

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Fiscal Year Ended  
September 30, 2011





Daily afternoon thunderstorms signal the height of the wet season as dramatic rain clouds loom over ranchlands in Okeechobee County. While the summer rains continue to recharge regional storage areas, water managers are looking ahead to plan for the next dry season and beyond to protect regional water resources.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

**Fiscal Year Ended September 30, 2011**

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

*TABLE OF CONTENTS*

---

**INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL ..... I-1

ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICIALS ..... I-9

GFOA CERTIFICATE OF ACHIEVEMENT ..... I-10

MAP OF THE GEOGRAPHIC BOUNDARIES OF THE DISTRICT ..... I-11

**FINANCIAL SECTION**

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

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

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

Statement of Activities..... III-2

**FUND FINANCIAL STATEMENTS**

**Governmental Funds Financial Statements**

Balance Sheet ..... III-3

Reconciliation of the Governmental Funds Balance Sheet to the Statement of  
 Net Assets..... III-6

Statement of Revenues, Expenditures and Changes in Fund Balances ..... III-7

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities ..... III-10

**Proprietary Funds Financial Statements**

Statement of Net Assets ..... III-11

Statement of Revenues, Expenses, and Changes in Fund Net Assets ..... III-12

Statement of Cash Flows..... III-13

NOTES TO THE BASIC FINANCIAL STATEMENTS ..... III-15

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

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

General Fund ..... IV-1

Okeechobee Basin SR ..... IV-3

State Appropriations ..... IV-5

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

*TABLE OF CONTENTS*

**FINANCIAL SECTION (Continued)**

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds	
Descriptions of the Nonmajor Governmental Funds .....	V-1
Combining Balance Sheet .....	V-4
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	V-10
Budget to Actual Comparison - Other Major and Nonmajor Governmental Funds	
Special Revenue Funds	
Big Cypress Basin SR .....	V-16
Save Our Rivers SR .....	V-18
Aquatic Plant Control .....	V-19
Melaleuca Control .....	V-20
Wetland Mitigation .....	V-21
Indian River Lagoon Restoration .....	V-22
External Grants .....	V-23
Stormwater Treatment Areas - Operations and Maintenance .....	V-24
Lake Belt Mitigation .....	V-25
Everglades License Plate .....	V-26
Lake Okeechobee Trust Fund .....	V-27
Capital Projects Funds	
District CP .....	V-28
Okeechobee Basin CP .....	V-29
Big Cypress Basin CP .....	V-31
Save Our Rivers CP .....	V-32
Everglades Trust Fund .....	V-33
Federal Emergency Management Agency .....	V-35
Florida Bay .....	V-36
Comprehensive Everglades Restoration Plan – Ad Valorem .....	V-37
Federal Land Acquisitions .....	V-39
Save Our Everglades .....	V-40
Comprehensive Everglades Restoration Plan – Federal Funds .....	V-41
Comprehensive Everglades Restoration Plan – Other Creditable Fund .....	V-42
COPS – Everglades Forever Act .....	V-43
COPS – Comprehensive Everglades Restoration Plan .....	V-44
Permanent Fund	
Wetland Mitigation .....	V-45
Internal Service Funds	
Descriptions of the Internal Service Funds .....	V-47
Combining Statement of Net Assets .....	V-48
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	V-49
Combining Statement of Cash Flows .....	V-50

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

**TABLE OF CONTENTS**

**STATISTICAL SECTION (UNAUDITED)**

Net Assets by Category.....	VI-2
Changes in Net Assets .....	VI-3
Fund Balances, Governmental Funds .....	VI-5
Changes in Fund Balances, Governmental Funds.....	VI-6
Revenues by Source .....	VI-8
Property Tax Revenue by County .....	VI-9
Direct Property Tax Rates .....	VI-11
Property Tax Collections .....	VI-12
Taxable Property Values and Just Values of Taxable Property by County.....	VI-13
Taxable Value of Property .....	VI-14
Assessed Value Per Capita.....	VI-15
Principal Property Tax Payers.....	VI-16
Ratios of Outstanding Debt by Type.....	VI-17
Pledged-Revenue Bond Coverage.....	VI-18
Demographic and Economic Statistics.....	VI-19
District Population by County.....	VI-20
Employment Data.....	VI-21
Ten Largest Employers within District Boundaries .....	VI-22
Authorized Positions per 100,000 Population.....	VI-23
District Employees by Resource Area and Major Program .....	VI-24
District Employees by Major Program.....	VI-25
Permit Applications Received.....	VI-26
Water Moved by District Pump Stations.....	VI-27
Exotic Plant Control .....	VI-28
Prescribed Burns .....	VI-29
Stormwater Treatment .....	VI-30
Capital Assets by Major Program.....	VI-31

**DISCLOSURE SECTION (UNAUDITED)**

**SEC RULE 15c2-12 DISCLOSURES**

District Agreement and Effective Dates.....	VII-1
Annual Financial Information .....	VII-2
Security for the Bonds .....	VII-2
Documentary Stamp Tax .....	VII-2
Funding and Allocation of the Trust Fund .....	VII-3
Use of the Trust Fund .....	VII-4
Escrow and Reserve Funds .....	VII-4
Security for the Certificates of Participation.....	VII-5
Annual Debt Service Requirements.....	VII-6
Audited Annual Financial Statements.....	VII-6
Required Notices.....	VII-7



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# **INTRODUCTORY SECTION**





## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

**TO: Governing Board Members and Melissa L. Meeker, Executive Director**

**SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2011**

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, 2011.

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, 2011 are fairly presented in accordance with GAAP. The independent auditors’ report is presented as the first component of the financial section (Section II) of this report.

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **DISTRICT BACKGROUND**

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

The project's primary goal was to serve the needs of the region's growing agricultural and urban populations and to protect and manage water resources. The 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 7.7 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**

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

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

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

### **REGULATORY POWERS**

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

- projects with impacts on wetlands or other surface waters (dredge and fill),
- use of District lands, canals, streams or aquifers,
- drainage system construction or operation, and
- well construction.

### **OTHER DISTRICT PROGRAMS**

The District's responsibilities reach far beyond regulatory programs and operations. The District acquires, manages, and restores lands for the conservation and preservation of water resources as well as for the ancillary benefit of public recreation.

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **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 0.7 percent increase, compared to almost no change (as adjusted) for the prior year. The District's population is expected to steadily increase from the 2011 rate by 5.7% through 2015 and by a total of 12.4% through 2020, with the largest numerical increases through 2015 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.

Despite the continued decline in Florida's economic conditions, similar to economic conditions nationwide, the October 2011 unemployment rate for Florida was 10.2 percent compared to 11.1 percent (as adjusted) from a year ago; and 8.5 percent for the entire United States compared to 9.0 percent (as adjusted) from a year ago. This decrease in state and national unemployment rates suggest a slowing in the economic downturn, but the continued high unemployment rate, coupled with other economic indicators, such as the slowing housing market and high rate of foreclosures will translate into continued reductions to property values in 2012.

While the District-adopted ad valorem millage rates were not increased for fiscal year 2011, the fiscal year 2011 budget reflected a 32.4 percent reduction in ad valorem property taxes. This reflects a decrease of \$129.9 million from fiscal year 2010. 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.

### **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**

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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 3,800 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.

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 2011, proceeds from the certificates totaling \$527.0 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**

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### **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 2011 totaled \$5.8 million.

### **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**

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## **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.

### **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, 2011, the District's COPS were rated Aa2, 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 A1, A+ and A by Moody's, S&P and Fitch Ratings, respectively. The total liability for the revenue bonds and the land acquisition bonds at September 30, 2011 is \$510.4 million and \$30.7 million, respectively. The District is obligated for payments on the COPS through fiscal year 2037, and on the bonds through fiscal year 2016.

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

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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

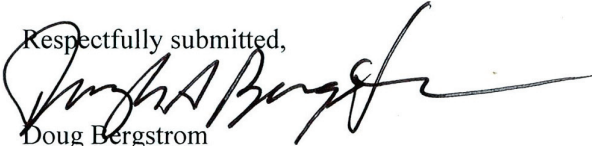
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2010. This was the twenty-first 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**

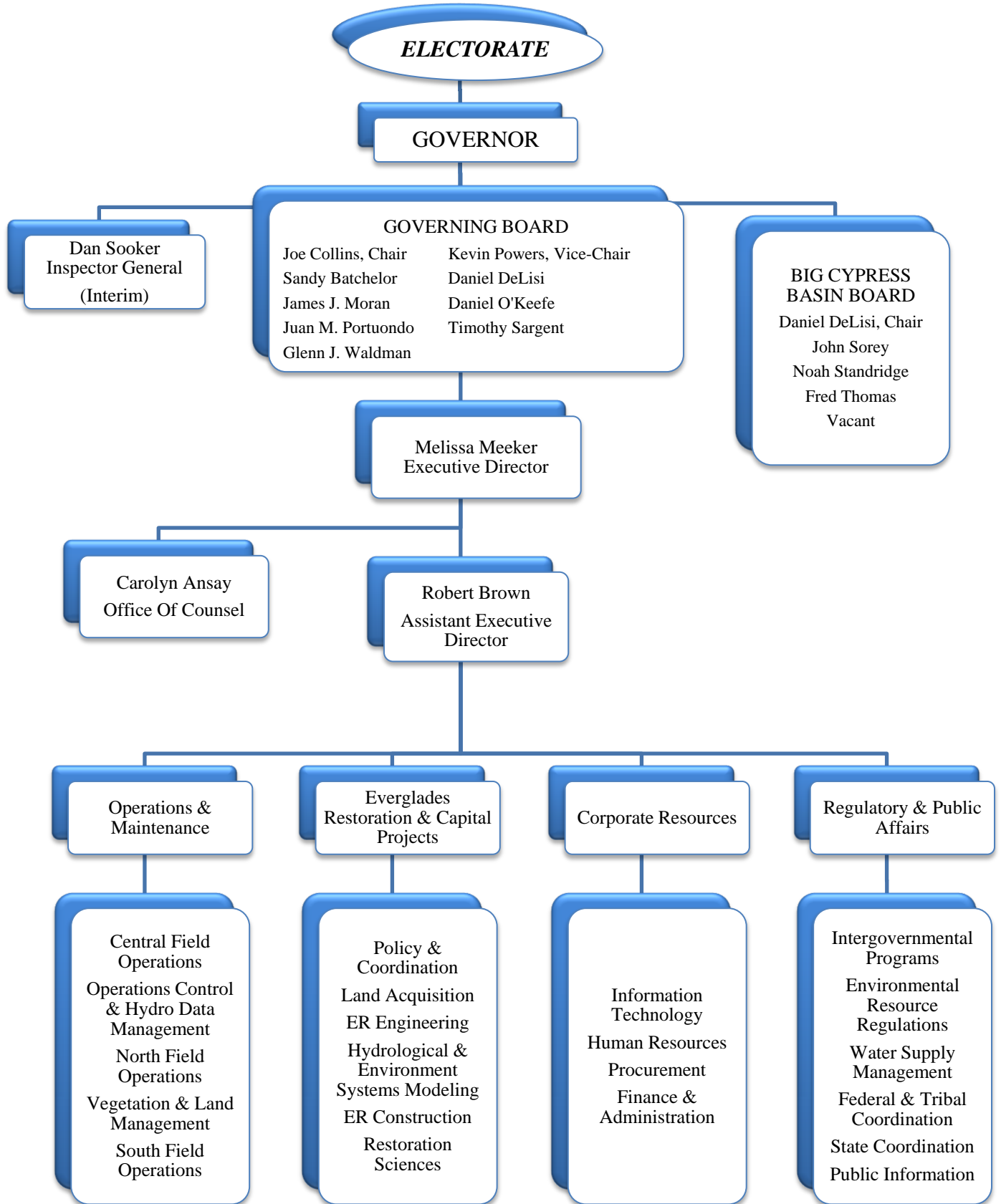
Management extends its sincere appreciation to the many District employees who provided countless hours of research and analysis in the preparation of this report. Special thanks go to the employees of the Finance Bureau for their diligence in the production of this report.

Respectfully submitted,

  
Doug Bergstrom  
Director of Administrative Services  
March 28, 2012

  
Christian Flierl, Chief  
Finance Bureau, Administrative 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, 2010

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.



*Linda C. Danson*

President

*Jeffrey R. Enos*

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**







## 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, 2011, 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the District adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during fiscal year 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2012 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 and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, 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 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 28, 2012

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

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, 2011. 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 2011 by approximately \$4.6 billion.
- Net assets increased approximately 1.8 percent during the year, from \$4.5 billion at September 30, 2010 to \$4.6 billion at September 30, 2011, an increase of \$80.3 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22.8 million, or about 15.1 percent of total General Fund expenditures.
- The District's total capital assets increased by \$353.1 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, 2011**

**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 29 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, Okeechobee Basin Capital Projects Fund, Everglades Trust Fund, Comprehensive Everglades Restoration Plan Fund, Save Our Everglades Fund, and COPS Everglades Forever Act Fund, all of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-10 of this report.

Individual fund data for each of the 21 non-major governmental funds is provided in the form of combining statements on pages V-4 to V-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, 2011**

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-48 to V-50 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-17 to V-46 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-46 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 \$4.6 billion at the close of the most recent fiscal year, an increase of \$80.3 million from the prior fiscal year. By far, the largest portion of the District's net assets (89.9 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets (8.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (1.5 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 2011 decreased from the prior year balance, reflecting a net decrease of \$305.1 million. A number of variances contributed to the net decrease, the most significant of which are lower overall cash and investments held during the period, which decreased \$300.2 million, coupled with a \$6.4 million decrease in amounts due from other governments. The decrease in cash and investments is attributable to the District utilizing its cash balances during a period of decreasing property tax revenue and economic slowdown while the decrease in amounts due from other governments

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

corresponds with the decrease in intergovernmental revenues, as more fully discussed on page II-8. Total liability obligations saw a decrease of \$32.3 million. This decrease is primarily a net effect of the pay-down of outstanding debt (\$18.1 million), a decrease in accounts payable balances of \$7.0 million, a decrease in compensated absences liability of \$8.7 million and an offsetting increase of \$4.2 million relating to other post employment benefits, which is 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 decrease of \$187.1 million.

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

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

	2011	2010
Current and Other Assets	\$ 661,433,624	\$ 966,549,507
Capital Assets, Net	4,632,717,943	4,279,634,869
 Total Assets	 5,294,151,567	 5,246,184,376
 Current and Other Liabilities	 67,381,839	 75,964,186
Long-term Liabilities Outstanding	602,846,222	626,615,928
 Total Liabilities	 670,228,061	 702,580,114
 Net Assets:		
Invested in Capital Assets,		
Net of Related Debt	4,157,311,051	3,889,860,428
Restricted	398,604,384	298,284,060
Unrestricted	68,008,071	355,459,774
 Total Net Assets	 \$ 4,623,923,506	 \$ 4,543,604,262

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

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

	<u>2011</u>	<u>2010</u>
Revenues		
Program Revenues		
Charges for Services	\$ 22,637,635	\$ 21,035,669
Operating Grants and Contributions	31,324,796	24,383,669
Capital Grants and Contributions	23,358,095	104,693,960
General Revenues		
Property Taxes	411,616,176	466,380,372
Investment Earnings	13,693,847	14,467,902
Other	<u>2,162,878</u>	<u>8,391,237</u>
Total Revenues	<u>504,793,427</u>	<u>639,352,809</u>
Expenses		
Mission Support	\$ 121,213,117	\$ 114,123,630
Operations and Maintenance	134,014,814	122,360,621
Restoration	115,552,532	170,045,556
Water Supply	28,085,557	30,375,078
Interest on Long-Term Debt	<u>25,608,163</u>	<u>26,264,799</u>
Total Expenses	<u>424,474,183</u>	<u>463,169,684</u>
Increase in Net Assets	80,319,244	176,183,125
Net assets – Beginning of fiscal year	<u>4,543,604,262</u>	<u>4,367,421,137</u>
Net assets at End of Year	<u>\$ 4,623,923,506</u>	<u>\$ 4,543,604,262</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**Property taxes** continue as the District's primary source of revenue. For fiscal year 2011, revenue from property taxes totaled \$411.6 million of which \$11.1 million represents Agricultural Privilege Taxes. This reflects a decrease of \$54.8 million, or 11.7 percent, from fiscal year 2010. This decrease is attributable primarily to the devaluation of property values within the District's 16 counties, which can be seen in the corresponding 12.3 percent decrease of taxable property values within the District in fiscal year 2011 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 2011 tax revenues derived from the Agricultural Privilege Tax remained consistent 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 \$22.6 million for fiscal year 2011, an increase of \$1.6 million. This increase is primarily due to the net of a \$1.5 million increase in lease revenue.

**Operating grants and contributions** totaled \$31.3 million for fiscal year 2011, an increase of approximately \$6.9 million from the prior fiscal year. A number of variances contributed to this increase, the most significant of which are \$3.6 million in revenue recognized from Florida Inland Navigation District for Phase II of the Manatee Pocket Dredging project and \$3.5 million in revenue recognized from the State of Florida, Department of Environmental Protection for water supply and regional water management purposes, received as pass through funding from the Water Protection and Sustainability Program.

**Capital grants and contributions** totaled \$23.4 million for fiscal year 2011, a decrease of approximately \$81.3 million from fiscal year 2010. This decrease is primarily due to a \$39.5 million reimbursement that was recognized in fiscal year 2010 as revenue which pertained to expenditures originally funded with revenues accounted for in other governmental funds in prior years, which have been deemed eligible for reimbursement with Save Our Everglades Trust funding, a net decrease of \$13.6 million in recognized revenue representing reimbursable expenditures, and approximately \$17.3 million of revenue recognized in fiscal year 2010 related to the contribution of capital assets.

**Investment earnings** during fiscal year 2011 decreased by approximately \$.8 million to \$13.7 million from the previous fiscal year 2010 level of \$14.5 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 \$.2 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 \$622.0 thousand in pooled investment earnings.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**Other Revenue** totaled \$2.2 million for fiscal year 2011, and consists primarily of miscellaneous revenue not otherwise designated. The net decrease of approximately \$6.2 million relating to other revenue from fiscal year 2010 is primarily attributed to one time premium rebate totaling \$1.0 million the District received during fiscal year 2010 related to a builders risk insurance policy purchased, coupled with a decrease of \$4.9 million related to the District's indirect cost allocation.

**Program Expenses** related to the Mission Support, Operations and Maintenance and Restoration Programs totaled approximately \$370.8 million or 87.4 percent of the \$424.5 million in total expenses for fiscal year 2011. The District programs and their significant variances are discussed below.

**Mission Support Program** expenses increased \$7.1 million, or 6.2 percent, from \$114.1 million in fiscal year 2010 to \$121.2 million in fiscal year 2011. The most significant variance contributing to the net increase resulted from the District's self insurance program, which was initiated part way into fiscal year 2010, and accordingly fully established during fiscal year 2011, resulting in additional expenses of approximately \$8.4 million, a portion of which is offset by premiums paid by employees and retirees.

This program delivers critical business support services such as information technology, procurement, finance, human resources, legal support, project management, internal audit, and public and executive level policy guidance. The strategic priority goal of the program is to provide the District with optimum support and logistical functions.

**Operations and Maintenance (O&M) Program** expense incurred during fiscal year 2011 was \$134.0 million, an increase of \$11.6 million, or 9.5 percent from the \$122.4 million expensed in fiscal year 2010. A number of offsetting variances within the Program contributed to the net increase in expenses, the most significant of which included an increase of \$9.1 million related to canal and levee maintenance.

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. This program is also responsible for 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-65D telemetry tower, S-331 and S-332 pump station hurricane hardening, S-61, S-65, S-65A, and S-54D navigation lock refurbishment, completion of STA 1-E communications, and resolving 1,276 malfunction requests. Ongoing exotic plant control, mowing, and vehicle inspection and maintenance programs remained on schedule and within budget.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**Restoration Program** expense decreased by \$54.5 million or 32.0 percent from the prior year to \$170.0 million. This variance is a culmination of offsetting increases and decreases among the multiple projects which are included in the Restoration Program, the most significant of which consist of a \$13.3 million decrease related to the Acme Basin project, \$13.0 million decrease related to the River of Grass, a \$4.1 million decrease related to Lake Trafford Restoration, a \$19.0 decrease in program management and support costs offset by a \$12.0 increase related to CERP.

This 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. The Restoration Program includes the following functional programs: Coastal Watersheds, Comprehensive Everglades Restoration Plan, District Everglades, Kissimmee Watershed, Lake Okeechobee, and Modeling and Scientific Support.

Program accomplishments during the fiscal year include: Completing the 2011 Lake Okeechobee Protection Plan Update; initiating two USACE construction projects associated with the Kissimmee River; continuing the Construction of Lakeside Ranch Stormwater Treatment Area (Phase I – North STA and S-650 Pump Station) which is expected to be completed in 2012; completing construction of the second floor and roof for the Environment Services Laboratory; and completing production of the 2011 South Florida Environmental Report (SFER).

**Water Supply Program** expense decreased by \$2.3 million or 7.5 percent from the prior year to \$28.1 million. The majority of the reduction is associated with a reduction in compensated absences expense of \$1.4 million from the prior year, coupled with a \$.1 million decrease in contract services.

This program is 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 2011 include continued implementation of the Water Conservation Hotel and Motel Program (Water CHAMP) which now includes 36 properties (up from 17 in the prior year) with a combined 1,879 rooms (up from 669 rooms last year) enrolled in the program; completing Digital Elevation Models (DEMs) for Martin, St. Lucie, Palm Beach, Polk, Lee, Collier and Monroe counties for updated topography to evaluate sea-level rise and Water Supply Plans; and funding 13 projects in the Water Savings Incentive (WaterSIP) program which have a potential estimated water savings of 230 million gallons per year.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

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

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

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

**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 \$74.2 million was either restricted, assigned or unassigned and \$13.6 million was committed to various District projects. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned/unassigned fund balance represents 48.4 percent of the General Fund expenditures totaling \$150.7 million, while total fund balance represents 58.3 percent of that same amount. Revenues exceeded expenditures by \$28.7 million and the General Fund had net operational transfers to other funds amounting to \$28.7 million, resulting in a net increase in fund balance of \$11.7 thousand.

Total revenues in the General Fund decreased approximately \$22.3 million from the prior year. The majority of this decrease is related to a reduction in property tax revenue of \$22.6 million which is attributable to a decrease in property values.

Total expenditures decreased approximately \$1.8 million, or 1.2 percent, in fiscal year 2011 to \$150.7 million primarily due to decreases in all District programs with a slight offsetting increase in the Restoration program. This decrease reflects the District's overall expenditure reduction program and a more focused approach to restoration.

Operating transfers out of the fund totaled \$28.7 million in other financing uses for fiscal year 2011. Transfers-out in the amount of \$23.4 million went to the CERP Fund, representing the General Fund's 2011 annual contribution to CERP to fund planned operations and capital projects with additional transfers-out of \$5.3 million to the District's Capital Projects Fund to fund District wide capital projects.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**Okeechobee Basin Special Revenue Fund**

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

The total fund balance of the Okeechobee Basin Special Revenue Fund at September 30, 2011 was \$89.6 million, an increase of \$1.8 million from fiscal year 2010. Revenues in excess of expenditures of \$63.5 million were offset by a \$61.7 million reduction related to transfers to other funds. Total revenues in the Okeechobee Basin Special Revenue Fund decreased \$20.7 million from the previous fiscal year. This decrease is due primarily to a decrease in property tax revenues of \$22.5 million, which was offset a lease revenue increase of \$1.3 million.

Total expenditures increased by \$9.7 million, or 9.9 percent in fiscal year 2011 to \$107.9 million. The majority of the increase was related to the purchase of land and related costs for Everglades restoration and water quality improvement projects in the amount of approximately \$8.0 million.

For fiscal year 2011, operating transfers-out totaled \$61.7, of which \$6.3 million went to the CERP Fund, representing the Okeechobee Basin Special Revenue Fund's 2011 annual contribution for CERP in order to fund planned operations and capital projects and \$55.4 million went to the Okeechobee Basin Capital Fund to support scheduled capital improvement projects and various purchases of goods and services.

**State Appropriations Fund**

The State Appropriations Fund is restricted for revenues and expenditures 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 2011, the fund balance of the State Appropriations Fund decreased by \$3.9 million to \$6.9 million by the end of the fiscal year. The State Appropriations Fund spent \$8.3 million in 2011, and recognized advances and reimbursements in the amount of \$4.3 million from the State of Florida. 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 revenues increased by \$4.0 million from the prior year, which is mostly attributable to \$3.4 million in reimbursements recognized for water supply projects within the City of Hialeah and the City of Doral. Total expenditures in the State Appropriations Fund decreased \$6.1 million in fiscal year 2011 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 2011.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**Okeechobee Basin Capital Projects Fund**

The Okeechobee Basin Capital Projects Fund is restricted for proceeds of ad valorem taxes for capital expenditures incurred towards projects benefiting all or part of a 15-county area designated as the Okeechobee Basin. Revenue is mainly provided by operating transfer from the Okeechobee Basin Special Revenue Fund.

