



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Fiscal Year Ended  
September 30, 2012





The Anhinga and Common Cooter Turtle basking on sun-warmed rocks. The Anhinga, also known as the snake bird is often seen with its wings outstretched drying its feathers. Its feathers are less water resistant than other birds allowing them to swim underwater.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

A Component Unit of the State of Florida

**Fiscal Year Ended September 30, 2012**

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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, 2012**

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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 2012**

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, 2012.

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, 2012 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 7.8 million people live within the District's boundaries. A map showing the geographic boundaries of the District can be found on page I-10.

### **GENERAL OPERATIONS**

The District's water management system includes roughly 1,969 miles of maintained canals and levees 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.

## **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 1.9 percent increase, compared to a .07 percent for the prior year. The District's population is expected to steadily increase from the 2012 rate by 5.2 percent through 2017, with the largest numerical increases through 2017 occurring in Lee, Miami-Dade, and Palm Beach Counties and the highest percentage growth rates occurring in Lee, Osceola, and St. Lucie Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida, along with the nation, continues to manage the slow economic conditions. The October 2012 unemployment rate for Florida was 8.2 percent compared to 10.2 percent (as adjusted) from a year ago; and 7.5 percent for the entire United States compared to 8.5 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 continued slow housing market and high rate of foreclosures will translate into continued reductions to property values in 2013.

The District's-adopted ad valorem millage rates decreased for fiscal year 2012, to a District-wide rate of .1785 for fiscal year 2012 compared to .2549 mills for the prior fiscal year. This decrease in millage rate is a reflection of the passage of Senate Bill 2142. The bill sets a maximum amount of revenue that can be raised each fiscal year by each of the five water management districts. The bill also provides that 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 tax revenue reverts to the amount authorized in the prior year. In addition, the District's ad valorem revenue growth is limited by the Property Tax Reduction and Reform bill passed by the Florida Legislature in June 2007, which required a reduction in taxes by all local governments and special taxing districts from three to nine percent, depending on their past per capita tax increases. This legislation also limited future year revenues by setting more stringent Governing Board voting requirements to increase agency millage rates. The District's 2012 budget reflected a 32.2 percent reduction in ad valorem property taxes levied, which equates to a decrease of \$128.3 million from the prior fiscal year.

## **MAJOR INITIATIVES**

### **EVERGLADES RESTORATION**

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

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

## 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 4,060 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 \$13.5 billion (at 2009 price levels, including subsequently authorized CERP revisions), according to the 2010 Report to Congress, half of which will be paid by the federal government. Through 2010, the State of Florida and the District have invested approximately \$2.4 billion towards this effort.

During 2005, the District launched 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 2012, proceeds from the certificates totaling \$559.4 million have been utilized to reimburse construction costs related to the projects.

### **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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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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 2012 totaled \$11.3 million.

### **FINANCIAL POLICIES**

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

In accordance with Senate Bill 2142 and budgetary guidance from the Florida Department of Environmental Protection and our Governing Board, the District has thoroughly evaluated its fiscal commitments in order to fulfill Executive and Legislative direction. The District has reduced taxes and directed its fiscal resources towards its core mission of flood control, water supply, water quality and natural systems. The District has established a five-year spend-down plan to dedicate accumulated reserves and cash balances toward further improvements in water storage and water quality in the northern and southern Everglades, Lake Okeechobee and the St. Lucie and Caloosahatchee watersheds, while ensuring sufficient reserves remain available to address hurricane or unanticipated flood control infrastructure emergencies. In addition, a long-range strategic plan is prepared annually which provides the District and the public it serves with a guide for successfully meeting the District's priorities for the next five years. The plan is used during the development of the annual operating budget and to achieve the long term goals of the District.

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

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



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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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, 2012, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A3, A+ and A by Moody's, S&P and Fitch Ratings, respectively. The total liability for the revenue bonds and the land acquisition bonds at September 30, 2012 is \$500.2 million and \$25.1 million, respectively. The District is obligated for payments on the COPS through fiscal year 2037, and on the bonds through fiscal year 2016.

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

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

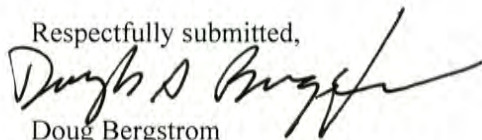
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2011. This was the twenty-second consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, satisfying both generally accepted accounting principles and applicable legal requirements.

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

### **ACKNOWLEDGMENTS**

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

Respectfully submitted,

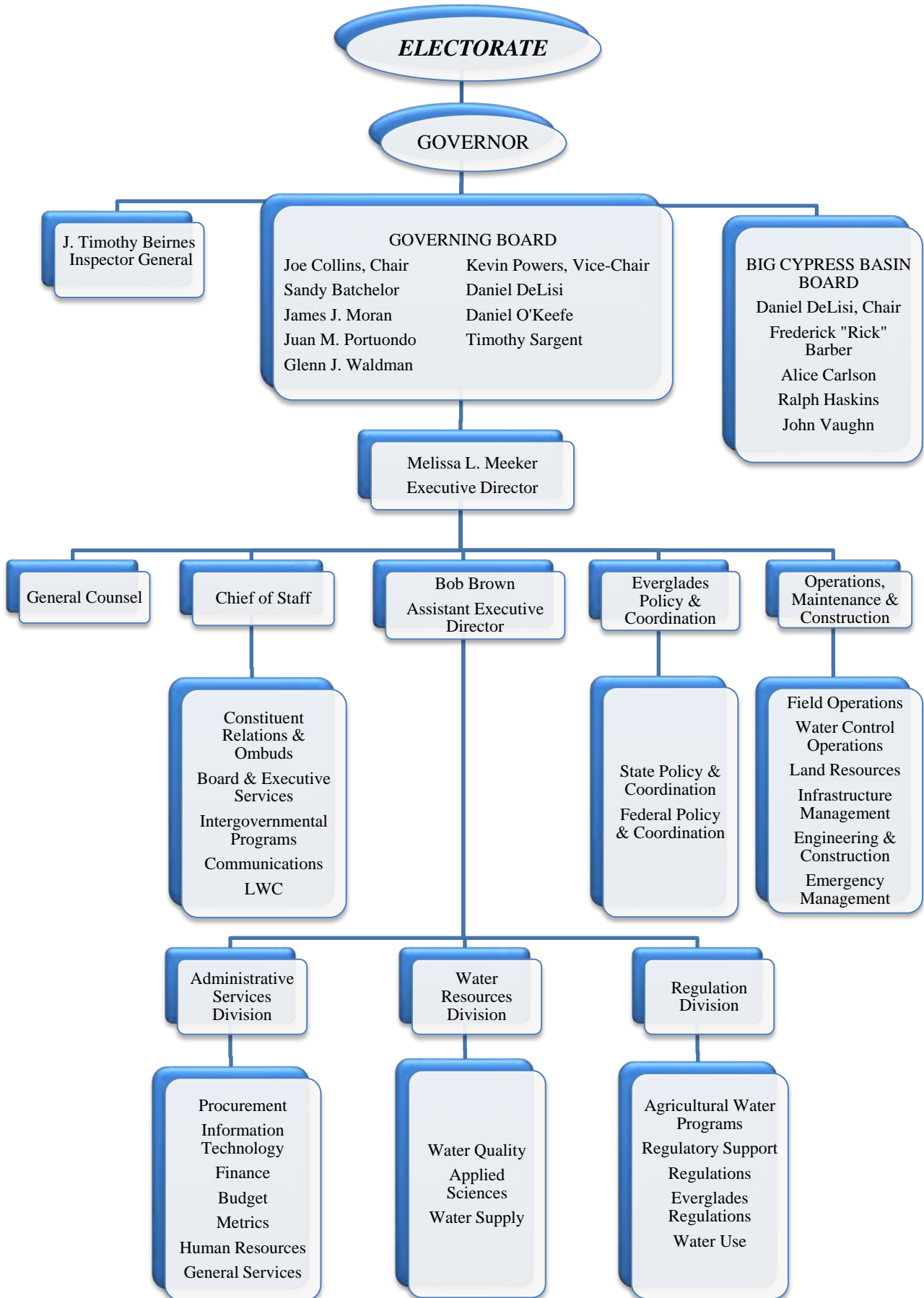


Doug Bergstrom  
Director of Administrative Services  
March 25, 2013



Christian Flierl, Chief  
Finance Bureau, Administrative Services

**ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICERS**



# 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, 2011

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.



*Christopher P. Mouill*

President

*Jeffrey R. Emer*

Executive Director

## South Florida Water Management District Geographic Boundaries



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

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

# **FINANCIAL SECTION**





## 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, 2012, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2013, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, the budgetary comparison schedules, the statistical and disclosure sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and the budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and the statistical and disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*McGladrey LLP*

West Palm Beach, Florida  
March 25, 2013



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

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 end September 30, 2012. 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 2012 by approximately \$4.6 billion.
- Net assets increased approximately \$4.4 million, or less than 1.0 percent during the year, remaining stable at \$4.6 billion at September 30, 2012.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12.8 million, or about 11.3 percent of total General Fund expenditures.
- The District's total capital assets increased by \$28.0 million during the current fiscal year. This increase resulted primarily from construction of various projects.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**Government-wide financial statements**

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

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

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

**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 37 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, Everglades Trust Fund, and COPS Everglades Forever Act Fund, all of which are considered to be major funds. Data from the other 33 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-8 of this report.

Individual fund data for each of the 33 non-major governmental funds is provided in the form of combining statements on pages V-5 to V-22 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, 2012**

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-9 to III-11 of this report.

Individual fund data for each of the two proprietary funds is provided in the form of combining statements on pages V-60 to V-62 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 and Okeechobee Basin Special Revenue Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these two 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-4. Budgetary comparison schedules for the other governmental funds are presented on pages V-24 to V-58 of this report.

**Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages III-13 to III-44 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net 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 \$4.4 million from the prior fiscal year. By far, the largest portion of the District's net assets (90.2 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 (8.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (1.8 percent) of net assets relates to the unrestricted portion. At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets.

The balance of current and other assets at the end of fiscal year 2012 decreased from the prior year balance, reflecting a net decrease of \$56.2 million. A number of variances contributed to the net decrease, the most significant of which are lower restricted cash balances, which decreased \$32.1 million. This decrease in restricted cash is due to the District utilizing its cash balances of proceeds from the issuance of Certificates of Participation (COPS) for construction projects related to the COPS. The decrease in amounts due from other governments corresponds with the decrease in intergovernmental revenues, as more fully discussed on page

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

II-8. Total liability obligations saw a decrease of \$32.6 million. This decrease is primarily a net effect of the pay-down of outstanding debt (\$18.6 million) and a decrease in accounts payable balances of \$14.8 million. Together, the changes in current assets and total liabilities between fiscal years represents the significant portion of the change in restricted and unrestricted net assets, which shows a net decrease of \$10.8 million.

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

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

	2012	2011
Current and Other Assets	\$ 605,236,159	\$ 661,433,624
Capital Assets, Net	4,660,695,513	4,632,717,943
 Total Assets	 5,265,931,672	 5,294,151,567
 Current and Other Liabilities	 51,346,602	 67,381,839
Long-term Liabilities Outstanding	586,243,767	602,846,222
 Total Liabilities	 637,590,369	 670,228,061
 Net Assets:		
Invested in Capital Assets, Net of Related Debt	4,172,534,665	4,157,311,051
Restricted	372,350,898	398,604,384
Unrestricted	83,455,740	68,008,071
 Total Net Assets	 \$ 4,628,341,303	 \$ 4,623,923,506

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

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

	<u>2012</u>	<u>2011</u>
Revenues		
Program Revenues		
Charges for Services	\$ 23,657,278	\$ 22,637,635
Operating Grants and Contributions	16,579,862	31,324,796
Capital Grants and Contributions	55,323,556	23,358,095
General Revenues		
Property Taxes	284,658,287	411,616,176
Investment Earnings	8,611,844	13,693,847
Other	<u>1,051,963</u>	<u>2,162,878</u>
Total Revenues	<u>389,882,790</u>	<u>504,793,427</u>
Expenses		
Land Stewardship	\$ 17,230,408	\$ 19,904,631
Mission Support	59,451,321	121,213,117
Modeling and Scientific Support	10,229,236	13,971,307
Operations and Maintenance	130,821,218	114,110,183
Regulation	20,960,963	17,749,848
Restoration	106,379,179	101,581,225
Water Supply	15,496,110	10,335,709
Interest on Long-Term Debt	<u>24,896,558</u>	<u>25,608,163</u>
Total Expenses	<u>385,464,993</u>	<u>424,474,183</u>
Increase in Net Assets	4,417,797	80,319,244
Net assets – Beginning of fiscal year	<u>4,623,923,506</u>	<u>4,543,604,262</u>
Net assets at End of Year	<u>\$ 4,628,341,303</u>	<u>\$ 4,623,923,506</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Property taxes** continue as the District's primary source of revenue. For fiscal year 2012, revenue from property taxes totaled \$284.7 million of which \$11.5 million represents Agricultural Privilege Taxes. This reflects a decrease of \$127.0 million, or 30.8 percent, from fiscal year 2011. This decrease is a reflection of the passage of Senate Bill 2142, which set a maximum amount of revenue that that could be raised by the District each fiscal 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 2012 tax revenues derived from the Agricultural Privilege Tax remained consistent with the prior fiscal year's level of \$11.1 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 \$23.7 million for fiscal year 2012, an increase of \$1.0 million. This increase is primarily due to an increase in license and permit fees received by the District.

**Operating grants and contributions** totaled \$16.6 million for fiscal year 2012, a decrease of approximately \$14.7 million from the prior fiscal year. The majority of this decrease is due to recognizing \$9.8 million less revenue in fiscal year 2012 from the State of Florida, Department of Environmental Protection, for the Construction of Lakeside Ranch Stormwater Treatment Area and the Northern Everglades and Estuary Protection Program (NEEPP) due to the completion of the construction phase of these multi-year projects during fiscal year 2012. Additionally, the District recognized \$3.6 million less revenue in fiscal year 2012 from Florida Inland Navigation District who funded the final Phase II of the Manatee Pocket Dredging project in 2011.

**Capital grants and contributions** totaled \$55.3 million for fiscal year 2012, an increase of approximately \$32.0 million from fiscal year 2011. This increase is primarily due to recognizing approximately \$29.3 million of revenue related to the contribution of capital assets. In addition, there was a net increase of \$13.6 million in reimbursements for various capital projects from the Save Our Everglades Trust Fund, offset by a decrease of \$14.1 million in revenue from the State of Florida, Department of Environmental Protection for reimbursement for land purchases.

**Investment earnings** during fiscal year 2012 decreased by approximately \$5.1 million to \$8.6 million from the previous fiscal year 2011 level of \$13.7 million. The majority of this decrease is attributed to reduced market gains recognized on the District's pooled investments as well as a decrease in the overall investment portfolio balance upon which earnings are based, primarily due to the reduction in property tax revenues realized.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Other Revenue** totaled \$1.1 million for fiscal year 2012, and consists primarily of miscellaneous revenue not otherwise designated. The net decrease of approximately \$1.1 million from fiscal year 2011 is primarily attributed to a decrease in the District's indirect cost allocation.

**Program Expenses** related to the Mission Support, Operations and Maintenance, and Restoration Programs totaled approximately \$296.7 million or 77.0 percent of the \$385.5 million in total expenses for fiscal year 2012. These three largest District programs and their significant variances are discussed below. During fiscal year 2012 the District underwent significant restructuring of its organizational and management structure. One of the outcomes of this restructuring was the District going to seven programs from a four program structure. For purposes of comparison, the fiscal year 2011 data has been restated to reflect the fiscal year 2012 structure.

**Mission Support Program** expenses decreased \$61.7 million, or 51.0 percent, from \$121.2 million in fiscal year 2011 to \$59.5 million in fiscal year 2012. The most significant variance contributing to the net decrease resulted from a \$24.0 million decrease in health claims paid as a result of moving claims payments from Mission Support to the program in which the employee's related salary and benefits are recorded in. Further, there was a \$16.2 million decrease in salary and benefits in this program resulting primarily from workforce reductions. Other decreases in expenditures were realized in information technology of \$6.8 million, tax collector fees of \$3.7 million, indirect cost recoveries of \$3.5 million, and rent expenditures of \$1.4 million, all directly in response to or related to the fiscal year 2012 property tax reduction.

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 2012 was \$130.8 million, an increase of \$16.7 million, or 14.6 percent from the \$114.1 million (as restated) in fiscal year 2011. A number of offsetting variances within the Program contributed to the net increase in expenses. The most significant included an increase of \$10.6 million in health insurance claims paid as a result of moving claims payments from the Mission Support Program to the program where employees time is charged, a \$4.3 million increase in maintenance and repairs, a \$3.3 million increase in fuel costs, and a \$3.0 million increase in tax collector fees. These increases were offset by a \$2.8 million decrease in retirement benefits paid and a \$2.2 million decrease in professional contract services.

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. 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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Capital projects completed or significantly under way included Moore Haven Telemetry Tower; C-41A Canal Bank Stabilization Segments 1, 2 & 3; Golden Gate 6 & 7 Replacement; G-78, G-79 & G-81 Automation; S-197 Replacement (ongoing); S-193 Navigation Lock Replacement (ongoing); and East Coast Protective Levee Repairs (ongoing). Other tasks including ongoing exotic plant control, mowing, and vehicle inspection and maintenance programs remained on schedule and within budget.

**Restoration Program** expense increased by \$4.8 million, or 4.7 percent, from the prior year to \$106.4 million. This net increase is due to increases and decreases among the multiple projects which are included in the Restoration Program, the most significant being a \$32.9 million retirement of assets in the Everglades Agricultural Area. This increase in expenditures was offset by various decreases including \$15.0 million for intergovernmental projects, including Local Initiatives - SLRIT (\$4.8 million), Picayune Strand Restoration Project (\$3.0 million), the C-44 Reservoir/STA Project (\$1.7 million), Hybrid Wetland Treatment Technology (HWTT) Project (\$1.5 million), as well as \$9.3 million related to various contract services including land management, engineering, monitoring, and professional services, \$4.2 million of salary and benefits as a result of workforce reductions, and a \$1.9 million reduction in indirect cost reimbursements.

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: Completed construction of the Frog Pond Detention Area, Aerojet Canal Detention Area, S-199 Pump Station, and S-200 Pump Station all relating to the C-111 Spreader Canal Western Project; substantially completed construction on Compartments B and C to add approximately 11,500 acres of effective treatment area to the existing acres of working marsh; completed construction of Lakeside Ranch Stormwater Treatment Area Phase I; and completed production of the 2012 South Florida Environmental Report (SFER).

## **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.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

**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 \$82.1 million, of which \$61.4 million was either assigned or unassigned, \$0.2 million was considered nonspendable, and \$20.5 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 54.4 percent of the General Fund expenditures totaling \$112.7 million, while total fund balance represents 72.9 percent of that same amount. Revenues exceeded expenditures by \$7.0 million and the General Fund had net operational transfers to other funds amounting to \$12.7 million, resulting in a net decrease in fund balance of \$5.7 million.

Total revenues in the General Fund decreased approximately \$59.7 million from the prior year. The majority of this decrease is related to a reduction in property tax revenue of \$53.1, attributable to the passage of Senate Bill 2142, which caps the Districts ad valorem tax revenue.

Total expenditures decreased approximately \$38.0 million, or 25.2 percent, in fiscal year 2012 to \$112.7 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 \$19.9 million in other financing uses for fiscal year 2012. Transfers-out in the amount of \$15.7 million went to the CERP Fund, representing the General Fund's 2012 annual contribution to CERP to fund planned capital projects, with additional transfers-out of \$4.2 million to the District's Capital Projects Fund to fund District-wide capital projects.

**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, 2012 was \$116.6 million, an increase of \$27.0 million from fiscal year 2011. Revenues in excess of expenditures of \$8.9 million were supplemented by an \$18.1 million increase related to net transfers into the fund. Total revenues in the Okeechobee Basin Special Revenue Fund decreased \$52.9 million from the previous fiscal year. This decrease is due primarily to a decrease in property tax revenues of \$53.1 million resulting from the passage of Senate Bill 2142. Total expenditures increased by \$1.8 million, or 1.6 percent in fiscal year 2012 to \$109.7 million.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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For fiscal year 2012, operating transfers-out totaling \$6.8 million went to the Okeechobee Basin Capital Projects Fund to support scheduled capital improvement projects and transfers into the fund totaled \$24.9 million, of which \$7.6 million originated from the Okeechobee Basin Capital Projects Fund and \$17.3 million from the CERP Capital Projects Fund. These transfers-in were the result of the District's financial reporting initiative in fiscal year 2012 to account for capital outlay expenditures exclusively in capital projects fund types and non-capital (operating) expenditures in special revenue fund types. The transfers were essential in facilitating this effort by redirecting fund balance from the two noted capital projects funds to the Okeechobee Basin Special Revenue Fund.

**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 .0624 mill tax levy, non-ad valorem tax assessments to property owners in the EAA, state and federal contributions, and interest earnings.

During fiscal year 2012, the fund balance of the Everglades Trust Fund decreased \$4.8 million to \$103.2 million at fiscal year end. Several factors contributed to this decrease.

Total revenues in the Everglades Trust Fund decreased by \$30.4 million to \$20.8 million. This decrease was primarily due to a \$23.4 million decrease in ad valorem property tax revenues resulting from the passage of Senate Bill 2142. In addition, during fiscal year 2012 a portion of the agricultural privilege tax was designated for the operations and maintenance of the STAs with such amount (\$6.6 million) being recorded as revenue in the Everglades Restoration Trust Special Revenue Fund.

Total expenditures decreased by approximately \$17.6 million in fiscal year 2012 to \$24.9 million. This decrease was attributable to expenditures of approximately \$18.3 million related to the operations of the Stormwater Treatment Areas being accounted for in the Everglades Restoration Trust Special Revenue Fund during fiscal year 2012 as a result of a change in accounting practice designed to capture and account for capital outlay expenditures in capital projects fund types and operational costs in special revenue fund types exclusively.

For fiscal year 2012, operating transfers out of the fund totaled \$0.7 million which represents the portion of fund balance at the end of fiscal year 2011 required to support on-going operations and maintenance costs of the STAs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**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 2012, the fund balance decreased by \$17.8 million to \$20.8 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 \$117.0 million and \$155.8 million, respectively. Budgeted revenues were equal to the original adopted budget for fiscal year 2012, while budgeted expenditures decreased slightly (approximately \$1.8 million) from the original budget. Actual revenues were \$2.7 million (2.3 percent) greater than the budget.

At the end of fiscal year 2012, the General Fund's budget for Administrative Services and Executive Offices reflected \$7.7 million remaining as available balances. The largest percentage of this unspent balance resides in the Mission Support (\$2.7 million) and Restoration Programs (\$4.0 million). The unspent budget authority in Mission Support is related to unspent operating expenditures budgeted for tax collector/assessor fees (\$1.7 million), outstanding encumbrances related to information technology, facilities maintenance, and legal and audit services (\$2.7 million), offset by a decrease in the budgeted indirect cost reimbursement (\$1.7 million). The unspent budget authority in Restoration is primarily related to outstanding encumbrances for Lakes Park Restoration, Mirror Lakes/Halfway Pond Rehydration, the Central Everglades Planning Study, and other projects (\$1.6 million), and lower indirect costs (\$1.7 million).

At the end of the fiscal year, the General Fund's budget for Water Resources reflected \$1.9 million remaining as available, with the largest variance in the Restoration Program. The majority of this remaining balance is related to a reduction in personnel services (\$1.1 million). Other variances are related to outstanding encumbrances related to CERP monitoring and recovery, the C-111 Spreader Canal, and other continuing projects.

The final amended General Fund budget included \$31.6 million in reserves comprised of managerial reserves of \$15.9 million and \$15.7 million in contingency reserves. The District does not expend funds directly out of managerial or contingency reserve accounts. The use of this funding requires Governing Board budget transfer approval, authorizing the movement of budget authority out of managerial reserves and/or contingency reserves to a District program within a resource area's operating or capital budget.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of September 30, 2012, the District's investment in capital assets, net of accumulated depreciation, was \$4.7 billion, up \$28.0 million from \$4.6 billion at the end of fiscal year 2011. 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>		
	2012	2011
Land	\$ 2,561,571,235	\$ 2,563,281,139
Easements	51,399,488	40,305,692
Canals and Levees	565,065,940	557,401,642
Buildings	83,130,106	66,665,890
Intangibles	17,912,044	22,323,950
Equipment	47,513,298	50,764,927
Improvements	14,751,941	15,619,465
Water Control Structures	516,368,173	485,814,559
Construction in Progress	802,983,288	830,540,679
Total	\$ 4,660,695,513	\$ 4,632,717,943

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

**Construction in Progress Highlights**

The District's investment in construction in progress decreased \$27.6 million during fiscal year 2012. This change is primarily due to the net effect of the following:

- \$54.2 million expended on continuing projects as follows:
  - \$ 9.9 million expended on construction for STA - Compartment C Buildout.
  - \$ 8.6 million expended on construction for STA - Compartment B Buildout.
  - \$ 5.3 million expended on construction for Lakeside Ranch STA.
  - \$ 3.7 million expended on S-193 lock refurbishing.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

- \$ 3.6 million expended on various pump station modifications.
- \$ 3.3 million expended on S-197 replacement.
- \$ 2.5 million expended on PC01, PC05 and PC10 project culverts.
- \$17.3 million on other continuing projects.
- \$46.4 million related to completed projects which were transferred out of construction in progress, the most significant being:
  - \$11.6 million for lock refurbishments (water control structures).
  - \$ 9.7 million for the environmental service laboratory (buildings).
  - \$ 3.7 million for Emergency Operations Command Data Center enhancements (buildings).
  - \$ 3.0 million for telemetry tower replacements (buildings).
  - \$ 2.9 million for S-124 culvert replacement (water control structures).
- \$35.4 million related to retired projects which were transferred out of construction in progress, the most significant representing assets retired in the Everglades Agricultural Area (EAA) project.

