

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2006**



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

A Component Unit of the State of Florida

**Fiscal Year Ended September 30, 2006**

Prepared by  
Accounting and Financial Services Division  
Robert N. Gray, Chief Accountant

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

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# **INTRODUCTORY SECTION**



# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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Mailing Address: P.O. Box 24680, West Palm Beach, FL 33416-4680 • www.sfwmd.gov

**TO: GOVERNING BOARD MEMBERS AND CAROL ANN WEHLE, EXECUTIVE DIRECTOR**

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT – FISCAL YEAR 2006**

Florida Statutes require that an external audit of our 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, we hereby issue the comprehensive annual financial report for the District for the fiscal year ended September 30, 2006.

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. To our knowledge, the information is accurate in all material respects and fairly presents our financial position and operating results. The report includes disclosures required to provide an understanding of our 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. We believe these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of our 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, 2006 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.

---

## GOVERNING BOARD

Kevin McCarty, *Chair*  
Irela M. Bagué, *Vice-Chair*  
Miya Burt-Stewart

Alice J. Carlson  
Michael Collins  
Nicolás J. Gutiérrez, Jr., Esq.

## I-1

Lennart E. Lindahl, P.E.  
Harkley R. Thornton  
Malcolm S. Wade, Jr.

## EXECUTIVE OFFICE

Carol Ann Wehle, *Executive Director*

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **DISTRICT BACKGROUND**

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

The project's primary goal was to serve the needs of the region's growing agricultural and urban populations and to protect and manage water resources. The U.S. Army Corps of Engineers would, over the following decades, design and build a vast network of levees, canals, and other improved waterways, and water control structures 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 its 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 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 our 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. Nearly 7.5 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 canals and levees, with 501 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 50 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

District employees are located at facilities across our 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 Kissimmee, Okeechobee, Clewiston, West Palm Beach, Fort Lauderdale, Miami, Homestead, and Naples. District headquarters are in West Palm Beach with Service Centers located in Fort Lauderdale, Fort Myers, Naples, Stuart, Miami-Dade, Orlando, Okeechobee, and the Florida Keys.

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),
- Surface Water Improvement and Management (SWIM) "Works of the District",
- 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 through Florida's Save Our Rivers and Florida Forever programs.

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 weeds, and other exotic pest plant control.

## **REGIONAL ECONOMIC CONDITION AND OUTLOOK**

Growth in the local economy affects 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 low unemployment and interest rates are the primary factors that contribute to the maintenance or increase in property prices, resulting in higher assessed values.

Population in the District has increased significantly in the recent past and this growth is expected to continue over the next five years. Overall, the District's population is expected to grow at a rate of 2.1 percent per year with the largest numerical increases occurring along the southeast coast (Palm Beach, Broward and Miami-Dade Counties) and the highest percentage growth rates occurring in Collier and St. Lucie Counties.

Florida's economic conditions are improving. The September 2006 unemployment rate for Florida was 3.3 percent compared to 4.6 percent for the entire United States. The low unemployment figures for Florida are the result of expanding employment throughout the job spectrum. Florida's tourism industry creates thousands of leisure and hospitality jobs. Many skilled workers have been hired also, and employers are currently trying to fill positions in construction, nursing, biotech and teaching.

The 2006 real estate market in South Florida slowed due to a decline in the demand for residential property indicated by a fall in housing unit sales during the last half of 2006. The potential decline of property values into 2007 is anticipated to be short-term in an otherwise upward trending market into the future.

Economic activity continues strong in South Florida and the above factors are generally promising for the near future. The District has taken steps to prepare for potential terrorism, economic downturns and catastrophic weather events by establishing an Economic Stabilization Fund. As of September 30, 2006, the economic stabilization reserve was \$17.3 million.

## **MAJOR INITIATIVES**

### **EVERGLADES RESTORATION**

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

Today, the Everglades face critical challenges as a result of more than 100 years of human encroachment. 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; mercury accumulation in the tissue of some Everglades fish, birds and other animals; and a reduction in the size of the Everglades marshes.

The **Everglades Forever Act**, passed by the Florida Legislature in 1994, established requirements essential to restore significant portions of the Everglades. 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)** is the first major step in Everglades restoration pursuant to the Everglades Forever Act (EFA). The EFA directs 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 STAs, which consist of six large constructed wetlands, totaling over 40,000 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. In total, the ECP is composed of 12 interrelated construction projects located between Lake Okeechobee and the Everglades. Operations and maintenance of the STAs and other features of the ECP have commenced upon completion of each individual project.

To date, the STAs have removed approximately 810 metric tons of phosphorus that would have otherwise entered the Everglades. In addition, best management practices by agricultural landowners have removed an additional 1,685 metric tons of phosphorus.

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 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 estimated to cost \$7.8 billion, half of which will be paid by the federal government. The State of Florida will provide one-fourth of the total cost, and the South Florida Water Management District and various local agencies in South Florida will provide one-fourth of the total cost. To date, the District has expended \$1.4 billion which includes \$1.0 billion for project land acquisition.

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. By accelerating the funding, design and construction of these projects, the Everglades will experience positive benefits sooner and more cost-effectively.

### **KISSIMMEE BASIN RESTORATION**

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

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

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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The state and federal governments will split the estimated \$578 million cost to restore the river. The U.S. Army Corps of Engineers is responsible for the construction and the design of the restoration. The District has completed all voluntary acquisitions comprising approximately 105,000 acres of land needed for the Project. In addition, engineering solutions will be implemented in lieu of acquiring land.

## **INTERNAL CONTROLS**

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

Management acknowledges its responsibility for sound administration of our financial resources. This responsibility begins with our *Principles of Sound Financial Management*. These are sixteen guiding principles established by our Governing Board that reflect the core beliefs of how we do business. One of the principles states that we will maintain accountability and prudently use financial resources. As an integral part of our goal of fiscal accountability, we currently provide 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 the millage and adopts a budget.

The Governing Board also approves budget transfers among departments and capital projects during the year. 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. This represents a change from last year when the level of budgetary control was at the major object level within a fund and department. Encumbrance accounting is used to reserve budgeted appropriations for obligations incurred but not received.

### **CASH MANAGEMENT**

Our cash position is bolstered by our aggressive but prudent investment policy. Cash not currently needed for operations is placed in a variety of investments, depending on how soon the cash will be needed for spending. During the last fiscal year our investments included U.S. Agency obligations, the Florida Local Government Surplus Funds Trust Fund Investment Pool, and money market accounts.

### **RISK MANAGEMENT**

The District is self-insured, within varying limits, for workers' compensation, general liability and automobile liability insurance programs. All premium revenue and claims expenditures are reported in the District's General Fund. The District participates in a fully insured health care program that has enabled the District to realize substantial cost savings.

Risk control procedures have been established to reasonably ensure that the District's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control procedures have been established to reduce possible losses to property owned or under the control of the District.

**DEBT ADMINISTRATION**

A large portion of the District's debt is composed of the unpaid balance of Special Obligation Land Acquisition Bonds. These bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. The District has no general obligation bonds authorized or outstanding. Our credit rating remains Aaa for these insured bonds. The total liability for our bonds at September 30, 2006 is \$55.8 million. We are obligated for payments on these bonds through fiscal year 2016.

**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, 2005. This was the sixteenth consecutive year that 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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our 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**

We extend our sincere appreciation to the many District employees who provided countless hours of research and preparation in the production of this report. Special thanks go to the employees of the Division of Accounting and Financial Services for their diligence in the production of this report.

Respectfully submitted,



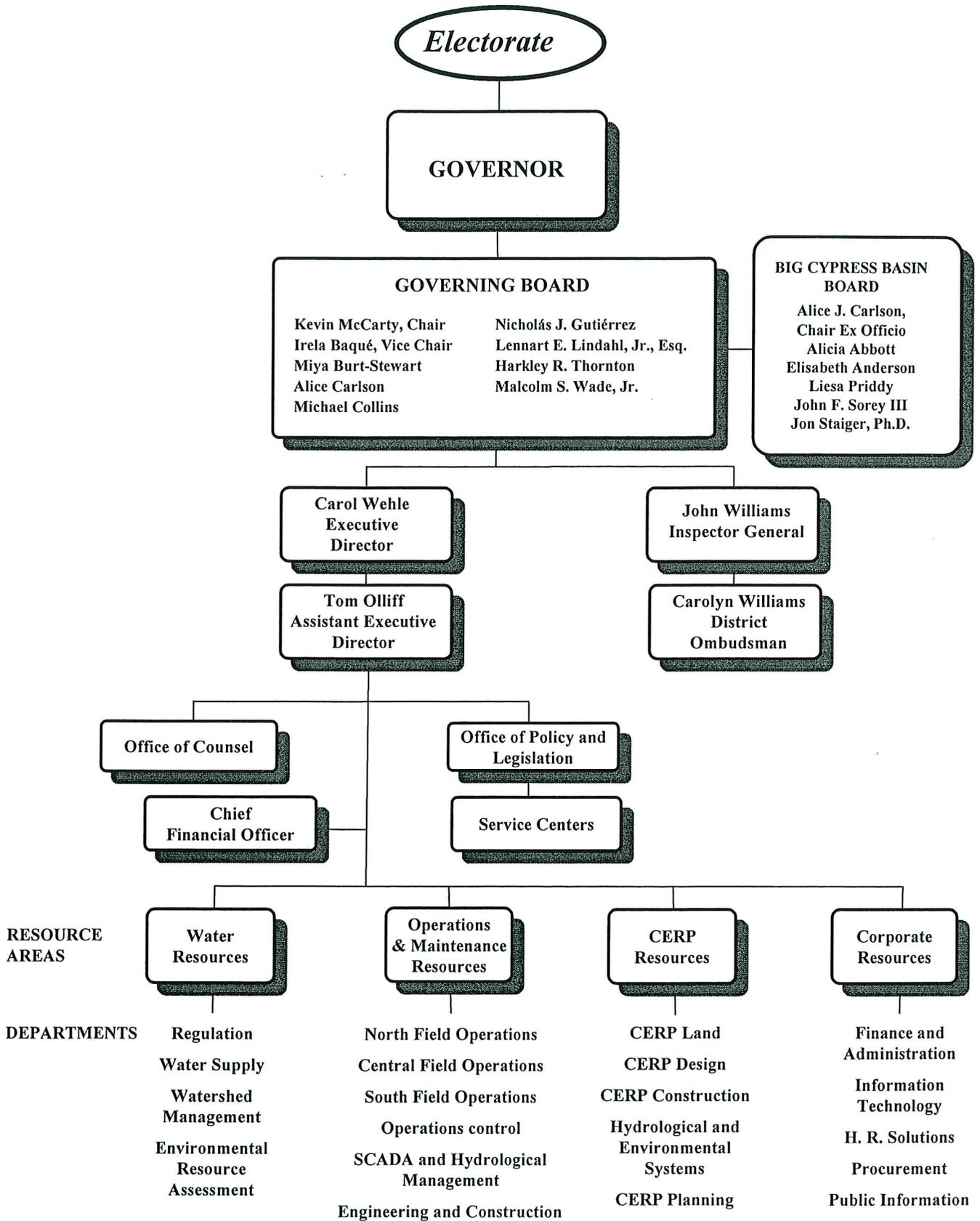
Paul E. Dumars, Sr.,  
Chief Financial Officer



Christian Flierl, Director  
Division of Accounting and Financial Services

April 19, 2007

ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICIALS



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## South Florida Water Management District

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2005

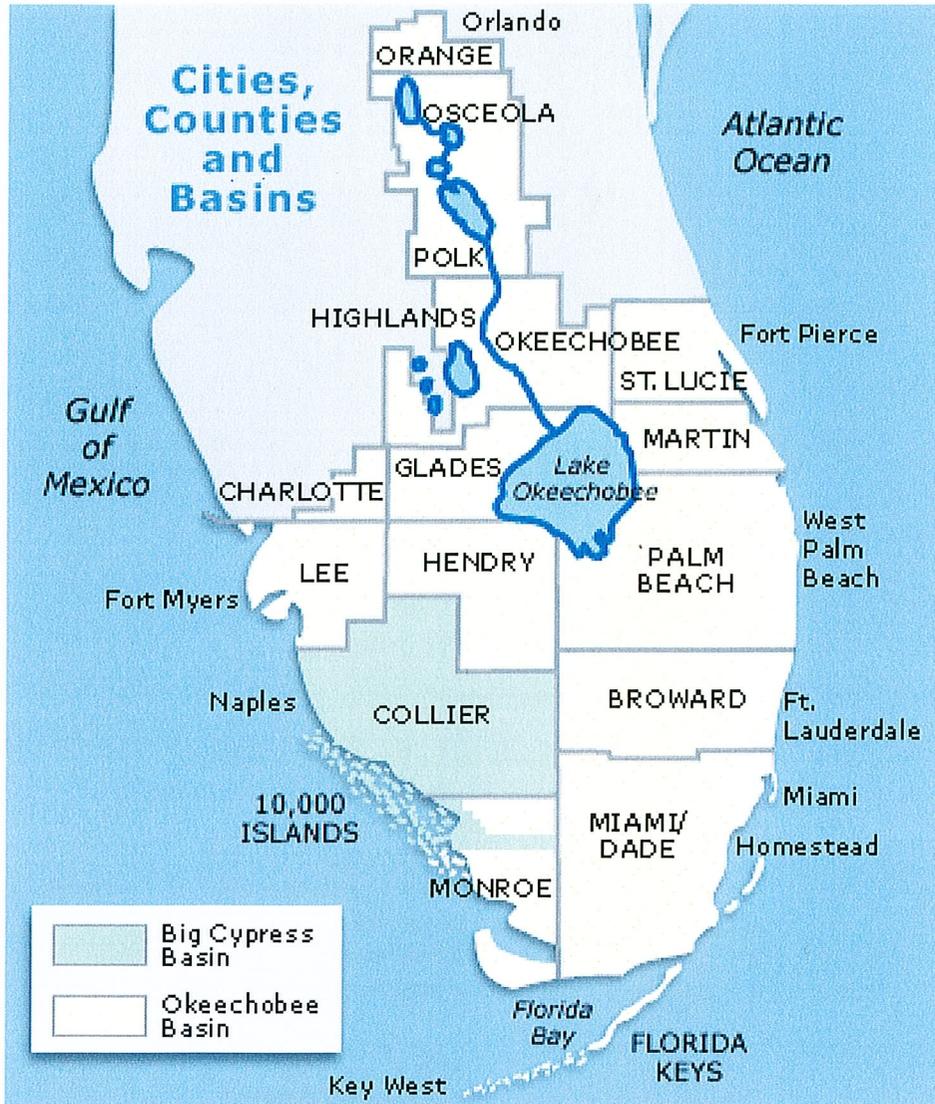
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

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



# SHARPTON, BRUNSON & COMPANY, P. A.

Certified Public Accountants & Business Consultants

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Tallahassee, Florida 32301  
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## Independent Auditor's 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, 2006, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2006 and the respective changes in financial position 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 April 9, 2007 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis (MD&A) and the required supplementary information other than MD&A, on pages II-3 through II-16 and II-52 through II-58, respectively are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Sharpton Brunson & Company P.A.*

April 6, 2007

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2006

Our discussion and analysis of the South Florida Water Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2006. 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 II-17.

## FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of its most recent fiscal year by nearly \$3.3 billion. Of this amount, \$223.6 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$37.1 million, or 26.3 percent of total general fund expenditures.
- The District's total capital assets increased by \$486 million during the current fiscal year. This increase resulted mainly from the District's major land acquisitions for various projects totaling \$334 million in 2006.

## 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.

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 II-17 to II-18 of this report.

### **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. All of the funds of the District are categorized as governmental 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

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2006

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, State Appropriations Fund, Save Our Rivers Capital Projects Fund, Everglades Trust Fund, Comprehensive Everglades Restoration Plan Fund, Save Our Everglades Fund, Acceler8 Everglades Construction Project Fund, and Acceler8 Comprehensive Everglades Restoration Plan Fund all of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages II-20 to II-27 of this report.

Individual fund data for each of the 21 non-major governmental funds is provided in the form of combining statements on pages III-4 to III-15 of this report.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Okeechobee Basin Special Revenue Fund, and the State Appropriations Fund to demonstrate compliance with this budget. The budgetary comparison schedules for these three funds are being reported as required supplementary information other than management discussion and analysis and are presented immediately after the notes on pages II-52 to II-58. Budgetary comparison schedules for the other governmental funds are presented on pages III-16 to III-45 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 II-29 to II-50 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 nearly \$3.3 billion at the close of the most recent fiscal year, an increase of nearly \$478 million from the prior fiscal year. By far the largest portion of the District's net assets (91.1 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related debt used to acquire those assets that is still outstanding. 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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**District's Net Assets  
As of September 30**

	<u>2006</u>	<u>2005</u>
Current and Other Assets	\$505,351,252	\$396,484,638
Capital Assets	<u>3,144,718,962</u>	<u>2,658,742,770</u>
Total Assets	<u>3,650,070,214</u>	<u>3,055,227,408</u>
Current and Other Liabilities	244,631,450	87,656,445
Long-term Liabilities Outstanding	<u>131,549,536</u>	<u>171,930,529</u>
Total Liabilities	<u>376,180,986</u>	<u>259,586,974</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	2,983,338,729	2,473,840,536
Restricted	66,952,132	55,349,639
Unrestricted	<u>223,598,367</u>	<u>266,450,259</u>
Total Net Assets	<u>\$3,273,889,228</u>	<u>\$2,795,640,434</u>

An additional portion of the District's net assets (2.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets, the unrestricted portion (6.8 percent), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets.

Key elements of the net asset increase are presented on the following page.

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

Revenues	2006	2005
Program Revenues		
Charges for Services	\$11,805,719	\$9,495,049
Operating Grants and Contributions	65,413,523	93,011,818
Capital Grants and Contributions	383,460,366	208,558,280
General Revenues		
Property Taxes	457,262,710	388,403,092
Contributions for Long-term Maintenance	-	500,873
Investment Earnings	18,440,431	7,845,492
Gain on Sale of Capital Assets	15,365,812	
Other	11,220,865	31,320,670
	962,969,426	739,135,274
<b>Total Revenues</b>		
Expenses		
Land Stewardship	19,315,572	
District Everglades	40,238,293	
Operations and Maintenance	72,203,106	
Water Supply	55,510,219	
Kissimmee Restoration	36,033,207	
Regulation	15,729,501	
Lake Okeechobee	14,476,700	
Coastal Watersheds	32,415,897	
Mission Support	115,901,217	
Comprehensive Everglades Restoration Plan	60,600,287	
Modeling and Scientific Support	16,434,291	
Interest on Long-term Debt	5,862,342	
	484,720,632	417,298,017
<b>Total Expenses</b>		
Increase in Net Assets	478,248,794	321,837,257
Net assets – Beginning of fiscal year	2,795,640,434	2,473,803,177
Net assets – End of fiscal year	\$3,273,889,228	\$2,795,640,434

**Change in Budgetary Level of Control**

In fiscal year 2006, the District changed its budgetary level of control from major object level within fund and department to program within a fund and a resource area. Expenditures by program are not available for fiscal year 2005; therefore, comparative analysis of expenditures at the program level cannot be performed.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**Property taxes** continue as the District's primary source of revenue. For fiscal year 2006, property taxes totaled approximately \$457.3 million. Although the District has maintained its existing millage (tax) rate, property tax revenues have increased annually due to the increase in property values and new construction throughout the District.

**Operating grants and contributions** totaled \$65.4 million for fiscal year 2006, a decrease of approximately \$ 28.0 million from the prior fiscal year. This consists primarily of advance funding from the State that is recorded when the revenue is received. No advance funding was received during fiscal year 2006 which resulted in the decrease.

**Capital grants and contributions** totaled \$383.5 million, a net increase of approximately \$175 million from the prior fiscal year. The net increase was largely attributed to two land acquisitions: grant revenues received for the C-44 reservoir project and the PomCor acquisition.

**Investment earnings** during fiscal year 2006 increased by approximately \$10.6 million from \$7.8 million in fiscal 2005 to \$18.4 million in fiscal year 2006. This is due to several factors including an increase in the average portfolio balance, continued interest rate increases by the Federal Reserve, and adopting a strategy of shortening the portfolio duration.

**The gain on sale of District assets** resulted primarily from the District giving up land with a book value of \$18.3 million for land with a fair market value of \$33.2 million.

**Other Revenue** totaled \$11.2 million, and consists of self-insurance premiums (\$2.0 million); sale of District property (\$1.0 million); indirect costs recovered (\$4.2 million); and other miscellaneous revenue totaling \$4.0 million. The decrease of approximately \$20.1 million from fiscal year 2005 was due to fewer sales of District property in fiscal year 2006.

**Expenses for District Everglades, Operations and Maintenance, Water Supply, Mission Support, and Comprehensive Everglades Restoration Program** totaled approximately \$344.5 million or 71 percent of total expenditures for fiscal year 2006.

**District Everglades Program** expenses during fiscal year 2006 were \$40.2 million. This represents the cost of various projects designed to restore the Everglades water quality, hydrology and ecology.

**Operations and Maintenance Program** expenses during fiscal year 2006 were \$72.2 million. Activities contributing to this cost include the operation and maintenance of 501 water control structures, over 50 pump stations, installation and maintenance of over 2,000 automated remote terminal units, and the maintenance of approximately 2,000 miles of canals and levees.

**Water Supply Program** expenses during fiscal year 2006 were \$55.5 million. This program is responsible for the District's evaluation of long-term water supply needs and planning and development associated with various water resources projects to meet the current and future demands of water users and the environment.

**Mission Support Program** expenses during fiscal year 2006 were \$115.9 million. The Mission Support Program delivers critical business support services such as information technology, procurement, finance, human resources, legal support, project management, public, and executive level policy guidance. On June 1, 2006 the District went live with a new ERP system. Approximately \$19 million in non-capital related expenditures were incurred during fiscal year 2006.

**Comprehensive Everglades Restoration Plan Program (CERP)** expenses during fiscal year 2006 were \$60.6 million. These expenses were for projects designed to restore, preserve and protect South Florida's ecosystem while providing for other water-related needs of the region, including water supply and flood protection. This program incurred expenses for the purchase of land, construction of stormwater treatment areas water reservoirs, and other CERP related capital projects.

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2006

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

### General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$ 37.1 million, while total fund balance reached \$ 49.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 26.3 percent of total General Fund expenditures, while total fund balance represents 34.8 percent of that same amount.

The total fund balance of the General Fund was \$49.0 million, an increase of nearly \$10.2 million during the current fiscal year. Revenues exceeded expenditures by \$63.6 million. Net transfers out totaled \$53.4 million. The majority of the transfers out (\$49.2 million) were to the Comprehensive Everglades Restoration Plan (CERP) Fund, representing the General Fund's 2006 contribution for CERP. Other transfers out from the General Fund were for scheduled capital improvement funding, implementation of a new Enterprise Resource Planning (ERP) System and for non-capital outlay contributions for Everglades restoration.

Total revenues in the General Fund increased \$32.4 million over the prior year. This increase is comprised mainly of an increase in property tax revenues of \$29.1 million due to new construction and to the increase in the assessed value of existing property within the District.

### Okeechobee Basin Special Revenue Fund

The Okeechobee Basin Special Revenue Fund accounts for operating expenditures within the 15-county area designated as the Okeechobee Basin. The total fund balance of the Okeechobee Basin Special Revenue Fund was \$46.2 million, an increase of \$4.2 million during the current fiscal year. Revenues exceeded expenditures by \$91.5 million.

Net transfers out totaled \$87.3 million. The largest portion of the transfers out (\$59.7 million) was to the Comprehensive Everglades Restoration Plan (CERP) Fund, representing the Okeechobee Basin Special Revenue Fund's 2006 contribution for CERP. The remaining transfer out amount of \$27.6 million was to fund scheduled capital improvement projects.

