



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Fiscal Year Ended  
September 30, 2013





The public use area of Stormwater Treatment Area 5/6 in Hendry County, a popular destination for guided bird-watching tours, features shell-rocked parking, an informational kiosk, restrooms, hiking and biking trails, and a boardwalk.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

**Fiscal Year Ended September 30, 2013**

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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# **INTRODUCTORY SECTION**





# SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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

**SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2013**

Florida Statutes require an external audit of the financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the South Florida Water Management District (District) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, the comprehensive annual financial report for the District is hereby issued for the fiscal year ended September 30, 2013.

Responsibility for the integrity, objectivity, accuracy, completeness and fairness of presentation of these basic financial statements rests with management. The basic financial statements were prepared in conformity with generally accepted accounting principles for governmental entities. Management believes the information to be accurate in all material respects and fairly presents the District's financial position and operating results. The report includes disclosures required to provide an understanding of the District's financial affairs.

Management is responsible for maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and the evaluation of costs and benefits requires management's estimates. The Governing Board and management have a plan of organization and policies in place to safeguard assets, validate the reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies and procedures. District management believes these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of District finances.

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the South Florida Water Management District's basic financial statements for the fiscal year ended September 30, 2013 are fairly presented, in all material respects, in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section (Section II) of this report.

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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

### **DISTRICT BACKGROUND**

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

The project's primary goal was to serve the needs of the region's growing agricultural and urban populations and to protect and manage water resources. The United States Army Corps of Engineers would, over the following decades, design and build a vast network of levees, canals, water control structures, and other improved waterways designed to help manage the often unpredictable weather extremes of the region.

In 1949 the Florida Legislature created the Central and Southern Florida Flood Control District (FCD) to act as the local sponsor for the project, operating and maintaining the water control network with funding from property taxes levied within the District boundaries. Throughout its history, this regional water resource agency evolved and grew primarily in response to population growth and development and their impact on water resources.

The Florida Water Resources Act of 1972 launched the most significant change in the state's approach to natural resource management. This legislation divided the state into five regional water management districts and greatly expanded the responsibilities of the existing FCD. This included a greater emphasis on water quality and environmental protection initiatives.

The FCD was renamed the South Florida Water Management District (the "District") in 1976, and new boundaries were drawn to encompass the region's primary watersheds. Since 1949, the District has grown into a multi-faceted agency responsible for most water resource related issues – from providing flood protection and water supply protection to people living in cities and on farms to restoring and managing natural ecosystems.

The District's Governing Board is composed of nine members appointed from specific geographic areas within District boundaries. The members are appointed by the Governor and are confirmed by the Florida Senate. Appointments are made on a staggered basis and members serve without salary for a term of four years. The Board elects its own officers, including a chairman and vice-chairman.

### **GEOGRAPHIC BOUNDARIES OF THE DISTRICT**

Water management district boundaries are based on natural, hydrological basins rather than political or county limits to allow for effective and efficient planning and management. The boundaries of the District encompass all or part of 16 south Florida counties, covering a total area of 17,930 square miles. Approximately 7.9 million people live within the District's boundaries. A map showing the geographic boundaries of the District can be found on page I-11.

## **GENERAL OPERATIONS**

The District's water management system includes roughly 2,000 miles of maintained canals and 2,800 miles of levees along with more than 650 primary water control structures operated by the District. Nearly 2,000 smaller structures are in place system-wide to control inflows from secondary sources (local, municipal, or county drainage and/or water control districts) into the District's primary system. The District has approximately 70 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection. The man-made water management system undergoes continuous enlargement and refinement with new construction, acquisitions, and upgrades to the existing network. This enhances the system's ability to provide flood control and water supply protection as well as preserve water quality and environmental values.

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

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

## **REGULATORY POWERS**

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

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

## **OTHER DISTRICT PROGRAMS**

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

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

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

## **REGIONAL ECONOMIC CONDITION AND OUTLOOK**

Conditions in the local economy affect the District's ability to generate revenues. This is because the District's primary revenue is from ad valorem taxes, which are property taxes based on assessed values of property in the region. Population growth and the associated construction of housing and commercial structures along with unemployment and interest rates are the primary factors that contribute to changes in property prices, which result in adjustments to assessed values.

Population growth within the District's geographic boundaries has slowed during the recent fiscal year, with a 1.0 percent increase, compared to a 1.9 percent for the prior year. The District's population is expected to steadily increase by 6.4 percent from 2013 through 2018, with the largest numerical increases through 2018 occurring in Lee, Miami-Dade, and Palm Beach Counties and the highest percentage growth rates occurring in Lee, Osceola, and St. Lucie Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida, along with the nation, continues to manage the slow economic conditions. The October 2013 unemployment rate for Florida was 6.6 percent compared to 8.1 percent (as adjusted) from a year ago; and 7.0 percent for the entire United States compared to 7.5 percent (as adjusted) from a year ago. This decrease in state and national unemployment rates suggests stabilization in the economic downturn of recent years, and the reduced unemployment rate, coupled with other economic indicators such as a moderate resurgence in the housing market and leveling off of foreclosure rates should translate into property values remaining steady in 2014 and even experiencing a slight increase over values of recent past.

The District's adopted ad valorem millage rates decreased for fiscal year 2013, to a District-wide rate of .1757 for fiscal year 2013 compared to .1785 mills for the prior fiscal year. This decrease in millage rate is a reflection of Governing Board policy to levy rolled-back millage rate which represents no tax increase. In 2011 Senate Bill (SB) 2142 set a maximum amount of revenue that can be raised each fiscal year by the five water management districts. Senate Bill 1986 subsequently superseded SB 2142, authorizing the Florida Legislature to set the maximum millage rate for each water management district, and providing legislative review and oversight for district budgets. In addition, the District's ad valorem revenue growth is limited by the Property Tax Reduction and Reform bill passed by the Florida Legislature in June 2007, which required a reduction in taxes by all local governments and special taxing districts from three to nine percent, depending on their past per capita tax increases. This legislation also limited future year revenues by setting more stringent Governing Board voting requirements to increase agency millage rates. The District's 2013 budget reflected a 0.9 percent reduction in ad valorem property taxes levied, which equates to a decrease of \$2.6 million from the prior fiscal year.



## MAJOR INITIATIVES

### EVERGLADES RESTORATION

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

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

The **Everglades Forever Act (EFA)**, passed by the Florida Legislature in 1994, directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The District implemented the Everglades Construction Project and the Everglades Restoration Program in order to meet the requirements of the Everglades Forever Act. In 2003, the Everglades Forever Act was amended, requiring the implementation of the Long-Term Plan for Achieving Water Quality Goals in the Everglades Protection Area (Long-Term Plan).