**Water Control Structure Highlights**

The District's investment in water control structures increased \$30.6 million during fiscal year 2012, \$14.5 million of which was transferred from construction in progress. The remaining change is primarily due to the effect of the following:

- \$13.3 million for the S-68X Spillway Addition.
- \$ 1.7 million related to the enhancement of the C-11 Spreader Canal.
- \$ 1.1 million on other continuing projects.

Additional information on the District's capital assets can be found in Note 9 on page III-31 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

**LONG-TERM DEBT ADMINISTRATION**

At the end of fiscal year 2012, the District had \$525.3 million in total outstanding long-term debt, representing a decrease of \$16.9 million from the prior year. The balance is comprised of bonds and Certificates of Participation (COPS).

**Long-term Debt Outstanding**

	2012	2011
Special Obligation Land Acquisition Bonds	\$ 25,090,000	\$ 30,745,000
Bank Loans	-	1,142,857
Certificates of Participation	500,220,000	510,355,000
Total	\$ 525,310,000	\$ 542,242,857

The Special Obligation Land Acquisition Refunding Bonds Series 2002 (\$9.4 million) and Series 2003 (\$15.7 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.

During fiscal year 2012, the outstanding balance on commercial bank debt was paid in full. This amount represented 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 2012 was \$500.2 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. During fiscal year 2012 Moody's and Fitch lowered their credit rating on the District's COPS to Aa2 to Aa3 and from AA to AA-, respectively. In addition, Moody's lowered its ratings on the District's Land Acquisition Bonds from A1 to A3. This lowering is a reflection of the passage of Senate Bill 2142, which diminishes the District's financial flexibility by placing 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, 2012, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A3, A+ and A by Moody's, S&P and Fitch Ratings, respectively. A bond rating indicates the investment quality of the bonds, which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District strives to maintain superior bond rating for its obligations in order to realize more favorable borrowing costs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

**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-32 through III-34 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

**Economic Outlook**

As in prior fiscal years, ad valorem property taxes continue to be the District's largest single, ongoing source of revenue. Approximately 47.3 percent of the District's fiscal year 2013 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District decreased by 3.1 percent from \$687.2 billion in 2011 to \$665.6 billion in 2012. Ad valorem taxes projected for fiscal year 2013 are \$268.1 million, an estimated \$2.6 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 sections 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 water district may raise in the next fiscal year through its ad valorem tax. For fiscal year 2012, the bill limited the total ad valorem taxes that may be levied by the District to \$284,901,967. In May 2012, Senate Bill 1986 was signed into law which eliminated the maximum revenue limit originally set by SB 2142. The District's fiscal year 2013 budget is based on a rolled-back millage rate to maintain baseline ad valorem revenue at \$270.7 million. Rolled-back millage rates do not provide a continuation level of baseline Ad Valorem revenue due to reduced prior year taxable values. The proposed rates will generate \$266.0 million in baseline revenues, plus \$2.1 million of new construction, for total ad valorem revenue of \$268.1 million. SB 2142 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, the District has directed its fiscal resources, including accumulated reserves, toward its core mission of flood control, water supply, water quality and natural systems.

The remaining revenue budget includes anticipated funding from state and federal sources, as well as from fees and investment earnings. State revenues, which are the District's second major source of revenue, are projected to increase by approximately 26.3 percent, or \$17.7 million. This increase is due to a budgeted increase in Save Our Everglades Trust Fund revenue resulting from appropriating prior year fund balance for the fiscal year 2013 budget. This increase is offset by a decrease in funding related to melaleuca and exotic plant revenue and no new state appropriations for alternative water supply or water quality projects from the Water Protection and Sustainability Trust Fund.

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 relative 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 2013 fiscal year.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**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**

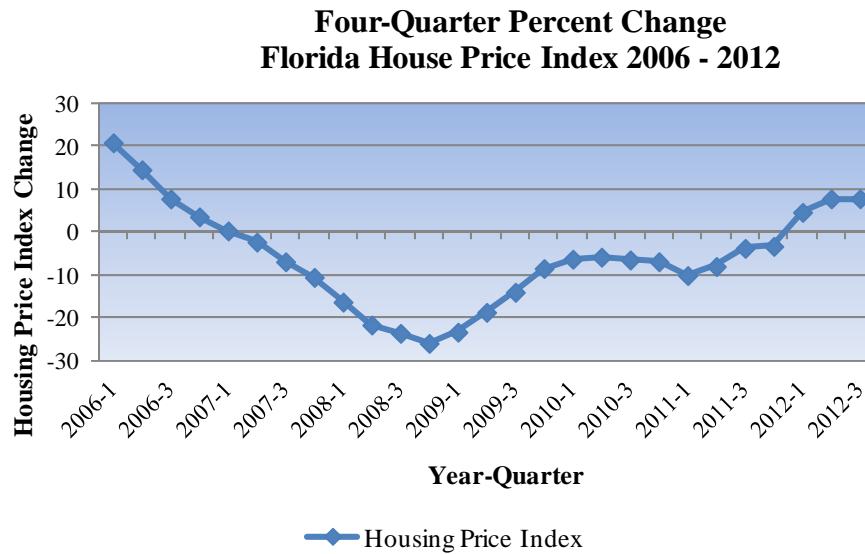
According to RealtyTrac®, the leading online marketplace for foreclosure properties, foreclosure filings, which includes default notices, scheduled auctions, and bank repossessions were reported on 531,576 properties in the third quarter of 2012, a decrease of 5.0 percent from the previous quarter and a decrease of 13.0 percent from the third quarter of 2011. Their report shows one in every 248 U.S. housing units had a foreclosure filing during the quarter. Florida's foreclosure activity for the third quarter increased 14.0 percent from a year ago, the third consecutive quarter with an annual increase, causing Florida's foreclosure rate to be the highest in the nation. One in every 117 Florida housing units had a foreclosure filing in the third quarter, more than twice the national average. Florida foreclosure starts in September 2012 increased 24.0 percent from a year ago, the 11th straight month with an annual increase.

Seven Florida cities, three within District boundaries, posted foreclosure rates in the top 20 for foreclosure filings in the third quarter: Lakeland, with one in every 116 housing units; Orlando-Kissimmee, with one in every 106 housing units; and Miami/Fort Lauderdale, with one in every 100 housing units.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**Home Prices**

The Federal Housing Finance Agency's House Price Index indicates that home prices have increased 7.9 percent in Florida since September 2011. This is an improvement from the decrease of 3.39 percent (adjusted) in home prices 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 refinancing on the same properties. Below is a graph which shows the trend in the Florida house price index from 2006 to present.



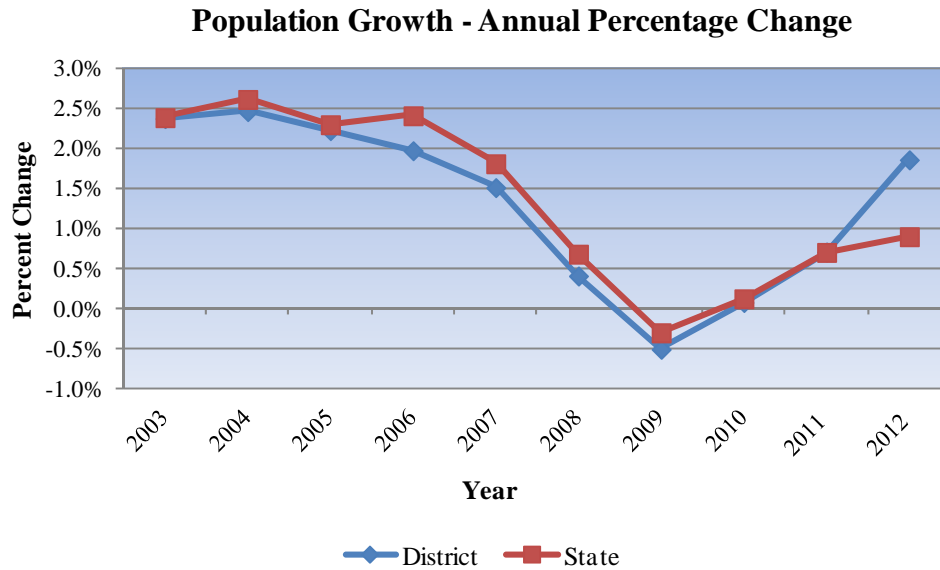
**Source: Federal Housing Finance Agency**

**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.

In 2012, the District's population increased slightly by 1.8 percent, compared to the prior year's increase of 0.71 percent. Over the past ten years (2003 to 2012) the population growth across the District averaged 1.31 percent. The rate of population growth within the District's boundary is consistent with the state-wide trend as shown below:

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**



**Source: Florida Demographic Estimating Conference, August 2011**

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

At the end of fiscal year 2012, the total assigned and unassigned fund balance in the General Fund is \$61.4 million. This represents a decrease of \$11.6 million or approximately 15.9 percent from the amount reported in fiscal year 2011. The District has appropriated \$41.9 million of the \$61.4 million for spending in the fiscal year 2013 budget.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

**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 2013 adopted millage rates have been reduced from the fiscal year 2012 rates. Beginning in fiscal year 2013, all property owners within the District's boundaries will be assessed a lower District-at-Large millage rate of .1757 mills, reduced from the prior year's rate of .1785 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1919 mills and the Everglades Construction Project tax rate of .0613 mills, both of which are reduced from the fiscal year 2012 rates of .1954 and .0624, respectively, for a combined tax assessment of .4289 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .1633 mills, which remains unchanged from the fiscal year 2012 rate and the District-at-Large tax rate of .1757 mills, for a combined tax assessment of .339 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 2013 totals \$567.3 million, a decrease of approximately \$1.9 million from the fiscal year 2012 amended budget of \$579.2 billion.

**Requests for Information**

The District's basic financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's 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, 2012

	<u>Total Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$436,309,197
Accounts Receivable	1,189,723
Due from Other Governments	8,570,583
Inventory	6,381,079
Prepays	595,988
Other Assets	4,966,782
Restricted Assets:	
Temporarily Restricted - Cash and Investments	133,206,681
Permanently Restricted - Cash and Investments	14,016,126
Capital Assets	
Land and Easements	2,612,970,723
Construction In Progress	802,983,288
Canals and Levees	565,065,940
Other Capital Assets, Net of Depreciation	<u>679,675,562</u>
Total Assets	<u>5,265,931,672</u>
<b>LIABILITIES</b>	
Accounts Payable	50,590,917
Due to Other Governments	62,690
Unearned Revenue	692,995
Noncurrent Liabilities:	
Due Within One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	5,975,420
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	12,126,694
Compensated Absences	9,991,200
Self Insurance Claims Payable	2,653,532
Due in More Than One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	19,333,395
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	504,232,927
Compensated Absences	6,720,800
OPEB Obligation	21,119,936
Self Insurance Claims Payable	<u>4,089,863</u>
Total Liabilities	<u>637,590,369</u>
<b>NET ASSETS</b>	
Invested In Capital Assets, Net of Related Debt	4,172,534,665
Restricted for:	
Debt Service	29,482,154
Wetlands Mitigation	
Expendable	22,168,650
Nonexpendable	14,016,126
Environmental Programs	278,835,411
Capital Construction	27,848,557
Unrestricted	<u>83,455,740</u>
Total Net Assets	<u><u>\$4,628,341,303</u></u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2012

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Land Stewardship	\$17,230,408	\$11,616,667	\$1,000,814	\$32,827	(\$4,580,100)
Mission Support	59,451,321	9,140,164	784,356	9,585,221	(39,941,580)
Modeling and Scientific Support	10,229,236	-	20,170	-	(10,209,066)
Operations and Maintenance	130,821,218	115,421	9,852,785	-	(120,853,012)
Regulation	20,960,963	2,785,026	26,945	-	(18,148,992)
Restoration	106,379,179	-	4,824,792	45,705,508	(55,848,879)
Water Supply	15,496,110	-	70,000	-	(15,426,110)
Interest on Long Term Debt	24,896,558	-	-	-	(24,896,558)
Total	\$385,464,993	\$23,657,278	\$16,579,862	\$55,323,556	(289,904,297)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					236,860,170
Property Taxes, Levied for Everglades Restoration					47,798,117
Investment Earnings					8,611,844
Miscellaneous					1,051,963
					294,322,094
Change in Net Assets					4,417,797
Net Assets at Beginning of Year					4,623,923,506
Net Assets at End of Year					\$4,628,341,303

See Accompanying Notes to the Financial Statements



South Florida Water Management District  
 Balance Sheet  
 Governmental Funds  
 September 30, 2012

	General	Okeechobee Basin SR	Everglades Trust Fund
<b>ASSETS</b>			
Cash and Investments	\$91,100,362	\$117,560,560	\$91,269,356
Cash Held by Trustee	-	-	12,739,766
Accounts Receivable	215,609	201,274	175,571
Due from Other Governments	1,421,396	1,581,172	20,564
Due from Other Funds	-	2,250,279	-
Inventory	201,145	6,117,827	-
Other Assets	45,000	-	-
	<b>Total Assets</b>	<b>\$127,711,112</b>	<b>\$104,205,257</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$10,008,807	\$10,155,946	\$978,791
Due to Other Governments	46,635	-	-
Due to Other Funds	240,935	192,836	-
Deferred and Unearned Revenue	563,090	754,784	-
	<b>Total Liabilities</b>	<b>11,103,566</b>	<b>978,791</b>
<b>FUND BALANCES</b>			
Nonspendable	201,145	6,117,827	-
Restricted	-	110,489,719	103,226,466
Committed	20,532,474	-	-
Assigned	48,616,088	-	-
Unassigned	12,774,338	-	-
	<b>Total Fund Balances</b>	<b>116,607,546</b>	<b>103,226,466</b>
	<b>Total Liabilities and Fund Balances</b>	<b>\$127,711,112</b>	<b>\$104,205,257</b>

South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2012

	COPS Everglades Forever Act (EFA)	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$127,234	\$181,621,163	\$481,678,675
Cash Held by Trustee	25,681,806	38,139,751	76,561,323
Accounts Receivable	-	512,355	1,104,809
Due from Other Governments	-	5,547,451	8,570,583
Due from Other Funds	-	-	2,250,279
Inventory	-	62,107	6,381,079
Other Assets	-	606,168	651,168
	<u>\$25,809,040</u>	<u>\$226,488,995</u>	<u>\$577,197,916</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$4,975,984	\$10,442,546	\$36,562,074
Due to Other Governments	-	16,055	62,690
Due to Other Funds	-	2,317,564	2,751,335
Deferred and Unearned Revenue	-	3,200,038	4,517,912
	<u>4,975,984</u>	<u>15,976,203</u>	<u>43,894,011</u>
<b>FUND BALANCES</b>			
Nonspendable	-	14,078,233	20,397,205
Restricted	20,833,056	151,970,956	386,520,197
Committed	-	12,223,594	32,756,068
Assigned	-	34,453,856	83,069,944
Unassigned	-	(2,213,847)	10,560,491
	<u>20,833,056</u>	<u>210,512,792</u>	<u>533,303,905</u>
Total Liabilities and Fund Balances	<u>\$25,809,040</u>	<u>\$226,488,995</u>	<u>\$577,197,916</u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 September 30, 2012

Fund Balances - Total Governmental Funds \$533,303,905

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	\$4,971,328,955	
Less accumulated depreciation	<u>(310,675,791)</u>	4,660,653,164

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	(25,090,000)	
Bond premiums / discounts	(218,815)	
Certificates of participation payable	(500,220,000)	
Certificates of participation premiums / discounts	(16,139,621)	
Compensated absences	(16,712,000)	
Other post employment benefits	(21,119,936)	
Unamortized debt issuance costs - bonds	74,034	
Unamortized debt issuance costs - certificates of participation	2,484,280	
Unamortized deferred interest	<u>842,300</u>	(576,099,758)

Bond and certificates of participation interest due October 1, 2012 are not reported as a liability of the governmental funds.

Accrued interest payable - bonds	(580,852)	
Accrued interest payable - certificates of participation	<u>(12,426,302)</u>	(13,007,154)

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. 3,824,917

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. 19,666,229

Net Assets of Governmental Activities \$4,628,341,303

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, 2012

	General	Okeechobee Basin SR	Everglades Trust Fund
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$113,936,808	\$113,667,585	\$14,519,081
Agricultural Privilege Taxes	-	-	4,925,763
Intergovernmental	39,664	1,471,907	-
Investment Earnings	1,957,766	1,516,517	1,377,233
Licenses, Permits and Fees	2,785,026	114,020	-
Sale of District Property	115,383	311,254	555
Leases	89,638	1,333,032	-
Other	749,259	136,580	1
<b>Total Revenues</b>	<b>119,673,544</b>	<b>118,550,895</b>	<b>20,822,633</b>
<b>EXPENDITURES</b>			
<b>Current Operating</b>			
Land Stewardship	186,658	6,087,935	-
Mission Support	44,472,916	1,639,029	-
Modeling and Scientific Support	10,878,057	52,997	-
Operations and Maintenance	13,738,661	92,860,170	-
Regulation	17,254,796	74,977	-
Restoration	17,782,710	8,674,643	-
Water Supply	7,212,354	267,464	-
Capital Outlay	-	-	5,427,064
<b>Debt Service</b>			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	1,142,857	-	-
Bank Loan Interest	19,867	-	-
COPS Bond Principal Retirement	-	-	5,604,959
COPS Bond Interest	-	-	13,874,437
<b>Total Expenditures</b>	<b>112,688,876</b>	<b>109,657,215</b>	<b>24,906,460</b>
Revenues in Excess of (Less than) Expenditures	6,984,668	8,893,680	(4,083,827)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	7,234,211	24,940,002	-
Transfers Out	(19,887,067)	(6,790,603)	(694,745)
<b>Total Other Financing Sources (Uses)</b>	<b>(12,652,856)</b>	<b>18,149,399</b>	<b>(694,745)</b>
Net Change in Fund Balances	(5,668,188)	27,043,079	(4,778,572)
Fund Balances at Beginning of Year	87,792,233	89,564,467	108,005,038
Fund Balances at End of Year	<u>\$82,124,045</u>	<u>\$116,607,546</u>	<u>\$103,226,466</u>

See Accompanying Notes to the Financial Statements

Continued

South Florida Water Management District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2012

	COPS Everglades Forever Act (EFA)	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$31,027,092	\$273,150,566
Agricultural Privilege Taxes	-	6,581,958	11,507,721
Intergovernmental	-	42,995,866	44,507,437
Investment Earnings	517,414	2,925,304	8,294,234
Licenses, Permits and Fees	-	9,520,326	12,419,372
Sale of District Property	3,372	76,818	507,382
Leases	-	2,902,243	4,324,913
Other	4,465	69,430	959,735
	<u>525,251</u>	<u>96,099,037</u>	<u>355,671,360</u>
<b>EXPENDITURES</b>			
Current Operating			
Land Stewardship	-	10,874,687	17,149,280
Mission Support	-	51,960	46,163,905
Modeling and Scientific Support	-	6,059	10,937,113
Operations and Maintenance	-	3,957,152	110,555,983
Regulation	-	14,580	17,344,353
Restoration	-	43,685,996	70,143,349
Water Supply	-	2,918,605	10,398,423
Capital Outlay	18,343,923	43,199,473	66,970,460
Debt Service			
Bond Principal Retirement	-	5,655,000	5,655,000
Bond Interest	-	1,265,749	1,265,749
Bank Loan Principal Payments	-	-	1,142,857
Bank Loan Interest	-	-	19,867
COPS Bond Principal Retirement	-	4,530,041	10,135,000
COPS Bond Interest	-	11,213,600	25,088,037
	<u>18,343,923</u>	<u>127,372,902</u>	<u>392,969,376</u>
Revenues in Excess of (Less than) Expenditures	<u>(17,818,672)</u>	<u>(31,273,865)</u>	<u>(37,298,016)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	40,688,561	72,862,774
Transfers Out	-	(45,490,359)	(72,862,774)
	<u>-</u>	<u>(4,801,798)</u>	<u>-</u>
Net Change in Fund Balances	<u>(17,818,672)</u>	<u>(36,075,663)</u>	<u>(37,298,016)</u>
Fund Balances at Beginning of Year	<u>38,651,728</u>	<u>246,588,455</u>	<u>570,601,921</u>
Fund Balances at End of Year	<u><u>\$20,833,056</u></u>	<u><u>\$210,512,792</u></u>	<u><u>\$533,303,905</u></u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2012

Net Change in Fund Balances - Total Governmental Funds \$(37,298,016)

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	\$66,970,460	
Current year depreciation expense	<u>(31,229,384)</u>	35,741,076

The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is a decrease to net assets (7,756,842)

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	5,655,000	
Bank loan principal payment	1,142,857	
COPS principal payment	<u>10,135,000</u>	16,932,857

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	114,000	
Change in OPEB payable	(2,478,349)	
Change in bond interest payable	104,047	
Change in COPS interest payable	235,432	
Amortization of deferred interest on bonds	(280,769)	
Amortization of discount on debt - bonds	(9,891)	
Amortization of discount on debt - certificates	(4,756)	
Amortization of premium on debt - bonds	144,542	
Amortization of premium on debt - certificates	1,563,628	
Amortization of cost of issuance on bonds	(52,625)	
Amortization of cost of issuance on certificates	<u>(222,514)</u>	(887,255)

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. (2,314,024)

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. 1

Change in Net Assets of Governmental Activities \$4,417,797

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Statement of Net Assets  
Proprietary Funds  
September 30, 2012

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$25,292,006
Accounts Receivable	84,914
Due from Other Funds	503,229
Prepays	595,988
Other Assets	915,000
Total Current Assets	27,391,137
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,459
Computer Hardware	8,196
Vehicles	36,224
Accumulated Depreciation	(29,530)
Total Noncurrent Assets	42,349
Total Assets	27,433,486
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$1,021,689
Due to Other Funds	2,173
Claims Payable	2,653,532
Total Current Liabilities	3,677,394
Noncurrent Liabilities	
Claims Payable	4,089,863
Total Noncurrent Liabilities	4,089,863
Total Liabilities	7,767,257
<b>NET ASSETS</b>	
Net Assets	
Invested in Capital Assets, Net of Related Debt	42,349
Unrestricted	19,623,880
Total Net Assets	\$19,666,229

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, 2012

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services	\$27,363,571
Other Operating Revenue	82,828
Total Operating Revenues	27,446,399
<b>OPERATING EXPENSES</b>	
Salaries	442,080
Benefits	113,877
Claims	24,039,811
Purchased Services	220,443
Administrative Fees	1,894,180
Other	1,046,953
Depreciation	6,664
Total Operating Expenses	27,764,008
OPERATING INCOME (LOSS)	(317,609)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Earnings	317,610
Total Nonoperating Revenues	317,610
Change in Net Assets	1
Net Assets at Beginning of Year	19,666,228
Net Assets at End of Year	\$19,666,229

See Accompanying Notes to the Financial Statements



South Florida Water Management District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2012

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Receipts from Customers	\$27,371,941
Cash Payments to Suppliers	(3,066,604)
Cash Payments for Salaries, Benefits	(555,957)
Cash Payments to Administrators	(151,000)
Claims Paid	(24,380,235)
Other Receipts (Payments)	169,685
Net cash provided by (used in) operating activities	(612,170)
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>	
Purchase of Capital Assets	-
Net cash used for capital activities	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Earnings	317,610
Net cash provided by (used in) investing activities	317,610
Net Increase (decrease) in Cash and Cash Equivalents	(294,560)
Cash and Cash Equivalents, Beginning of Year	25,586,566
Cash and Cash Equivalents, End of Year	25,292,006
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating Income (Loss)	(317,609)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	6,664
<b>CHANGES IN ASSETS AND LIABILITIES:</b>	
Decrease (Increase) in Accounts Receivable	8,370
Decrease (Increase) in Due from Other Funds	96,130
Decrease (Increase) in Prepaids	(56,404)
Decrease (Increase) in Deposits	(151,000)
Increase (Decrease) in Accounts Payable	145,923
Increase (Decrease) in Due to Other Funds	(3,820)
Increase (Decrease) in Estimated Unpaid Claims	(340,424)
Net Cash Provided by (Used in) Operating Activities	(\$612,170)

See Accompanying Notes to the Financial Statements



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

The South Florida Water Management District (the “District”) is a public corporation organized under Florida Statutes, Chapter 373, and is controlled by a Governing Board consisting of nine (9) members appointed by the Governor to staggered four-year terms.