The total fund balance of the Okeechobee Basin Capital Projects Fund at September 30, 2011 was \$53.8 million, a decrease of \$8.1 million from fiscal year 2010.

Total revenues of the fund were \$2.1 million, the majority of which is from investment earnings, which increased by \$0.9 million due to the fund carrying higher cash balances than in the prior year. Total expenditures increased \$28.2 million during fiscal year 2011 in comparison to fiscal year 2010, from \$37.5 million to \$65.7 million. The majority of the increase was related to increases in Operations and Maintenance of \$14.6 million and increases in capital outlay of \$15.2 million for various canal and structure maintenance associated with the Okeechobee Basin.

Operating transfers-in totaled \$55.4 million, received from the Okeechobee Basin Special Revenue Fund to support scheduled capital improvement projects and various purchases of goods and services.

**Everglades Trust Fund**

The Everglades Trust Fund was established to account for and report financial resources that are restricted, committed or assigned to capital expenditures to construct Stormwater Treatment Areas (STAs) which will cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Revenue for this fund is provided 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 2011, the fund balance of the Everglades Trust Fund increased \$9.5 million to \$108.0 million at fiscal year end. Several factors contributed to this increase, primarily excess of revenues over expenditures of \$8.7 million.

Total revenues in the Everglades Trust Fund decreased by \$23.2 million to \$51.2 million. This decrease was primarily due to a decrease in ad valorem tax revenues for fiscal year 2011.

Total expenditures decreased by approximately \$11.2 million in fiscal year 2011 to \$42.4 million. This decrease was attributable to a decrease in Restoration expenditures of \$13.0 million during the year relative to the completion of several construction projects during fiscal year 2011; including Phase II of the C-1 Canal which was funded from Everglades Trust Fund revenues and other construction which utilize proceeds from the Series 2006 Certificates of Participation (COPS).

For fiscal year 2011, operating transfers into the fund totaled \$0.7 million which represents the annual funding to cover on-going operations and maintenance costs of the STAs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

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

The CERP Fund is restricted 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 2011, the fund balance of the CERP Fund decreased by \$146.1 million to \$62.6 million at fiscal year end.

Total revenues of the fund were \$2.7 million, the majority of which is from investment earnings which decreased due to the fund carrying lower cash balances than in the prior year. Total expenditures increased \$148.2 million during fiscal year 2011 in comparison to fiscal year 2010, from \$52.5 million to \$200.7 million. The increase in capital outlay of \$151.3 million was the result of the purchase of land and related costs for Everglades restoration and water quality improvement projects in the amount of approximately \$156.9 million. During fiscal year 2011, debt service payments related to the COPS totaled \$15.8 million, which was consistent with the prior fiscal year.

Net operating transfers totaled \$51.9 million in other financing sources for fiscal year 2011, comprised of funding received from the General Fund (\$23.4 million), the Okeechobee Basin Fund (\$6.3 million), the Save Our Everglades Trust Fund (\$22.5 million), and a transfer to the Federal Land Acquisition Fund (\$0.3 million).

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

The Save Our Everglades Trust Fund (SOETF) is restricted 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, 2011 the fund had a deficit fund balance of was \$18.3 million, a decrease of \$40.3 million from the balance a year earlier. The decrease in fund balance is due to an operating transfer out of the fund related to a onetime \$39.5 million reimbursement received in fiscal year 2010. The reimbursement was for expenditures that were originally funded with revenues accounted for in other governmental funds in prior years, which have been deemed eligible for reimbursement with Save Our Everglades Trust funding. In addition, approximately \$4.6 million in revenue which was billed but not collected within 60 days of fiscal year end was deferred.

Total revenues in the Save Our Everglades Trust Fund decreased approximately \$44.9 million from the prior fiscal year. As stated above, this decrease is due to the onetime \$39.5 million reimbursement that was recognized as revenue in fiscal year 2010.

Overall expenditures decreased by \$23.9 million in fiscal year 2011 from the prior year amount of \$57.9 million. This decrease is due to significant project delays which were encountered in fiscal year 2011 which are related to the comparative decrease in the Fund's revenue.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**COPS Everglades Forever Act (EFA) Fund**

The COPS Everglades Forever Act (EFA) Fund is restricted 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 2011, the fund balance decreased by \$94.7 million to \$38.7 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.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgeted revenues and expenditures in the final General Fund budget were \$177.8 million and \$176.7 million, respectively. Budgeted revenues were equal to the original adopted budget for fiscal year 2011, while budgeted expenditures increased slightly (approximately \$526,800) from the original budget. For the fiscal year, the variance between budgeted and actual revenues was \$1.6 million, or 1.0 percent of budget.

At the end of fiscal year 2011, the General Fund's budget for Corporate Resources reflected \$5.0 million remaining as available balance. The largest percentage of this unspent balance resides in the Operations and Maintenance and Restoration Programs. This unspent budget authority is related to unspent personnel services budget as a result of large workforce reductions made throughout the year.

At the end of the fiscal year, the General Fund's budget for Regulatory and Public Affairs reflected \$5.8 million remaining as available balance. The largest variance, approximately 59.7%, was in the Restoration Program, with \$2.4 million left unspent. This is due primarily to outstanding encumbrances (\$1.4 million) of which \$1.3 million were for intergovernmental agreements relating to the Northern Everglades and Estuaries Protection Plan - St. Lucie River Watershed Protection Plan, relating to the Manatee Creek Stormwater Retrofit and Pocket Dredging Project.

The final amended General Fund budget also included \$14.3 million in reserves comprised of managerial reserves of \$11.1 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, 2011**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of September 30, 2011, the District's investment in capital assets, net of accumulated depreciation, was \$4.63 billion, up \$353.1 million from \$4.28 billion at the end of fiscal year 2010. This investment in capital assets includes land, easements, canals and levees, buildings, intangibles, equipment, improvements, water control structures, and construction in progress.

<b>Capital Assets (net of depreciation)</b>		
	2011	2010
Land	\$ 2,563,281,139	\$ 2,361,438,100
Easements	40,305,692	39,442,335
Canals and Levees	557,401,642	557,073,642
Buildings	66,665,890	69,936,499
Intangibles	22,323,950	23,017,836
Equipment	50,764,927	50,237,332
Improvements	15,619,465	16,536,396
Water Control Structures	485,814,559	482,374,386
Construction in Progress	830,540,679	679,578,343
Total	\$ 4,632,717,943	\$ 4,279,634,869

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

**Land Highlights**

The District's investment in land increased approximately \$201.8 million during fiscal year 2011. This change is primarily due to the net effect of the following:

- \$195.1 million of land and related costs for Everglades restoration and water quality improvement projects. The purchased land was comprised of 18,300 acres located in Hendry County and 8,900 acres located in Palm Beach County.
- \$4.8 million for Southern Corkscrew Regional Ecosystem Watershed Project.
- \$2.1 million for Big Cypress Basin Field Station.
- \$2.0 million for the C44 Basin Storage Reservoir.
- \$6.8 million of land and conservation easement donations to various government agencies.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**Construction in Progress Highlights**

The District's investment in construction in progress increased \$151.0 million during fiscal year 2011. This change is primarily due to the net effect of the following:

- \$173.4 million expended on continuing projects as follows:
  - \$59.6 million expended on construction for STA - Compartment B Buildout.
  - \$40.5 million expended on construction for STA - Compartment C Buildout.
  - \$13.8 million expended on the enhancement of the C-111 Spreader Canal.
  - \$13.8 million expended on construction for Lakeside Ranch STA.
  - \$ 7.7 million expended on an environmental services lab.
  - \$ 7.1 million expended on various structure replacements and hardening.
  - \$ 7.0 million on structure replacement and automation.
  - \$ 6.1 million expended on S-65, S-65A, S-61 and S-65D lock refurbishing.
  - \$ 3.4 million on Biscayne Bay Coastal Wetlands.
  - \$ 3.2 million on telemetry tower replacements.
  - \$11.2 million on other continuing projects.
- \$19.9 million related to completed projects which were transferred out of construction in progress, the most significant of which are:
  - \$4.5 million related to CERP aquifer storage and recovery wells.
  - \$4.3 million related Golden Gate Weir #3.
  - \$4.0 million for S-127 and S-133 refurbishing.
  - \$1.5 million for STA 5 rehabilitation.
  - \$1.4 million for e-Permitting enhancements.

Additional information on the District's capital assets can be found in Note 9 on page III-36 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**LONG-TERM DEBT ADMINISTRATION**

At the end of fiscal year 2011, the District had \$542.2 million in total outstanding long-term debt, representing a decrease of \$18.1 million from the prior year. The majority of the balance is comprised of bonds, bank loans, and Certificates of Participation.

**Long-term Debt Outstanding**

	2011	2010
Special Obligation Land Acquisition Bonds	\$ 30,745,000	\$ 36,160,000
Bank Loans	1,142,857	4,118,196
Certificates of Participation	510,355,000	520,060,000
Total	\$ 542,242,857	\$ 560,338,196

The Special Obligation Land Acquisition Refunding Bonds Series 2002 (\$11.5 million) and Series 2003 (\$19.2 million) finance the acquisition of environmentally sensitive lands. Documentary stamp tax revenues provided through the State of Florida's Water Management Lands Trust Fund secure the repayment of this debt.

At the end of fiscal year 2011, the outstanding balance on commercial bank debt was approximately \$1.1 million. This amount represents a bank loan which was used 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 2011 was \$510.4 million.

During fiscal year 2011, Moody's Investor Services (Moody's) and Standard and Poor's (S&P) withdrew their ratings of the District's bond insurer, AMBAC Assurance Corporation, which had previously been withdrawn by Fitch Ratings. In addition, during fiscal year 2011 S&P lowered its credit rating on the District's COPS to AA from AA+. This lowering is a reflection of the passage of Senate Bill 2142, which diminishes the District's financial flexibility by putting a cap on the amount of revenue the District may raise through ad valorem taxes as well as the requiring legislative approval of future budgets and millage rates. At September 30, 2011, the District's COPS were rated Aa2, 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 A1, A+ and A by Moody's, S&P and Fitch Ratings, respectively. On January 10, 2012, Fitch Ratings downgraded the rating on the District's COPS to AA- from AA. This downgrade is a reflection of the District's loss of significant revenue raising capacity due to the passage of Senate Bill 2142. 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, 2011**

**Debt Management Policy**

Since the 1990's, the District made a commitment to the citizens of South Florida to operate in accordance with sixteen guiding principles designed to achieve and maintain the highest standards of fiscal accountability. The Governing Board of the District adopted a *Debt Management Policy* in May 1993, which was updated in April 2005 and revised again in October 2008. The policy and related guidelines enables the District to identify and address potential concerns and alternatives early in the capital planning and debt issuance process.

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-37 through III-39 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**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 2012 fiscal year budget. These revenue assumptions were based on current and projected economic indicators and historical trends. The Florida Department of Revenue and the State Ad Valorem Estimating Conference provided county projection data and trends in ad valorem tax-roll growth rates over a five-year period which was analyzed by the District's Budget 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 47.7 percent of the District's fiscal year 2012 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District decreased by 12.3 percent from \$783.8 billion in 2010 to \$687.2 billion in 2011. Ad valorem taxes projected for fiscal year 2012 are \$270.7 million, an estimated \$129.9 million less than the prior year. This decrease in ad valorem revenue is a result of the passage of Senate Bill 2142.

Senate Bill 2142, which became effective May 26, 2011, amends section of Florida Statute 373.503. This bill requires the Legislature to annually review the preliminary budget for each water management district and set the maximum amount of revenue a district may raise in the next fiscal year through its ad valorem tax. For fiscal year 2012, the bill limits the total ad valorem taxes that may be levied by the District to \$284,901,967. If the annual maximum amount of property tax revenue is not set by the Legislature on or before July 1 of each year, the maximum property tax revenue that may be raised reverts to the amount authorized in the prior year. The bill also requires the District to provide a monthly financial statement to its governing board and make such information available to the public through the District's website as well as revises provisions relating to the review of the District's budget to allow the Legislative Budget Commission, in addition to the Executive Office of the Governor, to disapprove the budget, in whole or in part. In order to meet the requirements of this bill and reduce its property tax revenue in fiscal year 2012, the District has directed its fiscal resources, including accumulated reserves, toward its core mission of flood control, water supply, water quality and natural systems. Related budget reductions are reflected in decreases in salaries, benefits, staff augmentation, facility rent and overhead, land management services, CERP oversight, security, monitoring and Information Technology functions.

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 2012 appropriation from the Save Our Everglades Trust Fund is anticipated to decrease by 43.8% from the prior year's appropriation of \$47.0 million. 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 2012 state appropriations for

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

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 2012 fiscal year.

### **Property Values**

Property values have a very large and direct impact on ad valorem taxes. An increase in property value will often be an indicator of a healthy economy. 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**

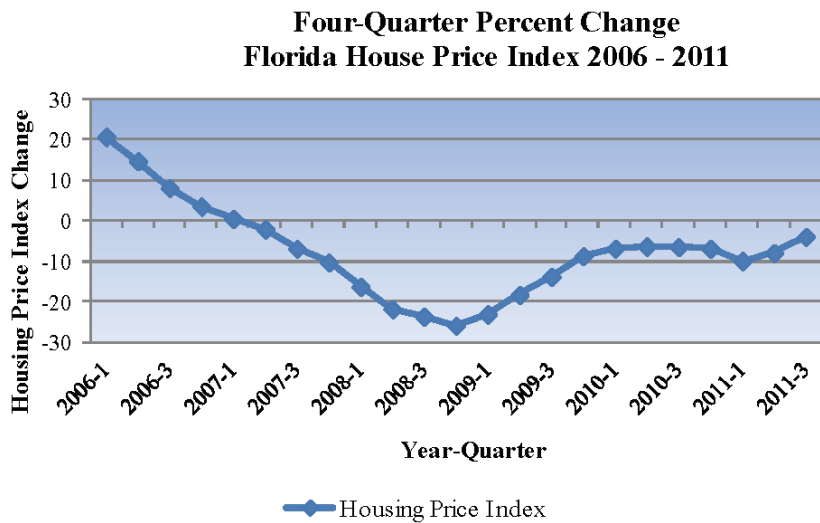
According to RealtyTrac®, the leading online marketplace for foreclosure properties, foreclosure filings, which includes default notices, scheduled auctions, and bank repossessions were reported on 610,337 properties in the third quarter of 2011, an increase of less than 1.0 percent from the previous quarter and a decrease of 34.0 percent from the third quarter of 2010. Their report shows one in every 213 U.S. housing units had a foreclosure filing during the quarter. Florida accounted for one in every 9 properties with foreclosure filings nationwide during the third quarter, with a total of 67,886 — the second highest of any state and an increase of 15.0 percent from the previous quarter. The quarterly increase was driven by a 24.0 percent increase in new default notices and a 14.0 percent increase in bank repossessions.

Default notices were filed on 195,878 U.S. properties in the third quarter 2011, an increase of 14 percent from the previous quarter but a decrease of 27 percent from same quarter of 2010. Florida had one of the largest quarterly increases in default notices with a 24.0 percent increase, following only Massachusetts and New Jersey. Despite the quarterly increase, Florida foreclosure activity in the third quarter was still down 57.0 percent from the third quarter of 2010. Two Florida cities, both within District boundaries, posted foreclosure rates in the top 25: Cape Coral-Fort Myers at Number 15, with one in every 92 housing units with a foreclosure filing in the third quarter and Miami at Number 23, with one in every 108 housing units with a foreclosure filing.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**Home Prices**

The Federal Housing Finance Agency's House Price Index indicates that home prices have fallen 2.82 percent in Florida since September 2010. This is an improvement from the decrease of 6.39 percent (adjusted) 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.



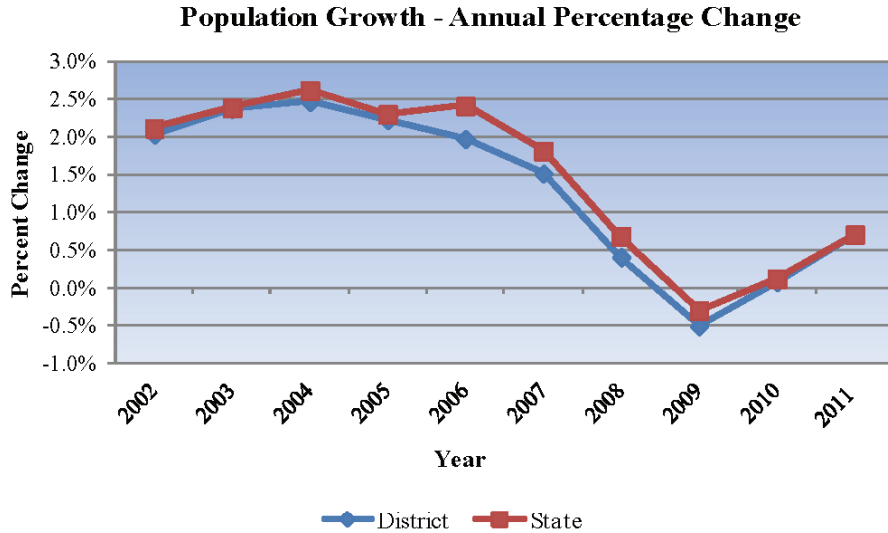
Source: Federal Housing Finance Agency

**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, 2011**

In 2011, the District's population increased slightly by 0.07 percent, compared to the prior year's increase of 0.08 percent. Over the past ten years (2002 to 2011) the population growth across the District averaged 1.33 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 2011

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

At the end of fiscal year 2011, the total assigned and unassigned fund balance in the General Fund is \$74.2 million. This represents a decrease of \$2.4 million or approximately 3.2 percent from the unreserved fund balance reported in fiscal year 2010. The District has appropriated \$45.8 million of the \$74.2 million for spending in the fiscal year 2012 budget.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2011**

**NEXT YEAR'S BUDGETS AND RATES**

As a result of the requirements mandated by Senate Bill 2142, as discussed above, the District's fiscal year 2012 adopted millage rates have been reduced from the fiscal year 2011 rates. Beginning in fiscal year 2012, all property owners within the District's boundaries will be assessed a lower District-at-Large millage rate of .1785 mills, reduced from the year's rate of .2549 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1954 mills and the Everglades Construction Project tax rate of .0624 mills, both of which are reduced from the fiscal year 2011 of .2797 and .0894, respectively, for a combined tax assessment of .4363 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .1633 mills, which is reduced from the fiscal year 2011 rate of .2265 and the District-at-Large tax rate of .1785 mills, for a combined tax assessment of .3418 mills. State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value). Consequently, the District's approved budget for fiscal year 2012 totals \$576.1 million, a decrease of approximately \$599.9 million from the fiscal year 2011 amended budget of \$1.176 billion. Included in the 2012 budget is a projected decrease of \$129.9 million in ad valorem taxes revenue, as a result of the passage of Senate Bill 2142.

**Requests for Information**

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



# **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**



South Florida Water Management District  
Statement of Net Assets  
September 30, 2011

	<u>Total Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$440,643,205
Accounts Receivable	1,716,285
Due from Other Governments	23,287,816
Inventory	5,870,185
Prepays	539,584
Other Assets	4,802,599
Restricted Assets:	
Temporarily Restricted - Cash and Investments	170,585,330
Permanently Restricted - Cash and Investments	13,988,620
Capital Assets	
Land and Easements	2,603,586,831
Construction In Progress	830,540,679
Canals and Levees	557,401,642
Other Capital Assets, Net of Depreciation	641,188,791
Total Assets	<u>5,294,151,567</u>
<b>LIABILITIES</b>	
Accounts Payable	65,382,920
Due to Other Governments	1,498,919
Unearned Revenue	500,000
Noncurrent Liabilities:	
Due Within One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	5,789,651
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	11,693,872
Compensated Absences	10,010,200
Self Insurance Claims Payable	2,825,443
Due in More Than One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	25,308,815
Bank Loans Payable	1,142,857
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	516,359,621
Compensated Absences	6,815,800
OPEB Obligation	18,641,587
Self Insurance Claims Payable	4,258,376
Total Liabilities	<u>670,228,061</u>
<b>NET ASSETS</b>	
Invested In Capital Assets, Net of Related Debt	4,157,311,051
Restricted for:	
Debt Service	30,327,489
Wetlands Mitigation	
Expendable	23,290,831
Nonexpendable	13,988,620
Environmental Programs	267,486,175
Capital Construction	63,511,269
Unrestricted	68,008,071
Total Net Assets	<u><u>\$4,623,923,506</u></u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2011

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	\$121,213,117	\$11,278,950	\$ -	\$ -	(\$109,934,167)
Operations and Maintenance	134,014,814	8,039,514	3,993,318	12,560,490	(109,421,492)
Restoration	115,552,532	-	23,810,358	10,797,605	(80,944,569)
Water Supply	28,085,557	3,319,171	3,521,120	-	(21,245,266)
Interest on Long Term Debt	25,608,163	-	-	-	(25,608,163)
Total	<u>\$424,474,183</u>	<u>\$22,637,635</u>	<u>\$31,324,796</u>	<u>\$23,358,095</u>	<u>(347,153,657)</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					
Property Taxes, Levied for Everglades Restoration					
Investment Earnings					
Other					
<u>347,234,986</u>					
<u>64,381,190</u>					
<u>13,693,847</u>					
<u>2,162,878</u>					
<u>427,472,901</u>					
Total General Revenues					
<u>427,472,901</u>					
Change in Net Assets					
<u>80,319,244</u>					
Net Assets at Beginning of Year					
<u>4,543,604,262</u>					
Net Assets at End of Year					
<u>\$4,623,923,506</u>					

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
 Balance Sheet  
 Governmental Funds  
 September 30, 2011

	General	Okeechobee Basin SR	State Appropriations
<b>ASSETS</b>			
Cash and Investments	\$96,841,738	\$82,190,160	\$7,680,094
Cash Held by Trustee	-	-	-
Accounts Receivable	231,429	169,568	-
Due from Other Governments	2,062,321	2,243,142	238,688
Due from Other Funds	-	4,014,570	-
Inventory	-	5,811,098	-
Other Assets	27,104	-	-
	<u>\$99,162,592</u>	<u>\$94,428,538</u>	<u>\$7,918,782</u>
Total Assets	<u>\$99,162,592</u>	<u>\$94,428,538</u>	<u>\$7,918,782</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$10,863,028	\$4,261,356	\$710,301
Due to Other Governments	237,620	53,688	89,103
Due to Other Funds	269,711	215,769	-
Deferred Revenue	-	333,258	238,688
	<u>11,370,359</u>	<u>4,864,071</u>	<u>1,038,092</u>
Total Liabilities	<u>11,370,359</u>	<u>4,864,071</u>	<u>1,038,092</u>
<b>FUND BALANCES</b>			
Nonspendable	-	5,811,098	-
Restricted	1,190,857	83,753,369	6,880,690
Committed	13,571,806	-	-
Assigned	50,267,731	-	-
Unassigned	22,761,839	-	-
	<u>87,792,233</u>	<u>89,564,467</u>	<u>6,880,690</u>
Total Fund Balances	<u>87,792,233</u>	<u>89,564,467</u>	<u>6,880,690</u>
Total Liabilities and Fund Balances	<u>\$99,162,592</u>	<u>\$94,428,538</u>	<u>\$7,918,782</u>

South Florida Water Management District  
 Balance Sheet  
 Governmental Funds  
 September 30, 2011

	Okeechobee Basin CP	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)	Save Our Everglades
<b>ASSETS</b>				
Cash and Investments	\$62,789,764	\$91,539,908	\$31,184,427	\$ -
Cash Held by Trustee	-	12,607,278	10,189,456	-
Accounts Receivable	123,760	207,905	130,829	157,668
Due from Other Governments	-	794,953	-	13,950,764
Due from Other Funds	-	5,182,891	22,614,747	-
Inventory	-	-	-	-
Other Assets	376	-	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Assets	<u>\$62,913,900</u>	<u>\$110,332,935</u>	<u>\$64,119,459</u>	<u>\$14,108,432</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$9,121,830	\$2,275,247	\$1,403,464	\$4,421,661
Due to Other Governments	-	22,682	65,695	719,857
Due to Other Funds	-	29,968	17,981	22,614,747
Deferred Revenue	-	-	-	4,643,454
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Liabilities	<u>9,121,830</u>	<u>2,327,897</u>	<u>1,487,140</u>	<u>32,399,719</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	53,792,070	108,005,038	10,189,456	-
Committed	-	-	31,991,986	-
Assigned	-	-	20,450,877	-
Unassigned	-	-	-	(18,291,287)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Fund Balances	<u>53,792,070</u>	<u>108,005,038</u>	<u>62,632,319</u>	<u>(18,291,287)</u>
Total Liabilities and Fund Balances	<u>\$62,913,900</u>	<u>\$110,332,935</u>	<u>\$64,119,459</u>	<u>\$14,108,432</u>

See Accompanying Notes to the Financial Statements

	COPS Everglades Forever Act (EFA)	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ -	\$119,687,760	\$491,913,851
Cash Held by Trustee	57,542,772	27,377,232	107,716,738
Accounts Receivable	-	601,842	1,623,001
Due from Other Governments	-	3,997,948	23,287,816
Due from Other Funds	-	-	31,812,208
Inventory	-	59,087	5,870,185
Other Assets	-	54,601	82,081
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$57,542,772</u>	<u>\$151,778,470</u>	<u>\$662,305,880</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$13,708,153	\$4,395,485	\$51,160,525
Due to Other Governments	-	310,274	1,498,919
Due to Other Funds	5,182,891	4,074,507	32,405,574
Deferred Revenue	-	1,423,541	6,638,941
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>18,891,044</u>	<u>10,203,807</u>	<u>91,703,959</u>
<b>FUND BALANCES</b>			
Nonspendable	-	14,047,707	19,858,805
Restricted	38,651,728	116,751,517	419,214,725
Committed	-	-	45,563,792
Assigned	-	12,013,556	82,732,164
Unassigned	-	(1,238,117)	3,232,435
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>38,651,728</u>	<u>141,574,663</u>	<u>570,601,921</u>
Total Liabilities and Fund Balances	<u>\$57,542,772</u>	<u>\$151,778,470</u>	<u>\$662,305,880</u>

South Florida Water Management District  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 September 30, 2011

Fund Balances - Total Governmental Funds \$570,601,921

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	\$4,915,436,495	
Less accumulated depreciation	<u>(282,767,566)</u>	4,632,668,929

Long term liabilities not due and payable in the current period are not reported in the governmental funds. 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. Governmental funds report the effects of issuance costs as a debt service expenditure when the debt is first issued whereas these amounts are deferred and amortized in the Statement of Activities.