The **Everglades Construction Project (ECP)** was the first major step in Everglades restoration pursuant to the 1994 Everglades Forever Act. The STAs, which consist of six large constructed wetlands, totaling over 57,000 acres of effective treatment area, are the cornerstone of the ECP. Other ECP components include hydropattern improvements and diversion of stormwater flows from Lake Okeechobee. Operations and maintenance of the STAs and other features of the ECP have commenced upon completion of each individual project. The latest data indicates that over the past fifteen years, phosphorus control programs consisting of Stormwater Treatment Areas and best farming/management practices together have prevented over 4,270 metric tons of phosphorus from entering the Everglades.

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

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

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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The United States Congress approved CERP in 2000, under the Water Resources Development Act, authorizing ten initial full-scale projects along with six pilot projects. Implementation is currently estimated to cost \$13.5 billion (at 2009 price levels, including subsequently authorized CERP revisions), according to the 2010 Report to Congress, half of which will be paid by the federal government. Through 2010, the State of Florida and the District have invested approximately \$2.4 billion towards this effort.

During 2005, the District launched Acceler8, an expedited initiative to be financed by Certificates of Participation to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. Through fiscal year 2013, proceeds from the certificates totaling \$564.7 million have been utilized to reimburse project construction costs.

### **LAKE OKEECHOBEE**

The Lake Okeechobee Project is a multi-year, multi-component project which is designed to improve Lake Okeechobee and its estuaries by reducing excess nutrient loading, managing water levels, and reducing or eliminating exotic plant species. In 2000, the Florida State Legislature passed the Lake Okeechobee Protection Bill, which required the District, in partnership with the Florida Department of Agriculture and Consumer Services and the Florida Department of Environmental Protection, to restore the lake and its watershed. In 2007, the project was further extended under the Northern Everglades and Estuaries Protection legislation. This legislation, which expanded the existing Lake Okeechobee Protection Bill to include the Caloosahatchee and St. Lucie Rivers and estuaries, addressed both water quality and water storage needs. Total expenditures for the Lake Okeechobee Project for fiscal year 2013 totaled \$8.2 million.

## **FINANCIAL POLICIES**

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

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

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

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



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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use financial resources. As an integral part of the goal of fiscal accountability, management currently provides useful, timely, and accurate financial information for reporting, analysis, and decision making. The objective of this report is to clearly communicate the agency's operating results and financial position.

### **BUDGET ADOPTION AND CONTROLS**

The Truth-in-Millage (TRIM) Act enacted by state legislation requires disclosures of information regarding tax millage and budget adoption. Each year, following the required disclosures and two statutorily required public hearings, the Governing Board sets millage rates and adopts a budget.

The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. The Board also approves budget transfers among departments and capital projects during the year. Chapter 373.536, Florida Statutes, provides additional guidance and criteria regarding the District's budget development, adoption and approval process. Encumbrance accounting is used to reserve budgeted appropriations of commitments for unperformed contracts for goods and services.

### **DEBT ADMINISTRATION**

The majority of the District's debt is comprised of the unpaid balance of revenue bonds referred to as Certificates of Participation (COPS), Series 2006, and to a lesser extent, the unpaid balance of Special Obligation Land Acquisition Bonds. The certificates were issued to provide funds for the construction of accelerated projects in furtherance of Everglades restoration. Acquisition bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. At September 30, 2013, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A3, A+ and A by Moody's, S&P and Fitch Ratings, respectively. The total liability for the revenue bonds and the land acquisition bonds at September 30, 2013 is \$489.6 million and \$19.2 million, respectively. The District is obligated for payments on the COPS through fiscal year 2037, and on the bonds through fiscal year 2016.

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

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

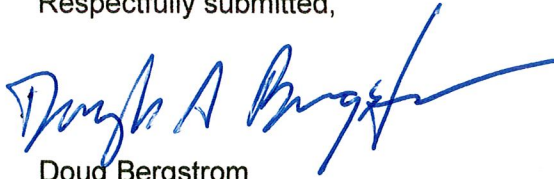
The Government Finance Officers Association of the United States and Canada (GFOA) awarded their Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the twenty-third consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, satisfying both generally accepted accounting principles and applicable legal requirements.