Total revenues in the Okeechobee Basin Special Revenue Fund increased by \$34.2 million over the prior year. This increase resulted from an increase in property tax revenues of \$28.9 million due to new construction and to the increase in the assessed value of existing property within the District.

### State Appropriations Fund

The State Appropriations Fund accounts for expenditures made for various projects utilizing revenue originating from state sources. In recent years the state has advanced funds to the District for major long-term projects, such as flood mitigation and restoration of various water bodies.

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2006

## **State Appropriations Fund (Continued)**

During fiscal year 2006, the fund balance of the State Appropriations fund decreased by \$24.1 million to \$24.5 million by the end of fiscal year 2006. The State Appropriations Fund spent \$50.6 million in 2006, and received advances from the state of \$27.3 million from the State's Ecosystem Management Trust Fund. Total revenues decreased by \$14.3 million in the State Appropriations Fund over the prior year. Balances in this fund will vary from year to year. The decrease was a result of fluctuation in revenues provided by State of Florida, State advances, level of fund expenditures based on status of projects funded.

## **Save Our Rivers Capital Projects Fund**

The Save Our Rivers Capital Projects Fund accounts for expenditures for the purchase of sensitive water resource land. During fiscal year 2006, capital outlay expenditures in the fund decreased by \$37.6 million. This decrease was mainly due to a reduction in land acquisition during fiscal year, however; several pending land acquisitions were encumbered by fiscal year-end. The fund balance of the Save Our Rivers Capital Projects Fund increased by approximately \$16.1 million during the current fiscal year. This brings total fund balance at the end of fiscal year 2006 to \$12.3 million. Total revenues decreased by \$25.1 million in the Save Our Rivers Capital Projects Fund from the prior year. The decrease is a result of State funding from the Florida Forever Trust Fund. Balances in this fund vary from year to year based on State funding, fund expenditures and status of capital projects.

## **Everglades Trust Fund**

The Everglades Trust Fund accounts for expenditures to construct six stormwater treatment areas (STAs) which will cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes.

During the current fiscal year, the fund balance of the Everglades Trust Fund increased by \$7.2 million. Total ending fund balance for the Everglades Trust Fund was \$36.8 million. Revenues were in excess of expenditures by approximately \$22.5 million. Transfers out of nearly \$15.3 million represent annual operating transfers out to cover the on-going operations and maintenance costs of the STAs (\$14.3 million) and \$1.0 million to the Florida Bay Capital Projects Fund for Florida Bay restoration projects as outlined in the Everglades Forever Act.

Total revenues in the Everglades Trust Fund increased by approximately \$10.0 million over the prior year. The overall additional revenue is related to an increase in property tax revenues of \$9.2 million, due to new construction and to the increase in the assessed value of existing property within the District.

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

The Comprehensive Everglades Restoration Plan (CERP) Fund accounts for expenditures associated with the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. This fund receives most of its resources from property taxes via transfers from the General fund and the Okeechobee Basin Special Revenue Fund. During fiscal year 2006, the fund balance of the CERP fund decreased by \$26.9 million.

Total expenditures in the CERP Fund increased from \$80.3 million in fiscal year 2005 to \$91.8 million in fiscal year 2006. The increase was due to increased activities for the Acceler8 project.

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

The Save Our Everglades Trust Fund (SOETF) accounts for revenues received from, and expenditures funded through, the State of Florida's fund by the same name. Monies are used for the design, construction and associated land costs for the CERP projects. During fiscal year 2006, capital outlay expenditures in the SOETF were \$201.7 million, an increase of \$97.5 million when compared to fiscal year 2005. The increase was due to land acquisition for the C-44 Reservoir which is part of the Indian River Lagoon South (CERP) Project .

**Acceler8 Everglades Construction Project (ECP) Fund**

The District created this new fund to account for the revenues from debt issued to support the accelerated construction of projects in the Everglades Program / Long-Term Plan Implementation. During fiscal year 2006, the District received \$35.0 million through the issuance of short-term debt in anticipation of being refinanced in fiscal year 2007 with the issuance of certificates of participation (COPs).

**Acceler8 Comprehensive Everglades Restoration Plan (CERP) Fund**

The District created this new fund to account for the revenues from debt issued to support the accelerated construction of projects in the Comprehensive Everglades Restoration Plan (CERP). During fiscal year 2006, the District received \$47.0 million through the issuance of short-term debt in anticipation of being refinanced in fiscal year 2007 with the issuance of certificates of participation (COPs).

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Expenditures in the final amended General Fund budget were \$7.1 million more than the original budget for 2006. This increase between the final amended budget and the original budget was primarily caused by amending the budget in April 2006 to increase budget authority for additional expenses related to the District's new Enterprise Resource Planning [ERP] System (\$1.2 million) and then in July 2006 to recognize CERP indirect cost as revenue instead of reducing expenditures (\$5.7 million). The remaining \$0.2 million was attributed to realigning budget authority from the District's Capital Fund to the General Fund to fund Flight Operations maintenance and repairs.

At the end of the fiscal year, the General Fund's budget for Water Resources – Water Supply Program showed \$6.5 million left unspent due mainly to outstanding encumbrances (\$5.1 million) of which \$2.9 million is associated with local/inter-governmental cost share agreements and \$1.8 million is associated with delays in initiating contracts; the balance is associated with staff redirection.

At the end of fiscal year 2006, the General Fund's budget for Corporate Resources – Mission Support Program reflects \$7.1 million in unspent budget authority due largely to Capital Lease \$1.0 million (District decision not to use financing for Heavy Equipment) Tax Collector Fees \$0.9 million, County Appraiser fees \$0.4 million, and Self Insurance \$1.94 million and outstanding encumbrances at September 30th.

The General Fund budget also had \$7.6 million in Managerial Reserves. The District does not spend directly out of Managerial Reserves. The use of this funding is handled through Governing Board budget transfer approval, which authorizes the movement of budget authority out of managerial reserves to a resource area's operating or capital budget.

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

**CAPITAL ASSETS**

The District's investment in capital assets as of September 30, 2006 amounts to \$3.14 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, water control structures, and construction in process. In fiscal year 2006, land had a net increase of 19 percent or approximately \$333.9 million and water control structures increased by 69 percent or approximately \$116.6 million when compared to fiscal year 2005.

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

**Land Acquisition Highlights**

- 33,444 total acres of land purchased, of which 18,294 acres are associated with CERP projects and 15,150 acres related to SOR projects including 13,247 acres for the Kissimmee River Restoration projects
- \$164.9 million of land acquisitions funded by the Save Our Everglades Trust Fund
- \$ 75.3 million of land acquisitions funded by the District's ad valorem resources
- \$ 68.5 million of land acquisitions funded by Florida Forever
- \$ 27.5 million of land acquisitions funded by Local Governments

**Water Control Structures Construction Highlights**

- \$93.7 million of construction completed on STA-3/4 ECP & Long-Term Plan project components
- \$ 4.2 million of construction completed on S-7 & S-8 Pumping Stations' Trash Rake projects
- \$ 4.1 million of construction completed on C-4 Emergency Detention Phase 2 project components
- \$ 4.1 million of construction completed on S-5A Pump Station's Boat Ramp & Trash Rake projects
- \$ 3.8 million of construction completed on STA-1 Inflow & Distribution Channel (G-311 Spillway)
- \$ 2.2 million of construction completed on FAKA Union Canal Weir #4 replacement project
- \$ 1.4 million of construction completed on S-135 Repowering & Automation project
- The remaining \$ 3.1 million of construction completed on various capital projects

**Capital Assets  
(net of depreciation)**

	2006	2005
Land	\$2,128,790,088	\$1,794,803,350
Canals and Levees	435,263,388	399,474,200
Buildings	43,380,296	43,276,627
Equipment	63,320,527	34,845,660
Improvements	10,027,238	7,101,441
Water Control Structures	285,343,415	168,740,015
Construction in Process	178,594,010	210,501,477
Total	\$3,144,718,962	\$2,658,742,770

Additional information on the District's capital assets can be found in Note 9 on pages II-42 & II-43 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**LONG-TERM DEBT ADMINISTRATION**

At the end of the 2006 fiscal year, the District had total bonded debt outstanding of \$55,770,000 composed solely of Special Obligation Land Acquisition Bonds Series 1995, Series 2002 and Series 2003. Documentary stamp tax revenues provided through the State of Florida's Water Management Lands Trust Fund secure the repayment of this debt.

**Long-term Debt Outstanding**

	2006	2005
Special Obligation Land Acquisition Bonds	\$55,770,000	\$60,270,000
Bank Loans	15,878,527	19,456,880
Land Purchase Payable	77,679,516	100,108,087
Capital Leases	1,863,645	3,008,733
Total	\$151,191,688	\$182,843,700

Including bonds and bank loans, the District's total debt in fiscal year 2006 decreased by \$31.7 million.

The District has an insured credit rating of Aaa for its outstanding bonds from Standard and Poor's.

During the 1990s, 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. Included in the District's Adopted *Debt Management Policy* are benchmarks 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 ratio shall not exceed \$250.
- Debt service (including payments required on certificates of participation to accelerate the Comprehensive Everglades Restoration Plan – Acceler8) shall not exceed 20 percent of the available ad-valorem revenues, related interest income thereon and permit fee revenue.
- The debt-to-assessed value shall not exceed 30 percent of the assessed value of property within the District.

Additional information about the District's long-term debt can be found in Note 11 on pages II-43 through II-45 of this report.

**LONG –TERM CONSTRUCTION COMMITMENTS**

The **Everglades Construction Project** (ECP) is the first major step in Everglades restoration pursuant to the Everglades Forever Act (EFA), passed by the Florida Legislature in 1994. The 1994 ECP is one of the nation's largest environmental restoration projects, and had a projected cost of \$836.2 million over 20 years. 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. These six large constructed wetlands, totaling over 47,000 acres, are the cornerstone of the ECP.

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2006

The 1994 EFA also provided the funding sources for program implementation, including a .1 mill ad valorem tax levy in the Okeechobee Basin, and agricultural privilege taxes levy in the Everglades Agricultural Area and the C-139 Basin, and other federal, state and local sources. The original project component estimates were based on the 1994 Conceptual Design Document and have been refined through the years. ECP program expenditures have been scheduled to comply with legislative timelines for land acquisition and construction, while keeping within the approved revenue stream.

The District has expended \$513.8 million on the 1994 Everglades Construction Project through fiscal year 2006. The remaining 1994 ECP project estimates for capital expenditures are \$1.3 million. STA-1-E/C-51W is the only ECP project component that is federally funded. The federal government is responsible for \$198.9 million of the total estimated cost of \$220.4 million. The remaining \$21.5 million represents the local share of the total estimated cost.

The **Long-Term Plan:** In 2003, the 1994 EFA was amended to include implementation of the Long-Term Plan as the strategy for achieving compliance with water quality standards in Everglades protection area. The amendment also expanded the use of the District's dedicated .1 mill ad valorem, agricultural privilege taxes and other revenue sources which fund this plan. Project timelines and cost estimates were established in the Conceptual Plan for Achieving Long-Term Water Quality Goals final report, dated March 17, 2003. They were further refined in the Long-Term Plan for Achieving Water Quality Goals final report, dated October 27, 2003. Each fiscal year's Long-Term Plan budget / expenditures will be based on this document. The 2003 Long-Term Plan, a key component of Everglades restoration, continues and expands the objectives of the 1994 Everglades Construction Project.

As described above, the total cost associated with implementing the 1994 ECP, 2003 Long-Term Plan, and other EFA-related activities continues to be shared among the District, state and federal governments, and the agricultural community.

The amended 1994 EFA authorized implementation of the initial phase of the Long-Term Plan. The Long-Term Plan will contain two phases: an initial 13-year phase (2003-2016) and a second ten-year phase (2017-2026). The legislature amended the EFA to required implementation of the first phase. The legislature indicated that a review of the EFA should occur at least ten years after implementation of the initial phase. The second phase (as needed to meet planning objectives) must be approved by the legislature and codified into the EFA prior to implementation of the projects.

In 2004, the 2003 Long-Term Plan was revised to include the additional of approximately 18,000 acres of STAs on Compartments B and C in the EAA. In 2006, the plan was revised again to include the ACME Basin B Discharge project, and the C-9 and C-11W Impoundment projects. The revisions also address STA enhancements and the plan's Process Development and Engineering component. It is currently projected that the Long-Term Plan's initial 13-year phase, including these revisions, will cost approximately \$1.0 billion.

During fiscal year 2006, the District continued implementation of the Long-Term Plan, as required by the EFA. In fiscal year 2006, approximately \$43.9 million was expended for work related to implementing the Long-Term Plan. Construction expenditures associated with the Long-Term Plan Acceler8 projects totaled

\$23.4 million which was financed through short-term debt against the fiscal year 2007 issuance of Certificates of Participation (COPs). The remaining expenditure amount was associated with ECP components, EFA-related components, and on-going operations and maintenance costs. Project Management Plans will be revised at various phases of each project, and 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 is approximately \$92.2 million. Construction and land costs for the District Everglades Program are projected to be \$852.5 million over the next five years.

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2006

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

The state and federal governments will split the estimated \$578 million cost to restore the river. The U.S. Army Corps of Engineers is responsible for the construction and the design of the restoration. As of September 30, 2006, the District completed land acquisition of over 100,000 acres needed for the restoration resulting in a project completion status of approximately 99.9 for land acquisition. The remaining land parcels, about 660 acres, to be acquired through the condemnation process. By the end of fiscal year 2006, there were nine engineering projects in lieu of land acquisition, also referred to as "cost-to-cure." For construction in lieu of land acquisitions, District staff, together with private landowners, developed feasible engineering solutions to eliminate or abate adverse project impacts and thus eliminate or minimize project lands needed. Estimated five-year expenditures for construction in lieu of land acquisition (cost-to-cure) are approximately \$24.6 million.

The **Comprehensive Everglades Restoration Plan (CERP)** is the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. Principal features of the plan are the creation of approximately 217,000 acres of new reservoirs and wetlands-based water treatment areas. These features will vastly increase storage and water supply for the natural system, as well as for urban and agricultural needs. The CERP is intended to restore a more natural flow of water, improve water quality and restore a more natural hydroperiod in the South Florida ecosystem.

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

Implementation of the Comprehensive Everglades Restoration Plan is estimated to cost \$7.8 billion, half of which will be paid by the federal government. The State of Florida will provide one-fourth of the total cost, and the South Florida Water Management District and various local agencies in south Florida will provide one-fourth of the total cost. To date, the District has expended \$1.4 billion which includes \$1.0 billion for project land acquisition.

During 2005, the District launched Acceler8, an expedited initiative to be financed by certificates of participation (COPs) to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. By accelerating the funding, design and construction of these projects, the Everglades will experience positive benefits sooner and more cost-effectively.

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

The District developed a series of revenue assumptions used during the preparation of its 2007 fiscal year budget development process. These revenue assumptions were based on current and projected economic indicators, and historical trends. The Florida Department of Revenue and the Ad Valorem Estimating Conference provided county projection data and trends in ad valorem tax-roll growth rates over a five-year period, which were analyzed by the District's Budget Division's staff. Revenue-collection history for the last four years and information supplied by various departments within the District were used to determine all remaining ad valorem sources. The District's dedicated revenue assumptions were formulated using information from state trust fund balances and from agreements with federal, state and local governments.

The District recognizes the importance of how available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District and changes in these economic factors directly impact the District's financial health and future budgets.

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2006

The discussion in this section will focus on economic factors affecting the District's ad valorem property tax revenue budget. The following factors were considered in preparing the District's budget for the 2007 fiscal year.

As in prior fiscal years, ad-valorem property taxes continue to be the District's largest single source of revenue. In addition to state and federal revenue sources, 41.0 percent of the District's budget is funded through ad valorem property tax revenues.

Taxable property values within the District increased by 24.5 percent from January 2005 (\$678.6 billion) to January 2006 (\$845.2 billion). The fiscal year 2005 and fiscal year 2006, taxable property values within the District increased by 14.1 percent and 19.1 percent, respectively. Property tax revenues have increased annually due to new construction and higher assessed values for new and existing properties throughout the District. It is anticipated this trend will continue, although at a slower pace than in previous years.

Another major economic factor is population growth and the impact this growth has on property values. In 2006, the population within the District jurisdiction grew at the same rate of 2.2 percent as in the previous year. During the past ten-year period of 1997 – 2006, the population grew across the District by over 23 percent or approximately 1.7 million people. For the past 36 years, consistent growth in population throughout central and southern Florida occurred. It appears this trend will continue into the foreseeable future placing upward pressure on property values and housing demands.

Also, another significant economic factor is residential and commercial construction and its affect on property values. Residential and commercial construction is a reliable indicator of how the economy will perform in the short-term. During the next two years, residential construction is expected to slow from prior years and bottom out in 2008, followed by a recovery in 2009. While commercial construction will continue to slow during 2007, the market is projected to reach its bottom in 2007 and experience a strong recovery during the next two years. This will likely result in lower new construction values next year, but the markets are expected to stabilize and recover shortly into the future according to Fishkind & Associates Inc.

Other crucial economic factors that could impact ad valorem property tax revenues are changes to the current Florida's Homestead Exemption and the Save Our Homes Amendment. The State of Florida is currently considering modifications to its existing property tax structure. A series of legislative proposals are under consideration which may impact future ad valorem tax collections.

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

Other economic factors include interest rates, insurance premiums and unemployment rate as they could adversely affect real estate market growth if income levels cannot support property values. The 2007 Florida Legislature is looking into the issue of homeowner property insurance. The unemployment rate for the District as of calendar year 2006 is 3.3 percent, which is a decrease from a rate of 3.9 percent in calendar year 2005.

In closing, the overall external economic conditions for the District are projected to remain favorable, even though there will be a slight economic slow down in 2007. Careful monitoring of these critical indicators along with implementation of sound financial practices and policies provide a useful means of avoiding unexpected financial shortfalls within the District's annual budget.

During the current fiscal year, the total unreserved fund balance in the general fund is \$37.1 million. This represents an increase of \$10.8 million from 2005 fiscal year. The District has appropriated \$4.7 million of this amount for spending in the fiscal year 2007 budget.

The District also designates a portion of its unreserved fund balance for Economic Stabilization. Presently, the District has placed in its General Fund's Designated for Economic Stabilization, a total of \$8.6 million to safeguard against short-term fluctuations in statewide economic activity.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2006**

**Requests for Information**

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



# FINANCIAL SECTION

## BASIC FINANCIAL STATEMENTS

SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2006

	TOTAL GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash and Investments	\$334,664,324
Accounts Receivable	2,268,171
Due From Other Governments	91,396,406
Inventory	3,691,889
Other Assets	6,378,230
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	59,722,075
Permanently Restricted	
Cash and Investments	7,230,157
Capital Assets	
Land	2,128,790,088
Canals and Levees	435,263,388
Construction in Process	178,594,010
Other Capital Assets, Net of Depreciation	402,071,476
<b>TOTAL ASSETS</b>	<b>\$3,650,070,214</b>
<b>LIABILITIES</b>	
Accounts Payable	\$103,582,110
Due to Other Governments	43,911
Short-term Bank Loan	82,000,000
Unearned Revenue	2,826,208
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	4,660,000
Bond Premium Payable	548,626
Bank Loans Payable	4,847,445
Land Purchase Payable	37,460,071
Capital Leases Payable	968,067
Compensated Absences	7,325,000
Self Insurance Claims Payable	773,944
Due In More Than One Year	
Bonds Payable	51,110,000
Bond Premium Payable	1,439,919
Bank Loans Payable	11,031,082
Land Purchase Payable	40,219,445
Capital Leases Payable	895,578
Compensated Absences	11,765,000
Self Insurance Claims Payable	7,084,580
Other Claims Payable	7,600,000
<b>TOTAL LIABILITIES</b>	<b>\$376,180,986</b>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	\$2,991,538,729
Restricted for:	
Debt Service	5,842,813
Wetlands Mitigation	
Expendable	13,048,502
Nonexpendable	7,230,157
Environmental Programs	40,830,660
Unrestricted	215,398,367
<b>TOTAL NET ASSETS</b>	<b>\$3,273,889,228</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2006

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Land Stewardship	\$19,315,572	\$ -	\$15,225,629	\$3,609,064
District Everglades	40,238,293	-	610,693	2,094,606
Operations and Maintenance	72,203,106	-	22,501,171	3,032,753
Water Supply	55,510,219	-	26,382,690	1,371,778
Kissimmee Restoration	36,033,207	-	-	54,741,895
Regulation	15,729,501	11,805,719	-	-
Lake Okeechobee	14,476,700	-	513,787	3,509,464
Coastal Watersheds	32,415,897	-	179,553	1,613,921
Mission Support	115,901,217	-	-	-
Comprehensive Everglades Restoration Plan	60,600,287	-	-	306,472,126
Modeling and Scientific Support	16,434,291	-	-	-
Interest on Long-term Debt	5,862,342	-	-	7,014,759
<b>TOTAL</b>	<b>\$484,720,632</b>	<b>\$11,805,719</b>	<b>\$65,413,523</b>	<b>\$383,460,366</b>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Everglades Construction

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

SEE ACCOMPANYING NOTES TO THE THE FINANCIAL STATEMENTS

NET (EXPENSE) REVENUE  
AND CHANGE IN  
NET ASSETS

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TOTAL  
GOVERNMENTAL  
ACTIVITIES

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(\$480,879)  
(37,532,994)  
(46,669,182)  
(27,755,751)  
18,708,688  
(3,923,782)  
(10,453,449)  
(30,622,423)  
(115,901,217)  
245,871,839  
(16,434,291)  
1,152,417

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(24,041,024)

386,282,388  
70,980,322  
18,440,431  
15,365,812  
11,220,865

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502,289,818

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478,248,794

2,795,640,434

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\$3,273,889,228

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2006

	<u>GENERAL</u>	<u>OKEECHOBEE BASIN SR</u>	<u>STATE APPROPRIATIONS</u>
<u>ASSETS</u>			
Cash and Investments	\$64,938,315	\$48,102,032	\$16,819,623
Accounts Receivable	522,201	556,190	78,829
Due From Other Governments	1,147,301	1,333,779	26,368,819
Due From Other Funds	5,579,077	1,163,578	-
Inventory	-	3,625,533	-
Other Assets	1,665,724	756,665	-
	<u>\$73,852,618</u>	<u>\$55,537,777</u>	<u>\$43,267,271</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$24,817,033	\$9,291,147	\$18,775,241
Due To Other Governments	-	-	-
Due To Other Funds	-	-	-
Deferred Revenue	-	-	-
	<u>24,817,033</u>	<u>9,291,147</u>	<u>18,775,241</u>
<u>FUND BALANCES</u>			
Reserved for:			
Encumbrances	11,933,752	7,146,819	18,317,831
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	4,740,620	-	-
Designated for Economic Stabilization	8,606,000	-	-
Designated for Insurance Claims	13,344,780	-	-
Undesignated	10,410,433	-	-
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	801,613	6,174,199
Designated for Economic Stabilization	-	8,121,000	-
Designated for Future Big Cypress Basin Capital Projects	-	-	-
Undesignated	-	30,177,198	-
Capital Projects Funds			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Future Big Cypress Basin Capital Projects	-	-	-
Undesignated	-	-	-
Permanent Fund			
Undesignated	-	-	-
	<u>49,035,585</u>	<u>46,246,630</u>	<u>24,492,030</u>
TOTAL FUND BALANCES	<u>\$73,852,618</u>	<u>\$55,537,777</u>	<u>\$43,267,271</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$73,852,618</u>	<u>\$55,537,777</u>	<u>\$43,267,271</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

