total Revenues	884,159	43,523,705
EXPENDITURES		
Current Operating		
Mission Support	-	750,069
Operations and Maintenance	-	25,684,395
Restoration	-	38,623,300
Water Supply	-	1,213,064
Capital Outlay	-	27,031,622
Debt Service		
Bond Principal Retirement	-	5,190,000
Bond Interest	-	1,722,396
	<u>-</u>	<u>1,722,396</u>
Total Expenditures	-	100,214,846
Revenues in Excess of (Less than) Expenditures	884,159	(56,691,141)
OTHER FINANCING SOURCES (USES)		
Transfers In	1,777,886	88,364,650
Transfers Out	(178,722)	(16,797,343)
	<u>1,599,164</u>	<u>71,567,307</u>
Net Change in Fund Balances	2,483,323	14,876,166
Fund Balances (Deficits) at Beginning of Year	10,224,313	191,947,527
Fund Balances (Deficits) at End of Year	<u>\$12,707,636</u>	<u>\$206,823,693</u>



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South Florida Water Management District
Special Revenue Fund
Big Cypress Basin SR
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$15,416,974	\$15,230,491	(\$186,483)
Investment Earnings	413,110	256,469	(156,641)
Licenses, Permits and Fees	19,000	8,850	(10,150)
Other	-	18,442	18,442
Total Revenues	<u>15,849,084</u>	<u>15,514,252</u>	<u>(334,832)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	2,450,686	2,230,761	219,925
Total Operations and Maintenance	<u>2,450,686</u>	<u>2,230,761</u>	<u>219,925</u>
Corporate Resources			
Mission Support	483,581	188,801	294,780
Operations and Maintenance	59,080	59,080	-
Water Supply	80,000	78,214	1,786
Total Corporate Resources	<u>622,661</u>	<u>326,095</u>	<u>296,566</u>
Regulatory and Public Affairs			
Mission Support	577,237	537,855	39,382
Operations and Maintenance	1,299,548	1,276,573	22,975
Restoration	4,557,054	4,422,919	134,135
Water Supply	1,279,744	1,061,656	218,088
Total Regulatory and Public Affairs	<u>7,713,583</u>	<u>7,299,003</u>	<u>414,580</u>
Everglades Restoration and Capital Projects			
Mission Support	36,099	24,326	11,773
Operations and Maintenance	716,668	647,809	68,859
Restoration	291,862	246,500	45,362
Water Supply	21,494	7,366	14,128
Total Everglades Restoration and Capital Projects	<u>1,066,123</u>	<u>926,001</u>	<u>140,122</u>

South Florida Water Management District
Special Revenue Fund
Big Cypress Basin SR
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	1,206,871	-	1,206,871
Managerial Reserve-Contingency	286,800	-	286,800
Total Contingency	<u>1,493,671</u>	<u>-</u>	<u>1,493,671</u>
Total Expenditures	<u>13,346,724</u>	<u>10,781,860</u>	<u>2,564,864</u>
Revenues in Excess of (Less than) Expenditures	<u>2,502,360</u>	<u>4,732,392</u>	<u>2,230,032</u>
 OTHER FINANCING SOURCES (USES)			
Transfers Out	(4,240,245)	(4,240,245)	-
Total Other Financing Sources (Uses)	<u>(4,240,245)</u>	<u>(4,240,245)</u>	<u>-</u>
Net Change in Fund Balance	(1,737,885)	492,147	2,230,032
Fund Balance at Beginning of Year	9,512,525	9,512,525	-
Fund Balance at End of Year	<u>\$7,774,640</u>	<u>\$10,004,672</u>	<u>\$2,230,032</u>

South Florida Water Management District
Special Revenue Fund
Save Our Rivers SR
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$6,912,397	\$7,094,748	\$182,351
Investment Earnings	-	2	2
Leases	500,000	696,483	196,483
Other	-	47	47
Total Revenues	<u>7,412,397</u>	<u>7,791,280</u>	<u>378,883</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	496,773	484,352	12,421
Restoration	16,013	16,013	-
Total Operations and Maintenance	<u>512,786</u>	<u>500,365</u>	<u>12,421</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	1,797	(12,461)	14,258
Restoration	13,776	9,532	4,244
Total Everglades Restoration and Capital Projects	<u>15,573</u>	<u>(2,929)</u>	<u>18,502</u>
Debt Service			
Bond Principal Retirement	5,190,000	5,190,000	-
Bond Interest	1,722,397	1,722,396	1
Total Debt Service	<u>6,912,397</u>	<u>6,912,396</u>	<u>1</u>
Contingency			
Managerial Reserve	37,927	-	37,927
Total Contingency	<u>37,927</u>	<u>-</u>	<u>37,927</u>
Total Expenditures	<u>7,478,683</u>	<u>7,409,832</u>	<u>68,851</u>
Revenues in Excess of (Less than) Expenditures	<u>(66,286)</u>	<u>381,448</u>	<u>447,734</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(10,969,998)	(4,140,583)	6,829,415
Total Other Financing Sources (Uses)	<u>(10,969,998)</u>	<u>(4,140,583)</u>	<u>6,829,415</u>
Net Change in Fund Balance	(11,036,284)	(3,759,135)	7,277,149
Fund Balance at Beginning of Year	5,595,638	5,595,638	-
Fund Balance at End of Year	<u>(\$5,440,646)</u>	<u>\$1,836,503</u>	<u>\$7,277,149</u>

South Florida Water Management District
Special Revenue Fund
Aquatic Plant Control
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$3,596,015	\$1,871,519	(\$1,724,496)
Other	-	2,523	2,523
Total Revenues	<u>3,596,015</u>	<u>1,874,042</u>	<u>(1,721,973)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	2,214,483	2,096,550	117,933
Total Operations and Maintenance	<u>2,214,483</u>	<u>2,096,550</u>	<u>117,933</u>
Contingency			
Managerial Reserve	1,161,738	-	1,161,738
Total Contingency	<u>1,161,738</u>	<u>-</u>	<u>1,161,738</u>
Total Expenditures	<u>3,376,221</u>	<u>2,096,550</u>	<u>1,279,671</u>
Revenues in Excess of (Less than) Expenditures	<u>219,794</u>	<u>(222,508)</u>	<u>(442,302)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(220,000)	(220,000)	-
Total Other Financing Sources (Uses)	<u>(220,000)</u>	<u>(220,000)</u>	<u>-</u>
Net Change in Fund Balance	(206)	(442,508)	(442,302)
Fund Balance at Beginning of Year	166,222	166,222	-
Fund Balance at End of Year	<u>\$166,016</u>	<u>(\$276,286)</u>	<u>(\$442,302)</u>

South Florida Water Management District
Special Revenue Fund
Melaleuca Control
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$1,200,000	\$1,194,485	(\$5,515)
Other	-	1,934	1,934
Total Revenues	<u>1,200,000</u>	<u>1,196,419</u>	<u>(3,581)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	1,200,000	1,196,635	3,365
Total Operations and Maintenance	<u>1,200,000</u>	<u>1,196,635</u>	<u>3,365</u>
Total Expenditures	<u>1,200,000</u>	<u>1,196,635</u>	<u>3,365</u>
Revenues in Excess of (Less than) Expenditures	-	(216)	(216)
Net Change in Fund Balance	-	(216)	(216)
Fund Balance at Beginning of Year	216	216	-
Fund Balance at End of Year	<u>\$216</u>	<u>\$ -</u>	<u>(\$216)</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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$519,110	\$519,110
Licenses, Permits and Fees	-	3,341,452	3,341,452
Other	-	26,400	26,400
Total Revenues	<u>-</u>	<u>3,886,962</u>	<u>3,886,962</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	2,863,499	2,427,864	435,635
Total Operations and Maintenance	<u>2,863,499</u>	<u>2,427,864</u>	<u>435,635</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	47,638	8,608	39,030
Restoration	668,783	481,413	187,370
Total Everglades Restoration and Capital Projects	<u>716,421</u>	<u>490,021</u>	<u>226,400</u>
Contingency			
Managerial Reserve	9,195,999	-	9,195,999
Total Contingency	<u>9,195,999</u>	<u>-</u>	<u>9,195,999</u>
Total Expenditures	<u>12,775,919</u>	<u>2,917,885</u>	<u>9,858,034</u>
Revenues in Excess of (Less than) Expenditures	<u>(12,775,919)</u>	<u>969,077</u>	<u>13,744,996</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	6,494,674	6,217,396	(277,278)
Total Other Financing Sources (Uses)	<u>6,494,674</u>	<u>6,217,396</u>	<u>(277,278)</u>
Net Change in Fund Balance	(6,281,245)	7,186,473	13,467,718
Fund Balance at Beginning of Year	25,213,922	25,213,922	-
Fund Balance at End of Year	<u>\$18,932,677</u>	<u>\$32,400,395</u>	<u>\$13,467,718</u>

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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$186,000	\$119,397	(\$66,603)
Investment Earnings	14,000	8,930	(5,070)
Total Revenues	<u>200,000</u>	<u>128,327</u>	<u>(71,673)</u>
EXPENDITURES			
Current			
Regulatory and Public Affairs			
Restoration	164,689	101,160	63,529
Total Regulatory and Public Affairs	<u>164,689</u>	<u>101,160</u>	<u>63,529</u>
Contingency			
Managerial Reserve	199,405	-	199,405
Total Contingency	<u>199,405</u>	<u>-</u>	<u>199,405</u>
Total Expenditures	<u>364,094</u>	<u>101,160</u>	<u>262,934</u>
Revenues in Excess of (Less than) Expenditures	<u>(164,094)</u>	<u>27,167</u>	<u>191,261</u>
Net Change in Fund Balance	(164,094)	27,167	191,261
Fund Balance at Beginning of Year	371,146	371,146	-
Fund Balance at End of Year	<u>\$207,052</u>	<u>\$398,313</u>	<u>\$191,261</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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$3,998,274	\$ -	(\$3,998,274)
Total Revenues	<u>3,998,274</u>	<u>-</u>	<u>(3,998,274)</u>
EXPENDITURES			
Current			
Regulatory and Public Affairs			
Restoration	3,600,000	1,300,000	2,300,000
Water Supply	65,811	65,828	(17)
Total Regulatory and Public Affairs	<u>3,665,811</u>	<u>1,365,828</u>	<u>2,299,983</u>
Everglades Restoration and Capital Projects			
Restoration	398,274	238,475	159,799
Total Everglades Restoration and Capital Projects	<u>398,274</u>	<u>238,475</u>	<u>159,799</u>
Total Expenditures	<u>4,064,085</u>	<u>1,604,303</u>	<u>2,459,782</u>
Revenues in Excess of (Less than) Expenditures	<u>(65,811)</u>	<u>(1,604,303)</u>	<u>(1,538,492)</u>
Net Change in Fund Balance	(65,811)	(1,604,303)	(1,538,492)
Fund Balance at Beginning of Year	(344,283)	(344,283)	-
Fund Balance at End of Year	<u>(\$410,094)</u>	<u>(\$1,948,586)</u>	<u>(\$1,538,492)</u>

South Florida Water Management District
 Special Revenue Fund
 Alternative Water Supply
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(\$201,233)	(\$201,233)	\$ -
Total Other Financing Sources (Uses)	<u>(201,233)</u>	<u>(201,233)</u>	<u>-</u>
Net Change in Fund Balance	(201,233)	(201,233)	-
Fund Balance at Beginning of Year	201,233	201,233	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