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

**ACKNOWLEDGMENTS**

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

Respectfully submitted,

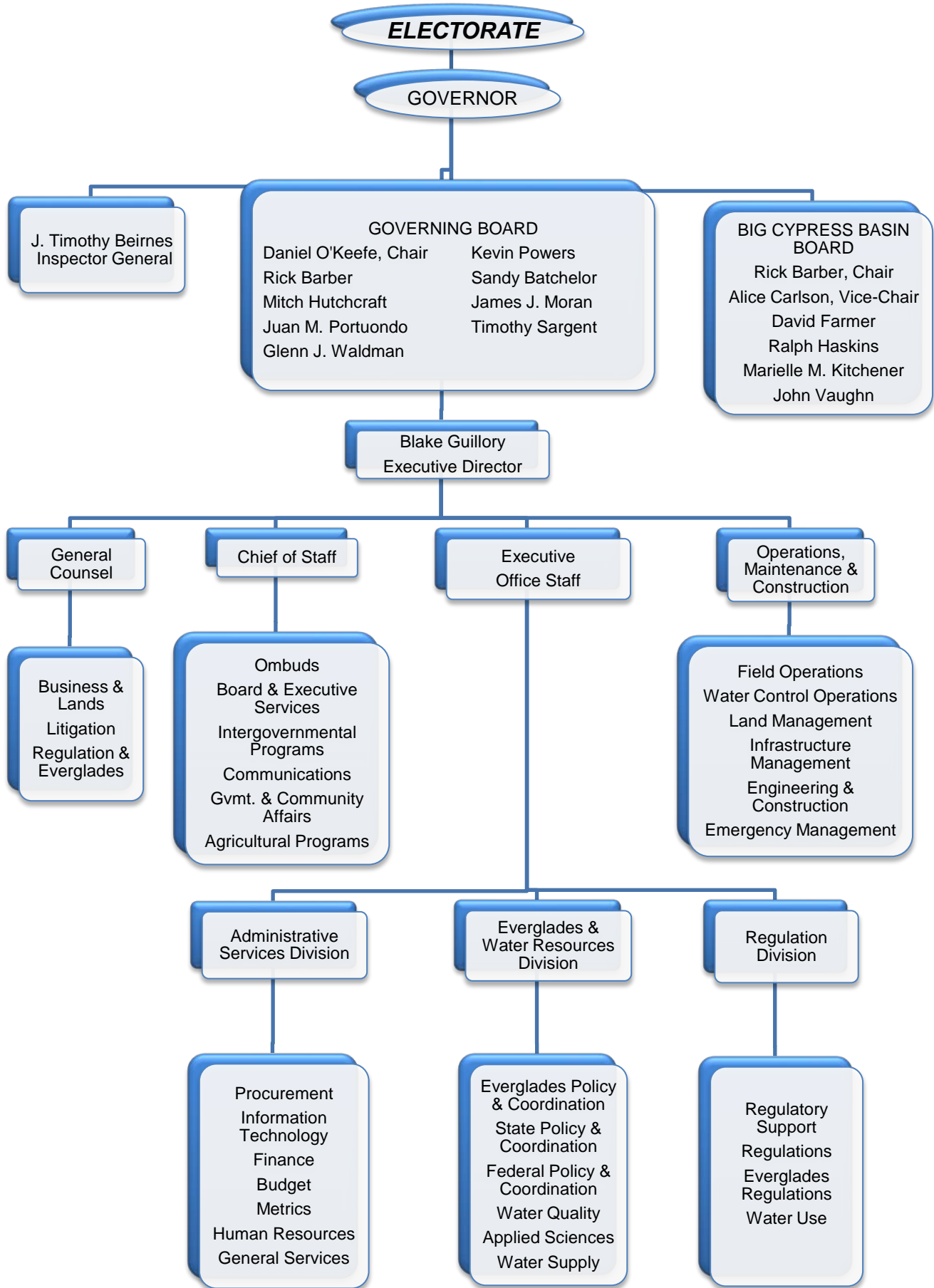


Doug Bergstrom  
Director of Administrative Services  
March 20, 2014



Christian Flierl, Chief  
Finance Bureau, Administrative Services

**ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICERS**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**South Florida  
Water Management District**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

## South Florida Water Management District Geographic Boundaries



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

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



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# **FINANCIAL SECTION**







## Independent Auditor's Report

To the Governing Board of the  
South Florida Water Management District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the "District"), a component unit of the State of Florida, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, the budgetary comparison schedules, the statistical and disclosure sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 20, 2014 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McGladrey LLP*

West Palm Beach, Florida  
March 20, 2014

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

Management's discussion and analysis of the South Florida Water Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the transmittal letter beginning on page I-1 and the District's basic financial statements, which begin on page III-1.

**FINANCIAL HIGHLIGHTS**

- District assets exceeded liabilities at fiscal year-end 2013 by approximately \$4.61 billion.
- Net position decreased approximately \$21.7 million, or approximately 0.47 percent during the year, remaining relatively stable at \$4.61 billion at September 30, 2013.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2.5 million, or about 2.2 percent of total General Fund expenditures.
- The District's total capital assets decreased by \$17.5 million during the current fiscal year. This decrease is the net of \$57.5 million in additions resulting from construction of various projects, and \$75.0 million in retirements, primarily attributable to changes in the scope of the EAA Project resulting in costs deemed to no longer be capitalizable.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**Government-wide financial statements**

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements can be found on pages III-1 to III-2 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 36 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, Everglades Restoration Trust Special Revenue Fund, Okeechobee Basin Capital Projects Fund, and Everglades Trust Capital Projects Fund, all of which are considered to be major funds. Data from the other 31 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-8 of this report.

Individual fund data for each of the 31 non-major governmental funds is provided in the form of combining statements on pages V-5 to V-16 of this report.

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

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

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

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Okeechobee Basin Special Revenue Fund, and Everglades Restoration Trust Special Revenue Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these three funds are being reported as required supplementary information other than management's discussion and analysis and are presented immediately after the notes on pages IV-1 to IV-5. Budgetary comparison schedules for the other governmental funds are presented on pages V-18 to V-50 of this report.

**Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages III-13 to III-46 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position is \$4.61 billion at the close of the most recent fiscal year, a decrease of \$21.7 million from the prior fiscal year. By far, the largest portion of the District's net position (90.5 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position (8.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (1.3 percent) of net position relates to the unrestricted portion. At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

The balance of current and other assets at the end of fiscal year 2013 decreased from the prior year balance, reflecting a net decrease of \$29.2 million. A number of variances contributed to the net decrease, the most significant of which is a lower balance in cash and investments, which decreased \$39.1 million. This decrease in cash and investments is primarily a result of the

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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combination of a \$25.0 million reduction in liabilities & deferred inflows of resources and expenditures incurred for the acquisition and construction of capital assets. As noted, total liability obligations saw a decrease of \$25.0 million primarily due to the pay-down of outstanding debt (\$18.1 million) and a decrease in accounts payable balance of \$9.0 million. Together, the changes in current assets and total liabilities between fiscal years represents the significant portion of the change in restricted and unrestricted net position, which shows a net decrease of \$17.1 million. The decrease of \$4.5 million in net investment in capital assets is primarily a result of capital assets, net of depreciation decreasing by \$17.5 million from FY12 to FY13, and the outstanding debt associated with capital assets being reduced by \$16.5 million during the same period. Additional information relative to capital asset and long term debt activity during FY13 can be found on pages II-15 to II-17 of this report.

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

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

	2013	2012
Current and Other Assets	\$ 576,084,770	\$ 605,236,159
Capital Assets, Net	4,643,195,945	4,660,695,513
<b>Total Assets</b>	<b>5,219,280,715</b>	<b>5,265,931,672</b>
Current and Other Liabilities	42,038,809	50,653,607
Long-term Liabilities	569,785,646	586,243,767
Deferred Inflows of Resources	784,477	692,995 *
<b>Total Liabilities &amp; Deferred</b>	<b>612,608,932</b>	<b>637,590,369</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	4,167,995,965	4,172,534,665
Restricted	380,196,140	372,350,898
Unrestricted	58,479,678	83,455,740
<b>Total Net Position</b>	<b>\$ 4,606,671,783</b>	<b>\$ 4,628,341,303</b>

\* Restated for comparison purposes.

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

	2013	2012
Revenues		
Program Revenues		
Charges for Services	\$ 34,146,056	\$ 23,657,278
Operating Grants and Contributions	24,198,843	16,579,862
Capital Grants and Contributions	53,064,079	55,323,556
General Revenues		
Property Taxes	280,080,376	284,658,287
Investment Earnings	385,038	8,611,844
Other	1,092,105	1,051,963
	<u>392,966,497</u>	<u>389,882,790</u>
Expenses		
Land Stewardship	\$ 11,221,915	\$ 17,230,408
Mission Support	46,556,301	59,451,321
Modeling and Scientific Support	10,775,376	10,229,236
Operations and Maintenance	135,936,264	130,821,218
Regulation	22,769,011	20,960,963
Restoration	146,728,178	106,379,179
Water Supply	14,127,405	15,496,110
Interest on Long-Term Debt	26,521,567	24,896,558
	<u>414,636,017</u>	<u>385,464,993</u>
Increase (Decrease) in Net Position	(21,669,520)	4,417,797
Net Position at Beginning of Year	<u>4,628,341,303</u>	<u>4,623,923,506</u>
Net Position at End of Year	<u>\$ 4,606,671,783</u>	<u>\$ 4,628,341,303</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**Property taxes** continue as the District's primary source of revenue. For fiscal year 2013, revenue from property taxes totaled \$280.1 million of which \$11.6 million represents Agricultural Privilege Taxes. This reflects a decrease of \$4.6 million, or 1.6 percent, from fiscal year 2012. This decrease is a reflection of the passage of Senate Bill 1986, which set maximum millage rates upon which taxes could be levied by the District each fiscal year.