SAVE OUR RIVERS CP	EVERGLADES TRUST FUND	COMPREHENSIVE EVERGLADES RESTORATION PLAN (CERP)	SAVE OUR EVERGLADES	ACCELER8 EVERGLADES CONSTRUCTION PROJECT
\$12,083,145	\$43,095,591	\$49,904,385	\$1,083	\$16,452,853
102,704	250,034	-	-	89,005
634,475	1,089,013	-	43,318,887	-
-	-	2,749,629	-	-
-	-	-	-	-
-	74,723	-	-	-
<u>\$12,820,324</u>	<u>\$44,509,361</u>	<u>\$52,654,014</u>	<u>\$43,319,970</u>	<u>\$16,541,858</u>
\$524,252	\$7,747,259	\$11,076,680	\$66,362	\$6,069,460
-	-	-	-	-
-	-	-	1,509,124	-
-	-	-	2,751,208	-
<u>524,252</u>	<u>7,747,259</u>	<u>11,076,680</u>	<u>4,326,694</u>	<u>6,069,460</u>
7,562,023	18,494,787	17,023,912	(1,726,360)	4,025,460
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,734,049	-	-	-	-
-	9,241,875	21,360,175	37,693,475	-
-	9,025,440	3,193,247	3,026,161	6,446,938
-	-	-	-	-
<u>12,296,072</u>	<u>36,762,102</u>	<u>41,577,334</u>	<u>38,993,276</u>	<u>10,472,398</u>
<u>\$12,820,324</u>	<u>\$44,509,361</u>	<u>\$52,654,014</u>	<u>\$43,319,970</u>	<u>\$16,541,858</u>

Continued

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2006

	ACCELER8 COMPREHENSIVE EVERGLADES RESTORATION PLAN	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Investments	\$17,320,995	\$132,898,534	\$401,616,556
Accounts Receivable	52,608	616,600	2,268,171
Due From Other Governments	-	17,504,132	91,396,406
Due From Other Funds	-	-	9,492,284
Inventory	-	66,356	3,691,889
Other Assets	-	483,022	2,980,134
	<u>\$17,373,603</u>	<u>\$151,568,644</u>	<u>\$511,445,440</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$7,376,789	\$14,315,932	\$100,060,155
Due To Other Governments	-	43,911	43,911
Due To Other Funds	-	7,983,160	9,492,284
Deferred Revenue	-	75,000	2,826,208
	<u>7,376,789</u>	<u>22,418,003</u>	<u>112,422,558</u>
<u>FUND BALANCES</u>			
Reserved for:			
Encumbrances	7,638,200	38,961,792	129,378,216
Acquisition of Land	-	4,927,445	4,927,445
Enhancement of Land	-	8,121,057	8,121,057
Long-term Management of Land	-	7,230,157	7,230,157
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	-	-	4,740,620
Designated for Economic Stabilization	-	-	8,606,000
Designated for Insurance Claims	-	-	13,344,780
Undesignated	-	-	10,410,433
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	29,125,769	36,101,581
Designated for Economic Stabilization	-	626,000	8,747,000
Designated for Future Big Cypress Basin Capital Projects	-	2,000,000	2,000,000
Undesignated	-	17,018,466	51,929,713
Capital Projects Funds			
Designated for Subsequent Years Expenditures	-	16,654,471	84,949,996
Designated for Future Big Cypress Basin Capital Projects	-	2,673,050	2,673,050
Undesignated	2,358,614	1,800,530	25,850,930
Permanent Fund			
Undesignated	-	11,904	11,904
	<u>9,996,814</u>	<u>129,150,641</u>	<u>399,022,882</u>
TOTAL FUND BALANCES			
	<u>9,996,814</u>	<u>129,150,641</u>	<u>399,022,882</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$17,373,603</u>	<u>\$151,568,644</u>	<u>\$511,445,440</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, 2006

Fund balances - total governmental funds \$399,022,882

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

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

Governmental capital assets	3,311,822,734	
Less accumulated depreciation	(167,103,772)	
		3,144,718,962

Short-term bank loan paid in 2007 and long-term liabilities not due and payable  
in the current period are not reported in the governmental funds

Short-term bank loan (See note 10)	(82,000,000)	
Bonds payable	(55,770,000)	
Bank loans payable	(15,878,527)	
Land purchase payable	(77,679,516)	
Capital leases payable	(1,863,645)	
Compensated absences	(19,090,000)	
Self-insurance claims payable	(8,004,373)	
Fund liability for self-insurance	145,849	
Other claims payable	(7,600,000)	
		(267,740,212)

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 amortized in the statement  
of activities over the remaining life of the debt.

Deferred amount on refunding bonds	2,526,898	
Unamortized bond issuance costs on bonds	718,584	
Unamortized discount on bonds	152,614	
Unamortized premium on 2003 bonds	(1,988,545)	
		1,409,551

Bond interest due October 1, 2005 is not reported as a liability of the governmental funds.

Accrued interest payable		(3,521,955)
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Net assets of governmental activities		\$3,273,889,228
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## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

REVENUES	GENERAL	OKEECHOBEE BASIN SR	STATE APPROPRIATIONS
Ad Valorem Property Taxes	\$185,771,000	\$186,106,739	\$ -
Agricultural Privilege Taxes	-	-	-
Intergovernmental	674,211	3,213,822	27,265,653
Investment Earnings (Loss)	4,591,757	5,028,878	(463,076)
Licenses, Permits and Fees	5,535,333	198,870	-
Self-Insurance Premiums	1,992,597	-	-
Sale of District Property	478,105	337,532	-
Indirect Costs Recovered	4,210,305	40,000	-
Leases	76,656	-	-
Other	1,208,118	1,688,037	10,362
<b>Total Revenues</b>	<b>204,538,082</b>	<b>196,613,878</b>	<b>26,812,939</b>
<b>EXPENDITURES</b>			
Current Operating			
Land Stewardship	72,383	2,981,739	-
District Everglades	-	-	389,054
Operations and Maintenance	11,041,626	67,182,230	177,221
Water Supply	15,517,744	5,105,999	26,862,060
Kissimmee Restoration	250,035	8,847,851	381,941
Regulation	15,591,075	14,547	-
Lake Okeechobee	404,818	3,227,767	159,514
Coastal Watersheds	3,971,020	4,945,242	19,260,553
Mission Support	77,790,739	10,894,497	-
Comprehensive Everglades Restoration Plan	999	-	3,392,403
Modeling and Scientific Support	15,793,430	-	-
Capital Outlay	-	-	-
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	-	689,625	-
Bank Loan Interest	323,867	140,106	-
Capital Lease Principal Payments	127,508	1,017,480	-
Capital Lease Interest	1,935	79,649	-
<b>Total Expenditures</b>	<b>140,887,179</b>	<b>105,126,732</b>	<b>50,622,746</b>
Revenues In Excess of (Less Than) Expenditures	63,650,903	91,487,146	(23,809,807)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,877,405	618,362	-
Transfers Out	(55,301,612)	(87,938,113)	(332,511)
Bank Loan	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(53,424,207)</b>	<b>(87,319,751)</b>	<b>(332,511)</b>
Net Change in Fund Balances	10,226,696	4,167,395	(24,142,318)
FUND BALANCE AT BEGINNING OF YEAR	38,808,889	42,079,235	48,634,348
FUND BALANCE AT END OF YEAR	\$49,035,585	\$46,246,630	\$24,492,030

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

SAVE OUR RIVERS CP	EVERGLADES TRUST FUND	EVERGLADES RESTORATION PLAN (CERP)	SAVE OUR EVERGLADES	ACCELER8 EVERGLADES CONSTRUCTION PROJECT
\$ -	\$59,467,515	\$ -	\$ -	\$ -
-	11,512,807	-	-	-
54,765,845	2,229,773	2,050,569	240,552,406	-
506,496	2,370,057	1,131,787	1,433,874	793,532
-	-	-	-	-
-	-	-	-	-
-	-	0	87,797	-
-	-	-	-	-
26,670	9,270	-	-	-
247,455	256,237	525,801	2,450	-
55,546,466	75,845,659	3,708,157	242,076,527	793,532
-	-	-	-	-
-	26,507,557	-	-	41,463
24,000	18,218	392	-	-
-	273	52	-	-
61,342	-	-	-	-
-	-	-	-	-
-	-	1,876	-	-
-	1,350	3	-	-
-	364,654	-	-	11,686,196
-	-	79,110,704	-	-
-	-	662	-	-
40,616,599	26,504,740	12,652,137	201,739,137	13,593,475
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
40,701,941	53,396,792	91,765,826	201,739,137	25,321,134
14,844,525	22,448,867	(88,057,669)	40,337,390	(24,527,602)
1,205,454	-	108,971,563	-	-
-	(15,273,386)	(47,771,563)	-	-
-	-	-	-	35,000,000
1,205,454	(15,273,386)	61,200,000	-	35,000,000
16,049,979	7,175,481	(26,857,669)	40,337,390	10,472,398
(3,753,907)	29,586,621	68,435,003	(1,344,114)	-
\$12,296,072	\$36,762,102	\$41,577,334	\$38,993,276	\$10,472,398

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

REVENUES	COMPREHENSIVE EVERGLADES RESTORATION PLAN	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Ad Valorem Property Taxes	\$ -	\$14,404,649	\$445,749,903
Agricultural Privilege Taxes	-	-	11,512,807
Intergovernmental	-	117,845,947	448,598,226
Investment Earnings (Loss)	296,066	3,026,723	18,716,094
Licenses, Permits and Fees	-	1,172,625	6,906,828
Self-Insurance Premiums	-	-	1,992,597
Sale of District Property	-	39,641	943,075
Indirect Costs Recovered	-	-	4,250,305
Leases	-	4,786,295	4,898,891
Other	-	96,428	4,034,888
<b>Total Revenues</b>	<b>296,066</b>	<b>141,372,308</b>	<b>947,603,614</b>
<b>EXPENDITURES</b>			
Current Operating			
Land Stewardship	-	11,319,572	14,373,694
District Everglades	-	13,501,463	40,439,537
Operations and Maintenance	-	14,187,709	92,631,396
Water Supply	-	7,841,456	55,327,584
Kissimmee Restoration	-	409,446	9,950,615
Regulation	-	107,350	15,712,972
Lake Okeechobee	-	11,488,969	15,282,944
Coastal Watersheds	-	4,255,189	32,433,357
Mission Support	4,451,246	7,444,354	112,631,686
Comprehensive Everglades Restoration Plan	43,537	3,289,952	85,837,595
Modeling and Scientific Support	-	-	15,794,092
Capital Outlay	32,804,469	147,235,390	475,145,947
Debt Service			
Bond Principal Retirement	-	4,500,000	4,500,000
Bond Interest	-	2,444,126	2,444,126
Bank Loan Principal Payments	-	2,887,928	3,577,553
Bank Loan Interest	-	276,226	740,199
Capital Lease Principal Payments	-	-	1,144,988
Capital Lease Interest	-	-	81,584
<b>Total Expenditures</b>	<b>37,299,252</b>	<b>231,189,130</b>	<b>978,049,869</b>
Revenues In Excess of (Less Than) Expenditures	(37,003,186)	(89,816,822)	(30,446,255)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	100,125,387	212,798,171
Transfers Out	-	(6,180,986)	(212,798,171)
Bank Loan	47,000,000	-	82,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>47,000,000</b>	<b>93,944,401</b>	<b>82,000,000</b>
Net Change in Fund Balances	9,996,814	4,127,579	51,553,745
FUND BALANCE AT BEGINNING OF YEAR	-	125,023,062	347,469,137
FUND BALANCE AT END OF YEAR	<b>\$9,996,814</b>	<b>\$129,150,641</b>	<b>\$399,022,882</b>

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 FISCAL YEAR ENDED SEPTEMBER 30, 2006

Net change in fund balances - total governmental funds		\$51,553,745
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	506,393,698	
Less current year depreciation	<u>(20,417,506)</u>	485,976,192
<p>Repayment of borrowed principal from bonds, bank loans and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Bonds principal payment	4,500,000	
Bank loan principal payments	3,578,353	
Capital leases principal payments	<u>1,145,088</u>	9,223,441
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in land purchase payable	22,428,571	
Change in long-term compensated absences	(410,000)	
Change in long-term self-insurance claims payable	(1,105,574)	
Change in other claims payable	(4,907,459)	
Bond interest payable at September 30, 2006	(3,521,956)	
Bond interest payable at September 30, 2005	1,261,213	
Amortization of deferred interest on bonds	(280,767)	
Amortization of discount on bonds	73,504	
Amortization of premium on bonds	61,979	
Amortization of cost of issuance on bonds	(104,095)	
	<hr/>	13,495,416
<p>The issuance of debt is reported as a financing resource in governmental funds and thus contributes to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities.</p>		
Debt Issued:		
Bank Loan made during the fiscal year	<u>(82,000,000)</u>	<u>(82,000,000)</u>
Change in net assets of governmental activities		<u><u>\$478,248,794</u></u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

(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 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 natural systems protection and restoration, development and proper utilization of surface and ground water within District boundaries and to 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*, to define the reporting entity. The financial statements include all operations over which the District is financially accountable. The District has not identified any component units and is not a participant in any joint venture.

The District is a component unit of the State of Florida. The State provides funding for District programs through the sale of State debt, the sharing of documentary stamp revenues, and the approval of various annual grants and entitlements.

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

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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 instead as *general revenues*.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

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

*(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 and interest to be available if they are collected within sixty days of the end of the current fiscal period. Intergovernmental revenues are considered to be available if they are received within ten months.

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

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

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.

*(d) Major Funds*

The District reports the following major governmental funds:

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

The Okeechobee Basin SR Fund accounts for the normal operating expenditures of the Okeechobee Basin, an area covering all or part of fifteen counties in South Florida. Funding is provided by a .313 mill property tax levy, intergovernmental revenues, permitting fees and interest earnings.

The State Appropriations Fund accounts for expenditures made for various projects utilizing state sources. Among the funding sources are the Surface Water Improvement and Management (SWIM) Fund, the Water Management Lands Trust Fund, and various state agencies.

The Save Our Rivers CP Fund accounts for capital expenditures for the purchase of sensitive water resource land. Funding is provided through allocations from the Florida Forever Trust Fund, documentary stamp tax revenues appropriated and allocated in the District's name and deposited in the Water Management Lands Trust Fund administered by the State of Florida, regulatory fines, and interest earnings.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*(d) Major Funds (continued)*

The Everglades Trust Fund accounts for capital expenditures to construct six 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 .100 mill tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.

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

The Save Our Everglades Fund accounts for revenues and expenditures for the Comprehensive Everglades Restoration Plan that is funded from the state's Save Our Everglades Trust Fund.

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

The Acceler8 Comprehensive Everglades Restoration Plan Fund accounts for revenues derived from debt, both short term and long term, issued to support the construction of projects in the Comprehensive Everglades Restoration Plan and expenditures associated with the construction of those projects.

*(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 II-58.

*(f) Cash and Investments*

The District utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in loaning fund(s). Cash includes currency on hand and demand deposits.

The District's investment policy authorizes investments in (1) the Florida Local Government Surplus Funds Trust Fund (SBA), (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 and "A1" by Standard and Poor's, (7) Corporate notes rated at a minimum "Aa" by Moody's and "AA" by Standard and Poor's, (8) Bankers Acceptances rated at a minimum "P-1" by Moody's and "A-1" by Standard and Poor's, (9) State and Local government taxable and/or tax exempt debt rated at least "Aa"

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

by Moody's and "AA" by Standard and Poor's 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 which are invested in United States Treasury Securities or United States government agency securities, (11) Master Repurchase Agreements collateralized by United States government securities, and (12) Reverse Repurchase Agreements.

As of September 30, 2006, the District had placed the largest portion of its investments in U.S. Agency Obligations. Most of the remaining portion of the investment pool was kept with the Local Government Surplus Funds Trust Fund. This is a highly liquid investment pool available for investing temporarily idle cash by Florida governments and is managed by the State Board of Administration (SBA). In order to accommodate pool participants with readily available cash, a substantial portion of the portfolio is placed in short term securities. According to the SBA, the pool met the criteria to be considered as "2a-7 like", as defined by GASB Statement No. 31. Accordingly, the fund has been reported at the same value as the pool shares allocated to the District.

The Local Government Surplus Funds Trust Fund is governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the Administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

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

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

*(g) Inventory*

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

*(h) Capital Assets*

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (bridges, water control structures, canals and levees), 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. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date donated. Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

<u>Asset</u>	<u>Years</u>
Buildings	10-40
Improvements Other Than Buildings	12-20
Equipment	5-25
Vehicles	5-15
Water Control Structures	25-50

Canals and levees are considered to be land improvements and therefore are not depreciated.

*(i) Compensated Absences*

District employees are granted a specific number of vacation and sick leave days with pay. Non-management employees are permitted to accumulate a maximum of 360 hours (45 days) of vacation as of December 31. Managers are permitted to accumulate a maximum of 480 hours (60 days) of vacation as of December 31. Employees are paid for excess vacation time in January. Employees are reimbursed upon termination for a percentage of unused sick leave after at least six years of service. The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds when payments are made to employees. However, the liability for all accrued and vested vacation and sick leave benefits plus sick leave benefits expected to become vested is recorded in the government-wide financial statements. The District normally liquidates its liability for compensated absences from the General Fund and the Okeechobee Basin Special Revenue Funds.

*(j) Wetlands Mitigation*

The District manages a program for mitigating the impact of wetland destruction through a specialized regulatory permit 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 Wetlands Mitigation SR Fund. Funds received for long-term management (nonexpendable) are placed in the Wetlands Mitigation Permanent Fund.

*(k) Fund Balances / Net Assets*

In the fund financial statements, reservations of fund balance are reported to indicate that a portion of fund balance is not available for appropriation for expenditure or is legally segregated for a specific purpose. Designations of fund balance identify tentative plans for the future use of financial resources. The undesignated fund balance is available for future appropriation.

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. As of September 30, 2006, the District had approximately \$41 million in restricted net assets through enabling legislation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(1) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and 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.

(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.

**Interest Rate Risk:**

Investments are made based upon prevailing market conditions at the time of the transaction. While the overall intent is to hold securities to maturity, the on-going management of the portfolio allows for actions designed to meet cash needs of the District and attempts to maximize investment yield while minimize 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 two years.

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

The District invests in Mortgage Backed Securities, including Collateralized Mortgage Obligations (CMO's) in part to maximize yield and as a protection against a rise in interest rates. These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. An increase in interest rates may increase the average maturity of these investments. The District currently limits its exposure to all mortgage investments to 35% of the total portfolio balance at the time of purchase.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

*(3) CASH AND INVESTMENTS (continued)*

As of September 30, 2006 the District had the following investments in its pooled portfolio. (Effective Duration is in years.)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
State Investment Pool	\$126,393,529	0.00
U.S. Agency Obligations	154,887,950	.75
Mortgage Backed Securities	79,543,425	2.09
Corporate Bonds	5,000,000	.04
Total Fair Value	<u>\$365,824,904</u>	
Portfolio Effective Duration		.77

**Credit Risk:**

For liquidity purposes, the District invests in the State of Florida's Local Government Surplus Funds Trust Fund, which is managed in accordance with State statutes. The pool is unrated by the major rating agencies, and investment into the fund by local governments is consistent with SEC rule 2a-7.

All of the District's investments for fiscal year 2006 in the bonds of U.S. Agencies were rated AAA by Standard and Poor's and Fitch ratings, and Aaa by Moody's Investor Services. This applies to the direct agency obligations as well as the investment into Mortgage Backed Securities and CMO's.

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

<u>Investment Type</u>	<u>Credit Rating</u>
State Investment Pool	Unrated
Fannie Mae – Agencies	AAA
Freddie Mac – Agencies	AAA
Federal Home Loan Bank – Agencies	AAA
Mortgage Backed Securities	AAA
MBIA Corporate Note	AAA
Wells Fargo Non-Agency Mortgage Backed Security	AAA

**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.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

*(3) CASH AND INVESTMENTS (continued)*

**Custodial Credit Risk - Investments:** The District's investment policy requires that all securities be held with a third party custodian, in a separate account which is designated as an asset of the District. The custodian acts as the safekeeper of the District's investment securities. No withdrawal of securities, in whole or in part, is made from safekeeping without written authorization of designated District staff.

**Concentration of Credit Risk:**

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

**Percentage Allocation by Issuer as of September 30, 2006**

<u>Issuer</u>	<u>Percent of Total Portfolio</u>
State Investment Pool	34.50%
Fannie Mae	25.82%
Freddie Mac	20.29%
Federal Home Loan Bank	16.97%
MBIA – Corporate Note	1.36%
Wells Fargo Non-Agency Mortgage Backed Security	1.06%
	<u>100.00%</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

*(3) CASH AND INVESTMENTS (continued)*

Cash and investments as of September 30, 2006 are composed of the following:

Investments Held by District:

U.S. Agency Obligations	\$154,887,950
Investments in Mortgage Backed Securities	79,543,425
Corporate Bonds	5,000,000
Investments in Local Government Surplus Funds Trust Fund	126,393,529
	<u>365,824,904</u>
Total Investments	<u>365,824,904</u>

Cash Deposits:

Money Market Accounts	5,922,773
Demand Deposit Accounts	29,861,654
Petty Cash	7,225
	<u>35,791,650</u>

Total Cash Deposits	<u>35,791,650</u>
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Total Cash and Investments	<u>\$401,616,556</u>
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*(4) ACCOUNTS RECEIVABLE*

Accounts receivable at September 30, 2006 consist of the following:

	General Fund	Okeechobee Basin SR Fund	State Appropriations Fund	Save Our Rivers CP Fund	Everglades Trust Fund
Leases	\$ -	\$ 5,549	\$ -	\$ -	\$ 1,852
Interest	428,822	549,628	78,829	102,704	247,577
Other	93,379	1,013	-	-	605
Allowance	-	-	-	-	-
	<u>\$522,201</u>	<u>\$556,190</u>	<u>\$78,829</u>	<u>\$102,704</u>	<u>\$250,034</u>

	Acceler8 ECP	Acceler8 CERP	Other Funds	Total
Leases	\$ -	\$ -	\$ 382,592	\$ 389,993
Interest	89,005	52,608	480,892	2,030,065
Other	-	-	-	94,997
Allowance	-	-	( 246,884 )	( 246,884 )
	<u>\$89,005</u>	<u>\$52,608</u>	<u>\$616,600</u>	<u>\$2,268,171</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

*(4) ACCOUNTS RECEIVABLE-(continued)*

Receivables for permits represent unpaid invoices sent to permittees under the District's wetlands mitigation program. An allowance for doubtful accounts in the amount of \$246,884 has been recorded against leases receivable due to the special conditions of some of the lease contracts.

*(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS*

Interfund receivables and payables as of September 30, 2006 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 5,579,077	\$ -
Okeechobee Basin SR	1,163,578	-
Comprehensive Everglades Restoration Plan (CERP)	2,749,629	-
Save Our Everglades	-	1,509,124
Other Funds	-	7,983,160
	\$ 9,492,284	\$ 9,492,284

These balances resulted from loans made by the General Fund, the Okeechobee Basin SR Fund, and the CERP CP Fund to cover temporary cash shortages in the Save Our Everglades CP Fund and other funds.