Bonds payable	(30,745,000)	
Bond premiums / discounts	(353,466)	
Bank loans payable	(1,142,857)	
Certificates of participation payable	(510,355,000)	
Certificates of participation premiums / discounts	(17,698,493)	
Compensated absences	(16,826,000)	
Other post employment benefits	(18,641,587)	
Unamortized debt issuance costs - bonds	126,659	
Unamortized debt issuance costs - certificates of participation	2,706,794	
Unamortized deferred interest	<u>1,123,065</u>	(591,805,885)

Bond and certificates of participation interest due October 1, 2011 are not reported as a liability of the governmental funds.

Accrued interest payable - bonds	(684,896)	
Accrued interest payable - certificates of participation	<u>(12,661,732)</u>	(13,346,628)

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. 6,138,941

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. 19,666,228

Net Assets of Governmental Activities \$4,623,923,506

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, 2011

	General	Okeechobee Basin SR	State Appropriations
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$167,060,545	\$166,808,938	\$ -
Agricultural Privilege Taxes	-	-	-
Intergovernmental	23,290	600,781	4,349,348
Investment Earnings	2,798,466	2,010,183	-
Licenses, Permits and Fees	2,628,542	69,474	-
Sale of District Property	825,573	411,898	-
Indirect Costs Recovered	5,420,591	-	-
Leases	67,814	1,295,597	-
Other	580,414	223,262	-
	<u>179,405,235</u>	<u>171,420,133</u>	<u>4,349,348</u>
<b>EXPENDITURES</b>			
Current Operating			
Mission Support	85,741,095	8,323,330	-
Operations and Maintenance	11,076,545	76,665,816	47,571
Restoration	24,293,533	20,488,337	6,845,362
Water Supply	27,140,727	1,709,605	1,376,550
Capital Outlay	-	-	-
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	2,285,714	689,625	-
Bank Loan Interest	168,000	12,724	-
COPS Bond Principal Retirement	-	-	-
COPS Bond Interest	-	-	-
	<u>150,705,614</u>	<u>107,889,437</u>	<u>8,269,483</u>
Revenues in Excess of (Less than) Expenditures	<u>28,699,621</u>	<u>63,530,696</u>	<u>(3,920,135)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	(28,687,944)	(61,703,468)	-
	<u>(28,687,944)</u>	<u>(61,703,468)</u>	<u>-</u>
Net Change in Fund Balances	11,677	1,827,228	(3,920,135)
Fund Balances at Beginning of Year	<u>87,780,556</u>	<u>87,737,239</u>	<u>10,800,825</u>
Fund Balances (Deficits) at End of Year	<u><u>\$87,792,233</u></u>	<u><u>\$89,564,467</u></u>	<u><u>\$6,880,690</u></u>

South Florida Water Management District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2011

	Okeechobee Basin CP	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)	Save Our Everglades
REVENUES				
Ad Valorem Property Taxes	\$ -	\$37,888,362	\$ -	\$ -
Agricultural Privilege Taxes	-	11,064,462	-	-
Intergovernmental	-	-	-	32,687,058
Investment Earnings	1,603,991	2,268,704	1,667,323	6,745
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	540,000	-	-	-
Indirect Costs Recovered	-	-	-	-
Leases	-	-	989,365	507,148
Other	2,247	1,871	6,007	-
	<u>2,146,238</u>	<u>51,223,399</u>	<u>2,662,695</u>	<u>33,200,951</u>
Total Revenues				
EXPENDITURES				
Current Operating				
Mission Support	-	-	-	-
Operations and Maintenance	29,228,511	44,122	63,213	-
Restoration	935,364	18,261,307	24,106,671	3,723,205
Water Supply	-	-	-	-
Capital Outlay	35,548,860	4,689,984	160,762,327	30,258,824
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Bank Loan Principal Payments	-	-	-	-
Bank Loan Interest	-	-	-	-
COPS Bond Principal Retirement	-	5,367,156	4,337,844	-
COPS Bond Interest	-	14,123,931	11,415,246	-
	<u>65,712,735</u>	<u>42,486,500</u>	<u>200,685,301</u>	<u>33,982,029</u>
Total Expenditures				
Revenues in Excess of (Less than) Expenditures	<u>(63,566,497)</u>	<u>8,736,899</u>	<u>(198,022,606)</u>	<u>(781,078)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	55,432,800	733,182	52,198,612	-
Transfers Out	-	-	(280,000)	(39,500,000)
	<u>55,432,800</u>	<u>733,182</u>	<u>51,918,612</u>	<u>(39,500,000)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(8,133,697)	9,470,081	(146,103,994)	(40,281,078)
Fund Balances at Beginning of Year	<u>61,925,767</u>	<u>98,534,957</u>	<u>208,736,313</u>	<u>21,989,791</u>
Fund Balances (Deficits) at End of Year	<u><u>\$53,792,070</u></u>	<u><u>\$108,005,038</u></u>	<u><u>\$62,632,319</u></u>	<u><u>(\$18,291,287)</u></u>

See Accompanying Notes to the Financial Statements

	COPS Everglades Forever Act (EFA)	Other Governmental Funds	Total Governmental Funds
REVENUES			
Ad Valorem Property Taxes	\$ -	\$28,793,869	\$400,551,714
Agricultural Privilege Taxes	-	-	11,064,462
Intergovernmental	-	30,228,101	67,888,578
Investment Earnings	442,018	2,311,176	13,108,606
Licenses, Permits and Fees	-	5,468,838	8,166,854
Sale of District Property	55,504	35,288	1,868,263
Indirect Costs Recovered	-	-	5,420,591
Leases	-	1,055,828	3,915,752
Other	114	82,081	895,996
	<u>497,636</u>	<u>67,975,181</u>	<u>512,880,816</u>
EXPENDITURES			
Current Operating			
Mission Support	-	701,135	94,765,560
Operations and Maintenance	-	8,381,632	125,507,410
Restoration	30	30,759,830	129,413,639
Water Supply	-	2,101,232	32,328,114
Capital Outlay	99,029,366	40,440,219	370,729,580
Debt Service			
Bond Principal Retirement	-	5,415,000	5,415,000
Bond Interest	-	1,489,721	1,489,721
Bank Loan Principal Payments	-	-	2,975,339
Bank Loan Interest	-	-	180,724
COPS Bond Principal Retirement	-	-	9,705,000
COPS Bond Interest	-	-	25,539,177
	<u>99,029,396</u>	<u>89,288,769</u>	<u>798,049,264</u>
Revenues in Excess of (Less than) Expenditures	<u>(98,531,760)</u>	<u>(21,313,588)</u>	<u>(285,168,448)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,816,493	31,554,488	143,735,575
Transfers Out	-	(13,564,163)	(143,735,575)
	<u>3,816,493</u>	<u>17,990,325</u>	<u>-</u>
Net Change in Fund Balances	(94,715,267)	(3,323,263)	(285,168,448)
Fund Balances at Beginning of Year	<u>133,366,995</u>	<u>144,897,926</u>	<u>855,770,369</u>
Fund Balances (Deficits) at End of Year	<u><u>\$38,651,728</u></u>	<u><u>\$141,574,663</u></u>	<u><u>\$570,601,921</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, 2011

Net Change in Fund Balances - Total Governmental Funds \$(285,168,448)

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

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

Capital outlay	\$390,319,119	
Current year depreciation expense	<u>(31,647,904)</u>	358,671,215

The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is a decrease to net assets (5,591,812)

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	5,415,000	
Bank loan principal payment	2,975,339	
COPS principal payment	<u>9,705,000</u>	18,095,339

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	7,823,000	
Change in OPEB payable	(4,232,457)	
Bond interest payable at September 30, 2011	(684,896)	
Bond interest payable at September 30, 2010	888,927	
COPS interest payable at September 30, 2011	(12,661,732)	
COPS interest payable at September 30, 2010	12,877,442	
Amortization of deferred interest on bonds	(280,766)	
Amortization of discount on debt - bonds	(22,425)	
Amortization of discount on debt - certificates	(7,732)	
Amortization of premium on debt - bonds	151,365	
Amortization of premium on debt - certificates	1,648,786	
Amortization of cost of issuance on bonds	(69,244)	
Amortization of cost of issuance on certificates	<u>(238,266)</u>	5,192,002

Revenues that are earned but not received within the District's availability period are recognized in the Statement of Activities when earned and subsequently in the governmental funds when they become available. The net difference is recorded as a reconciling item. (13,576,685)

Internal service funds are used by management to charge the costs of certain activities to the individual funds. The change in net assets of the internal service funds is reported with governmental activities. 2,697,633

Change in Net Assets of Governmental Activities \$80,319,244

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Statement of Net Assets  
Proprietary Funds  
September 30, 2011

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$25,586,566
Accounts Receivable	93,284
Due from Other Funds	599,359
Prepays	539,584
Other Assets	764,000
Total Current Assets	27,582,793
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,459
Computer Hardware	8,196
Vehicles	36,224
Accumulated Depreciation	(22,865)
Total Noncurrent Assets	49,014
Total Assets	27,631,807
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$875,767
Due to Other Funds	5,993
Claims Payable	2,825,443
Total Current Liabilities	3,707,203
Noncurrent Liabilities	
Claims Payable	4,258,376
Total Noncurrent Liabilities	4,258,376
Total Liabilities	7,965,579
<b>NET ASSETS</b>	
Net Assets	
Invested in Capital Assets, Net of Related Debt	49,014
Unrestricted	19,617,214
Total Net Assets	\$19,666,228

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, 2011

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$32,102,697
Other Operating Revenue	721,480
Total Operating Revenues	32,824,177
OPERATING EXPENSES	
Salaries	488,913
Benefits	221,571
Claims	26,304,224
Purchased Services	174,659
Administrative Fees	1,943,952
Other	1,571,886
Depreciation	6,580
Total Operating Expenses	30,711,785
OPERATING INCOME (LOSS)	2,112,392
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	585,241
Total Nonoperating Revenues	585,241
Change in Net Assets	2,697,633
Net Assets at Beginning of Year	16,968,595
Net Assets at End of Year	\$19,666,228

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2011

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Receipts from Customers	\$32,018,943
Cash Payments to Suppliers	(3,672,367)
Cash Payments for Salaries, Benefits	(710,484)
Cash Payments to Administrators	(46,000)
Claims Paid	(26,618,055)
Other Receipts (Payments)	663,526
Net cash provided by (used in) operating activities	1,635,563
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>	
Purchase of Capital Assets	(10,251)
Net cash used for capital activities	(10,251)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Earnings	585,241
Net cash provided by (used in) investing activities	585,241
Net Increase (decrease) in Cash and Cash Equivalents	2,210,553
Cash and Cash Equivalents, Beginning of Year	23,376,013
Cash and Cash Equivalents, End of Year	25,586,566
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating Income (Loss)	2,112,392
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	6,580
<b>CHANGES IN ASSETS AND LIABILITIES:</b>	
Decrease (Increase) in Accounts Receivable	(83,754)
Decrease (Increase) in Due from Other Funds	(21,834)
Decrease (Increase) in Prepaids	42,064
Decrease (Increase) in Deposits	(46,000)
Increase (Decrease) in Accounts Payable	(60,270)
Increase (Decrease) in Due to Other Funds	216
Increase (Decrease) in Estimated Unpaid Claims	(313,831)
Net Cash Provided by (Used in) Operating Activities	\$1,635,563

See Accompanying Notes to the Financial Statements



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT .....	III-16
(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	III-16
(a) Reporting Entity .....	III-16
(b) Government-wide and Fund Financial Statements .....	III-17
(c) Measurement Focus and Basis of Accounting .....	III-17
(d) Major Governmental Funds and Other Fund Types .....	III-18
(e) Budgetary Information .....	III-19
(f) Cash and Investments .....	III-19
(g) Prepaid Items .....	III-20
(h) Inventory .....	III-20
(i) Capital Assets .....	III-20
(j) Compensated Absences .....	III-21
(k) Wetland Mitigation .....	III-21
(l) Fund Balances / Net Assets .....	III-21
(m) Use of Estimates .....	III-23
(n) Impact of Recently Issued Accounting Pronouncements .....	III-23
(3) CASH AND INVESTMENTS .....	III-25
(4) ACCOUNTS RECEIVABLE .....	III-30
(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS .....	III-30
(6) OPERATING LEASE RENTAL REVENUES .....	III-31
(7) PROPERTY TAXES .....	III-32
(8) INTERGOVERNMENTAL TRANSACTIONS .....	III-33
(9) CAPITAL ASSETS ACTIVITY .....	III-34
(10) LONG-TERM LIABILITIES .....	III-35
(11) FUND BALANCE REPORTING .....	III-38
(12) DEFICIT FUND BALANCES .....	III-40
(13) OPERATING LEASES .....	III-40
(14) DEFINED BENEFIT PENSION PLAN .....	III-41
(15) OTHER POST-EMPLOYMENT BENEFITS (OPEB) .....	III-41
(16) INSURANCE ACTIVITIES .....	III-43
(17) CONDEMNATION PROCEEDINGS .....	III-45
(18) MAJOR CONSTRUCTION COMMITMENTS .....	III-45
(19) OTHER COMMITMENTS AND CONTINGENCIES .....	III-47
(20) SUBSEQUENT EVENTS .....	III-47

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

The South Florida Water Management District (the "District") is a public corporation organized under Florida Statutes, Chapter 373, and is controlled by a Governing Board consisting of nine (9) members appointed by the Governor to staggered four-year terms. For financial reporting purposes, the District is a component unit of the State of Florida.

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

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

*(a) Reporting Entity*

The District follows the standards promulgated by GASB Statement No. 14, "The Financial Reporting Entity", as amended by GASB 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, 2011**

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

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

The government-wide financial statements, i.e., the statement of net 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 and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

*(c) Measurement Focus and Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied 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. All other revenues are recognized when cash is received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as 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, 2011**

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

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

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

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

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

In addition to governmental funds, the District 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 is a special revenue fund used to record revenues from within all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by a .2797 mill property tax levy, intergovernmental revenues and permitting fees, which must be used for expenditures within the Okeechobee Basin.

The State Appropriations Fund is a special revenue fund which collects revenues 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 Okeechobee Basin Capital Fund is a capital projects fund which is used to record capital expenditures incurred towards projects benefiting all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided from operating transfers from the Okeechobee Basin Special Revenue Fund.

The Everglades Trust Fund is a capital projects fund used to record capital expenditures to construct stormwater treatment areas to cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 is a capital projects fund used to record 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 is restricted 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.

The COPS Everglades Forever Act (EFA) Fund accounts for restricted 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

*(f) Cash and Investments (continued)*

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

Non-participating investments, such as non-negotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized costs. The District has investments in 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 amortized cost. Pool B and the Trust Fund are accounted for as 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.

*(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.

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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

*(i) Capital Assets (continued)*

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

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

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

*(j) Compensated Absences*

District employees are granted a specific number of vacation and sick leave hours with pay. As of September 30, 2011, the following policies were in effect. Non-management employees are permitted to accrue a maximum of 360 hours of vacation as of December 31. Managers are permitted to accrue a maximum of 480 hours of vacation as of December 31. Employees are paid for excess vacation time over the maximum in January. Upon termination of employment, employees are paid for a percentage of unused sick leave 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, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Fund Balances / Net Assets (continued)

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

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

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

Assigned – Represents amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the District’s management based on Board direction.

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

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

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

Net 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 restrictions the District has of its net assets are:



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

*(l) Fund Balances / Net Assets (continued)*

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, 2011, the District has approximately \$245.8 million in restricted net assets through enabling legislation.

Unrestricted – Represents the net assets of the District that are not restricted for any project or purpose.

*(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 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 implemented this Statement during the fiscal year ended September 30, 2011.

In November 2010, GASB issued Statement No. 60 “Accounting and Financial Reporting for Service Concession Arrangements.” The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner. The District implemented this Statement during the fiscal year ended September 30, 2011. The implementation had no effect on the District financial statements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

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

In November 2010, GASB issued Statement No. 61 “The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34.” The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset. The District implemented this Statement during the fiscal year ended September 30, 2011. The implementation had no effect on the District financial statements.

In December 2010, GASB issued Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance and pronouncements that are included in the Financial Accounting Standards Board (FASB) Statements and Interpretations; Accounting Principles Board Opinions; or Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. Hereinafter, these pronouncements collectively are referred to as the “FASB and AICPA pronouncements.” The District implemented this Statement during the fiscal year ended September 30, 2011. The implementation had no effect on the District financial statements.

In June 2011, GASB issued Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53.” The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The District implemented this Statement during the fiscal year ended September 30, 2011. The implementation had no effect on the District financial statements.

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

In June 2011, GASB issued Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement amends the net asset reporting requirements in Statement No. 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments”, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The District is required to implement this Statement in its fiscal year beginning October 1, 2012.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(3) CASH AND INVESTMENTS*

**Statement of Policy**

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

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. 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, 2011, the District had placed approximately 32% of its investments in U.S. Agency Obligations, 41% in Agency Mortgage Backed Securities, 2% in Corporate Bonds, 5% in Commercial Paper, 8% in Florida Prime and the Local Government Investment Pool and 12% 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, 2011, 2.0% of the

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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*(3) CASH AND INVESTMENTS (continued)*

District's original balance in SBA remains inaccessible, which represents investments currently valued at \$1,660,088.

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 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 .7568386 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(3) CASH AND INVESTMENTS (continued)*

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, 2011 the District had the following investments in its pooled portfolio:

Investment Type	Fair Value	Effective Duration (in yrs)
U.S. Agency Obligations	\$ 130,591,100	1.58
Investments in Mortgage Backed Securities	169,451,164	1.54
Corporate Bonds	9,154,800	1.24
Commercial Paper	19,903,167	0.73
Florida Prime	31,305,948	0.10
Local Government Surplus Trust Fund - Pool B	1,660,088	4.82
Florida Local Government Investment Trust	<u>50,892,597</u>	1.70
Total Fair Value	<u>\$ 412,958,864</u>	
Portfolio Effective Duration		<b>1.43</b>

**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 2011 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(3) CASH AND INVESTMENTS (continued)*

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

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Florida Prime	AAAm	\$ 31,305,948
Local Government Surplus Trust Fund - Pool B	Unrated	1,660,088
Fannie Mae – Agencies & Mortgages	AAA	128,320,661
Freddie Mac – Agencies & Mortgages	AAA	122,088,997
Federal Home Loan Bank – Agencies	AAA	39,433,100
Ginnie Mae - Mortgage Backed Security	AAA	10,199,506
General Electric Capital Corp.	AA+	9,154,800
Silver Tower US	A1P1	19,903,167
Florida Local Government Investment Trust	AAAf	<u>50,892,597</u>
		<u>\$ 412,958,864</u>

**Custodial Credit Risk - Deposits**

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balances held with these institutions at September 30, 2011 are \$186,740,098.

The most significant cash deposit of the District at September 30, 2011 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 \$84,920,004 in COPS proceeds which are held in trust by a third party financial institution on behalf of the District, and \$22,796,734 representing debt service on the COPS due October 1, 2011.

**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 District Treasurer to implement as needed.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(3) CASH AND INVESTMENTS (continued)*

**Percentage Allocation by Issuer as of September 30, 2011**

<u>Issuer</u>	<u>Percent of Total</u>
Florida Prime	7.58%
Local Government Surplus Trust Fund - Pool B	0.40%
Fannie Mae	31.08%
Freddie Mac	29.56%
Ginnie Mae	2.47%
Federal Home Loan Bank	9.55%
General Electric Capital Corp.	2.22%
Silver Tower US	4.82%
Florida Local Government Investment Trust	12.32%

Cash and investments as of September 30, 2011 are comprised of the following:

*Cash Deposits:*

Money Market Accounts	\$ 64,118,324
Demand Deposit Accounts	40,417,254
Petty Cash	<u>5,975</u>
Total Cash Deposits	<u>104,541,553</u>

*Cash Deposits Held by Trustee:* 107,716,738

*Investments:*

U.S. Agency Obligations	130,591,100
Investments in Mortgage Backed Securities	169,451,164
Corporate Bonds	9,154,800
Commercial Paper	19,903,167
Florida Prime	31,305,948
Local Government Surplus Trust Fund - Pool B	1,660,088
Florida Local Government Investment Trust	<u>50,892,597</u>
Total Investments	<u>412,958,864</u>
Total Cash and Investments	<u>\$ 625,217,155</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(4) ACCOUNTS RECEIVABLE*

Accounts receivable at September 30, 2011 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Okeechobee Basin CP Fund	Everglades Trust Fund	Comprehensive Everglades Rest. Plan Fund	Save Our Everglades	Non Major Funds/ Internal Service Funds	Total
Leases	\$ -	\$ 605		\$ -	\$ -	\$ 157,668	\$ 417,219	\$ 575,492
Interest	231,429	168,963	123,760	207,905	130,829	-	233,652	1,096,538
Other	-	-	-	-	-	-	44,255	44,255
	<u>\$ 231,429</u>	<u>\$ 169,568</u>	<u>\$ 123,760</u>	<u>\$ 207,905</u>	<u>\$ 130,829</u>	<u>\$ 157,668</u>	<u>\$ 695,126</u>	<u>\$ 1,716,285</u>

*(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS*

Interfund receivables and payables as of September 30, 2011 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 269,711
Okeechobee Basin SR Fund	4,014,570	215,769
Everglades Trust Fund	5,182,891	29,968
CERP	22,614,747	17,981
Save Our Everglades	-	22,614,747
COPS EFA	-	5,182,891
Other Governmental Funds	-	4,074,507
Internal Service Funds	599,359	5,993
	<u>\$ 32,411,567</u>	<u>\$ 32,411,567</u>

Interfund balances at year end represent temporary loans to cover negative cash balances.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

Interfund transfers during the year are as follows:

<i>From:</i>	<i>To:</i>					Totals
	Okeechobee Basin CP Fund	Everglades Trust Fund	Comprehensive Everglades Rest. Plan (CERP) Fund	COPS - Everglades Forever Act Fund	Other Governmental Funds	
General Fund	\$ -	\$ -	\$ 23,427,944	\$ -	\$ 5,260,000	\$ 28,687,944
Okeechobee Basin SR Fund	55,432,800	-	6,270,668	-	-	61,703,468
Comprehensive Everglades	-	-	-	-	280,000	280,000
Save Our Everglades Fund	-	-	22,500,000	-	17,000,000	39,500,000
Other Governmental Funds	-	733,182	-	3,816,493	9,014,488	13,564,163
	<u>\$ 55,432,800</u>	<u>\$ 733,182</u>	<u>\$ 52,198,612</u>	<u>\$ 3,816,493</u>	<u>\$ 31,554,488</u>	<u>\$ 143,735,575</u>

The transfers into the Comprehensive Everglades Restoration Plan Fund represent the portion of ad valorem tax and Save Our Everglades Trust Fund revenues used to fund CERP projects. The transfer into the COPS – Everglades Forever Act Fund reflects unspent proceeds from the Series 2006 COPS which were accounted for in the COPS – Comprehensive Everglades Restoration Plan Fund. The transfers from the Save Our Everglades Trust Fund represent reimbursements received relating to land acquisitions which realign the revenue to the funding source of the original land acquisition. The majority of the remaining transfers represent funding for District-wide capital projects, funding for operations of water control projects for the Okeechobee Basin, and other funds necessary to manage the related projects, and transfers to be used for wetlands mitigation activities.