The Agricultural Privilege Tax is one of the dedicated funding sources identified in the Everglades Forever Act (EFA) and is used to fund Everglades Construction Project and Long Term Plan expenditures. Agricultural Privilege Tax revenues vary each year based on tax roll information received from Palm Beach and Hendry counties' property appraisers. The tax is calculated based on the assessed tax-per-acre and the number of agricultural acres reflected on the tax rolls. The Governing Board certifies the tax rolls at the District's Annual Tentative Budget Adoption Public Hearing held each September. The Agricultural Privilege Tax continues to be a steady source of revenue for the Everglades Trust Fund. During fiscal year 2013 tax revenues derived from the Agricultural Privilege Tax remained consistent with the prior fiscal year's level of \$11.5 million. Annual revenue realized is directly related to a change in acres in the Everglades Agricultural Area and C-139 basin from the previous year's tax rolls. Acres can be taken off the tax rolls due to construction and change in land status to non-agricultural use tax classification.

**Charges for services** totaled \$34.1 million for fiscal year 2013, an increase of \$10.5 million. This increase is primarily due to an increase in revenues received from rock mining operations in the Lake Belt area of Miami-Dade County, pursuant to Chapter 373.41492, Florida Statutes, from \$8.8 million in fiscal year 2012 to \$19.2 million in fiscal year 2013.

**Operating grants and contributions** totaled \$24.2 million for fiscal year 2013, an increase of approximately \$7.6 million from the prior fiscal year. The majority of this variance relates to \$4.4 million in revenue recognized in fiscal year 2013 from the State of Florida, Department of Transportation, for the District's portion of alligator alley toll revenues to be used for Everglades Restoration efforts pursuant to Chapter 373.4592, Florida Statutes. There were no comparable revenues transferred to the District in fiscal year 2012.

**Capital grants and contributions** totaled \$53.1 million for fiscal year 2013, a decrease of approximately \$2.3 million from fiscal year 2012. During fiscal year 2013, revenue from Florida Department of Environmental Protection reimbursements related to Save Our Everglades Trust funding for various capital construction projects amounted to \$11.8 million, down \$13.8 million from fiscal year 2012 reimbursement revenue. Offsetting this decrease was a \$11.9 million increase in revenue recognized during fiscal year 2013 related to the contribution of capital assets, most notably of which included the acceptance of water control structure S-357 from the Corps.

**Investment earnings** during fiscal year 2013 decreased by approximately \$8.2 million to \$0.4 million from the previous fiscal year 2012 level of \$8.6 million. This decrease is primarily attributed to market value losses recognized on the District's pooled investments, particularly U.S. Treasury bonds that realized significant market losses during early 2013. At the end of fiscal year 2012 the District's net market gain on investments amounted to \$1.5 million, compared to a net market loss of \$4.1 million at the end of fiscal year 2013. Additionally, interest earnings declined by \$2.3 million, from \$6.8 million to \$4.5 million between fiscal years 2012 and 2013, due to reduced yields on investments and as a result of a marginally reduced cash and investment portfolio balance.



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**Other Revenue** totaled \$1.1 million for fiscal year 2013, and consists primarily of miscellaneous revenue not otherwise designated. Comparable revenue of \$1.1 million was also realized in prior fiscal year 2012.

**Program Expenses** related to the Mission Support, Operations and Maintenance, and Restoration Programs totaled approximately \$329.2 million or 79.4 percent of the \$414.6 million in total expenses for fiscal year 2013. These three largest District programs and the most significant reasons for variances from prior fiscal year 2012 program expenses are discussed below.

**Mission Support Program** expenses decreased \$12.9 million, or 21.7 percent, from \$59.5 million in fiscal year 2012 to \$46.6 million in fiscal year 2013. The most significant variance contributing to the net decrease resulted from an \$8.3 million reduction in salaries and fringes charged against the program, in part as a result of workforce reductions, and more significantly due to a District-wide effort to maximize the utilization of personnel services directly to programs and projects that serve the District's core mission elements, including operations & maintenance of the flood control system and restoration of the Everglades. Other decreases in expenditures were realized in IT consulting (\$3.9M) and contractual services associated with computer software maintenance and usage (\$2.4M), while county tax collector and property appraiser fees charged to Mission Support increased by \$2.2 million between fiscal years 2012 and 2013.

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

**Operations and Maintenance (O&M) Program** expense incurred during fiscal year 2013 was \$135.9 million, an increase of \$5.1 million, or 3.9 percent from the \$130.8 million expensed in fiscal year 2012. As noted under the Mission Support Program analysis above, the District made a concerted effort during fiscal year 2013 to ensure that personnel utilization and related costs were maximized towards meeting core mission initiatives including maintenance of the CS&F flood control system. Through these efforts, fiscal year 2013 salaries and fringes expensed in this program saw an increase of \$3.8 million from fiscal year 2012 levels, with minimal changes in staffing levels. A number of offsetting variances within the Program contributed to the remaining net increase in expenses, the most significant of which include an increase of \$1.7 million in inventory usage for chemicals, fuel, and parts, an additional \$3.6 million spent in fiscal year 2013 compared to the prior year relative to interagency agreements with local, state and federal governments. These increases were offset by a \$2.7 million decrease in amounts charged to the Program for county tax collector and property appraiser fees.

This program is primarily responsible for the operation and maintenance of over 650 water control structures and approximately 70 pump stations, installation and maintenance of more than 2,000 automated remote terminal units and 29 weather stations, and maintenance of 1,969 miles of canals and levees, of which 1,800 are in the C&SF Project and 169 in the Big Cypress Basin. The strategic priority goal of the Operations and Maintenance Program is to minimize damage from flooding, provide adequate regional water supply, and protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system.

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Projects completed or significantly under way included S-5A Hardening/Bridge Repair (ongoing); North Shore Trash Rakes (ongoing); S-21 Cathodic Protection (ongoing); B-47 Building Replacement (ongoing); S-140 Pump Station Refurbishment; C-41A Canal Bank Repairs Phase III; East Coast Protective Levee Rehabilitation Phase 1, 2 and 3; Diesel Oxidation Catalyst Project; and Central Bridge Repairs. Other tasks including ongoing exotic plant control, mowing, vehicle inspection and maintenance programs.