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

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

*(a) Reporting Entity*

The District follows the standards promulgated by GASB Statement No. 14, “The Financial Reporting Entity”, as amended by GASB 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 since the Governor appoints the nine member Governing Board and the District has a financial benefit/burden relationship with the State. The State provides funding for District programs through the sale of State debt, the sharing of documentary stamp revenues, and the approval of various annual grants and entitlements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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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. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues from property taxes, intergovernmental sources and interest to be available if they are collected within sixty (60) days of the end of the current fiscal period.

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

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

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, 2012**

---

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

(d) Major Governmental Funds and Other Fund Types

The District reports the following major governmental funds:

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

The Okeechobee Basin 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 .1954 mill property tax levy, intergovernmental revenues and permitting fees, which must be used for expenditures within the Okeechobee Basin.

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 hydroperiod restoration and water supply. Funding is provided through a .0624 mill tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.

The COPS Everglades Forever Act (EFA) Fund is a capital projects fund that accounts for restricted resources provided through issuance of long term debt to support the construction of projects in the Everglades/Long Term Plan Implementation Program and expenditures associated with the construction of those projects.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

---

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The District reports the following type of proprietary funds:

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

(e) Budgetary Information

The District has elected to report budgetary comparisons as required supplementary information (RSI). Please refer to the accompanying notes to the RSI for the District's budgetary information on page IV-6.

(f) Cash and Investments

Cash includes currency on hand and demand deposits. Cash equivalents for purposes of the statement of cash flows consist of pooled cash and short-term investments with original maturities of three months or less from the date of acquisition. The District utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in loaning fund(s). In accordance with GASB Statement No. 31, the District reports investments at their fair market value, with unrealized gains and losses credited to or charged against investment earnings.

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

Non-participating investments, such as non-negotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized costs. The District has investments in 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

---

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Prepaid Items

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

(h) Inventory

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

(i) Capital Assets

Capital assets, which include land, canals and levees, buildings, equipment, vehicles, infrastructure assets (bridges, water control structures) and intangible assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of one year or more. Intangible assets are defined as assets that lack physical substance, are nonfinancial in nature, and have initial useful lives which extend beyond a single reporting period. The District reports two main types of intangible assets, easements, which are considered non-depreciable and internally generated software, which is depreciated over its estimated useful life. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair value on the date donated. Maintenance, repairs and minor renovations are not capitalized.

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

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

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

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

(j) Compensated Absences

District employees are granted a specific number of vacation and sick leave hours with pay. Non-management employees are permitted to accrue a maximum of 240 hours of vacation as of the end of the payroll calendar year. Managers are permitted to accrue a maximum of 480 hours of vacation as of the end of the payroll calendar year. On December 15, 2011 employees were given 18 months to use annual leave hours in excess of the maximum carry over amounts, at which time amounts in excess of the



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

---

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Compensated Absences (continued)

respective maximums will be converted to sick leave. Upon termination of employment, employees are paid for 25 percentage of unused sick leave after vesting with 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 Fund.

(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 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.

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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(1) Fund Balances / Net Assets (continued)

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

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

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

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:

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, 2012, the District has approximately \$278.8 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

*(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 Accounting Pronouncements, Not Yet Implemented**

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

In June 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.

In March 2012, GASB issued Statement No. 65, “Items Previously Reported as Assets and Liabilities.” This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The District is required to implement this Statement in its fiscal year beginning October 1, 2013.

In March 2012, GASB issued Statement No. 66 “Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62.” The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and Statement No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The District is required to implement this Statement in its fiscal year beginning October 1, 2013.

In June 2012, GASB issued Statement No. 67 “Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25.” This Statement replaces the requirements of Statements No. 25, “Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans”, and Statement No. 50, “Pension Disclosures”, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. For defined benefit pension plans, this statement establishes standards of financial reporting for separately issued financial reports and specifies

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

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

the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The District is required to implement this Statement in its fiscal year beginning October 1, 2013.

In June 2012, GASB issued Statement No. 68 “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.” The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that meet certain characteristics. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The District is required to implement this Statement in its fiscal year beginning October 1, 2014.

In January 2013, GASB issued Statement No. 69 “Government Combinations and Disposals of Government Operations.” This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. The District is required to implement this Statement in its fiscal year beginning October 1, 2014.

(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. In March 2012 the Governing Board approved changes to a majority of District policies to update references to positions and departments to ensure they were aligned with the District’s new organization structure. No substantive changes were made to the policies during that effort. The most recent substantive revisions to the investment policy were approved by the Governing Board in June 2008.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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*(3) CASH AND INVESTMENTS (continued)*

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, 2012, the District had placed approximately 34% of its investments in U.S. Agency Obligations, 42% in Agency Mortgage Backed Securities, 3% in Corporate Bonds, 8% in Florida Prime and the Local Government Investment Pool and 13% in the Florida Local Government Investment Trust (mutual fund).

Florida Prime and the Local Government Investment Pool (Pool B) are investment pools available for investing temporarily idle cash by Florida governments and are managed by the State Board of Administration (the "SBA"). On November 29, 2007, the SBA implemented a temporary freeze on the assets in the Pool due to an unprecedented amount of withdrawals coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the SBA restructured the Pool into two (2) separate pools. Florida Prime, which was previously known as Pool A, consisted of all money market appropriate assets, which represented approximately 86% of pool assets. Pool B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which represented approximately 14% of pool assets. At that time, all current participants had their existing balances proportionately allocated into Florida Prime and Pool B. As of September 30, 2012, 1.9% of the District's original balance in SBA remains inaccessible, which represents investments currently valued at \$1,713,020.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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*(3) CASH AND INVESTMENTS (continued)*

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 .94896811 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**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are made based upon prevailing market conditions at the time of the transaction. While the overall intent is to hold securities to maturity, the ongoing management of the portfolio allows for actions designed to meet cash needs of the District and attempts to maximize investment yield while minimizing losses. Investment in Mortgage Backed Securities allows for a monthly return of principal with interest in order to meet current expenditures. In addition, investments can be sold prior to maturity in order to improve yield, modify the target duration or improve the overall credit position of the portfolio.

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

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

The District invests in Mortgage Backed Securities, including Collateralized Mortgage Obligations (CMO's) in part to maximize yield and as a protection against a rise in interest rates. These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. An increase in interest rates may increase the average maturity of these investments. The District currently limits its exposure to all mortgage investments to 30% of the total portfolio balance at the time of purchase.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012**

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*(3) CASH AND INVESTMENTS (continued)*

As of September 30, 2012 the District had the following investments in its pooled portfolio:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (in yrs)</u>
U.S. Agency Obligations	\$ 131,542,000	1.77
Investments in Mortgage Backed Securities	163,891,708	2.58
Corporate Bonds	9,939,000	1.61
Florida Prime	31,790,741	0.11
Local Government Surplus Trust Fund - Pool B	1,713,020	4.08
Florida Local Government Investment Trust	<u>51,947,655</u>	1.84
Total Fair Value	<u>\$ 390,824,124</u>	
Portfolio Effective Duration		<b>1.99</b>

**Credit Risk**

Credit risk is the risk than an issuer will not fulfill its obligations. For liquidity purposes, the District invests in Florida Prime, which is managed in accordance with State statutes. Florida Prime is rated AAAM by Standard & Poor's, and investment into the fund by local governments is consistent with SEC rule 2a-7. 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 2012 were rated AA+ by Standard and Poor's, AAA by Fitch ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage Backed Securities were rated AAA by at least two of the three listed rating services. This applies to the direct agency obligations as well as the investment into non-agency mortgages and CMO's.

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

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Florida Prime	AAAM	\$ 31,790,741
Local Government Surplus Trust Fund - Pool B	Unrated	1,713,020
Fannie Mae – Agencies & Mortgages	AAA	121,235,422
Freddie Mac – Agencies & Mortgages	AAA	134,420,927
Federal Home Loan Bank – Agencies	AAA	20,411,000
Ginnie Mae - Mortgage Backed Security	AAA	19,366,359
General Electric Capital Corp.	AA+	9,939,000
Florida Local Government Investment Trust	AAAf	<u>51,947,655</u>
		<u>\$ 390,824,124</u>

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

**Custodial Credit Risk - Deposits**

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balance held with these institutions at September 30, 2012 is \$199,884,952.

A significant cash deposit of the District at September 30, 2012 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 \$53,525,020 in COPS proceeds which are held in trust by a third party financial institution on behalf of the District, and \$23,036,303 representing debt service on the COPS due October 1, 2012.

**Concentration of Credit Risk**

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

**Percentage Allocation by Issuer as of September 30, 2012**

<u>Issuer</u>	<u>Percent of Total</u>
Florida Prime	8.13%
Local Government Surplus Trust Fund - Pool B	0.44%
Fannie Mae	31.02%
Freddie Mac	34.40%
Federal Home Loan Bank	5.22%
Ginnie Mae	4.96%
General Electric Capital Corp.	2.54%
Florida Local Government Investment Trust	13.29%



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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(3) CASH AND INVESTMENTS (continued)

Cash and investments as of September 30, 2012 are comprised of the following:

*Cash Deposits:*

Money Market Accounts	\$ 44,188,049
Demand Deposit Accounts	71,952,733
Petty Cash	<u>5,775</u>
Total Cash Deposits	<u>116,146,557</u>

<i>Cash Deposits Held by Trustee:</i>	<u>76,561,323</u>
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*Investments:*

U.S. Agency Obligations	131,542,000
Investments in Mortgage Backed Securities	163,891,708
Corporate Bonds	9,939,000
Florida Prime	31,790,741
Local Government Surplus Trust Fund - Pool B	1,713,020
Florida Local Government Investment Trust	<u>51,947,655</u>
Total Investments	<u>390,824,124</u>
Total Cash and Investments	<u>\$ 583,532,004</u>

(4) ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2012 consist of the following:

	General Fund	Okeechobee Basin Fund	Everglades Trust Fund	Non Major Funds/ Internal Service Funds	Total
Leases	\$ -	\$ -	\$ -	\$ 240,507	\$ 240,507
Interest	211,752	201,274	175,571	310,303	898,900
Other	<u>3,857</u>	<u>-</u>	<u>-</u>	<u>46,459</u>	<u>50,316</u>
	<u>\$ 215,609</u>	<u>\$ 201,274</u>	<u>\$ 175,571</u>	<u>\$ 597,269</u>	<u>\$ 1,189,723</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of September 30, 2012 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 240,935
Okeechobee Basin Fund	2,250,279	192,836
Other Governmental Funds	-	2,317,564
Internal Service Funds	503,229	2,173
	\$ 2,753,508	\$ 2,753,508

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

Interfund transfers during the year are as follows:

		<i>To:</i>			
		General Fund	Okeechobee Basin Fund	Other Governmental Funds	Totals
<i>From:</i>	General Fund	\$ -	\$ -	\$ 19,887,067	\$ 19,887,067
	Okeechobee Basin Fund	-	-	6,790,603	6,790,603
	Everglades Trust Fund	-	-	694,745	694,745
	Other Governmental Funds	7,234,211	24,940,002	13,316,146	45,490,359
		\$ 7,234,211	\$ 24,940,002	\$ 40,688,561	\$ 72,862,774

Transfers into the General Fund represent transfers from the CERP Fund to cover CERP operational expenditures recorded in that fund. The transfers into the Okeechobee Basin Fund represent transfers from the Okeechobee Basin Capital Projects Fund and the CERP Fund to support related operational expenditures recorded in that fund. The majority of the remaining transfers represent funding for District-wide capital projects, funding between special revenue funds and their related capital project fund as required, 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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*(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 \$609.0 million as of September 30, 2012.

**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 2012, contingent revenues were \$-0-.

Year Ending September 30:

2013	\$ 3,660,454
2014	2,616,366
2015	2,250,023
2016	2,216,999
2017	2,147,074
2018 - 2022	<u>4,271,069</u>
Total minimum future revenues	<u>\$ 17,161,985</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 2012 was .4363 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, 2011, upon which the fiscal year 2012 levy was based, was approximately \$665.6 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, 2012, is \$2,176,748 and is included in tax revenues.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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*(8) INTERGOVERNMENTAL TRANSACTIONS*

Amounts due from other governments at September 30, 2012 and intergovernmental revenues for 2012 consist of the following:

	Due From Other Governments	Intergovernmental Revenues
U.S. Army Corps of Engineers	\$ 975,225	\$ 1,461,564
U.S. Department of Homeland Security	5,152	69,209
U.S. Department of Agriculture & Consumer Affairs	3,181	17,115
Florida Department of Agriculture & Consumer Affairs	-	15,000
Florida Department of Environmental Protection	3,866,916	39,887,097
Florida Department of Motor Vehicles	-	338,228
Florida Department of Transportation	318	9,830
Florida Fish and Wildlife Conservation Commission	1,365,705	2,605,186
Southwest Florida Water Management District	2,052	37,052
St. Johns River Water Management District	-	35,000
Suwannee River Water Management District	175,286	-
The Troup Indiantown Water Control District	-	32,156
Various Counties:		
Ad Valorem Taxes	486,130	- *
Property Appraiser/Tax Collector Fee Credits	1,690,618	- *
 Total	 \$ 8,570,583	 \$ 44,507,437

\* 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**  
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**(9) CAPITAL ASSETS ACTIVITY**

	Balance at October 1, 2011	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2012
<b><i>Capital Assets Not Being Depreciated:</i></b>					
Land	\$ 2,563,281,139	\$ 487,434	\$ (1,574,623)	\$ (622,715)	\$ 2,561,571,235
Easements (Intangibles)	40,305,692	10,471,181	(100)	622,715	51,399,488
Construction in Process	830,540,679	54,165,757	(35,317,001)	(46,406,147)	802,983,288
Canals and Levees	557,401,642	5,403,377	-	2,260,921	565,065,940
	<u>3,991,529,152</u>	<u>70,527,749</u>	<u>(36,891,724)</u>	<u>(44,145,226)</u>	<u>3,981,019,951</u>
<b><i>Capital Assets Being Depreciated:</i></b>					
Buildings	95,524,613	3,557,410	(207,023)	15,973,579	114,848,579
Intangibles	39,054,851	87,377	(100)	683,520	39,825,648
Equipment	133,905,485	4,398,326	(3,689,157)	1,469,402	136,084,056
Improvements	26,934,858	81,332	-	283,357	27,299,547
Water Control Structures	628,559,415	18,028,269	-	25,735,368	672,323,052
	<u>923,979,222</u>	<u>26,152,714</u>	<u>(3,896,280)</u>	<u>44,145,226</u>	<u>990,380,882</u>
<b><i>Less Accumulated Depreciation:</i></b>					
Buildings	(28,858,723)	(3,015,956)	186,115	(29,909)	(31,718,473)
Intangibles	(16,730,901)	(5,278,222)	-	95,519	(21,913,604)
Equipment	(83,140,558)	(8,714,861)	3,135,044	149,617	(88,570,758)
Improvements	(11,315,393)	(1,232,213)	-	-	(12,547,606)
Water Control Structures	(142,744,856)	(12,994,796)	-	(215,227)	(155,954,879)
	<u>(282,790,431)</u>	<u>(31,236,048)</u>	<u>3,321,159</u>	<u>-</u>	<u>(310,705,320)</u>
Capital Assets, Net	<u>\$ 4,632,717,943</u>	<u>\$ 65,444,415</u>	<u>\$ (37,466,845)</u>	<u>\$ -</u>	<u>\$ 4,660,695,513</u>

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

Mission Support	\$ 7,753,506
Operations and Maintenance	15,725,382
Restoration	7,480,031
Water Supply	<u>270,465</u>
	31,229,384
Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function	<u>6,664</u>
Total Depreciation Expense	<u>\$ 31,236,048</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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*(10) LONG-TERM LIABILITIES*

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2012:

	Balance at October 1, 2011	Additions	Retirements And Adjustments	Balance at September 30, 2012	Amounts Due Within One Year
Land Acquisition Bonds	\$ 30,745,000	\$ -	\$ (5,655,000)	\$ 25,090,000	\$ 5,865,000
Bond Premium / Discount	353,466	-	(134,651)	218,815	110,420
Bank Loans	1,142,857	-	(1,142,857)	-	-
COPS	510,355,000	-	(10,135,000)	500,220,000	10,610,000
COPS Premium / Discount	17,698,493	-	(1,558,872)	16,139,621	1,516,694
Compensated Absences	16,826,000	8,920,000	(9,034,000)	16,712,000	9,991,200
Other Post Emp Benefits	18,641,587	2,478,349	-	21,119,936	-
Self Insurance Claims	7,083,819	24,039,812	(24,380,236)	6,743,395	2,653,532
	<u>\$ 602,846,222</u>	<u>\$ 35,438,161</u>	<u>\$ (52,040,616)</u>	<u>\$ 586,243,767</u>	<u>\$ 30,746,846</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 \$6,920,749 and \$7,026,703, respectively. Debt service payments have averaged approximately 26% 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 special revenue Save Our Rivers Fund.

A summary of the status of the District's bonded debt as of September 30, 2012 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002 Refunding	\$ 23,810,000	2013-2016	3.70-4.00%	\$ 9,365,000
2003 Refunding	<u>34,550,000</u>	2013-2016	3.75-5.25%	<u>15,725,000</u>
	<u>\$ 58,360,000</u>			<u>\$ 25,090,000</u>

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

Fiscal year requirements to amortize bonded debt outstanding as of September 30, 2012 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 25,090,000</u>	<u>\$ 2,439,122</u>	<u>\$ 27,529,122</u>

During previous fiscal years, the District entered into agreements with commercial banks to provide long-term financing for various capital projects which totaled \$8 million. All of the District's outstanding bank loans have been paid in full at September 30, 2012.

In fiscal year 2007, the District issued Certificates of Participation (COPS), Series 2006, in order to provide funds for the construction of accelerated projects in furtherance of restoration of the Everglades. COPS are statutorily-authorized tax-exempt certificates evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the South Florida Water Management District Leasing Corporation (the "Corporation"), a not-for-profit entity (see Note (2)(a) on page III-14). The COPS are secured by and payable from the Trust Estate established for the Series 2006 Certificates (the "Trust Estate") pursuant to the Trust Agreement and any amounts payable under the Financial Guaranty Insurance Policy. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2006 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement. Lease payments are funded from ad valorem revenues. Total COPS issued amounted to \$546,120,000, having interest rates ranging from 3.5% to 5.0%. The District accounts for debt service transactions relative to COPS in the Everglades Trust Fund and the Comprehensive Everglades Restoration Plan Fund.

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

Fiscal year requirements to amortize the COPS as of September 30, 2012 are as follows:

	Principal	Interest	Total
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	12,750,000	22,392,425	35,142,425
2018-2022	73,960,000	101,511,050	175,471,050
2023-2027	94,250,000	80,694,750	174,944,750
2028-2032	120,290,000	54,003,500	174,293,500
2033-2037	153,525,000	19,938,625	173,463,625
	\$ 500,220,000	\$ 373,864,977	\$ 874,084,977

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



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

The following is the governmental fund balances in detail as of September 30, 2012:

	General	Okeechobee	Everglades	COPS	Other	Total
	Fund	Basin Fund	Trust Fund	Everglades Forever Act Fund	Governmental Funds	Governmental Funds
<b><i>Nonspendable:</i></b>						
Inventory	\$ 201,145	\$ 6,117,827	\$ -	\$ -	\$ 62,107	\$ 6,381,079
Permanent fund principal	-	-	-	-	14,016,126	14,016,126
<b><i>Restricted for:</i></b>						
Dispersed storage projects	-	18,905,943	-	-	-	18,905,943
Source control projects	-	250,000	-	-	-	250,000
C-44 Reservoir/STA project	-	5,210,074	-	-	-	5,210,074
Okeechobee Basin operations	-	84,755,311	-	-	-	84,755,311
Water protection, ecosystem management, & restoration projects	-	-	-	-	4,558,487	4,558,487
Water quality enhancement projects	-	1,368,391	87,265,449	-	-	88,633,840
Caloosahatchee Basin storage treatment	-	-	-	-	5,928,194	5,928,194
Local government agreements	-	-	-	-	5,867,707	5,867,707
Big Cypress Basin operations	-	-	-	-	2,734,839	2,734,839
Debt service	-	-	12,739,767	-	16,742,387	29,482,154
Indian River Lagoon surface water environmental enhancement	-	-	-	-	199,449	199,449
Ops. & maint. of Everglades Stormwater Treatment Areas	-	-	-	-	7,541,628	7,541,628
Everglades conservation and natural resource protection	-	-	-	-	408,958	408,958
Lake Okeechobee restoration	-	-	-	-	5,018,417	5,018,417
Acquisition/restoration/mgmt of environmentally sensitive lands	-	-	-	-	28,308,096	28,308,096
Florida Bay restoration	-	-	-	-	1,814,839	1,814,839
Wetland creation, restoration and management	-	-	-	-	22,334,110	22,334,110
Construction of facilities for Everglades restoration and protection	-	-	-	20,833,056	28,593,483	49,426,539
Other capital projects	-	-	3,221,250	-	21,920,362	25,141,612
<b><i>Committed for:</i></b>						
Caloosahatchee Basin storage treatment	10,647,696	-	-	-	-	10,647,696
Source control projects	820,000	-	-	-	-	820,000
Watershed projects	465,000	-	-	-	12,223,594	12,688,594
C-44 Reservoir/STA project	8,599,778	-	-	-	-	8,599,778
<b><i>Assigned to:</i></b>						
District operations	48,616,088	-	-	-	12,820	48,628,908
Other capital projects	-	-	-	-	23,302,449	23,302,449
Wetland creation, restoration and management	-	-	-	-	11,138,587	11,138,587
<b><i>Unassigned:</i></b>						
	12,774,338	-	-	-	(2,213,847)	10,560,491
	<u>\$ 82,124,045</u>	<u>\$ 116,607,546</u>	<u>\$ 103,226,466</u>	<u>\$ 20,833,056</u>	<u>\$ 210,512,792</u>	<u>\$ 533,303,905</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*(12) DEFICIT FUND BALANCES*

At September 30, 2012, the following funds have deficit fund balances:

External Grants Fund	\$ 1,666,024
Comprehensive Everglades Restoration Plan – Federal Funds	547,823

The deficit in the External Grants Fund is expected to be funded by future reimbursement from the Florida Fish and Wildlife Conservation Commission and by an operating transfer from the General Fund. The deficit in the Comprehensive Everglades Restoration Plan – Federal Funds will be funded by an operating transfer from the Comprehensive Everglades Restoration Plan (CERP) 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, 2012 amounted to approximately \$2.2 million. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2013	\$ 2,008,509
2014	1,098,853
2015	521,047
2016	358,549
2017	<u>325,836</u>
Year Ending September 30:	<u>\$ 4,312,794</u>

*(14) DEFINED BENEFIT PENSION PLAN*

**Plan Description**

The District contributes to the Florida Retirement System (the “System”), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida Division of Retirement. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established the System under Chapter 121, Florida Statutes, and has sole authority to amend benefit provisions. The System issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000.

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

**Funding Policy**

During fiscal year 2011, the Florida Legislature passed Senate Bill 2100, which was signed into law by the Governor and became effective July 1, 2011. The bill requires all FRS Investment Plan and Pension Plan members, excluding those in the Deferred Retirement Option Program (DROP), to contribute 3% towards their retirement benefits. The District is required to contribute an actuarially determined rate, which is fixed by law and varies based on employee class. At fiscal year end the District's contribution rates were 5.18%, 6.30% and 5.44% 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:

2012 *	\$ 8,083,080
2011 *	12,102,740
2010	12,958,364

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

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

As of the July 2011 valuation date, the plan covered 1,600 active participants and 228 retirees.

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

**Funding Policy**

The District contributes 2% for each year of creditable service up to a maximum of 30 years or 60% of the total premium for retirees currently in the program. All other costs are paid by the retirees. The plan is financed on a pay-as-you-go basis.

**Annual OPEB Costs and Net OPEB Obligation**

For the fiscal year ended September 30, 2012, the District's annual OPEB cost of \$4,813,042 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 2012, 2011 and 2010 are as follows:

	2012	2011	2010
Normal Cost (Service cost for one year)	\$ 2,015,202	\$ 3,662,884	\$ 3,818,937
Amortization of Unfunded Actuarial Accrued Liability	2,749,733	4,080,749	4,060,461
Interest on Normal Cost and Amortization	<u>48,107</u>	<u>91,045</u>	<u>92,898</u>
Annual Required Contribution (ARC)	4,813,042	7,834,678	7,972,296
Net OPEB Obligation (NOO) at beginning of year	18,641,587	14,409,130	7,940,406
Annual Required Contribution (ARC)	4,813,042	7,834,678	7,972,296
Interest on NOO	764,305	691,638	381,140
Adjustment to ARC	<u>(754,295)</u>	<u>(588,524)</u>	<u>(324,316)</u>
Annual OPEB Cost (Expense)	4,823,052	7,937,792	8,029,120
Employer Contributions Made	<u>(2,344,703)</u>	<u>(3,705,335)</u>	<u>(1,560,396)</u>
Increase (decrease) in NOO	<u>2,478,349</u>	<u>4,232,457</u>	<u>6,468,724</u>
Estimated NOO at end of year	<u><u>21,119,936</u></u>	<u><u>18,641,587</u></u>	<u><u>14,409,130</u></u>
Percentage of annual OPEB Cost Contributed	48.61%	46.68%	19.43%

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

**Funded Status and Funding Progress**

The funded status of the plan as of September 30, 2012 was as follows:

Actuarial Accrued Liability (AAL)	\$66,605,021
Actuarial Value of Plan Assets	—
Unfunded Actuarial Accrued Liability (UAAL)	66,605,021
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	108,728,010
UAAL as a Percentage of Covered Payroll	61.26%

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, 2011 base actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.1% investment rate of return, a 3.0% rate of general price inflation, and an annual healthcare cost trend rate of 6.5% in 2012, followed by a 8% increase the next year, trending down 0.5% per year to 5.0% in 2018 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 25-year period with a closed amortization method. The assumed rate of payroll growth is 4.0% per year.