*(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 \$649.8 million as of September 30, 2011.

**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 2011, contingent revenues were \$-0-.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

**Revenues under Operating Leases (continued)**

Year Ending September 30:

2012	\$ 4,072,700
2013	3,947,563
2014	2,776,016
2015	2,454,148
2016	2,405,718
2017 - 2021	<u>2,358,295</u>
Total minimum future revenues	<u>\$ 18,014,440</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 2011 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 2011 levy was based, was approximately \$687.2 billion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the District based on the amount of receipts reported by the county tax collectors. Property taxes receivable from the county tax collectors at September 30, 2011, is \$5,087,359 and is included in tax revenues.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(8) INTERGOVERNMENTAL TRANSACTIONS*

Amounts due from other governments at September 30, 2011 and intergovernmental revenues for 2011 consist of the following:

	<u>Due From Other Governments</u>	<u>Intergovernmental Revenues</u>
U.S. Army Corps of Engineers	\$ 203,552	\$ 312,946
U.S. Department of Homeland Security	17,991	372,793
Florida Department of Environmental Protection	14,793,355	59,456,159
Florida Fish and Wildlife Conservation Commission	696,227	3,438,840
Florida Department of Transportation	938	4,070
Florida Department of Motor Vehicles	-	352,224
Florida Inland Navigation District	2,300,000	3,600,000
Lee County	-	73,088
Miami Dade County	15,000	15,000
Palm Beach County	-	75,000
Southwest Florida Water Management District	5,550	11,100
The Troup Indiantown Water Control District	167,844	167,844
Town of Southwest Ranches	-	9,514
Various Counties:		
Ad Valorem Taxes	2,689,997	- *
Property Appraiser/Tax Collector Fee Credits	<u>2,397,362</u>	<u>- *</u>
<b>Total</b>	<b><u>\$ 23,287,816</u></b>	<b><u>\$ 67,888,578</u></b>

\* 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, 2011**

*(9) CAPITAL ASSETS ACTIVITY*

	Balance at October 1, 2010	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2011
<b><i>Capital Assets Not Being Depreciated:</i></b>					
Land	\$ 2,361,438,100	\$ 210,843,864	\$ (8,740,896)	\$ (259,929)	\$ 2,563,281,139
Easements (Intangibles)	39,442,335	604,528	(1,000)	259,829	40,305,692
Construction in Process	679,578,343	173,438,619	(2,602,890)	(19,873,393)	830,540,679
Canals and Levees	557,073,642	328,000	-	-	557,401,642
	<u>3,637,532,420</u>	<u>385,215,011</u>	<u>(11,344,786)</u>	<u>(19,873,493)</u>	<u>3,991,529,152</u>
<b><i>Capital Assets Being Depreciated:</i></b>					
Buildings	96,234,921	331,930	(535,072)	(507,166)	95,524,613
Intangibles	34,890,064	1,488,317	(100)	2,676,570	39,054,851
Equipment	127,649,619	9,074,973	(3,554,020)	734,913	133,905,485
Improvements	27,136,787	541,356	(803,378)	60,093	26,934,858
Water Control Structures	611,721,380	896,753	(967,801)	16,909,083	628,559,415
	<u>897,632,771</u>	<u>12,333,329</u>	<u>(5,860,371)</u>	<u>19,873,493</u>	<u>923,979,222</u>
<b><i>Less Accumulated Depreciation:</i></b>					
Buildings	(26,298,422)	(2,949,437)	300,680	88,456	(28,858,723)
Intangibles	(11,872,228)	(4,858,673)	-	-	(16,730,901)
Equipment	(77,412,287)	(8,618,881)	3,028,465	(137,855)	(83,140,558)
Improvements	(10,600,391)	(1,216,925)	501,923	-	(11,315,393)
Water Control Structures	(129,346,994)	(14,010,568)	563,307	49,399	(142,744,856)
	<u>(255,530,322)</u>	<u>(31,654,484)</u>	<u>4,394,375</u>	<u>-</u>	<u>(282,790,431)</u>
Capital Assets, Net	<u>\$ 4,279,634,869</u>	<u>\$ 365,893,856</u>	<u>\$ (12,810,782)</u>	<u>\$ -</u>	<u>\$ 4,632,717,943</u>

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

Mission Support	\$ 7,486,203
Operations and Maintenance	16,944,675
Restoration	6,968,613
Water Supply	<u>248,413</u>
	31,647,904

Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function 6,580

Total Depreciation Expense \$ 31,654,484

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

*(10) LONG-TERM LIABILITIES*

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2011:

	Balance at October 1, 2010	Additions	Retirements And Adjustments	Balance at September 30, 2011	Amounts Due Within One Year
Land Acquisition Bonds	\$ 36,160,000	\$ -	\$ (5,415,000)	\$ 30,745,000	\$ 5,655,000
Bond Premium / Discount	482,406	-	(128,940)	353,466	134,651
Bank Loans	4,118,196	-	(2,975,339)	1,142,857	-
COPS	520,060,000	-	(9,705,000)	510,355,000	10,135,000
COPS Premium / Discount	19,339,547	-	(1,641,054)	17,698,493	1,558,872
Compensated Absences	24,649,000	9,789,000	(17,612,000)	16,826,000	10,010,200
Other Post Emp Benefits	14,409,130	7,937,792	(2,097,380)	20,249,542	-
Self Insurance Claims	7,397,650	26,304,224	(26,618,055)	7,083,819	2,825,443
	<u>\$ 626,615,929</u>	<u>\$ 44,031,016</u>	<u>\$ (66,192,768)</u>	<u>\$ 604,454,177</u>	<u>\$ 30,319,166</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 \$6,904,721 and \$7,024,793, 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, 2011 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002 Refunding	\$ 23,810,000	2011-2016	3.625-4.00%	\$ 11,500,000
2003 Refunding	<u>34,550,000</u>	2011-2016	3.50-5.25%	<u>19,245,000</u>
	<u>\$ 58,360,000</u>			<u>\$ 30,745,000</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

Fiscal year requirements to amortize bonded debt outstanding as of September 30, 2011 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 30,745,000</u>	<u>\$ 3,704,871</u>	<u>\$ 34,449,871</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 loan at September 30, 2011 is shown below:

Issue	<u>Original Amount</u>	<u>Fiscal Year Maturity</u>	<u>Interest Rates</u>	<u>Remaining Balance</u>
2005	<u>\$ 8,000,000</u>	2013	4.20%	<u>\$ 1,142,857</u>
	<u>\$ 8,000,000</u>			<u>\$ 1,142,857</u>

Fiscal year requirements to amortize the bank loans as of September 30, 2011 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,142,857	\$ 24,000	\$ 1,166,857
	<u>\$ 1,142,857</u>	<u>\$ 24,000</u>	<u>\$ 1,166,857</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

In fiscal year 2007, the District issued Certificates of Participation (COPS), Series 2006, in order to provide funds for the construction of accelerated projects in furtherance of restoration of the Everglades. COPS are statutorily-authorized tax-exempt certificates evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the South Florida Water Management District Leasing Corporation (the "Corporation"), a not-for-profit entity (see Note (2)(a) on page III-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, 2011 are as follows:

	Principal	Interest	Total
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	12,165,000	23,000,372	35,165,372
2017-2021	70,440,000	105,105,775	175,545,775
2022-2026	89,785,000	85,283,325	175,068,325
2027-2031	114,565,000	59,874,875	174,439,875
2032-2036	146,215,000	27,432,125	173,647,125
2037	33,770,000	844,250	34,614,250
	<u>\$ 510,355,000</u>	<u>\$ 398,953,013</u>	<u>\$ 909,308,013</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, 2011**

*(11) FUND BALANCE REPORTING*

The following is the governmental fund balances in detail as of September 30, 2011:

	General Fund	Okeechobee Basin SR Fund	State Appropriations Fund	Okeechobee Basin CP Fund	Everglades Trust Fund
<i><b>Nonspendable:</b></i>					
Inventory	\$ -	\$ 5,811,098	\$ -	\$ -	\$ -
Permanent fund principal	-	-	-	-	-
<i><b>Restricted for:</b></i>					
Dispersed storage projects	-	31,725,456	-	-	-
CFWI & LFA investigation	-	2,714,814	-	-	-
Okeechobee Basin operations	-	49,313,099	-	-	-
Water protection, ecosystem management, and restoration projects	-	-	6,880,690	-	-
Supplemental pump station construction	-	-	-	-	549,180
Compartments B and C buildouts	-	-	-	-	1,041,321
Water quality enhancement projects	-	-	-	-	68,670,108
Caloosahatchee Basin storage treatment	-	-	-	5,928,194	-
Local government agreements	-	-	-	-	-
Big Cypress Basin operations	-	-	-	-	-
Debt service	1,190,857	-	-	-	12,607,278
Indian River Lagoon surface water environmental enhancement	-	-	-	-	-
Ops. & maint. of Everglades Stormwater Treatment Areas	-	-	-	-	-
Everglades conservation and natural resource protection	-	-	-	-	-
Lake Okeechobee restoration	-	-	-	-	-
Construction of Big Cypress Basin field station	-	-	-	-	-
Golden Gate weir 4 retrofit	-	-	-	-	-
Henderson Creek diversion	-	-	-	-	-
Acquisition, restoration, or management of environmentally sensitive lands	-	-	-	-	-
Florida Bay restoration	-	-	-	-	-
Wetland creation, restoration and management	-	-	-	-	-
Construction of facilities for Everglades restoration and protection	-	-	-	-	-
Other capital projects	-	-	-	47,863,876	25,137,151
<i><b>Committed for:</b></i>					
Caloosahatchee Basin storage treatment	12,071,806	-	-	-	-
AWS/Water conservation projects	1,500,000	-	-	-	-
C-111 Spreader canal project	-	-	-	-	-
Loxahatchee watershed project	-	-	-	-	-
C-44 Reservoir/STA project	-	-	-	-	-
<i><b>Assigned to:</b></i>					
District operations	50,267,731	-	-	-	-
Other capital projects	-	-	-	-	-
Everglades restoration	-	-	-	-	-
Wetland creation, restoration and management	-	-	-	-	-
<i><b>Unassigned:</b></i>					
	22,761,839	-	-	-	-
	87,792,233	89,564,467	6,880,690	53,792,070	108,005,038



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

*(11) FUND BALANCE REPORTING (continued)*

	Comprehensive		COPS		Total
	Everglades	Save Our	Everglades	Other	Total
	Rest. Plan	Everglades	Forever Act	Governmental	Governmental
	CP Fund	Fund	Fund	Funds	Funds
<b><i>Nonspendable:</i></b>					
Inventory	\$ -	\$ -	\$ -	\$ 59,087	\$ 5,870,185
Permanent fund principal	-	-	-	13,988,620	13,988,620
<b><i>Restricted for:</i></b>					
Dispersed storage projects	-	-	-	-	31,725,456
CFWI & LFA investigation	-	-	-	-	2,714,814
Okeechobee Basin operations	-	-	-	-	49,313,099
Water protection, ecosystem management, and restoration projects	-	-	-	-	6,880,690
Supplemental pump station construction	-	-	-	-	549,180
Compartments B and C buildouts	-	-	-	-	1,041,321
Water quality enhancement projects	-	-	-	-	68,670,108
Caloosahatchee Basin storage treatment	-	-	-	-	5,928,194
Local government agreements	-	-	-	6,119,209	6,119,209
Big Cypress Basin operations	-	-	-	2,764,815	2,764,815
Debt service	10,189,456	-	-	6,339,898	30,327,489
Indian River Lagoon surface water environmental enhancement	-	-	-	416,283	416,283
Ops. & maint. of Everglades Stormwater Treatment Areas	-	-	-	9,105,747	9,105,747
Everglades conservation and natural resource protection	-	-	-	336,748	336,748
Lake Okeechobee restoration	-	-	-	8,005,956	8,005,956
Construction of Big Cypress Basin field station	-	-	-	6,146,175	6,146,175
Golden Gate weir 4 retrofit	-	-	-	400,000	400,000
Henderson Creek diversion	-	-	-	1,400,000	1,400,000
Acquisition, restoration, or management of environmentally sensitive lands	-	-	-	20,812,674	20,812,674
Florida Bay restoration	-	-	-	2,460,016	2,460,016
Wetland creation, restoration and management	-	-	-	23,293,472	23,293,472
Construction of facilities for Everglades restoration and protection	-	-	38,651,728	27,377,500	66,029,228
Other capital projects	-	-	-	1,773,024	74,774,051
<b><i>Committed for:</i></b>					
Caloosahatchee Basin storage treatment	-	-	-	-	12,071,806
AWS/Water conservation projects	-	-	-	-	1,500,000
C-111 Spreader canal project	233,466	-	-	-	233,466
Loxahatchee watershed project	23,103,957	-	-	-	23,103,957
C-44 Reservoir/STA project	8,654,563	-	-	-	8,654,563
<b><i>Assigned to:</i></b>					
District operations	-	-	-	-	44,618,457
Other capital projects	20,450,877	-	-	322,850	20,773,727
Everglades restoration	-	-	-	2,225,955	2,225,955
Wetland creation, restoration and management	-	-	-	9,464,751	9,464,751
<b><i>Unassigned:</i></b>					
		(18,291,287)	-	(1,238,117)	8,881,709
	62,632,319	(18,291,287)	38,651,728	141,574,663	570,601,921

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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*(12) DEFICIT FUND BALANCES*

At September 30, 2011, the following funds have deficit fund balances:

Save Our Everglades	\$18,291,287
Aquatic Plant Control Fund	295,987
External Grants Fund	394,307
Comprehensive Everglades Restoration Plan – Federal Funds	547,823

The deficit in the Save Our Everglades Fund is expected to be covered by future reimbursements from the Florida Department of Environmental Protection and by operating transfers from the General Fund. The deficits in the Aquatic Plant Control and the Comprehensive Everglades Restoration Plan - Federal Funds are expected to be funded by future reimbursements from the State of Florida and the federal government. The deficit in the External Grants Fund will be funded by operating transfers from the General Fund.

*(13) OPERATING LEASES*

The District is committed under various operating leases for building, office space, vehicles, office equipment and data processing equipment. The majority of the operating leases contain renewal options that the District may exercise. In most cases, the District expects that in the normal course of business the leases will be renewed or replaced with other leases. Lease expenditures for the year ended September 30, 2011 amounted to approximately \$3.8 million. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2012	\$ 2,071,139
2013	2,188,576
2014	1,603,190
2015	941,311
2016	<u>684,387</u>
Year Ending September 30:	<u>\$ 7,488,603</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(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**

During the fiscal year, the Florida Legislature passed Senate Bill 2100, which was signed into law by the Governor and became effective July 1, 2011. The bill requires all FRS Investment Plan and Pension Plan members, excluding those in the Deferred Retirement Option Program (DROP), to contribute 3% towards their retirement benefits. The District is required to contribute an actuarially determined rate, which is fixed by law and varies based on employee class. At fiscal year end the District's contribution rates were 4.91%, 6.27% and 4.42% of annual covered payroll for regular class, senior management class, and DROP class employees, respectively. The contributions of the District are established and may be amended by the State Legislature. The District's contributions to the System for the past three fiscal years, which is equal to the required contributions for each year, are as follows:

Year Ending September 30:

2011 *	\$ 12,102,740
2010	12,958,364
2009	13,340,000

\* Net of employee contribution of 3% effective July 1, 2011.

*(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%.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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

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 1,627 active participants and 191 retirees.

**Funding Policy**

The District contributes 2% for each year of creditable service up to a maximum of 30 years or 60% of the total premium. In addition, active employees contribute 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, 2011, the District's annual OPEB cost of \$7,937,792 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 2011, 2010 and 2009 are as follows:

	2011	2010	2009
Normal Cost (Service cost for one year)	\$ 3,662,884	\$ 3,818,937	\$ 1,687,539
Amortization of Unfunded Actuarial Accrued Liability	4,080,749	4,060,461	1,907,242
Interest on Normal Cost and Amortization	91,045	92,898	81,001
Annual Required Contribution (ARC)	7,834,678	7,972,296	3,675,782
Net OPEB Obligation (NOO) at beginning of year	14,409,130	7,940,406	5,248,289
Annual Required Contribution (ARC)	7,834,678	7,972,296	3,675,782
Interest on NOO	691,638	381,140	251,917
Adjustment to ARC	(588,524)	(324,316)	(207,470)
Annual OPEB Cost (Expense)	7,937,792	8,029,120	3,720,229
Employer Contributions Made	(3,705,335)	(1,560,396)	(1,028,112)
Increase (decrease) in NOO	4,232,457	6,468,724	2,692,117
Estimated NOO at end of year	18,641,587	14,409,130	7,940,406
Percentage of annual OPEB Cost Contributed	46.68%	19.43%	27.64%

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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

**Funded Status and Funding Progress**

The funded status of the plan as of September 30, 2011 was as follows:

Actuarial Accrued Liability (AAL)	\$93,842,506
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	93,842,506
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	110,368,449
UAAL as a Percentage of Covered Payroll	85.03%

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, a 3.0% rate of general price inflation, and an annual healthcare cost trend rate of 5% in 2011, followed by a 9% increase the next year, trending down 0.5% per year to 5.0% in 2012 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 26-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, 2011**

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*(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.

The claims liabilities are based on actuarial reviews performed by independent actuaries as of September 30, 2011, 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, 2011 are as follows:

	Balance 9/30/2011	Amounts Due Within One Year
Workers' Compensation	\$ 4,934,000	\$ 720,040
General and Automobile	113,000	68,584
Health Insurance	<u>2,036,819</u>	<u>2,036,819</u>
	<u>\$ 7,083,819</u>	<u>\$ 2,825,443</u>

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

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2010	\$ 6,485,000	\$ 17,925,098	\$(17,012,448)	\$ 7,397,650
2011	7,397,650	26,304,224	(26,618,055)	7,083,819

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(16) INSURANCE ACTIVITIES (continued)*

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

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

*(17) CONDEMNATION PROCEEDINGS*

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

At September 30, 2011, the court had yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District is unable to estimate the potential financial exposure relative to these rulings, if any.

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

*(18) MAJOR CONSTRUCTION COMMITMENTS*

The **Everglades Construction Project (ECP)**, the first major step in the Everglades restoration pursuant to the Everglades Forever Act (EFA) was passed by the Florida Legislature in 1994. The 1994 EFA directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area (EPA). In total, the ECP was composed of 12 interrelated construction projects located between Lake Okeechobee and the EPA. The STAs, which consist of six large constructed wetlands with a combined area of over 52,000 acres, are the cornerstone of the ECP.

The ECP is one of the largest public works projects in the nation for environmental restoration. The total cost associated with implementing the ECP is shared among the District, state and federal governments, and the agricultural community. Major funding sources for the EFA include a one-tenth mill ad valorem property tax levy (0.0894 mill for FY2011), 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. The District estimated remaining commitment for this project is \$104.3 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

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

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

During fiscal year 2011, the District continued implementation of the Long-Term Plan, as required by the EFA. In FY2011, a total of \$156.7 million was expended for work associated with the District's Everglades Program. Of this amount, \$15.4 million was for work related to implementing the Long-Term Plan. O&M accounted for \$15.2 million. Construction expenditures associated with the expansion of Compartments B and C (financed through issuance of COPS) totaled \$99.0 million. Debt service payments on the COPS related to Compartments B and C was approximately \$19.5 million. The remaining \$7.6 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 \$679.5 million. The District estimated remaining commitment for this project is \$104.3 million.

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 2011 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.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

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. Through September 30, 2011, 60 percent, or approximately 243,167 acres, of the estimated lands needed to implement CERP have been acquired. The District estimated remaining commitment for this project is \$701.4 million.

*(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.

*(20) SUBSEQUENT EVENTS*

On January 10, 2012, Fitch Ratings downgraded the rating on the District's COPS to AA- from AA. This downgrade is a reflection of the District's loss of significant revenue raising capacity due to the passage of Senate Bill 2142, which authorizes the state legislature to determine annually the District's ad valorem tax revenues. This bill also subjects the District's annual budget to approval, in whole or in part, by the governor of the state.



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# **FINANCIAL SECTION**

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



South Florida Water Management District  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - (Unaudited)  
 For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$166,397,270	\$166,397,270	\$167,060,545	\$663,275
Intergovernmental	145,000	145,000	23,290	(121,710)
Investment Earnings	1,158,000	1,158,000	2,798,466	1,640,466
Licenses, Permits and Fees	2,500,000	2,500,000	2,628,542	128,542
Sale of District Property	-	-	825,573	825,573
Indirect Costs Recovered	7,556,000	7,556,000	5,420,591	(2,135,409)
Leases	75,000	75,000	67,814	(7,186)
Other	-	-	580,414	580,414
Total Revenues	<u>177,831,270</u>	<u>177,831,270</u>	<u>179,405,235</u>	<u>1,573,965</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Operations and Maintenance</b>				
Mission Support	247,362	209,384	169,830	39,554
Operations and Maintenance	11,557,662	11,077,168	10,039,272	1,037,896
Restoration	769,980	789,778	676,950	112,828
Water Supply	1,121,595	1,114,980	846,246	268,734
Total Operations and Maintenance	<u>13,696,599</u>	<u>13,191,310</u>	<u>11,732,298</u>	<u>1,459,012</u>
<b>Corporate Resources</b>				
Mission Support	83,475,957	80,194,797	76,162,587	4,032,210
Operations and Maintenance	980,333	1,051,343	572,662	478,681
Restoration	613,486	538,205	122,350	415,855
Water Supply	453,445	277,475	176,997	100,478
Total Corporate Resources	<u>85,523,221</u>	<u>82,061,820</u>	<u>77,034,596</u>	<u>5,027,224</u>
<b>Regulatory and Public Affairs</b>				
Mission Support	6,753,301	7,212,643	6,998,196	214,447
Operations and Maintenance	-	328,476	222,913	105,563
Restoration	6,907,434	6,430,944	4,026,775	2,404,169
Water Supply	28,917,953	27,515,811	24,465,394	3,050,417
Total Regulatory and Public Affairs	<u>42,578,688</u>	<u>41,487,874</u>	<u>35,713,278</u>	<u>5,774,596</u>
<b>Everglades Restoration and Capital Projects</b>				
Mission Support	1,880,542	2,661,636	2,410,482	251,154
Operations and Maintenance	149,380	247,286	241,698	5,588
Restoration	20,230,266	19,776,070	19,467,458	308,612
Water Supply	1,321,470	1,749,240	1,652,090	97,150
Total Everglades Restoration and Capital Projects	<u>23,581,658</u>	<u>24,434,232</u>	<u>23,771,728</u>	<u>662,504</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Debt Service				
Bank Loan Principal Payments	1,143,358	1,143,358	2,285,714	(1,142,356)
Bank Loan Interest	121,555	121,555	168,000	(46,445)
Total Debt Service	<u>1,264,913</u>	<u>1,264,913</u>	<u>2,453,714</u>	<u>(1,188,801)</u>
Contingency				
Managerial Reserve	6,362,900	11,094,590	-	11,094,590
Managerial Reserve-Contingency	3,177,892	3,177,892	-	3,177,892
Total Contingency	<u>9,540,792</u>	<u>14,272,482</u>	<u>-</u>	<u>14,272,482</u>
Total Expenditures	<u>176,185,872</u>	<u>176,712,631</u>	<u>150,705,614</u>	<u>26,007,017</u>
Revenues in Excess of (Less than) Expenditures	<u>1,645,400</u>	<u>1,118,640</u>	<u>28,699,621</u>	<u>27,580,981</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(29,214,704)	(28,687,944)	(28,687,944)	-
Total Other Financing Sources (Uses)	<u>(29,214,704)</u>	<u>(28,687,944)</u>	<u>(28,687,944)</u>	<u>-</u>
Net Change in Fund Balance	<u>(27,569,304)</u>	<u>(27,569,304)</u>	11,677	27,580,981
Fund Balance at Beginning of Year	87,780,556	87,780,556	87,780,556	-
Fund Balance at End of Year	<u>\$60,211,252</u>	<u>\$60,211,252</u>	<u>\$87,792,233</u>	<u>\$27,580,981</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$166,134,458	\$166,134,458	\$166,808,938	\$674,480
Intergovernmental	218,000	218,000	600,781	382,781
Investment Earnings	1,380,000	1,380,000	2,010,183	630,183
Licenses, Permits and Fees	83,000	83,000	69,474	(13,526)
Sale of District Property	300,000	300,000	411,898	111,898
Leases	1,000,000	1,000,000	1,295,597	295,597
Other	-	-	223,262	223,262
Total Revenues	<u>169,115,458</u>	<u>169,115,458</u>	<u>171,420,133</u>	<u>2,304,675</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Operations and Maintenance</b>				
Mission Support	54,633	19,970	20,608	(638)
Operations and Maintenance	73,251,350	71,441,377	66,978,291	4,463,086
Restoration	1,092,389	962,004	755,652	206,352
Total Operations and Maintenance	<u>74,398,372</u>	<u>72,423,351</u>	<u>67,754,551</u>	<u>4,668,800</u>
<b>Corporate Resources</b>				
Mission Support	5,928,258	5,878,258	4,326,208	1,552,050
Operations and Maintenance	1,968,321	1,966,821	1,710,876	255,945
Restoration	-	-	2,586	(2,586)
Total Corporate Resources	<u>7,896,579</u>	<u>7,845,079</u>	<u>6,039,670</u>	<u>1,805,409</u>
<b>Regulatory and Public Affairs</b>				
Mission Support	4,378,586	4,228,452	3,976,514	251,938
Operations and Maintenance	262,391	287,265	271,976	15,289
Restoration	3,978,449	4,427,058	2,870,649	1,556,409
Water Supply	4,143,524	3,065,853	1,708,938	1,356,915
Total Regulatory and Public Affairs	<u>12,762,950</u>	<u>12,008,628</u>	<u>8,828,077</u>	<u>3,180,551</u>
<b>Everglades Restoration and Capital Projects</b>				
Operations and Maintenance	6,716,515	8,009,214	7,704,673	304,541
Restoration	17,355,950	18,118,165	16,859,450	1,258,715
Water Supply	-	1,000	667	333
Total Everglades Restoration and Capital Projects	<u>24,072,465</u>	<u>26,128,379</u>	<u>24,564,790</u>	<u>1,563,589</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, 2011