**Restoration Program** expense for fiscal year 2013 increased by \$40.3 million or 37.9 percent from the prior year to \$146.7 million. This variance is a culmination of offsetting increases and decreases among the multiple projects which are included in the Restoration Program, the most significant of which include the following. Salaries and fringes charged to the Program realized an increase of \$0.4 million, primarily as a result of redirecting staff efforts from the Mission Support Program element to other programs, including the Restoration Program, in order to focus efforts on core mission-related initiatives of the agency. Contractual services expenses for fiscal year 2013 were \$1.1 million higher than the prior fiscal year, primarily in direct relation to the redirection of program focus previously mentioned. Offsetting the increases were reductions in costs amounting to approximately \$5.4 million relating to local, state and federal intergovernmental projects, the most significant of which included local initiatives (\$0.6 million), Estuary Protection Plan (\$3.3 million), Big Cypress Basin Projects (\$1.0 million), and Biscayne Bay, Florida Bay, and Naples Bay Projects (\$0.5 million). Restoration Program expense also increased between fiscal year's 2012 and 2013 as a result of the write-off of capital assets related to the Everglades Agricultural Area Reservoir Project, with \$72.6 million being written off in 2013 as compared to \$32.9 million the previous year, an increase of \$39.7 million.

This program oversees all capital projects for the agency, from project development through implementation; provides computer modeling, water quality monitoring, and assessment for all aspects of water management; and fulfills the District's responsibilities outlined in the Everglades Forever Act and the Federal Settlement Agreement as well as implementation of the Comprehensive Everglades Restoration Plan. The Restoration Program includes the following functional programs: Coastal Watersheds, Comprehensive Everglades Restoration Plan, District Everglades, Kissimmee Watershed, and Lake Okeechobee.

Program accomplishments during the fiscal year included completed design of the A-1 Flow Equalization Basin (FEB) project, initiated construction for the dewatering and revetment work associated with the L-8 FEB pump station and inflows works, continued construction on the Indian River Lagoon C-44 project, completed a temporary storage project on Berry Groves C-43, and completed production of the 2013 South Florida Environmental Report (SFER).

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

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

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**General Fund**

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

At fiscal year end, the fund balance of the General Fund was \$63.1 million, of which \$35.4 million was either assigned or unassigned. Nonspendable fund balance totaled \$0.2 million, and \$27.5 million was committed to various District projects. As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned/unassigned fund balance represents 31.0 percent of the General Fund expenditures totaling \$114.4 million, while total fund balance represents 55.2 percent of that same amount. Revenues exceeded expenditures by \$1.8 million and the General Fund had net operational transfers to other funds amounting to \$20.8 million, resulting in a net decrease in fund balance of \$19.0 million.

Total revenues in the General Fund decreased approximately \$3.5 million from the prior year. Approximately \$1.9 million of the decrease is related to a reduction in property tax revenue, attributable to the passage of Senate Bill 1986, which set maximum tax millage rates for the District's levy of ad valorem taxes. Investment earnings also saw a \$1.9 million decrease between fiscal years, primarily due to a significant market loss recognized on federal government bonds.

Total expenditures increased approximately \$1.7 million, or 1.5 percent, in fiscal year 2013 to \$114.4 million. During fiscal year 2013 an amount of \$7.0 million was expended in the General Fund to recognize funding provided to the Health Benefits Internal Service Fund in support of subsidizing retiree health premiums. Partially offsetting this increase was the effect of the District's overall initiative to redirect efforts from the Mission Support Program, the majority of costs of which are captured in the General Fund, to other mission-related programs primarily accounted for in governmental funds other than the General Fund. Expenditures charged to the Mission Support program element within the General Fund decreased by \$11.8 million from fiscal year 2012 to fiscal year 2013.

Operating transfers out of the fund totaled \$41.4 million in other financing uses for fiscal year 2013. Of significance, transfers-out in the amount of \$19.5 million went to the CERP Capital Projects Fund, representing the General Fund's 2013 annual contribution to CERP to fund planned capital projects and debt service on the Certificates of Participation, with additional transfers-out of \$18.2 million to the District's Capital Projects Fund to fund District-wide capital projects, and \$3.3 million to the Save Our Rivers Special Revenue Fund to cover a fund deficit.

**Okeechobee Basin Special Revenue Fund**

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

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The total fund balance of the Okeechobee Basin Special Revenue Fund at September 30, 2013 was \$108.5 million, a decrease of \$8.1 million from fiscal year 2012. Revenues in excess of expenditures of \$9.7 million were offset by a \$17.9 million decrease related to net transfers out of the fund. Total revenues recorded in the Okeechobee Basin Special Revenue Fund were stable in comparison to the prior fiscal year, remaining at \$118.5 million. Total expenditures decreased slightly, by \$0.9 million, or 0.8 percent in fiscal year 2013 to \$108.8 million.

For fiscal year 2013, operating transfers-out totaling \$17.9 million went to the Okeechobee Basin Capital Projects Fund to support scheduled capital improvement projects. There were no transfers-in to the fund during fiscal year 2013.

**Everglades Restoration Trust Special Revenue Fund**

The Everglades Restoration Trust Special Revenue (SR) Fund accounts for fiscal activity related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0613 mill tax levy, non-ad valorem assessments to property owners in the Everglades Agricultural Area, Alligator Alley toll revenues pursuant to Florida Statutes, and interest earnings.

At September 30, 2013, total fund balance amounted to \$10.7 million, all of which is restricted. Ad valorem and agricultural privilege tax revenues of \$35.6 million and \$11.6 million, respectively, were recognized in fiscal year 2013, reflecting increases over comparable prior fiscal year revenues of \$21.8 million and \$6.6 million. The increases result from a change in budgeting and accounting for these revenues between fiscal years, whereby a portion of these revenues in fiscal year 2012 were budgeted and recorded directly into the Everglades Restoration Trust Capital Projects Fund, the capital outlay counterpart to the Everglades Special Revenue Fund. By comparison, in fiscal year 2013 all such revenues were accounted for in the special revenue fund and a portion transferred out to the capital projects fund to support non-operating expenditures. Revenue of \$4.4 million received from the Florida Department of Transportation (FDOT) for the District's share of Alligator Alley toll fees was also recognized in fiscal year 2013, with no comparable funding being received in the prior fiscal year.

Expenditures accounted for in the Everglades Restoration Trust SR Fund were relatively comparable between fiscal years 2012 and 2013, decreasing slightly by \$1.7 million, from \$30.8 million to \$29.1 million. Transfers-out to other funds totaled \$21.8 million, with \$19.6 million going to the Everglades Restoration Trust Capital Projects Fund to fund capitalizable expenditures, and \$2.2 million to the Florida Bay Special Revenue Fund, representing half the toll proceeds received from FDOT. Fund balance increased by \$3.1 million from fiscal year 2012 to fiscal year 2013.