Interfund transfers during the year are as follows:

	Transfers			
	General Fund	Okeechobee Basin SR Fund	Save Our Rivers CP	Comprehensive Everglades Restoration Plan CP
Transfers:				
General	\$ -	\$ -	\$ 1,205,454	\$ 49,225,086
Okeechobee Basin SR	-	-	-	59,746,477
State Appropriations	-	-	-	-
Everglades Trust Fund	-	-	-	-
Comprehensive Everglades Restoration Plan	-	-	-	-
Other Governmental Funds	1,877,405	618,362	-	-
Total Transfers In	\$ 1,877,405	\$618,362	\$ 1,205,454	\$ 108,971,563

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

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

	Transfers (Continued)	
	Other Funds	Total Transfers Out
Transfers (Continued):		
General	\$ 4,871,072	\$ 55,301,612
Okeechobee Basin SR	28,191,636	87,938,113
State Appropriations SR	332,511	332,511
Everglades Trust Fund CP	15,273,386	15,273,386
Comprehensive Everglades Restoration Plan CP	47,771,563	47,771,563
Other Governmental Funds	3,685,219	6,180,986
Total Transfers In	\$ 100,125,387	\$ 212,798,171

The majority of transfers are used to account for the District's required share of funding for Everglades restoration in accordance with the Comprehensive Everglades Restoration Plan. Other transfers are to reimburse funds for expenditures made on behalf of the paying funds.

*(6) OPERATING LEASE RENTAL REVENUES*

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

The District purchases land for environmental restoration projects. Quite 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 because it results in lower land maintenance costs. In addition, the District charges rent for the continued use of the land for farming until such time it is needed for an environmental restoration project. The District's investment in property on which there are operating leases is \$928 million as of September 30, 2006.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

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

**Revenues under Operating Leases**

The following is a schedule by years of minimum future revenues on noncancelable operating leases as of September 30, 2006:

Year ending December 31:

2007	\$ 3,802,131
2008	2,181,177
2009	932,040
2010	683,714
2011	686,674
Later years	<u>503,102</u>

Total minimum future revenues \* \$ 8,788,838

\*This amount does not include contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. Contingent revenues amounted to \$-0- in 2006.

*(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 2006 was .697 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, 2005, upon which the fiscal year 2006 levy was based, was approximately \$678.6 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, 2006 and included in tax revenues are \$3,077,587.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

*(8) INTERGOVERNMENTAL TRANSACTIONS*

Amounts due from other governments at September 30, 2006 and intergovernmental revenues for 2006 consist of the following:

	<u>Due From Other Governments</u>	<u>Intergovernmental Revenues</u>
U.S. Army Corps of Engineers	\$192,554	\$1,055,410
U.S. Federal Emergency Management Agency	1,417,616	17,060,582
U.S. Department of Agriculture	3,708,939	9,701,214
Florida Department of Community Affairs	150,589	1,838,879
Florida Department of Environmental Protection	82,243,382	373,796,395
Florida Department of Revenue		3,609,064
Florida Department of Transportation	-	2,000,000
Florida Department of Agriculture and Consumer Services	176,238	513,786
Florida Fish and Wildlife Conservation Commission	41,196	936,044
Florida Inland Navigation District		762,200
Martin County		36,096,195
Various Counties: Ad Valorem Taxes	3,077,587	-
Other Governments	<u>388,305</u>	<u>1,228,457</u>
Total	<u><u>\$91,396,406</u></u>	<u><u>\$448,598,226</u></u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

*(9) CAPITAL ASSETS ACTIVITY*

	Balance at October 1, 2005	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2006
Capital Assets Not Being Depreciated:					
Land	\$1,794,803,350	\$352,371,659	\$ (18,384,921 )	\$ -	\$2,128,790,088
Canals and Levees	399,474,200	25,512	-	35,763,676	435,263,388
Construction In Process	210,501,477	152,162,332	-	( 184,069,799 )	178,594,010
Total Capital Assets Not Being Depreciated	<u>2,404,779,027</u>	<u>504,559,503</u>	<u>(18,384,921 )</u>	<u>(148,306,123 )</u>	<u>2,742,647,486</u>
Capital Assets Being Depreciated:					
Buildings	60,074,204	259,356		1,527,844	61,861,404
Equipment	92,877,290	20,887,497	( 4,902,338 )	17,954,634	126,817,083
Improvements	13,048,400	1,284,212	-	2,436,372	16,768,984
Water Control Structures	238,331,864	1,549,560		123,846,353	363,727,777
Total Capital Assets Being Depreciated	<u>404,331,758</u>	<u>23,980,625</u>	<u>(4,902,338 )</u>	<u>145,765,203</u>	<u>569,175,248</u>
Less Accumulated Depreciation					
Buildings	16,797,577	1,683,531		-	18,481,108
Equipment	58,031,630	9,146,676	( 3,681,749 )	-	63,496,557
Improvements	5,946,959	794,787	-	-	6,741,746
Water Control Structures	69,591,849	8,792,512		-	78,384,361
Total Accumulated Depreciation	<u>150,368,015</u>	<u>20,417,506</u>	<u>( 3,681,749 )</u>	<u>-</u>	<u>167,103,772</u>
Capital Assets, Net	<u>\$2,658,742,770</u>	<u>\$508,122,622</u>	<u>( \$19,605,510 )</u>	<u>( \$2,540,920 )</u>	<u>\$3,144,718,962</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

*(9) CAPITAL ASSETS ACTIVITY-(continued)*

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

Land Stewardship	\$ 250,923
District Everglades	1,075,118
Operations and Maintenance	14,501,319
Water Supply	37,052
Kissimmee Restoration	25,342
Regulation	36,642
Lake Okeechobee	17,758
Coastal Watersheds	4,888
Mission Support	4,014,225
Comprehensive Everglades Restoration Plan	257,841
Modeling and Scientific Support	<u>196,398</u>
Total Depreciation Expense	<u><u>\$20,417,506</u></u>

*(10) SHORT-TERM FINANCING*

During fiscal year 2006, the District entered into an agreement with a commercial bank for an \$82 million loan with a term of one year. The District utilized the proceeds of this loan to provide bridge financing for fast-track water storage and environmental enhancement construction projects. This loan was repaid in 2007 from the proceeds of the sale of \$546,120,000 of Certificates of Participation (see note 20).

*(11) LONG-TERM LIABILITIES*

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2006:

	Balance at October 1, 2005	Additions	Retirements And Adjustments	Balance at September 30, 2006	Amounts Due Within One Year
Land Acquisition Bonds	\$60,270,000	\$ -	( \$4,500,000 )	\$55,770,000	\$4,660,000
Bond Premium	2,050,524	-	( 61,979 )	1,988,545	548,626
Bank Loans	19,456,880	-	( 3,578,353 )	15,878,527	4,847,445
Land Purchase Payable	100,108,087	-	( 22,428,571 )	77,679,516	37,460,071
Capital Leases	3,008,733	-	( 1,145,088 )	1,863,645	968,067
Compensated Absences	18,680,000	8,950,000	( 8,540,000 )	19,090,000	7,325,000
Self Insurance Claims	6,752,950	1,915,695	( 810,121 )	7,858,524	773,944
Other Claims	2,692,541	5,600,000	( 692,541 )	7,600,000	0
	<u>\$213,019,715</u>	<u>\$16,465,695</u>	<u>( \$41,756,653 )</u>	<u>\$187,728,757</u>	<u>\$56,583,153</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

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

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. The District accounts for debt service transactions in the Save Our Rivers SR Fund.

A summary of the status of the District's bonded debt as of September 30, 2006 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
1995 Refunding	\$17,975,000	2007	5.00%	\$825,000
2002 Refunding	23,810,000	2007-2016	2.38-4.00%	21,225,000
2003 Refunding	34,550,000	2007-2016	2.00-5.25%	33,720,000
	<u>\$76,335,000</u>			<u>\$55,770,000</u>

Fiscal year requirements to amortize bonded debt outstanding as of September 30, 2006 are as follows:

	Principal	Interest	Total
2007	\$4,660,000	\$2,303,401	\$6,963,401
2008	4,785,000	2,143,086	6,928,086
2009	4,975,000	1,940,171	6,915,171
2010	5,190,000	1,722,396	6,912,396
2011	5,415,000	1,489,721	6,904,721
2012-2016	30,745,000	3,704,871	34,449,871
	<u>\$55,770,000</u>	<u>\$13,303,646</u>	<u>\$69,073,646</u>

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

A summary of the status of the District's outstanding bank loans at September 30, 2006 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2000	\$10,000,000	2007	4.99%	\$1,648,004
2002	9,000,000	2007-2008	3.57%	2,782,399
2003	2,827,374	2007-2011	4.30%	2,019,553
2003	2,000,000	2007-2011	2.83%	1,428,571
2005	8,000,000	2007-2013	4.20%	8,000,000
	<u>\$31,827,374</u>			<u>\$15,878,527</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

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

Fiscal year requirements to amortize the bank loans as of September 30, 2006 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$4,846,895	\$580,076	\$5,426,971
2008	3,248,472	394,899	3,643,371
2009	1,832,482	282,438	2,114,920
2010	1,832,482	208,215	2,040,697
2011	1,832,482	133,991	1,966,473
2012	1,142,857	72,633	1,215,490
2013	1,142,857	24,211	1,167,068
	<u>\$15,878,527</u>	<u>\$1,696,463</u>	<u>\$17,574,990</u>

During fiscal year 2003, the Governing Board approved the purchase of a major land acquisition known as Palm Beach Aggregates. The property is a commercial rock mine that is planned to be used to store water as part of the Comprehensive Everglades Restoration Plan described in Note 18. The District has taken title to the property but will allow the rock mining operation to continue to completion based on an agreed-upon schedule for surrender of storage volume.

Under the original agreement, the District's total cost of the acquisition was \$157 million to acquire storage volume of up to 31,500 acre-feet of water. During fiscal year 2004, the agreement was amended. Under the amended agreement, the District will pay a total of \$217,581,500 to acquire total storage volume of up to 47,000 acre-feet of water. All payments will be made by the Save Our Everglades Fund.

A schedule of the remaining payments is shown below:

2007	\$37,460,071
2008	<u>40,219,445</u>
	<u>\$77,679,516</u>

The liability for compensated absences is generally liquidated by the General fund and the Okeechobee Basin SR fund. The liability for claims and judgments (which is identified in the schedule of long-term liabilities as "other liabilities") is generally liquidated by the General fund.

*(12) DEFICIT FUND BALANCES*

At September 30, 2006, the following funds have deficit fund balances:

Comprehensive Everglades Restoration Plan- Federal Sources Capital Projects Fund	\$ 1,194,893
Aquatic Plan Control Special Revenue Fund	166,652
External Grants Fund Special Revenue Fund	208,608
Federal Emergency Management Capital Projects Fund	196,369

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

*(12) DEFICIT FUND BALANCES (continued)*

These deficits are expected to be covered by future reimbursements from the State of Florida, the federal government and operating transfers from the Okeechobee Basin Special Revenue fund.

*(13) OPERATING LEASES*

The District is committed under various operating leases for building, office space, office equipment and data processing equipment. Lease expenditures for the year ended September 30, 2006 amounted to approximately \$3,546,000. Future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Minimum Lease Payments</u>
2007	\$4,183,487
2008	4,846,262
2009	4,073,430
2010	3,508,061
2011	4,297,501
2012	<u>2,991,265</u>
	<u>\$23,900,006</u>

*(14) CAPITAL LEASES*

The District has lease agreements that qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date of the lease. These lease agreements are to acquire equipment having an original cost of approximately \$6,249,000.

The following is a schedule of the District's future minimum lease payments under the capital leases, and the present value of the net minimum lease payments as of September 30, 2006:

<u>Fiscal Year Ending September 30</u>	<u>Minimum Lease Payments</u>
2007	\$1,022,180
2008	528,081
2009	205,873
2010	<u>205,873</u>
Total minimum lease payments	1,962,007
Less: Amount representing interest	<u>( 98,362 )</u>
Present value of future minimum lease payments	<u>\$1,863,645</u>

*(15) 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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

*(15) DEFINED BENEFIT PENSION PLAN (continued)*

under Chapter 121, Florida Statutes, and has sole authority to amend benefit provisions. Each year the System issues a publicly available 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, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Funding Policy: The System is non-contributory for employees and the District is required to contribute an actuarially determined rate. During the fiscal year the rate was 7.83 % of annual covered payroll. The contributions of the District are established and may be amended by the State Legislature. The District's contributions to the System for the years ending September 30, 2006, 2005, and 2004 were approximately \$9,167,000, \$7,878,000, and \$7,317,000, respectively, equal to the required contributions for each year.

*(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. The District is totally self-insured for workers' compensation claims. In 1986 the District established a self-insurance program for automobile and general liability claims. The District's financial exposure for automobile and general liability is limited to \$100,000 per person and \$200,000 per occurrence pursuant to Section 768.28, Florida Statutes. The District transfers its risk for personal and real property through the purchase of an insurance policy. The coverage is written on a 100% replacement/stated value basis, with varying retentions. The District purchases commercial insurance for hospital and medical benefits. Settled claims have not exceeded the amount of commercial coverage or the legally defined liability limits in any of the past three fiscal years.

The self-insurance program is accounted for in the General Fund. Expenditures relating to insurance are charged to other funds based on a cost allocation study. 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 amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses and for losses incurred but not reported (IBNR) at year end.

The total estimated liability as of September 30, 2006 is approximately \$7,859,000 and is presented on a discounted basis using an expected investment yield of 4.0%. Changes in the Fund's claims liability amount for the current and prior fiscal years are summarized below:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2005	\$6,591,108	\$1,841,456	\$1,679,614	\$6,752,950
2006	6,752,950	1,915,695	810,121	\$7,858,524

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

*(17) COMMITMENTS – CONDEMNATION PROCEEDINGS*

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

At September 30, 2006, the court has yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District's estimated future commitment for the purchase price of these lands (including attorneys' fees, interest, and other costs) is approximately \$150.7 million.

Should the court rule there is no taking of land or that the value of the land claimed by the owners is lower than the amounts claimed, the estimated future purchase commitment will vary. 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)** is the first major step in Everglades's restoration pursuant to the Everglades Forever Act (EFA), passed by the Florida Legislature in 1994. The ECP is one of the largest public works projects in the nation for environmental restoration, estimated to cost approximately \$836 million over 20 years. The District has expended \$513.8 million on the Everglades Construction Project through fiscal year 2006. The total cost associated with implementing the 1994 ECP is shared among the District, state and federal governments, and the agricultural community. Major funding sources for the EFA include ad valorem property taxes (one-tenth mill tax levy), agricultural privilege taxes, state land funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds.

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. The STAs, which consist of six large constructed wetlands totaling over 47,000 acres, are the cornerstone of the ECP.

In 2003, the Florida Legislature amended the EFA to expand and extend the use of the District's one-tenth mill ad valorem property tax levy, agricultural privilege taxes and other funding sources for implementing the Everglades "Long-Term Plan." Also in 2003, the State Environmental Regulation Commission approved a numeric water quality standard "phosphorus criterion" of 10 parts per billion (ppb) for the Everglades.

In 2004, the 2003 Long-Term Plan was revised to include the additional of approximately 18,000 acres of STAs on Compartments B and C in the EAA. In 2006, the plan was revised again to include the ACME Basin B Discharge project, and the C-9 and C-11W Impoundment projects. The revisions also address STA enhancements and the plan's Process Development and Engineering component. It is currently projected that the Long-Term Plan's initial 13-year phase, including these revisions, will cost approximately \$1.0 billion.

During fiscal year 2006, the District continued implementation of the Long-Term Plan, as required by the EFA. In fiscal year 2006, approximately \$43.9 million was expended for work related to implementing the Long-Term Plan. Construction expenditures associated with the Long-Term Plan Acceler8 projects

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

totaled \$23.4 million which was financed through a bridge loan against the fiscal year 2007 issuance of Certificates of Participation (COPs). The remaining expenditure amount was associated with ECP components, EFA-related components, and on-going operations and maintenance costs. Project Management Plans will be revised at various phases of each project, and 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 is approximately \$92.2 million.

Six of the STAs are operational in over 40,000 acres of effective treatment area. During the last water year, the STAs removed over 189 metric tons of phosphorus that otherwise would have entered the Everglades. To date, the STAs have removed 810 metric tons of phosphorus. In addition, best management practices by landowners in the Everglades Agricultural Area have removed over 1,685 tons of phosphorus over the past ten years.

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

The state and federal governments will split the estimated \$578 million cost to restore the river. The U.S. Army Corps of Engineers is responsible for the construction and the design of the restoration. As of fiscal year 2006 year end, the District has purchased approximately 95% of the estimated 105,000 acres needed to complete the project.

The **Comprehensive Everglades Restoration Plan (CERP)** is the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. Principal features of the plan are the creation of approximately 217,000 acres of new reservoirs and wetlands-based water treatment areas. These features vastly increase storage and water supply for the natural system, as well as for urban and agricultural needs. The CERP is intended to restore a more natural flow of water, improve water quality and restore a more natural hydroperiod in the South Florida ecosystem.

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

Implementation of the Comprehensive Everglades Restoration Plan is estimated to cost \$7.8 billion, half of which will be paid by the federal government. The State of Florida and the District, with other local agencies, will share the remaining half. As of fiscal year 2006 year end the District has expended \$1.366 billion with \$1.021 billion being spent for project land acquisition.

(19) OTHER COMMITMENTS AND CONTINGENCIES

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006**

*(20) SUBSEQUENT EVENT*

On November 15, 2006, the District issued \$546,120,000 in Certificates of Participation, Series 2006. The proceeds of this issue provide 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. This issue also provides for the repayment of \$82 million in interim financing (see note 10). The Certificates have interest rates ranging from 3.5% to 5%. The serial series is repayable for 2007 through 2026 in principal and interest amounts ranging from \$7.7 million to \$20.7 million. The term series is repayable in 2031 and 2036 in the principal amounts of \$120,120,000 and \$153,525,000, respectively.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

OTHER THAN MD&A

(UNAUDITED)

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - (UNAUDITED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
Ad Valorem Property Taxes	\$185,014,421	\$185,014,021	\$185,771,000	\$756,979
Intergovernmental	322,900	322,900	674,211	351,311
Investment Earnings	2,566,353	2,566,353	4,591,757	2,025,404
Licenses, Permits and Fees	5,269,400	5,269,400	5,535,333	265,933
Self-Insurance Premiums	3,932,750	3,932,750	1,992,597	(1,940,153)
Sale of District Property	400,000	400,000	478,105	78,105
Indirect Costs Recovered	-	5,665,841	4,210,305	(1,455,536)
Leases	75,000	75,000	76,656	1,656
Other	10,000	10,000	1,208,118	1,198,118
Total Revenues	<u>197,590,824</u>	<u>203,256,265</u>	<u>204,538,082</u>	<u>1,281,817</u>
 <u>EXPENDITURES</u>				
<u>Current Operating</u>				
<u>Water Resources</u>				
Land Stewardship	9,520	1,110	1,105	5
District Everglades	857	2	-	2
Operations and Maintenance	-	20,990	22,930	(1,940)
Water Supply	21,461,953	20,368,353	14,013,681	6,354,672
Kissimmee Restoration	64,589	44,719	44,679	40
Regulation	11,866,129	10,786,271	10,672,630	113,641
Lake Okeechobee	109,120	123,734	119,901	3,833
Coastal Watersheds	2,527,326	2,464,509	2,400,481	64,028
Mission Support	224,684	270,462	244,428	26,034
Comprehensive Everglades Restoration Plan	-	-	766	(766)
Modeling and Scientific Support	<u>9,808,040</u>	<u>9,202,988</u>	<u>9,283,065</u>	<u>(80,077)</u>
Total Water Resources	<u>\$46,072,218</u>	<u>\$43,283,138</u>	<u>\$36,803,666</u>	<u>\$6,479,472</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, 2006

EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>Operations and Maintenance</u>				
Land Stewardship	-	-	2,424	(2,424)
Operations and Maintenance	11,912,608	11,887,777	10,853,577	1,034,200
Water Supply	1,120,240	1,016,428	834,108	182,320
Kissimmee Restoration	315,610	319,921	205,356	114,565
Regulation	371,253	371,060	325,921	45,139
Lake Okeechobee	92,874	157,888	149,438	8,450
Coastal Watersheds	79,135	99,335	94,481	4,854
Mission Support	109,915	570,916	558,323	12,593
Modeling and Scientific Support	721,563	691,145	400,174	290,971
Total Operations and Maintenance	<u>14,723,198</u>	<u>15,114,470</u>	<u>13,423,802</u>	<u>1,690,668</u>
<u>Corporate Resources</u>				
Land Stewardship	22,431	3,200	-	3,200
Operations and Maintenance	318,807	135,671	114,917	20,754
Water Supply	77,874	77,874	48,048	29,826
Regulation	4,996,427	4,660,590	4,592,524	68,066
Coastal Watersheds	1,539,484	1,539,484	1,402,836	136,648
Mission Support	75,706,387	83,921,062	76,823,393	7,097,669
Modeling and Scientific Support	631,557	577,377	449,358	128,019
Total Corporate Resources	<u>83,292,967</u>	<u>90,915,258</u>	<u>83,431,076</u>	<u>7,484,182</u>
<u>Comprehensive Everglades Restoration Plan</u>				
Land Stewardship	142,924	81,385	68,854	12,531
Operations and Maintenance	75,655	32,749	50,202	(17,453)
Water Supply	747,667	692,172	621,906	70,266
Lake Okeechobee	117,297	130,080	135,479	(5,399)
Coastal Watersheds	172,433	71,433	73,222	(1,789)
Mission Support	-	155,110	164,595	(9,485)
Comprehensive Everglades Restoration Plan	-	-	234	(234)
Modeling and Scientific Support	5,457,817	5,651,572	5,660,833	(9,261)
Total Comprehensive Everglades Restoration Plan	<u>6,713,793</u>	<u>6,814,501</u>	<u>6,775,325</u>	<u>39,176</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, 2006

EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>Debt Service</u>				
Capital Lease Principal Payments	129,444	129,444	127,508	1,936
Capital Lease Interest	-	-	1,935	(1,935)
Bank Loan Principal Payments	1,780,107	1,018,107	-	1,018,107
Bank Loan Interest	-	-	323,867	(323,867)
Total Debt Service	<u>1,909,551.00</u>	<u>1,147,551.00</u>	<u>453,310</u>	<u>694,241</u>
<u>Contingency</u>				
Managerial Reserve	<u>5,031,019</u>	<u>7,589,522</u>	<u>-</u>	<u>7,589,522</u>
Total Expenditures	<u>157,742,746</u>	<u>164,864,440</u>	<u>140,887,179</u>	<u>23,977,261</u>
Revenues in Excess of (Less Than) Expenditur	<u>39,848,078</u>	<u>38,391,825</u>	<u>63,650,903</u>	<u>25,259,078</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,844,206	1,965,405	1,877,405	(88,000)
Transfers Out	(57,516,849)	(57,304,599)	(55,301,612)	2,002,987
Total Other Financing Sources (Uses)	<u>(55,672,643)</u>	<u>(55,339,194)</u>	<u>(53,424,207)</u>	<u>1,914,987</u>
Net Change in Fund Balances	(15,824,565)	(16,947,369)	10,226,696	27,174,065
FUND BALANCE AT BEGINNING OF YEAR	<u>38,808,889</u>	<u>38,808,889</u>	<u>38,808,889</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$22,984,324</u></u>	<u><u>\$21,861,520</u></u>	<u><u>\$49,035,585</u></u>	<u><u>\$27,174,065</u></u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