	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	13,036	13,036	12,724	312
Total Debt Service	<u>703,161</u>	<u>703,161</u>	<u>702,349</u>	<u>812</u>
Contingency				
Managerial Reserve	13,228,514	14,795,601	-	14,795,601
Managerial Reserve-Contingency	4,349,226	4,349,226	-	4,349,226
Total Contingency	<u>17,577,740</u>	<u>19,144,827</u>	<u>-</u>	<u>19,144,827</u>
Total Expenditures	<u>137,411,267</u>	<u>138,253,425</u>	<u>107,889,437</u>	<u>30,363,988</u>
Revenues in Excess of (Less than) Expenditures	<u>31,704,191</u>	<u>30,862,033</u>	<u>63,530,696</u>	<u>32,668,663</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(62,545,671)	(61,703,512)	(61,703,468)	44
Total Other Financing Sources (Uses)	<u>(62,545,671)</u>	<u>(61,703,512)</u>	<u>(61,703,468)</u>	<u>44</u>
Net Change in Fund Balance	<u>(30,841,480)</u>	<u>(30,841,479)</u>	<u>1,827,228</u>	<u>32,668,707</u>
Fund Balance at Beginning of Year	<u>87,737,239</u>	<u>87,737,239</u>	<u>87,737,239</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$56,895,759</u></u>	<u><u>\$56,895,760</u></u>	<u><u>\$89,564,467</u></u>	<u><u>\$32,668,707</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$136,157	\$136,157	\$4,349,348	\$4,213,191
Investment Earnings	-	-	-	-
Total Revenues	<u>136,157</u>	<u>136,157</u>	<u>4,349,348</u>	<u>4,213,191</u>
<b>EXPENDITURES</b>				
Current				
Corporate Resources				
Restoration	-	219	-	219
Total Corporate Resources	<u>-</u>	<u>219</u>	<u>-</u>	<u>219</u>
Regulatory and Public Affairs				
Operations and Maintenance	60,238	47,571	47,571	-
Restoration	11,037,088	11,853,085	6,507,597	5,345,488
Water Supply	2,086,995	2,067,695	1,376,550	691,145
Total Regulatory and Public Affairs	<u>13,184,321</u>	<u>13,968,351</u>	<u>7,931,718</u>	<u>6,036,633</u>
Everglades Restoration and Capital Projects				
Restoration	1,980,978	362,601	337,765	24,836
Total Everglades Restoration and Capital Projects	<u>1,980,978</u>	<u>362,601</u>	<u>337,765</u>	<u>24,836</u>
Contingency				
Managerial Reserve	-	834,127	-	834,127
Total Contingency	<u>-</u>	<u>834,127</u>	<u>-</u>	<u>834,127</u>
Total Expenditures	<u>15,165,298</u>	<u>15,165,298</u>	<u>8,269,483</u>	<u>6,895,815</u>
Revenues in Excess of (Less than) Expenditures	<u>(15,029,141)</u>	<u>(15,029,141)</u>	<u>(3,920,135)</u>	<u>11,109,006</u>
Net Change in Fund Balance	<u>(15,029,141)</u>	<u>(15,029,141)</u>	<u>(3,920,135)</u>	<u>11,109,006</u>
Fund Balance at Beginning of Year	10,800,825	10,800,825	10,800,825	-
Fund Balance at End of Year	<u>(\$4,228,316)</u>	<u>(\$4,228,316)</u>	<u>\$6,880,690</u>	<u>\$11,109,006</u>

South Florida Water Management District  
 Schedule of Employer Contributions  
 Other Post-Employment Benefit Plans  
 September 30, 2011

Schedule of Employer Contributions

Year Ended September 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$903,976	\$3,458,515	26.14%
2009	\$1,028,112	\$3,675,782	27.97%
2010	\$1,560,396	\$7,972,296	19.57%
2011	\$3,705,335	\$7,834,678	47.29%

Schedule of Funding Progress

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

\* As required by GASB Statement No. 45 an actuarial valuation is required at least biennially.  
 The years in which a valuation was completed are shown.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2011**

**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. Six budget amendments were approved by the Governing Board during fiscal year 2011.
- For the year ended September 30, 2011, there were no adjustments to the total budgeted expenditures in the State Appropriations Fund as a result of the budget amendments. The General Fund and the Okeechobee Basin Special Revenue Fund realized increases in budgeted expenditures of \$526,759 and \$812,158, respectively, as a result of amendments during fiscal year 2011. 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 SUPPLEMENTAL INFORMATION



# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

#### **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.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

### **Nonmajor Governmental Funds**

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

##### **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.

##### **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.

##### **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.



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

### **Nonmajor Governmental Funds**

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

##### **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.

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

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

#### **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, 2011

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Control
<b>ASSETS</b>				
Cash and Investments	\$10,041,724	\$2,617,074	\$ -	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	20,873	354,199	-	-
Due from Other Governments	131,566	-	421,465	-
Inventory	59,087	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>\$10,253,250</b>	<b>\$2,971,273</b>	<b>\$421,465</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$998,152	\$115,112	\$48,947	\$ -
Due to Other Governments	300,000	-	-	-
Due to Other Funds	11,987	-	372,518	-
Deferred Revenue	-	500,000	295,987	-
<b>Total Liabilities</b>	<b>1,310,139</b>	<b>615,112</b>	<b>717,452</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	59,087	-	-	-
Restricted	8,884,024	2,356,161	-	-
Assigned	-	-	-	-
Unassigned	-	-	(295,987)	-
<b>Total Fund Balances (Deficits)</b>	<b>8,943,111</b>	<b>2,356,161</b>	<b>(295,987)</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$10,253,250</b>	<b>\$2,971,273</b>	<b>\$421,465</b>	<b>\$ -</b>

	Special Revenue Funds (Continued)			
	Wetland Mitigation	Indian River Lagoon Restoration	External Grants	Stormwater Treatment Areas Operations & Maintenance
<b>ASSETS</b>				
Cash and Investments	\$33,069,571	\$439,091	\$ -	\$9,579,691
Cash Held by Trustee	-	-	-	-
Accounts Receivable	53,294	845	-	19,424
Due from Other Governments	-	-	2,742,606	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
	<u>33,122,865</u>	<u>439,936</u>	<u>2,742,606</u>	<u>9,599,115</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$357,009	\$ -	\$36,690	\$457,406
Due to Other Governments	10,274	-	-	-
Due to Other Funds	-	-	3,100,223	35,962
Deferred Revenue	-	23,653	-	-
	<u>367,283</u>	<u>23,653</u>	<u>3,136,913</u>	<u>493,368</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	23,290,831	416,283	-	9,105,747
Assigned	9,464,751	-	-	-
Unassigned	-	-	(394,307)	-
	<u>32,755,582</u>	<u>416,283</u>	<u>(394,307)</u>	<u>9,105,747</u>
Total Fund Balances (Deficits)	<u>32,755,582</u>	<u>416,283</u>	<u>(394,307)</u>	<u>9,105,747</u>
Total Liabilities and Fund Balances	<u>\$33,122,865</u>	<u>\$439,936</u>	<u>\$2,742,606</u>	<u>\$9,599,115</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2011

Special Revenue Funds (Concluded)

	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee Trust Fund	Total
<b>ASSETS</b>				
Cash and Investments	\$6,598,173	\$335,890	\$8,381,735	\$71,062,949
Cash Held by Trustee	-	-	-	-
Accounts Receivable	12,080	858	-	461,573
Due from Other Governments	-	-	529,476	3,825,113
Inventory	-	-	-	59,087
Other Assets	54,601	-	-	54,601
	<u>6,664,854</u>	<u>336,748</u>	<u>8,911,211</u>	<u>75,463,323</u>
Total Assets	<u>\$6,664,854</u>	<u>\$336,748</u>	<u>\$8,911,211</u>	<u>\$75,463,323</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$375,779	\$2,389,095
Due to Other Governments	-	-	-	310,274
Due to Other Funds	-	-	-	3,520,690
Deferred Revenue	-	-	529,476	1,349,116
	<u>-</u>	<u>-</u>	<u>905,255</u>	<u>7,569,175</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>905,255</u>	<u>7,569,175</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	59,087
Restricted	6,664,854	336,748	8,005,956	59,060,604
Assigned	-	-	-	9,464,751
Unassigned	-	-	-	(690,294)
	<u>6,664,854</u>	<u>336,748</u>	<u>8,005,956</u>	<u>67,894,148</u>
Total Fund Balances (Deficits)	<u>6,664,854</u>	<u>336,748</u>	<u>8,005,956</u>	<u>67,894,148</u>
Total Liabilities and Fund Balances	<u>\$6,664,854</u>	<u>\$336,748</u>	<u>\$8,911,211</u>	<u>\$75,463,323</u>

Capital Projects Funds				
	District CP	Big Cypress Basin CP	Save Our Rivers CP	Federal Emergency Management Agency
<b>ASSETS</b>				
Cash and Investments	\$1,573,196	\$10,067,551	\$13,239,762	\$127,717
Cash Held by Trustee	-	-	-	-
Accounts Receivable	3,026	19,294	26,605	-
Due from Other Governments	-	-	74,425	17,993
Inventory	-	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b><u>\$1,576,222</u></b>	<b><u>\$10,086,845</u></b>	<b><u>\$13,340,792</u></b>	<b><u>\$145,710</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$1,381,089	\$367,646	\$73,309	\$17,993
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	74,425	-
<b>Total Liabilities</b>	<b><u>1,381,089</u></b>	<b><u>367,646</u></b>	<b><u>147,734</u></b>	<b><u>17,993</u></b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	9,719,199	13,193,058	-
Assigned	195,133	-	-	127,717
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b><u>195,133</u></b>	<b><u>9,719,199</u></b>	<b><u>13,193,058</u></b>	<b><u>127,717</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$1,576,222</u></b>	<b><u>\$10,086,845</u></b>	<b><u>\$13,340,792</u></b>	<b><u>\$145,710</u></b>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2011

	Capital Projects Funds (Continued)			
	Florida Bay	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable
<b>ASSETS</b>				
Cash and Investments	\$2,516,465	\$4,906,133	\$ -	\$2,225,955
Cash Held by Trustee	-	-	-	-
Accounts Receivable	4,828	63,019	-	-
Due from Other Governments	80,417	-	-	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$2,601,710</u>	<u>\$4,969,152</u>	<u>\$ -</u>	<u>\$2,225,955</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$135,700	\$30,653	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	5,994	-	547,823	-
Deferred Revenue	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>141,694</u>	<u>30,653</u>	<u>547,823</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	2,460,016	4,938,499	-	-
Assigned	-	-	-	2,225,955
Unassigned	-	-	(547,823)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances (Deficits)	<u>2,460,016</u>	<u>4,938,499</u>	<u>(547,823)</u>	<u>2,225,955</u>
Total Liabilities and Fund Balances	<u>\$2,601,710</u>	<u>\$4,969,152</u>	<u>\$ -</u>	<u>\$2,225,955</u>

	Capital Projects Funds (Concluded)		Permanent Fund	
	COPS Comprehensive Everglades Restoration Plan (CERP)	Total	Wetland Mitigation	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$268	\$34,657,047	\$13,967,764	\$119,687,760
Cash Held by Trustee	27,377,232	27,377,232	-	27,377,232
Accounts Receivable	-	116,772	23,497	601,842
Due from Other Governments	-	172,835	-	3,997,948
Inventory	-	-	-	59,087
Other Assets	-	-	-	54,601
<b>Total Assets</b>	<b>\$27,377,500</b>	<b>\$62,323,886</b>	<b>\$13,991,261</b>	<b>\$151,778,470</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$2,006,390	\$ -	\$4,395,485
Due to Other Governments	-	-	-	310,274
Due to Other Funds	-	553,817	-	4,074,507
Deferred Revenue	-	74,425	-	1,423,541
<b>Total Liabilities</b>	<b>-</b>	<b>2,634,632</b>	<b>-</b>	<b>10,203,807</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	13,988,620	14,047,707
Restricted	27,377,500	57,688,272	2,641	116,751,517
Assigned	-	2,548,805	-	12,013,556
Unassigned	-	(547,823)	-	(1,238,117)
<b>Total Fund Balances (Deficits)</b>	<b>27,377,500</b>	<b>59,689,254</b>	<b>13,991,261</b>	<b>141,574,663</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$27,377,500</b>	<b>\$62,323,886</b>	<b>\$13,991,261</b>	<b>\$151,778,470</b>

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2011

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Control
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$13,365,503	\$ -	\$ -	\$ -
Intergovernmental	-	7,024,793	1,831,221	1,094,387
Investment Earnings	233,610	4	-	-
Licenses, Permits and Fees	32,375	-	-	-
Sale of District Property	-	33,128	-	-
Leases	-	718,887	-	-
Other	4,329	-	543	3,184
	<u>13,635,817</u>	<u>7,776,812</u>	<u>1,831,764</u>	<u>1,097,571</u>
<b>Total Revenues</b>				
<b>EXPENDITURES</b>				
Current Operating				
Mission Support	701,135	-	-	-
Operations and Maintenance	2,532,281	352,433	1,851,465	1,097,571
Restoration	4,434,319	-	-	-
Water Supply	2,059,232	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	5,415,000	-	-
Bond Interest	-	1,489,721	-	-
	<u>9,726,967</u>	<u>7,257,154</u>	<u>1,851,465</u>	<u>1,097,571</u>
<b>Total Expenditures</b>				
Revenues in Excess of (Less than) Expenditures	<u>3,908,850</u>	<u>519,658</u>	<u>(19,701)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(4,970,411)	-	-	-
	<u>(4,970,411)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>				
Net Change in Fund Balances	(1,061,561)	519,658	(19,701)	-
Fund Balances (Deficits) at Beginning of Year	<u>10,004,672</u>	<u>1,836,503</u>	<u>(276,286)</u>	<u>-</u>
Fund Balances (Deficits) at End of Year	<u>\$8,943,111</u>	<u>\$2,356,161</u>	<u>(\$295,987)</u>	<u>\$ -</u>



Special Revenue Funds (Continued)				
	Wetland Mitigation	Indian River Lagoon Restoration	External Grants	Stormwater Treatment Areas Operations &
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$15,428,366
Intergovernmental	-	106,265	4,281,076	-
Investment Earnings	613,284	9,633	-	259,218
Licenses, Permits and Fees	607,675	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	1,207	-	60,000	7,708
<b>Total Revenues</b>	<b>1,222,166</b>	<b>115,898</b>	<b>4,341,076</b>	<b>15,695,292</b>
<b>EXPENDITURES</b>				
Current Operating				
Mission Support	-	-	-	-
Operations and Maintenance	2,169,221	-	-	27,220
Restoration	357,294	97,928	2,771,797	15,246,786
Water Supply	27,000	-	15,000	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>2,553,515</b>	<b>97,928</b>	<b>2,786,797</b>	<b>15,274,006</b>
Revenues in Excess of (Less than) Expenditures	(1,331,349)	17,970	1,554,279	421,286
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,686,536	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,686,536</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	355,187	17,970	1,554,279	421,286
Fund Balances (Deficits) at Beginning of Year	32,400,395	398,313	(1,948,586)	8,684,461
Fund Balances (Deficits) at End of Year	<u>\$32,755,582</u>	<u>\$416,283</u>	<u>(\$394,307)</u>	<u>\$9,105,747</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, 2011

	Special Revenue Funds (Concluded)			
	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee Trust Fund	Total
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$28,793,869
Intergovernmental	-	245,959	1,263,678	15,847,379
Investment Earnings	113,934	9,646	-	1,239,329
Licenses, Permits and Fees	4,679,178	-	-	5,319,228
Sale of District Property	-	-	-	33,128
Leases	-	-	-	718,887
Other	-	-	-	76,971
<b>Total Revenues</b>	<b>4,793,112</b>	<b>255,605</b>	<b>1,263,678</b>	<b>52,028,791</b>
<b>EXPENDITURES</b>				
Current Operating				
Mission Support	-	-	-	701,135
Operations and Maintenance	117,819	-	-	8,148,010
Restoration	-	202,245	2,636,326	25,746,695
Water Supply	-	-	-	2,101,232
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	5,415,000
Bond Interest	-	-	-	1,489,721
<b>Total Expenditures</b>	<b>117,819</b>	<b>202,245</b>	<b>2,636,326</b>	<b>43,601,793</b>
Revenues in Excess of (Less than) Expenditures	4,675,293	53,360	(1,372,648)	8,426,998
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	1,686,536
Transfers Out	(2,554,210)	-	-	(7,524,621)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,554,210)</b>	<b>-</b>	<b>-</b>	<b>(5,838,085)</b>
Net Change in Fund Balances	2,121,083	53,360	(1,372,648)	2,588,913
Fund Balances (Deficits) at Beginning of Year	4,543,771	283,388	9,378,604	65,305,235
Fund Balances (Deficits) at End of Year	<u>\$6,664,854</u>	<u>\$336,748</u>	<u>\$8,005,956</u>	<u>\$67,894,148</u>

	Capital Projects Funds			
	District CP	Big Cypress Basin CP	Save Our Rivers	Federal Emergency Management Agency
REVENUES				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	14,140,347	105,109
Investment Earnings	18,233	245,658	315,555	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	-	266	-	-
Total Revenues	<u>18,233</u>	<u>245,924</u>	<u>14,455,902</u>	<u>105,109</u>
EXPENDITURES				
Current Operating				
Mission Support	-	-	-	-
Operations and Maintenance	-	75,847	157,775	-
Restoration	-	3,538,890	93,104	105,109
Water Supply	-	-	-	-
Capital Outlay	22,083,100	2,931,815	15,189,615	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>22,083,100</u>	<u>6,546,552</u>	<u>15,440,494</u>	<u>105,109</u>
Revenues in Excess of (Less than) Expenditures	<u>(22,064,867)</u>	<u>(6,300,628)</u>	<u>(984,592)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	23,486,167	4,970,411	-	-
Transfers Out	-	-	(1,242,712)	-
Total Other Financing Sources (Uses)	<u>23,486,167</u>	<u>4,970,411</u>	<u>(1,242,712)</u>	<u>-</u>
Net Change in Fund Balances	1,421,300	(1,330,217)	(2,227,304)	-
Fund Balances (Deficits) at Beginning of Year	<u>(1,226,167)</u>	<u>11,049,416</u>	<u>15,420,362</u>	<u>127,717</u>
Fund Balances (Deficits) at End of Year	<u>\$195,133</u>	<u>\$9,719,199</u>	<u>\$13,193,058</u>	<u>\$127,717</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, 2011

	Capital Projects Funds (Continued)			
	Florida Bay	Federal Land Acquisition	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	135,266	-	-	-
Investment Earnings	62,600	5,196	-	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	336,941	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>197,866</b>	<b>342,137</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current Operating				
Mission Support	-	-	-	-
Operations and Maintenance	-	-	-	-
Restoration	1,043,871	232,161	-	-
Water Supply	-	-	-	-
Capital Outlay	32,009	203,680	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>1,075,880</b>	<b>435,841</b>	<b>-</b>	<b>-</b>
Revenues in Excess of (Less than) Expenditures	(878,014)	(93,704)	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	280,000	-	-
Transfers Out	-	(716,637)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(436,637)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(878,014)	(530,341)	-	-
Fund Balances (Deficits) at Beginning of Year	3,338,030	5,468,840	(547,823)	2,225,955
Fund Balances (Deficits) at End of Year	<u>\$2,460,016</u>	<u>\$4,938,499</u>	<u>(\$547,823)</u>	<u>\$2,225,955</u>