**Okeechobee Basin Capital Projects Fund**

The Okeechobee Basin Capital Projects Fund is restricted for proceeds of ad valorem taxes for capital expenditures incurred towards projects benefiting all or part of a 15-county area designated as the Okeechobee Basin. Revenue is mainly provided by operating transfer from the Okeechobee Basin Special Revenue Fund. The total fund balance of the Okeechobee Basin Capital Projects Fund at September 30, 2013 was \$18.6 million, a decrease of \$0.4 million from fiscal year 2012.

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Total revenues of the fund were \$0.1 million, the majority of which is from reimbursement of expenditures from the U.S. Army Corps of Engineers, and investment earnings. Prior fiscal year revenues amounted to \$0.6 million, 93% of which was derived from investment earnings. The significant reduction in earnings is attributable to investment losses recognized in fiscal year 2013 relative to the bond market decline in early 2013, with the District realizing a substantial market loss on its bond portfolio. Total expenditures decreased \$8.9 million during fiscal year 2013 in comparison to fiscal year 2012, from \$27.3 million to \$18.4 million. The reduction is related to decreases in construction costs, as a number of significant refurbishment and capital improvement projects associated with the District's water control infrastructure were completed or nearing completion during fiscal year 2012 in comparison to the following fiscal year.

Operating transfers-in totaled \$17.8 million, received from the Okeechobee Basin Special Revenue Fund to support scheduled capital improvement projects.

**Everglades Trust Capital Projects Fund**

The Everglades Trust Capital Projects Fund was established to account for and report financial resources that are restricted, committed or assigned to capital expenditures to construct Stormwater Treatment Areas (STAs) which will cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Revenue for this fund is provided mainly through operating transfers from the Everglades Restoration Trust Special Revenue Fund.

During fiscal year 2013, the fund balance of the Everglades Trust Capital Projects Fund decreased \$4.5 million to \$98.8 million at fiscal year end. Several factors contributed to this decrease.

Total revenues in the fund decreased by \$20.6 million; to \$0.2 million. This decrease was primarily related to a change in budget and accounting practice by the District during fiscal year 2013, whereby ad valorem taxes realized from the tax millage levy imposed pursuant to the Everglades Forever Act, and non-ad valorem assessments to property owners in the Everglades Agricultural Area were budgeted and recorded exclusively in the Everglades Restoration Trust Special Revenue Fund, and a portion of such revenue transferred from that fund to the Everglades Trust Capital Projects Fund. In prior fiscal year 2012, a significant portion of tax revenues were budgeted and recorded directly into the capital projects fund without the need for operating transfer. Tax revenue accounted for in the capital projects fund during fiscal year 2012 that would have instead been recorded directly in the special revenue fund counterpart during fiscal year 2013 amounted for \$19.4 million, accounting for the majority of the revenue reduction between the two fiscal years.

Total expenditures decreased slightly, by 12% or approximately \$3.1 million in fiscal year 2013 to \$21.8 million, resulting from the completion, or substantial completion of several Everglades-related capital projects during the prior year.

For fiscal year 2013, operating transfers-in to the fund totaled \$19.6 million to support costs associated with capital outlay incurred towards projects pursuant to the Everglades Forever Act for restoration of the Everglades. The providing fund was the Everglades Restoration Trust Special Revenue Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgeted revenues and expenditures in the final General Fund budget were \$116.3 million and \$137.1 million, respectively. Budgeted revenues were equal to the original adopted budget for fiscal year 2013, while budgeted expenditures increased slightly (approximately \$1.4 million) from the original budget. Actual revenues were \$0.08 million (0.07 percent) less than the budget.

At the end of fiscal year 2013, the General Fund's budget for Administrative Services and Executive Offices reflected actual expenditures exceeding budget by \$0.3 million. The largest program variances reside in the Operations and Maintenance (\$3.4 million actual exceeding budget) and Restoration (\$2.7 million budget exceeding actual) Programs. These offsetting variances primarily result from re-alignment of staff and contractual services throughout the year to serve the most critical and relevant elements of the District's mission at any given time.

At the end of the fiscal year, the General Fund's budget for Operations, Maintenance and Construction reflected \$2.5 million remaining as available, with the largest variance (\$2.1 million) residing in the Restoration Program. Approximately \$1.7 million of the variance consisted of outstanding encumbrances at fiscal year-end, the largest portion relating to the L-8 and C-44 construction projects. The remainder of the unspent authority was for salaries, fringes, and operating costs.

The final amended General Fund budget included \$19.6 million in reserves comprised of managerial reserves of \$3.9 million and \$15.7 million in contingency reserves. The District does not expend funds directly out of managerial or contingency reserve accounts. The use of this funding requires Governing Board budget transfer approval, authorizing the movement of budget authority out of managerial reserves and/or contingency reserves to a District program within a resource area's operating or capital budget.

A variance of \$7.0 million was realized at the end of fiscal year 2013 between budgeted and actual other financing sources (uses). This amount represents an expenditure recorded against the General Fund in support of funding the subsidy for retiree premiums accounted for in the Health Benefits Internal Service Fund. Though budgeted as an operating transfer out of the General Fund and into the Internal Service Fund, for compliance with generally accepted accounting principles the transaction was recorded as an expenditure of the General Fund and as service revenue in the Internal Service Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of September 30, 2013, the District's investment in capital assets was \$4.7 billion, down \$17.5 million from the end of fiscal year 2012. This investment in capital assets includes land, easements, canals and levees, buildings, intangibles, equipment, improvements, water control structures, and construction in progress.

	<b>Capital Assets (net of depreciation)</b>	
	<u>2013</u>	<u>2012</u>
Land	\$ 2,535,347,849	\$ 2,561,571,235
Easements	52,415,282	51,399,488
Canals and Levees	656,383,787	565,065,940
Buildings	81,698,507	83,130,106
Intangibles	13,489,226	17,912,044
Equipment	43,362,730	47,513,298
Improvements	15,344,591	14,751,941
Water Control Structures	714,425,092	516,368,173
Construction in Progress	<u>530,728,881</u>	<u>802,983,288</u>
Total	<u>\$ 4,643,195,945</u>	<u>\$ 4,660,695,513</u>

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

**Construction in Progress Highlights**

The District's investment in construction in progress decreased \$272.3 million during fiscal year 2013. This change is primarily due to the net effect of the following:

- \$34.4 million expended on continuing projects as follows:
  - \$17.6 million expended on Restoration Strategies projects.
  - \$ 3.8 million expended on construction for North Shore Trash Rakes.
  - \$ 3.5 million expended on construction for C-44 Reservoir/STA project.
  - \$ 1.6 million expended on Miami FS B47 & culvert replacement.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