OKEECHOBEE BASIN SR  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - (UNAUDITED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>REVENUES</u>	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
Ad Valorem Property Taxes	\$185,428,328	\$185,428,328	\$186,106,739	\$678,411
Intergovernmental	558,447	558,447	3,213,822	2,655,375
Investment Earnings	2,780,920	2,780,920	5,028,878	2,247,958
Licenses, Permits and Fees	83,000	83,000	198,870	115,870
Sale of District Property	-	-	337,532	337,532
Indirect Costs Recovered	-	-	40,000	40,000
Other	-	-	1,688,037	1,688,037
<b>Total Revenues</b>	<b>188,850,695</b>	<b>188,850,695</b>	<b>196,613,878</b>	<b>7,763,183</b>
<u>EXPENDITURES</u>				
<u>Current Operating</u>				
<u>Water Resources</u>				
Operations and Maintenance	-	-	1,254	(1,254)
Water Supply	4,558,814	3,843,049	3,103,217	739,832
Kissimmee Restoration	3,046,734	3,146,397	2,736,074	410,323
Lake Okeechobee	2,403,179	2,369,164	2,353,272	15,892
Coastal Watersheds	2,008,255	2,213,917	1,728,609	485,308
Mission Support	-	21,670	24,412	(2,742)
<b>Total Water Resources</b>	<b>12,016,982</b>	<b>11,594,197</b>	<b>9,946,838</b>	<b>1,647,359</b>
<u>Operations and Maintenance</u>				
Land Stewardship	41,638	41,638	38,900	2,738
District Everglades	-	227	-	227
Operations and Maintenance	60,372,011	68,061,144	65,135,001	2,926,143
Water Supply	-	18,660	20,408	(1,748)
Kissimmee Restoration	2,787,001	2,539,448	3,254,488	(715,040)
Regulation	-	-	6,546	(6,546)
Lake Okeechobee	175,053	131,793	142,039	(10,246)
Coastal Watersheds	78,102	70,265	103,931	(33,666)
Mission Support	157,757	163,307	138,256	25,051
Comprehensive Everglades Restoration Plan	-	-	2,116	(2,116)
<b>Total Operations and Maintenance</b>	<b>63,611,562</b>	<b>71,026,482</b>	<b>68,841,685</b>	<b>2,184,797</b>
<u>Corporate Resources</u>				
Land Stewardship	1,050	1,050	-	1,050
Operations and Maintenance	3,329,022	2,185,647	690,908	1,494,739
Water Supply	1,594,200	1,954,200	1,982,374	(28,174)
Kissimmee Restoration	4,155,903	3,588,579	2,101,285	1,487,294
Regulation	7,613	282,613	8,001	274,612
Lake Okeechobee	712,252	619,787	614,342	5,445
Coastal Watersheds	3,746,822	3,918,187	3,112,979	805,208
Mission Support	9,760,552	11,310,598	10,737,505	573,093
<b>Total Corporate Resources</b>	<b>23,307,414</b>	<b>23,860,661</b>	<b>19,247,394</b>	<b>4,613,267</b>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

OKEECHOBEE BASIN SR  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - (UNAUDITED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>Comprehensive Everglades Restoration Plan</u>				
Land Stewardship	1,887,217	3,335,184	2,923,559	411,625
Operations and Maintenance	1,641,733	1,549,253	1,355,068	194,185
Kissimmee Restoration	1,480,881	792,747	756,004	36,743
Lake Okeechobee	8,645	105,005	118,114	(13,109)
Coastal Watersheds	12,834	-	-	-
Mission Support	65,693	6,093	11,210	(5,117)
Total Comprehensive Everglades Restorat	<u>5,097,003</u>	<u>5,788,282</u>	<u>5,163,955</u>	<u>624,327</u>
<u>Debt Service</u>				
Bank Loan Principal	1,492,259	1,492,259	689,625	802,634
Bank Loan Interest	831,570	831,570	140,106	691,464
Capital Lease Principal	950,000	950,000	1,017,480	(67,480)
Capital Lease Interest	-	-	79,649	(79,649)
Total Debt Service	<u>3,273,829</u>	<u>3,273,829</u>	<u>1,926,860</u>	<u>1,346,969</u>
<u>Contingency</u>				
Managerial Reserve	<u>3,839,619</u>	<u>5,560,755</u>	<u>-</u>	<u>5,560,755</u>
Total Expenditures	<u>111,146,409</u>	<u>121,104,206</u>	<u>105,126,732</u>	<u>15,977,474</u>
Revenues in Excess of (Less Than) Expenditure	<u>77,704,286</u>	<u>67,746,489</u>	<u>91,487,146</u>	<u>23,740,657</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	750,362	750,362	618,362	(132,000)
Transfers Out	<u>(104,540,664)</u>	<u>(103,240,664)</u>	<u>(87,938,113)</u>	<u>15,302,551</u>
Total Other Financing Sources (Uses)	<u>(103,790,302)</u>	<u>(102,490,302)</u>	<u>(87,319,751)</u>	<u>15,170,551</u>
Net Change in Fund Balances	(26,086,016)	(34,743,813)	4,167,395	38,911,208
FUND BALANCE AT BEGINNING OF YEAR	<u>42,079,235</u>	<u>42,079,235</u>	<u>42,079,235</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$15,993,219</u>	<u>\$7,335,422</u>	<u>\$46,246,630</u>	<u>\$38,911,208</u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

STATE APPROPRIATIONS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - (UNAUDITED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
Intergovernmental	\$50,698,000	\$38,750,000	\$27,265,653	(\$11,484,347)
Investment Earnings (Loss)	-	-	(463,076)	(463,076)
Other	-	-	10,362	10,362
Total Revenues	<u>50,698,000</u>	<u>38,750,000</u>	<u>26,812,939</u>	<u>(11,937,061)</u>
 <u>EXPENDITURES</u>				
<u>Current Operating</u>				
<u>Water Resources</u>				
District Everglades	752,655	509,355	389,054	120,301
Water Supply	30,238,525	27,252,615	26,862,062	390,553
Lake Okeechobee	152,584	147,205	145,255	1,950
Coastal Watersheds	16,569,253	15,000,755	5,473,981	9,526,774
Total Water Resources	<u>47,713,017</u>	<u>42,909,930</u>	<u>32,870,352</u>	<u>10,039,578</u>
<u>Operations and Maintenance</u>				
Coastal Watersheds	190,616	190,616	111,526	79,090
Total Operations and Maintenance	<u>190,616</u>	<u>190,616</u>	<u>111,526</u>	<u>79,090</u>
<u>Corporate Resources</u>				
Operations and Maintenance	5,743,087	841,517	177,221	664,296
Kissimmee Restoration	4,360	504,360	381,941	122,419
Lake Okeechobee	175,000	175,000	14,258	160,742
Coastal Watersheds	17,956,217	24,644,162	13,675,045	10,969,117
Comprehensive Everglades Restoration Plan	3,202,206	3,202,206	3,202,205	1
Total Corporate Resources	<u>27,080,870</u>	<u>29,367,245</u>	<u>17,450,670</u>	<u>11,916,575</u>
<u>Comprehensive Everglades Restoration Plan</u>				
Comprehensive Everglades Restoration Plan	1,244,012	794,012	190,198	603,814
Total Comprehensive Everglades Restoratio:	<u>1,244,012</u>	<u>794,012</u>	<u>190,198</u>	<u>603,814</u>
<u>Contingency</u>				
Managerial Reserve	12,323,794	12,753,206	-	12,753,206
Total Expenditures	<u>88,552,309</u>	<u>86,015,009</u>	<u>50,622,746</u>	<u>35,392,263</u>
Revenues in Excess of (Less Than) Expenditures	<u>(37,854,309)</u>	<u>(47,265,009)</u>	<u>(23,809,807)</u>	<u>23,455,202</u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

STATE APPROPRIATIONS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - (UNAUDITED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	6,700	-	(6,700)
Transfers Out	<u>(332,511)</u>	<u>(332,511)</u>	<u>(332,511)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(332,511)</u>	<u>(325,811)</u>	<u>(332,511)</u>	<u>(6,700)</u>
Net Change in Fund Balances	(38,186,820)	(47,590,820)	(24,142,318)	23,448,502
FUND BALANCE AT BEGINNING OF YEAR	<u>48,634,348</u>	<u>48,634,348</u>	<u>48,634,348</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$10,447,528</u></u>	<u><u>\$1,043,528</u></u>	<u><u>\$24,492,030</u></u>	<u><u>\$23,448,502</u></u>

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2006**

### **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 11 Programs: Coastal Watersheds, District Everglades, Kissimmee Restoration, Lake Okeechobee, Modeling & Scientific Support, Regulation, Water Supply, Operations & Maintenance, Comprehensive Everglades Restoration Plan (CERP), Land Stewardship and Mission Support. The District is organized by departments which are grouped into four main resource areas: Water Resources, Operations & Maintenance (O&M), Comprehensive Everglades Restoration Plan (CERP) and Corporate Resources.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. Three budget amendments were approved by the Governing Board during the fiscal year 2006.
- For the year ended September 30, 2006, amendments to the General Fund increased budgeted expenditures by a total of \$7.1 million. Budgeted expenditures for the Okeechobee Basin Special Revenue Fund increased by approximately \$10.0 million. The State Appropriations Fund had amendments that decreased budgeted expenditures by \$2.5 million.
- For the General Fund, three of the four resource areas (Water Resources, O&M and CERP) show expenditures exceeding their budgets by a combined total of approximately \$129,000 for several programs. The over expenditures relate to personnel services.
- For the Okeechobee Basin Special Revenue Fund, all four resource areas show expenditures exceeding their budgets by a combined total of approximately \$815,000 for several programs. The over expenditures relate to personnel services.
- These spending variances by resource area and program are a result of sharing staff resources across the organizational / programmatic structure based on strategic direction and identified, changing priorities. This allows the District to achieve time and cost savings. The District is organized as a matrix organization which allocates department staff across resource areas and programs within the agency.
- These over expenditures were funded by available fund balance.

# FINANCIAL SECTION

OTHER SUPPLEMENTAL INFORMATION

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

## Nonmajor Governmental Funds

### Special Revenue Funds

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

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

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by a .278 mill tax levy and interest earnings.

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

Accounts for expenditures made to manage and restore sensitive water resource lands within the District and to make the principal and interest payments on special obligation land acquisition bonds. Funding is 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.

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

Accounts for expenditures made for aquatic plant control in the Kissimmee River and Upper Chain of Lakes. Funding is provided by the Florida Department of Environmental Protection.

#### **Melaleuca Control Fund**

Accounts for expenditures made for controlling the spread of melaleuca trees in environmentally sensitive areas. Funding is provided by the Florida Department of Environmental Protection.

#### **Wetlands Mitigation Fund**

Accounts for expenditures to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Funding is provided by private and other governmental contributions as part of the required permit.

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

Accounts for expenditures to enhance the environmental and scenic value of surface waters in the Indian River Lagoon. Funding is provided by sales of Indian River Lagoon license plates.

#### **External Grants Fund**

Accounts for revenues and expenditures related to grants that are received primarily for research purposes. This separate fund facilitates the detailed tracking of expenditures and/or cost share contributions.

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

## Nonmajor Governmental Funds

### Special Revenue Funds (continued)

#### **Alternative Water Supply Fund**

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

#### **Stormwater Treatment Areas Operations and Maintenance Fund**

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

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

Accounts for revenues and expenditures associated with Chapter 373.4249(2), Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County.

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

Accounts for expenditures for the conservation and protection of the natural resources and abatement of water pollution in the Everglades. Funding is provided by proceeds from Everglades License Plate sales.

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

Accounts for restoration projects associated with Lake Okeechobee. Funding is provided by the Florida Department of Environmental Protection.

## Capital Projects Funds

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

#### **District Fund**

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

#### **Okeechobee Basin CP Fund**

Accounts for capital expenditures on projects benefiting the Basin. Funding is provided through transfers from the Okeechobee Basin SR Fund.

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

Accounts for capital expenditures on projects benefiting the Basin. Funding is provided through transfers from the Big Cypress Basin SR Fund.

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

## Nonmajor Governmental Funds

### Capital Projects Funds (continued)

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

Accounts for capital expenditures on projects funded by the Federal Emergency Management Agency.

#### **Florida Bay Fund**

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

#### **Federal Land Acquisitions Fund**

Accounts for expenditures relating to land purchases that are reimbursed by the federal government.

#### **CERP – Federal Funds**

Accounts for revenues received from and expenditures funded through the federal government for the 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. This excludes revenues and expenditures from federal sources, district ad-valorem property tax sources, and the state's Save Our Everglades Trust Fund.

### **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.

#### **Wetlands 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, 2006

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 SPECIAL REVENUE FUNDS
 

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	BIG CYPRESS BASIN SR	SAVE OUR RIVERS SR	AQUATIC PLANT CONTROL	WETLANDS MITIGATION
<u>ASSETS</u>				
Cash and Investments	\$18,248,772	\$5,899,211	\$88,217	\$16,267,711
Accounts Receivable	94,810	184,885	-	62,869
Due From Other Governments	-	7,951,968	1,184,456	-
Inventory	66,356	-	-	-
Other Assets	-	-	-	-
TOTAL ASSETS	<u>\$18,409,938</u>	<u>\$14,036,064</u>	<u>\$1,272,673</u>	<u>\$16,330,580</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$2,359,802	\$1,284,450	\$275,747	\$95,644
Due To Other Governments	-	43,911	-	-
Due To Other Funds	-	5,216,280	1,163,578	-
Deferred Revenue	-	75,000	-	-
TOTAL LIABILITIES	<u>2,359,802</u>	<u>6,619,641</u>	<u>1,439,325</u>	<u>95,644</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	1,872,013	4,822,088	374,128	1,447,957
Acquisition of Land	-	-	-	4,927,445
Enhancement of Land	-	-	-	8,121,057
Long-term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	10,164,996	-	-	-
Economic Stabilization	626,000	-	-	-
Future Big Cypress Basin Capital Projects	2,000,000	-	-	-
Undesignated	1,387,127	2,594,335	(540,780)	1,738,477
TOTAL FUND BALANCE	<u>16,050,136</u>	<u>7,416,423</u>	<u>(166,652)</u>	<u>16,234,936</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$18,409,938</u>	<u>\$14,036,064</u>	<u>\$1,272,673</u>	<u>\$16,330,580</u>

SPECIAL REVENUE FUNDS			
INDIAN RIVER LAGOON RESTORATION	EXTERNAL GRANTS	ALTERNATIVE WATER SUPPLY	STORMWATER TREATMENT AREAS OPERATIONS & MAINTENANCE
\$391,937	\$ -	\$3,907,426	\$2,755,072
1,572	-	17,960	-
-	41,196.00	-	-
-	-	-	-
-	-	-	-
<u>\$393,509</u>	<u>\$41,196</u>	<u>\$3,925,386</u>	<u>\$2,755,072</u>
\$45,249	\$102,968	\$ -	\$680,147
-	-	-	-
-	146,836	-	-
-	-	-	-
<u>45,249</u>	<u>249,804</u>	<u>-</u>	<u>680,147</u>
94,964	100,436	3,200,000	1,872,829
-	-	-	-
-	-	-	-
-	-	-	-
-	-	625,000.00	202,096.00
-	-	-	-
-	-	-	-
<u>253,296</u>	<u>(309,044)</u>	<u>100,386</u>	<u>-</u>
<u>348,260</u>	<u>(208,608)</u>	<u>3,925,386</u>	<u>2,074,925</u>
<u>\$393,509</u>	<u>\$41,196</u>	<u>\$3,925,386</u>	<u>\$2,755,072</u>

Continued

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2006

	SPECIAL REVENUE FUNDS (CONTINUED)			
	LAKE BELT MITIGATION	EVERGLADES LICENSE PLATE	LAKE OKEECHOBEE TRUST FUND	TOTAL
<u>ASSETS</u>				
Cash and Investments	\$13,724,457	\$559,508	\$20,533,006	\$82,375,317
Accounts Receivable	54,295	2,235	88,393	507,019
Due From Other Governments	-	-	2,729,937	11,907,557
Inventory	-	-	-	66,356
Other Assets	-	-	483,022	483,022
<b>TOTAL ASSETS</b>	<b>\$13,778,752</b>	<b>\$561,743</b>	<b>\$23,834,358</b>	<b>\$95,339,271</b>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$15,098	\$2,090,003	\$6,949,108
Due To Other Governments	-	-	-	43,911
Due To Other Funds	-	-	-	6,526,694
Deferred Revenue	-	-	-	75,000
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>15,098</b>	<b>2,090,003</b>	<b>13,594,713</b>
 <u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	35,015	135,848	5,970,543	19,925,821
Acquisition of Land	-	-	-	4,927,445
Enhancement of Land	-	-	-	8,121,057
Long-term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	4,638,614	195,063	13,300,000	29,125,769
Economic Stabilization	-	-	-	626,000
Future Big Cypress Basin Capital Projects	-	-	-	2,000,000
Undesignated	9,105,123	215,734	2,473,812	17,018,466
<b>TOTAL FUND BALANCE</b>	<b>13,778,752</b>	<b>546,645</b>	<b>21,744,355</b>	<b>81,744,558</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$13,778,752</b>	<b>\$561,743</b>	<b>\$23,834,358</b>	<b>\$95,339,271</b>

## CAPITAL PROJECTS FUNDS

DISTRICT	OKEECHOBEE BASIN CP	BIG CYPRESS BASIN CP	FEDERAL EMERGENCY MANAGEMENT AGENCY	FLORIDA BAY
\$4,156,454	\$16,394,000	\$4,672,439	\$412	\$3,951,683
-	-	5,830	2,091	15,991
-	3,908,850	-	72,429	-
-	-	-	-	-
-	-	-	-	-
<u>\$4,156,454</u>	<u>\$20,302,850</u>	<u>\$4,678,269</u>	<u>\$74,932</u>	<u>\$3,967,674</u>
\$1,970,063	\$4,766,763	\$397,307	\$55,340	\$43,164
-	-	-	-	-
-	-	-	215,961	-
-	-	-	-	-
<u>1,970,063</u>	<u>4,766,763</u>	<u>397,307</u>	<u>271,301</u>	<u>43,164</u>
1,421,391	5,570,121	1,607,912	408,160	605,437
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
765,000	9,965,966.00	-	-	2,631,231
-	-	-	-	-
-	-	2,673,050	-	-
-	-	-	(604,529)	687,842
<u>2,186,391</u>	<u>15,536,087</u>	<u>4,280,962</u>	<u>(196,369)</u>	<u>3,924,510</u>
<u>\$4,156,454</u>	<u>\$20,302,850</u>	<u>\$4,678,269</u>	<u>\$74,932</u>	<u>\$3,967,674</u>

Continued

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2006

CAPITAL PROJECTS FUNDS (CONTINUED)

	<u>FEDERAL LAND ACQUISITIONS</u>	<u>COMPREHENSIVE EVERGLADES RESTORATION PLAN - FEDERAL FUNDS</u>	<u>COMPREHENSIVE EVERGLADES RESTORATION PLAN - OTHER CREDITABLE</u>
<u>ASSETS</u>			
Cash and Investments	\$3,373,151	\$ -	\$10,762,811
Accounts Receivable	12,686	-	43,189
Due From Other Governments	1,512,867	102,429	-
Inventory	-	-	-
Other Assets	-	-	-
TOTAL ASSETS	<u>\$4,898,704</u>	<u>\$102,429</u>	<u>\$10,806,000</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$56,817	\$77,370
Due To Other Governments	-	-	-
Due To Other Funds	-	1,240,505	-
Deferred Revenue	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>1,297,322</u>	<u>77,370</u>
 <u>FUND BALANCES</u>			
Reserved for:			
Encumbrances	-	254,594	9,168,356
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved			
Designated for:			
Subsequent Years Expenditures	1,732,000	-	1,560,274
Economic Stabilization	-	-	-
Future Big Cypress Basin Capital Projects	-	-	-
Undesignated	3,166,704	(1,449,487)	-
TOTAL FUND BALANCE	<u>4,898,704</u>	<u>(1,194,893)</u>	<u>10,728,630</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$4,898,704</u>	<u>\$102,429</u>	<u>\$10,806,000</u>

CAPITAL PROJECTS FUNDS (CONTINUED)	PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>TOTAL</u>	<u>WETLANDS MITIGATION</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
\$43,310,950	\$7,212,267	\$132,898,534
79,787	29,794	616,600
5,596,575	-	17,504,132
-	-	66,356
-	-	483,022
<u>\$48,987,312</u>	<u>\$7,242,061</u>	<u>\$151,568,644</u>
\$7,366,824	\$ -	\$14,315,932
-	-	43,911
1,456,466	-	7,983,160
-	-	75,000
<u>8,823,290</u>	<u>-</u>	<u>22,418,003</u>
19,035,971	-	38,961,792
-	-	4,927,445
-	-	8,121,057
-	7,230,157	7,230,157
16,654,471	-	45,780,240
-	-	626,000
2,673,050	-	4,673,050
1,800,530	11,904	18,830,900
<u>40,164,022</u>	<u>7,242,061</u>	<u>129,150,641</u>
<u>\$48,987,312</u>	<u>\$7,242,061</u>	<u>\$151,568,644</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	SPECIAL REVENUE FUNDS			
	BIG CYPRESS BASIN SR	SAVE OUR RIVERS SR	AQUATIC PLANT CONTROL	MELALEUCA CONTROL
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$14,404,649	\$ -	\$ -	\$ -
Intergovernmental	-	19,755,118	2,116,925	1,990,761
Investment Earnings (Loss)	976,606	10,059	-	-
Licenses, Permits and Fees	32,625	-	-	-
Sale of District Property	9,856	29,785	-	-
Leases	-	4,786,295	-	-
Other	33,332	25,135	-	872
<b>Total Revenues</b>	<b>15,457,068</b>	<b>24,606,392</b>	<b>2,116,925</b>	<b>1,991,633</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	58	9,198,721	-	-
District Everglades	141	-	800	-
Operations and Maintenance	4,591,227	1,785,304	2,282,777	1,991,633
Water Supply	5,814,751	976,705	-	-
Kissimmee Restoration	-	-	-	-
Regulation	-	-	-	-
Lake Okeechobee	-	2,413,118	-	-
Coastal Watersheds	1,304,416	1,286,580	-	-
Mission Support	1,724,945	-	-	-
Comprehensive Everglades Restoration Plan	1,015,232	15,000	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	4,500,000	-	-
Bond Interest	-	2,444,126	-	-
Bank Loan Principal Payments	-	-	-	-
Bank Loan Interest	-	-	-	-
<b>Total Expenditures</b>	<b>14,450,770</b>	<b>22,619,554</b>	<b>2,283,577</b>	<b>1,991,633</b>
Revenues In Excess of (Less Than) Expenditures	1,006,298	1,986,838	(166,652)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	332,511	-	-
Transfers Out	(3,465,219)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,465,219)</b>	<b>332,511</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(2,458,921)	2,319,349	(166,652)	-
<b>BEGINNING FUND BALANCE</b>	<b>18,509,057</b>	<b>5,097,074</b>	<b>-</b>	<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>\$16,050,136</b>	<b>\$7,416,423</b>	<b>(\$166,652)</b>	<b>\$ -</b>

## SPECIAL REVENUE FUNDS

WETLANDS MITIGATION	INDIAN RIVER LAGOON RESTORATION	EXTERNAL GRANTS	ALTERNATIVE WATER SUPPLY
\$ -	\$ -	\$ -	\$ -
-	\$151,932	915,287	-
595,430	14,709	-	125,386
1,140,000	-	-	-
-	-	-	-
-	-	-	-
110	-	253	-
<u>1,735,540</u>	<u>166,641</u>	<u>915,540</u>	<u>125,386</u>
1,958,838	-	159,554	-
-	-	-	-
1,226	-	77,553	-
-	-	-	1,050,000
-	-	94,278	-
107,350	-	-	-
-	-	-	-
-	186,644	300,454	-
-	-	46,882	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,067,414</u>	<u>186,644</u>	<u>678,721</u>	<u>1,050,000</u>
<u>(331,874)</u>	<u>(20,003)</u>	<u>236,819</u>	<u>(924,614)</u>
220,000	-	-	-
-	-	-	(515,449)
<u>220,000</u>	<u>-</u>	<u>-</u>	<u>(515,449)</u>
(111,874)	(20,003)	236,819	(1,440,063)
<u>16,346,810</u>	<u>368,263</u>	<u>(445,427)</u>	<u>5,365,449</u>
<u>\$16,234,936</u>	<u>\$348,260</u>	<u>(\$208,608)</u>	<u>\$3,925,386</u>