South Florida Water Management District
Special Revenue Fund
Stormwater Treatment Areas - Operations and Maintenance
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Other	\$ -	\$7,918	\$7,918
Total Revenues	<u>-</u>	<u>7,918</u>	<u>7,918</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	-	308	(308)
Restoration	15,288,435	14,500,747	787,688
Total Operations and Maintenance	<u>15,288,435</u>	<u>14,501,055</u>	<u>787,380</u>
Corporate Resources			
Restoration	156,716	156,716	-
Total Corporate Resources	<u>156,716</u>	<u>156,716</u>	<u>-</u>
Everglades Restoration and Capital Projects			
Restoration	1,447,134	1,366,088	81,046
Total Everglades Restoration and Capital Projects	<u>1,447,134</u>	<u>1,366,088</u>	<u>81,046</u>
Contingency			
Managerial Reserve	4,640,029	-	4,640,029
Total Contingency	<u>4,640,029</u>	<u>-</u>	<u>4,640,029</u>
Total Expenditures	<u>21,532,314</u>	<u>16,023,859</u>	<u>5,508,455</u>
Revenues in Excess of (Less than) Expenditures	<u>(21,532,314)</u>	<u>(16,015,941)</u>	<u>5,516,373</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	16,720,648	16,720,648	-
Total Other Financing Sources (Uses)	<u>16,720,648</u>	<u>16,720,648</u>	<u>-</u>
Net Change in Fund Balance	(4,811,666)	704,707	5,516,373
Fund Balance at Beginning of Year	7,979,754	7,979,754	-
Fund Balance at End of Year	<u>\$3,168,088</u>	<u>\$8,684,461</u>	<u>\$5,516,373</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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$129,058	\$129,058
Licenses, Permits and Fees	-	4,319,151	4,319,151
Total Revenues	<u>-</u>	<u>4,448,209</u>	<u>4,448,209</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	9,500	4,014	5,486
Total Operations and Maintenance	<u>9,500</u>	<u>4,014</u>	<u>5,486</u>
Contingency			
Managerial Reserve	34,500	-	34,500
Total Contingency	<u>34,500</u>	<u>-</u>	<u>34,500</u>
Total Expenditures	<u>44,000</u>	<u>4,014</u>	<u>39,986</u>
Revenues in Excess of (Less than) Expenditures	<u>(44,000)</u>	<u>4,444,195</u>	<u>4,488,195</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(7,972,560)	(7,816,560)	156,000
Total Other Financing Sources (Uses)	<u>(7,972,560)</u>	<u>(7,816,560)</u>	<u>156,000</u>
Net Change in Fund Balance	(8,016,560)	(3,372,365)	4,644,195
Fund Balance at Beginning of Year	7,916,136	7,916,136	-
Fund Balance at End of Year	<u>(\$100,424)</u>	<u>\$4,543,771</u>	<u>\$4,644,195</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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$186,000	\$259,319	\$73,319
Investment Earnings	14,000	8,766	(5,234)
Other	-	48	48
Total Revenues	<u>200,000</u>	<u>268,133</u>	<u>68,133</u>
EXPENDITURES			
Current			
Everglades Restoration and Capital Projects			
Restoration	246,784	242,485	4,299
Total Everglades Restoration and Capital Projects	<u>246,784</u>	<u>242,485</u>	<u>4,299</u>
Total Expenditures	<u>246,784</u>	<u>242,485</u>	<u>4,299</u>
Revenues in Excess of (Less than) Expenditures	<u>(46,784)</u>	<u>25,648</u>	<u>72,432</u>
Net Change in Fund Balance	(46,784)	25,648	72,432
Fund Balance at Beginning of Year	257,740	257,740	-
Fund Balance at End of Year	<u>\$210,956</u>	<u>\$283,388</u>	<u>\$72,432</u>

South Florida Water Management District
Special Revenue Fund
Lake Okeechobee Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$2,039,615	\$2,039,615
Investment Earnings	-	11,284	11,284
Other	-	21,428	21,428
Total Revenues	<u>-</u>	<u>2,072,327</u>	<u>2,072,327</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	213,788	222,762	(8,974)
Total Operations and Maintenance	<u>213,788</u>	<u>222,762</u>	<u>(8,974)</u>
Regulatory and Public Affairs			
Restoration	1,202,374	838,048	364,326
Total Regulatory and Public Affairs	<u>1,202,374</u>	<u>838,048</u>	<u>364,326</u>
Everglades Restoration and Capital Projects			
Restoration	6,190,641	5,094,643	1,095,998
Total Everglades Restoration and Capital Projects	<u>6,190,641</u>	<u>5,094,643</u>	<u>1,095,998</u>
Contingency			
Managerial Reserve	3,944,908	-	3,944,908
Total Contingency	<u>3,944,908</u>	<u>-</u>	<u>3,944,908</u>
Total Expenditures	<u>11,551,711</u>	<u>6,155,453</u>	<u>5,396,258</u>
Revenues in Excess of (Less than) Expenditures	<u>(11,551,711)</u>	<u>(4,083,126)</u>	<u>7,468,585</u>
Net Change in Fund Balance	(11,551,711)	(4,083,126)	7,468,585
Fund Balance at Beginning of Year	13,461,730	13,461,730	-
Fund Balance at End of Year	<u>\$1,910,019</u>	<u>\$9,378,604</u>	<u>\$7,468,585</u>

South Florida Water Management District
 Capital Projects Fund
 District CP
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Fund Balance at Beginning of Year	(\$1,226,167)	(\$1,226,167)	\$ -
Fund Balance at End of Year	(\$1,226,167)	(\$1,226,167)	\$ -

South Florida Water Management District
 Capital Projects Fund
 Okeechobee Basin CP
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$655,636	\$655,636
Sale of District Property	-	78,640	78,640
Other	-	89,728	89,728
Total Revenues	<u>-</u>	<u>824,004</u>	<u>824,004</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	41,767,819	34,159,708	7,608,111
Restoration	-	(31)	31
Total Operations and Maintenance	<u>41,767,819</u>	<u>34,159,677</u>	<u>7,608,142</u>
Corporate Resources			
Mission Support	-	(871)	871
Restoration	136,359	30,225	106,134
Total Corporate Resources	<u>136,359</u>	<u>29,354</u>	<u>107,005</u>
Regulatory and Public Affairs			
Restoration	140,818	131,646	9,172
Total Regulatory and Public Affairs	<u>140,818</u>	<u>131,646</u>	<u>9,172</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	-	1,905	(1,905)
Restoration	13,490,350	3,152,417	10,337,933
Total Everglades Restoration and Capital Projects	<u>13,490,350</u>	<u>3,154,322</u>	<u>10,336,028</u>

South Florida Water Management District
 Capital Projects Fund
 Okeechobee Basin CP
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	35,468,194	-	35,468,194
Total Contingency	35,468,194	-	35,468,194
Total Expenditures	91,003,540	37,474,999	53,528,541
Revenues in Excess of (Less than) Expenditures	(91,003,540)	(36,650,995)	54,352,545
 OTHER FINANCING SOURCES (USES)			
Transfers In	55,938,484	55,938,484	-
Total Other Financing Sources (Uses)	55,938,484	55,938,484	-
Net Change in Fund Balance	(35,065,056)	19,287,489	54,352,545
Fund Balance at Beginning of Year	42,638,278	42,638,278	-
Fund Balance at End of Year	\$7,573,222	\$61,925,767	\$54,352,545

South Florida Water Management District
 Capital Projects Fund
 Big Cypress Basin CP
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$189,500	\$266,861	\$77,361
Other	-	371	371
Total Revenues	<u>189,500</u>	<u>267,232</u>	<u>77,732</u>
EXPENDITURES			
Current			
Corporate Resources			
Mission Support	-	(42)	42
Total Corporate Resources	<u>-</u>	<u>(42)</u>	<u>42</u>
Regulatory and Public Affairs			
Operations and Maintenance	1,020,883	1,015,601	5,282
Restoration	700,901	700,901	-
Total Regulatory and Public Affairs	<u>1,721,784</u>	<u>1,716,502</u>	<u>5,282</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	3,375,295	3,306,319	68,976
Restoration	3,960,000	4,529,841	(569,841)
Total Everglades Restoration and Capital Projects	<u>7,335,295</u>	<u>7,836,160</u>	<u>(500,865)</u>
Contingency			
Managerial Reserve	83,000	-	83,000
Total Contingency	<u>83,000</u>	<u>-</u>	<u>83,000</u>
Total Expenditures	<u>9,140,079</u>	<u>9,552,620</u>	<u>(412,541)</u>
Revenues in Excess of (Less than) Expenditures	<u>(8,950,579)</u>	<u>(9,285,388)</u>	<u>334,809</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,240,245	4,240,245	-
Total Other Financing Sources (Uses)	<u>4,240,245</u>	<u>4,240,245</u>	<u>-</u>
Net Change in Fund Balance	(4,710,334)	(5,045,143)	334,809
Fund Balance at Beginning of Year	16,094,559	16,094,559	-
Fund Balance at End of Year	<u>\$11,384,225</u>	<u>\$11,049,416</u>	<u>\$334,809</u>

South Florida Water Management District
 Capital Projects Fund
 Save Our Rivers CP
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$8,520,000	\$862,984	(\$7,657,016)
Investment Earnings	-	321,091	321,091
Total Revenues	<u>8,520,000</u>	<u>1,184,075</u>	<u>(7,335,925)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	820,000	654,581	165,419
Total Operations and Maintenance	<u>820,000</u>	<u>654,581</u>	<u>165,419</u>
Corporate Resources			
Restoration	500	-	500
Total Corporate Resources	<u>500</u>	<u>-</u>	<u>500</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	12,000	12,000	-
Restoration	10,974,185	1,051,529	9,922,656
Total Everglades Restoration and Capital Projects	<u>10,986,185</u>	<u>1,063,529</u>	<u>9,922,656</u>
Contingency			
Managerial Reserve	400,000	-	400,000
Total Contingency	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total Expenditures	<u>12,206,685</u>	<u>1,718,110</u>	<u>10,488,575</u>
Revenues in Excess of (Less than) Expenditures	<u>(3,686,685)</u>	<u>(534,035)</u>	<u>3,152,650</u>
Net Change in Fund Balance	(3,686,685)	(534,035)	3,152,650
Fund Balance at Beginning of Year	15,954,397	15,954,397	-
Fund Balance at End of Year	<u>\$12,267,712</u>	<u>\$15,420,362</u>	<u>\$3,152,650</u>

South Florida Water Management District
 Capital Projects Fund
 Everglades Trust Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$61,214,385	\$60,507,638	(\$706,747)
Agricultural Privilege Taxes	11,630,000	11,678,158	48,158
Intergovernmental	2,000,000	-	(2,000,000)
Investment Earnings	1,102,270	2,220,495	1,118,225
Other	-	3,319	3,319
Total Revenues	<u>75,946,655</u>	<u>74,409,610</u>	<u>(1,537,045)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	8,164,814	7,252,706	912,108
Total Operations and Maintenance	<u>8,164,814</u>	<u>7,252,706</u>	<u>912,108</u>
Corporate Resources			
Restoration	2,819,433	1,804,472	1,014,961
Total Corporate Resources	<u>2,819,433</u>	<u>1,804,472</u>	<u>1,014,961</u>
Regulatory and Public Affairs			
Restoration	3,854,365	3,585,781	268,584
Total Regulatory and Public Affairs	<u>3,854,365</u>	<u>3,585,781</u>	<u>268,584</u>
Everglades Restoration and Capital Projects			
Restoration	23,861,301	21,557,868	2,303,433
Total Everglades Restoration and Capital Projects	<u>23,861,301</u>	<u>21,557,868</u>	<u>2,303,433</u>
Debt Service			
COPS Bond Principal Retirement	5,181,892	5,181,891	1
COPS Bond Interest	14,337,500	14,336,499	1,001
Total Debt Service	<u>19,519,392</u>	<u>19,518,390</u>	<u>1,002</u>