	Capital Projects Funds (Concluded)		Permanent Fund	
	COPS Comprehensive Everglades Restoration Plan (CERP)	Total	Wetland Mitigation	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$28,793,869
Intergovernmental	-	14,380,722	-	30,228,101
Investment Earnings	158,264	805,506	266,341	2,311,176
Licenses, Permits and Fees	-	-	149,610	5,468,838
Sale of District Property	2,160	2,160	-	35,288
Leases	-	336,941	-	1,055,828
Other	4,844	5,110	-	82,081
<b>Total Revenues</b>	<b>165,268</b>	<b>15,530,439</b>	<b>415,951</b>	<b>67,975,181</b>
<b>EXPENDITURES</b>				
Current Operating				
Mission Support	-	-	-	701,135
Operations and Maintenance	-	233,622	-	8,381,632
Restoration	-	5,013,135	-	30,759,830
Water Supply	-	-	-	2,101,232
Capital Outlay	-	40,440,219	-	40,440,219
Debt Service				
Bond Principal Retirement	-	-	-	5,415,000
Bond Interest	-	-	-	1,489,721
<b>Total Expenditures</b>	<b>-</b>	<b>45,686,976</b>	<b>-</b>	<b>89,288,769</b>
Revenues in Excess of (Less than) Expenditures	165,268	(30,156,537)	415,951	(21,313,588)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	28,736,578	1,131,374	31,554,488
Transfers Out	(3,816,493)	(5,775,842)	(263,700)	(13,564,163)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,816,493)</b>	<b>22,960,736</b>	<b>867,674</b>	<b>17,990,325</b>
Net Change in Fund Balances	(3,651,225)	(7,195,801)	1,283,625	(3,323,263)
Fund Balances (Deficits) at Beginning of Year	31,028,725	66,885,055	12,707,636	144,897,926
Fund Balances (Deficits) at End of Year	<u>\$27,377,500</u>	<u>\$59,689,254</u>	<u>\$13,991,261</u>	<u>\$141,574,663</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$13,392,977	\$13,365,503	(\$27,474)
Investment Earnings	362,000	233,610	(128,390)
Licenses, Permits and Fees	19,000	32,375	13,375
Other	-	4,329	4,329
Total Revenues	<u>13,773,977</u>	<u>13,635,817</u>	<u>(138,160)</u>
<b>EXPENDITURES</b>			
Current			
Operations and Maintenance			
Operations and Maintenance	2,138,320	2,036,115	102,205
Restoration	34,526	37,282	(2,756)
Total Operations and Maintenance	<u>2,172,846</u>	<u>2,073,397</u>	<u>99,449</u>
Corporate Resources			
Mission Support	551,631	313,994	237,637
Operations and Maintenance	76,794	(53,174)	129,968
Restoration	82,413	35,007	47,406
Water Supply	25,000	24,979	21
Total Corporate Resources	<u>735,838</u>	<u>320,806</u>	<u>415,032</u>
Regulatory and Public Affairs			
Mission Support	407,723	386,252	21,471
Operations and Maintenance	63,838	62,208	1,630
Restoration	3,842,602	3,565,910	276,692
Water Supply	2,464,638	2,017,660	446,978
Total Regulatory and Public Affairs	<u>6,778,801</u>	<u>6,032,030</u>	<u>746,771</u>
Everglades Restoration and Capital Projects			
Mission Support	21,670	889	20,781
Operations and Maintenance	549,633	487,132	62,501
Restoration	916,908	796,120	120,788
Water Supply	21,746	16,593	5,153
Total Everglades Restoration and Capital Projects	<u>1,509,957</u>	<u>1,300,734</u>	<u>209,223</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	1,145,786	-	1,145,786
Managerial Reserve-Contingency	342,052	-	342,052
Total Contingency	<u>1,487,838</u>	<u>-</u>	<u>1,487,838</u>
Total Expenditures	<u>12,685,280</u>	<u>9,726,967</u>	<u>2,958,313</u>
Revenues in Excess of (Less than) Expenditures	<u>1,088,697</u>	<u>3,908,850</u>	<u>2,820,153</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(4,970,411)	(4,970,411)	-
Total Other Financing Sources (Uses)	<u>(4,970,411)</u>	<u>(4,970,411)</u>	<u>-</u>
Net Change in Fund Balance	(3,881,714)	(1,061,561)	2,820,153
Fund Balance at Beginning of Year	10,004,672	10,004,672	-
Fund Balance at End of Year	<u>\$6,122,958</u>	<u>\$8,943,111</u>	<u>\$2,820,153</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$6,912,397	\$7,024,793	\$112,396
Investment Earnings	-	4	4
Sale of District Property	-	33,128	33,128
Leases	530,184	718,887	188,703
Total Revenues	<u>7,442,581</u>	<u>7,776,812</u>	<u>334,231</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	353,460	352,433	1,027
Total Operations and Maintenance	<u>353,460</u>	<u>352,433</u>	<u>1,027</u>
Debt Service			
Bond Principal Retirement	5,415,000	5,415,000	-
Bond Interest	1,489,722	1,489,721	1
Total Debt Service	<u>6,904,722</u>	<u>6,904,721</u>	<u>1</u>
Contingency			
Managerial Reserve	234,399	-	234,399
Total Contingency	<u>234,399</u>	<u>-</u>	<u>234,399</u>
Total Expenditures	<u>7,492,581</u>	<u>7,257,154</u>	<u>235,427</u>
Revenues in Excess of (Less than) Expenditures	<u>(50,000)</u>	<u>519,658</u>	<u>569,658</u>
Net Change in Fund Balance	(50,000)	519,658	569,658
Fund Balance at Beginning of Year	1,836,503	1,836,503	-
Fund Balance at End of Year	<u>\$1,786,503</u>	<u>\$2,356,161</u>	<u>\$569,658</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$1,891,087	\$1,831,221	(\$59,866)
Other	-	543	543
Total Revenues	<u>1,891,087</u>	<u>1,831,764</u>	<u>(59,323)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	1,978,440	1,851,465	126,965
Total Operations and Maintenance	<u>1,978,440</u>	<u>1,851,465</u>	<u>126,965</u>
Total Expenditures	<u>1,978,440</u>	<u>1,851,465</u>	<u>126,965</u>
Revenues in Excess of (Less than) Expenditures	<u>(87,343)</u>	<u>(19,701)</u>	<u>67,642</u>
Net Change in Fund Balance	(87,343)	(19,701)	67,642
Fund Balance at Beginning of Year	(276,286)	(276,286)	-
Fund Balance at End of Year	<u><u>(\$363,629)</u></u>	<u><u>(\$295,987)</u></u>	<u><u>\$67,642</u></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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$1,200,000	\$1,094,387	(\$105,613)
Other	-	3,184	3,184
Total Revenues	<u>1,200,000</u>	<u>1,097,571</u>	<u>(102,429)</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	1,100,000	1,097,571	2,429
Total Operations and Maintenance	<u>1,100,000</u>	<u>1,097,571</u>	<u>2,429</u>
Contingency			
Managerial Reserve	100,000	-	100,000
Total Contingency	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>1,200,000</u>	<u>1,097,571</u>	<u>102,429</u>
Revenues in Excess of (Less than) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

South Florida Water Management District  
Special Revenue Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	\$613,284	\$613,284
Licenses, Permits and Fees	-	607,675	607,675
Other	-	1,207	1,207
Total Revenues	<u>-</u>	<u>1,222,166</u>	<u>1,222,166</u>
<b>EXPENDITURES</b>			
Current			
Operations and Maintenance			
Operations and Maintenance	2,384,068	2,080,403	303,665
Total Operations and Maintenance	<u>2,384,068</u>	<u>2,080,403</u>	<u>303,665</u>
Regulatory and Public Affairs			
Water Supply	27,000	27,000	-
Total Regulatory and Public Affairs	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	92,809	88,818	3,991
Restoration	410,883	357,294	53,589
Total Everglades Restoration and Capital Projects	<u>503,692</u>	<u>446,112</u>	<u>57,580</u>
Contingency			
Managerial Reserve	7,429,423	-	7,429,423
Total Contingency	<u>7,429,423</u>	<u>-</u>	<u>7,429,423</u>
Total Expenditures	<u>10,344,184</u>	<u>2,553,515</u>	<u>7,790,668</u>
Revenues in Excess of (Less than) Expenditures	<u>(10,344,184)</u>	<u>(1,331,349)</u>	<u>9,012,835</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,686,536	1,686,536	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>1,686,536</u>	<u>1,686,536</u>	<u>-</u>
Net Change in Fund Balance	(8,657,648)	355,187	9,012,835
Fund Balance at Beginning of Year	32,400,395	32,400,395	-
Fund Balance at End of Year	<u>\$23,742,747</u>	<u>\$32,755,582</u>	<u>\$9,012,835</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$106,265	\$106,265
Investment Earnings	-	9,633	9,633
Total Revenues	<u>-</u>	<u>115,898</u>	<u>115,898</u>
EXPENDITURES			
Current			
Regulatory and Public Affairs			
Restoration	393,457	97,928	295,529
Total Regulatory and Public Affairs	<u>393,457</u>	<u>97,928</u>	<u>295,529</u>
Total Expenditures	<u>393,457</u>	<u>97,928</u>	<u>295,529</u>
Revenues in Excess of (Less than) Expenditures	<u>(393,457)</u>	<u>17,970</u>	<u>411,427</u>
Net Change in Fund Balance	(393,457)	17,970	411,427
Fund Balance at Beginning of Year	398,313	398,313	-
Fund Balance at End of Year	<u><u>\$4,856</u></u>	<u><u>\$416,283</u></u>	<u><u>\$411,427</u></u>

South Florida Water Management District  
Special Revenue Fund  
External Grants  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$482,374	\$4,281,076	\$3,798,702
Other	15,000	60,000	45,000
Total Revenues	<u>497,374</u>	<u>4,341,076</u>	<u>3,843,702</u>
EXPENDITURES			
Current			
Regulatory and Public Affairs			
Restoration	2,300,000	2,300,000	-
Water Supply	15,000	15,000	-
Total Regulatory and Public Affairs	<u>2,315,000</u>	<u>2,315,000</u>	<u>-</u>
Everglades Restoration and Capital Projects			
Restoration	641,244	471,797	169,447
Total Everglades Restoration and Capital Projects	<u>641,244</u>	<u>471,797</u>	<u>169,447</u>
Total Expenditures	<u>2,956,244</u>	<u>2,786,797</u>	<u>169,447</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,458,870)</u>	<u>1,554,279</u>	<u>4,013,149</u>
Net Change in Fund Balance	(2,458,870)	1,554,279	4,013,149
Fund Balance at Beginning of Year	(1,948,586)	(1,948,586)	-
Fund Balance at End of Year	<u><u>(\$4,407,456)</u></u>	<u><u>(\$394,307)</u></u>	<u><u>\$4,013,149</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$15,428,366	\$15,428,366	\$ -
Investment Earnings	-	259,218	259,218
Other	-	7,708	7,708
Total Revenues	<u>15,428,366</u>	<u>15,695,292</u>	<u>266,926</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	-	27,220	(27,220)
Restoration	15,715,268	13,697,031	2,018,237
Total Operations and Maintenance	<u>15,715,268</u>	<u>13,724,251</u>	<u>1,991,017</u>
Corporate Resources			
Restoration	287,344	240,969	46,375
Total Corporate Resources	<u>287,344</u>	<u>240,969</u>	<u>46,375</u>
Everglades Restoration and Capital Projects			
Restoration	1,502,019	1,308,786	193,233
Total Everglades Restoration and Capital Projects	<u>1,502,019</u>	<u>1,308,786</u>	<u>193,233</u>
Contingency			
Managerial Reserve	4,277,711	-	4,277,711
Total Contingency	<u>4,277,711</u>	<u>-</u>	<u>4,277,711</u>
Total Expenditures	<u>21,782,342</u>	<u>15,274,006</u>	<u>6,508,336</u>
Revenues in Excess of (Less than) Expenditures	<u>(6,353,976)</u>	<u>421,286</u>	<u>6,775,262</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,353,976)	421,286	6,775,262
Fund Balance at Beginning of Year	8,684,461	8,684,461	-
Fund Balance at End of Year	<u>\$2,330,485</u>	<u>\$9,105,747</u>	<u>\$6,775,262</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$113,934	\$113,934
Licenses, Permits and Fees	-	4,679,178	4,679,178
Total Revenues	<u>-</u>	<u>4,793,112</u>	<u>4,793,112</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	159,500	117,819	41,681
Total Operations and Maintenance	<u>159,500</u>	<u>117,819</u>	<u>41,681</u>
Contingency			
Managerial Reserve	500	-	500
Total Contingency	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>160,000</u>	<u>117,819</u>	<u>42,181</u>
Revenues in Excess of (Less than) Expenditures	<u>(160,000)</u>	<u>4,675,293</u>	<u>4,835,293</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(2,554,210)	(2,554,210)	-
Total Other Financing Sources (Uses)	<u>(2,554,210)</u>	<u>(2,554,210)</u>	<u>-</u>
Net Change in Fund Balance	(2,714,210)	2,121,083	4,835,293
Fund Balance at Beginning of Year	4,543,771	4,543,771	-
Fund Balance at End of Year	<u>\$1,829,561</u>	<u>\$6,664,854</u>	<u>\$4,835,293</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 245,959	\$245,959
Investment Earnings	-	9,646	9,646
Total Revenues	<u>-</u>	<u>255,605</u>	<u>255,605</u>
EXPENDITURES			
Current			
Everglades Restoration and Capital Projects			
Restoration	204,168	202,245	1,923
Total Everglades Restoration and Capital Projects	<u>204,168</u>	<u>202,245</u>	<u>1,923</u>
Total Expenditures	<u>204,168</u>	<u>202,245</u>	<u>1,923</u>
Revenues in Excess of (Less than) Expenditures	<u>(204,168)</u>	<u>53,360</u>	<u>257,528</u>
Net Change in Fund Balance	(204,168)	53,360	257,528
Fund Balance at Beginning of Year	283,388	283,388	-
Fund Balance at End of Year	<u><u>\$79,220</u></u>	<u><u>\$336,748</u></u>	<u><u>\$257,528</u></u>



South Florida Water Management District  
Special Revenue Fund  
Lake Okeechobee Trust Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$437,325	\$1,263,678	\$826,353
Total Revenues	<u>437,325</u>	<u>1,263,678</u>	<u>826,353</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	213,788	211,557	2,231
Total Operations and Maintenance	<u>213,788</u>	<u>211,557</u>	<u>2,231</u>
Regulatory and Public Affairs			
Restoration	1,197,495	773,245	424,250
Total Regulatory and Public Affairs	<u>1,197,495</u>	<u>773,245</u>	<u>424,250</u>
Everglades Restoration and Capital Projects			
Restoration	2,144,350	1,651,524	492,826
Total Everglades Restoration and Capital Projects	<u>2,144,350</u>	<u>1,651,524</u>	<u>492,826</u>
Contingency			
Managerial Reserve	7,813,283	-	7,813,283
Total Contingency	<u>7,813,283</u>	<u>-</u>	<u>7,813,283</u>
Total Expenditures	<u>11,368,916</u>	<u>2,636,326</u>	<u>8,732,590</u>
Revenues in Excess of (Less than) Expenditures	<u>(10,931,591)</u>	<u>(1,372,648)</u>	<u>9,558,943</u>
Net Change in Fund Balance	(10,931,591)	(1,372,648)	9,558,943
Fund Balance at Beginning of Year	9,378,604	9,378,604	-
Fund Balance at End of Year	<u><u>(\$1,552,987)</u></u>	<u><u>\$8,005,956</u></u>	<u><u>\$9,558,943</u></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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$18,233	\$18,233
Total Revenues	<u>-</u>	<u>18,233</u>	<u>18,233</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	-	-	
Restoration	22,260,000	22,083,100	176,900
Total Everglades Restoration and Capital Projects	<u>22,260,000</u>	<u>22,083,100</u>	<u>176,900</u>
Contingency			
Managerial Reserve	1,226,167	-	1,226,167
Total Contingency	<u>1,226,167</u>	<u>-</u>	<u>1,226,167</u>
Total Expenditures	<u>23,486,167</u>	<u>22,083,100</u>	<u>1,403,067</u>
Revenues in Excess of (Less than) Expenditures	<u>(23,486,167)</u>	<u>(22,064,867)</u>	<u>1,421,300</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	23,486,167	23,486,167	-
Total Other Financing Sources (Uses)	<u>23,486,167</u>	<u>23,486,167</u>	<u>-</u>
Net Change in Fund Balance	-	1,421,300	1,421,300
Fund Balance at Beginning of Year	(1,226,167)	(1,226,167)	-
Fund Balance at End of Year	<u>(\$1,226,167)</u>	<u>\$195,133</u>	<u>\$1,421,300</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings	\$ -	\$1,603,991	\$1,603,991
Sale of District Property	-	540,000	540,000
Other	-	2,247	2,247
Total Revenues	<u>-</u>	<u>2,146,238</u>	<u>2,146,238</u>
<b>EXPENDITURES</b>			
Current			
Operations and Maintenance			
Operations and Maintenance	64,780,377	53,809,420	10,970,957
Restoration	378,600	363,672	14,928
Total Operations and Maintenance	<u>65,158,977</u>	<u>54,173,092</u>	<u>10,985,885</u>
Corporate Resources			
Restoration	20,025	12,752	7,273
Total Corporate Resources	<u>20,025</u>	<u>12,752</u>	<u>7,273</u>
Regulatory and Public Affairs			
Restoration	8,113	8,113	-
Total Regulatory and Public Affairs	<u>8,113</u>	<u>8,113</u>	<u>-</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	64,488	48,291	16,197
Restoration	20,630,024	11,470,487	9,159,537
Total Everglades Restoration and Capital Projects	<u>20,694,512</u>	<u>11,518,778</u>	<u>9,175,734</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	29,889,651	-	29,889,651
Total Contingency	<u>29,889,651</u>	<u>-</u>	<u>29,889,651</u>
Total Expenditures	<u>115,771,278</u>	<u>65,712,735</u>	<u>50,058,543</u>
Revenues in Excess of (Less than) Expenditures	<u>(115,771,278)</u>	<u>(63,566,497)</u>	<u>52,204,781</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	55,432,844	55,432,800	(44)
Total Other Financing Sources (Uses)	<u>55,432,844</u>	<u>55,432,800</u>	<u>(44)</u>
Net Change in Fund Balance	(60,338,434)	(8,133,697)	52,204,737
Fund Balance at Beginning of Year	61,925,767	61,925,767	-
Fund Balance at End of Year	<u>\$1,587,333</u>	<u>\$53,792,070</u>	<u>\$52,204,737</u>

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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$245,658	\$245,658
Other	-	266	266
Total Revenues	<u>-</u>	<u>245,924</u>	<u>245,924</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	977,073	783,265	193,808
Restoration	463,000	456,936	6,064
Total Operations and Maintenance	<u>1,440,073</u>	<u>1,240,201</u>	<u>199,872</u>
Regulatory and Public Affairs			
Operations and Maintenance	-	-	
Restoration	1,500,000	1,500,000	-
Total Regulatory and Public Affairs	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	2,283,242	2,101,358	181,884
Restoration	1,786,155	1,704,993	81,162
Total Everglades Restoration and Capital Projects	<u>4,069,397</u>	<u>3,806,351</u>	<u>263,046</u>
Contingency			
Managerial Reserve	1,200,400	-	1,200,400
Total Contingency	<u>1,200,400</u>	<u>-</u>	<u>1,200,400</u>
Total Expenditures	<u>8,209,870</u>	<u>6,546,552</u>	<u>1,663,318</u>
Revenues in Excess of (Less than) Expenditures	<u>(8,209,870)</u>	<u>(6,300,628)</u>	<u>1,909,242</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,970,411	4,970,411	-
Total Other Financing Sources (Uses)	<u>4,970,411</u>	<u>4,970,411</u>	<u>-</u>
Net Change in Fund Balance	(3,239,459)	(1,330,217)	1,909,242
Fund Balance at Beginning of Year	11,049,416	11,049,416	-
Fund Balance at End of Year	<u>\$7,809,957</u>	<u>\$9,719,199</u>	<u>\$1,909,242</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$1,575,000	\$14,140,347	\$12,565,347
Investment Earnings	-	315,555	315,555
Total Revenues	<u>1,575,000</u>	<u>14,455,902</u>	<u>12,880,902</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	165,419	157,775	7,644
Total Operations and Maintenance	<u>165,419</u>	<u>157,775</u>	<u>7,644</u>
Corporate Resources			
Restoration	500	-	500
Total Corporate Resources	<u>500</u>	<u>-</u>	<u>500</u>
Everglades Restoration and Capital Projects			
Restoration	26,522,156	15,282,719	11,239,437
Total Everglades Restoration and Capital Projects	<u>26,522,156</u>	<u>15,282,719</u>	<u>11,239,437</u>
Total Expenditures	<u>26,688,075</u>	<u>15,440,494</u>	<u>11,247,581</u>
Revenues in Excess of (Less than) Expenditures	<u>(25,113,075)</u>	<u>(984,592)</u>	<u>24,128,483</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,242,712)	(1,242,712)	-
Total Other Financing Sources (Uses)	<u>(1,242,712)</u>	<u>(1,242,712)</u>	<u>-</u>
Net Change in Fund Balance	(26,355,787)	(2,227,304)	24,128,483
Fund Balance at Beginning of Year	15,420,362	15,420,362	-
Fund Balance at End of Year	<u>(\$10,935,425)</u>	<u>\$13,193,058</u>	<u>\$24,128,483</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$37,672,887	\$37,888,362	\$215,475
Agricultural Privilege Taxes	11,300,000	11,064,462	(235,538)
Intergovernmental	-	-	
Investment Earnings	967,000	2,268,704	1,301,704
Other	-	1,871	1,871
Total Revenues	<u>49,939,887</u>	<u>51,223,399</u>	<u>1,283,512</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	42,249	44,122	(1,873)
Restoration	5,430,439	4,803,269	627,170
Total Operations and Maintenance	<u>5,472,688</u>	<u>4,847,391</u>	<u>625,297</u>
Corporate Resources			
Restoration	2,770,466	1,777,989	992,477
Total Corporate Resources	<u>2,770,466</u>	<u>1,777,989</u>	<u>992,477</u>
Regulatory and Public Affairs			
Restoration	3,007,606	2,756,316	251,290
Total Regulatory and Public Affairs	<u>3,007,606</u>	<u>2,756,316</u>	<u>251,290</u>
Everglades Restoration and Capital Projects			
Restoration	15,313,941	13,613,717	1,700,224
Total Everglades Restoration and Capital Projects	<u>15,313,941</u>	<u>13,613,717</u>	<u>1,700,224</u>
Debt Service			
COPS Bond Principal Retirement	5,367,156	5,367,156	-
COPS Bond Interest	14,123,931	14,123,931	-
Total Debt Service	<u>19,491,087</u>	<u>19,491,087</u>	<u>-</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	86,315,078	-	86,315,078
Total Contingency	86,315,078	-	86,315,078
Total Expenditures	132,370,866	42,486,500	89,884,366
Revenues in Excess of (Less than) Expenditures	(82,430,979)	8,736,899	91,167,878
OTHER FINANCING SOURCES (USES)			
Transfers In	733,182	733,182	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	733,182	733,182	-
Net Change in Fund Balance	(81,697,797)	9,470,081	91,167,878
Fund Balance at Beginning of Year	98,534,957	98,534,957	-
Fund Balance at End of Year	\$16,837,160	\$108,005,038	\$91,167,878



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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$86,825	\$105,109	\$18,284
Total Revenues	<u>86,825</u>	<u>105,109</u>	<u>18,284</u>
EXPENDITURES			
Current			
Regulatory and Public Affairs			
Restoration	117,928	105,109	12,819
Total Regulatory and Public Affairs	<u>117,928</u>	<u>105,109</u>	<u>12,819</u>
Contingency			
Managerial Reserve	14,231	-	14,231
Total Contingency	<u>14,231</u>	<u>-</u>	<u>14,231</u>
Total Expenditures	<u>132,159</u>	<u>105,109</u>	<u>27,050</u>
Revenues in Excess of (Less than) Expenditures	<u>(45,334)</u>	<u>-</u>	<u>45,334</u>
Net Change in Fund Balance	(45,334)	-	45,334
Fund Balance at Beginning of Year	127,717	127,717	-
Fund Balance at End of Year	<u>\$82,383</u>	<u>\$127,717</u>	<u>\$45,334</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$135,266	\$135,266
Investment Earnings	-	62,600	62,600
Total Revenues	<u>-</u>	<u>197,866</u>	<u>197,866</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	28,038	28,038	-
Total Operations and Maintenance	<u>28,038</u>	<u>28,038</u>	<u>-</u>
Corporate Resources			
Restoration	12,729	12,729	-
Total Corporate Resources	<u>12,729</u>	<u>12,729</u>	<u>-</u>
Everglades Restoration and Capital Projects			
Restoration	2,229,466	1,035,113	1,194,353
Total Everglades Restoration and Capital Projects	<u>2,229,466</u>	<u>1,035,113</u>	<u>1,194,353</u>
Contingency			
Managerial Reserve	20,297	-	20,297
Total Contingency	<u>20,297</u>	<u>-</u>	<u>20,297</u>
Total Expenditures	<u>2,290,530</u>	<u>1,075,880</u>	<u>1,214,650</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,290,530)</u>	<u>(878,014)</u>	<u>1,412,516</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	
Transfers Out	-	-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(2,290,530)	(878,014)	1,412,516
Fund Balance at Beginning of Year	3,338,030	3,338,030	-
Fund Balance at End of Year	<u>\$1,047,500</u>	<u>\$2,460,016</u>	<u>\$1,412,516</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$372,000	\$1,667,323	\$1,295,323
Leases	-	989,365	989,365
Other	-	6,007	6,007
Total Revenues	<u>372,000</u>	<u>2,662,695</u>	<u>2,290,695</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	-	45,655	(45,655)
Restoration	1,457,763	1,141,104	316,659
Total Operations and Maintenance	<u>1,457,763</u>	<u>1,186,759</u>	<u>271,004</u>
Corporate Resources			
Operations and Maintenance	-	84	(84)
Restoration	24,593,036	5,289,654	19,303,382
Total Corporate Resources	<u>24,593,036</u>	<u>5,289,738</u>	<u>19,303,298</u>
Regulatory and Public Affairs			
Restoration	1,664,490	1,559,884	104,606
Total Regulatory and Public Affairs	<u>1,664,490</u>	<u>1,559,884</u>	<u>104,606</u>
Everglades Restoration and Capital Projects			
Operations and Maintenance	-	17,557	(17,557)
Restoration	179,830,134	176,878,273	2,951,861
Total Everglades Restoration and Capital Projects	<u>179,830,134</u>	<u>176,895,830</u>	<u>2,934,304</u>
Debt Service			
COPS Bond Principal Retirement	4,337,844	4,337,844	-
COPS Bond Interest	11,415,246	11,415,246	-
Total Debt Service	<u>15,753,090</u>	<u>15,753,090</u>	<u>-</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	2,772,819	-	2,772,819
Total Contingency	2,772,819	-	2,772,819
Total Expenditures	226,071,332	200,685,301	25,386,031
Revenues in Excess of (Less than) Expenditures	(225,699,332)	(198,022,606)	27,676,726
OTHER FINANCING SOURCES (USES)			
Transfers In	52,198,612	52,198,612	-
Transfers Out	(280,000)	(280,000)	-
Total Other Financing Sources (Uses)	51,918,612	51,918,612	-
Net Change in Fund Balance	(173,780,720)	(146,103,994)	27,676,726
Fund Balance at Beginning of Year	208,736,313	208,736,313	-
Fund Balance at End of Year	\$34,955,593	\$62,632,319	\$27,676,726