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

*(16) INSURANCE ACTIVITIES*

The District is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In 1976 the District established a self-insurance program for its workers' compensation exposure and in 1986 the District established a self-insurance program for automobile and general liability 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**  
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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 \$200,000 per person and \$300,000 per occurrence pursuant to Section 768.28, Florida Statutes. Expenditures relating to insurance are charged to other funds based on a cost allocation study performed by Management. These expenditures include actuarial estimates utilizing the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense. The actuarial 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.

In 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, 2012, and are presented on a net undiscounted basis. The liability includes claims incurred but not reported. The estimated liabilities by insurance coverage at September 30, 2012 are as follows:

	Balance	Amounts Due Within
	9/30/2012	One Year
Workers' Compensation	\$ 4,726,000	\$ 682,827
General and Automobile	114,000	67,310
Health Insurance	<u>1,903,395</u>	<u>1,903,395</u>
	<u>\$ 6,743,395</u>	<u>\$ 2,653,532</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
2011	\$ 7,397,650	\$ 26,304,224	\$(26,618,055)	\$ 7,083,819
2012	7,083,819	24,039,812	(24,380,236)	6,743,395

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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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, 2012, 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 (0.0624 mill for FY2012), 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.

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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 2012, the District continued implementation of the Long-Term Plan, as required by the EFA. In FY2012, a total of \$72.6 million was expended for work associated with the District's Everglades Program. Of this amount, \$9.4 million was for work related to implementing the Long-Term Plan. O&M accounted for \$21.4 million. Construction expenditures associated with the expansion of Compartments B and C (financed through issuance of COPS) totaled \$18.3 million. Debt service payments on the COPS related to Compartments B and C was approximately \$19.5 million. The remaining \$4.0 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 \$752.1 million. The District estimated remaining commitment for the ECP and Long-Term Plan is \$390.7 million.

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

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the South Florida Water Management District have invested approximately \$2.4 billion toward this effort. Through September 30, 2012, 60 percent, or approximately 243,147 acres, of the estimated lands needed to implement CERP have been acquired. The District estimated remaining commitment for this project is \$628.0 million.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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*(19) OTHER COMMITMENTS AND CONTINGENCIES*

The District was impacted heavily during the hurricanes that Florida experienced in 2004 and 2005. For Hurricanes Charley, Frances, Jeanne and Wilma combined the District received \$34.3 million from the Federal Emergency Management Agency (FEMA) Public Assistance (PA) program to reimburse the District for allowable storm related expenditures. Of this amount \$33.3 million came from FEMA, the grantor, and \$1.0 million from the State, the grantee. The District, as sub-grantee, also bore a financial responsibility equal to the State's for costs incurred as a result of these storms.

For the 4 hurricanes combined a total of 145 different projects, each represented by a Project Worksheet (PW), were approved by FEMA for funding through their PA program for various categories of work including debris removal; emergency protective measures consisting of securing facilities, pumping and activating the District's Emergency Operations Center; and for the permanent repair of District facilities, primarily canals, that were damaged during the storms.

Of these 145 PW's that were funded 52, representing 87% or \$29.7 million of the total funds received, have been closed. Before a PW is closed it is reviewed by the State and FEMA who concluded that the expenditures, for which the grant funds were received, were reasonable, directly related to the storms, and allowable under the FEMA PA program.

In late October 2011, the District received a letter from the Florida Division of Emergency Management (DEM or "the State") stating that FEMA intended to deobligate fifty project worksheets totaling \$21.7 million that were written for permanent repairs due to damage that resulted from Hurricanes Charley, Frances, Jeanne, Katrina, and Wilma. A deobligation means that FEMA would withdraw an amount equal to what they deposited in the account established to fund the reimbursement of eligible hurricane related expenses. The proposed action was being considered despite the fact that the District had received over 75% of the amount obligated by the PW's and over half of them had been subject to FEMA's final review and closed out.

The letter from DEM was in response to a letter that they, as grantee, received from FEMA. FEMA, in their letter, dated October 17, 2011, stated that they were seeking to deobligate these PW's because they now concluded, years after approving and in many cases closing the projects, that permanent repairs on these facilities are ineligible for FEMA public assistance.

At the same time that the District received the notification from the State, the US Department of Homeland Security's Office of Inspector General (OIG) was conducting an audit of the public assistance that the District received from FEMA for Hurricanes Charley, Frances and Jeanne. Instead of FEMA immediately deobligating the 50 PW's they agreed to defer the proposed deobligation until the OIG issued their audit report(s).

The three OIG reports, one for each storm, were issued in August, 2012. In them, the OIG concurred with FEMA's position that permanent repairs to flood control works were not eligible for FEMA public assistance and recommended the deobligation of 32 PW's totaling \$13.1 million that were written for permanent repairs for water control facilities for Hurricanes Charley and Frances. Further, the OIG recommended the deobligation of an additional \$1.8 million for 2 PW's written for Hurricane Jeanne that were not for permanent repairs to water control facilities but instead were written for repairs to a road that provides access to a levee and for emergency repairs to a flood control facility. In total, the OIG recommended the deobligation of 34 PW's representing \$14.9 million of approved project costs. Of this amount the District has received \$14.3 million from FEMA and the State combined.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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*(19) OTHER COMMITMENTS AND CONTINGENCIES (continued)*

In late September 2012, approximately one month after the issuance of the OIG audit reports, FEMA deobligated 50 PW's totaling \$21.9 million of eligible obligated costs. This included all of the PW's that FEMA initially identified in their October 2011 letter for deobligation, with the exception of 2 Charley PW's; plus the 2 additional PW's that were identified in the OIG audit for Hurricane Jeanne that FEMA did not initially identify for deobligation. The reason that 2 Charley PW's were not deobligated is that there were insufficient funds in the account where the disaster funds are deposited. If and when sufficient funds become available FEMA intends to deobligate the two remaining Charley PWs representing \$1.6 million in obligated costs. In total FEMA has deobligated or intends to deobligate \$23.5 million of approved costs of which the District actually received \$18.4 million.

In November of 2012, DEM invoiced the District \$16.8 million that represents the amount the District received for the 50 PW's that were deobligated. To date, the District has not paid any amounts towards these invoices. Instead, the District filed an administrative First Appeal with the State vigorously contesting this deobligation on the grounds that; (1) FEMA was expressly prohibited by federal law from the retroactive deobligation of the amounts at issue; (2) the retroactive deobligation of grant funds that have already been spent for the specific purpose for which the funds were awarded violates fundamental principles of fairness; (3) FEMA's initial approval of the disaster repair funds was in accordance with FEMA's regulations and policies; and (4) FEMA's rationale for deobligation - that the US Army Corp of Engineers (the "ACOE") was authorized to fund repair of the District's damaged facilities and that FEMA was therefore not able to fund these facilities - was wrong because the ACOE regulations do not authorize these repairs.

Under FEMA's regulations, the State had 60 days from the appeal being filed to transmit it to FEMA, along with the State's recommendation. The State timely transmitted the appeal to FEMA on January 4, 2013, with a strong recommendation that the District's appeal be granted. FEMA regulations provide that FEMA will respond to administrative appeals within 90 days of receipt by FEMA. To date, FEMA has not responded to the appeal.

District management has retained outside counsel and is contesting this matter vigorously. Based on the nature of this matter as described above, management does not believe that it is probable that they will have to reimburse the de-obligated amounts. As such no liability has been recorded related to the de-obligation of previous FEMA awards.

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

# **FINANCIAL SECTION**

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



South Florida Water Management District  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$112,871,629	\$112,871,629	\$113,936,808	\$1,065,179
Intergovernmental	127,000	127,000	39,664	(87,336)
Investment Earnings	1,455,889	1,455,889	1,957,766	501,877
Licenses, Permits and Fees	2,100,000	2,100,000	2,785,026	685,026
Sale of District Property	75,000	75,000	115,383	40,383
Leases	75,000	75,000	89,638	14,638
Other	300,000	300,000	749,259	449,259
Total Revenues	<u>117,004,518</u>	<u>117,004,518</u>	<u>119,673,544</u>	<u>2,669,026</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Land Stewardship	236,545	196,431	186,658	9,773
Mission Support	49,204,853	46,702,945	43,979,399	2,723,546
Modeling and Scientific Support	1,158,780	1,242,447	1,158,471	83,976
Operations and Maintenance	5,835,685	4,703,222	4,568,613	134,609
Regulation	3,134,892	2,505,683	2,317,927	187,756
Restoration	13,395,633	12,694,588	8,703,814	3,990,774
Water Supply	2,674,923	2,007,093	1,436,824	570,269
Total Administrative Services and Executive Offices	<u>75,641,311</u>	<u>70,052,409</u>	<u>62,351,706</u>	<u>7,700,703</u>
<b>Operations, Maintenance, and Construction</b>				
Land Stewardship	-	-	-	-
Mission Support	551,793	483,923	479,154	4,769
Modeling and Scientific Support	410,838	307,780	281,996	25,784
Operations and Maintenance	6,615,066	9,661,660	9,147,125	514,535
Regulation	61,791	71,962	66,794	5,168
Restoration	16,801,986	4,275,265	3,294,657	980,608
Water Supply	1,067,130	719,521	676,144	43,377
Total Operations, Maintenance, and Construction	<u>25,508,604</u>	<u>15,520,111</u>	<u>13,945,870</u>	<u>1,574,241</u>
<b>Regulation</b>				
Mission Support	-	-	-	-
Modeling and Scientific Support	19,509	21,009	3,594	17,415
Operations and Maintenance	25,100	17,931	12,491	5,440
Regulation	15,538,360	14,983,099	14,870,075	113,024
Restoration	860,076	547,951	329,995	217,956
Water Supply	-	1,120	822	298
Total Regulation	<u>16,443,045</u>	<u>15,571,110</u>	<u>15,216,977</u>	<u>354,133</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Water Resources				
Mission Support	82,017	16,367	14,363	2,004
Modeling and Scientific Support	9,601,507	9,671,203	9,433,996	237,207
Operations and Maintenance	30,387	16,530	10,432	6,098
Regulation	-	-	-	-
Restoration	6,306,073	6,911,376	5,454,244	1,457,132
Water Supply	5,430,104	5,279,526	5,098,564	180,962
Total Water Resources	<u>21,450,088</u>	<u>21,895,002</u>	<u>20,011,599</u>	<u>1,883,403</u>
Debt Service				
Bank Loan Principal Payments	1,142,858	1,142,858	1,142,857	1
Bank Loan Interest	72,000	19,867	19,867	-
Total Debt Service	<u>1,214,858</u>	<u>1,162,725</u>	<u>1,162,724</u>	<u>1</u>
Contingency				
Managerial Reserve	1,627,874	15,867,112	-	15,867,112
Managerial Reserve-Contingency	15,742,735	15,742,735	-	15,742,735
Total Contingency	<u>17,370,609</u>	<u>31,609,847</u>	<u>-</u>	<u>31,609,847</u>
Total Expenditures	<u>157,628,515</u>	<u>155,811,204</u>	<u>112,688,876</u>	<u>43,122,328</u>
Revenues in Excess of (Less than) Expenditures	<u>(40,623,997)</u>	<u>(38,806,686)</u>	<u>6,984,668</u>	<u>45,791,354</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	17,404,347	18,448,614	18,448,614	-
Transfers Out	(28,239,891)	(31,101,470)	(31,101,470)	-
Total Other Financing Sources (Uses)	<u>(10,835,544)</u>	<u>(12,652,856)</u>	<u>(12,652,856)</u>	<u>-</u>
Net Change in Fund Balance	(51,459,541)	(51,459,542)	(5,668,188)	45,791,354
Fund Balance at Beginning of Year	87,792,233	87,792,233	87,792,233	-
Fund Balance at End of Year	<u>\$36,332,692</u>	<u>\$36,332,691</u>	<u>\$82,124,045</u>	<u>\$45,791,354</u>

South Florida Water Management District  
Okeechobee Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$112,702,774	\$112,702,774	\$113,667,585	\$964,811
Intergovernmental	292,000	292,000	1,471,907	1,179,907
Investment Earnings	551,191	551,191	1,516,517	965,326
Licenses, Permits and Fees	70,000	70,000	114,020	44,020
Sale of District Property	175,000	175,000	311,254	136,254
Leases	1,333,032	1,333,032	1,333,032	-
Other	-	-	136,580	136,580
Total Revenues	<u>115,123,997</u>	<u>115,123,997</u>	<u>118,550,895</u>	<u>3,426,898</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Land Stewardship	151,321	112,780	104,460	8,320
Mission Support	1,815,106	1,759,420	1,635,154	124,266
Operations and Maintenance	5,845,116	5,631,169	3,647,858	1,983,311
Regulation	75,075	75,075	74,977	98
Restoration	1,564,831	1,518,011	1,130,345	387,666
Water Supply	98,707	93,707	92,085	1,622
Total Administrative Services and Executive Offices	<u>9,550,156</u>	<u>9,190,162</u>	<u>6,684,879</u>	<u>2,505,283</u>
<b>Operations, Maintenance, and Construction</b>				
Land Stewardship	6,476,183	6,251,630	5,972,236	279,394
Mission Support	-	6,000	3,875	2,125
Modeling and Scientific Support	163,317	47,317	44,497	2,820
Operations and Maintenance	81,468,347	90,887,838	89,060,443	1,827,395
Restoration	14,529,047	1,733,098	1,210,857	522,241
Water Supply	41,010	41,833	30,862	10,971
Total Operations, Maintenance, and Construction	<u>102,677,904</u>	<u>98,967,716</u>	<u>96,322,770</u>	<u>2,644,946</u>
<b>Regulation</b>				
Land Stewardship	-	3,000	1,564	1,436
Operations and Maintenance	1,000	1,619	1,286	333
Restoration	6,512,348	2,396,348	1,639,164	757,184
Total Regulation	<u>6,513,348</u>	<u>2,400,967</u>	<u>1,642,014</u>	<u>758,953</u>
<b>Water Resources</b>				
Land Stewardship	-	11,500	9,675	1,825
Modeling and Scientific Support	8,500	8,500	8,500	-
Operations and Maintenance	222,009	176,999	150,583	26,416
Restoration	5,666,949	5,590,103	4,694,277	895,826
Water Supply	1,868,452	286,973	144,517	142,456
Total Water Resources	<u>7,765,910</u>	<u>6,074,075</u>	<u>5,007,552</u>	<u>1,066,523</u>

South Florida Water Management District  
Okeechobee Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Contingency				
Managerial Reserve	-	17,115,617	-	17,115,617
Managerial Reserve-Contingency	40,512,602	40,512,602	-	40,512,602
Total Contingency	<u>40,512,602</u>	<u>57,628,219</u>	-	<u>57,628,219</u>
Total Expenditures	<u>167,019,920</u>	<u>174,261,139</u>	<u>109,657,215</u>	<u>64,603,924</u>
Revenues in Excess of (Less than) Expenditures	<u>(51,895,923)</u>	<u>(59,137,142)</u>	<u>8,893,680</u>	<u>68,030,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	17,698,784	24,940,002	24,940,002	-
Transfers Out	(6,790,603)	(6,790,603)	(6,790,603)	-
Total Other Financing Sources (Uses)	<u>10,908,181</u>	<u>18,149,399</u>	<u>18,149,399</u>	<u>-</u>
Net Change in Fund Balance	<u>(40,987,742)</u>	<u>(40,987,743)</u>	<u>27,043,079</u>	<u>68,030,822</u>
Fund Balance at Beginning of Year	89,564,467	89,564,467	89,564,467	-
Fund Balance at End of Year	<u><u>\$48,576,725</u></u>	<u><u>\$48,576,724</u></u>	<u><u>\$116,607,546</u></u>	<u><u>\$68,030,822</u></u>



South Florida Water Management District  
 Schedule of Employer Contributions  
 Other Post-Employment Benefit Plans  
 September 30, 2012

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%
2012	\$2,344,703	\$4,813,042	48.72%

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)
			(2) - (1)	(1) / (2)	
2008	-	\$ 44,993,790	\$ 44,993,790	0%	\$ 115,455,078
2010	-	\$ 97,110,991	\$ 97,110,991	0%	\$ 123,626,745
2011	-	\$ 66,605,021	\$ 66,605,021	0%	\$ 108,728,010

\* 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, 2012**

**BUDGETARY INFORMATION**

- Budgets are legally adopted for all funds and are adopted on a basis consistent with generally accepted accounting principles. The adopted budget represents a fiscal-year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. There are seven Programs: Land Stewardship, Mission Support, Modeling and Scientific Support, Operations and Maintenance, Regulation, Restoration, and Water Supply. The District is organized by departments which are grouped into four main resource areas: Administrative Services and Executive Offices, Operations, Maintenance, and Construction, Regulation, and Water Resources.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. One budget amendment was approved by the Governing Board during fiscal year 2012.
- For the year ended September 30, 2012, the General Fund realized a decrease in budgeted expenditures of \$1,817,312 and the Okeechobee Basin Special Revenue Fund realized an increase in budgeted expenditures of \$7,241,219, as a result of the amendment during fiscal year 2012. 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-5) represents the current amount paid by the District for the current year cost of the benefits, which were entirely paid to or on behalf of retirees. Accordingly, no assets have been placed in trust to advance fund the employer's obligation.

# **FINANCIAL SECTION**

**OTHER SUPPLEMENTARY INFORMATION**



# **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 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 .1633 mill tax levy and interest earnings.

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

Accounts for revenues provided by: 1) a portion of documentary stamp tax revenues appropriated and allocated in the District's name and deposited in the Florida Water Management Lands Trust Fund administered by the State of Florida, 2) regulatory fines, and 3) interest earnings used to fund expenditures incurred towards the management and restoration of environmentally sensitive water resource lands within the District. This fund also accounts for the principal and interest payments on special obligation land acquisition bonds.

#### **State Appropriations Fund**

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

#### **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.

#### **Federal Land Management Fund**

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

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

#### **External Grants Fund**

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

#### **Everglades Restoration Trust Fund**

Accounts for revenues and expenditures related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Revenue for this fund is provided by the portion of the .0624 mill tax levy designated for operating expenditures to maintain the Everglades Agricultural Area.

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

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

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

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

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

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

#### **Save Our Everglades Fund**

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

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

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

#### **Florida Bay Fund**

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Capital Projects Funds**

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

#### **District Fund**

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

#### **Okeechobee Basin Fund**

Accounts for 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.

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

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

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

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

#### **State Appropriations Fund**

Accounts for revenue collected for various capital 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.

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

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

#### **Florida Bay Fund**

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

#### **Wetland Mitigation Fund**

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund capital expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by operating transfers from the Lake Belt Mitigation Fund.

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

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

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

#### **Federal Land Acquisition Fund**

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

#### **Save Our Everglades Fund**

Accounts for revenues and capital 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.

#### **Comprehensive Everglades Restoration Plan (CERP) – Federal Funds**

Accounts for revenues received from and capital 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.

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

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

#### **Lake Okeechobee Fund**

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

### **Permanent Fund**

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

#### **Wetland Mitigation 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, 2012

Special Revenue Funds

	Big Cypress Basin	Save Our Rivers	State Appropriations	Aquatic Plant Control
<b>ASSETS</b>				
Cash and Investments	\$10,898,085	\$4,018,530	\$4,528,866	\$ -
Cash Held by Trustee	-	-	-	-
Accounts Receivable	17,667	27,355	-	-
Due from Other Governments	149,527	5,152	29,621	175,877
Inventory	62,107	-	-	-
Other Assets	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$11,127,386</u>	<u>\$4,051,037</u>	<u>\$4,558,487</u>	<u>\$175,877</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$2,454,698	\$78,846	\$ -	\$10,500
Due to Other Governments	-	-	-	-
Due to Other Funds	8,035	-	-	165,377
Deferred and Unearned Revenue	-	627,500	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>2,462,733</u>	<u>706,346</u>	<u>-</u>	<u>175,877</u>
<b>FUND BALANCES</b>				
Nonspendable	62,107	-	-	-
Restricted	8,602,546	3,344,691	4,558,487	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances (Deficits)	<u>8,664,653</u>	<u>3,344,691</u>	<u>4,558,487</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$11,127,386</u>	<u>\$4,051,037</u>	<u>\$4,558,487</u>	<u>\$175,877</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2012

Special Revenue Funds (Continued)

	Melaleuca Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
<b>ASSETS</b>				
Cash and Investments	\$ -	\$26,693,471	\$199,114	\$657,543
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	37,138	335	71,427
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$26,730,609</u>	<u>\$199,449</u>	<u>\$728,970</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$119,668	\$ -	\$61,461
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred and Unearned Revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>119,668</u>	<u>-</u>	<u>61,461</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	18,955,966	199,449	667,509
Committed	-	-	-	-
Assigned	-	7,654,975	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>26,610,941</u>	<u>199,449</u>	<u>667,509</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$26,730,609</u>	<u>\$199,449</u>	<u>\$728,970</u>

## Special Revenue Funds (Continued)

	External Grants	Everglades Restoration Trust Fund	Lake Belt Mitigation	Everglades License Plate
<b>ASSETS</b>				
Cash and Investments	\$ -	\$8,679,273	\$7,503,652	\$543,654
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	17,686	11,480	906
Due from Other Governments	1,189,828	354,379	-	-
Inventory	-	-	-	-
Other Assets	-	-	605,793	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$1,189,828</u>	<u>\$9,051,338</u>	<u>\$8,120,925</u>	<u>\$544,560</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$128,946	\$1,450,626	\$ -	\$135,602
Due to Other Governments	-	-	-	-
Due to Other Funds	1,537,078	59,084	-	-
Deferred and Unearned Revenue	1,189,828	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>2,855,852</u>	<u>1,509,710</u>	<u>-</u>	<u>135,602</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	7,541,628	8,120,925	408,958
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(1,666,024)	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances (Deficits)	<u>(1,666,024)</u>	<u>7,541,628</u>	<u>8,120,925</u>	<u>408,958</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balances	<u>\$1,189,828</u>	<u>\$9,051,338</u>	<u>\$8,120,925</u>	<u>\$544,560</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2012

	Special Revenue Funds (Continued)			
	Lake Okeechobee Trust Fund	Save Our Everglades	Federal Emergency Management Agency	Florida Bay
<b>ASSETS</b>				
Cash and Investments	\$5,104,173	\$3,592,969	\$12,820	\$501,581
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	141,724	-	893
Due from Other Governments	-	955,678	-	41,072
Inventory	-	-	-	-
Other Assets	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$5,104,173</u>	<u>\$4,690,371</u>	<u>\$12,820</u>	<u>\$543,546</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$258,478	\$873,785	\$ -	\$164,044
Due to Other Governments	-	-	-	16,055
Due to Other Funds	-	-	-	167
Deferred and Unearned Revenue	-	864,270	-	41,072
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>258,478</u>	<u>1,738,055</u>	<u>-</u>	<u>221,338</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	4,845,695	2,952,316	-	322,208
Committed	-	-	-	-
Assigned	-	-	12,820	-
Unassigned	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances (Deficits)	<u>4,845,695</u>	<u>2,952,316</u>	<u>12,820</u>	<u>322,208</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$5,104,173</u>	<u>\$4,690,371</u>	<u>\$12,820</u>	<u>\$543,546</u>

	Special Revenue Funds (Concluded)		Capital Projects Funds	
	Total	District	Okeechobee Basin	Big Cypress Basin
<b>ASSETS</b>				
Cash and Investments	\$72,933,731	\$1,188,556	\$22,272,300	\$8,862,812
Cash Held by Trustee	-	-	-	-
Accounts Receivable	326,611	328	40,126	14,946
Due from Other Governments	2,901,134	-	-	-
Inventory	62,107	-	-	-
Other Assets	605,793	-	375	-
<b>Total Assets</b>	<b>\$76,829,376</b>	<b>\$1,188,884</b>	<b>\$22,312,801</b>	<b>\$8,877,758</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$5,736,654	\$113,302	\$3,295,259	\$46,744
Due to Other Governments	16,055	-	-	-
Due to Other Funds	1,769,741	-	-	-
Deferred and Unearned Revenue	2,722,670	-	-	-
<b>Total Liabilities</b>	<b>10,245,120</b>	<b>113,302</b>	<b>3,295,259</b>	<b>46,744</b>
<b>FUND BALANCES</b>				
Nonspendable	62,107	-	-	-
Restricted	60,520,378	-	19,017,542	8,831,014
Committed	-	-	-	-
Assigned	7,667,795	1,075,582	-	-
Unassigned	(1,666,024)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>66,584,256</b>	<b>1,075,582</b>	<b>19,017,542</b>	<b>8,831,014</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$76,829,376</b>	<b>\$1,188,884</b>	<b>\$22,312,801</b>	<b>\$8,877,758</b>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2012