Continued

SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENT FUNDS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	SPECIAL REVENUE FUNDS (CONTINUED)		
	STORMWATER TREATMENT AREAS OPERATIONS & MAINTENANCE	LAKE BELT MITIGATION	EVERGLADES LICENSE PLATE
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	3,609,064	273,430
Investment Earnings (Loss)	-	447,162	20,533
Licenses, Permits and Fees	-	-	-
Sale of District Property	-	-	-
Leases	-	-	-
Other	2,250	-	-
<b>Total Revenues</b>	<b>2,250</b>	<b>4,056,226</b>	<b>293,963</b>
<b>EXPENDITURES</b>			
Current Operating			
Land Stewardship	-	2,401	-
District Everglades	13,046,694	-	453,828
Operations and Maintenance	71,199	-	-
Water Supply	-	-	-
Kissimmee Restoration	-	-	-
Regulation	-	-	-
Lake Okeechobee	-	-	-
Coastal Watersheds	-	-	-
Mission Support	-	-	-
Comprehensive Everglades Restoration Plan	-	-	-
Capital Outlay	-	-	-
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	-	-	-
Bank Loan Interest	-	-	-
<b>Total Expenditures</b>	<b>13,117,893</b>	<b>2,401</b>	<b>453,828</b>
Revenues In Excess of (Less Than) Expenditures	(13,115,643)	4,053,825	(159,865)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	14,273,386	-	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>14,273,386</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	1,157,743	4,053,825	(159,865)
BEGINNING FUND BALANCE	917,182	9,724,927	706,510
ENDING FUND BALANCE	<b>\$2,074,925</b>	<b>\$13,778,752</b>	<b>\$546,645</b>

SPECIAL REVENUE FUNDS (CONTINUED)		CAPITAL PROJECTS FUNDS		
LAKE OKEECHOBEE TRUST FUND	TOTAL	DISTRICT	OKEECHOBEE BASIN CP	BIG CYPRESS BASIN CP
\$ -	\$14,404,649	\$ -	\$ -	\$ -
4,023,250	32,835,767	-	17,908,807	-
42,008	2,231,893	4,527	22,079	98,646
-	1,172,625	-	-	-
-	39,641	-	-	-
-	4,786,295	-	-	-
5,000	66,952	487	25,456	-
4,070,258	55,537,822	5,014	17,956,342	98,646
-	11,319,572	-	-	-
-	13,501,463	-	-	-
-	10,800,919	-	3,343,450	-
-	7,841,456	-	-	-
-	94,278	-	315,168	-
-	107,350	-	-	-
9,075,851	11,488,969	-	-	-
-	3,078,094	-	-	-
-	1,771,827	5,672,527	-	-
-	1,030,232	-	-	-
-	-	11,812,058	74,079,659	4,495,395
-	4,500,000	-	-	-
-	2,444,126	-	-	-
-	-	2,887,928	-	-
-	-	276,226	-	-
9,075,851	67,978,286	20,648,739	77,738,277	4,495,395
(5,005,593)	(12,440,464)	(20,643,725)	(59,781,935)	(4,396,749)
-	14,825,897	19,642,635	61,191,636	3,465,219
(820,500)	(4,801,168)	-	-	-
(820,500)	10,024,729	19,642,635	61,191,636	3,465,219
(5,826,093)	(2,415,735)	(1,001,090)	1,409,701	(931,530)
27,570,448	84,160,293	3,187,481	14,126,386	5,212,492
\$21,744,355	\$81,744,558	\$2,186,391	\$15,536,087	\$4,280,962

Continued

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENT FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

## CAPITAL PROJECTS FUNDS (CONTINUED)

	FEDERAL EMERGENCY MANAGEMENT AGENCY	FLORIDA BAY	FEDERAL LAND ACQUISITIONS	COMPREHENSIVE EVERGLADES RESTORATION PLAN - FEDERAL FUNDS
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	879,342	326,261	3,464,000	-
Investment Earnings (Loss)	25,824	144,855	68,027	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	122	-	3,411	-
<b>Total Revenues</b>	<b>905,288</b>	<b>471,116</b>	<b>3,535,438</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
District Everglades	-	-	-	-
Operations and Maintenance	43,340	-	-	-
Water Supply	-	-	-	-
Kissimmee Restoration	-	-	-	-
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	-
Coastal Watersheds	526,305	650,790	-	-
Mission Support	-	-	-	-
Comprehensive Everglades Restoration Plan	-	1,328,191	-	931,529
Capital Outlay	638,310	97,257	-	123,372
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Bank Loan Principal Payments	-	-	-	-
Bank Loan Interest	-	-	-	-
<b>Total Expenditures</b>	<b>1,207,955</b>	<b>2,076,238</b>	<b>-</b>	<b>1,054,901</b>
Revenues In Excess of (Less Than) Expenditures	(302,667)	(1,605,122)	3,535,438	(1,054,901)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	1,000,000	-	-
Transfers Out	(1,159,818)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,159,818)</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(1,462,485)	(605,122)	3,535,438	(1,054,901)
BEGINNING FUND BALANCE	1,266,116	4,529,632	1,363,266	(139,992)
ENDING FUND BALANCE	(\$196,369)	\$3,924,510	\$4,898,704	(\$1,194,893)

CAPITAL PROJECTS FUNDS (CONTINUED)		PERMANENT FUND	
COMPREHENSIVE EVERGLADES RESTORATION PLAN - OTHER CREDITABLE	TOTAL	WETLANDS MITIGATION	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$14,404,649
62,431,770	85,010,180	-	117,845,947
155,208	519,166	275,664	3,026,723
-	-	-	1,172,625
-	-	-	39,641
-	-	-	4,786,295
-	29,476	-	96,428
62,586,978	85,558,822	275,664	141,372,308
-	-	-	11,319,572
-	-	-	13,501,463
-	3,386,790	-	14,187,709
-	-	-	7,841,456
-	315,168	-	409,446
-	-	-	107,350
-	-	-	11,488,969
-	1,177,095	-	4,255,189
-	5,672,527	-	7,444,354
-	2,259,720	-	3,289,952
55,989,339	147,235,390	-	147,235,390
-	-	-	4,500,000
-	-	-	2,444,126
-	2,887,928	-	2,887,928
-	276,226	-	276,226
55,989,339	163,210,844	-	231,189,130
6,597,639	(77,652,022)	275,664	(89,816,822)
-	85,299,490	-	100,125,387
-	(1,159,818)	(220,000)	(6,180,986)
-	84,139,672	(220,000)	93,944,401
6,597,639	6,487,650	55,664	4,127,579
4,130,991	33,676,372	7,186,397	125,023,062
\$10,728,630	\$40,164,022	\$7,242,061	\$129,150,641

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND  
BIG CYPRESS BASIN SR  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>REVENUES</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Ad Valorem Property Taxes	\$14,390,904	\$14,404,649	\$13,745
Investment Earnings	508,574	976,606	468,032
Licenses, Permits and Fees	19,000	32,625	13,625
Sale of District Property	-	9,856	9,856
Other	-	33,332	33,332
Total Revenues	<u>14,918,478</u>	<u>15,457,068</u>	<u>538,590</u>
 <u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Coastal Watersheds	770,936	355,713	415,223
Comprehensive Everglades Restoration Plan	80,000	-	80,000
Total Water Resources	<u>850,936</u>	<u>355,713</u>	<u>495,223</u>
 <u>Operations and Maintenance</u>			
District Everglades	-	141	(141)
Operations and Maintenance	769,184	599,463	169,721
Coastal Watersheds	4,787	-	4,787
Mission Support	31,000	26,263	4,737
Comprehensive Everglades Restoration Plan	412,788	313,691	99,097
Total Operations and Maintenance	<u>1,217,759</u>	<u>939,558</u>	<u>278,201</u>
 <u>Corporate Resources</u>			
Operations and Maintenance	3,936,067	3,918,521	17,546
Water Supply	5,878,143	5,814,751	63,392
Coastal Watersheds	1,801,802	948,703	853,099
Mission Support	1,702,697	1,698,682	4,015
Comprehensive Everglades Restoration Plan	771,749	400,155	371,594
Total Corporate Resources	<u>14,090,458</u>	<u>12,780,812</u>	<u>1,309,646</u>
 <u>Comprehensive Everglades Restoration Plan</u>			
Land Stewardship	50	58	(8)
Operations and Maintenance	80,246	73,244	7,002
Water Supply	9,938	-	9,938
Comprehensive Everglades Restoration Plan	699,271	301,385	397,886
Modeling and Scientific Support	9,790	-	9,790
Total Comprehensive Everglades Restoration Plan	<u>799,295</u>	<u>374,687</u>	<u>424,608</u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND  
 BIG CYPRESS BASIN SR  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>Contingency</u>			
Managerial Reserve	547,450	-	547,450
Total Expenditures	17,505,898	14,450,770	3,055,128
Revenues in Excess of (Less Than) Expenditures	(2,587,420)	1,006,298	3,593,718
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(5,215,224)	(3,465,219)	1,750,005
Total Other Financing Sources (Uses)	(5,215,224)	(3,465,219)	1,750,005
Net Change in Fund Balances	(7,802,644)	(2,458,921)	5,343,723
FUND BALANCE AT BEGINNING OF YEAR	18,509,057	18,509,057	-
FUND BALANCE AT END OF YEAR	<u>\$10,706,413</u>	<u>\$16,050,136</u>	<u>\$5,343,723</u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND  
 SAVE OUR RIVERS SR  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$23,599,282	\$19,755,118	(\$3,844,164)
Investment Earnings	-	10,059	10,059
Sale of District Property	-	29,785	29,785
Leases	3,600,000	4,786,295	1,186,295
Other	400,000	25,135	(374,865)
Total Revenues	<u>27,599,282</u>	<u>24,606,392</u>	<u>(2,992,890)</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Water Supply	3,151,209	976,705	2,174,504
Kissimmee Restoration	7,049	-	7,049
Lake Okeechobee	1,799,377	1,118,052	681,325
Coastal Watersheds	1,150,913	471,696	679,217
Total Water Resources	<u>6,108,548</u>	<u>2,566,453</u>	<u>3,542,095</u>
<u>Operations and Maintenance</u>			
Land Stewardship	1,511,854	1,435,183	76,671
Operations and Maintenance	1,798,258	1,705,198	93,060
Lake Okeechobee	590,000	510,125	79,875
Coastal Watersheds	19,860	4,529	15,331
Total Operations and Maintenance	<u>3,919,972</u>	<u>3,655,035</u>	<u>264,937</u>
<u>Corporate Resources</u>			
Land Stewardship	175,041	134,599	40,442
Lake Okeechobee	1,079,723	709,552	370,171
Coastal Watersheds	1,067,083	810,355	256,728
Mission Support	18,000	-	18,000
Total Corporate Resources	<u>2,339,847</u>	<u>1,654,506</u>	<u>685,341</u>
<u>Comprehensive Everglades Restoration Plan</u>			
Land Stewardship	8,479,997	7,628,939	851,058
Operations and Maintenance	107,971	80,106	27,865
Lake Okeechobee	75,000	75,389	(389)
Comprehensive Everglades Restoration Plan	100,000	15,000	85,000
Total Comprehensive Everglades Restoration Plan	<u>8,762,968</u>	<u>7,799,434</u>	<u>963,534</u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND  
 SAVE OUR RIVERS SR  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>Debt Service</u>			
Bond Principal Retirement	6,944,128	4,500,000	2,444,128
Bond Interest		2,444,126	(2,444,126)
Total Debt Service	6,944,128	6,944,126	2
<u>Contingency</u>			
Managerial Reserve	4,953,613	-	4,953,613
Total Expenditures	33,029,076	22,619,554	10,409,522
Revenues in Excess of (Less Than) Expenditures	(5,429,794)	1,986,838	7,416,632
OTHER FINANCING SOURCES (USES)			
Transfers In	332,511	332,511	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	332,511	332,511	-
Net Change in Fund Balances	(5,097,283)	2,319,349	7,416,632
FUND BALANCE AT BEGINNING OF YEAR	5,097,074	5,097,074	-
FUND BALANCE AT END OF YEAR	\$ (209)	\$ 7,416,423	\$ 7,416,632

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, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$3,323,778	\$2,116,925	(\$1,206,853)
Total Revenues	<u>3,323,778</u>	<u>2,116,925</u>	<u>(1,206,853)</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Operations and Maintenance</u>			
District Everglades	-	800	(800)
Operations and Maintenance	<u>3,103,738</u>	<u>2,282,777</u>	<u>820,961</u>
Total Operations and Maintenance	<u>3,103,738</u>	<u>2,283,577</u>	<u>820,161</u>
<u>Contingency</u>			
Managerial Reserve	<u>40</u>	<u>-</u>	<u>40</u>
Total Expenditures	<u>3,103,778</u>	<u>2,283,577</u>	<u>820,201</u>
Revenues in Excess of (Less Than) Expenditures	<u>220,000</u>	<u>(166,652)</u>	<u>(386,652)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	-	-
Transfers Out	<u>(220,000)</u>	<u>-</u>	<u>220,000</u>
Total Other Financing Sources (Uses)	<u>(220,000)</u>	<u>-</u>	<u>220,000</u>
Net Change in Fund Balances	-	(166,652)	(166,652)
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>(\$166,652)</u>	<u>(\$166,652)</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, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$2,000,000	\$1,990,761	(\$9,239)
Other	-	872	872
Total Revenues	<u>2,000,000</u>	<u>1,991,633</u>	<u>(8,367)</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Operations and Maintenance</u>			
Operations and Maintenance	2,000,000	1,991,633	8,367
Total Corporate Resources	<u>2,000,000</u>	<u>1,991,633</u>	<u>8,367</u>
Total Expenditures	<u>2,000,000</u>	<u>1,991,633</u>	<u>8,367</u>
Revenues in Excess of (Less Than) Expenditures	<u>-</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	-	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$0</u>	<u>\$0</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND  
WETLANDS MITIGATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Investment Earnings	\$ -	\$595,430	\$595,430
Licenses, Permits and Fees	-	1,140,000	1,140,000
Other	-	110	110
Total Revenues	-	1,735,540	1,735,540
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Operations and Maintenance</u>			
Land Stewardship	42,000	26,655	15,345
Total Corporate Resources	42,000	26,655	15,345
<u>Comprehensive Everglades Restoration Plan</u>			
Land Stewardship	6,428,477	1,932,183	4,496,294
Operations and Maintenance	25,150	1,226	23,924
Total Comprehensive Everglades Restoration Plan	6,453,627	1,933,409	4,520,218
<u>Water Resources</u>			
Regulation	107,350	107,350	-
Total Water Resources	107,350	107,350	-
Total Expenditures	6,602,977	2,067,414	4,535,563
Revenues in Excess of (Less Than) Expenditures	(6,602,977)	(331,874)	6,271,103
Transfers In	379,830	220,000	(159,830)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	379,830	220,000	(159,830)
Net Change in Fund Balances	(6,223,147)	(111,874)	6,111,273
FUND BALANCE AT BEGINNING OF YEAR	16,346,810	16,346,810	-
FUND BALANCE AT END OF YEAR	\$10,123,663	\$16,234,936	\$6,111,273

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, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$200,000	\$151,932	(\$48,068)
Investment Earnings	-	14,709	14,709
Total Revenues	<u>200,000</u>	<u>166,641</u>	<u>(33,359)</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Coastal Watersheds	171,699	130,470	41,229
Total Water Resources	<u>171,699</u>	<u>130,470</u>	<u>41,229</u>
<u>Corporate Resources</u>			
Coastal Watersheds	192,050	56,174	135,876
Total Corporate Resources	<u>192,050</u>	<u>56,174</u>	<u>135,876</u>
Total Expenditures	<u>363,749</u>	<u>186,644</u>	<u>177,105</u>
Revenues in Excess of (Less Than) Expenditures	<u>(163,749)</u>	<u>(20,003)</u>	<u>143,746</u>
Net Change in Fund Balances	(163,749)	(20,003)	143,746
FUND BALANCE AT BEGINNING OF YEAR	<u>368,263</u>	<u>368,263</u>	-
FUND BALANCE AT END OF YEAR	<u>\$ 204,514</u>	<u>\$ 348,260</u>	<u>\$ 143,746</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND

EXTERNAL GRANTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>REVENUES</u>	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
Intergovernmental	\$2,838,202	\$915,287	(\$1,922,915)
Other	-	253	253
Total Revenues	<u>2,838,202</u>	<u>915,540</u>	<u>(1,922,662)</u>
 <u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
District Everglades	231	-	231
Kissimmee Restoration	85,000	94,278	(9,278)
Coastal Watersheds	43,915	40,454	3,461
Total Water Resources	<u>129,146</u>	<u>134,732</u>	<u>(5,586)</u>
 <u>Operations and Maintenance</u>			
Operations and Maintenance	209,100	77,553	131,547
Total Operations and Maintenance	<u>209,100</u>	<u>77,553</u>	<u>131,547</u>
 <u>Corporate Resources</u>			
Coastal Watersheds	1,004,250	260,000	744,250
Mission Support	-	46,882	(46,882)
Total Corporate Resources	<u>1,004,250</u>	<u>306,882</u>	<u>697,368</u>
 <u>Comprehensive Everglades Restoration Plan</u>			
Land Stewardship	1,442,806	159,554	1,283,252
Total Comprehensive Everglades Restoration Plan	<u>1,442,806</u>	<u>159,554</u>	<u>1,283,252</u>
 <u>Contingency</u>			
Managerial Reserve	52,900	-	52,900
Total Expenditures	<u>2,838,202</u>	<u>678,721</u>	<u>2,159,481</u>
Revenues in Excess of (Less Than) Expenditures	<u>-</u>	<u>236,819</u>	<u>236,819</u>
Net Change in Fund Balances	-	236,819	236,819
FUND BALANCE AT BEGINNING OF YEAR	<u>(445,427)</u>	<u>(445,427)</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>(\$445,427)</u>	<u>(\$208,608)</u>	<u>\$236,819</u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND  
 ALTERNATIVE WATER SUPPLY  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Investment Earnings	\$ -	\$125,386	\$125,386
Total Revenues	-	125,386	125,386
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Water Supply	2,650,000	550,000	2,100,000
Total Water Resources	2,650,000	550,000	2,100,000
<u>Corporate Resources</u>			
Water Supply	1,600,000	500,000	1,100,000
Total Corporate Resources	1,600,000	500,000	1,100,000
<u>Contingency</u>			
Managerial Reserve	600,000	-	600,000
Total Expenditures	4,850,000	1,050,000	3,800,000
Revenues in Excess of (Less Than) Expenditures	(4,850,000)	(924,614)	3,925,386
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	-	-
Transfers Out	(515,449)	(515,449)	-
Total Other Financing Sources (Uses)	(515,449)	(515,449)	-
Net Change in Fund Balances	(5,365,449)	(1,440,063)	3,925,386
FUND BALANCE AT BEGINNING OF YEAR	5,365,449	5,365,449	-
FUND BALANCE AT END OF YEAR	\$ -	\$3,925,386	\$3,925,386

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

SPECIAL REVENUE FUND

STORMWATER TREATMENT AREAS - OPERATIONS & MAINTENANCE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental Revenue	\$ -	\$ -	\$ -
Other	-	2,250	2,250
Total Revenues	-	2,250	2,250
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
District Everglades	1,607,043	1,352,557	254,486
Total Water Resources	1,607,043	1,352,557	254,486
<u>Operations and Maintenance</u>			
District Everglades	14,296,785	11,566,828	2,729,957
Operations and Maintenance	-	71,199	(71,199)
Total Operations and Maintenance	14,296,785	11,638,027	2,658,758
<u>Corporate Resources</u>			
District Everglades	132,472	127,309	5,163
Total Corporate Resources	132,472	127,309	5,163
<u>Contingency</u>			
Managerial Reserve	585,010	-	585,010
Total Expenditures	16,621,310	13,117,893	3,503,417
Revenues in Excess of (Less Than) Expenditures	(16,621,310)	(13,115,643)	3,505,667
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	15,906,224	14,273,386	(1,632,838)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	15,906,224	14,273,386	(1,632,838)
Net Change in Fund Balances	(715,086)	1,157,743	1,872,829
FUND BALANCE AT BEGINNING OF YEAR	917,182	917,182	-
FUND BALANCE AT END OF YEAR	\$202,096	\$2,074,925	\$1,872,829

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, 2006

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Intergovernmental	\$3,400,000	\$3,609,064	\$209,064
Investment Earnings	-	447,162	447,162
Total Revenues	<u>3,400,000</u>	<u>4,056,226</u>	<u>656,226</u>
 <u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Comprehensive Everglades Restoration Plan</u>			
Land Stewardship	<u>3,401,487</u>	<u>2,401</u>	<u>3,399,086</u>
Total Comprehensive Everglades Restoration Plan	<u>3,401,487</u>	<u>2,401</u>	<u>3,399,086</u>
Total Expenditures	<u>3,401,487</u>	<u>2,401</u>	<u>3,399,086</u>
Revenues in Excess of (Less Than) Expenditures	<u>(1,487)</u>	<u>4,053,825</u>	<u>4,055,312</u>
Net Change in Fund Balances	<u>(1,487)</u>	<u>4,053,825</u>	<u>4,055,312</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>9,724,927</u>	<u>9,724,927</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$9,723,440</u></u>	<u><u>\$13,778,752</u></u>	<u><u>\$4,055,312</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, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$187,000	\$273,430	\$86,430
Investment Earnings	-	20,533	20,533
Total Revenues	187,000	293,963	106,963
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
District Everglades	696,961	453,828	243,133
Total Water Resources	696,961	453,828	243,133
Total Expenditures	696,961	453,828	243,133
Revenues in Excess of (Less Than) Expenditures	(509,961)	(159,865)	350,096
Net Change in Fund Balances	(509,961)	(159,865)	350,096
FUND BALANCE AT BEGINNING OF YEAR	706,510	706,510	-
FUND BALANCE AT END OF YEAR	\$196,549	\$546,645	\$350,096

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, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$27,248,120	\$4,023,250	(\$23,224,870)
Investment Earnings	-	42,008	42,008
Other	-	5,000	5,000
Total Revenues	<u>27,248,120</u>	<u>4,070,258</u>	<u>(23,177,862)</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Lake Okeechobee	<u>13,733,987</u>	<u>6,847,106</u>	<u>6,886,881</u>
Total Water Resources	<u>13,733,987</u>	<u>6,847,106</u>	<u>6,886,881</u>
<u>Operations and Maintenance</u>			
Lake Okeechobee	<u>179,261</u>	<u>104,210</u>	<u>75,051</u>
Total Operations and Maintenance	<u>179,261</u>	<u>104,210</u>	<u>75,051</u>
<u>Corporate Resources</u>			
Lake Okeechobee	<u>218,384</u>	<u>111,235</u>	<u>107,149</u>
Total Corporate Resources	<u>218,384</u>	<u>111,235</u>	<u>107,149</u>
<u>Comprehensive Everglades Restoration Plan</u>			
Lake Okeechobee	<u>5,938,953</u>	<u>2,013,300</u>	<u>3,925,653</u>
Total Comprehensive Everglades Restoration Plan	<u>5,938,953</u>	<u>2,013,300</u>	<u>3,925,653</u>
<u>Contingency</u>			
Managerial Reserve	<u>28,473,464</u>	<u>-</u>	<u>28,473,464</u>
Total Expenditures	<u>48,544,049</u>	<u>9,075,851</u>	<u>39,468,198</u>
Revenues in Excess of (Less Than) Expenditures	<u>(21,295,929)</u>	<u>(5,005,593)</u>	<u>16,290,336</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	-	-
Transfers Out	<u>(820,500)</u>	<u>(820,500)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(820,500)</u>	<u>(820,500)</u>	<u>-</u>
Net Change in Fund Balances	<u>(22,116,429)</u>	<u>(5,826,093)</u>	<u>16,290,336</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>27,570,448</u>	<u>27,570,448</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$5,454,019</u></u>	<u><u>\$21,744,355</u></u>	<u><u>\$16,290,336</u></u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
DISTRICT CP  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Investment Earnings	\$ -	\$4,527	\$4,527
Other	-	487	487
Total Revenues	-	5,014	5,014
 <u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Corporate Resources</u>			
Mission Support	19,306,655	17,484,585	1,822,070
Total Corporate Resources	19,306,655	17,484,585	1,822,070
 <u>Debt Service</u>			
Bank Loan Principal	3,404,155	2,887,928	516,227
Bank Loan Interest	0	276,226	(276,226)
Total Debt Service	3,404,155	3,164,154	240,001
 <u>Contingency</u>			
Managerial Reserve	1,014,000	-	1,014,000
Total Expenditures	23,724,810	20,648,739	3,076,071
Revenues in Excess of (Less Than) Expenditures	(23,724,810)	(20,643,725)	3,081,085
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	21,645,622	19,642,635	(2,002,987)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	21,645,622	19,642,635	(2,002,987)
Net Change in Fund Balances	(2,079,188)	(1,001,090)	1,078,098
FUND BALANCE AT BEGINNING OF YEAR	3,187,481	3,187,481	-
FUND BALANCE AT END OF YEAR	\$1,108,293	\$2,186,391	\$1,078,098