South Florida Water Management District
 Capital Projects Fund
 Everglades Trust Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	19,119,672	-	19,119,672
Total Contingency	19,119,672	-	19,119,672
Total Expenditures	77,338,977	53,719,217	23,619,760
Revenues in Excess of (Less than) Expenditures	(1,392,322)	20,690,393	22,082,715
 OTHER FINANCING SOURCES (USES)			
Transfers Out	(17,720,648)	(16,720,648)	1,000,000
Total Other Financing Sources (Uses)	(17,720,648)	(16,720,648)	1,000,000
Net Change in Fund Balance	(19,112,970)	3,969,745	23,082,715
Fund Balance at Beginning of Year	94,565,212	94,565,212	-
Fund Balance at End of Year	\$75,452,242	\$98,534,957	\$23,082,715

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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$252,852	\$428,476	\$175,624
Total Revenues	<u>252,852</u>	<u>428,476</u>	<u>175,624</u>
EXPENDITURES			
Current			
Regulatory and Public Affairs			
Restoration	475,879	428,476	47,403
Total Regulatory and Public Affairs	<u>475,879</u>	<u>428,476</u>	<u>47,403</u>
Contingency			
Managerial Reserve	86,825	-	86,825
Total Contingency	<u>86,825</u>	<u>-</u>	<u>86,825</u>
Total Expenditures	<u>562,704</u>	<u>428,476</u>	<u>134,228</u>
Revenues in Excess of (Less than) Expenditures	<u>(309,852)</u>	<u>-</u>	<u>309,852</u>
Net Change in Fund Balance	(309,852)	-	309,852
Fund Balance at Beginning of Year	127,717	127,717	-
Fund Balance at End of Year	<u>(\$182,135)</u>	<u>\$127,717</u>	<u>\$309,852</u>

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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$323,136	\$323,136
Investment Earnings	-	74,137	74,137
Total Revenues	<u>-</u>	<u>397,273</u>	<u>397,273</u>
EXPENDITURES			
Current			
Corporate Resources			
Restoration	7,577	7,577	-
Total Corporate Resources	<u>7,577</u>	<u>7,577</u>	<u>-</u>
Everglades Restoration and Capital Projects			
Restoration	1,353,527	1,178,276	175,251
Total Everglades Restoration and Capital Projects	<u>1,353,527</u>	<u>1,178,276</u>	<u>175,251</u>
Contingency			
Managerial Reserve	42,886	-	42,886
Total Contingency	<u>42,886</u>	<u>-</u>	<u>42,886</u>
Total Expenditures	<u>1,403,990</u>	<u>1,185,853</u>	<u>218,137</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,403,990)</u>	<u>(788,580)</u>	<u>615,410</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,000,000	-	(1,000,000)
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Net Change in Fund Balance	(403,990)	(788,580)	(384,590)
Fund Balance at Beginning of Year	4,126,610	4,126,610	-
Fund Balance at End of Year	<u>\$3,722,620</u>	<u>\$3,338,030</u>	<u>(\$384,590)</u>

South Florida Water Management District
 Capital Projects Fund
 Comprehensive Everglades Restoration Plan - Ad Valorem
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$423,950	\$3,225,808	\$2,801,858
Sale of District Property	-	-	
Leases	-	990,565	990,565
Other	-	5,596	5,596
Total Revenues	<u>423,950</u>	<u>4,221,969</u>	<u>3,798,019</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	-	833	(833)
Restoration	2,467,436	1,992,142	475,294
Total Operations and Maintenance	<u>2,467,436</u>	<u>1,992,975</u>	<u>474,461</u>
Corporate Resources			
Operations and Maintenance	-	2,248	(2,248)
Restoration	5,791,300	(3,669,972)	9,461,272
Total Corporate Resources	<u>5,791,300</u>	<u>(3,667,724)</u>	<u>9,459,024</u>
Regulatory and Public Affairs			
Restoration	1,062,491	(1,279,378)	2,341,869
Total Regulatory and Public Affairs	<u>1,062,491</u>	<u>(1,279,378)</u>	<u>2,341,869</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	-	2,168	(2,168)
Restoration	35,215,521	39,630,318	(4,414,797)
Total Everglades Restoration and Capital Projects	<u>35,215,521</u>	<u>39,632,486</u>	<u>(4,416,965)</u>
Debt Service			
COPS Bond Principal Retirement	4,188,109	4,188,109	-
COPS Bond Interest	11,587,048	11,587,047	1
Total Debt Service	<u>15,775,157</u>	<u>15,775,156</u>	<u>1</u>

South Florida Water Management District
 Capital Projects Fund
 Comprehensive Everglades Restoration Plan - Ad Valorem
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	70,624,284	-	70,624,284
Total Contingency	70,624,284	-	70,624,284
Total Expenditures	130,936,189	52,453,515	78,482,674
Revenues in Excess of (Less than) Expenditures	(130,512,239)	(48,231,546)	82,280,693
 OTHER FINANCING SOURCES (USES)			
Transfers In	73,174,783	73,174,783	-
Total Other Financing Sources (Uses)	73,174,783	73,174,783	-
Net Change in Fund Balance	(57,337,456)	24,943,237	82,280,693
Fund Balance at Beginning of Year	183,793,076	183,793,076	-
Fund Balance at End of Year	\$126,455,620	\$208,736,313	\$82,280,693

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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$34,963	\$34,963
Leases	-	237,078	237,078
Total Revenues	<u>-</u>	<u>272,041</u>	<u>272,041</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	1,492,901	1,234,485	258,416
Total Operations and Maintenance	<u>1,492,901</u>	<u>1,234,485</u>	<u>258,416</u>
Contingency			
Managerial Reserve	8,806,505	-	8,806,505
Total Contingency	<u>8,806,505</u>	<u>-</u>	<u>8,806,505</u>
Total Expenditures	<u>10,299,406</u>	<u>1,234,485</u>	<u>9,064,921</u>
Revenues in Excess of (Less than) Expenditures	<u>(10,299,406)</u>	<u>(962,444)</u>	<u>9,336,962</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	10,299,406	3,469,991	(6,829,415)
Total Other Financing Sources (Uses)	<u>10,299,406</u>	<u>3,469,991</u>	<u>(6,829,415)</u>
Net Change in Fund Balance	-	2,507,547	2,507,547
Fund Balance at Beginning of Year	2,961,293	2,961,293	-
Fund Balance at End of Year	<u>\$2,961,293</u>	<u>\$5,468,840</u>	<u>\$2,507,547</u>

South Florida Water Management District
 Capital Projects Fund
 Save Our Everglades
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$116,043,865	\$77,076,606	(\$38,967,259)
Investment Earnings	-	578,211	578,211
Sale of District Property	-	42,500	42,500
Leases	-	429,751	429,751
Total Revenues	<u>116,043,865</u>	<u>78,127,068</u>	<u>(37,916,797)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	-	(573)	573
Total Operations and Maintenance	<u>-</u>	<u>(573)</u>	<u>573</u>
Regulatory and Public Affairs			
Restoration	6,608,886	3,209,648	3,399,238
Total Regulatory and Public Affairs	<u>6,608,886</u>	<u>3,209,648</u>	<u>3,399,238</u>
Everglades Restoration and Capital Projects			
Restoration	62,569,826	54,686,410	7,883,416
Total Everglades Restoration and Capital Projects	<u>62,569,826</u>	<u>54,686,410</u>	<u>7,883,416</u>
Contingency			
Managerial Reserve	55,299,757	-	55,299,757
Total Contingency	<u>55,299,757</u>	<u>-</u>	<u>55,299,757</u>
Total Expenditures	<u>124,478,469</u>	<u>57,895,485</u>	<u>66,582,984</u>
Revenues in Excess of (Less than) Expenditures	<u>(8,434,604)</u>	<u>20,231,583</u>	<u>28,666,187</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,783,806	1,783,806	-
Total Other Financing Sources (Uses)	<u>1,783,806</u>	<u>1,783,806</u>	<u>-</u>
Net Change in Fund Balance	(6,650,798)	22,015,389	28,666,187
Fund Balance at Beginning of Year	(25,598)	(25,598)	-
Fund Balance at End of Year	<u>(\$6,676,396)</u>	<u>\$21,989,791</u>	<u>\$28,666,187</u>

South Florida Water Management District
 Capital Projects Fund
 Comprehensive Everglades Restoration Plan - Federal Funds
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$75,000	\$190,485	\$115,485
Total Revenues	<u>75,000</u>	<u>190,485</u>	<u>115,485</u>
EXPENDITURES			
Current			
Everglades Restoration and Capital Projects			
Restoration	75,272	40,350	34,922
Total Everglades Restoration and Capital Projects	<u>75,272</u>	<u>40,350</u>	<u>34,922</u>
Total Expenditures	<u>75,272</u>	<u>40,350</u>	<u>34,922</u>
Revenues in Excess of (Less than) Expenditures	<u>(272)</u>	<u>150,135</u>	<u>150,407</u>
Net Change in Fund Balance	(272)	150,135	150,407
Fund Balance at Beginning of Year	(697,958)	(697,958)	-
Fund Balance at End of Year	<u><u>(\$698,230)</u></u>	<u><u>(\$547,823)</u></u>	<u><u>\$150,407</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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at Beginning of Year	\$2,225,955	\$2,225,955	\$ -
Fund Balance at End of Year	<u>\$2,225,955</u>	<u>\$2,225,955</u>	<u>\$ -</u>

South Florida Water Management District
 Capital Projects Fund
 Acceler8 - Everglades Construction Project
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$636,394	\$636,394
Sale of District Property	-	181,096	181,096
Total Revenues	<u>-</u>	<u>817,490</u>	<u>817,490</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	-	(100,103)	100,103
Total Operations and Maintenance	<u>-</u>	<u>(100,103)</u>	<u>100,103</u>
Everglades Restoration and Capital Projects			
Restoration	122,484,865	97,767,746	24,717,119
Total Everglades Restoration and Capital Projects	<u>122,484,865</u>	<u>97,767,746</u>	<u>24,717,119</u>
Contingency			
Managerial Reserve	40,807,944	-	40,807,944
Total Contingency	<u>40,807,944</u>	<u>-</u>	<u>40,807,944</u>
Total Expenditures	<u>163,292,809</u>	<u>97,667,643</u>	<u>65,625,166</u>
Revenues in Excess of (Less than) Expenditures	<u>(163,292,809)</u>	<u>(96,850,153)</u>	<u>66,442,656</u>
Net Change in Fund Balance	(163,292,809)	(96,850,153)	66,442,656
Fund Balance at Beginning of Year	230,217,148	230,217,148	-
Fund Balance at End of Year	<u>\$66,924,339</u>	<u>\$133,366,995</u>	<u>\$66,442,656</u>