	Capital Projects Funds (Continued)			
	Save Our Rivers	State Appropriations	Federal Emergency Management Agency	Florida Bay
<b>ASSETS</b>				
Cash and Investments	\$13,340,058	\$ -	\$114,897	\$1,490,117
Cash Held by Trustee	-	-	-	-
Accounts Receivable	22,471	-	-	2,514
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
	<u>\$13,362,529</u>	<u>\$ -</u>	<u>\$114,897</u>	<u>\$1,492,631</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$73,309	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred and Unearned Revenue	-	-	-	-
	<u>73,309</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	13,289,220	-	-	1,492,631
Committed	-	-	-	-
Assigned	-	-	114,897	-
Unassigned	-	-	-	-
	<u>13,289,220</u>	<u>-</u>	<u>114,897</u>	<u>1,492,631</u>
Total Fund Balances (Deficits)	<u>\$13,362,529</u>	<u>\$ -</u>	<u>\$114,897</u>	<u>\$1,492,631</u>
Total Liabilities and Fund Balances	<u>\$13,362,529</u>	<u>\$ -</u>	<u>\$114,897</u>	<u>\$1,492,631</u>

	Capital Projects Funds (Continued)			
	Wetland Mitigation	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition	Save Our Everglades
<b>ASSETS</b>				
Cash and Investments	\$4,953,970	\$34,610,390	\$4,701,975	\$63,436
Cash Held by Trustee	-	10,296,536	-	-
Accounts Receivable	8,345	75,727	-	-
Due from Other Governments	-	-	-	2,646,317
Inventory	-	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>\$4,962,315</b>	<b>\$44,982,653</b>	<b>\$4,701,975</b>	<b>\$2,709,753</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$22,832	\$350,553	\$16,182	\$538,892
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred and Unearned Revenue	-	-	-	477,368
<b>Total Liabilities</b>	<b>22,832</b>	<b>350,553</b>	<b>16,182</b>	<b>1,016,260</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	3,212,683	10,296,536	4,685,793	1,693,493
Committed	-	12,223,594	-	-
Assigned	1,726,800	22,111,970	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>4,939,483</b>	<b>44,632,100</b>	<b>4,685,793</b>	<b>1,693,493</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$4,962,315</b>	<b>\$44,982,653</b>	<b>\$4,701,975</b>	<b>\$2,709,753</b>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2012

	Capital Projects Funds (Continued)			
	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable	COPS Comprehensive Everglades Restoration Plan (CERP)	Lake Belt Mitigation
<b>ASSETS</b>				
Cash and Investments	\$ -	\$1,840,380	\$750,268	\$ -
Cash Held by Trustee	-	-	27,843,215	-
Accounts Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$1,840,380</b>	<b>\$28,593,483</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$83,568	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	547,823	-	-	-
Deferred and Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>547,823</b>	<b>83,568</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	28,593,483	-
Committed	-	-	-	-
Assigned	-	1,756,812	-	-
Unassigned	(547,823)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>(547,823)</b>	<b>1,756,812</b>	<b>28,593,483</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$1,840,380</b>	<b>\$28,593,483</b>	<b>\$ -</b>



	Capital Projects Funds (Concluded)		Permanent Fund	Total Nonmajor Governmental Funds
	Lake Okeechobee	Total	Wetland Mitigation	
<b>ASSETS</b>				
Cash and Investments	\$337,973	\$94,527,132	\$14,160,300	\$181,621,163
Cash Held by Trustee	-	38,139,751	-	38,139,751
Accounts Receivable	-	164,457	21,287	512,355
Due from Other Governments	-	2,646,317	-	5,547,451
Inventory	-	-	-	62,107
Other Assets	-	375	-	606,168
	<u>\$337,973</u>	<u>\$135,478,032</u>	<u>\$14,181,587</u>	<u>\$226,488,995</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$165,251	\$4,705,892	\$ -	\$10,442,546
Due to Other Governments	-	-	-	16,055
Due to Other Funds	-	547,823	-	2,317,564
Deferred and Unearned Revenue	-	477,368	-	3,200,038
	<u>165,251</u>	<u>5,731,083</u>	<u>-</u>	<u>15,976,203</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	14,016,126	14,078,233
Restricted	172,722	91,285,117	165,461	151,970,956
Committed	-	12,223,594	-	12,223,594
Assigned	-	26,786,061	-	34,453,856
Unassigned	-	(547,823)	-	(2,213,847)
	<u>172,722</u>	<u>129,746,949</u>	<u>14,181,587</u>	<u>210,512,792</u>
Total Fund Balances (Deficits)	<u>172,722</u>	<u>129,746,949</u>	<u>14,181,587</u>	<u>210,512,792</u>
Total Liabilities and Fund Balances	<u>\$337,973</u>	<u>\$135,478,032</u>	<u>\$14,181,587</u>	<u>\$226,488,995</u>

Concluded

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2012

	Special Revenue Funds			
	Big Cypress Basin	Save Our Rivers	State Appropriations	Aquatic Plant Control
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$9,255,778	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	-	7,026,703	529,491	1,606,424
Investment Earnings	150,722	-	-	-
Licenses, Permits and Fees	69,441	-	-	-
Sale of District Property	541	53,104	-	-
Leases	-	1,040,937	-	-
Other	8,110	-	-	83
<b>Total Revenues</b>	<b>9,484,592</b>	<b>8,120,744</b>	<b>529,491</b>	<b>1,606,507</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	109,273	246,144	-	-
Mission Support	51,960	-	-	-
Modeling and Scientific Support	6,059	-	-	-
Operations and Maintenance	2,636,060	-	-	1,310,520
Regulation	14,580	-	-	-
Restoration	4,608,791	18,215	1,587,540	-
Water Supply	2,197,460	-	691,145	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	5,655,000	-	-
Bond Interest	-	1,265,749	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>9,624,183</b>	<b>7,185,108</b>	<b>2,278,685</b>	<b>1,310,520</b>
Revenues in Excess of (Less than) Expenditures	(139,591)	935,636	(1,749,194)	295,987
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	52,894	-	-
Transfers Out	(138,867)	-	(573,009)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(138,867)</b>	<b>52,894</b>	<b>(573,009)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(278,458)</b>	<b>988,530</b>	<b>(2,322,203)</b>	<b>295,987</b>
Fund Balances (Deficits) at Beginning of Year	8,943,111	2,356,161	6,880,690	(295,987)
Fund Balances (Deficits) at End of Year	<u>\$8,664,653</u>	<u>\$3,344,691</u>	<u>\$4,558,487</u>	<u>\$ -</u>

## Special Revenue Funds (Continued)

	Melaleuca Control	Wetland Mitigation	Indian River Lagoon Restoration	Federal Land Management
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	998,762	-	97,457	-
Investment Earnings	-	344,155	3,946	3,823
Licenses, Permits and Fees	-	612,521	-	-
Sale of District Property	-	2,373	-	-
Leases	-	-	-	642,254
Other	-	10,108	-	-
<b>Total Revenues</b>	<b>998,762</b>	<b>969,157</b>	<b>101,403</b>	<b>646,077</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	998,762	2,145,607	-	110,674
Mission Support	-	-	-	-
Modeling and Scientific Support	-	-	-	-
Operations and Maintenance	-	9,986	-	-
Regulation	-	-	-	-
Restoration	-	-	318,237	82,766
Water Supply	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>998,762</b>	<b>2,155,593</b>	<b>318,237</b>	<b>193,440</b>
Revenues in Excess of (Less than) Expenditures	-	(1,186,436)	(216,834)	452,637
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	216,732	-	214,872
Transfers Out	-	(5,174,937)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(4,958,205)</b>	<b>-</b>	<b>214,872</b>
Net Change in Fund Balances	-	(6,144,641)	(216,834)	667,509
Fund Balances (Deficits) at Beginning of Year	-	32,755,582	416,283	-
Fund Balances (Deficits) at End of Year	<u>\$ -</u>	<u>\$26,610,941</u>	<u>\$199,449</u>	<u>\$667,509</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, 2012

	Special Revenue Funds (Continued)			
	<u>External Grants</u>	<u>Everglades Restoration Trust Fund</u>	<u>Lake Belt Mitigation</u>	<u>Everglades License Plate</u>
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$21,771,314	\$ -	\$ -
Agricultural Privilege Taxes	-	6,581,958	-	-
Intergovernmental	32,156	-	-	240,770
Investment Earnings	-	198,821	68,284	5,869
Licenses, Permits and Fees	-	-	8,650,369	-
Sale of District Property	-	5,726	-	-
Leases	-	-	-	-
Other	-	8,607	2,132	-
	<u>32,156</u>	<u>28,566,426</u>	<u>8,720,785</u>	<u>246,639</u>
Total Revenues	32,156	28,566,426	8,720,785	246,639
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	7,264,227	-
Mission Support	-	-	-	-
Modeling and Scientific Support	-	-	-	-
Operations and Maintenance	-	586	-	-
Regulation	-	-	-	-
Restoration	1,273,873	30,824,704	-	174,429
Water Supply	30,000	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
	<u>1,303,873</u>	<u>30,825,290</u>	<u>7,264,227</u>	<u>174,429</u>
Total Expenditures	1,303,873	30,825,290	7,264,227	174,429
Revenues in Excess of (Less than) Expenditures	<u>(1,271,717)</u>	<u>(2,258,864)</u>	<u>1,456,558</u>	<u>72,210</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	694,745	-	-
Transfers Out	-	-	(487)	-
	<u>-</u>	<u>694,745</u>	<u>(487)</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	694,745	(487)	-
Net Change in Fund Balances	(1,271,717)	(1,564,119)	1,456,071	72,210
Fund Balances (Deficits) at Beginning of Year	<u>(394,307)</u>	<u>9,105,747</u>	<u>6,664,854</u>	<u>336,748</u>
Fund Balances (Deficits) at End of Year	<u><u>(\$1,666,024)</u></u>	<u><u>\$7,541,628</u></u>	<u><u>\$8,120,925</u></u>	<u><u>\$408,958</u></u>

## Special Revenue Funds (Continued)

	Lake Okeechobee Trust Fund	Save Our Everglades	Federal Emergency Management Agency	Florida Bay
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	544,476	1,898,721	30,028	88,171
Investment Earnings	1,134	9,271	-	1,282
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	416,266	-	-
Other	1	-	-	-
<b>Total Revenues</b>	<b>545,611</b>	<b>2,324,258</b>	<b>30,028</b>	<b>89,453</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
Mission Support	-	-	-	-
Modeling and Scientific Support	-	-	-	-
Operations and Maintenance	-	-	-	-
Regulation	-	-	-	-
Restoration	1,289,045	2,795,446	30,028	682,922
Water Supply	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>1,289,045</b>	<b>2,795,446</b>	<b>30,028</b>	<b>682,922</b>
Revenues in Excess of (Less than) Expenditures	(743,434)	(471,188)	-	(593,469)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	3,423,504	12,820	1,003,437
Transfers Out	(2,416,827)	-	-	(87,760)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,416,827)</b>	<b>3,423,504</b>	<b>12,820</b>	<b>915,677</b>
Net Change in Fund Balances	(3,160,261)	2,952,316	12,820	322,208
Fund Balances (Deficits) at Beginning of Year	8,005,956	-	-	-
Fund Balances (Deficits) at End of Year	\$4,845,695	\$2,952,316	\$12,820	\$322,208

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, 2012

	Special Revenue Funds (Concluded)	Capital Projects Funds		
	Total	District	Okeechobee Basin	Big Cypress Basin
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$31,027,092	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	6,581,958	-	-	-
Intergovernmental	13,093,159	-	-	-
Investment Earnings	787,307	1,986	535,048	117,004
Licenses, Permits and Fees	9,332,331	-	-	-
Sale of District Property	61,744	-	-	-
Leases	2,099,457	-	-	-
Other	29,041	-	38,820	202
<b>Total Revenues</b>	<b>63,012,089</b>	<b>1,986</b>	<b>573,868</b>	<b>117,206</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	10,874,687	-	-	-
Mission Support	51,960	-	-	-
Modeling and Scientific Support	6,059	-	-	-
Operations and Maintenance	3,957,152	-	-	-
Regulation	14,580	-	-	-
Restoration	43,685,996	-	-	-
Water Supply	2,918,605	-	-	-
Capital Outlay	-	3,264,963	27,339,352	1,144,258
Debt Service				
Bond Principal Retirement	5,655,000	-	-	-
Bond Interest	1,265,749	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>68,429,788</b>	<b>3,264,963</b>	<b>27,339,352</b>	<b>1,144,258</b>
Revenues in Excess of (Less than) Expenditures	(5,417,699)	(3,262,977)	(26,765,484)	(1,027,052)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,619,004	4,143,426	6,790,603	138,867
Transfers Out	(8,391,887)	-	(14,799,647)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,772,883)</b>	<b>4,143,426</b>	<b>(8,009,044)</b>	<b>138,867</b>
Net Change in Fund Balances	(8,190,582)	880,449	(34,774,528)	(888,185)
Fund Balances (Deficits) at Beginning of Year	74,774,838	195,133	53,792,070	9,719,199
Fund Balances (Deficits) at End of Year	<u>\$66,584,256</u>	<u>\$1,075,582</u>	<u>\$19,017,542</u>	<u>\$8,831,014</u>

## Capital Projects Funds (Continued)

	<u>Save Our Rivers</u>	<u>State Appropriations</u>	<u>Federal Emergency Management Agency</u>	<u>Florida Bay</u>
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	74,425	-	-	-
Investment Earnings	172,031	-	-	29,551
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	-	-	-	-
	<u>246,456</u>	<u>-</u>	<u>-</u>	<u>29,551</u>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
Mission Support	-	-	-	-
Modeling and Scientific Support	-	-	-	-
Operations and Maintenance	-	-	-	-
Regulation	-	-	-	-
Restoration	-	-	-	-
Water Supply	-	-	-	-
Capital Outlay	97,400	573,009	-	81,259
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
	<u>97,400</u>	<u>573,009</u>	<u>-</u>	<u>81,259</u>
Revenues in Excess of (Less than) Expenditures	<u>149,056</u>	<u>(573,009)</u>	<u>-</u>	<u>(51,708)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	573,009	-	87,760
Transfers Out	(52,894)	-	(12,820)	(1,003,437)
	<u>(52,894)</u>	<u>573,009</u>	<u>(12,820)</u>	<u>(915,677)</u>
Net Change in Fund Balances	96,162	-	(12,820)	(967,385)
Fund Balances (Deficits) at Beginning of Year	<u>13,193,058</u>	<u>-</u>	<u>127,717</u>	<u>2,460,016</u>
Fund Balances (Deficits) at End of Year	<u>\$13,289,220</u>	<u>\$ -</u>	<u>\$114,897</u>	<u>\$1,492,631</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, 2012

	Capital Projects Funds (Continued)			
	Wetland Mitigation	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition	Save Our Everglades
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	-	-	-	29,828,282
Investment Earnings	11,984	656,075	-	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	589	-	-
Leases	-	802,786	-	-
Other	-	1,367	-	-
<b>Total Revenues</b>	<b>11,984</b>	<b>1,460,817</b>	<b>-</b>	<b>29,828,282</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
Mission Support	-	-	-	-
Modeling and Scientific Support	-	-	-	-
Operations and Maintenance	-	-	-	-
Regulation	-	-	-	-
Restoration	-	-	-	-
Water Supply	-	-	-	-
Capital Outlay	30,706	2,086,470	37,834	6,419,998
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	4,530,041	-	-
COPS Bond Interest	-	11,213,600	-	-
<b>Total Expenditures</b>	<b>30,706</b>	<b>17,830,111</b>	<b>37,834</b>	<b>6,419,998</b>
Revenues in Excess of (Less than) Expenditures	(18,722)	(16,369,294)	(37,834)	23,408,284
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,174,937	15,743,641	-	-
Transfers Out	(216,732)	(17,374,566)	(214,872)	(3,423,504)
<b>Total Other Financing Sources (Uses)</b>	<b>4,958,205</b>	<b>(1,630,925)</b>	<b>(214,872)</b>	<b>(3,423,504)</b>
Net Change in Fund Balances	4,939,483	(18,000,219)	(252,706)	19,984,780
Fund Balances (Deficits) at Beginning of Year	-	62,632,319	4,938,499	(18,291,287)
Fund Balances (Deficits) at End of Year	<u>\$4,939,483</u>	<u>\$44,632,100</u>	<u>\$4,685,793</u>	<u>\$1,693,493</u>



	Capital Projects Funds (Continued)			
	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable	COPS Comprehensive Everglades Restoration Plan (CERP)	Lake Belt Mitigation
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Agricultural Privilege Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Investment Earnings	-	-	451,498	-
Licenses, Permits and Fees	-	-	-	160,489
Sale of District Property	-	-	14,485	-
Leases	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>465,983</b>	<b>160,489</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
Mission Support	-	-	-	-
Modeling and Scientific Support	-	-	-	-
Operations and Maintenance	-	-	-	-
Regulation	-	-	-	-
Restoration	-	-	-	-
Water Supply	-	-	-	-
Capital Outlay	-	469,143	-	160,976
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-
COPS Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>469,143</b>	<b>-</b>	<b>160,976</b>
Revenues in Excess of (Less than) Expenditures	-	(469,143)	465,983	(487)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	750,000	487
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>750,000</b>	<b>487</b>
Net Change in Fund Balances	-	(469,143)	1,215,983	-
Fund Balances (Deficits) at Beginning of Year	(547,823)	2,225,955	27,377,500	-
Fund Balances (Deficits) at End of Year	<u>(\$547,823)</u>	<u>\$1,756,812</u>	<u>\$28,593,483</u>	<u>\$ -</u>

Continued

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2012

	<u>Capital Projects Funds (Concluded)</u>		<u>Permanent Fund</u>	Total Nonmajor Governmental Funds
	<u>Lake Okeechobee</u>	<u>Total</u>	<u>Wetland Mitigation</u>	
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$31,027,092
Agricultural Privilege Taxes	-	-	-	6,581,958
Intergovernmental	-	29,902,707	-	42,995,866
Investment Earnings	-	1,975,177	162,820	2,925,304
Licenses, Permits and Fees	-	160,489	27,506	9,520,326
Sale of District Property	-	15,074	-	76,818
Leases	-	802,786	-	2,902,243
Other	-	40,389	-	69,430
	<u>-</u>	<u>32,896,622</u>	<u>190,326</u>	<u>96,099,037</u>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	10,874,687
Mission Support	-	-	-	51,960
Modeling and Scientific Support	-	-	-	6,059
Operations and Maintenance	-	-	-	3,957,152
Regulation	-	-	-	14,580
Restoration	-	-	-	43,685,996
Water Supply	-	-	-	2,918,605
Capital Outlay	1,494,105	43,199,473	-	43,199,473
Debt Service				
Bond Principal Retirement	-	-	-	5,655,000
Bond Interest	-	-	-	1,265,749
COPS Bond Principal Retirement	-	4,530,041	-	4,530,041
COPS Bond Interest	-	11,213,600	-	11,213,600
	<u>1,494,105</u>	<u>58,943,114</u>	<u>-</u>	<u>127,372,902</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,494,105)</u>	<u>(26,046,492)</u>	<u>190,326</u>	<u>(31,273,865)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,666,827	35,069,557	-	40,688,561
Transfers Out	-	(37,098,472)	-	(45,490,359)
	<u>1,666,827</u>	<u>(2,028,915)</u>	<u>-</u>	<u>(4,801,798)</u>
Net Change in Fund Balances	172,722	(28,075,407)	190,326	(36,075,663)
Fund Balances (Deficits) at Beginning of Year	-	157,822,356	13,991,261	246,588,455
Fund Balances (Deficits) at End of Year	<u>\$172,722</u>	<u>\$129,746,949</u>	<u>\$14,181,587</u>	<u>\$210,512,792</u>

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South Florida Water Management District  
Special Revenue Fund  
Big Cypress Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$9,119,757	\$9,255,778	\$136,021
Investment Earnings	115,320	150,722	35,402
Licenses, Permits and Fees	8,000	69,441	61,441
Sale of District Property	-	541	541
Other	-	8,110	8,110
Total Revenues	<u>9,243,077</u>	<u>9,484,592</u>	<u>241,515</u>
<b>EXPENDITURES</b>			
Current			
Administrative Services and Executive Offices			
Mission Support	78,188	52,032	26,156
Modeling and Scientific Support	6,059	6,059	-
Operations and Maintenance	607,554	439,213	168,341
Regulation	18,774	14,580	4,194
Restoration	3,848,823	3,809,208	39,615
Water Supply	2,326,346	2,197,460	128,886
Total Administrative Services and Executive Offices	<u>6,885,744</u>	<u>6,518,552</u>	<u>367,192</u>
Operations, Maintenance, and Construction			
Land Stewardship	109,272	109,273	(1)
Mission Support	-	(72)	72
Operations and Maintenance	2,253,273	2,196,847	56,426
Restoration	499,343	393,758	105,585
Total Operations, Maintenance, and Construction	<u>2,861,888</u>	<u>2,699,806</u>	<u>162,082</u>
Water Resources			
Restoration	453,567	405,825	47,742
Total Water Resources	<u>453,567</u>	<u>405,825</u>	<u>47,742</u>
Contingency			
Managerial Reserve-Contingency	760,401	-	760,401
Total Contingency	<u>760,401</u>	<u>-</u>	<u>760,401</u>
Total Expenditures	<u>10,961,600</u>	<u>9,624,183</u>	<u>1,337,417</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,718,523)</u>	<u>(139,591)</u>	<u>1,578,932</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(138,867)	(138,867)	-
Total Other Financing Sources (Uses)	<u>(138,867)</u>	<u>(138,867)</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,857,390)</u>	<u>(278,458)</u>	<u>1,578,932</u>
Fund Balance at Beginning of Year	8,943,111	8,943,111	-
Fund Balance at End of Year	<u><u>\$7,085,721</u></u>	<u><u>\$8,664,653</u></u>	<u><u>\$1,578,932</u></u>

South Florida Water Management District  
Special Revenue Fund  
Save Our Rivers  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$6,920,749	\$7,026,703	\$105,954
Sale of District Property	-	53,104	53,104
Leases	359,518	1,040,937	681,419
Total Revenues	<u>7,280,267</u>	<u>8,120,744</u>	<u>840,477</u>
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Land Stewardship	273,740	246,144	27,596
Restoration	45,250	18,215	27,035
Total Operations, Maintenance, and Construction	<u>318,990</u>	<u>264,359</u>	<u>54,631</u>
Debt Service			
Bond Principal Retirement	5,655,000	5,655,000	-
Bond Interest	1,265,751	1,265,749	2
Total Debt Service	<u>6,920,751</u>	<u>6,920,749</u>	<u>2</u>
Contingency			
Managerial Reserve	93,420	-	93,420
Total Contingency	<u>93,420</u>	<u>-</u>	<u>93,420</u>
Total Expenditures	<u>7,333,161</u>	<u>7,185,108</u>	<u>148,053</u>
Revenues in Excess of (Less than) Expenditures	<u>(52,894)</u>	<u>935,636</u>	<u>988,530</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	52,894	52,894	-
Total Other Financing Sources (Uses)	<u>52,894</u>	<u>52,894</u>	<u>-</u>
Net Change in Fund Balance	-	988,530	988,530
Fund Balance at Beginning of Year	2,356,161	2,356,161	-
Fund Balance at End of Year	<u>\$2,356,161</u>	<u>\$3,344,691</u>	<u>\$988,530</u>

South Florida Water Management District  
Special Revenue Fund  
State Appropriations  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$20,204	\$529,491	\$509,287
Investment Earnings	1,417	-	(1,417)
Total Revenues	<u>21,621</u>	<u>529,491</u>	<u>507,870</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	4,644,107	1,577,032	3,067,075
Total Administrative Services and Executive Offices	<u>4,644,107</u>	<u>1,577,032</u>	<u>3,067,075</u>
Operations, Maintenance, and Construction			
Restoration	10,509	10,508	1
Total Operations, Maintenance, and Construction	<u>10,509</u>	<u>10,508</u>	<u>1</u>
Water Resources			
Water Supply	691,145	691,145	-
Total Water Resources	<u>691,145</u>	<u>691,145</u>	<u>-</u>
Contingency			
Managerial Reserve	937,240	-	937,240
Total Contingency	<u>937,240</u>	<u>-</u>	<u>937,240</u>
Total Expenditures	<u>6,283,001</u>	<u>2,278,685</u>	<u>4,004,316</u>
Revenues in Excess of (Less than) Expenditures	<u>(6,261,380)</u>	<u>(1,749,194)</u>	<u>4,512,186</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(573,009)	(573,009)	-
Total Other Financing Sources (Uses)	<u>(573,009)</u>	<u>(573,009)</u>	<u>-</u>
Net Change in Fund Balance	(6,834,389)	(2,322,203)	4,512,186
Fund Balance at Beginning of Year	6,880,690	6,880,690	-
Fund Balance at End of Year	<u>\$46,301</u>	<u>\$4,558,487</u>	<u>\$4,512,186</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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$1,883,688	\$1,606,424	(\$277,264)
Other	-	83	83
Total Revenues	<u>1,883,688</u>	<u>1,606,507</u>	<u>(277,181)</u>
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Operations and Maintenance	1,894,961	1,310,520	584,441
Total Operations, Maintenance, and Construction	<u>1,894,961</u>	<u>1,310,520</u>	<u>584,441</u>
Total Expenditures	<u>1,894,961</u>	<u>1,310,520</u>	<u>584,441</u>
Revenues in Excess of (Less than) Expenditures	<u>(11,273)</u>	<u>295,987</u>	<u>307,260</u>
Net Change in Fund Balance	(11,273)	295,987	307,260
Fund Balance at Beginning of Year	(295,987)	(295,987)	-
Fund Balance at End of Year	<u>(\$307,260)</u>	<u>\$ -</u>	<u>\$307,260</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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$1,200,000	\$998,762	(\$201,238)
Total Revenues	<u>1,200,000</u>	<u>998,762</u>	<u>(201,238)</u>
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Land Stewardship	1,000,000	998,762	1,238
Total Operations, Maintenance, and Construction	<u>1,000,000</u>	<u>998,762</u>	<u>1,238</u>
Contingency			
Managerial Reserve	200,000	-	200,000
Total Contingency	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Expenditures	<u>1,200,000</u>	<u>998,762</u>	<u>201,238</u>
Revenues in Excess of (Less than) Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