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
 OKEECHOBEE BASIN CP  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$ -	\$17,908,807	\$17,908,807
Investment Earnings	-	22,079	22,079
Other	-	25,456	25,456
Total Revenues	-	17,956,342	17,956,342
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Operations and Maintenance</u>			
Land Stewardship	100,000	-	100,000
Operations and Maintenance	39,749,729	37,710,016	2,039,713
Mission Support	58,665	75,039	(16,374)
Total Operations and Maintenance	39,908,394	37,785,055	2,123,339
<u>Comprehensive Everglades Restoration Plan</u>			
Land Stewardship	2,412,875	2,380,490	32,385
Kissimmee Restoration	22,872,925	19,472,735	3,400,190
Comprehensive Everglades Restoration Plan	18,329,193	18,099,997	229,196
Total Comprehensive Everglades Restoration Plan	43,614,993	39,953,222	3,661,771
<u>Contingency</u>			
Managerial Reserve	4,996,194	-	4,996,194
Total Expenditures	88,519,581	77,738,277	10,781,304
Revenues in Excess of (Less Than) Expenditures	(88,519,581)	(59,781,935)	28,737,646
Transfers In	76,494,187	61,191,636	(15,302,551)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	76,494,187	61,191,636	(15,302,551)
Net Change in Fund Balances	(12,025,394)	1,409,701	13,435,095
FUND BALANCE AT BEGINNING OF YEAR	14,126,386	14,126,386	-
FUND BALANCE AT END OF YEAR	\$2,100,992	\$15,536,087	\$13,435,095

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
BIG CYPRESS BASIN CP  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Investment Earnings	\$134,781	\$98,646	(\$36,135)
Total Revenues	134,781	98,646	(36,135)
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Corporate Resources</u>			
Operations and Maintenance	4,660,203	3,359,627	1,300,576
Mission Support	-	25,512	(25,512)
Comprehensive Everglades Restoration Plan	1,802,289	1,110,256	692,033
Total Corporate Resources	6,462,492	4,495,395	1,967,097
<u>Contingency</u>			
Managerial Reserve	4,100,000	-	4,100,000
Total Expenditures	10,562,492	4,495,395	6,067,097
Revenues in Excess of (Less Than) Expenditures	(10,427,711)	(4,396,749)	6,030,962
Transfers In	5,215,224	3,465,219	(1,750,005)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	5,215,224	3,465,219	(1,750,005)
Net Change in Fund Balances	(5,212,487)	(931,530)	4,280,957
FUND BALANCE AT BEGINNING OF YEAR	5,212,492	5,212,492	-
FUND BALANCE AT END OF YEAR	\$5	\$4,280,962	\$4,280,957

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
 SAVE OUR RIVERS CP  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$50,829,645	\$54,765,845	\$3,936,200
Investment Earnings	-	506,496	506,496
Leases	-	26,670	26,670
Other	-	247,455	247,455
Total Revenues	<u>50,829,645</u>	<u>55,546,466</u>	<u>4,716,821</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Kissimmee Restoration	94,463	16,113	78,350
Total Water Resources	<u>94,463</u>	<u>16,113</u>	<u>78,350</u>
<u>Operations and Maintenance</u>			
Kissimmee Restoration	3,190	-	3,190
Total Operations and Maintenance	<u>3,190</u>	<u>-</u>	<u>3,190</u>
<u>Corporate Resources</u>			
Operations and Maintenance	31,228	24,000	7,228
Kissimmee Restoration	359,040	213,843	145,197
Mission Support	-	-	0
Coastal Watersheds	976,000	-	976,000
Comprehensive Everglades Restoration Plan	96,640	-	96,640
Total Corporate Resources	<u>1,462,908</u>	<u>237,843</u>	<u>1,225,065</u>
<u>Comprehensive Everglades Restoration Plan</u>			
Land Stewardship	3,630,788	3,064,060	566,728
District Everglades	8,665	-	8,665
Kissimmee Restoration	37,821,443	36,007,632	1,813,811
Comprehensive Everglades Restoration Plan	6,689,589	1,376,293	5,313,296
Total Comprehensive Everglades Restoration Plan	<u>48,150,485</u>	<u>40,447,985</u>	<u>7,702,500</u>
<u>Contingency</u>			
Managerial Reserve	2,324,053	-	2,324,053
Total Expenditures	<u>52,035,099</u>	<u>40,701,941</u>	<u>11,333,158</u>
Revenues in Excess of (Less Than) Expenditures	<u>(1,205,454)</u>	<u>14,844,525</u>	<u>16,049,979</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	1,205,454	1,205,454	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>1,205,454</u>	<u>1,205,454</u>	<u>-</u>
Net Change in Fund Balances	-	16,049,979	16,049,979
FUND BALANCE AT BEGINNING OF YEAR	<u>(3,753,907)</u>	<u>(3,753,907)</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>(\$3,753,907)</u>	<u>\$12,296,072</u>	<u>\$16,049,979</u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
EVERGLADES TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Ad Valorem Property Taxes	\$59,242,278	\$59,467,515	\$225,237
Agricultural Privilege Taxes	11,692,000	11,512,807	(179,193)
Intergovernmental	2,000,000	2,229,773	229,773
Investment Earnings	1,454,372	2,370,057	915,685
Leases	-	9,270	9,270
Other	-	256,237	256,237
Total Revenues	<u>74,388,650</u>	<u>75,845,659</u>	<u>1,457,009</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
District Everglades	20,705,330	12,654,732	8,050,598
Water Supply	-	273	(273)
Coastal Watersheds	-	488	(488)
Total Water Resources	<u>20,705,330</u>	<u>12,655,493</u>	<u>8,049,837</u>
<u>Operations and Maintenance</u>			
District Everglades	19,836,103	15,830,670	4,005,433
Operations and Maintenance	-	18,218	(18,218)
Coastal Watersheds	-	862	(862)
Total Operations and Maintenance	<u>19,836,103</u>	<u>15,849,750</u>	<u>3,986,353</u>
<u>Corporate Resources</u>			
District Everglades	2,228,818	1,465,968	762,850
Mission Support	-	364,654	(364,654)
Total Corporate Resources	<u>2,228,818</u>	<u>1,830,622</u>	<u>398,196</u>
<u>Comprehensive Everglades Restoration Plan</u>			
District Everglades	29,988,039	21,224,087	8,763,952
Comprehensive Everglades Restoration Plan	3,805,592	1,836,840	1,968,752
Total Comprehensive Everglades Restoration Plan	<u>33,793,631</u>	<u>23,060,927</u>	<u>10,732,704</u>

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
EVERGLADES TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>Contingency</u>			
Managerial Reserve	9,562,952	-	9,562,952
Total Expenditures	86,126,834	53,396,792	32,730,042
Revenues in Excess of (Less Than) Expenditures	(11,738,184)	22,448,867	34,187,051
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(16,912,924)	(15,273,386)	1,639,538
Bank Loan	-	-	-
Total Other Financing Sources (Uses)	(16,912,924)	(15,273,386)	1,639,538
Net Change in Fund Balances	(28,651,108)	7,175,481	35,826,589
FUND BALANCE AT BEGINNING OF YEAR	29,586,621	29,586,621	-
FUND BALANCE AT END OF YEAR	<u>\$935,513</u>	<u>\$36,762,102</u>	<u>\$35,826,589</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, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$5,282,438	\$879,342	(\$4,403,096)
Investment Earnings	-	25,824	25,824
Other	-	122	122
Total Revenues	<u>5,282,438</u>	<u>905,288</u>	<u>(4,377,150)</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Coastal Watersheds	<u>1,148,182</u>	<u>526,305</u>	<u>621,877</u>
Total Water Resources	<u>1,148,182</u>	<u>526,305</u>	<u>621,877</u>
<u>Operations and Maintenance</u>			
Operations and Maintenance	<u>1,387,561</u>	<u>681,650</u>	<u>705,911</u>
Total Operations and Maintenance	<u>1,387,561</u>	<u>681,650</u>	<u>705,911</u>
Managerial Reserve	<u>2,746,695</u>	<u>-</u>	<u>2,746,695</u>
Total Expenditures	<u>5,282,438</u>	<u>1,207,955</u>	<u>4,074,483</u>
Revenues in Excess of (Less Than) Expenditures	<u>-</u>	<u>(302,667)</u>	<u>(302,667)</u>
Transfers In	-	-	-
Transfers Out	<u>(1,159,818)</u>	<u>(1,159,818)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,159,818)</u>	<u>(1,159,818)</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,159,818)</u>	<u>(1,462,485)</u>	<u>(302,667)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>1,266,116</u>	<u>1,266,116</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$106,298</u></u>	<u><u>(\$196,369)</u></u>	<u><u>(\$302,667)</u></u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND

FLORIDA BAY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>REVENUES</u>	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
Intergovernmental	\$ -	\$326,261	\$326,261
Investment Earnings	99,000	144,855	45,855
Total Revenues	<u>99,000</u>	<u>471,116</u>	<u>372,116</u>
 <u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
District Everglades	2,999	-	2,999
Coastal Watersheds	961,537	638,530	323,007
Comprehensive Everglades Restoration Plan	1,850,569	1,380,575	469,994
Total Water Resources	<u>2,815,105</u>	<u>2,019,105</u>	<u>796,000</u>
 <u>Corporate Resources</u>			
Coastal Watersheds	16,510	16,510	-
Total Corporate Resources	<u>16,510</u>	<u>16,510</u>	<u>-</u>
 <u>Comprehensive Everglades Restoration Plan</u>			
Comprehensive Everglades Restoration Plan	78,257	40,623	37,634
Total Comprehensive Everglades Restoration Plan	<u>78,257</u>	<u>40,623</u>	<u>37,634</u>
 <u>Contingency</u>			
Managerial Reserve	254,327	-	254,327
Total Expenditures	<u>3,164,199</u>	<u>2,076,238</u>	<u>1,087,961</u>
Revenues in Excess of (Less Than) Expenditures	<u>(3,065,199)</u>	<u>(1,605,122)</u>	<u>1,460,077</u>
 OTHER FINANCING SOURCES (USES)			
Transfers In	1,000,000	1,000,000	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net Change in Fund Balances	(2,065,199)	(605,122)	1,460,077
FUND BALANCE AT BEGINNING OF YEAR	<u>4,529,632</u>	<u>4,529,632</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$2,464,433</u></u>	<u><u>\$3,924,510</u></u>	<u><u>\$1,460,077</u></u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
 COMPREHENSIVE EVERGLADES RESTORATION PLAN - AD VALOREM  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$ -	\$2,050,569	\$2,050,569
Investment Earnings	800,000	1,131,787	331,787
Sale of District Property	-	-	-
Other	-	525,801	525,801
Total Revenues	800,000	3,708,157	2,908,157
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Water Resources</u>			
Water Supply	-	52	(52)
Comprehensive Everglades Restoration Plan	6,898,135	4,218,642	2,679,493
Total Water Resources	6,898,135	4,218,694	2,679,441
<u>Operations and Maintenance</u>			
Operations and Maintenance	-	392	(392)
Lake Okeechobee	-	1,336	(1,336)
Comprehensive Everglades Restoration Plan	1,500,097	1,862,926	(362,829)
Total Operations and Maintenance	1,500,097	1,864,654	(364,557)
<u>Corporate Resources</u>			
Lake Okeechobee	-	541	(541)
Mission Support	-	134,456	(134,456)
Comprehensive Everglades Restoration Plan	7,686,254	5,606,333	2,079,921
Total Corporate Resources	7,686,254	5,741,330	1,944,924
<u>Comprehensive Everglades Restoration Plan</u>			
Kissimmee Restoration	-	-	-
Comprehensive Everglades Restoration Plan	94,869,135	79,940,486	14,928,649
Modeling and Scientific Support	-	662	(662)
Total Comprehensive Everglades Restoration Plan	94,869,135	79,941,148	14,927,987
<u>Contingency</u>			
Managerial Reserve	17,808,466	-	17,808,466
Total Expenditures	128,762,087	91,765,826	36,996,261
Revenues in Excess of (Less Than) Expenditures	(127,962,087)	(88,057,669)	39,904,418
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	108,971,563	108,971,563	-
Transfers Out	(47,771,563)	(47,771,563)	-
Bank Loan	-	-	-
Total Other Financing Sources (Uses)	61,200,000	61,200,000	-
Net Change in Fund Balances	(66,762,087)	(26,857,669)	39,904,418
FUND BALANCE AT BEGINNING OF YEAR	68,435,003	68,435,003	-
FUND BALANCE AT END OF YEAR	\$1,672,916	\$41,577,334	\$39,904,418

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
 FEDERAL LAND ACQUISITIONS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$ -	\$3,464,000	\$3,464,000
Investment Earnings	-	68,027	68,027
Other		3,411	
Total Revenues	-	3,535,438	3,532,027
Net Change in Fund Balances	-	3,535,438	3,532,027
FUND BALANCE AT BEGINNING OF YEAR	1,363,266	1,363,266	-
FUND BALANCE AT END OF YEAR	\$1,363,266	\$4,898,704	\$3,532,027

# 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, 2006

<u>REVENUES</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
Intergovernmental	\$206,508,605	\$240,552,406	\$34,043,801
Investment Earnings	1,323,945	1,433,874	109,929
Sale of District Property	-	87,797	87,797
Other	-	2,450	2,450
Total Revenues	<u>207,832,550</u>	<u>242,076,527</u>	<u>34,243,977</u>
 <u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Operations and Maintenance</u>			
Comprehensive Everglades Restoration Plan	17,074	-	17,074
Total Operations and Maintenance	<u>17,074</u>	<u>-</u>	<u>17,074</u>
 <u>Corporate Resources</u>			
Comprehensive Everglades Restoration Plan	19,155	-	19,155
Total Corporate Resources	<u>19,155</u>	<u>-</u>	<u>19,155</u>
 <u>Comprehensive Everglades Restoration Plan</u>			
Comprehensive Everglades Restoration Plan	207,796,321	201,739,137	6,057,184
Total Comprehensive Everglades Restoration Plan	<u>207,796,321</u>	<u>201,739,137</u>	<u>6,057,184</u>
Total Expenditures	<u>207,832,550</u>	<u>201,739,137</u>	<u>6,093,413</u>
Revenues in Excess of (Less Than) Expenditures	<u>-</u>	<u>40,337,390</u>	<u>40,337,390</u>
Net Change in Fund Balances	-	40,337,390	40,337,390
FUND BALANCE AT BEGINNING OF YEAR	<u>(1,344,114)</u>	<u>(1,344,114)</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>(\$1,344,114)</u>	<u>\$38,993,276</u>	<u>\$40,337,390</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, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$2,063,657	\$ -	(\$2,063,657)
Total Revenues	<u>2,063,657</u>	<u>-</u>	<u>(2,063,657)</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>    Operations and Maintenance</u>			
Comprehensive Everglades Restoration Plan	609,012	608,070	942
Total Operations and Maintenance	<u>609,012</u>	<u>608,070</u>	<u>942</u>
<u>    Comprehensive Everglades Restoration Plan</u>			
Comprehensive Everglades Restoration Plan	1,454,645	446,831	1,007,814
Total Comprehensive Everglades Restoration Plan	<u>1,454,645</u>	<u>446,831</u>	<u>1,007,814</u>
Total Expenditures	<u>2,063,657</u>	<u>1,054,901</u>	<u>1,008,756</u>
Revenues in Excess of (Less Than) Expenditures	<u>-</u>	<u>(1,054,901)</u>	<u>(1,054,901)</u>
Net Change in Fund Balances	-	(1,054,901)	(1,054,901)
FUND BALANCE AT BEGINNING OF YEAR	<u>(139,992)</u>	<u>(139,992)</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>(\$139,992)</u></u>	<u><u>(\$1,194,893)</u></u>	<u><u>(\$1,054,901)</u></u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
 COMPREHENSIVE EVERGLADES RESTORATION PLAN - OTHER CREDITABLE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental	\$61,772,397	\$62,431,770	\$659,373
Investment Earnings	-	155,208	155,208
Sale of District Property	-	-	-
Total Revenues	<u>61,772,397</u>	<u>62,586,978</u>	<u>814,581</u>
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Corporate Resources</u>			
Comprehensive Everglades Restoration Plan	<u>708,996</u>	<u>708,994</u>	<u>2</u>
Total Corporate Resources	<u>708,996</u>	<u>708,994</u>	<u>2</u>
<u>Comprehensive Everglades Restoration Plan</u>			
Kissimmee Restoration	-	-	-
Comprehensive Everglades Restoration Plan	<u>65,194,387</u>	<u>55,280,345</u>	<u>9,914,042</u>
Total Comprehensive Everglades Restoration Plan	<u>65,194,387</u>	<u>55,280,345</u>	<u>9,914,042</u>
Total Expenditures	<u>65,903,383</u>	<u>55,989,339</u>	<u>9,914,044</u>
Revenues in Excess of (Less Than) Expenditures	<u>(4,130,986)</u>	<u>6,597,639</u>	<u>10,728,625</u>
Net Change in Fund Balances	<u>(4,130,986)</u>	<u>6,597,639</u>	<u>10,728,625</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>4,130,991</u>	<u>4,130,991</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$5</u></u>	<u><u>\$10,728,630</u></u>	<u><u>\$10,728,625</u></u>

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
ACCELER8 - EVERGLADES CONSTRUCTION PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Investment Earnings	\$ -	\$793,532	\$793,532
Total Revenues	-	793,532	793,532
<u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Corporate Resources</u>			
Mission Support	-	11,686,197	(11,686,197)
Total Corporate Resources	-	11,686,197	(11,686,197)
<u>Comprehensive Everglades Restoration Plan</u>			
District Everglades	30,804,386	13,634,937	17,169,449
Comprehensive Everglades Restoration Plan	9,195,614	-	9,195,614
Total Comprehensive Everglades Restoration Plan	40,000,000	13,634,937	26,365,063
Total Expenditures	40,000,000	25,321,134	14,678,866
Revenues in Excess of (Less Than) Expenditures	(40,000,000)	(24,527,602)	15,472,398
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	-	-
Transfers Out	-	-	-
Bank Loan	40,000,000	35,000,000	(5,000,000)
Total Other Financing Sources (Uses)	40,000,000	35,000,000	(5,000,000)
Net Change in Fund Balances	-	10,472,398	10,472,398
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$10,472,398	\$10,472,398

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CAPITAL PROJECTS FUND  
 ACCELER8 - COMPREHENSIVE EVERGLADES RESTORATION PLAN  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Investment Earnings	\$ -	\$296,066	\$296,066
Total Revenues	-	296,066	296,066
 <u>EXPENDITURES</u>			
<u>Current Operating</u>			
<u>Corporate Resources</u>			
Mission Support	-	4,451,246	(4,451,246)
Total Corporate Resources	-	4,451,246	(4,451,246)
 <u>Comprehensive Everglades Restoration Plan</u>			
Comprehensive Everglades Restoration Plan	70,000,000	32,848,006	37,151,994
Total Comprehensive Everglades Restoration Plan	70,000,000	32,848,006	37,151,994
Total Expenditures	70,000,000	37,299,252	32,700,748
Revenues in Excess of (Less Than) Expenditures	(70,000,000)	(37,003,186)	32,996,814
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	-	-
Transfers Out	-	-	-
Bank Loan	70,000,000	47,000,000	(23,000,000)
Total Other Financing Sources (Uses)	70,000,000	47,000,000	(23,000,000)
Net Change in Fund Balances	-	9,996,814	9,996,814
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$9,996,814	\$9,996,814

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

PERMANENT FUND  
WETLANDS MITIGATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Investment Earnings	<u>\$163,350</u>	<u>\$275,664</u>	<u>\$112,314</u>
Total Revenues	<u>163,350</u>	<u>275,664</u>	<u>112,314</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-	-	-
Transfers Out	<u>(379,830)</u>	<u>(220,000)</u>	<u>159,830</u>
Total Other Financing Sources (Uses)	<u>(379,830)</u>	<u>(220,000)</u>	<u>159,830</u>
Net Change in Fund Balances	(216,480)	55,664	272,144
FUND BALANCE AT BEGINNING OF YEAR	<u>7,186,397</u>	<u>7,186,397</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$6,969,917</u></u>	<u><u>\$7,242,061</u></u>	<u><u>\$272,144</u></u>



# STATISTICAL SECTION

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Invested in capital assets, net of related debt	\$ 1,701,250,828	\$ 1,962,938,768	\$ 2,199,470,206	\$ 2,473,840,536	\$ 2,983,338,729
Restricted for:					
Debt Service	4,690,501	6,509,648	9,873,615	8,172,744	5,842,813
Wetlands Mitigation					
Expendable	14,855,135	19,199,337	20,463,621	14,048,767	13,048,502
Nonexpendable	5,380,398	5,656,211	6,945,763	7,030,157	7,230,157
Environmental Programs	55,443,173	69,154,265	32,524,198	26,097,971	40,830,660
Totals for Restricted	80,369,207	100,519,461	69,807,197	55,349,639	66,952,132
Unrestricted	231,346,934	212,417,921	204,525,775	266,450,259	223,598,367
Total Net Assets	<u>\$ 2,012,966,969</u>	<u>\$ 2,275,876,150</u>	<u>\$ 2,473,803,178</u>	<u>\$ 2,795,640,434</u>	<u>\$ 3,273,889,228</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Functions/Programs</b>					
<b>Expenses (see note below)</b>					
Expenses					
Land Stewardship					\$ 19,315,572
District Everglades					40,238,293
Operations and Maintenance					72,203,106
Water Supply					55,510,219
Kissimmee Restoration					36,033,207
Regulation					15,729,501
Lake Okeechobee					14,476,700
Coastal Watersheds					32,415,897
Mission Support					115,901,217
Comprehensive Everglades Restoration Plan					60,600,287
Modeling and Scientific Support					16,434,291
Interest on Long-Term Debt					5,862,342
Total expenses	<u>357,547,401</u>	<u>299,134,119</u>	<u>373,574,001</u>	<u>417,298,017</u>	<u>484,720,632</u>
<b>Program Revenues</b>					
Operating Grants & Contributions:					
Land Stewardship	103,899,298	71,994,832	41,968,192	93,011,818	15,225,629
District Everglades					610,693
Operations and Maintenance					6,578,682
Water Supply					26,382,690
Kissimmee Restoration					
Regulation					
Lake Okeechobee					513,787
Coastal Watersheds					179,553
Mission Support					
Comprehensive Everglades Restoration Plan					
Modeling and Scientific Support					
Interest on Long-Term Debt					
Total Operating Grants & Contributions	<u>103,899,298</u>	<u>71,994,832</u>	<u>41,968,192</u>	<u>93,011,818</u>	<u>49,491,034</u>

(continued)

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Functions/Programs</b>					
Capital Grants & Contributions:					
Capital Grants & Contributions	222,092,228	144,884,863	157,103,336	208,558,280	
Land Stewardship					3,609,064
District Everglades					2,094,606
Operations and Maintenance					18,448,935
Water Supply					1,371,778
Kissimmee Restoration					54,478,969
Regulation					
Lake Okechobee					3,509,464
Coastal Watersheds					2,383,154
Mission Support					
Comprehensive Everglades Restoration Plan					306,472,126
Modeling and Scientific Support					
Interest on Long-Term Debt					7,014,759
<b>Total Capital Grants &amp; Contributions</b>	<u>222,092,228</u>	<u>144,884,863</u>	<u>157,103,336</u>	<u>208,558,280</u>	<u>399,382,855</u>
Charges for Services	7,583,178	15,482,234	10,820,870	9,495,049	
Regulation					11,805,719
<b>Total Program Revenues</b>	<u>333,574,704</u>	<u>232,361,929</u>	<u>209,892,398</u>	<u>311,065,147</u>	<u>460,679,608</u>
<b>Net (Expense) / Revenue</b>	<u>(23,972,697)</u>	<u>(66,772,190)</u>	<u>(163,681,603)</u>	<u>(106,232,870)</u>	<u>(24,041,024)</u>
<b>General Revenues</b>					
Taxes:					
Property Taxes, Levied for General Purposes	279,028,610	308,054,749	343,908,082	388,403,092	386,282,388
Property Taxes, Levied for Everglades Construction					70,980,322
Investment Earnings	9,711,920	10,387,350	8,254,627	7,845,492	18,440,431
Gain on Sale of Capital Assets					15,365,812
Miscellaneous	7,884,053	11,239,272	9,445,921	31,821,543	11,220,865
<b>Total General Revenues</b>	<u>296,624,583</u>	<u>329,681,371</u>	<u>361,608,630</u>	<u>428,070,127</u>	<u>502,289,818</u>
<b>Total Revenue</b>	<u>630,199,287</u>	<u>562,043,300</u>	<u>571,501,028</u>	<u>739,135,274</u>	<u>962,969,426</u>
<b>Change in Net Assets</b>	<u>\$ 272,651,886</u>	<u>\$ 262,909,181</u>	<u>\$ 197,927,027</u>	<u>\$ 321,837,257</u>	<u>\$ 478,248,794</u>

Note: Because the District changed its budgetary level of control in fiscal year 2006, we can present only expenditures in total for all previous years.