South Florida Water Management District
 Capital Projects Fund
 Acceler8 - Comprehensive Everglades Restoration Plan
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended September 30, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$115,960	\$115,960
Other	-	1,772,131	1,772,131
Total Revenues	<u>-</u>	<u>1,888,091</u>	<u>1,888,091</u>
EXPENDITURES			
Current			
Everglades Restoration and Capital Projects			
Restoration	536,966,523	45,917	536,920,606
Total Everglades Restoration and Capital Projects	<u>536,966,523</u>	<u>45,917</u>	<u>536,920,606</u>
Contingency			
Managerial Reserve	2,000,000	-	2,000,000
Total Contingency	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Total Expenditures	<u>538,966,523</u>	<u>45,917</u>	<u>538,920,606</u>
Revenues in Excess of (Less than) Expenditures	<u>(538,966,523)</u>	<u>1,842,174</u>	<u>540,808,697</u>
OTHER FINANCING SOURCES (USES)			
Debt Issue	536,482,668	-	(536,482,668)
Total Other Financing Sources (Uses)	<u>536,482,668</u>	<u>-</u>	<u>(536,482,668)</u>
Net Change in Fund Balance	(2,483,855)	1,842,174	4,326,029
Fund Balance at Beginning of Year	29,186,551	29,186,551	-
Fund Balance at End of Year	<u>\$26,702,696</u>	<u>\$31,028,725</u>	<u>\$4,326,029</u>

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, 2010

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$300,000	\$216,505	(\$83,495)
Licenses, Permits and Fees	-	667,654	667,654
Total Revenues	<u>300,000</u>	<u>884,159</u>	<u>584,159</u>
EXPENDITURES			
Current			
Contingency			
Managerial Reserve	1,777,886	-	1,777,886
Total Contingency	<u>1,777,886</u>	<u>-</u>	<u>1,777,886</u>
Total Expenditures	<u>1,777,886</u>	<u>-</u>	<u>1,777,886</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,477,886)</u>	<u>884,159</u>	<u>2,362,045</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,777,886	1,777,886	-
Transfers Out	(300,000)	(178,722)	121,278
Total Other Financing Sources (Uses)	<u>1,477,886</u>	<u>1,599,164</u>	<u>121,278</u>
Net Change in Fund Balance	-	2,483,323	2,483,323
Fund Balance at Beginning of Year	10,224,313	10,224,313	-
Fund Balance at End of Year	<u>\$10,224,313</u>	<u>\$12,707,636</u>	<u>\$2,483,323</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one District department to another 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 departments. 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 Assets
Internal Service Funds
September 30, 2010

	<u>Self Insurance Fund</u>	<u>Health Benefits Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Investments	\$16,404,690	\$6,971,323	\$23,376,013
Accounts Receivable	-	9,530	9,530
Due from Other Funds	-	577,525	577,525
Prepays	581,648	-	581,648
Other Assets	140,000	578,000	718,000
Total Current Assets	<u>17,126,338</u>	<u>8,136,378</u>	<u>25,262,716</u>
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,458	-	27,458
Computer Hardware	8,196	-	8,196
Vehicles	25,974	-	25,974
Accumulated Depreciation	(16,285)	-	(16,285)
Total Noncurrent Assets	<u>45,343</u>	<u>-</u>	<u>45,343</u>
Total Assets	<u>\$17,171,681</u>	<u>\$8,136,378</u>	<u>\$25,308,059</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$44,646	\$891,391	\$936,037
Due to Other Funds	5,777	-	5,777
Claims Payable	863,453	1,511,650	2,375,103
Total Current Liabilities	<u>913,876</u>	<u>2,403,041</u>	<u>3,316,917</u>
Noncurrent Liabilities			
Claims Payable	5,022,547	-	5,022,547
Total Noncurrent Liabilities	<u>5,022,547</u>	<u>-</u>	<u>5,022,547</u>
Total Liabilities	<u>\$5,936,423</u>	<u>\$2,403,041</u>	<u>\$8,339,464</u>
NET ASSETS			
Net Assets			
Invested in Capital Assets, Net of Related Debt	45,343	-	45,343
Unrestricted	11,189,915	5,733,337	16,923,252
Total Net Assets	<u>\$11,235,258</u>	<u>\$5,733,337</u>	<u>\$16,968,595</u>

South Florida Water Management District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2010

	<u>Self Insurance Fund</u>	<u>Health Benefits Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$9,106,006	\$21,233,915	\$30,339,921
Other Operating Revenue	73,870	3,245,117	3,318,987
Total Operating Revenues	<u>9,179,876</u>	<u>24,479,032</u>	<u>33,658,908</u>
OPERATING EXPENSES			
Salaries	489,615	-	489,615
Benefits	230,280	-	230,280
Claims	503,834	17,421,264	17,925,098
Purchased Services	230,206	-	230,206
Administrative Fees	-	1,387,584	1,387,584
Other	1,259,177	-	1,259,177
Depreciation	5,954	-	5,954
Total Operating Expenses	<u>2,719,066</u>	<u>18,808,848</u>	<u>21,527,914</u>
OPERATING INCOME	6,460,810	5,670,184	12,130,994
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	-	63,153	63,153
Total Nonoperating Revenues	<u>-</u>	<u>63,153</u>	<u>63,153</u>
INCOME BEFORE TRANSFERS	6,460,810	5,733,337	12,194,147
OTHER FINANCING SOURCES (USES)			
Transfers In	11,211,057	-	11,211,057
Capital Contributions	48,391	-	48,391
Assumption of Liabilities for Self Insurance Claims	(6,485,000)	-	(6,485,000)
Total Other Financing Sources (Uses)	<u>4,774,448</u>	<u>-</u>	<u>4,774,448</u>
 Change in Net Assets	 11,235,258	 5,733,337	 16,968,595
Net Assets at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets at End of Year	<u>\$11,235,258</u>	<u>\$5,733,337</u>	<u>\$16,968,595</u>

South Florida Water Management District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2010

	Self Insurance Fund	Health Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Receipts from Customers	\$9,111,780	\$20,646,860	\$29,758,640
Cash Payments to Suppliers	(2,026,384)	(1,387,584)	(3,413,968)
Cash Payments for Salaries, Benefits	(719,895)	-	(719,895)
Cash Payments to Administrators	(140,000)	(578,000)	(718,000)
Claims Paid	(1,102,834)	(15,018,223)	(16,121,057)
Other Receipts (Payments)	<u>73,872</u>	<u>3,245,117</u>	<u>3,318,989</u>
Net cash provided by operating activities	5,196,539	6,908,170	12,104,709
CASH FLOWS FROM NONCAPITAL FINANCING			
Transfers In	<u>11,211,057</u>	<u>-</u>	<u>11,211,057</u>
Net cash provided by noncapital financing activities	11,211,057	-	11,211,057
CASH FLOWS FROM CAPITAL ACTIVITIES:			
Purchase of Capital Assets	<u>(2,906)</u>	<u>-</u>	<u>(2,906)</u>
Net cash used for capital activities	(2,906)	-	(2,906)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Earnings	<u>-</u>	<u>63,153</u>	<u>63,153</u>
Net cash provided by investing activities	-	63,153	63,153
Net Increase in Cash and Cash Equivalents	16,404,690	6,971,323	23,376,013
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$16,404,690</u>	<u>\$6,971,323</u>	<u>\$23,376,013</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Income	\$6,460,810	\$5,670,184	\$12,130,994
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation	5,954	-	5,954
CHANGES IN ASSETS AND LIABILITIES:			
Decrease (Increase) in Accounts Receivable		(9,530)	(9,530)
Decrease (Increase) in Due from Other Funds	-	(577,525)	(577,525)
Decrease (Increase) in Prepays	(581,648)	-	(581,648)
Decrease (Increase) in Deposits	(140,000)	(578,000)	(718,000)
Increase (Decrease) in Accounts Payable	44,646	891,391	936,037
Increase (Decrease) in Due to Other Funds	5,777	-	5,777
Increase (Decrease) in Estimated Unpaid Claims	<u>(599,000)</u>	<u>1,511,650</u>	<u>912,650</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$5,196,539</u>	<u>\$6,908,170</u>	<u>\$12,104,709</u>
NONCASH CAPITAL AND FINANCING ACTIVITIES:			
Capital contributions from government	48,391	-	48,391
Assumption of liabilities for self-insurance claims	(6,485,000)	-	(6,485,000)

STATISTICAL SECTION



Butterfly on a pickerelweed plant at the Loxahatchee Impoundment Landscape Assessment (LILA) in Boynton Beach, Florida. LILA is a working 80-acre model of the Everglades ecosystem on the grounds of the Arthur R. Marshall Loxahatchee National Wildlife Refuge. This “living laboratory” gives experts an opportunity to research and apply restoration techniques on a small, controlled scale before taking them into the 1.7 million-acre Everglades ecosystem. The unique facility was built in 2003 as a partnership between the South Florida Water Management District, U.S. Fish and Wildlife Service and the U.S. Army Corps of Engineers.

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

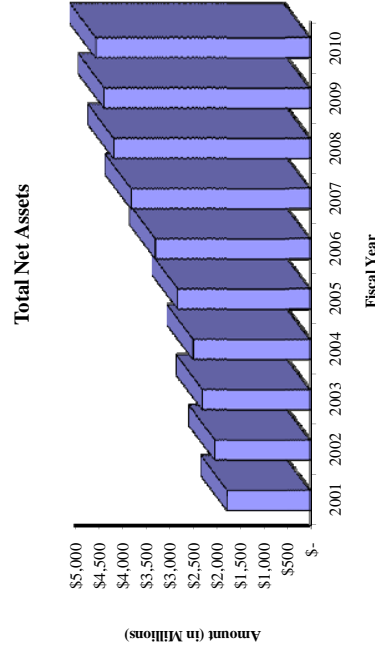
These schedules contain information about the District’s operations and resources to help the reader understand how the District’s financial information relates to the services the District’s provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.*

Schedule I
South Florida Water Management District
Net Assets by Category
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008 ¹	2009	2010
Invested in capital assets, net of related debt	\$ 1,510,106,373	\$ 1,701,250,828	\$ 1,962,938,768	\$ 2,199,470,206	\$ 2,473,840,536	\$ 2,991,538,729	\$ 3,398,712,773	\$ 3,679,678,118	\$ 3,788,956,243	\$ 3,889,860,428
Restricted for:										
Debt Service	6,046,727	4,690,501	6,509,648	9,873,615	8,172,744	5,842,813	26,937,291	28,235,089	28,523,676	28,802,266
Wetlands Mitigation Expendable	10,726,221	14,855,135	19,199,337	20,463,621	14,048,767	13,048,502	11,552,393	13,790,936	16,476,384	23,272,435
Nonexpendable	5,570,107	5,380,398	5,656,211	6,945,763	7,030,157	7,230,157	7,538,957	7,687,077	10,262,096	12,707,636
Environmental Programs		55,443,173	69,154,265	32,524,198	26,097,971	40,830,660	49,828,254	57,195,146	51,814,854	233,501,723
Totals for Restricted	22,343,055	80,369,207	100,519,461	69,807,197	55,349,639	66,932,132	95,856,895	106,908,248	107,077,010	298,284,060
Unrestricted	221,370,715	231,346,934	212,417,921	204,525,775	266,450,259	215,398,367	301,251,768	379,896,285	471,387,884	355,459,774
Total Net Assets	\$ 1,753,820,143	\$ 2,012,966,969	\$ 2,275,876,150	\$ 2,473,803,178	\$ 2,795,640,434	\$ 3,273,889,228	\$ 3,795,821,436	\$ 4,166,482,651	\$ 4,367,421,137	\$ 4,543,604,262

¹ Ending net assets restated by \$41,053,467.