South Florida Water Management District  
Special Revenue Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$275,293	\$344,155	\$68,862
Licenses, Permits and Fees	-	612,521	612,521
Sale of District Property	-	2,373	2,373
Other	-	10,108	10,108
Total Revenues	<u>275,293</u>	<u>969,157</u>	<u>693,864</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	1,359	-	1,359
Total Administrative Services and Executive Offices	<u>1,359</u>	<u>-</u>	<u>1,359</u>
Operations, Maintenance, and Construction			
Land Stewardship	2,323,605	2,145,607	177,998
Operations and Maintenance	10,000	9,986	14
Restoration	53,838	-	53,838
Total Operations, Maintenance, and Construction	<u>2,387,443</u>	<u>2,155,593</u>	<u>231,850</u>
Contingency			
Managerial Reserve	113,920	-	113,920
Total Contingency	<u>113,920</u>	<u>-</u>	<u>113,920</u>
Total Expenditures	<u>2,502,722</u>	<u>2,155,593</u>	<u>347,129</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,227,429)</u>	<u>(1,186,436)</u>	<u>1,040,993</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	331,891	216,732	(115,159)
Transfers Out	(5,174,937)	(5,174,937)	-
Total Other Financing Sources (Uses)	<u>(4,843,046)</u>	<u>(4,958,205)</u>	<u>(115,159)</u>
Net Change in Fund Balance	<u>(7,070,475)</u>	<u>(6,144,641)</u>	<u>925,834</u>
Fund Balance at Beginning of Year	32,755,582	32,755,582	-
Fund Balance at End of Year	<u>\$25,685,107</u>	<u>\$26,610,941</u>	<u>\$925,834</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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$97,457	\$97,457
Investment Earnings	-	3,946	3,946
Total Revenues	-	101,403	101,403
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	421,285	318,237	103,048
Total Administrative Services and Executive Offices	421,285	318,237	103,048
Contingency			
Managerial Reserve	4,243	-	4,243
Total Contingency	4,243	-	4,243
Total Expenditures	425,528	318,237	107,291
Revenues in Excess of (Less than) Expenditures	(425,528)	(216,834)	208,694
Net Change in Fund Balance	(425,528)	(216,834)	208,694
Fund Balance at Beginning of Year	416,283	416,283	-
Fund Balance at End of Year	(\$9,245)	\$199,449	\$208,694

South Florida Water Management District  
Special Revenue Fund  
Federal Land Management  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$3,823	\$3,823
Leases	-	642,254	642,254
Total Revenues	-	646,077	646,077
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	30,000	26,712	3,288
Total Administrative Services and Executive Offices	30,000	26,712	3,288
Operations, Maintenance, and Construction			
Land Stewardship	128,818	110,674	18,144
Restoration	56,054	56,054	-
Total Operations, Maintenance, and Construction	184,872	166,728	18,144
Total Expenditures	214,872	193,440	21,432
Revenues in Excess of (Less than) Expenditures	(214,872)	452,637	667,509
OTHER FINANCING SOURCES (USES)			
Transfers In	214,872	214,872	-
Total Other Financing Sources (Uses)	214,872	214,872	-
Net Change in Fund Balance	-	667,509	667,509
Fund Balance at Beginning of Year	-	-	
Fund Balance at End of Year	\$ -	\$667,509	\$667,509

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$2,029,473	\$32,156	(\$1,997,317)
Total Revenues	<u>2,029,473</u>	<u>32,156</u>	<u>(1,997,317)</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Water Supply	30,000	30,000	-
Total Administrative Services and Executive Offices	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Operations, Maintenance, and Construction			
Restoration	1,634,671	1,273,873	360,798
Total Operations, Maintenance, and Construction	<u>1,634,671</u>	<u>1,273,873</u>	<u>360,798</u>
Contingency			
Managerial Reserve	564,090	-	564,090
Total Contingency	<u>564,090</u>	<u>-</u>	<u>564,090</u>
Total Expenditures	<u>2,228,761</u>	<u>1,303,873</u>	<u>924,888</u>
Revenues in Excess of (Less than) Expenditures	<u>(199,288)</u>	<u>(1,271,717)</u>	<u>(1,072,429)</u>
Net Change in Fund Balance	(199,288)	(1,271,717)	(1,072,429)
Fund Balance at Beginning of Year	(394,307)	(394,307)	-
Fund Balance at End of Year	<u>(\$593,595)</u>	<u>(\$1,666,024)</u>	<u>(\$1,072,429)</u>

South Florida Water Management District  
Special Revenue Fund  
Everglades Restoration Trust Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$23,683,152	\$21,771,314	(\$1,911,838)
Agricultural Privilege Taxes	4,747,540	6,581,958	1,834,418
Investment Earnings	73,170	198,821	125,651
Sale of District Property	-	5,726	5,726
Other	-	8,607	8,607
Total Revenues	<u>28,503,862</u>	<u>28,566,426</u>	<u>62,564</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	3,628,426	2,749,960	878,466
Total Administrative Services and Executive Offices	<u>3,628,426</u>	<u>2,749,960</u>	<u>878,466</u>
Operations, Maintenance, and Construction			
Operations and Maintenance	-	586	(586)
Restoration	20,672,443	19,786,100	886,343
Total Operations, Maintenance, and Construction	<u>20,672,443</u>	<u>19,786,686</u>	<u>885,757</u>
Regulation			
Restoration	1,815,642	1,750,316	65,326
Total Regulation	<u>1,815,642</u>	<u>1,750,316</u>	<u>65,326</u>
Water Resources			
Restoration	6,687,843	6,538,328	149,515
Total Water Resources	<u>6,687,843</u>	<u>6,538,328</u>	<u>149,515</u>
Contingency			
Managerial Reserve	395,265	-	395,265
Managerial Reserve-Contingency	3,000,000	-	3,000,000
Total Contingency	<u>3,395,265</u>	<u>-</u>	<u>3,395,265</u>
Total Expenditures	<u>36,199,619</u>	<u>30,825,290</u>	<u>5,374,329</u>
Revenues in Excess of (Less than) Expenditures	<u>(7,695,757)</u>	<u>(2,258,864)</u>	<u>5,436,893</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	694,745	694,745	-
Total Other Financing Sources (Uses)	<u>694,745</u>	<u>694,745</u>	<u>-</u>
Net Change in Fund Balance	(7,001,012)	(1,564,119)	5,436,893
Fund Balance at Beginning of Year	9,105,747	9,105,747	-
Fund Balance at End of Year	<u>\$2,104,735</u>	<u>\$7,541,628</u>	<u>\$5,436,893</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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$44,662	\$68,284	\$23,622
Licenses, Permits and Fees	1,499,457	8,650,369	7,150,912
Other	-	2,132	2,132
Total Revenues	<u>1,544,119</u>	<u>8,720,785</u>	<u>7,176,666</u>
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Land Stewardship	7,879,450	7,264,227	615,223
Total Operations, Maintenance, and Construction	<u>7,879,450</u>	<u>7,264,227</u>	<u>615,223</u>
Contingency			
Managerial Reserve	162,013	-	162,013
Total Contingency	<u>162,013</u>	<u>-</u>	<u>162,013</u>
Total Expenditures	<u>8,041,463</u>	<u>7,264,227</u>	<u>777,236</u>
Revenues in Excess of (Less than) Expenditures	<u>(6,497,344)</u>	<u>1,456,558</u>	<u>7,953,902</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(487)	(487)	-
Total Other Financing Sources (Uses)	<u>(487)</u>	<u>(487)</u>	<u>-</u>
Net Change in Fund Balance	<u>(6,497,831)</u>	<u>1,456,071</u>	<u>7,953,902</u>
Fund Balance at Beginning of Year	<u>6,664,854</u>	<u>6,664,854</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$167,023</u></u>	<u><u>\$8,120,925</u></u>	<u><u>\$7,953,902</u></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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$240,770	\$240,770
Investment Earnings	-	5,869	5,869
Total Revenues	-	246,639	246,639
EXPENDITURES			
Current			
Water Resources			
Restoration	200,000	174,429	25,571
Total Water Resources	200,000	174,429	25,571
Total Expenditures	200,000	174,429	25,571
Revenues in Excess of (Less than) Expenditures	(200,000)	72,210	272,210
Net Change in Fund Balance	(200,000)	72,210	272,210
Fund Balance at Beginning of Year	336,748	336,748	-
Fund Balance at End of Year	\$136,748	\$408,958	\$272,210

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$544,476	\$544,476
Investment Earnings	37,726	1,134	(36,592)
Other	-	1	1
Total Revenues	<u>37,726</u>	<u>545,611</u>	<u>507,885</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	300,451	166,800	133,651
Total Administrative Services and Executive Offices	<u>300,451</u>	<u>166,800</u>	<u>133,651</u>
Operations, Maintenance, and Construction			
Restoration	312,088	191,401	120,687
Total Operations, Maintenance, and Construction	<u>312,088</u>	<u>191,401</u>	<u>120,687</u>
Regulation			
Restoration	2,335,670	786,608	1,549,062
Total Regulation	<u>2,335,670</u>	<u>786,608</u>	<u>1,549,062</u>
Water Resources			
Restoration	173,001	144,236	28,765
Total Water Resources	<u>173,001</u>	<u>144,236</u>	<u>28,765</u>
Contingency			
Managerial Reserve	3,371,485	-	3,371,485
Total Contingency	<u>3,371,485</u>	<u>-</u>	<u>3,371,485</u>
Total Expenditures	<u>6,492,695</u>	<u>1,289,045</u>	<u>5,203,650</u>
Revenues in Excess of (Less than) Expenditures	<u>(6,454,969)</u>	<u>(743,434)</u>	<u>5,711,535</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(2,419,572)	(2,416,827)	2,745
Total Other Financing Sources (Uses)	<u>(2,419,572)</u>	<u>(2,416,827)</u>	<u>2,745</u>
Net Change in Fund Balance	(8,874,541)	(3,160,261)	5,714,280
Fund Balance at Beginning of Year	8,005,956	8,005,956	-
Fund Balance at End of Year	<u>(\$868,585)</u>	<u>\$4,845,695</u>	<u>\$5,714,280</u>



South Florida Water Management District  
Special Revenue Fund  
Save Our Everglades  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$7,539,454	\$1,898,721	(\$5,640,733)
Investment Earnings	-	9,271	9,271
Leases	-	416,266	416,266
Total Revenues	<u>7,539,454</u>	<u>2,324,258</u>	<u>(5,215,196)</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	2,783,062	2,268,418	514,644
Total Administrative Services and Executive Offices	<u>2,783,062</u>	<u>2,268,418</u>	<u>514,644</u>
Operations, Maintenance, and Construction			
Restoration	748,711	409,110	339,601
Total Operations, Maintenance, and Construction	<u>748,711</u>	<u>409,110</u>	<u>339,601</u>
Regulation			
Restoration	5,862,500	64,338	5,798,162
Total Regulation	<u>5,862,500</u>	<u>64,338</u>	<u>5,798,162</u>
Water Resources			
Restoration	68,460	53,580	14,880
Total Water Resources	<u>68,460</u>	<u>53,580</u>	<u>14,880</u>
Contingency			
Managerial Reserve	1,500,225	-	1,500,225
Total Contingency	<u>1,500,225</u>	<u>-</u>	<u>1,500,225</u>
Total Expenditures	<u>10,962,958</u>	<u>2,795,446</u>	<u>8,167,512</u>
Revenues in Excess of (Less than) Expenditures	<u>(3,423,504)</u>	<u>(471,188)</u>	<u>2,952,316</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,423,504	3,423,504	-
Total Other Financing Sources (Uses)	<u>3,423,504</u>	<u>3,423,504</u>	<u>-</u>
Net Change in Fund Balance	-	2,952,316	2,952,316
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$2,952,316</u>	<u>\$2,952,316</u>

South Florida Water Management District  
Special Revenue Fund  
Federal Emergency Management Agency  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$39,471	\$30,028	(\$9,443)
Total Revenues	39,471	30,028	(9,443)
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	36,028	30,028	6,000
Total Administrative Services and Executive Offices	36,028	30,028	6,000
Contingency			
Managerial Reserve	16,263	-	16,263
Total Contingency	16,263	-	16,263
Total Expenditures	52,291	30,028	22,263
Revenues in Excess of (Less than) Expenditures	(12,820)	-	12,820
OTHER FINANCING SOURCES (USES)			
Transfers In	12,820	12,820	-
Total Other Financing Sources (Uses)	12,820	12,820	-
Net Change in Fund Balance	-	12,820	12,820
Fund Balance at Beginning of Year	-	-	
Fund Balance at End of Year	\$ -	\$12,820	\$12,820

South Florida Water Management District  
Special Revenue Fund  
Florida Bay  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$88,171	\$88,171
Investment Earnings	-	1,282	1,282
Total Revenues	-	89,453	89,453
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	4,898	3,085	1,813
Total Administrative Services and Executive Offices	4,898	3,085	1,813
Operations, Maintenance, and Construction			
Restoration	40,550	26,000	14,550
Total Operations, Maintenance, and Construction	40,550	26,000	14,550
Water Resources			
Restoration	775,432	653,837	121,595
Total Water Resources	775,432	653,837	121,595
Contingency			
Managerial Reserve	94,797	-	94,797
Total Contingency	94,797	-	94,797
Total Expenditures	915,677	682,922	232,755
Revenues in Excess of (Less than) Expenditures	(915,677)	(593,469)	322,208
OTHER FINANCING SOURCES (USES)			
Transfers In	1,003,437	1,003,437	-
Transfers Out	(87,760)	(87,760)	-
Total Other Financing Sources (Uses)	915,677	915,677	-
Net Change in Fund Balance	-	322,208	322,208
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$322,208	\$322,208

South Florida Water Management District  
Capital Projects Fund  
District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$1,986	\$1,986
Total Revenues	-	1,986	1,986
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Mission Support	1,560,104	1,312,786	247,318
Modeling and Scientific Support	5,209	5,209	-
Operations and Maintenance	488,383	428,947	59,436
Regulation	288,565	287,077	1,488
Restoration	3,654	3,654	-
Total Administrative Services and Executive Offices	2,345,915	2,037,673	308,242
Operations, Maintenance, and Construction			
Mission Support	207,578	198,079	9,499
Modeling and Scientific Support	707,485	715,082	(7,597)
Operations and Maintenance	16,825	16,764	61
Restoration	90,627	90,627	-
Total Operations, Maintenance, and Construction	1,022,515	1,020,552	1,963
Regulation			
Restoration	130,000	-	130,000
Total Regulation	130,000	-	130,000
Water Resources			
Modeling and Scientific Support	135,467	127,533	7,934
Restoration	27,003	-	27,003
Water Supply	79,205	79,205	-
Total Water Resources	241,675	206,738	34,937
Contingency			
Managerial Reserve	580,221	-	580,221
Total Contingency	580,221	-	580,221
Total Expenditures	4,320,326	3,264,963	1,055,363
Revenues in Excess of (Less than) Expenditures	(4,320,326)	(3,262,977)	1,057,349
OTHER FINANCING SOURCES (USES)			
Transfers In	4,143,426	4,143,426	-
Total Other Financing Sources (Uses)	4,143,426	4,143,426	-
Net Change in Fund Balance	(176,900)	880,449	1,057,349
Fund Balance at Beginning of Year	195,133	195,133	-
Fund Balance at End of Year	\$18,233	\$1,075,582	\$1,057,349

South Florida Water Management District  
Capital Projects Fund  
Okeechobee Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$566,459	\$535,048	(\$31,411)
Other	-	38,820	38,820
Total Revenues	<u>566,459</u>	<u>573,868</u>	<u>7,409</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	37,994	1,550	36,444
Total Administrative Services and Executive Offices	<u>37,994</u>	<u>1,550</u>	<u>36,444</u>
Operations, Maintenance, and Construction			
Land Stewardship	204,261	195,612	8,649
Operations and Maintenance	25,874,852	23,693,329	2,181,523
Restoration	9,404,152	1,610,253	7,793,899
Total Operations, Maintenance, and Construction	<u>35,483,265</u>	<u>25,499,194</u>	<u>9,984,071</u>
Water Resources			
Restoration	40,623	19,871	20,752
Water Supply	2,047,741	1,818,737	229,004
Total Water Resources	<u>2,088,364</u>	<u>1,838,608</u>	<u>249,756</u>
Contingency			
Managerial Reserve	864,513	-	864,513
Total Contingency	<u>864,513</u>	<u>-</u>	<u>864,513</u>
Total Expenditures	<u>38,474,136</u>	<u>27,339,352</u>	<u>11,134,784</u>
Revenues in Excess of (Less than) Expenditures	<u>(37,907,677)</u>	<u>(26,765,484)</u>	<u>11,142,193</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	6,790,603	6,790,603	-
Transfers Out	(14,799,647)	(14,799,647)	-
Total Other Financing Sources (Uses)	<u>(8,009,044)</u>	<u>(8,009,044)</u>	<u>-</u>
Net Change in Fund Balance	<u>(45,916,721)</u>	<u>(34,774,528)</u>	<u>11,142,193</u>
Fund Balance at Beginning of Year	53,792,070	53,792,070	-
Fund Balance at End of Year	<u><u>\$7,875,349</u></u>	<u><u>\$19,017,542</u></u>	<u><u>\$11,142,193</u></u>

South Florida Water Management District  
Capital Projects Fund  
Big Cypress Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$112,930	\$117,004	\$4,074
Other	-	202	202
Total Revenues	<u>112,930</u>	<u>117,206</u>	<u>4,276</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	35,000	35,000	-
Total Administrative Services and Executive Offices	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Operations, Maintenance, and Construction			
Operations and Maintenance	1,156,322	1,010,449	145,873
Restoration	390,500	98,809	291,691
Total Operations, Maintenance, and Construction	<u>1,546,822</u>	<u>1,109,258</u>	<u>437,564</u>
Total Expenditures	<u>1,581,822</u>	<u>1,144,258</u>	<u>437,564</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,468,892)</u>	<u>(1,027,052)</u>	<u>441,840</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	138,867	138,867	-
Total Other Financing Sources (Uses)	<u>138,867</u>	<u>138,867</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,330,025)</u>	<u>(888,185)</u>	<u>441,840</u>
Fund Balance at Beginning of Year	<u>9,719,199</u>	<u>9,719,199</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$8,389,174</u></u>	<u><u>\$8,831,014</u></u>	<u><u>\$441,840</u></u>

South Florida Water Management District  
 Capital Projects Fund  
 Save Our Rivers  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$74,425	\$74,425
Investment Earnings	-	172,031	172,031
Total Revenues	-	246,456	246,456
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Restoration	11,196,732	97,400	11,099,332
Total Operations, Maintenance, and Construction	11,196,732	97,400	11,099,332
Total Expenditures	11,196,732	97,400	11,099,332
Revenues in Excess of (Less than) Expenditures	(11,196,732)	149,056	11,345,788
OTHER FINANCING SOURCES (USES)			
Transfers Out	(52,894)	(52,894)	-
Total Other Financing Sources (Uses)	(52,894)	(52,894)	-
Net Change in Fund Balance	(11,249,626)	96,162	11,345,788
Fund Balance at Beginning of Year	13,193,058	13,193,058	-
Fund Balance at End of Year	\$1,943,432	\$13,289,220	\$11,345,788

South Florida Water Management District  
 Capital Projects Fund  
 State Appropriations  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	\$24,836	\$24,836	\$ -
Total Administrative Services and Executive Offices	24,836	24,836	-
Operations, Maintenance, and Construction			
Restoration	548,173	548,173	-
Total Operations, Maintenance, and Construction	548,173	548,173	-
Total Expenditures	573,009	573,009	-
Revenues in Excess of (Less than) Expenditures	(573,009)	(573,009)	-
OTHER FINANCING SOURCES (USES)			
Transfers In	573,009	573,009	-
Total Other Financing Sources (Uses)	573,009	573,009	-
Net Change in Fund Balance	-	-	
Fund Balance at Beginning of Year	-	-	
Fund Balance at End of Year	\$ -	\$ -	\$ -



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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$12,307,908	\$14,519,081	\$2,211,173
Agricultural Privilege Taxes	6,552,460	4,925,763	(1,626,697)
Investment Earnings	873,542	1,377,233	503,691
Sale of District Property	-	555	555
Other	-	1	1
Total Revenues	<u>19,733,910</u>	<u>20,822,633</u>	<u>1,088,723</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>Administrative Services and Executive Offices</b>			
Restoration	916,529	240,282	676,247
Total Administrative Services and Executive Offices	<u>916,529</u>	<u>240,282</u>	<u>676,247</u>
<b>Operations, Maintenance, and Construction</b>			
Operations and Maintenance	-	32,429	(32,429)
Restoration	5,459,049	5,113,829	345,220
Total Operations, Maintenance, and Construction	<u>5,459,049</u>	<u>5,146,258</u>	<u>312,791</u>
<b>Regulation</b>			
Restoration	18,102	-	18,102
Total Regulation	<u>18,102</u>	<u>-</u>	<u>18,102</u>
<b>Water Resources</b>			
Restoration	50,302	40,524	9,778
Total Water Resources	<u>50,302</u>	<u>40,524</u>	<u>9,778</u>
<b>Debt Service</b>			
COPS Bond Principal Retirement	5,604,960	5,604,959	1
COPS Bond Interest	13,874,437	13,874,437	-
Total Debt Service	<u>19,479,397</u>	<u>19,479,396</u>	<u>1</u>
<b>Contingency</b>			
Managerial Reserve	20,265,220	-	20,265,220
Total Contingency	<u>20,265,220</u>	<u>-</u>	<u>20,265,220</u>
Total Expenditures	<u>46,188,599</u>	<u>24,906,460</u>	<u>21,282,139</u>
Revenues in Excess of (Less than) Expenditures	<u>(26,454,689)</u>	<u>(4,083,827)</u>	<u>22,370,862</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(694,745)	(694,745)	-
Total Other Financing Sources (Uses)	<u>(694,745)</u>	<u>(694,745)</u>	<u>-</u>
Net Change in Fund Balance	<u>(27,149,434)</u>	<u>(4,778,572)</u>	<u>22,370,862</u>
Fund Balance at Beginning of Year	108,005,038	108,005,038	-
Fund Balance at End of Year	<u>\$80,855,604</u>	<u>\$103,226,466</u>	<u>\$22,370,862</u>

South Florida Water Management District  
 Capital Projects Fund  
 Federal Emergency Management Agency  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues in Excess of (Less than) Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers Out	(\$12,820)	(\$12,820)	\$ -
Total Other Financing Sources (Uses)	(12,820)	(12,820)	-
Net Change in Fund Balance	(12,820)	(12,820)	-
Fund Balance at Beginning of Year	127,717	127,717	-
Fund Balance at End of Year	\$114,897	\$114,897	\$ -

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$38,205	\$29,551	(\$8,654)
Total Revenues	<u>38,205</u>	<u>29,551</u>	<u>(8,654)</u>
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Restoration	45,000	6,230	38,770
Total Operations, Maintenance, and Construction	<u>45,000</u>	<u>6,230</u>	<u>38,770</u>
Water Resources			
Restoration	80,544	75,029	5,515
Total Water Resources	<u>80,544</u>	<u>75,029</u>	<u>5,515</u>
Contingency			
Managerial Reserve	2,924	-	2,924
Total Contingency	<u>2,924</u>	<u>-</u>	<u>2,924</u>
Total Expenditures	<u>128,468</u>	<u>81,259</u>	<u>47,209</u>
Revenues in Excess of (Less than) Expenditures	<u>(90,263)</u>	<u>(51,708)</u>	<u>38,555</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	87,760	87,760	-
Transfers Out	(1,003,437)	(1,003,437)	-
Total Other Financing Sources (Uses)	<u>(915,677)</u>	<u>(915,677)</u>	<u>-</u>
Net Change in Fund Balance	(1,005,940)	(967,385)	38,555
Fund Balance at Beginning of Year	2,460,016	2,460,016	-
Fund Balance at End of Year	<u>\$1,454,076</u>	<u>\$1,492,631</u>	<u>\$38,555</u>