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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$5,196	\$5,196
Leases	-	336,941	336,941
Total Revenues	<u>-</u>	<u>342,137</u>	<u>342,137</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	230,905	209,513	21,392
Total Operations and Maintenance	<u>230,905</u>	<u>209,513</u>	<u>21,392</u>
Everglades Restoration and Capital Projects			
Restoration	263,938	226,328	37,610
Total Everglades Restoration and Capital Projects	<u>263,938</u>	<u>226,328</u>	<u>37,610</u>
Contingency			
Managerial Reserve	234,384	-	234,384
Total Contingency	<u>234,384</u>	<u>-</u>	<u>234,384</u>
Total Expenditures	<u>729,227</u>	<u>435,841</u>	<u>293,386</u>
Revenues in Excess of (Less than) Expenditures	<u>(729,227)</u>	<u>(93,704)</u>	<u>635,523</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	280,000	280,000	-
Transfers Out	(716,637)	(716,637)	-
Total Other Financing Sources (Uses)	<u>(436,637)</u>	<u>(436,637)</u>	<u>-</u>
Net Change in Fund Balance	(1,165,864)	(530,341)	635,523
Fund Balance at Beginning of Year	5,468,840	5,468,840	-
Fund Balance at End of Year	<u>\$4,302,976</u>	<u>\$4,938,499</u>	<u>\$635,523</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$61,601,924	\$32,687,058	(\$28,914,866)
Investment Earnings	-	6,745	6,745
Leases	-	507,148	507,148
Total Revenues	<u>61,601,924</u>	<u>33,200,951</u>	<u>(28,400,973)</u>
EXPENDITURES			
Current			
Regulatory and Public Affairs			
Restoration	4,052,157	828,134	3,224,023
Total Regulatory and Public Affairs	<u>4,052,157</u>	<u>828,134</u>	<u>3,224,023</u>
Everglades Restoration and Capital Projects			
Restoration	39,665,824	33,153,895	6,511,929
Total Everglades Restoration and Capital Projects	<u>39,665,824</u>	<u>33,153,895</u>	<u>6,511,929</u>
Contingency			
Managerial Reserve	28,477,778	-	28,477,778
Total Contingency	<u>28,477,778</u>	<u>-</u>	<u>28,477,778</u>
Total Expenditures	<u>72,195,759</u>	<u>33,982,029</u>	<u>38,213,730</u>
Revenues in Excess of (Less than) Expenditures	<u>(10,593,835)</u>	<u>(781,078)</u>	<u>9,812,757</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(39,500,000)	(39,500,000)	-
Total Other Financing Sources (Uses)	<u>(39,500,000)</u>	<u>(39,500,000)</u>	<u>-</u>
Net Change in Fund Balance	(50,093,835)	(40,281,078)	9,812,757
Fund Balance at Beginning of Year	21,989,791	21,989,791	-
Fund Balance at End of Year	<u>(\$28,104,044)</u>	<u>(\$18,291,287)</u>	<u>\$9,812,757</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balance at Beginning of Year	(\$547,823)	(\$547,823)	\$ -
Fund Balance at End of Year	<u>(\$547,823)</u>	<u>(\$547,823)</u>	<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, 2011

	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  
 COPS - Everglades Forever Act (EFA)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$442,018	\$442,018
Sale of District Property	-	55,504	55,504
Other	-	114	114
Total Revenues	<u>-</u>	<u>497,636</u>	<u>497,636</u>
EXPENDITURES			
Current			
Operations and Maintenance			
Restoration	-	(6,472)	6,472
Total Operations and Maintenance	<u>-</u>	<u>(6,472)</u>	<u>6,472</u>
Corporate Resources			
Restoration	-	46	(46)
Total Corporate Resources	<u>-</u>	<u>46</u>	<u>(46)</u>
Everglades Restoration and Capital Projects			
Restoration	111,292,000	99,035,822	12,256,178
Total Everglades Restoration and Capital Projects	<u>111,292,000</u>	<u>99,035,822</u>	<u>12,256,178</u>
Contingency			
Managerial Reserve	20,677,347	-	20,677,347
Total Contingency	<u>20,677,347</u>	<u>-</u>	<u>20,677,347</u>
Total Expenditures	<u>131,969,347</u>	<u>99,029,396</u>	<u>32,939,951</u>
Revenues in Excess of (Less than) Expenditures	<u>(131,969,347)</u>	<u>(98,531,760)</u>	<u>33,437,587</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,816,493	3,816,493	-
Total Other Financing Sources (Uses)	<u>3,816,493</u>	<u>3,816,493</u>	<u>-</u>
Net Change in Fund Balance	(128,152,854)	(94,715,267)	33,437,587
Fund Balance at Beginning of Year	133,366,995	133,366,995	-
Fund Balance at End of Year	<u>\$5,214,141</u>	<u>\$38,651,728</u>	<u>\$33,437,587</u>

South Florida Water Management District  
 Capital Projects Fund  
 COPS - Comprehensive Everglades Restoration Plan (CERP)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$158,264	\$158,264
Sale of District Property	-	2,160	2,160
Other	-	4,844	4,844
Total Revenues	<u>-</u>	<u>165,268</u>	<u>165,268</u>
EXPENDITURES			
Current			
Everglades Restoration and Capital Projects			
Restoration	115,323	-	115,323
Total Everglades Restoration and Capital Projects	<u>115,323</u>	<u>-</u>	<u>115,323</u>
Total Expenditures	<u>115,323</u>	<u>-</u>	<u>115,323</u>
Revenues in Excess of (Less than) Expenditures	<u>(115,323)</u>	<u>165,268</u>	<u>280,591</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(3,816,493)	(3,816,493)	-
Total Other Financing Sources (Uses)	<u>(3,816,493)</u>	<u>(3,816,493)</u>	<u>-</u>
Net Change in Fund Balance	(3,931,816)	(3,651,225)	280,591
Fund Balance at Beginning of Year	31,028,725	31,028,725	-
Fund Balance at End of Year	<u>\$27,096,909</u>	<u>\$27,377,500</u>	<u>\$280,591</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, 2011

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$263,700	\$266,341	\$2,641
Licenses, Permits and Fees	-	149,610	149,610
Total Revenues	<u>263,700</u>	<u>415,951</u>	<u>152,251</u>
EXPENDITURES			
Current			
Contingency			
Managerial Reserve	1,131,374	-	1,131,374
Total Contingency	<u>1,131,374</u>	<u>-</u>	<u>1,131,374</u>
Total Expenditures	<u>1,131,374</u>	<u>-</u>	<u>1,131,374</u>
Revenues in Excess of (Less than) Expenditures	<u>(867,674)</u>	<u>415,951</u>	<u>1,283,625</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,131,374	1,131,374	-
Transfers Out	(263,700)	(263,700)	-
Total Other Financing Sources (Uses)	<u>867,674</u>	<u>867,674</u>	<u>-</u>
Net Change in Fund Balance	-	1,283,625	1,283,625
Fund Balance at Beginning of Year	12,707,636	12,707,636	-
Fund Balance at End of Year	<u>\$12,707,636</u>	<u>\$13,991,261</u>	<u>\$1,283,625</u>



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## **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, 2011

	Self Insurance Fund	Health Benefits Fund	Total
ASSETS			
Current Assets			
Cash and Investments	\$18,993,840	\$6,592,726	\$25,586,566
Accounts Receivable	74,129	19,155	93,284
Due from Other Funds	-	599,359	599,359
Prepays	539,584	-	539,584
Other Assets	140,000	624,000	764,000
Total Current Assets	19,747,553	7,835,240	27,582,793
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,459	-	27,459
Computer Hardware	8,196	-	8,196
Vehicles	36,224	-	36,224
Accumulated Depreciation	(22,865)	-	(22,865)
Total Noncurrent Assets	49,014	-	49,014
Total Assets	19,796,567	7,835,240	27,631,807
LIABILITIES			
Current Liabilities			
Accounts Payable	\$20,496	\$855,271	\$875,767
Due to Other Funds	5,993	-	5,993
Claims Payable	788,624	2,036,819	2,825,443
Total Current Liabilities	815,113	2,892,090	3,707,203
Noncurrent Liabilities			
Claims Payable	4,258,376	-	4,258,376
Total Noncurrent Liabilities	4,258,376	-	4,258,376
Total Liabilities	5,073,489	2,892,090	7,965,579
NET ASSETS			
Net Assets			
Invested in Capital Assets, Net of Related Debt	49,014	-	49,014
Unrestricted	14,674,064	4,943,150	19,617,214
Total Net Assets	\$14,723,078	\$4,943,150	\$19,666,228

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, 2011

	Self Insurance Fund	Health Benefits Fund	Total
OPERATING REVENUES			
Charges for Services	\$5,170,863	\$26,931,834	\$32,102,697
Other Operating Revenue	140,522	580,958	721,480
Total Operating Revenues	<u>5,311,385</u>	<u>27,512,792</u>	<u>32,824,177</u>
OPERATING EXPENSES			
Salaries	488,913	-	488,913
Benefits	221,571	-	221,571
Claims	(216,960)	26,521,184	26,304,224
Purchased Services	174,659	-	174,659
Administrative Fees	-	1,943,952	1,943,952
Other	1,571,886	-	1,571,886
Depreciation	6,580	-	6,580
Total Operating Expenses	<u>2,246,649</u>	<u>28,465,136</u>	<u>30,711,785</u>
OPERATING INCOME (LOSS)	3,064,736	(952,344)	2,112,392
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	423,084	162,157	585,241
Total Nonoperating Revenues	<u>423,084</u>	<u>162,157</u>	<u>585,241</u>
Change in Net Assets	3,487,820	(790,187)	2,697,633
Net Assets at Beginning of Year	<u>11,235,258</u>	<u>5,733,337</u>	<u>16,968,595</u>
Net Assets at End of Year	<u>\$14,723,078</u>	<u>\$4,943,150</u>	<u>\$19,666,228</u>

South Florida Water Management District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2011

	Self Insurance Fund	Health Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Receipts from Customers	\$5,096,734	\$26,922,209	\$32,018,943
Cash Payments to Suppliers	(1,728,415)	(1,943,952)	(3,672,367)
Cash Payments for Salaries, Benefits	(710,484)	-	(710,484)
Cash Payments to Administrators	-	(46,000)	(46,000)
Claims Paid	(622,040)	(25,996,015)	(26,618,055)
Other Receipts (Payments)	140,522	523,004	663,526
Net cash provided by (used in) operating activities	2,176,317	(540,754)	1,635,563
CASH FLOWS FROM CAPITAL ACTIVITIES:			
Purchase of Capital Assets	(10,251)	-	(10,251)
Net cash used for capital activities	(10,251)	-	(10,251)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Earnings	423,084	162,157	585,241
Net cash provided by investing activities	423,084	162,157	585,241
Net Increase (Decrease) in Cash and Cash Equivalents	2,589,150	(378,597)	2,210,553
Cash and Cash Equivalents, Beginning of Year	16,404,690	6,971,323	23,376,013
Cash and Cash Equivalents, End of Year	\$18,993,840	\$6,592,726	\$25,586,566
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Income (Loss)	\$3,064,736	(\$952,344)	\$2,112,392
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation	6,580	-	6,580
CHANGES IN ASSETS AND LIABILITIES:			
Decrease (Increase) in Accounts Receivable	(74,129)	(9,625)	(83,754)
Decrease (Increase) in Due from Other Funds	-	(21,834)	(21,834)
Decrease (Increase) in Prepaids	42,064	-	42,064
Decrease (Increase) in Others Assets	-	(46,000)	(46,000)
Increase (Decrease) in Accounts Payable	(24,150)	(36,120)	(60,270)
Increase (Decrease) in Due to Other Funds	216	-	216
Increase (Decrease) in Estimated Unpaid Claims	(839,000)	525,169	(313,831)
Net Cash Provided by (Used in) Operating Activities	\$2,176,317	(\$540,754)	\$1,635,563



# **STATISTICAL SECTION**



Statistical Section

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

FINANCIAL TRENDS ..... VI-2

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

REVENUE CAPACITY ..... VI-8

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

DEBT CAPACITY ..... VI-17

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

DEMOGRAPHIC AND ECONOMIC INFORMATION ..... VI-19

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

OPERATING INFORMATION ..... VI-23

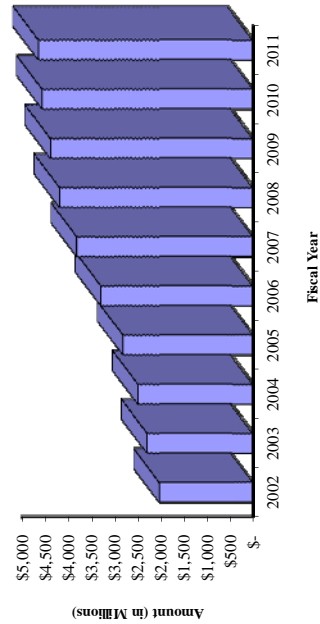
*These schedules contain information about the District’s operations and resources to help the reader understand how the District’s financial information relates to the services the District’s provides and the activities it performs.*

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008 <sup>1</sup>	2009	2010	2011
Invested in capital assets, net of related debt	\$ 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	\$ 4,157,311,051
Restricted for:										
Debt Service	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	30,327,489
Wetlands Mitigation Expendable	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	23,290,831
Nonexpendable	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	13,988,620
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	267,486,175
Capital Construction	-	-	-	-	-	-	-	-	-	63,511,269
Totals for Restricted	80,369,207	100,519,461	69,807,197	55,349,639	66,952,132	95,856,895	106,908,248	107,077,010	298,284,060	398,604,384
Unrestricted	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	68,008,071
Total Net Assets	\$ 2,012,966,969	\$ 2,275,876,190	\$ 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	\$ 4,623,923,506

**Total Net Assets**



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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Functions/Programs</b>										
<b>Expenses</b>										
Mission Support	-	-	-	\$ 115,901,217	\$ 128,467,596	\$ 103,599,908	\$ 105,245,086	\$ 114,123,630	\$ 121,213,117	\$ 121,213,117
Operations and Maintenance	-	-	-	91,518,678	97,480,318	146,532,283	133,417,655	122,360,621	134,014,814	134,014,814
Restoration	-	-	-	183,764,384	183,624,022	195,459,257	179,584,139	170,045,556	115,552,532	115,552,532
Water Supply	-	-	-	71,239,720	77,191,322	73,680,009	50,853,964	30,375,078	28,085,557	28,085,557
Interest on Long-Term Debt	-	-	-	5,862,342	25,466,262	27,496,071	26,880,613	26,264,799	25,608,163	25,608,163
<b>Total Expenses</b>	\$ 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	\$ 424,474,183
<b>Program Revenues</b>										
Operating Grants & Contributions										
Mission Support	-	-	-	-	37,726,800	39,301,930	39,287,214	20,070,144	4,291,272	3,993,318
Operations and Maintenance	-	-	-	-	1,304,033	16,326,983	21,103,303	11,061,814	20,087,646	23,810,358
Restoration	-	-	-	-	26,382,690	51,205,258	27,172,174	7,655,238	4,751	3,521,120
Water Supply	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Grants &amp; Contributions</b>	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	31,324,796
<b>Capital Grants &amp; Contributions:</b>										
Mission Support	-	-	-	-	-	612,722	1,902,128	12,000	3,193,658	-
Operations and Maintenance	-	-	-	-	13,656,576	21,986,733	54,381,178	7,806,297	21,301,044	12,560,490
Restoration	-	-	-	-	368,432,012	262,837,217	191,915,979	53,211,727	80,199,258	10,797,605
Water Supply	-	-	-	-	1,371,778	7,250	-	-	-	-
<b>Total Capital Grants &amp; Contributions</b>	222,092,228	144,884,863	157,103,336	208,538,280	383,460,366	285,443,922	248,199,285	61,030,024	104,693,960	23,358,095
<b>Charges for Services</b>										
Mission Support	-	-	-	-	-	-	148,175	99,733	10,379,191	11,278,950
Operations and Maintenance	-	-	-	-	-	-	6,388,625	3,280,921	4,857,675	8,039,514
Restoration	-	-	-	-	-	-	-	-	-	-
Water Supply	-	-	-	-	11,805,719	12,761,049	4,630,694	6,061,734	5,798,803	3,319,171
<b>Total Charges for Services</b>	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	22,637,635
<b>Total Program Revenues</b>	333,574,704	232,361,929	209,892,398	311,065,147	460,679,608	405,039,142	346,929,470	109,259,608	150,113,298	77,320,526
<b>Net (Expense)/Revenue</b>	(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)	(347,153,657)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues</b>										
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	347,234,986
Property Taxes, Levied for Everglades Constructio	-	-	-	62,577,693	70,980,322	84,882,009	84,388,098	81,045,067	72,185,795	64,381,190
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	13,693,847
Other	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	2,162,878
Gain on Sale of Capital Assets	-	-	-	-	15,365,812	-	-	-	-	-
Total General Revenues	296,624,583	329,681,371	361,608,630	428,070,127	502,289,818	629,122,586	611,552,740	587,660,335	489,239,511	427,472,901
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	504,793,427
<b>Change in Net Assets</b>	\$ 272,651,886	\$ 262,909,181	\$ 197,927,027	\$ 321,837,257	\$ 494,683,085	\$ 521,932,208	\$ 411,714,682	\$ 200,938,486	\$ 176,183,125	\$ 80,319,244

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

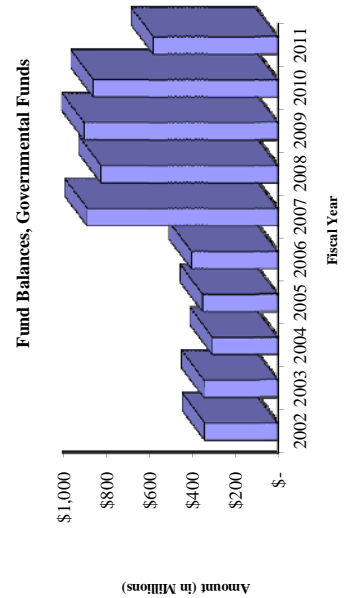
During fiscal year 2010, the District reorganized its resource area and major program structure. The figures for fiscal year 2006 - 2009 have been restated based upon the new structure.

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Reserved	\$ 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	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	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	1,190,857
Committed	-	-	-	-	-	-	-	-	-	13,571,806
Assigned	-	-	-	-	-	-	-	-	-	50,267,731
Unassigned	-	-	-	-	-	-	-	-	-	22,761,839
<b>Total General Fund</b>	<b>38,190,262</b>	<b>33,946,634</b>	<b>39,037,572</b>	<b>38,808,889</b>	<b>49,035,585</b>	<b>64,046,233</b>	<b>94,278,904</b>	<b>88,716,041</b>	<b>87,780,556</b>	<b>87,792,233</b>
<b>All Other Governmental Funds</b>										
Reserved	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	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	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	(194)	120,721	216,480	156,240	11,904	124,439	(902,266)	(37,783)	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	19,858,805
Restricted	-	-	-	-	-	-	-	-	-	418,023,868
Committed	-	-	-	-	-	-	-	-	-	31,991,986
Assigned	-	-	-	-	-	-	-	-	-	32,464,433
Unassigned	-	-	-	-	-	-	-	-	-	(13,880,130)
<b>Total All Other Governmental Funds:</b>	<b>298,895,040</b>	<b>306,662,887</b>	<b>262,189,086</b>	<b>308,660,248</b>	<b>349,987,297</b>	<b>819,854,669</b>	<b>725,587,642</b>	<b>810,001,825</b>	<b>767,989,813</b>	<b>488,458,962</b>
<b>Grand Total</b>	<b>\$ 337,085,302</b>	<b>\$ 340,609,521</b>	<b>\$ 301,226,658</b>	<b>\$ 347,469,137</b>	<b>\$ 399,022,882</b>	<b>\$ 883,900,902</b>	<b>\$ 819,866,546</b>	<b>\$ 898,717,866</b>	<b>\$ 855,770,369</b>	<b>\$ 576,251,195</b>

Note: The District implemented GASB #54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. The increase in fund balance in fiscal year 2007 is a result of the issuance of Certificates of Participation (COPS), Series 2006, in the amount of \$546,120,000, the proceeds of which will be used to provide funds for the construction of 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 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	\$ 400,551,714
Agricultural Privilege Taxes	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	11,064,462
Intergovernmental	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	67,888,578
Investment Earnings	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	13,108,606
Licenses, Permits and Fees	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	8,166,854
Self-Insurance Premiums	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	826,406	1,966,859	770,698	20,564,902	943,075	669,441	1,521,780	342,759	603,025	1,868,263
Indirect Costs Recovered	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	5,420,591
Leases	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	3,915,752
Other	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	895,996
<b>Total Revenues</b>	<b>632,221,107</b>	<b>562,043,300</b>	<b>569,501,028</b>	<b>739,135,274</b>	<b>947,603,614</b>	<b>847,320,633</b>	<b>910,086,790</b>	<b>688,614,721</b>	<b>595,269,621</b>	<b>512,880,816</b>
<b>EXPENDITURES</b>										
Current Operating	324,229,088	319,598,748	340,643,689	404,980,082	-	-	-	-	-	-
Mission Support	-	-	-	-	112,631,686	109,436,655	107,521,245	102,689,836	97,584,202	94,765,560
Operations and Maintenance	-	-	-	-	107,005,090	112,187,086	140,170,271	119,992,071	112,283,074	125,507,410
Restoration	-	-	-	-	199,738,140	256,087,796	228,347,719	148,745,910	157,002,200	129,413,639
Water Supply	-	-	-	-	71,040,556	77,119,810	73,702,317	50,649,663	32,559,823	32,328,114
Capital Outlay	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	370,729,580
Debt Service										
Bond Principal Retirement	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	5,415,000
Bond Interest and Other Fiscal Charges	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	1,489,721
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	2,975,339
Bank Loan Interest	-	-	915,934	610,763	740,199	580,847	390,991	279,620	206,172	180,724
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	-	-	-	-	-	-	7,675,000	9,015,000	9,370,000	9,705,000
COPS Interest	-	-	-	-	-	10,091,807	26,579,294	26,268,593	25,923,546	25,539,177
<b>Total Expenditures</b>	<b>572,094,614</b>	<b>566,487,084</b>	<b>610,283,317</b>	<b>701,832,378</b>	<b>978,049,869</b>	<b>934,563,350</b>	<b>974,121,146</b>	<b>609,763,401</b>	<b>627,006,060</b>	<b>798,049,264</b>
<b>Revenues in Excess of (Less Than) Expenditures</b>	<b>60,126,493</b>	<b>(4,443,784)</b>	<b>(40,782,289)</b>	<b>37,302,896</b>	<b>(30,446,255)</b>	<b>(87,242,717)</b>	<b>(64,034,356)</b>	<b>78,851,320</b>	<b>(31,736,439)</b>	<b>(285,168,448)</b>



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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	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	143,735,575
Transfers Out	(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)	(143,735,575)
Land Acquisition Refunding Bonds Issues	23,810,000	34,550,000	-	-	-	-	-	-	-	-
Proceeds of Bond Issuance	-	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	2,460,629	-	-	-	26,081,797	-	-	-	-
Discount on Bonds Issued	(102,843)	-	-	-	-	(81,060)	-	-	-	-
Payment to Bond Escrow Agent	(21,900,000)	(35,370,000)	-	-	-	-	-	-	-	-
Proceeds of Bank Loan	9,000,000	4,827,374	-	8,000,000	82,000,000	-	-	-	-	-
Proceeds of Capital Leases	-	1,500,000	1,399,426	939,583	-	-	-	-	-	-
Proceeds of Certificate of Participation (COPS)	-	-	-	-	-	546,120,000	-	-	-	-
Total Other Financing Sources (Uses)	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	\$ 70,933,650	\$ 3,524,219	\$ (39,382,863)	\$ 46,242,479	\$ 51,553,745	\$ 484,878,020	\$ (64,034,356)	\$ 78,851,320	\$ (42,947,496)	\$ (285,168,448)
Debt Service as a percentage of noncapital expenditures <sup>1</sup>	2.21%	3.40%	4.90%	2.88%	2.65%	26.02%	8.42%	8.51%	9.57%	11.11%

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.