- \$ 1.3 million expended on S-5A refurbishment.
- \$ 1.1 million expended on construction for STA – Compartment C Buildout.
- \$ 5.5 million on other continuing projects.
- \$232.8 million related to completed projects which were transferred out of construction in progress, the most significant of which are:
  - \$143.5 million for STA-Compartment B Buildout (water control structures and canals and levees).
  - \$42.5 million for C-111 Spreader Canal (water control structures and canals and levees).
  - \$11.5 million for Lakeside Ranch – S650 Pump Station (water control structures).
  - \$ 7.7 million for BBCW, Deering Estates Flow-way/C-100A Extension (water control structures and canals and levees).
  - \$ 6.1 million for various lock replacements (water control structures).
  - \$ 5.0 million for S-140 Pump Station refurbishment (water control structures).
  - \$16.5 million for other projects.
- \$73.9 million primarily related to the write-off of costs incurred as part of the Everglades Agricultural Area (EAA) A-1 Reservoir project. Due to changes in the scope of this project these costs were deemed to no longer be capitalizable.

**Water Control Structure Highlights**

The District's investment in water control structures increased \$198.1 million during fiscal year 2013, \$179.9 million of which was transferred from construction in progress. The remaining change is primarily due to the effect of the following:

- \$17.0 million related to the donation of the S-357 Pump Station.
- \$ 1.2 million on other continuing projects capitalized directly as Water Control Structures.

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



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**LONG-TERM DEBT ADMINISTRATION**

At the end of fiscal year 2013, the District had \$508.8 million in total outstanding long-term debt, representing a decrease of \$16.5 million from the prior year. The balance is comprised of bonds and Certificates of Participation (COPS).

**Long-term Debt Outstanding**

	2013	2012
Special Obligation Land Acquisition Bonds	\$ 19,225,000	\$ 25,090,000
Certificates of Participation	489,610,000	500,220,000
Total	\$ 508,835,000	\$ 525,310,000

The Special Obligation Land Acquisition Refunding Bonds Series 2002 (\$7.1 million) and Series 2003 (\$12.1 million) finance the acquisition of environmentally sensitive lands. Documentary stamp tax revenues provided through the State of Florida's Water Management Lands Trust Fund secure the repayment of this debt.

In November 2006, the District issued \$546.1 million in Certificates of Participation to provide for the lease-purchase financing of the acquisition, construction, and equipping of certain expedited Everglades Restoration projects. The outstanding balance at the end of fiscal year 2013 was \$489.6 million.

During fiscal year 2011, Moody's Investor Services (Moody's) and Standard and Poor's (S&P) withdrew their ratings of the District's bond insurer, AMBAC Assurance Corporation, which had previously been withdrawn by Fitch Ratings. During fiscal year 2012 Moody's and Fitch lowered their credit rating on the District's COPS to Aa2 to Aa3 and from AA to AA-, respectively. In addition, Moody's lowered its ratings on the District's Land Acquisition Bonds from A1 to A3. This lowering is a reflection of the passage of Senate Bill 2142, which diminishes the District's financial flexibility by placing a cap on the amount of revenue the District may raise through ad valorem taxes as well as the requiring legislative approval of future budgets and millage rates. At September 30, 2013, the District's COPS were rated Aa3, AA and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A3, A+ and A by Moody's, S&P and Fitch Ratings, respectively. A bond rating indicates the investment quality of the bonds, which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District strives to maintain superior bond rating for its obligations in order to realize more favorable borrowing costs.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**Debt Management Policy**

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

The policy directs the District to:

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

Included in the District's adopted *Debt Management Policy* are benchmarks which are self-imposed boundaries and not statutorily established levels of acceptance dedicated to prudent debt management. The District's debt burden shall not exceed the benchmark levels, as described below, and no additional debt shall be authorized if the projected debt burden would exceed these levels:

- The net debt per capita shall not exceed \$350.
- Debt service shall not exceed 30 percent of revenues legally available to the District to pay debt service including, but not limited to, the available ad-valorem revenues, related interest income thereon and permit fee revenue.
- The debt-to-assessed value shall not exceed 0.30 percent of the assessed value of property within the District.

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

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

**Economic Outlook**

Ad valorem property taxes continue to be the District's largest single, ongoing source of revenue. Approximately 42.8 percent of the District's fiscal year 2014 budget is projected to be funded through ad valorem tax revenues. Taxable property values within the District increased by 0.7 percent from \$665.6 billion in 2012 to \$670.2 billion in 2013. Ad valorem taxes projected for fiscal year 2014 are \$266.6 million, an estimated \$1.5 million less than the prior year. This decrease in ad valorem revenue is a result of rolled-back millage rates and reduced prior year taxable values.

The District's fiscal year 2014 budget is based on a rolled-back millage rate to maintain baseline ad valorem revenue at \$268.1 million. Rolled-back millage rates do not provide a continuation level of baseline Ad Valorem revenue due to reduced prior year taxable values. The proposed rates will generate \$264.6 million in baseline revenues, plus \$2.0 million of new construction, for total ad valorem revenue of \$266.6 million.

The remaining revenue budget includes anticipated funding from state and federal sources, as well as from fees and investment earnings. State revenues, which are the District's second major source of funding, are projected at \$103.6 million, primarily from the Save Our Everglades Trust Fund in support of initiatives related to Everglades' restoration.

The District recognizes the importance of how available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District and changes in these economic factors directly impact the District's financial health and future revenue outlook. The following discussion will focus on economic factors affecting the District's ad valorem revenue budget and were considered in preparing the budget for the 2014 fiscal year.

**Property Values**

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

The housing market has deteriorated significantly since its peak at the end of 2006 and Florida has been one of the hardest hit states along with Arizona, California, and Nevada. This downturn, which began in 2007, can be attributed to soaring home prices and over-supply from home builders and investors. These conditions resulted from the easing of underwriting standards and the consumers increased appetite for risk, making it less difficult for prospective homebuyers to qualify for a mortgage. In order to afford a home, homebuyers became increasingly dependent on exotic mortgage products intended to reduce down payments and monthly payments. After reaching the lowest levels in late 2010 / early 2011, property values have seen a gradual increase in the past three years, with indications of stabilization to moderate gains through 2014, as further depicted by trend data presented under the Home Prices section on the following page.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**Foreclosures**