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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Functions/Programs									
Mission Support					\$ 115,901,217	\$ 128,467,596	\$ 103,599,908	\$ 105,245,086	\$ 114,123,630
Operations and Maintenance					91,518,678	97,480,318	146,532,283	133,417,655	122,360,621
Restoration					183,764,384	183,624,022	195,459,257	179,584,139	170,045,556
Water Supply					71,239,720	77,191,322	73,680,009	50,853,964	30,375,078
Interest on Long-Term Debt					5,862,342	25,466,262	27,496,071	26,880,613	26,264,799
Total Expenses	\$ 357,547,401	\$ 299,134,119	\$ 373,574,001	\$ 417,298,017	\$ 468,286,341	\$ 512,229,520	\$ 546,767,528	\$ 495,981,457	\$ 463,169,684
Program Revenues									
Operating Grants & Contributions									
Mission Support					-	-	-	-	-
Operations and Maintenance					37,726,800	32,289,053	39,287,214	20,070,144	4,291,272
Restoration					1,304,033	16,326,983	21,103,303	11,061,814	20,087,646
Water Supply					26,382,690	51,205,258	27,172,174	7,655,238	4,751
Interest on Long-Term Debt					-	7,012,877	-	-	-
Total Operating Grants & Contributions	103,899,298	71,994,832	41,968,192	93,011,818	65,413,523	106,834,171	87,562,691	38,787,196	24,383,669
Capital Grants & Contributions:									
Mission Support					-	612,722	1,902,128	12,000	3,193,658
Operations and Maintenance					6,641,817	21,986,733	47,367,304	782,426	14,276,400
Restoration					368,432,012	262,837,217	191,915,979	53,211,727	80,199,258
Water Supply					1,371,778	7,250	-	-	-
Interest on Long-Term Debt					7,014,759	-	7,013,874	7,023,871	7,024,644
Total Capital Grants & Contributions	222,092,228	144,884,863	157,103,336	208,558,280	383,460,366	283,443,922	248,199,285	61,030,024	104,693,960
Charges for Services									
Mission Support					-	-	148,175	99,733	10,379,191
Operations and Maintenance					-	-	6,388,625	3,280,921	4,857,675
Restoration					-	-	-	-	-
Water Supply					11,805,719	12,761,049	4,630,694	6,061,734	5,798,803
Total Charges for Services	7,583,178	15,482,234	10,820,870	9,495,049	11,805,719	12,761,049	11,167,494	9,442,388	21,035,669
Total Program Revenues	333,574,704	232,561,929	209,892,398	311,065,147	460,679,608	405,039,142	346,929,470	109,259,608	150,113,298
Net (Expense)/Revenue	(23,972,697)	(66,772,190)	(163,681,603)	(106,232,870)	(7,606,733)	(107,190,378)	(199,838,058)	(386,721,849)	(313,056,386)

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues									
Taxes:									
Property Taxes, Levied for General Purposes	279,028,610	308,054,749	343,908,082	325,825,399	386,282,388	476,628,776	475,621,991	451,384,521	394,194,577
Property Taxes, Levied for Everglades Construction	-	-	-	62,577,693	70,980,322	84,882,009	84,388,098	81,045,067	72,185,795
Investment Earnings	9,711,920	10,387,350	8,254,627	7,845,492	18,440,431	47,506,506	37,834,818	28,483,350	14,467,902
Miscellaneous	7,884,053	11,239,272	9,445,921	31,821,543	11,220,865	20,105,295	13,707,833	26,747,397	8,391,237
Gain on Sale of Capital Assets	-	-	-	-	15,365,812	-	-	-	-
Total General Revenues	<u>296,624,583</u>	<u>329,681,371</u>	<u>361,608,630</u>	<u>428,070,127</u>	<u>502,289,818</u>	<u>629,122,586</u>	<u>611,552,740</u>	<u>587,660,335</u>	<u>489,239,511</u>
Total Revenue	630,199,287	562,043,300	571,501,028	739,135,274	962,969,426	1,034,161,728	958,482,210	696,919,943	639,352,809
Change in Net Assets	<u>\$ 272,651,886</u>	<u>\$ 262,909,181</u>	<u>\$ 197,927,027</u>	<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>

Notes: South Florida Water Management District converted to GASB 34 in 2001.

The first year the District presented a programmatic Statement of Activities was fiscal year 2002.

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.

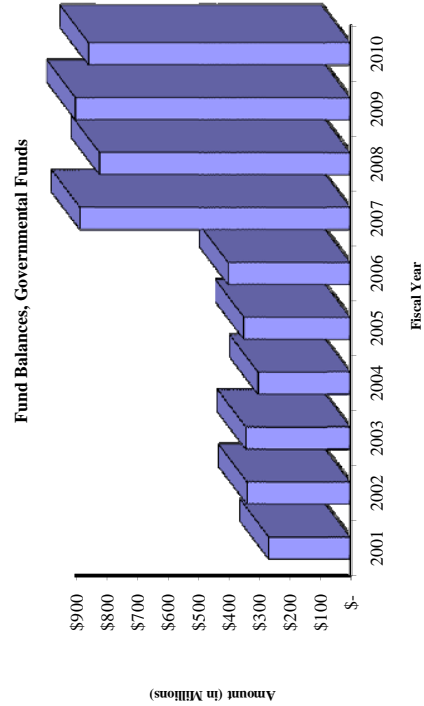
During fiscal year 2010, the District reorganized its resource area and major program structure. The figures for fiscal year 2006 - 2009 have been restated based upon the new structure.

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 16,460,385	\$ 14,852,102	\$ 11,765,623	\$ 10,503,187	\$ 12,557,883	\$ 11,933,752	\$ 9,776,476	\$ 9,296,735	\$ 7,631,800	\$ 11,120,668
Unreserved	32,604,539	23,338,160	22,181,011	28,534,385	26,251,006	37,101,833	54,269,757	84,982,169	81,084,241	76,659,888
Total General Fund	<u>49,064,924</u>	<u>38,190,262</u>	<u>33,946,634</u>	<u>39,037,572</u>	<u>38,808,889</u>	<u>49,035,585</u>	<u>64,046,233</u>	<u>94,278,904</u>	<u>88,716,041</u>	<u>87,780,556</u>
All Other Governmental Funds										
Reserved	102,578,012	157,553,563	209,167,052	238,721,295	178,809,881	137,723,123	202,169,397	95,628,437	100,455,114	128,352,468
Unreserved, reported in:										
Special Revenue Funds	32,336,064	57,641,290	67,478,234	44,639,896	98,731,116	98,778,294	120,286,117	126,025,864	137,081,191	116,393,784
Capital Project Funds	81,941,984	83,700,381	29,896,880	(21,388,585)	30,963,011	113,473,976	497,274,716	504,835,607	572,503,303	523,243,561
Permanent Fund	230,668	(194)	120,721	216,480	156,240	11,904	124,439	(902,266)	(37,783)	-
Total All Other Governmental Funds	<u>217,086,728</u>	<u>298,895,040</u>	<u>306,662,887</u>	<u>262,189,086</u>	<u>308,660,248</u>	<u>349,987,297</u>	<u>819,854,669</u>	<u>725,587,642</u>	<u>810,001,825</u>	<u>767,989,813</u>
Grand Total	<u>\$ 266,151,652</u>	<u>\$ 337,085,302</u>	<u>\$ 340,609,521</u>	<u>\$ 301,226,658</u>	<u>\$ 347,469,137</u>	<u>\$ 399,022,882</u>	<u>\$ 883,900,902</u>	<u>\$ 819,866,546</u>	<u>\$ 898,717,866</u>	<u>\$ 855,770,369</u>

Note: 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 the Acceler8 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Ad Valorem Property Taxes	\$ 243,421,127	\$ 266,530,649	\$ 295,177,218	\$ 331,671,331	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214
Agricultural Privilege Taxes	12,728,614	12,497,961	12,877,531	12,236,751	12,349,728	11,512,807	11,661,037	11,262,609	11,675,508	11,678,158
Intergovernmental	120,485,927	327,863,368	216,734,066	196,951,248	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268	92,069,137
Investment Earnings	18,581,132	9,861,898	10,532,979	8,374,907	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350	14,404,749
Licenses, Permits and Fees	9,105,446	5,731,531	12,458,105	6,359,132	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332	10,989,204
Self-Insurance Premiums	2,523,352	1,979,866	2,518,647	2,878,819	2,816,417	1,992,597	2,536,441	3,109,956	2,548,463	-
Sale of District Property	4,996,686	826,406	1,966,859	770,698	20,564,902	943,075	669,441	1,521,780	342,759	603,025
Indirect Costs Recovered	2,966,738	3,072,510	3,881,216	4,473,238	4,388,282	4,250,305	5,814,975	8,460,722	6,885,448	5,445,432
Leases	2,012,442	2,084,447	3,179,028	4,614,065	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055	2,443,466
Other	880,003	1,772,471	2,717,651	1,170,839	3,551,069	4,034,888	11,714,828	1,502,932	11,173,458	2,934,236
Total Revenues	417,501,467	632,221,107	562,043,300	569,501,028	739,135,274	947,603,614	847,320,633	910,086,790	688,614,721	595,269,621
EXPENDITURES										
Current Operating	274,675,757	324,229,088	319,598,748	340,643,689	404,980,082	112,631,686	109,436,655	107,521,245	102,689,836	97,584,202
Mission Support						107,005,090	112,187,086	140,170,271	119,992,071	112,283,074
Operations and Maintenance						199,738,140	256,087,796	228,347,719	148,745,910	157,002,200
Restoration						71,040,556	77,119,810	73,702,317	50,649,663	32,559,823
Water Supply										
Capital Outlay	113,020,124	237,726,536	238,468,225	252,652,260	284,130,917	475,145,947	274,226,563	379,030,673	143,169,182	183,126,292
Debt Service										
Bond Principal Retirement	3,985,000	4,160,000	3,450,000	2,025,000	3,260,000	4,500,000	4,660,000	4,785,000	4,975,000	5,190,000
Bond Interest and Other Fiscal Charges	3,861,824	3,677,680	2,728,371	1,981,904	2,583,429	2,444,126	2,303,401	2,143,086	1,940,171	1,722,396
Bank Loan Principal Payments				10,558,228	4,872,193	3,577,553	86,847,342	3,247,469	1,832,482	1,832,482
Bank Loan Interest				915,934	610,763	740,199	580,847	390,991	279,620	206,172
Bond Issuance Costs		421,036	608,179							
Defeasance Costs		1,880,274	1,633,561							
Capital Lease Principal Payments				1,405,367	1,296,990	1,144,988	968,060	502,187	193,161	200,330
Capital Lease Interest				100,935	98,004	81,584	53,983	25,894	12,712	5,543
COPS Principal Retirement							10,091,807	26,579,294	9,015,000	9,370,000
COPS Interest									26,268,593	25,923,546
Total Expenditures	395,542,705	572,094,614	566,487,084	610,283,317	701,832,378	978,049,869	934,563,350	974,121,146	609,763,401	627,006,060
Revenues in Excess of (Less Than) Expenditures	21,958,762	60,126,493	(4,443,784)	(40,782,289)	37,302,896	(30,446,255)	(87,242,717)	(64,034,356)	78,851,320	(31,736,439)