South Florida Water Management District  
Capital Projects Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$11,984	\$11,984
Total Revenues	-	11,984	11,984
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	12,646	-	12,646
Total Administrative Services and Executive Offices	12,646	-	12,646
Operations, Maintenance, and Construction			
Land Stewardship	7,919	7,874	45
Restoration	421,162	22,832	398,330
Total Operations, Maintenance, and Construction	429,081	30,706	398,375
Contingency			
Managerial Reserve	4,516,478	-	4,516,478
Total Contingency	4,516,478	-	4,516,478
Total Expenditures	4,958,205	30,706	4,927,499
Revenues in Excess of (Less than) Expenditures	(4,958,205)	(18,722)	4,939,483
OTHER FINANCING SOURCES (USES)			
Transfers In	5,174,937	5,174,937	-
Transfers Out	(216,732)	(216,732)	-
Total Other Financing Sources (Uses)	4,958,205	4,958,205	-
Net Change in Fund Balance	-	4,939,483	4,939,483
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$4,939,483	\$4,939,483

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$1,013,207	\$656,075	(\$357,132)
Sale of District Property	-	589	589
Leases	-	802,786	802,786
Other	-	1,367	1,367
Total Revenues	<u>1,013,207</u>	<u>1,460,817</u>	<u>447,610</u>
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	143,024	130,378	12,646
Total Administrative Services and Executive Offices	<u>143,024</u>	<u>130,378</u>	<u>12,646</u>
Operations, Maintenance, and Construction			
Restoration	6,597,926	1,716,316	4,881,610
Total Operations, Maintenance, and Construction	<u>6,597,926</u>	<u>1,716,316</u>	<u>4,881,610</u>
Water Resources			
Restoration	229,532	239,776	(10,244)
Total Water Resources	<u>229,532</u>	<u>239,776</u>	<u>(10,244)</u>
Debt Service			
COPS Bond Principal Retirement	4,530,041	4,530,041	-
COPS Bond Interest	11,213,600	11,213,600	-
Total Debt Service	<u>15,743,641</u>	<u>15,743,641</u>	<u>-</u>
Contingency			
Managerial Reserve	43	-	43
Total Contingency	<u>43</u>	<u>-</u>	<u>43</u>
Total Expenditures	<u>22,714,166</u>	<u>17,830,111</u>	<u>4,884,055</u>
Revenues in Excess of (Less than) Expenditures	<u>(21,700,959)</u>	<u>(16,369,294)</u>	<u>5,331,665</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	15,743,641	15,743,641	-
Transfers Out	(17,374,566)	(17,374,566)	-
Total Other Financing Sources (Uses)	<u>(1,630,925)</u>	<u>(1,630,925)</u>	<u>-</u>
Net Change in Fund Balance	<u>(23,331,884)</u>	<u>(18,000,219)</u>	<u>5,331,665</u>
Fund Balance at Beginning of Year	62,632,319	62,632,319	-
Fund Balance at End of Year	<u><u>\$39,300,435</u></u>	<u><u>\$44,632,100</u></u>	<u><u>\$5,331,665</u></u>

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	\$40,776	\$21,652	\$19,124
Total Administrative Services and Executive Offices	40,776	21,652	19,124
Operations, Maintenance, and Construction			
Restoration	16,193	16,182	11
Total Operations, Maintenance, and Construction	16,193	16,182	11
Contingency			
Managerial Reserve	166,546	-	166,546
Total Contingency	166,546	-	166,546
Total Expenditures	223,515	37,834	185,681
Revenues in Excess of (Less than) Expenditures	(223,515)	(37,834)	185,681
OTHER FINANCING SOURCES (USES)			
Transfers Out	(214,872)	(214,872)	-
Total Other Financing Sources (Uses)	(214,872)	(214,872)	-
Net Change in Fund Balance	(438,387)	(252,706)	185,681
Fund Balance at Beginning of Year	4,938,499	4,938,499	-
Fund Balance at End of Year	\$4,500,112	\$4,685,793	\$185,681

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$37,220,418	\$29,828,282	(\$7,392,136)
Other	-	-	-
Total Revenues	<u>37,220,418</u>	<u>29,828,282</u>	<u>(7,392,136)</u>
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Restoration	7,545,748	6,419,998	1,125,750
Total Operations, Maintenance, and Construction	<u>7,545,748</u>	<u>6,419,998</u>	<u>1,125,750</u>
Contingency			
Managerial Reserve	33,278,695	-	33,278,695
Total Contingency	<u>33,278,695</u>	<u>-</u>	<u>33,278,695</u>
Total Expenditures	<u>40,824,443</u>	<u>6,419,998</u>	<u>34,404,445</u>
Revenues in Excess of (Less than) Expenditures	<u>(3,604,025)</u>	<u>23,408,284</u>	<u>27,012,309</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(3,423,504)	(3,423,504)	-
Total Other Financing Sources (Uses)	<u>(3,423,504)</u>	<u>(3,423,504)</u>	<u>-</u>
Net Change in Fund Balance	(7,027,529)	19,984,780	27,012,309
Fund Balance at Beginning of Year	(18,291,287)	(18,291,287)	-
Fund Balance at End of Year	<u>(\$25,318,816)</u>	<u>\$1,693,493</u>	<u>\$27,012,309</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, 2012

	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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Restoration	\$474,521	\$469,143	\$5,378
Total Operations, Maintenance, and Construction	474,521	469,143	5,378
Contingency			
Managerial Reserve	1,751,434	-	1,751,434
Total Contingency	1,751,434	-	1,751,434
Total Expenditures	2,225,955	469,143	1,756,812
Revenues in Excess of (Less than) Expenditures	(2,225,955)	(469,143)	1,756,812
Net Change in Fund Balance	(2,225,955)	(469,143)	1,756,812
Fund Balance at Beginning of Year	2,225,955	2,225,955	-
Fund Balance at End of Year	\$ -	\$1,756,812	\$1,756,812

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$517,414	\$517,414
Sale of District Property	-	3,372	3,372
Other	-	4,465	4,465
Total Revenues	<u>-</u>	<u>525,251</u>	<u>525,251</u>
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Restoration	20,518,831	18,343,923	2,174,908
Total Operations, Maintenance, and Construction	<u>20,518,831</u>	<u>18,343,923</u>	<u>2,174,908</u>
Total Expenditures	<u>20,518,831</u>	<u>18,343,923</u>	<u>2,174,908</u>
Revenues in Excess of (Less than) Expenditures	<u>(20,518,831)</u>	<u>(17,818,672)</u>	<u>2,700,159</u>
Net Change in Fund Balance	<u>(20,518,831)</u>	<u>(17,818,672)</u>	<u>2,700,159</u>
Fund Balance at Beginning of Year	38,651,728	38,651,728	-
Fund Balance at End of Year	<u><u>\$18,132,897</u></u>	<u><u>\$20,833,056</u></u>	<u><u>\$2,700,159</u></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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$451,498	\$451,498
Sale of District Property	-	14,485	14,485
Total Revenues	-	465,983	465,983
EXPENDITURES			
Contingency			
Managerial Reserve	750,000	-	750,000
Total Contingency	750,000	-	750,000
Total Expenditures	750,000	-	750,000
Revenues in Excess of (Less than) Expenditures	(750,000)	465,983	1,215,983
OTHER FINANCING SOURCES (USES)			
Transfers In	750,000	750,000	-
Total Other Financing Sources (Uses)	750,000	750,000	-
Net Change in Fund Balance	-	1,215,983	1,215,983
Fund Balance at Beginning of Year	27,377,500	27,377,500	-
Fund Balance at End of Year	\$27,377,500	\$28,593,483	\$1,215,983

South Florida Water Management District  
 Capital Projects Fund  
 Lake Belt Mitigation  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Licenses, Permits and Fees	\$160,489	\$160,489	\$ -
Total Revenues	160,489	160,489	-
EXPENDITURES			
Current			
Operations, Maintenance, and Construction			
Land Stewardship	160,976	160,976	-
Total Operations, Maintenance, and Construction	160,976	160,976	-
Total Expenditures	160,976	160,976	-
Revenues in Excess of (Less than) Expenditures	(487)	(487)	-
OTHER FINANCING SOURCES (USES)			
Transfers In	487	487	-
Total Other Financing Sources (Uses)	487	487	-
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -

South Florida Water Management District  
Capital Projects Fund  
Lake Okeechobee  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Current			
Administrative Services and Executive Offices			
Restoration	\$42,665	\$42,665	\$ -
Total Administrative Services and Executive Offices	42,665	42,665	-
Operations, Maintenance, and Construction			
Restoration	1,379,593	1,221,692	157,901
Total Operations, Maintenance, and Construction	1,379,593	1,221,692	157,901
Regulation			
Restoration	137,590	137,590	-
Total Regulation	137,590	137,590	-
Water Resources			
Restoration	109,724	92,158	17,566
Total Water Resources	109,724	92,158	17,566
Total Expenditures	1,669,572	1,494,105	175,467
Revenues in Excess of (Less than) Expenditures	(1,669,572)	(1,494,105)	175,467
OTHER FINANCING SOURCES (USES)			
Transfers In	1,669,572	1,666,827	(2,745)
Total Other Financing Sources (Uses)	1,669,572	1,666,827	(2,745)
Net Change in Fund Balance	-	172,722	172,722
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$172,722	\$172,722

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, 2012

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings	\$115,159	\$162,820	\$47,661
Licenses, Permits and Fees	14,440	27,506	13,066
Total Revenues	<u>129,599</u>	<u>190,326</u>	<u>60,727</u>
EXPENDITURES			
Contingency			
Managerial Reserve	14,440	-	14,440
Total Contingency	<u>14,440</u>	<u>-</u>	<u>14,440</u>
Total Expenditures	<u>14,440</u>	<u>-</u>	<u>14,440</u>
Revenues in Excess of (Less than) Expenditures	<u>115,159</u>	<u>190,326</u>	<u>75,167</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(115,159)	-	115,159
Total Other Financing Sources (Uses)	<u>(115,159)</u>	<u>-</u>	<u>115,159</u>
Net Change in Fund Balance	-	190,326	190,326
Fund Balance at Beginning of Year	13,991,261	13,991,261	-
Fund Balance at End of Year	<u>\$13,991,261</u>	<u>\$14,181,587</u>	<u>\$190,326</u>

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services provided by one District department to another on a cost reimbursement basis.

### **Self Insurance Fund**

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

### **Health Benefits Fund**

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

South Florida Water Management District  
Combining Statement of Net Assets  
Internal Service Funds  
September 30, 2012

	<u>Self Insurance Fund</u>	<u>Health Benefits Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$18,741,630	\$6,550,376	\$25,292,006
Accounts Receivable	68,002	16,912	84,914
Due from Other Funds	-	503,229	503,229
Prepays	595,988	-	595,988
Other Assets	140,000	775,000	915,000
Total Current Assets	<u>19,545,620</u>	<u>7,845,517</u>	<u>27,391,137</u>
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,459	-	27,459
Computer Hardware	8,196	-	8,196
Vehicles	36,224	-	36,224
Accumulated Depreciation	(29,530)	-	(29,530)
Total Noncurrent Assets	<u>42,349</u>	<u>-</u>	<u>42,349</u>
Total Assets	<u>19,587,969</u>	<u>7,845,517</u>	<u>27,433,486</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$22,718	\$998,971	\$1,021,689
Due to Other Funds	2,173	-	2,173
Claims Payable	750,137	1,903,395	2,653,532
Total Current Liabilities	<u>775,028</u>	<u>2,902,366</u>	<u>3,677,394</u>
Noncurrent Liabilities			
Claims Payable	4,089,863	-	4,089,863
Total Noncurrent Liabilities	<u>4,089,863</u>	<u>-</u>	<u>4,089,863</u>
Total Liabilities	<u>4,864,891</u>	<u>2,902,366</u>	<u>7,767,257</u>
<b>NET ASSETS</b>			
Net Assets			
Invested in Capital Assets, Net of Related Debt	42,349	-	42,349
Unrestricted	14,680,729	4,943,151	19,623,880
Total Net Assets	<u>\$14,723,078</u>	<u>\$4,943,151</u>	<u>\$19,666,229</u>



South Florida Water Management District  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended September 30, 2012

	Self Insurance Fund	Health Benefits Fund	Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$1,819,786	\$25,543,785	\$27,363,571
Other Operating Revenue	82,828	-	82,828
Total Operating Revenues	1,902,614	25,543,785	27,446,399
<b>OPERATING EXPENSES</b>			
Salaries	442,080	-	442,080
Benefits	113,877	-	113,877
Claims	340,932	23,698,879	24,039,811
Purchased Services	216,443	4,000	220,443
Administrative Fees	-	1,894,180	1,894,180
Other	1,037,680	9,273	1,046,953
Depreciation	6,664	-	6,664
Total Operating Expenses	2,157,676	25,606,332	27,764,008
<b>OPERATING INCOME (LOSS)</b>	(255,062)	(62,547)	(317,609)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Earnings	255,062	62,548	317,610
Total Nonoperating Revenues	255,062	62,548	317,610
Change in Net Assets	-	1	1
Net Assets at Beginning of Year	14,723,078	4,943,150	19,666,228
Net Assets at End of Year	\$14,723,078	\$4,943,151	\$19,666,229

South Florida Water Management District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2012

	Self Insurance Fund	Health Benefits Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers	\$1,825,913	\$25,546,028	\$27,371,941
Cash Payments to Suppliers	(1,312,124)	(1,754,480)	(3,066,604)
Cash Payments for Salaries, Benefits	(555,957)	-	(555,957)
Cash Payments to Administrators	-	(151,000)	(151,000)
Claims Paid	(547,932)	(23,832,303)	(24,380,235)
Other Receipts (Payments)	82,828	86,857	169,685
Net cash provided by (used in) operating activities	(507,272)	(104,898)	(612,170)
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>			
Purchase of Capital Assets	-	-	-
Net cash used for capital activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Earnings	255,062	62,548	317,610
Net cash provided by investing activities	255,062	62,548	317,610
Net Increase (Decrease) in Cash and Cash Equivalents	(252,210)	(42,350)	(294,560)
Cash and Cash Equivalents, Beginning of Year	18,993,840	6,592,726	25,586,566
Cash and Cash Equivalents, End of Year	\$18,741,630	\$6,550,376	\$25,292,006
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	(\$255,062)	(\$62,547)	(\$317,609)
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation	6,664	-	6,664
<b>CHANGES IN ASSETS AND LIABILITIES:</b>			
Decrease (Increase) in Accounts Receivable	6,127	2,243	8,370
Decrease (Increase) in Due from Other Funds	-	96,130	96,130
Decrease (Increase) in Prepaids	(56,404)	-	(56,404)
Decrease (Increase) in Others Assets	-	(151,000)	(151,000)
Increase (Decrease) in Accounts Payable	2,223	143,700	145,923
Increase (Decrease) in Due to Other Funds	(3,820)	-	(3,820)
Increase (Decrease) in Estimated Unpaid Claims	(207,000)	(133,424)	(340,424)
Net Cash Provided by (Used in) Operating Activities	(\$507,272)	(\$104,898)	(\$612,170)

# **STATISTICAL SECTION**



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

FINANCIAL TRENDS ..... VI-2

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

REVENUE CAPACITY ..... VI-8

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

DEBT CAPACITY ..... VI-17

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

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

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

OPERATING INFORMATION ..... VI-23

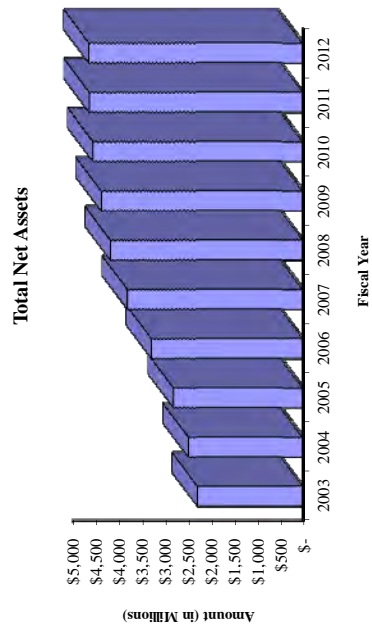
*These schedules contain information about the District’s operations and resources to help the reader understand how the District’s financial information relates to the services the District’s provides and the activities it performs.*

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008 <sup>1</sup>	2009	2010	2011	2012
Invested in capital assets, net of related debt	\$ 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	\$ 4,172,534,665
Restricted for:										
Debt Service	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	29,482,154
Wetlands Mitigation										
Expendable	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	22,168,650
Nonexpendable	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	14,016,126
Environmental Programs	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	278,835,411
Capital Construction									63,511,269	27,848,557
Totals for Restricted	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	372,350,898
Unrestricted	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	83,455,740
<b>Total Net Assets</b>	<b>\$ 2,275,876,150</b>	<b>\$ 2,473,803,178</b>	<b>\$ 2,795,640,434</b>	<b>\$ 3,273,889,228</b>	<b>\$ 3,795,821,436</b>	<b>\$ 4,166,482,651</b>	<b>\$ 4,367,421,137</b>	<b>\$ 4,543,604,262</b>	<b>\$ 4,623,923,506</b>	<b>\$ 4,628,341,303</b>

<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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Land Stewardship	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	385,464,993
Mission Support	-	-	-	115,901,217	128,467,596	103,599,908	105,245,086	114,123,630	121,213,117	17,230,408
Modeling and Scientific Support	-	-	-	-	-	-	-	-	-	59,451,321
Operations and Maintenance	-	-	-	91,518,678	97,480,318	146,532,283	133,417,655	122,360,621	134,014,814	10,229,236
Regulation	-	-	-	-	-	-	-	-	-	130,821,218
Restoration	-	-	-	183,764,384	183,624,022	195,459,257	179,584,139	170,045,556	115,552,532	20,960,963
Water Supply	-	-	-	71,239,720	77,191,322	73,680,009	50,853,964	30,375,078	28,085,557	106,379,179
Interest on Long-Term Debt	-	-	-	5,862,342	25,466,262	27,496,071	26,880,613	26,264,799	25,608,163	15,496,110
	-	-	-	-	-	-	-	-	-	24,896,558
<b>Total Expenses</b>	<b>299,134,119</b>	<b>373,574,001</b>	<b>417,298,017</b>	<b>468,286,341</b>	<b>512,229,520</b>	<b>546,767,528</b>	<b>495,981,457</b>	<b>463,169,684</b>	<b>424,474,183</b>	<b>385,464,993</b>
<b>Program Revenues</b>										
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	1,000,814
Land Stewardship	-	-	-	-	-	-	-	-	-	784,356
Mission Support	-	-	-	-	-	-	-	-	-	20,170
Modeling and Scientific Support	-	-	-	37,726,800	39,301,930	39,287,214	20,070,144	4,291,272	3,993,318	9,852,785
Operations and Maintenance	-	-	-	-	-	-	-	-	-	26,945
Regulation	-	-	-	1,304,033	16,326,983	21,103,303	11,061,814	20,087,646	23,810,358	4,824,792
Restoration	-	-	-	26,382,690	51,205,258	27,172,174	7,655,238	4,751	3,521,120	70,000
Water Supply	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Grants &amp; Contributions</b>	<b>71,994,832</b>	<b>41,968,192</b>	<b>93,011,818</b>	<b>65,413,523</b>	<b>106,834,171</b>	<b>87,562,691</b>	<b>38,787,196</b>	<b>24,383,669</b>	<b>31,324,796</b>	<b>16,579,862</b>
<b>Capital Grants &amp; Contributions:</b>										
Land Stewardship	-	-	-	-	-	-	-	-	-	32,827
Mission Support	-	-	-	-	612,722	1,902,128	12,000	3,193,658	-	9,585,221
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	45,705,508
Water Supply	-	-	-	1,371,778	7,250	-	-	-	-	-
<b>Total Capital Grants &amp; Contributions</b>	<b>144,884,863</b>	<b>157,103,336</b>	<b>208,558,280</b>	<b>383,460,366</b>	<b>285,443,922</b>	<b>248,199,285</b>	<b>61,030,024</b>	<b>104,693,960</b>	<b>23,358,095</b>	<b>55,323,556</b>
<b>Charges for Services</b>										
Land Stewardship	-	-	-	-	-	-	-	-	-	11,616,667
Mission Support	-	-	-	-	-	148,175	99,733	10,379,191	11,278,950	9,140,164
Operations and Maintenance	-	-	-	6,388,625	-	6,388,625	3,280,921	4,857,675	8,039,514	115,421
Regulation	-	-	-	-	-	-	-	-	-	2,785,026
Water Supply	-	-	-	11,805,719	12,761,049	4,630,694	6,061,734	5,798,803	3,319,171	-
<b>Total Charges for Services</b>	<b>15,482,234</b>	<b>10,820,870</b>	<b>9,495,049</b>	<b>11,805,719</b>	<b>12,761,049</b>	<b>11,167,494</b>	<b>9,442,388</b>	<b>21,033,669</b>	<b>22,637,635</b>	<b>23,657,278</b>
<b>Total Program Revenues</b>	<b>232,361,929</b>	<b>209,892,398</b>	<b>311,065,147</b>	<b>460,679,608</b>	<b>405,039,142</b>	<b>346,929,470</b>	<b>109,259,608</b>	<b>150,115,298</b>	<b>77,320,526</b>	<b>95,560,696</b>
<b>Net (Expense)/Revenue</b>	<b>(66,772,190)</b>	<b>(163,681,603)</b>	<b>(106,232,870)</b>	<b>(7,606,733)</b>	<b>(107,190,378)</b>	<b>(199,838,058)</b>	<b>(386,721,849)</b>	<b>(313,056,386)</b>	<b>(347,153,657)</b>	<b>(289,904,297)</b>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues</b>										
Taxes:										
Property Taxes, Levied for General Purposes	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	236,860,170
Property Taxes, Levied for Everglades Construction	-	-	62,577,693	70,980,322	84,882,009	84,388,098	81,045,067	72,185,795	64,381,190	47,798,117
Investment Earnings	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	8,611,844
Other	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	1,051,963
Gain on Sale of Capital Assets	-	-	-	15,365,812	-	-	-	-	-	-
Total General Revenues	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	294,322,094
Total Revenue	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	389,882,790
<b>Change in Net Assets</b>	\$ 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	\$ 4,417,797

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

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

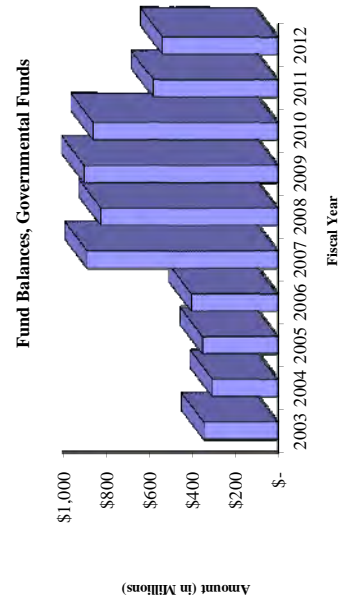
The increase in charges for services in the Mission Support program in fiscal year 2010 relates to services charged by the Self Insurance Fund and Health Insurance Fund, internal service funds.