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 10,096,378	\$ 18,488,906	\$ 13,497,220	\$ 10,549,806	\$ 16,460,385	\$ 14,852,102	\$ 11,765,623	\$ 10,503,187	\$ 12,557,883	\$ 11,933,752
Unreserved	20,481,335	16,380,188	17,382,569	25,924,522	32,604,539	23,338,160	22,181,011	28,534,385	26,251,006	37,101,833
Total General Fund	<u>30,577,713</u>	<u>34,869,094</u>	<u>30,879,789</u>	<u>36,474,328</u>	<u>49,064,924</u>	<u>38,190,262</u>	<u>33,946,634</u>	<u>39,037,572</u>	<u>38,808,889</u>	<u>49,035,585</u>
All Other Governmental Funds										
Reserved	43,088,453	86,940,235	82,951,922	150,515,183	102,578,012	157,553,563	209,167,052	238,721,295	178,809,881	137,723,123
Unreserved, reported in:										
Special Revenue Funds	33,379,902	44,573,442	44,700,665	33,391,279	32,336,064	57,641,290	67,478,234	44,639,896	98,731,116	98,778,294
Capital Project Funds	179,521,258	176,737,089	64,497,258	50,728,253	81,941,984	83,700,381	29,896,880	(21,388,585)	30,963,011	113,473,976
Debt Service Funds					230,668	(194)	120,721	216,480		
Permanent Fund									156,240	11,904
Total All Other Governmental Funds	<u>255,989,613</u>	<u>308,250,766</u>	<u>192,149,845</u>	<u>234,634,715</u>	<u>217,086,728</u>	<u>298,895,040</u>	<u>306,662,887</u>	<u>262,189,086</u>	<u>308,660,248</u>	<u>349,987,297</u>
Grand Total	<u>\$ 286,567,326</u>	<u>\$ 343,119,860</u>	<u>\$ 223,029,634</u>	<u>\$ 271,109,043</u>	<u>\$ 266,151,652</u>	<u>\$ 337,085,302</u>	<u>\$ 340,609,521</u>	<u>\$ 301,226,658</u>	<u>\$ 347,469,137</u>	<u>\$ 399,022,882</u>

**Schedule 4**  
**South Florida Water Management District**  
**Changes in Fund Balances, Governmental Funds**

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 191,314,489	\$ 209,808,109	\$ 221,882,734	\$ 237,882,520	\$ 243,421,127	\$ 266,530,649	\$ 295,177,218	\$ 331,671,331	\$ 376,053,364	\$ 445,749,903
Agricultural Privilege Taxes	94,885,147	89,440,887	179,624,643	109,108,043	12,728,614	12,497,961	12,877,531	12,236,751	12,349,728	11,512,807
Intergovernmental	17,950,123	23,130,204	18,094,031	17,468,899	120,485,927	327,863,368	216,734,066	196,951,248	301,435,509	448,598,226
Interest					18,581,132					
Net Increase (Decrease) in the Fair Value of Investments		(6,593,761)	532,442							
Investment Earnings	6,774,923	9,088,486	6,109,804	12,142,979	9,105,446	9,861,898	10,532,979	8,374,907	7,976,081	18,716,094
Licenses, Permits and Fees					2,323,352	1,979,866	2,518,647	2,878,819	2,816,417	6,906,828
Self-Insurance Premiums					4,996,686	826,406	1,966,859	770,698	20,564,902	1,992,597
Sale of District Property					2,966,738	3,072,510	3,881,216	4,473,238	4,388,282	943,075
Indirect Costs Recovered					2,012,442	2,084,447	3,179,028	4,614,065	3,996,809	4,250,305
Leases					880,003	1,772,471	2,717,651	1,170,839	3,551,069	4,898,891
Other	5,326,271	4,086,838	4,456,624	8,771,829						4,034,888
<b>Total Revenues</b>	<b>316,250,953</b>	<b>335,554,524</b>	<b>423,574,075</b>	<b>385,906,712</b>	<b>417,501,467</b>	<b>632,221,107</b>	<b>562,043,300</b>	<b>569,501,028</b>	<b>739,133,274</b>	<b>947,603,614</b>
<b>EXPENDITURES</b>										
Current Operating	175,635,509	193,166,494	215,637,182	241,921,787	274,675,757	324,229,088	319,598,748	340,643,689	404,980,082	475,145,947
Land Stewardship										14,373,694
District Everglades										40,439,537
Water Supply										92,631,396
Operations and Maintenance										55,327,584
Kissimmee Restoration										9,950,615
Regulation										15,712,972
Lake Okeechobee										15,282,944
Coastal Watersheds										32,433,357
Mission Support										112,631,686
Comprehensive Everglades Restoration Plan										85,837,595
Modeling and Scientific Support										15,794,092
Capital Outlay	113,012,945	83,802,257	334,024,047	99,605,065	113,020,124	237,726,536	238,468,225	252,652,260	284,130,917	475,145,947
Debt Service										
Bond Principal Retirement	1,735,000	3,530,000	3,665,000	3,820,000	3,985,000	4,160,000	3,450,000	2,025,000	3,260,000	4,500,000
Bond Interest and Other Fiscal Charges	4,437,070	4,336,097	4,191,315	4,032,838	3,861,824	3,677,680	2,728,371	1,981,904	2,583,429	2,444,126
Bank Loan Principal Payments								10,558,228	4,872,193	3,577,553
Bank Loan Interest								915,934	610,763	740,199
Bond Issuance Costs						421,036	608,179			
Defeasance Costs						1,880,274	1,633,561			
Capital Lease Principal Payments								1,405,367	1,296,990	1,144,988
Capital Lease Interest								100,935	98,004	81,584
<b>Total Expenditures</b>	<b>294,820,524</b>	<b>284,834,848</b>	<b>557,517,544</b>	<b>349,379,690</b>	<b>395,542,705</b>	<b>572,094,614</b>	<b>566,487,084</b>	<b>610,283,317</b>	<b>701,832,378</b>	<b>978,049,869</b>
Revenues in Excess of (Less Than) Expenditures:	21,430,429	50,719,676	(133,943,469)	36,527,022	21,958,762	60,126,493	(4,443,784)	(40,782,289)	37,302,896	(30,446,255)

(continued)

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	30,383,298	12,197,346	45,838,680	60,483,572	66,373,071	80,489,239	117,935,376	146,298,313	142,255,948	212,798,171
Transfers Out	(30,383,298)	(12,197,346)	(45,838,680)	(60,266,625)	(66,373,071)	(80,489,239)	(117,935,376)	(146,298,313)	(142,255,948)	(212,798,171)
Land Acquisition Refunding Bonds Issues						23,810,000	34,550,000			
Proceeds of Bond Issuance							2,460,629			
Premium on Bonds Issued						(102,843)				
Discount on Bonds Issued						(21,900,000)	(35,370,000)			
Payment to Bond Escrow Agent		3,518,131	15,036,499	10,000,000		9,000,000	4,827,374		8,000,000	82,000,000
Proceeds of Bank Loan	1,071,289	2,379,828	2,156,814	1,335,440	3,530,940		1,500,000	1,399,426	939,583	
Proceeds of Capital Leases										
<b>Total Other Financing Sources (Uses)</b>	<u>1,071,289</u>	<u>5,897,959</u>	<u>17,193,313</u>	<u>11,552,387</u>	<u>3,530,940</u>	<u>10,807,157</u>	<u>7,968,003</u>	<u>1,399,426</u>	<u>8,939,583</u>	<u>82,000,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ 22,501,718</u>	<u>\$ 56,617,635</u>	<u>\$ (116,750,156)</u>	<u>\$ 48,079,409</u>	<u>\$ 25,489,702</u>	<u>\$ 70,933,650</u>	<u>\$ 3,524,219</u>	<u>\$ (39,382,863)</u>	<u>\$ 46,242,479</u>	<u>\$ 51,533,745</u>
Debt Service as a percentage of noncapital expenditures	2.44%	2.16%	1.88%	1.61%	1.37%	1.10%	0.83%	0.55%	0.62%	0.49%

**Schedule 5**  
**South Florida Water Management District**  
**Assessed Value of Taxable Property**  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessed Value of Taxable Property (In Billions)</u>
1997	\$ 280.4
1998	296.2
1999	316.0
2000	337.8
2001	366.1
2002	405.3
2003	451.0
2004	507.2
2005	573.5
2006	845.2

**Schedule 6**  
**South Florida Water Management District**  
**Direct Property Tax Rates**  
 Last Ten Fiscal Years  
 (Rate per \$1,000 of assessed value)

	<b>District</b>	<b>Okeechobee Basin</b>	<b>Big Cypress Basin</b>
1997	0.284	0.388	0.198
1998	0.284	0.413	0.278
1999	0.284	0.413	0.278
2000	0.284	0.413	0.278
2001	0.284	0.413	0.278
2002	0.284	0.413	0.2425
2003	0.284	0.413	0.2425
2004	0.284	0.413	0.2425
2005	0.284	0.413	0.2425
2006	0.284	0.413	0.2425

Note: Because South Florida Water Management District is a regional governmental unit, it is not possible to present Overlapping Property Tax Rates.

**Schedule 7**  
**South Florida Water Management District**  
**Principal Property Tax Payers**  
 Current Year

	2006		
	Taxable Assessed Value	Percentage of Top Ten Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Walt Disney Company	\$ 6,194,118,181	32.93%	19.75%
Florida Power & Light Company Universal	5,416,376,180	28.80%	17.27%
Bellsouth Telecommunications, Inc.	1,565,314,671	8.32%	4.99%
Marriott Ownership Resorts, Inc.	1,401,827,566	7.45%	4.47%
Progress Energy Florida	1,261,567,853	6.71%	4.02%
Vistana	1,001,813,446	5.33%	3.19%
Southern Bell Tel Co.	580,584,834	3.09%	1.85%
Tampa Electric	572,654,709	3.04%	1.83%
SDG Dadeland Assoc.	418,720,980	2.23%	1.34%
Totals	396,000,000	2.11%	1.26%
	<u>\$ 18,808,978,420</u>	<u>95.67%</u>	<u>57.39%</u>

**Taxpayer**

**Note:** The numbers that are presented in this Schedule reflect the totals for the entire county even when only a portion of the county is within South Florida Water Management District's jurisdiction.

**Source:** This data was obtained from the Tax Collectors or Property Appraisers for the sixteen counties that make up South Florida Water Management District.

**Methodology:** The District requested a list of the top ten taxpayers from each county's Tax Collector. (Sometimes the Tax Collector's office referred us to the Property Appraiser's office.) After receiving all the data from the sixteen counties, we compiled it and sorted it by dollar amount. The ten taxpayers who paid the largest dollar amount are listed above.

**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	Collections in Subsequent Years	Total Collections to Date	Percentage of Levy
1997	0.284	0.388	0.198	\$ 178,009,100	\$ 176,420,641	\$ 1,466,278	99.1%	\$ 1,466,278	\$ 177,886,919	99.9%
1998	0.284	0.413	0.278	196,358,936	195,921,248	1,357,107	99.8%	1,357,107	197,278,355	100.5%
1999	0.284	0.413	0.278	220,244,344	208,695,407	1,073,258	94.8%	1,073,258	209,768,665	95.2%
2000	0.284	0.413	0.278	223,856,081	223,101,636	1,378,159	99.7%	1,378,159	224,479,795	100.3%
2001	0.284	0.413	0.278	241,403,497	241,321,389	1,269,213	100.0%	1,269,213	242,590,602	100.5%
2002	0.284	0.413	0.2425	265,735,680	264,039,232	2,355,772	99.4%	2,355,772	266,395,004	100.2%
2003	0.284	0.413	0.2425	295,346,451	292,857,702	1,860,683	99.2%	1,860,683	294,718,385	99.8%
2004	0.284	0.413	0.2425	331,860,455	329,382,620	1,777,530	99.3%	1,777,530	331,160,150	99.8%
2005	0.284	0.413	0.2425	375,371,188	372,357,871	2,696,744	99.2%	2,696,744	375,054,615	99.9%
2006	0.284	0.413	0.2425	444,075,931	423,518,333	2,090,550	95.4%	2,090,550	425,608,883	95.8%

**Schedule 9**  
**South Florida Water Management District**  
**Ratios of Outstanding Debt by Type**  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	Land Acquisition Bonds--WMLTF*	Land Purchases Payable	Capital Leases	Bank Loans					
1997	\$ 87,075,000	\$ -	\$ 1,672,221	\$ -		\$ 88,747,221	49.5128%	14.26	
1998	83,545,000	-	3,428,638	3,518,131		86,973,638	44.7516%	13.69	
1999	79,880,000	-	4,633,302	17,873,237		84,513,302	41.2127%	13.02	
2000	76,060,000	-	4,520,677	25,824,243		80,580,677	36.2407%	12.22	
2001	72,075,000	-	6,273,316	22,470,636		78,348,316	33.6273%	11.59	
2002	69,825,000	-	4,125,961	26,764,555		73,950,961	30.6385%	10.71	
2003	65,555,000	112,142,857	3,379,304	26,888,088		181,077,161	73.1179%	25.74	
2004	63,530,000	134,396,198	3,373,363	16,329,860		201,299,561	76.1712%	28.02	
2005	60,270,000	100,108,087	3,008,733	19,456,880		163,386,820	57.7240%	22.29	
2006	55,770,000	77,679,516	1,863,644	15,878,527		135,313,160	44.7811%	18.10	

\* WMLTF is the abbreviation for the Water Management Lands Trust Fund.

**Schedule 10**  
**South Florida Water Management District**  
**Pledged-Revenue Bond Coverage**  
 Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	District Balance As of Sept. 30	Revenues			Allocated Interest Income	Expenditures			Collection to Debt Service Coverage As of Sept. 30
		Documentary Stamp Taxes	Civil Penalties	Acquisition/Maintenance Costs		State Transfers (1)	Debt Service Payments (2)		
1997	\$ 22,580,616	\$ 13,644,810	\$ 269,839	\$ 1,216,323	\$ 12,377,150	\$ -	\$ 7,931,180	\$ 17,403,258	
1998	17,403,258	17,876,979	403,700	1,526,667	6,050,630	-	7,928,657	23,231,317	
1999	23,231,317	19,354,065	457,636	1,468,828	3,821,274	-	7,931,153	32,759,419	
2000	32,759,419	15,353,142	551,778	1,821,704	1,075,161	-	7,929,122	41,481,760	
2001	41,481,760	20,692,711	921,210	2,696,414	19,447,263	5,700,000	7,925,247	32,719,585	
2002	32,719,585	19,077,914	1,205,167	1,779,116	5,320,349	3,390,000	6,971,411	39,100,022	
2003	39,100,022	25,308,332	677,827	1,793,006	26,091,491	9,600,000	5,642,343	25,545,353	
2004	25,545,353	30,328,188	729,712	876,611	14,408,883	14,490,000	5,046,272	23,534,709	
2005	23,534,709	40,825,275	641,382	1,004,100	12,542,033	(3,421,066)	7,020,805	49,863,694	
2006	49,863,694	40,437,784	556,170	1,829,897	14,521,957	73,678,516	7,014,759	(2,527,687)	
Totals for 10 years		<u>\$ 242,899,200</u>	<u>\$ 6,414,421</u>	<u>\$ 16,012,666</u>	<u>\$ 115,656,191</u>	<u>\$ 103,437,450</u>	<u>\$ 71,340,949</u>		

(1) Transfers during fiscal years 2001 through 2006 represent transfers by the State to and from other State trust funds.

(2) Represent transfers from the Water Management Lands Trust Fund to the Debt Service Fund held by the Trustee. Amounts will vary from the actual debt service payments due to accumulated monies such as interest earnings in the Debt Service Fund.

Source: Department of Environmental Protection, Water Management Lands Trust Fund, Bureau of Finance and Accounting Contracts Disbursements Section

**Schedule 11**

**South Florida Water Management District  
Demographic and Economic Statistics**

Last Ten Calendar Years

Calendar Year	Population <sup>1</sup>	Civil Penalties <sup>2</sup>	Personal Income (thousands of dollars) <sup>3</sup>	Per Capita Personal Income <sup>3</sup>	Median Age <sup>4</sup>	Percentage of Population (25 yrs. and over) with High School Diploma or Equivalent <sup>4</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>3</sup>
1997	6,223,239	\$ 263,914	\$ 179,240,810	\$ 28,802			900,390	5.7%
1998	6,355,147	598,216	194,347,435	30,581			922,562	5.2%
1999	6,490,528	263,695	205,066,260	31,595			980,140	4.6%
2000	6,595,895	681,778	222,348,731	33,710	38.57	77.07%	1,011,089	4.0%
2001	6,762,157	930,465	232,990,280	34,455			1,045,571	4.9%
2002	6,906,096	1,124,847	241,365,788	34,950			1,063,783	5.9%
2003	7,033,592	731,115	247,650,823	35,210			1,084,866	5.5%
2004	7,185,051	668,222	264,272,390	36,781			1,096,057	4.8%
2005	7,328,975	589,899	283,048,303	38,620	39.18		1,102,719	3.9%
2006	7,475,555	401,214	302,165,669	41,138			1,124,773	3.3%

**Sources of Data:**

- 1 U. S. Department of Commerce Bureau of Economic Analysis.
- 2 Accounting Records of South Florida Water Management District.
- 3 Florida Research & Economic Database.
- 4 U. S. Census Bureau American Fact Finder.

**Web Address**

- [www.bea.gov](http://www.bea.gov)  
[www.sfwmd.gov](http://www.sfwmd.gov)  
[www.fred.labormarketinfo.com](http://www.fred.labormarketinfo.com)  
<http://factfinder.census.gov>

**Schedule 12**  
**South Florida Water Management District**  
**Permit Applications Received**

Permit Category	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Environmental Resource	1,400	1,616	1,656	1,661	1,562	1,500	1,646	1,790	1,805	1,839
Consumptive Use	567	706	720	776	1,210	1,191	1,523	1,949	2,094	2,055
SWIM & Everglades Works Of The District	64	16	14	49	38	84	37	9	20	78
Total Applications Received	<u>2,031</u>	<u>2,338</u>	<u>2,390</u>	<u>2,486</u>	<u>2,810</u>	<u>2,775</u>	<u>3,206</u>	<u>3,748</u>	<u>3,919</u>	<u>3,972</u>

Source: Regulation Department of South Florida Water Management District

**Schedule 13**  
**South Florida Water Management District**  
**Water Moved by District Pump Stations**  
 Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Acre-Feet (Thousands)	1,844	2,017	2,092	2,517	2,131	3,131	3,339	3,404	3,938	3,583

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



# DISCLOSURE SECTION

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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**CONTINUING ANNUAL AND EVENT DISCLOSURES**

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

**DISTRICT AGREEMENT AND EFFECTIVE DATES**

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

- Special Obligation Land Acquisition Refunding Bonds, Series 1995,
- Special Obligation Land Acquisition Refunding Bonds, Series 2002 and
- Special Obligation Land Acquisition Refunding Bonds, Series 2003.

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

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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## ANNUAL FINANCIAL INFORMATION

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

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

## 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 1995, 2002 and 2003 Bonds. The Florida Department of Environmental Protection maintains the Trust Fund.

## DOCUMENTARY STAMP TAX

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

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

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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

- The first 7% 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 historical taxation rates and percentage distribution to the Trust Fund.

<b>HISTORICAL 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	\$.15		
1981		\$.45	7.20%
1985		\$.50	9.80%
1987		\$.55	9.20%
1990	\$.32		6.90%
1991		\$.60	6.56%
1992	\$.35	\$.70	5.84%
2001			4.20%

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

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

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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## **USE OF THE TRUST FUND**

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

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

## **ESCROW AND RESERVE FUNDS**

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

- An Escrow Fund within the Trust Fund and
- A Surety Bond issued by MBIA 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 1995, 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

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

# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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## ANNUAL DEBT SERVICE REQUIREMENTS

Debt service requirements on the Series 1995, 2002 and 2003 Bonds are as follows:

<b>ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (Millions)</b>				
<b>Fiscal Years</b>	<b>Total</b>	<b>Series 1995</b>	<b>Series 2002</b>	<b>Series 2003</b>
2006	\$6.95	\$2.32	\$2.57	\$2.06
2007	6.96	0.84	2.55	3.57
2008	6.92	--	2.55	4.37
2009	6.92	--	2.55	4.37
2010	6.92	--	2.55	4.37
2011-2015	34.49	--	12.68	21.81
2016	6.86	--	2.52	4.34
Total	\$76.02	\$3.16	\$27.97	\$44.89

## 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).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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**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.

<b>NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION</b>		<b>LAND ACQUISITION BONDS</b>		
<b>RULE SEC.</b>	<b>DESCRIPTION</b>	<b>SERIES 1995</b>	<b>SERIES 2002</b>	<b>SERIES 2003</b>
(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.	None	None	None
(*)	Default of the Florida Department of Environmental Protection on its obligations Under the Agreement.	None	None	None
(D)	Failure to provide annual financial Information or operating data in a timely Manner.	None	None	None



**South Florida Water Management District**  
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MAILING ADDRESS: P.O. Box 24680 • West Palm Beach, FL 33416-4680