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
OTHER FINANCING SOURCES (USES)										
Transfers In	66,373,071	80,489,239	117,935,376	146,298,313	142,255,948	212,798,171	261,893,797	214,646,804	454,498,325	163,744,472
Transfers Out	(66,373,071)	(80,489,239)	(117,935,376)	(146,298,313)	(142,255,948)	(212,798,171)	(261,893,797)	(214,646,804)	(454,498,325)	(174,955,529)
Land Acquisition Refunding Bonds Issues			34,550,000							
Proceeds of Bond Issuance			2,460,629				26,081,797			
Premium on Bonds Issued		(102,843)					(81,060)			
Discount on Bonds Issued		(21,900,000)	(35,370,000)							
Payment to Bond Escrow Agent		9,000,000	4,827,374		8,000,000	82,000,000				
Proceeds of Bank Loan	3,530,940		1,500,000	1,399,426	939,583		546,120,000			
Proceeds of Certificate of Participation (COPS)										
Total Other Financing Sources (Uses)	3,530,940	10,807,157	7,968,003	1,399,426	8,939,583	82,000,000	572,120,737	-	-	(11,211,057)
Net Change in Fund Balance	\$ 25,489,702	\$ 70,933,650	\$ 3,524,219	\$ (39,382,863)	\$ 46,242,479	\$ 51,533,745	\$ 484,878,020	\$ (64,034,356)	\$ 78,851,320	\$ (42,947,496)
Debt Service as a percentage of noncapital expenditures ¹	3.03%	2.21%	3.40%	4.90%	2.88%	2.65%	26.02%	8.42%	6.39%	5.64%

Notes: 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.

During fiscal year 2010, the District reorganized its resource area and major program structure. The figures for fiscal year 2006 - 2009 have been restated based upon the new structure.

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.

¹ 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)

Fiscal Year	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property Taxes	\$ 243,421,127	\$ 266,530,649	\$ 295,177,218	\$ 331,671,331	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214
Agricultural Privilege Taxes	12,728,614	12,497,961	12,877,531	12,236,751	12,349,728	11,512,807	11,661,037	11,262,609	11,675,508	11,678,158
Intergovernmental	120,485,927	327,863,368	216,734,066	196,951,248	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268	92,069,137
Investment Earnings	18,581,132	9,861,898	10,532,979	8,374,907	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350	14,404,749
Licenses, Permits & Fees	9,105,446	5,731,531	12,458,105	6,359,132	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332	10,989,204
Leases	2,012,442	2,084,447	3,179,028	4,614,065	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055	2,443,466
Other	11,166,779	7,651,253	11,084,373	9,293,594	31,320,670	11,220,865	20,735,685	14,595,390	20,950,128	8,982,693
Total	\$ 417,501,467	\$ 632,221,107	\$ 562,043,300	\$ 569,501,028	\$ 739,135,274	\$ 947,603,614	\$ 847,320,633	\$ 910,086,790	\$ 688,614,721	\$ 595,269,621

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
2001	50,643 19.77%	44 0.02%	15,101 5.90%	65,646 25.63%	261 0.10%	2,764 1.08%	336 0.13%	19,092 7.45%
2002	55,284 19.81%	56 0.02%	17,049 6.11%	70,853 25.39%	266 0.10%	2,792 1.00%	324 0.12%	21,427 7.68%
2003	61,921 20.10%	58 0.02%	20,079 6.52%	77,472 25.15%	276 0.09%	2,757 0.89%	328 0.11%	24,867 8.07%
2004	68,896 20.03%	69 0.02%	23,032 6.70%	89,879 26.13%	294 0.09%	2,806 0.82%	280 0.08%	28,842 8.39%
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%

* 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
2001	7,040 2.75%	6,721 2.62%	633 0.23%	16,786 6.55%	5,633 2.20%	59,605 23.27%	304 0.12%	5,541 2.16%	256,150 100.00%
2002	7,503 2.69%	7,725 2.77%	661 0.24%	17,980 6.44%	6,605 2.37%	64,308 23.04%	374 0.13%	5,821 2.09%	279,028 100.00%
2003	8,119 2.64%	8,413 2.73%	700 0.23%	18,418 5.98%	7,252 2.35%	70,578 22.91%	440 0.14%	6,377 2.07%	308,055 100.00%
2004	8,860 2.58%	9,801 2.85%	781 0.23%	19,122 5.56%	8,080 2.35%	75,408 21.92%	491 0.14%	7,267 2.11%	343,908 100.00%
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%

* 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)

Fiscal Year	Okeechobee Basin		Big Cypress Basin		Total
	District	Basin	District	Basin	
2001	0.2840	0.4130	0.2840	0.2780	0.5620
2002	0.2840	0.4130	0.2840	0.2425	0.5265
2003	0.2840	0.4130	0.2840	0.2425	0.5265
2004	0.2840	0.4130	0.2840	0.2425	0.5265
2005	0.2840	0.4130	0.2840	0.2425	0.5265
2006	0.2840	0.4130	0.2840	0.2425	0.5265
2007	0.2840	0.4130	0.2840	0.2425	0.5265
2008	0.2549	0.3691	0.2549	0.2265	0.4814
2009	0.2549	0.3691	0.2549	0.2265	0.4814
2010	0.2549	0.3691	0.2549	0.2265	0.4814

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.

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 Department.

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

Fiscal Year Ended Sept. 30	District Wide Tax Rate	Okeechobee Basin Tax Rate	Big Cypress Basin Tax Rate	Total Tax Levy	Collections within the Fiscal Year of the Levy	Percentage of Levy	Collection of Prior Year Taxes ¹	Total Collections to Date	Percentage of Levy ²
	Rate	Rate	Rate						
2001	0.2840	0.4130	0.2780	\$ 241,403,497	\$ 241,321,389	100.0%	\$ 1,269,213	\$ 242,590,602	100.5%
2002	0.2840	0.4130	0.2425	265,735,680	264,039,232	99.4%	2,355,772	266,395,004	100.2%
2003	0.2840	0.4130	0.2425	295,346,451	292,857,702	99.2%	1,860,683	294,718,385	99.8%
2004	0.2840	0.4130	0.2425	331,860,455	329,382,620	99.3%	1,777,530	331,160,150	99.8%
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	554,836,040	100.3%	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%	11,625,724	453,794,633	98.7%

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.

¹ 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.

² 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

County	Just Value¹	Taxable Value²	Taxable Value as a percentage of Just Value
Broward	\$ 211,445,745,049	\$ 149,494,688,426	70.70%
Charlotte *	200,378,565	145,465,311	72.60%
Collier	87,366,644,295	70,534,819,831	80.73%
Glades	3,733,320,187	642,476,933	17.21%
Hendry	6,205,728,855	2,124,125,811	34.23%
Highlands *	1,225,106,503	788,222,042	64.34%
Lee	82,498,302,834	65,524,426,535	79.43%
Martin	28,358,258,133	18,959,999,906	66.86%
Miami-Dade	316,832,454,173	223,936,274,640	70.66%
Monroe	31,998,389,365	22,610,056,550	70.66%
Okeechobee *	3,503,027,515	1,782,513,775	50.88%
Orange *	61,042,431,965	44,983,507,053	73.69%
Osceola *	32,695,370,028	21,599,406,380	66.06%
Palm Beach	189,794,832,918	141,661,878,578	74.64%
Polk *	2,577,559,339	1,743,077,529	67.63%
St. Lucie	26,371,942,906	17,258,752,562	65.44%
	<u>\$ 1,085,849,492,630</u>	<u>\$ 783,789,691,862</u>	<u>72.18%</u>

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

¹ 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".

² Source: South Florida Water Management District Budget Department, FY 2010 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

Fiscal Year	Real Property ¹		Personal Property ²		Centrally Assessed Property ³		Total		District Tax Rate ⁴		Okeechobee Basin Tax Rate ⁴		Total Direct Tax Rate ⁵	
2001	\$	332,021,252,166	\$	33,859,267,491	\$	217,415,732	\$	366,097,935,389	2.84	4.13	4.13	6.97	6.97	
2002		370,073,604,685		34,976,828,360		215,255,462		405,265,688,507	2.84	4.13	4.13	6.97	6.97	
2003		414,399,307,427		36,399,225,671		219,964,194		451,018,497,292	2.84	4.13	4.13	6.97	6.97	
2004		469,651,692,616		37,277,744,647		239,306,014		507,168,743,277	2.84	4.13	4.13	6.97	6.97	
2005		535,652,622,464		37,581,256,994		249,689,014		573,483,568,472	2.84	4.13	4.13	6.97	6.97	
2006		639,271,275,218		39,061,362,113		270,717,328		678,603,354,659	2.84	4.13	4.13	6.97	6.97	
2007		803,519,922,519		41,423,176,998		284,238,697		845,227,338,214	2.84	4.13	4.13	6.97	6.97	
2008		892,858,395,941		42,892,968,298		300,886,190		936,052,250,429	2.55	3.69	3.69	6.24	6.24	
2009		853,857,161,850		40,515,829,852		369,348,354		894,742,340,056	2.55	3.69	3.69	6.24	6.24	
2010		742,675,388,669		40,715,092,253		399,210,940		783,789,691,862	2.55	3.69	3.69	6.24	6.24	

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.

- ¹ Real property refers to land, land improvements, and any buildings or structures located on the land
- ² Personal property includes property that can be moved from one location to another
- ³ Centrally assessed property generally refers to properties that are assessed as a whole unit. A railroad is an example of centrally assessed property.
- ⁴ Tax rates are per \$1,000 of assessed value.
- ⁵ 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 Department, Form DR-420s.