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Property Taxes	\$ 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	\$ 400,551,714
Agricultural Privilege Taxes	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	11,064,462
Intergovernmental	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	67,888,578
Investment Earnings	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	13,108,606
Licenses, Permits & Fees	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	8,166,854
Leases	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	3,915,752
Other	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	8,184,850
<b>Total</b>	<b>\$ 632,221,107</b>	<b>\$ 562,043,300</b>	<b>\$ 569,501,028</b>	<b>\$ 739,135,274</b>	<b>\$ 947,603,614</b>	<b>\$ 847,320,633</b>	<b>\$ 910,086,790</b>	<b>\$ 688,614,721</b>	<b>\$ 595,269,621</b>	<b>\$ 512,880,816</b>

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

Fiscal Year	Broward	Charlotte *	Collier	Miami-Dade	Glades	Hendry	Highlands *	Lee
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%
2011	77,688 18.87%	72 0.02%	28,407 6.90%	113,386 27.55%	356 0.09%	2,593 0.63%	427 0.10%	33,482 8.13%

\* 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	Okaloosha *	Orange *	Osceola *	Palm Beach	Polk *	St. Lucie	Total
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%
2011	10,582 2.57%	11,915 2.89%	891 0.22%	24,122 5.86%	10,901 2.65%	86,691 21.06%	818 0.20%	9,285 2.26%	411,616 100.00%

\* 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		
	District	Basin	Total	District	Basin	Total
2002	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2003	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2004	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2005	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2006	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2007	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2008	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2009	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2010	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2011	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814

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 <sup>1</sup>	Total Collections to Date	Percentage of Levy <sup>2</sup>
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	554,856,040	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%	11,526,724	453,695,633	98.6%	
2011	0.2549	0.3691	0.2265	399,025,958	384,381,001	96.3%	18,915,088	403,296,089	101.1%	

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

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

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

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

County	Just Value <sup>1</sup>	Taxable Value <sup>2</sup>	Taxable Value as a percentage of Just Value
Broward	\$ 180,749,926,763	\$ 130,575,319,216	72.24%
Charlotte *	162,005,474	118,995,839	73.45%
Collier	74,808,032,058	61,916,372,317	82.77%
Glades	3,652,323,691	592,735,941	16.23%
Hendry	5,369,147,093	1,812,568,091	33.76%
Highlands *	1,024,944,121	672,323,026	65.60%
Lee	70,351,061,296	55,923,873,007	79.49%
Martin	25,246,530,409	17,550,023,079	69.51%
Miami-Dade	265,572,390,727	194,187,972,510	73.12%
Monroe	27,477,022,009	19,773,673,591	71.96%
Okeechobee *	2,741,453,877	1,459,948,510	53.25%
Orange *	54,881,647,448	40,349,323,168	73.52%
Osceola *	28,292,018,751	18,103,430,819	63.99%
Palm Beach	166,960,572,123	127,409,023,003	76.31%
Polk *	1,940,927,274	1,336,552,439	68.86%
St. Lucie	23,543,369,919	15,369,771,269	65.28%
	<b>\$ 932,773,373,033</b>	<b>\$ 687,151,905,825</b>	<b>73.67%</b>

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

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

Just value is a legal synonym for "full cash value" or "fair market value".

<sup>2</sup> Source: South Florida Water Management District Budget Department, FY 2011 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 <sup>1</sup>	Personal Property <sup>2</sup>	Centrally Assessed Property <sup>3</sup>	Total	District Tax Rate <sup>4</sup>	Okeechobee Basin Tax Rate <sup>4</sup>	Total Direct Tax Rate <sup>5</sup>
2002	\$ 370,073,604,685	\$ 34,976,828,360	\$ 215,255,462	\$ 405,265,688,507	2.84	4.13	6.97
2003	414,399,307,427	36,399,225,671	219,964,194	451,018,497,292	2.84	4.13	6.97
2004	469,651,692,616	37,277,744,647	239,306,014	507,168,743,277	2.84	4.13	6.97
2005	535,652,622,464	37,581,256,994	249,689,014	573,483,568,472	2.84	4.13	6.97
2006	639,271,283,210	39,061,362,113	270,717,328	678,603,362,651	2.84	4.13	6.97
2007	803,519,922,519	41,423,176,998	284,238,697	845,227,338,214	2.84	4.13	6.97
2008	892,838,395,941	42,892,968,298	300,886,190	936,052,250,429	2.55	3.69	6.24
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	3.69	6.24
2010	742,675,388,669	40,715,092,253	399,210,940	783,789,691,862	2.55	3.69	6.24
2011	645,555,800,822	41,283,680,011	312,424,992	687,151,905,825	2.55	3.69	6.24

Note:

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

- <sup>1</sup> Real property refers to land, land improvements, and any buildings or structures located on the land.
- <sup>2</sup> Personal property includes property that can be moved from one location to another.
- <sup>3</sup> Centrally assessed property generally refers to properties that are assessed as a whole unit. A railroad is an example of centrally assessed property.
- <sup>4</sup> Tax rates are per \$1,000 of assessed value.
- <sup>5</sup> Tax rates are per \$1,000 of assessed value. Total direct tax rate represents the rate in 15 of the Districts 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.

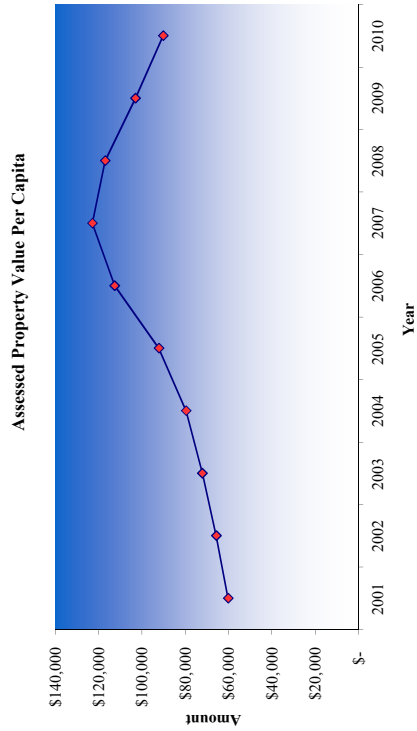


**Schedule 11**  
**South Florida Water Management District**  
**Assessed Value Per Capita**  
 Last Ten Calendar Years

	Calendar Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed Property Value <sup>1</sup> (in Billions)	\$ 405.3	\$ 451.0	\$ 507.2	\$ 573.5	\$ 678.6	\$ 845.2	\$ 936.1	\$ 894.7	\$ 783.8	\$ 687.2
District Population <sup>2</sup>	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
Assessed Property Value Per Capita	\$ 60,237	\$ 65,698	\$ 72,175	\$ 79,654	\$ 92,205	\$ 112,625	\$ 122,885	\$ 116,974	\$ 102,998	\$ 90,235

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

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



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

Taxpayer	2011			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	\$ 9,854,173,698	1	1.43%	\$ 6,331,743,321	1	0.93%
Walt Disney Company	6,982,356,990	2	1.02%	6,194,118,181	2	0.91%
Universal	1,409,256,323	3	0.21%	1,565,314,671	3	0.23%
Westgate Properties	1,209,727,221	4	0.18%	1,001,813,446	6	0.15%
Marriott Ownership Resorts, Inc.	1,045,241,015	5	0.15%	1,261,567,853	5	0.19%
Bellsouth Telecommunications, Inc.	1,005,695,318	6	0.15%	1,401,827,566	4	0.21%
Hilton Corporation	899,132,325	7	0.13%	-	-	-
Wyndham Resorts	664,943,356	8	0.10%	-	-	-
Progressive Energy	608,056,153	9	0.09%	396,000,000	10	0.06%
Orange Lake CC	598,955,058	10	0.09%	-	-	-
Vistana	-	-	-	580,584,834	7	0.09%
Florida Power Corporation <sup>1</sup>	-	-	-	572,654,709	8	0.08%
R H Resorts/Rosen Hotels	-	-	-	418,720,980	9	0.06%
<b>Totals</b>	<b>\$ 24,277,537,457</b>		<b>3.55%</b>	<b>\$ 19,724,345,561</b>		<b>2.91%</b>

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

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

<sup>1</sup> Florida Power Corporation now operates as 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 <sup>3</sup>	Per Capita <sup>4</sup>	Percentage of Assessed Value <sup>5</sup>
	Land Acquisition Bonds - WMLTF <sup>2</sup>	Land Purchases Payable	Capital Leases	Bank Loans	Certificates of Participation						
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 <sup>1</sup>	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	0.1898%	73.58	0.0715%	
2011	30,745,000	-	-	1,142,847	510,355,000		542,242,847	0.1764%	70.70	0.0789%	

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

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

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

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

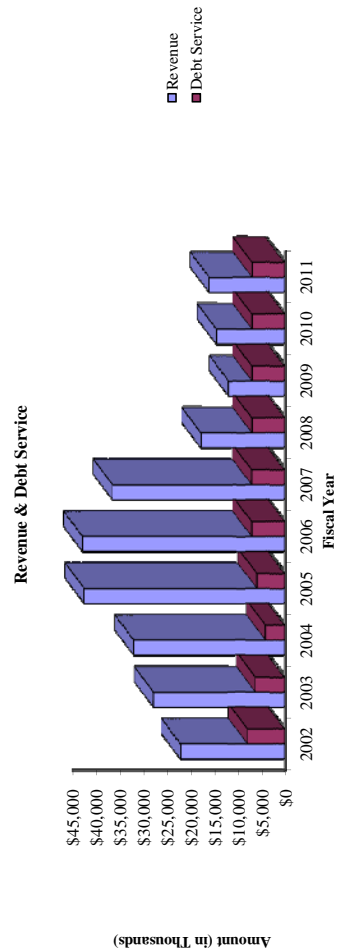
<sup>4</sup> Refer to Schedule 15 for population information.

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

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

Fiscal Year	Revenue				Debt Service			Coverage Ratio
	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Total Revenue	Principal	Interest	Total Debt Service	
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
2011	15,760,042	12,956	208,320	15,981,318	5,415,000	1,489,721	6,904,721	2.31

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 <sup>1</sup>	Personal Income (in thousands) <sup>2</sup>	Per Capita Personal Income	School Enrollment K - 12 <sup>3</sup>	Unemployment Rate <sup>4</sup>
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	295,290,827	38,774	1,084,184	11.7%
2011	7,669,381	307,349,120	40,075	1,096,048	10.9%

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

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

<sup>2</sup> Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce.

Final data for calendar year 2011 is currently unavailable. The figure shown for calendar year 2011 is the average of the first three quarters of the year. Fiscal year 2010 data has been updated using final figures.

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

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

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Broward	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	1,748,066
Charlotte *	743	760	785	770	802	823	6,300	6,287	6,302	6,079
Collier	277,457	292,466	306,186	317,788	326,658	333,858	332,854	333,032	333,554	321,520
Miami-Dade	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	2,496,435
Glades	10,664	10,729	10,733	10,729	10,796	11,055	11,323	11,311	11,330	12,884
Hendry	36,154	36,511	37,394	38,376	38,678	39,651	41,216	41,320	41,026	39,140
Highlands *	9,171	9,310	9,482	9,626	9,957	10,169	8,718	8,675	8,677	8,594
Lee	475,073	495,088	521,253	549,442	585,608	615,741	623,725	615,124	616,626	618,754
Martin	131,051	134,491	137,637	141,059	142,645	143,737	143,868	143,856	143,848	146,318
Monroe	81,140	80,537	81,236	82,413	80,510	78,987	76,081	77,925	78,150	73,090
Okeechobee *	35,820	36,491	37,244	37,010	37,893	38,249	39,203	38,909	38,918	39,196
Orange *	238,966	245,791	253,484	260,859	269,881	276,401	269,825	268,349	268,860	277,321
Oscola *	192,775	209,807	225,139	234,451	255,135	265,325	270,972	270,060	270,541	265,998
Palm Beach	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	1,320,134
Polk *	7,536	7,679	7,926	8,128	8,476	8,716	17,572	17,530	17,514	18,063
St. Lucie	203,360	211,898	226,216	240,039	259,315	271,961	276,585	272,864	274,363	277,789
<b>Total</b>	<b>6,864,738</b>	<b>7,027,363</b>	<b>7,199,934</b>	<b>7,359,652</b>	<b>7,504,525</b>	<b>7,617,705</b>	<b>7,648,679</b>	<b>7,609,852</b>	<b>7,615,667</b>	<b>7,669,381</b>

\* 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 (2002 - 2010).

Source: University of Florida, Bureau of Economic and Business Research (2011).

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

Calendar Year	Total Labor Force		Employed	Unemployed	Unemployment Rate (%)
2002	3,473,704	3,264,210	209,494	6.1	
2003	3,520,975	3,325,940	195,035	5.5	
2004	3,600,708	3,422,407	178,301	5.0	
2005	3,714,548	3,564,785	149,763	4.0	
2006	3,815,337	3,686,457	128,880	3.4	
2007	3,855,439	3,685,668	169,771	4.4	
2008	3,844,561	3,610,123	234,438	6.1	
2009	3,844,536	3,438,418	406,118	10.6	
2010 <sup>1</sup>	3,876,208	3,423,749	452,459	11.7	
2011 <sup>2</sup>	3,899,305	3,474,754	424,551	10.9	

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

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

<sup>2</sup> Final data for the calendar year 2011 is currently not available. The 2011 figures are based on the yearly average, with December figures being preliminary.

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





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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Authorized Positions <sup>1</sup>	1,771	1,771	1,771	1,771	1,771	1,784	1,808	1,828	1,842	1,933
Population <sup>2</sup>	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	7,669,381
Authorized Positions per 100,000 Population	26	25	25	24	24	23	24	24	24	25

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

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

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

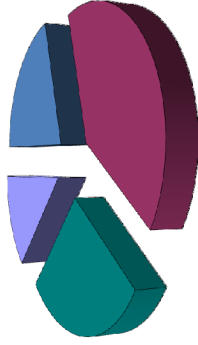
Resource Area / Major Program	Number of Employees per Program <sup>1</sup>	Percentage of Employees per Resource Area	Percentage of Employees District-wide
<b>Corporate Resources</b>			
Mission Support	201	99.01%	12.82%
Restoration	2	0.99%	0.13%
<b>Corporate Resources Total</b>	<b>203</b>	<b>100.00%</b>	<b>12.95%</b>
<b>Operations &amp; Maintenance Resources</b>			
Mission Support	1	0.15%	0.06%
Operations and Maintenance	558	84.42%	35.61%
Restoration	101	15.28%	6.45%
Water Supply	1	0.15%	0.06%
<b>Operations &amp; Maintenance Resources Total</b>	<b>661</b>	<b>100.00%</b>	<b>42.18%</b>
<b>Regulatory &amp; Public Affairs Resources</b>			
Mission Support	60	20.98%	3.83%
Operations and Maintenance	1	0.35%	0.06%
Restoration	34	11.89%	2.17%
Water Supply	191	66.78%	12.19%
<b>Regulatory &amp; Public Affairs Resources Total</b>	<b>286</b>	<b>100.00%</b>	<b>18.25%</b>
<b>Everglades Restoration &amp; Capital Projects Resources</b>			
Mission Support	3	0.84%	0.19%
Operations and Maintenance	50	13.97%	3.19%
Restoration	295	82.40%	18.83%
Water Supply	10	2.79%	0.64%
<b>Everglades Restoration &amp; Capital Projects Resources Total</b>	<b>358</b>	<b>100.00%</b>	<b>22.85%</b>
<b>Executive Office Resources</b>			
Mission Support	56	94.93%	3.59%
Operations and Maintenance	1	1.69%	0.06%
Restoration	1	1.69%	0.06%
Water Supply	1	1.69%	0.06%
<b>Executive Office Resources Total</b>	<b>59</b>	<b>100.00%</b>	<b>3.77%</b>
<b>District Total</b>	<b>1,567</b>		<b>100.00%</b>

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

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

Major Program	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Mission Support	431	427	438	445	445	321
Operations and Maintenance	626	622	653	647	658	610
Restoration	433	453	454	459	455	433
Water Supply	240	240	251	243	246	203
<b>District Total</b>	<b>1,730</b>	<b>1,742</b>	<b>1,796</b>	<b>1,794</b>	<b>1,804</b>	<b>1,567</b>

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



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

Notes: 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. Any subsequent restructuring has been adjusted for in the schedule

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

Permit Category	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Environmental Resource	2,304	2,353	2,547	2,690	2,706	2,229	1,673	1,423	1,917	1,656
Consumptive Use	1,623	1,983	2,476	2,541	2,503	3,806	3,037	2,638	2,818	2,144
SWIM & Everglades Works Of The District	84	37	9	20	78	51	12	4	5	26
Total Applications Received	4,011	4,373	5,032	5,251	5,287	6,086	4,722	4,065	4,740	3,826

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

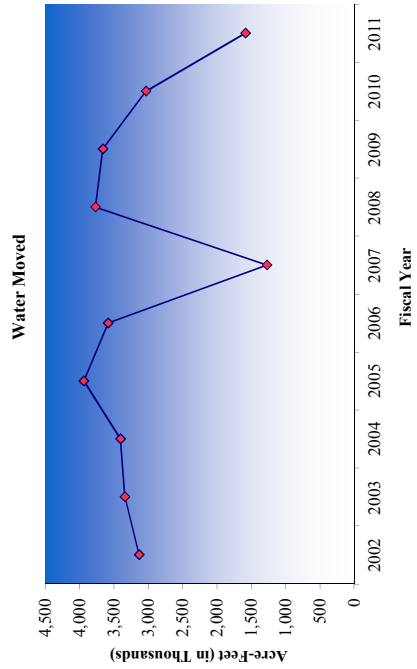
Schedule 23

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Acre-Feet (Thousands)	3,131	3,339	3,404	3,938	3,583	1,272	3,768	3,660	3,032	1,584

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

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



Schedule 24

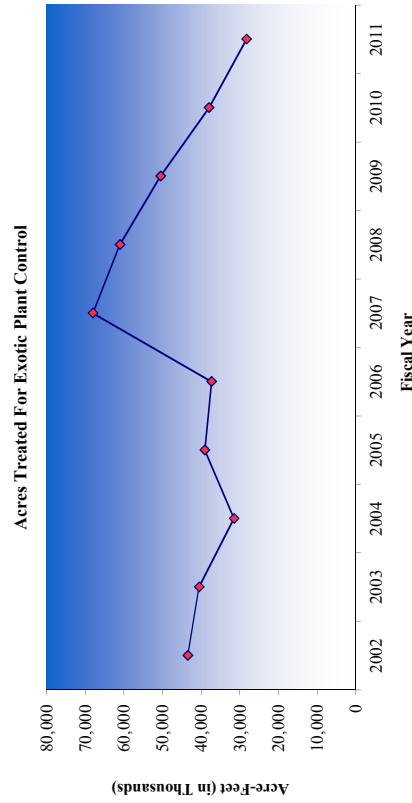
South Florida Water Management District

Exotic Plant Control

Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Acres treated	43,495	40,565	31,527	39,077	37,350	68,053	61,070	50,538	38,015	28,284

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

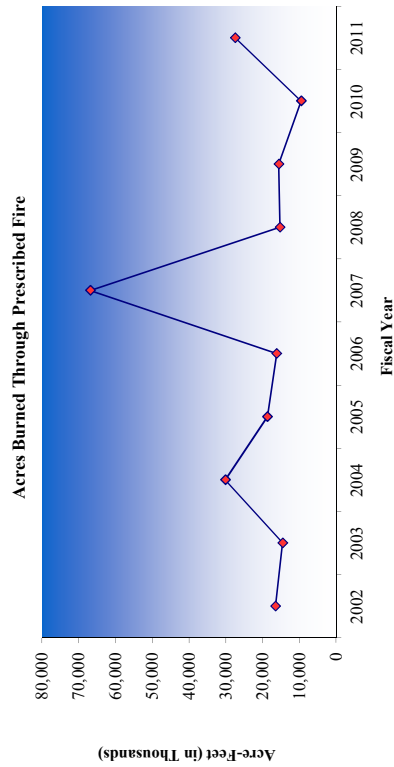


Schedule 25  
 South Florida Water Management District  
 Prescribed Burns  
 Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Acres burned	16,500	14,555	30,132	18,704	16,211	66,825 *	15,283	15,609	9,523	27,479

\* 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 Ten Water Years

	Water Year									
	1994-2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Metric tons of phosphorus removed	1,100	300	300	500	300	200	100	400	300	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	\$ -	\$ 1,523	\$ 7,500,011	\$ -	\$ 24,899,942	\$ 19,592,429	\$ 11,058,717	\$ 2,315	\$ -	\$ 63,054,937
Operations & Maintenance	995,643,196	7,619,377	46,771,312	373,547,841	40,787,582	899,258	25,073,632	9,400,170	291,788,088	1,791,530,456
Restoration	1,567,637,943	32,684,792	775,710,075	183,853,801	978,366	1,669,591	13,730,043	6,216,980	194,026,471	2,776,508,062
Water Supply	-	-	559,281	-	-	162,672	902,535	-	-	1,624,488
<b>District Total</b>	<b>\$ 2,563,281,139</b>	<b>\$ 40,305,692</b>	<b>\$ 830,540,679</b>	<b>\$ 557,401,642</b>	<b>\$ 66,665,890</b>	<b>\$ 22,323,950</b>	<b>\$ 50,764,927</b>	<b>\$ 15,619,465</b>	<b>\$ 485,814,559</b>	<b>\$ 4,632,717,943</b>

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



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# **DISCLOSURE SECTION**

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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**CONTINUING ANNUAL AND EVENT DISCLOSURES**

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

**DISTRICT AGREEMENT AND EFFECTIVE DATES**

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

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **ANNUAL FINANCIAL INFORMATION**

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

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

### **SECURITY FOR THE BONDS**

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

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

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

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

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

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

### **DOCUMENTARY STAMP TAX**

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

- The first 8% to the State of Florida General Revenue Fund to pay a portion of the costs of general government.
- The costs of collection and enforcement of the Documentary Stamp Tax are deducted by and for the use of the Department of Revenue.
- A portion of the then remaining Documentary Stamp Tax collections (including investment earnings) are required to be deposited in the Trust Fund.

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

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

<b>DOCUMENTARY STAMP TAX RATES AND TRUST FUND DISTRIBUTION</b>			
Year Effective	Tax (Per \$100) Stocks/Bonds/Mortgages	Tax (Per \$100) Deeds	Percent to Trust Fund
1963	\$0.15	-	-
1981	\$0.15	\$0.45	7.20%
1985	\$0.15	\$0.50	9.80%
1987	\$0.15	\$0.55	9.20%
1990	\$0.32	\$0.55	6.90%
1991	\$0.32	\$0.60	6.56%
1992	\$0.35	\$0.70	5.84%
2001	\$0.35	\$0.70	4.20%

### **FUNDING AND ALLOCATION OF THE TRUST FUND**

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

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

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

### **ESCROW AND RESERVE FUNDS**

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

- an Escrow Fund within the Trust Fund and
- a Surety Bond issued by AMBAC and held by the Trustee.

#### **Trust Fund Escrow**

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

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

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

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

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



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

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

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

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

#### **Lease Payments**

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

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

### ANNUAL DEBT SERVICE REQUIREMENTS

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

ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)				
Fiscal Years	Total	Series 2002	Series 2003	Series 2006
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	42.06	2.53	4.35	35.18
2016 - 2020	182.50	2.52 <sup>1</sup>	4.34 <sup>1</sup>	175.64
2021 - 2025	175.18			175.18
2026 - 2030	174.58			174.58
2031 - 2035	173.81			173.81
2036 - 2037	69.27			69.27 <sup>2</sup>
Totals	\$ 943.76	\$ 12.66	\$ 21.79	\$ 909.31

### AUDITED ANNUAL FINANCIAL STATEMENTS

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

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

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

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

### REQUIRED NOTICES

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

NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION		LAND ACQUISITION BONDS		CERTIFICATES
RULE SEC.	DESCRIPTION	SERIES 2002	SERIES 2003	SERIES 2006
(C)(1)	Principal and interest payment delinquencies.	None	None	None
(C)(2)	Non-payment related defaults.	None	None	None
(C)(3)	Unscheduled draws on debt service reserves reflecting financial difficulties.	None	None	None
(C)(4)	Unscheduled draws on credit enhancements reflecting financial difficulties.	None	None	None
(C)(5)	Substitution of credit or liquidity providers, or their failure to perform.	None	None	None
(C)(6)	Adverse tax opinions or events affecting the tax-exempt status of the security.	None	None	None
(C)(7)	Modifications to rights of security holders.	None	None	None
(C)(8)	Bond calls.	None	None	None
(C)(9)	Defeasances.	None	None	None
(C)(10)	Release, substitution, or sale of property securing repayment of the securities.	None	None	None
(C)(11)	Ratings changes.	(a)	(a)	(a)
(*)	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) During fiscal year 2011, Moody's Investor Services (Moody's) and Standard and Poor's (S&P) withdrew their ratings of the District's bond insurer, AMBAC Assurance Corporation. This rating was previously withdrawn by Fitch Ratings. In addition, during fiscal year 2011, S&P lowered its credit rating on the District's Certificates to AA from AA+. The rating on all District debt is based on the District's underlying "non-insured" rating for the current fiscal year as follows:

- Certificates of Participation, Series 2006, rated Aa2, 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.

On January 10, 2012, Fitch Ratings downgraded the rating on the District's COPS to AA- from AA. This downgrade is a reflection of the District's loss of significant revenue raising capacity due to the passage of Senate Bill 2142.



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