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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Reserved	\$ 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	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	-	-	-	-	-	-	-	-	-	201,145
Restricted	-	-	-	-	-	-	-	-	1,190,857	-
Committed	-	-	-	-	-	-	-	-	13,571,806	20,532,474
Assigned	-	-	-	-	-	-	-	-	50,267,731	48,616,088
Unassigned	-	-	-	-	-	-	-	-	22,761,839	12,774,338
<b>Total General Fund</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>82,124,045</b>
<b>All Other Governmental Funds</b>										
Reserved	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	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	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	120,721	216,480	156,240	11,904	124,439	(902,266)	(37,783)	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	19,858,805	20,196,060
Restricted	-	-	-	-	-	-	-	-	418,023,868	386,520,197
Committed	-	-	-	-	-	-	-	-	31,991,986	12,223,594
Assigned	-	-	-	-	-	-	-	-	32,464,433	34,453,856
Unassigned	-	-	-	-	-	-	-	-	(13,880,130)	(2,213,847)
<b>Total All Other Governmental Funds:</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>451,179,860</b>
<b>Grand Total</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>	<b>\$ 533,303,905</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 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	\$ 273,150,566
Agricultural Privilege Taxes	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	11,507,721
Intergovernmental	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	44,507,437
Investment Earnings	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	8,294,234
Licenses, Permits and Fees	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	12,419,372
Self-Insurance Premiums	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	1,966,859	770,698	20,564,902	943,075	669,441	1,521,780	342,759	603,025	1,868,263	507,382
Indirect Costs Recovered	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	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	4,324,913
Other	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	959,735
<b>Total Revenues</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>355,671,360</b>
<b>EXPENDITURES</b>										
Current Operating	319,598,748	340,643,689	404,980,082	-	-	-	-	-	-	-
Land Stewardship	-	-	-	-	-	-	-	-	-	-
Mission Support	-	-	-	112,631,686	109,436,655	107,521,245	102,689,836	97,584,202	94,765,560	17,149,280
Modeling and Scientific Support	-	-	-	-	-	-	-	-	-	46,163,905
Operations and Maintenance	-	-	-	107,005,090	112,187,086	140,170,271	119,992,071	112,283,074	125,507,410	10,937,113
Regulation	-	-	-	-	-	-	-	-	-	110,555,983
Restoration	-	-	-	199,738,140	256,087,796	228,347,719	148,745,910	157,002,200	129,413,639	17,344,353
Water Supply	-	-	-	71,040,556	77,119,810	73,702,317	50,649,663	32,559,823	32,328,114	70,143,349
Capital Outlay	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	66,970,460
Debt Service	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	5,655,000
Bond Principal Retirement	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	1,265,749
Bond Interest and Other Fiscal Charges	-	10,558,228	4,872,193	3,577,553	86,847,342	3,247,469	1,832,482	1,832,482	2,975,339	1,142,857
Bank Loan Principal Payments	-	915,934	610,763	740,199	580,847	390,991	279,620	206,172	180,724	19,867
Bank Loan Interest	608,179	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	1,633,561	-	-	-	-	-	-	-	-	-
Defeasance Costs	-	1,405,367	1,296,990	1,144,988	968,060	502,187	193,161	200,330	-	-
Capital Lease Principal Payments	-	100,935	98,004	81,584	53,983	25,894	12,712	5,543	-	-
Capital Lease Interest	-	-	-	-	-	7,675,000	9,015,000	9,370,000	9,705,000	10,135,000
COPS Principal Retirement	-	-	-	-	10,091,807	26,579,294	26,268,593	25,923,546	25,539,177	25,088,037
COPS Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</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>392,969,376</b>
<b>Revenues in Excess of (Less Than) Expenditures</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>	<b>(37,298,016)</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	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	72,862,774
Transfers Out	(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)	(72,862,774)
Land Acquisition Refunding Bonds Issues	34,550,000	-	-	-	-	-	-	-	-	-
Proceeds of Bond Issuance	-	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	2,460,629	-	-	-	26,081,797	-	-	-	-	-
Discount on Bonds Issued	-	-	-	-	(81,060)	-	-	-	-	-
Payment to Bond Escrow Agent	(35,370,000)	-	-	-	-	-	-	-	-	-
Proceeds of Bank Loan	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)	7,968,003	1,399,426	8,939,583	82,000,000	572,120,737	-	-	(11,211,057)	-	-
Net Change in Fund Balance	\$ 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)	\$ (37,298,016)
Debt Service as a percentage of noncapital expenditures <sup>1</sup>	3.40%	4.90%	2.88%	2.65%	26.02%	8.42%	8.51%	9.57%	11.11%	13.28%

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

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

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

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

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Property Taxes	\$ 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	\$ 273,150,566
Agricultural Privilege Taxes	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	11,507,721
Intergovernmental	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	44,507,437
Investment Earnings	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	8,294,234
Licenses, Permits & Fees	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	12,419,372
Leases	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	4,324,913
Other	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	1,467,117
<b>Total</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>\$ 355,671,360</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
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%
2012	52,960 18.61%	48 0.02%	19,370 6.80%	77,466 27.21%	251 0.09%	2,177 0.76%	276 0.10%	22,653 7.96%

\* 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
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%
2012	7,196 2.53%	7,928 2.79%	599 0.21%	16,950 5.95%	7,093 2.49%	62,997 22.13%	524 0.18%	6,170 2.17%	284,658 100.00%

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

**Schedule 7**  
**South Florida Water Management District**  
**Direct Property Tax Rates**  
 Last Ten Fiscal Years  
 (Rate per \$1,000 of assessed value)

Year	Okeechobee Basin			Big Cypress Basin		
	District	Basin	Total	District	Basin	Total
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
2012	0.1785	0.2578	0.4363	0.1785	0.1633	0.3418

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

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

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

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

Source: South Florida Water Management District Budget 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>
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	553,009,740	100.0%	3,623,093	558,459,133	101.0%
2008	0.2549	0.3691	0.2265	549,484,359	539,248,357	98.1%	5,829,932	545,078,289	99.2%
2009	0.2549	0.3691	0.2265	525,229,365	514,311,078	97.9%	5,256,004	519,567,082	98.9%
2010	0.2549	0.3691	0.2265	459,945,322	442,168,909	96.1%	11,526,724	453,695,633	98.6%
2011	0.2549	0.3691	0.2265	399,025,958	384,381,001	96.3%	18,915,088	403,296,089	101.1%
2012	0.1785	0.2578	0.1633	270,685,220	268,398,410	99.2%	6,535,361	274,933,771	101.6%

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	\$ 177,994,409,411	\$ 126,959,775,689	71.33%
Charlotte *	155,644,698	112,979,890	72.59%
Collier	70,336,762,793	58,478,151,474	83.14%
Glades	3,329,691,964	556,586,597	16.72%
Hendry	5,106,098,166	1,725,048,000	33.78%
Highlands *	976,746,937	641,782,693	65.71%
Lee	68,162,976,013	53,789,587,020	78.91%
Martin	23,847,498,870	17,184,654,505	72.06%
Miami-Dade	257,986,975,687	188,721,221,689	73.15%
Monroe	26,465,616,641	18,716,606,890	70.72%
Okeechobee *	2,455,907,839	1,393,832,240	56.75%
Orange *	54,382,461,031	39,883,097,608	73.34%
Osceola *	26,514,609,323	16,682,052,266	62.92%
Palm Beach	163,642,421,991	124,912,539,154	76.33%
Polk *	1,794,112,965	1,241,827,008	69.22%
St. Lucie	22,501,551,897	14,615,052,103	64.95%
	<u>\$ 905,653,486,226</u>	<u>\$ 665,614,794,826</u>	<u>73.50%</u>

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

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

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

<sup>2</sup> Source: South Florida Water Management District Budget Department, FY 2012 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>
	\$	\$	\$	\$			
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	892,858,395,941	42,892,968,298	300,886,190	936,052,250,429	2.55	3.69	6.24
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	3.69	6.24
2010	742,675,388,669	40,715,092,253	399,210,940	783,789,691,862	2.55	3.69	6.24
2011	645,555,800,822	41,283,680,011	312,424,992	687,151,905,825	2.55	3.69	6.24
2012	625,090,457,818	40,201,298,218	323,038,790	665,614,794,826	1.79	1.95	3.74

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.

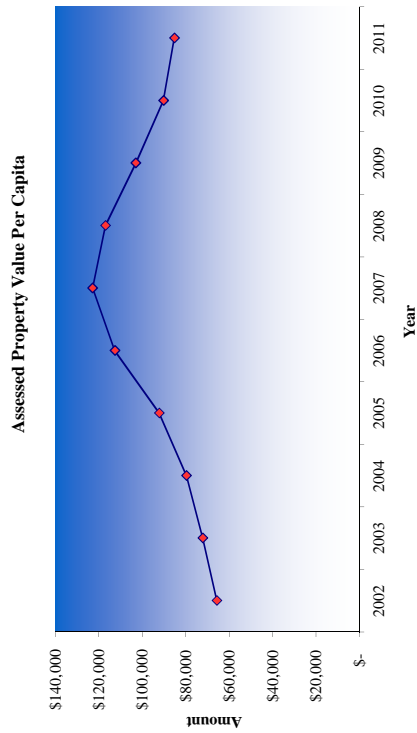
Source: South Florida Water Management District Budget Department, Form DR-420s.

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

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Property Value <sup>1</sup> (in Billions)	\$ 451.0	\$ 507.2	\$ 573.5	\$ 678.6	\$ 845.2	\$ 936.1	\$ 894.7	\$ 783.8	\$ 687.2	\$ 665.6
District 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	7,811,608
Assessed Property Value Per Capita	\$ 65,698	\$ 72,175	\$ 79,654	\$ 92,205	\$ 112,625	\$ 122,885	\$ 116,974	\$ 102,998	\$ 90,235	\$ 85,207

<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 Six Years Prior

Taxpayer	2012			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	\$ 11,702,640,608	1	1.76%	\$ 6,331,743,321	1	0.93%
Walt Disney Company	7,040,346,822	2	1.06%	6,194,118,181	2	0.91%
Universal	1,431,149,431	3	0.22%	1,565,314,671	3	0.23%
Westgate Properties	1,234,962,819	4	0.19%	1,001,813,446	6	0.15%
Marriott Ownership Resorts, Inc.	1,050,895,566	5	0.16%	1,261,567,853	5	0.19%
Bellsouth Telecommunications, Inc.	882,977,002	6	0.13%	1,401,827,566	4	0.21%
Hilton Corporation	861,007,594	7	0.13%	-	-	-
Wyndham Resorts	729,653,510	8	0.11%	-	-	-
Vistana	682,459,064	9	0.10%	580,584,834	7	0.09%
Orange Lake CC	598,955,058	10	0.09%	-	-	-
Progressive Energy	-	-	-	396,000,000	10	0.06%
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>\$ 26,215,047,474</b>		<b>3.95%</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	0.1748%	70.70	0.0789%	
2012	25,090,000	-	-	-	500,220,000		525,310,000	0.1657%	67.25	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.

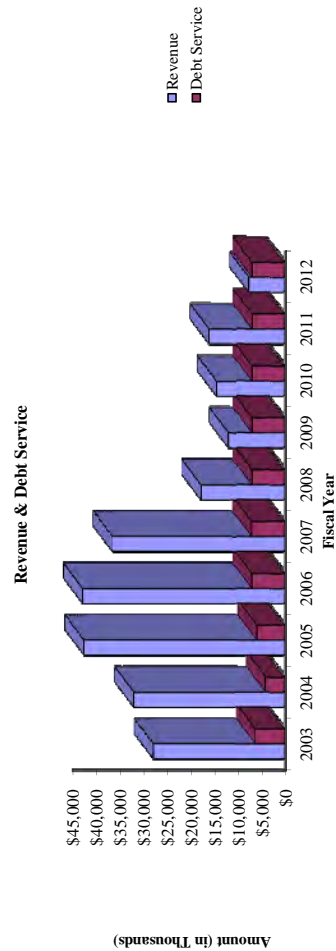
<sup>4</sup> Refer to Schedule 15 for population information.

<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	
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
2012	7,354,939	20,000	183,055	7,557,994	5,655,000	1,265,749	6,920,749	1.09

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



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

Calendar Year	Population <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>
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	310,253,970	40,454	1,096,048	10.5%
2012	7,811,608	316,955,283	40,575	1,109,444	9.0%

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 2012 is currently unavailable. The figure shown for calendar year 2012 estimates 4th quarter results as an average of the first three quarters. Fiscal year 2011 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Broward	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	1,771,099
Charlotte *	760	785	770	802	823	6,300	6,287	6,302	6,079	6,208
Collier	292,466	306,186	317,788	326,658	333,858	332,854	333,032	333,554	321,520	329,849
Miami-Dade	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	2,551,290
Glades	10,729	10,733	10,729	10,796	11,055	11,323	11,311	11,330	12,884	12,671
Hendry	36,511	37,394	38,376	38,678	39,651	41,216	41,320	41,026	39,140	38,132
Highlands *	9,310	9,482	9,626	9,957	10,169	8,718	8,675	8,677	8,594	8,609
Lee	495,088	521,253	549,442	585,608	615,741	623,725	615,124	616,626	618,754	638,029
Martin	134,491	137,637	141,059	142,645	143,737	143,868	143,856	143,848	146,318	147,203
Monroe	80,537	81,236	82,413	80,510	78,987	76,081	77,925	78,150	73,090	72,897
Okaloosa *	36,491	37,244	37,010	37,893	38,249	39,203	38,909	38,918	39,196	39,009
Orange *	245,791	253,484	260,859	269,881	276,401	269,825	268,349	268,860	277,321	284,578
Oscola *	209,807	225,139	234,451	255,135	265,325	270,972	270,060	270,541	265,998	278,057
Palm Beach	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	1,335,415
Polk *	7,679	7,926	8,128	8,476	8,716	17,572	17,530	17,514	18,063	18,207
St. Lucie	211,898	226,216	240,039	259,315	271,961	276,585	272,864	274,363	277,789	280,355
<b>Total</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>	<b>7,811,608</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 (2003 - 2010).

Source: University of Florida, Bureau of Economic and Business Research (2011-2012).



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

Calendar Year	Total Labor Force		Employed	Unemployed	Unemployment Rate (%)
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	3,876,208	3,423,749	452,459	11.7	
2011 <sup>1</sup>	3,857,912	3,454,296	403,616	10.5	
2012 <sup>2</sup>	3,919,709	3,576,490	343,219	9.0	

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 2012 is currently not available. The 2012 figures are based on the yearly average, with December figures being preliminary.

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

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

2011		2002	
Employers	Rank	Employers	Rank
		Number of Employees	Number of Employees
		% of Total Employment	% of Total Employment
Walt Disney World Co.	1	62,000	53,000
Miami-Dade County Public Schools	2	44,132	37,500
Broward County School Board	4	26,933	28,203
Miami-Dade County	3	26,351	30,000
Palm Beach County School Board	5	21,495	18,677
Orange County Public Schools	6	17,904	22,000
Adventist Health Systems	7	16,771	18,175
Universal Studios	8	16,000	12,000
Baptist Health South Florida	9	14,864	-
Polk County School Board	10	14,000	-
Orlando Health	-	-	12,754
Broward County Government	-	-	13,384
Total		260,450	245,693
Total Employment in District Boundaries		3,576,490	3,264,210

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

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

Source: Enterprise Florida, Inc. ([www.eflorida.com](http://www.eflorida.com)) and individual county Comprehensive Annual Financial Reports, when applicable. Employment detail for 2011 is shown on Schedule 17.

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

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of Authorized Positions <sup>1</sup>	1,771	1,771	1,771	1,771	1,784	1,808	1,828	1,842	1,933	1,651
Population <sup>2</sup>	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	7,811,608
Authorized Positions per 100,000 Population	25	25	24	24	23	24	24	24	25	21

<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.

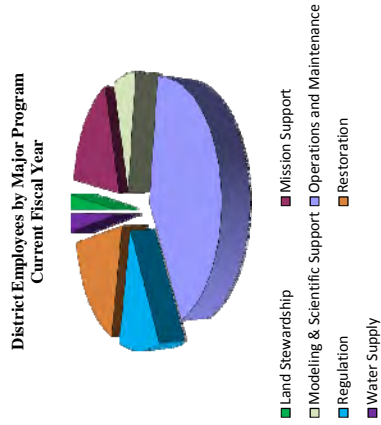
**Schedule 20**  
**South Florida Water Management District**  
**District Employees by Resource Area and Major Program**  
 Current Fiscal Year

Resource Area / Major Program	Number of Employees per Program <sup>1</sup>	Percentage of Employees per Resource Area	Percentage of Employees District-wide
<b>Administrative Services and Executive Offices</b>			
Mission Support	280	80.00%	17.87%
Modeling and Scientific Support	3	0.86%	0.19%
Operations and Maintenance	24	6.86%	1.53%
Regulation	2	0.57%	0.13%
Restoration	35	10.00%	2.23%
Water Supply	6	1.71%	0.38%
<b>Administrative Services and Executive Offices Total</b>	<b>350</b>	<b>100.00%</b>	<b>22.33%</b>
<b>Operations, Maintenance, and Construction</b>			
Land Stewardship	38	5.10%	2.43%
Mission Support	4	0.54%	0.26%
Modeling and Scientific Support	1	0.13%	0.06%
Operations and Maintenance	601	80.68%	38.36%
Regulation	1	0.13%	0.06%
Restoration	100	13.42%	6.38%
<b>Operations, Maintenance, and Construction Total</b>	<b>745</b>	<b>100.00%</b>	<b>47.55%</b>
<b>Regulation</b>			
Regulation	175	87.50%	11.17%
Restoration	25	12.50%	1.60%
<b>Regulation Total</b>	<b>200</b>	<b>100.00%</b>	<b>12.77%</b>
<b>Water Resources</b>			
Modeling and Scientific Support	98	36.03%	6.25%
Restoration	134	49.26%	8.55%
Water Supply	40	14.71%	2.55%
<b>Water Resources Total</b>	<b>272</b>	<b>100.00%</b>	<b>17.35%</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 Seven Fiscal Years

Major Program	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Land Stewardship	48	47	50	46	43	37	38
Mission Support	431	427	438	445	445	321	284
Modeling & Scientific Support	120	121	114	121	124	113	102
Operations and Maintenance	578	575	603	601	615	573	625
Regulation	174	179	189	182	193	167	178
Restoration	313	332	340	338	331	320	294
Water Supply	66	61	62	61	53	36	46
<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>	<b>1,567</b>



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

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

Permit Category	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Environmental Resource	2,353	2,547	2,690	2,706	2,229	1,673	1,423	1,917	1,656	2,232
Consumptive Use	1,983	2,476	2,541	2,503	3,806	3,037	2,638	2,818	2,144	1,970
SWIM & Everglades Works Of The District	37	9	20	78	51	12	4	5	26	33
Total Applications Received	4,373	5,032	5,251	5,287	6,086	4,722	4,065	4,740	3,826	4,235

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.

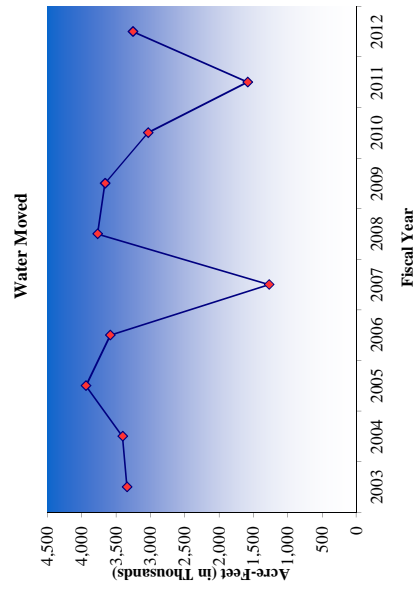
Source: Regulation Department of South Florida Water Management District

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Acre-Feet (Thousands)	3,339	3,404	3,938	3,583	1,272	3,768	3,660	3,032	1,584	3,254

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

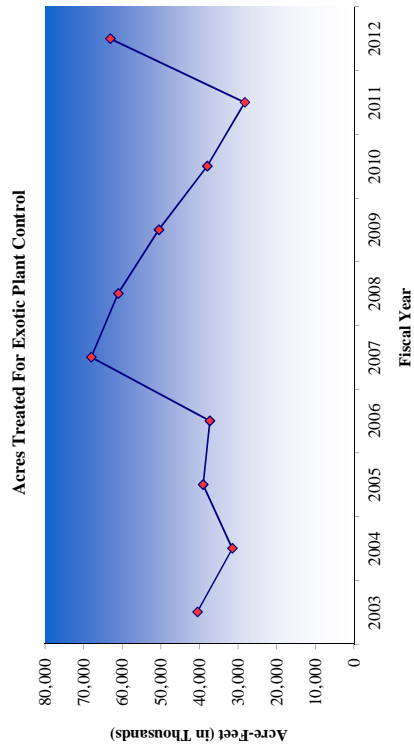
Source: Water Quality Assessment Division of South Florida Water Management District.



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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Acres treated	40,565	31,527	39,077	37,350	68,053	61,070	50,538	38,015	28,284	63,111

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



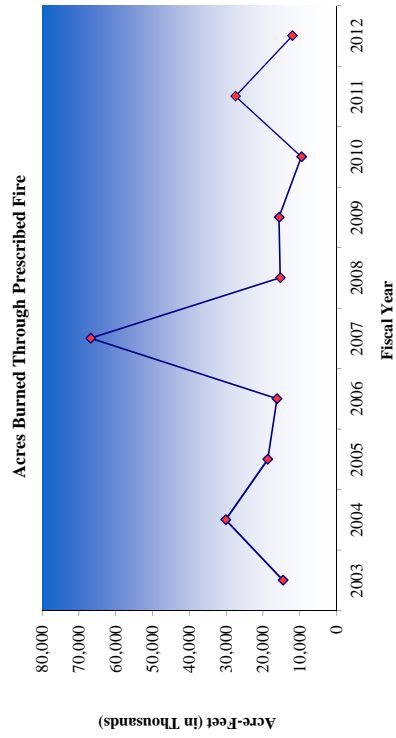


Schedule 25  
 South Florida Water Management District  
 Prescribed Burns  
 Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Acres burned	14,555	30,132	18,704	16,211	66,825 *	15,283	15,609	9,523	27,479	12,010

\* 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.



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

	Water Year									
	1994-2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Metric tons of phosphorus removed	1,400	300	500	300	200	100	400	300	300	260

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
Land Stewardship	\$ 979,249,667	\$ 17,365,275	\$ 983,922	\$ -	\$ 1,132,690	\$ -	\$ 740,652	\$ 4,324,282	\$ 863,519	\$ 1,004,660,007
Mission Support	-	1,523	786,304	-	27,762,597	15,496,905	10,014,093	1,682	-	54,063,104
Modeling & Scientific Support	-	-	-	-	12,326,057	373,145	926,629	-	-	13,625,831
Operations & Maintenance	16,199,969	233,009	36,793,162	373,925,178	40,881,149	735,263	22,415,631	4,576,658	310,869,631	806,629,650
Regulation	-	-	168,512	-	-	113,384	600,909	-	-	882,805
Restoration	1,566,121,599	33,799,681	761,873,371	191,140,762	1,027,613	1,190,250	12,540,826	5,849,319	204,635,023	2,778,178,444
Water Supply	-	-	2,378,017	-	-	3,097	274,558	-	-	2,655,672
<b>District Total</b>	<b>\$ 2,561,571,235</b>	<b>\$ 51,399,488</b>	<b>\$ 802,983,288</b>	<b>\$ 565,065,940</b>	<b>\$ 83,130,106</b>	<b>\$ 17,912,044</b>	<b>\$ 47,513,298</b>	<b>\$ 14,751,941</b>	<b>\$ 516,368,173</b>	<b>\$ 4,660,695,513</b>

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

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



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# **DISCLOSURE SECTION**

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



## 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.				

## **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.



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

## **USE OF THE TRUST FUND**

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

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

## **ESCROW AND RESERVE FUNDS**

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

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

### **Trust Fund Escrow**

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

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

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

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

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

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

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

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

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

### **Lease Payments**

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

## ANNUAL DEBT SERVICE REQUIREMENTS

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

<b>ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)</b>					
<b>Fiscal Years</b>	<b>Total</b>	<b>Series 2002</b>	<b>Series 2003</b>	<b>Series 2006</b>	
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	42.03	2.52	4.34	35.17	
2017 - 2021	175.54		<sup>1</sup>	<sup>1</sup>	175.54
2022 - 2026	175.07				175.07
2027 - 2031	174.44				174.44
2032 - 2036	173.64				173.64
2037	34.61				34.61 <sup>2</sup>
<b>Totals</b>	<b>\$ 901.61</b>	<b>\$ 10.12</b>	<b>\$ 17.41</b>	<b>\$ 874.08</b>	

## AUDITED ANNUAL FINANCIAL STATEMENTS

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

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

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

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

### REQUIRED NOTICES

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

NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION		LAND ACQUISITION BONDS		CERTIFICATES
RULE SEC.	DESCRIPTION	SERIES 2002	SERIES 2003	SERIES 2006
(C)(1)	Principal and interest payment delinquencies.	None	None	None
(C)(2)	Non-payment related defaults.	None	None	None
(C)(3)	Unscheduled draws on debt service reserves reflecting financial difficulties.	None	None	None
(C)(4)	Unscheduled draws on credit enhancements reflecting financial difficulties.	None	None	None
(C)(5)	Substitution of credit or liquidity providers, or their failure to perform.	None	None	None
(C)(6)	Adverse tax opinions or events affecting the tax-exempt status of the security.	None	None	None
(C)(7)	Modifications to rights of security holders.	None	None	None
(C)(8)	Bond calls.	None	None	None
(C)(9)	Defeasances.	None	None	None
(C)(10)	Release, substitution, or sale of property securing repayment of the securities.	None	None	None
(C)(11)	Ratings changes.	(a)	(a)	(a)
(C)(12)	Bankruptcy, insolvency, receivership, or similar events.	None	None	None
(C)(13)	Merger, consolidation, or acquisition involving the sale of all or substantially all assets, other than in the ordinary course of business.	None	None	None
(C)(14)	Appointment of a successor or additional trustee, or the change of name of a trustee.	None	None	(b)
(D)	Failure to provide annual financial information or operating data in a timely manner.	None	None	None
(*)	Default of the Florida Department of Environmental Protection on its obligations under the Agreement.	None	None	None

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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- (a) During fiscal year 2011, Moody's Investor Services (Moody's) and Standard and Poor's (S&P) withdrew their ratings of the District's bond insurer, AMBAC Assurance Corporation. This rating was previously withdrawn by Fitch Ratings. During fiscal year 2012, Moody's lowered its credit rating on the District's Certificates and Land Acquisition Bonds to Aa3 from Aa2 and to A3 from A1 and Fitch Ratings downgraded the rating on the District's COPS to AA- from AA. The rating on all District debt is based on the District's underlying "non-insured" rating for the current fiscal year as follows:
  - 1. Certificates of Participation, Series 2006, rated Aa3, AA and AA- by Moody's, Standard & Poor's and Fitch, respectively.
  - 2. Land Acquisition Bonds, Series 2002 and 2003, rated A3, A+ and A by Moody's, Standard & Poor's and Fitch, respectively.
- (b) On March 18, 2013, U.S. Bancorp announced that its lead bank, U.S. Bank National Association, entered into a definitive agreement to purchase the municipal bond trustee business of Deutsche Bank, the District's Trustee for the Certificates of Participation, Series 2006. The acquisition is expected to close in the third quarter of 2013.





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