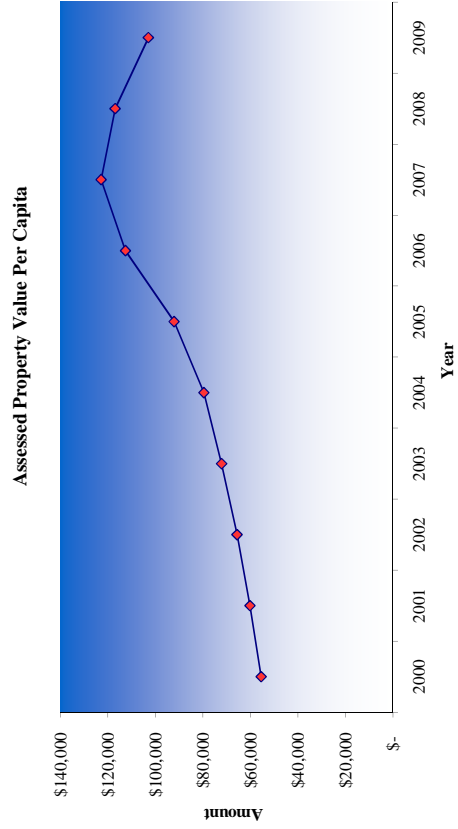
Schedule 11
South Florida Water Management District
Assessed Value Per Capita
 Last Ten Calendar Years

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed Property Value ¹ (in Billions)	\$ 366.1	\$ 405.3	\$ 451.0	\$ 507.2	\$ 573.5	\$ 678.6	\$ 845.2	\$ 936.1	\$ 894.7	\$ 783.8
District Population ²	6,594,274	6,728,467	6,864,738	7,027,363	7,199,934	7,359,652	7,504,525	7,617,705	7,648,679	7,609,852
Assessed Property Value Per Capita	\$ 55,518	\$ 60,237	\$ 65,698	\$ 72,175	\$ 79,654	\$ 92,205	\$ 112,625	\$ 122,885	\$ 116,974	\$ 102,998

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

² 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 Four Years Prior

Taxpayer	2010			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	\$ 9,608,767,673	1	1.23%	\$ 6,331,743,321	1	0.93%
Walt Disney Company	6,846,704,850	2	0.87%	6,194,118,181	2	0.91%
Bellsouth Telecommunications, Inc.	1,582,575,743	3	0.20%	1,401,827,566	4	0.21%
Universal	1,277,664,250	4	0.16%	1,565,314,671	3	0.23%
Marriott Ownership Resorts, Inc.	1,191,387,601	5	0.15%	1,261,567,853	5	0.19%
Westgate Properties	913,562,861	6	0.12%	1,001,813,446	6	0.15%
Progressive Energy	844,518,520	7	0.11%	396,000,000	10	0.06%
Hilton Corporation	711,046,511	8	0.09%	-	-	-
Embarq Florida	522,104,895	9	0.07%	-	-	-
Orange Lake CC	521,092,708	10	0.07%	-	-	-
Vistana	-	-	-	580,584,834	7	0.09%
Florida Power Corporation ¹	-	-	-	572,654,709	8	0.08%
R H Resorts/Rosen Hotels	-	-	-	418,720,980	9	0.06%
Totals	\$ 24,019,425,612		3.07%	\$ 19,724,345,561		2.91%

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.

¹ Florida Power Corporation now operates as Progressive 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 ³	Per Capita ⁴	Percentage of Assessed Value ⁵
	Land Acquisition Bonds - WMLTF ²	Land Purchases Payable	Capital Leases	Bank Loans	Certificates of Participation						
2001	\$ 72,075,000	\$ -	\$ 6,273,316	\$ 22,470,636	\$ -	\$ 100,818,952	0.0514%	\$ 14.98	0.0275%		
2002	69,825,000	-	4,125,961	26,764,555	-	100,715,516	0.0496%	14.67	0.0249%		
2003	65,555,000	112,142,857	3,379,304	26,888,088	-	207,965,249	0.0986%	29.59	0.0461%		
2004	63,530,000	134,396,198	3,373,363	16,329,860	-	217,629,421	0.0938%	30.23	0.0429%		
2005	60,270,000	100,108,087	3,008,733	19,456,880	-	182,843,700	0.0726%	24.84	0.0319%		
2006 ¹	55,770,000	77,679,516	1,863,645	97,878,527	-	233,191,688	0.0851%	31.07	0.0344%		
2007	51,110,000	40,219,445	895,678	11,031,537	546,120,000	649,376,660	0.2265%	85.25	0.0768%		
2008	46,325,000	40,910,434	393,491	7,783,160	538,445,000	633,857,085	0.2154%	82.87	0.0677%		
2009	41,350,000	-	200,330	5,950,678	529,430,000	576,931,008	0.1952%	75.81	0.0645%		
2010	36,160,000	-	-	4,118,196	520,060,000	560,338,196	0.1859%	73.58	0.0715%		

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

¹ During fiscal year 2006, the District utilized short-term bank financing.

² WMLTF stands for Water Management Lands Trust Fund.

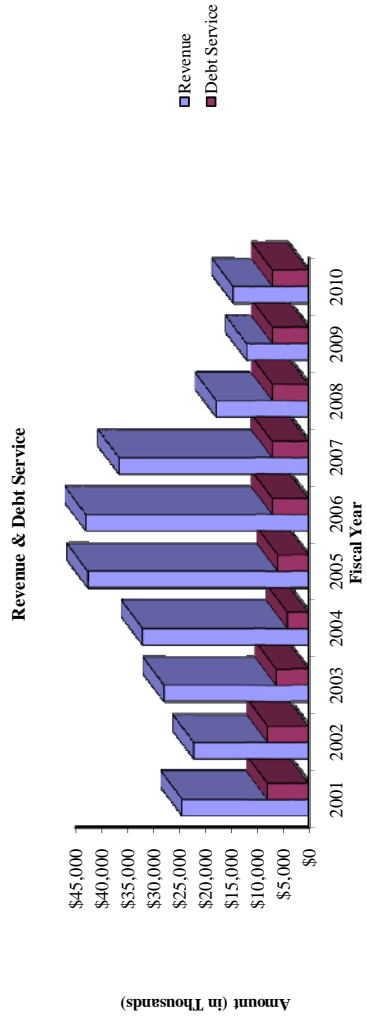
³ Refer to Schedule 15 for personal income information.

⁴ Refer to Schedule 15 for population information.

⁵ 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	
2001	\$ 20,692,711	\$ 921,210	\$ 2,696,414	\$ 24,310,335	\$ 3,985,000	\$ 3,861,824	\$ 7,846,824	3.10
2002	19,077,914	1,205,167	1,779,116	22,062,197	4,160,000	3,677,680	7,837,680	2.81
2003	25,308,332	677,827	1,793,006	27,779,165	3,450,000	2,728,371	6,178,371	4.50
2004	30,328,188	729,712	876,611	31,934,511	2,025,000	1,981,904	4,006,904	7.97
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



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

Calendar Year	Population ¹	Personal Income (in thousands) ²	Per Capita Personal Income	School Enrollment K - 12 ³	Unemployment Rate ⁴
2001	6,728,467	\$ 196,241,179	\$ 29,166	1,045,571	5.1%
2002	6,864,738	203,150,631	29,593	1,063,783	6.1%
2003	7,027,363	210,894,834	30,011	1,084,866	5.5%
2004	7,199,934	231,929,083	32,213	1,096,057	5.0%
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	301,444,847	39,582	1,084,184	12.0%

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

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

² Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce.

Final data for calendar year 2010 is currently unavailable. The figure shown for calendar year 2010 is the average of the first three quarters of the year. Fiscal year 2009 data has been updated using final figures.

³ 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.

⁴ 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Broward	1,649,925	1,669,153	1,698,425	1,723,131	1,740,987	1,753,162	1,765,707	1,758,494	1,744,922	1,742,891
Charlotte *	723	743	760	785	770	802	823	6,300	6,287	6,302
Collier	264,475	277,457	292,466	306,186	317,788	326,658	333,858	332,854	333,032	333,554
Miami-Dade	2,285,869	2,312,478	2,345,932	2,379,818	2,422,075	2,437,022	2,462,292	2,477,289	2,472,344	2,476,289
Glades	10,612	10,664	10,729	10,733	10,729	10,796	11,055	11,323	11,311	11,330
Hendry	36,302	36,154	36,511	37,394	38,376	38,678	39,651	41,216	41,320	41,026
Highlands *	9,086	9,171	9,310	9,482	9,626	9,957	10,169	8,718	8,675	8,677
Lee	454,918	475,073	495,088	521,253	549,442	585,608	615,741	623,725	615,124	616,626
Martin	128,873	131,051	134,491	137,637	141,059	142,645	143,737	143,868	143,856	143,848
Monroe	80,588	81,140	80,537	81,236	82,413	80,510	78,987	76,081	77,925	78,150
Okcechobee *	35,424	35,820	36,491	37,244	37,010	37,893	38,249	39,203	38,909	38,918
Orange *	232,509	238,966	245,791	253,484	260,859	269,881	276,401	269,825	268,349	268,860
Osceola *	178,995	192,775	209,807	225,139	234,451	255,135	265,325	270,972	270,060	270,541
Palm Beach	1,154,473	1,183,197	1,211,448	1,242,270	1,265,900	1,287,987	1,295,033	1,294,654	1,287,344	1,286,778
Polk *	7,442	7,536	7,679	7,926	8,128	8,476	8,716	17,572	17,530	17,514
St. Lucie	198,253	203,360	211,898	226,216	240,039	259,315	271,961	276,585	272,864	274,363
Total	6,728,467	6,864,738	7,027,363	7,199,934	7,359,652	7,504,525	7,617,705	7,648,679	7,609,852	7,615,667

* 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, August 2010.

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

Calendar Year	Total Labor Force		Employed	Unemployed	Unemployment Rate (%)
	Employed	Unemployed			
2001	3,417,293	173,624	3,243,669		5.1
2002	3,473,704	209,494	3,264,210		6.1
2003	3,520,975	195,035	3,325,940		5.5
2004	3,600,708	178,301	3,422,407		5.0
2005	3,714,548	149,763	3,564,785		4.0
2006	3,815,337	128,880	3,686,457		3.4
2007	3,855,439	169,771	3,685,668		4.4
2008	3,844,561	234,438	3,610,123		6.1
2009 ¹	3,844,536	406,118	3,438,418		10.6
2010 ²	3,875,990	465,590	3,410,400		12.0

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

¹ Figures have been updated to reflect revised inputs and reestimation.

² Final data for the calendar year 2010 is currently not available. The 2010 figures are based on the first 11 months of the year, with November figures being preliminary.

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

2009		2000					
Employers	Rank	Number of Employees	% of Total Employment	Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World Co.	1	60,200	1.8%	Walt Disney World Co.	1	55,000	1.7%
Miami-Dade County Public Schools	2	38,819	1.1%	Miami-Dade County Public Schools	2	35,469	1.1%
Miami-Dade County	3	29,000	0.8%	Miami-Dade County	3	30,000	0.9%
Broward County School Board	4	28,134	0.8%	Broward County School Board	4	23,768	0.7%
Orange County Public Schools	5	22,000	0.6%	Orange County Public Schools	5	19,608	0.6%
Palm Beach County School Board	6	21,718	0.6%	Palm Beach County School Board	6	16,800	0.5%
Adventist Health Systems	7	16,000	0.5%	Adventist Health Systems	9	11,180	0.3%
Orlando Regional Healthcare System	8	13,000	0.4%	Orlando Regional Healthcare System	-	-	0.0%
Universal Studios	8	13,000	0.4%	Universal Studios	8	11,500	0.4%
Jackson Health System	10	12,468	0.4%	Jackson Health System	-	8,191	0.3%
Broward County	-	-	-	Broward County	7	12,215	0.4%
Palm Beach County	-	-	-	Palm Beach County	10	9,000	0.3%
Total		254,339	7.4%	Total		232,731	7.2%
Total Employment in District Boundaries		3,438,418		Total Employment in District Boundaries		3,197,811	

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.

Information for the current calendar year is unavailable, therefore, the preceding year's data is shown.

Source: Enterprise Florida, Inc. (www.eflorida.com) and individual county Comprehensive Annual Financial Reports, when applicable. Employment detail for 2009 is shown on Schedule 17.

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

	Calendar Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Number of Authorized Positions ¹	1,771	1,771	1,771	1,771	1,771	1,771	1,784	1,808	1,828	1,842
Population ²	6,728,467	6,864,738	7,027,363	7,199,934	7,359,652	7,504,525	7,617,705	7,648,679	7,609,852	7,615,667
Authorized Positions per 100,000 Population	26	26	25	25	24	24	23	24	24	24

¹ 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.

² 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

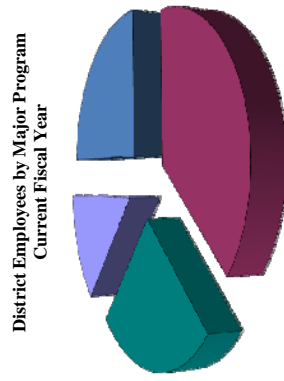
Resource Area / Major Program	Number of Employees per Program¹	Percentage of Employees per Resource Area	Percentage of Employees District-wide
Corporate Resources			
Mission Support	264	98.50%	14.63%
Operations and Maintenance Restoration	2	0.75%	0.11%
Corporate Resources Total	268	100.00%	14.85%
Operations & Maintenance Resources			
Mission Support	1	0.15%	0.06%
Operations and Maintenance Restoration	579	87.47%	32.10%
Water Supply	80	12.08%	4.43%
Operations & Maintenance Resources Total	662	100.00%	36.70%
Regulatory & Public Affairs Resources			
Mission Support	95	26.10%	5.27%
Operations and Maintenance Restoration	1	0.27%	0.06%
Water Supply	36	9.89%	2.00%
Water Supply	232	63.74%	12.85%
Regulatory & Public Affairs Resources Total	364	100.00%	20.18%
Everglades Restoration & Capital Projects Resources			
Mission Support	5	1.17%	0.28%
Operations and Maintenance Restoration	75	17.61%	4.16%
Water Supply	335	78.64%	18.56%
Water Supply	11	2.58%	0.61%
Everglades Restoration & Capital Projects Resources Total	426	100.00%	23.61%
Executive Office Resources			
Mission Support	80	95.24%	4.43%
Operations and Maintenance Restoration	1	1.19%	0.06%
Water Supply	2	2.38%	0.11%
Water Supply	1	1.19%	0.06%
Executive Office Resources Total	84	100.00%	4.66%
District Total	1,804		100.00%

Note: During fiscal year 2010, the District reorganized its resource area and major program structure. This schedule is based on the District's new organizational structure.

¹ 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 Five Fiscal Years

Major Program	Fiscal Year				
	2006	2007	2008	2009	2010
Mission Support	431	427	438	445	445
Operations and Maintenance	626	622	653	647	658
Restoration	433	453	454	459	455
Water Supply	240	240	251	243	246
District Total	1,730	1,742	1,796	1,794	1,804



■ Mission Support ■ Operations and Maintenance ■ Restoration ■ Water Supply

Notes: During fiscal year 2010, the District reorganized its resource area and major program structure. This schedule is based on the District's new organizational structure.

During fiscal year 2006, the District reorganized its resource area and major program structure. Due to the restructure, information will be provided for fiscal year 2006 and forward.

Schedule 22
South Florida Water Management District
Permit Applications Received
 Last Ten Fiscal Years

Permit Category	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Environmental Resource	2,409	2,304	2,353	2,547	2,690	2,706	2,229	1,673	1,423	1,917
Consumptive Use	1,608	1,623	1,983	2,476	2,541	2,503	3,806	3,037	2,638	2,818
SWIM & Everglades Works Of The District	38	84	37	9	20	78	51	12	4	5
Total Applications Received	4,055	4,011	4,373	5,032	5,251	5,287	6,086	4,722	4,065	4,740

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.

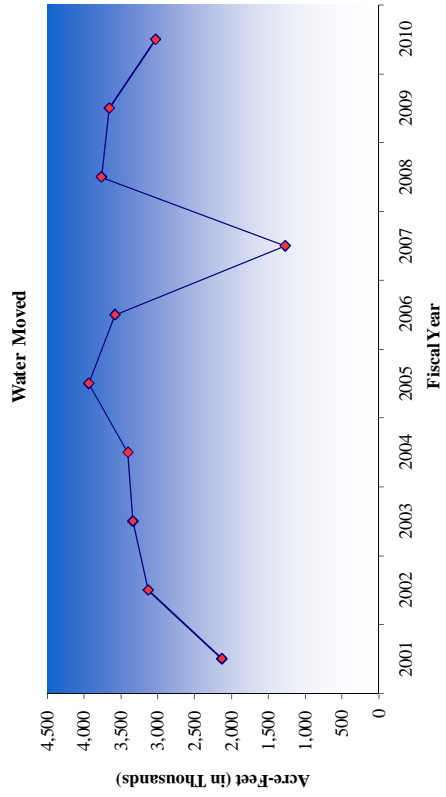
Source: Regulation Department of South Florida Water Management District.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Acre-Feet (Thousands)	2,131	3,131	3,339	3,404	3,938	3,583	1,272	3,768	3,660	3,032

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

Source: Water Quality Assessment Division of South Florida Water Management District.

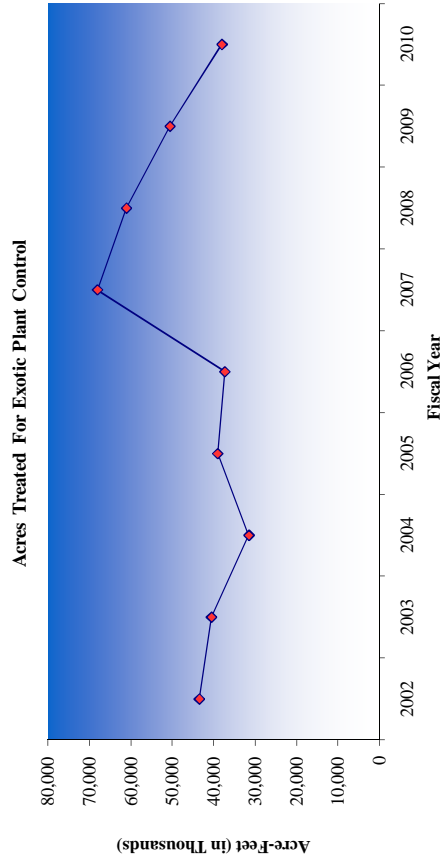


Schedule 24
South Florida Water Management District
Exotic Plant Control
 Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Acres treated	43,495	40,565	31,527	39,077	37,350	68,053	61,070	50,538	38,015

Note: Information prior to fiscal year 2002 is unavailable.

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

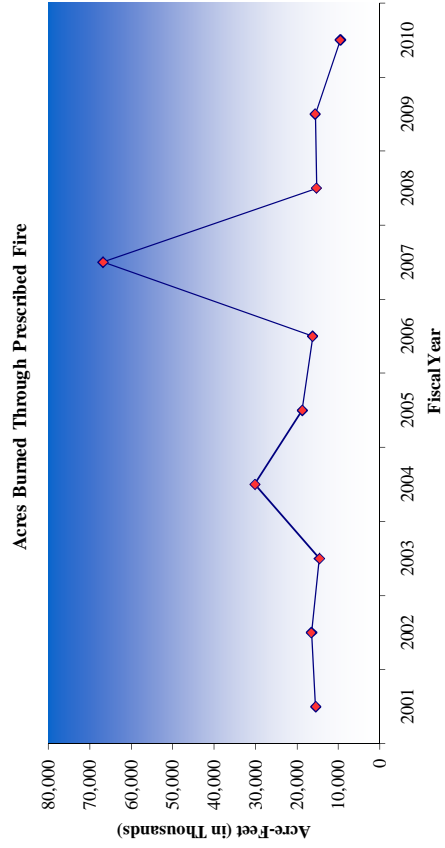


Schedule 25
South Florida Water Management District
Prescribed Burns
 Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Acres burned	15,461	16,500	14,555	30,132	18,704	16,211	66,825 *	15,283	15,609	9,523

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

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



Schedule 26
South Florida Water Management District
Stormwater Treatment
 Last Nine Water Years

	Water Year								
	1994-2002	2003	2004	2005	2006	2007	2008	2009	2010
Metric tons of phosphorus removed	1,100	300	300	500	300	200	100	400	300

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

Major Program	Land	Intangibles- Not Depreciated	Construction In Process	Canals & Levees	Buildings	Intangibles- Depreciated	Equipment	Improvements	Water Control Structures	Total
Mission Support	\$ 1,522	\$ -	\$ 6,146,637	\$ -	\$ 25,926,184	\$ 21,609,729	\$ 11,332,326	\$ 219,324	\$ -	\$ 65,235,722
Operations & Maintenance	\$ 985,079,850	7,617,555	30,985,125	373,219,842	42,776,221	685,840	26,721,180	9,693,699	291,073,878	1,767,853,190
Restoration	1,376,356,728	31,824,780	642,331,515	183,853,800	1,234,094	572,266	11,282,790	6,623,373	191,300,508	2,445,379,854
Water Supply	-	-	115,066	-	-	150,001	901,036	-	-	1,166,103
District Total	\$ 2,361,438,100	\$ 39,442,335	\$ 679,578,343	\$ 557,073,642	\$ 69,936,499	\$ 23,017,836	\$ 50,237,332	\$ 16,536,396	\$ 482,374,386	\$ 4,279,634,869

Note: During fiscal year 2010, the District reorganized its resource area and major program structure. This schedule is based on the District's new organizational structure.

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



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DISCLOSURE SECTION

S.E.C. RULE 15C2-12 DISCLOSURE



The Florida Panther had dwindled down to as few as 20 adults during the early 1990s, but is showing indications of a comeback. Florida panther sightings have been reported within the stormwater treatment area (STA) of the Compartment C build-out project. This project is located just southeast of Clewiston between existing STA-5 and STA-6. The species photographed in this area include feral hogs, coyotes, a bobcat and a single photo of the large male Florida panther, which has been observed numerous times since construction began on Compartment C.

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.

SUMMARY OF CONTINUING BOND DISCLOSURE REQUIREMENTS				
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

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.

DOCUMENTARY STAMP TAX RATES AND TRUST FUND DISTRIBUTION			
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

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.

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:

ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)					
Fiscal Years	Total	Series 2002	Series 2003	Series 2006	
2011	\$ 42.15	\$ 2.54	\$ 4.37	\$ 35.24	
2012	42.14	2.54	4.38	35.22	
2013	42.14	2.53	4.37	35.24	
2014	42.08	2.54	4.35	35.19	
2015 - 2019	189.47	5.05 ¹	8.69 ¹	175.73	
2020 - 2024	175.28			175.28	
2025 - 2029	174.71			174.71	
2030 - 2034	173.99			173.99	
2035 - 2037	103.96			103.96 ²	
Totals	\$ 985.92	\$ 15.20	\$ 26.16	\$ 944.56	

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).

¹ Scheduled payoff – October 1, 2015.

² 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)
(*)	Default of the Florida Department of Environmental Protection on its obligations under the Agreement.	None	None	None
(D)	Failure to provide annual financial information or operating data in a timely manner.	None	None	None

(a) Previously all debt issued by the District carried an AAA “insured” credit rating. In fiscal year 2009, the credit rating for the District’s bond insurer, AMBAC Assurance Corporation, was downgraded by the major rating agencies. At fiscal year end, Ambac was rated Caa2 and CC by Moody’s and Standard & Poor’s, respectively. The rating on all District debt is now 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 A1, A+ and A by Moody’s, Standard & Poor’s and Fitch, respectively, which includes the downgrade by Moody’s.



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South Florida Water Management District
3301 Gun Club Road • West Palm Beach, Florida 33406
561-686-8800 • 1-800-432-2045 • www.sfwmd.gov

MAILING ADDRESS: P.O. Box 24680 • West Palm Beach, FL 33416-4680

sfwmd.gov