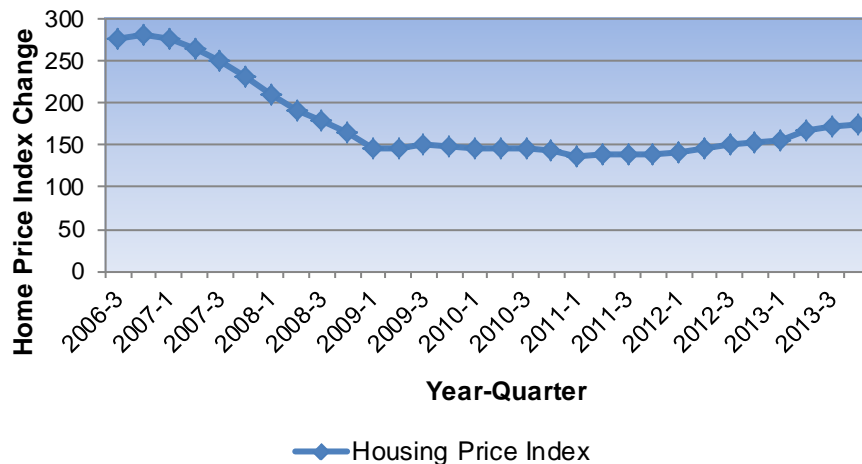
According to RealtyTrac®, the leading online marketplace for foreclosure properties, foreclosure filings, which include default notices, scheduled auctions, and bank repossessions, were reported on 1,231,082 properties in the United States as of October, 2013. Their report shows a nationwide foreclosure rate of one in every 1,155 U.S. housing units, compared to one in every 248 twelve months prior. In November, 2013, the number of properties receiving a foreclosure filing in the U.S. was 37% lower than the same time a year ago. Florida, with the highest foreclosure ratio of any State, reflected a foreclosure rate of one in every 392 units, with November, 2013 filings at 23% fewer than in November, 2012. Five of the top ten counties within the State of Florida in terms of foreclosure rates are within District boundaries, being Miami-Dade, Osceola, Okeechobee, Palm Beach, and St. Lucie.

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

**Home Prices**

Since bottoming out in 2011 where real estate values saw declines in the fifty percent range compared to peaks in 2007, home prices and property values in central and south Florida have seen a continual and steady resurgence over the past few years, gaining a portion of the market loss of 10 to 12 percent on average compared to the valley experienced in 2011. While home prices continue to be in the 35 to 40 percent range below the peaks of late 2006, recent trends indicate a continual upward movement in value, averaging 1.0%-1.5% per month over the past two years, up through October, 2013. The S&P / Shiller Home Price Index, graphically depicted below, measures the average change in value of residential real estate in central and southern Florida given a constant level of quality.

**S&P / Case-Shiller South Florida  
Home Price Index 2006 - 2013**

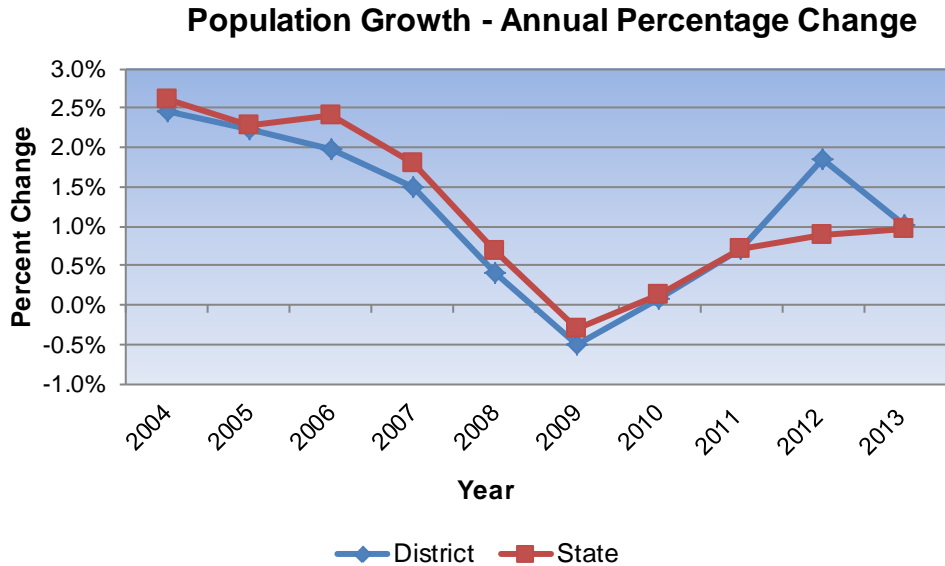


**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**Population Growth**

Another economic factor driving ad valorem taxes is population growth and the impact it has on property values. Population growth impacts property values because as the population increases, demand for homes increases, which results in higher property values. This relationship between the real estate market and change in population will affect District revenues because ad valorem taxes are collected from property owners based on property values set by the respective county property appraiser. It is important to monitor population trends to effectively develop future budgets capable of being supported by the tax base. In addition, as the population increases, the use of water resources increases, which amplifies the need to protect and restore natural resources and manage and regulate the usage and storage of the region's water supply.

In 2013, the District's population increased slightly by 1.03 percent, compared to the prior year's increase of 1.85 percent. Over the past ten years (2004 to 2013) the population growth across the District averaged 1.07 percent. The rate of population growth within the District's boundary is consistent with the state-wide trend as shown below:



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

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

At the end of fiscal year 2013, the total assigned and unassigned fund balance in the General Fund is \$35.4 million. This represents a decrease of \$26.0 million or approximately 42.3 percent from the comparable fund balance reported in fiscal year 2012. The District has appropriated \$26.7 million of the \$35.4 million for spending in the fiscal year 2014 budget.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**NEXT YEAR'S BUDGETS AND RATES**

As a result of the requirements mandated by Senate Bill 1986, as discussed above, the District's fiscal year 2014 adopted millage rates have been reduced from the fiscal year 2013 rates. Beginning in fiscal year 2014, all property owners within the District's boundaries will be assessed a lower District-at-Large millage rate of .1685 mills, reduced from the prior year's rate of .1757 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .1838 mills and the Everglades Construction Project tax rate of .0587 mills, both of which are reduced from the fiscal year 2013 rates of .1919 and .0613, respectively, for a combined tax assessment of .4110 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .1593 mills, which represents a reduction from the fiscal year 2013 rate of .1633, and the District-at-Large tax rate of .1685 mills, for a combined tax assessment of .3278 mills. State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value). Consequently, the District's approved budget for fiscal year 2014 totals \$622.2 million, an increase of approximately \$54.8 million from the fiscal year 2013 amended budget of \$567.4 million.

**Requests for Information**

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

# **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**





**South Florida Water Management District  
Statement of Net Position  
September 30, 2013**

	<u>Total Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 397,172,565
Accounts Receivable	947,301
Due from Other Governments	10,016,414
Inventory	6,252,457
Prepays	585,687
Other Assets	2,543,742
Restricted Assets:	
Temporarily Restricted	
Cash and Investments	144,528,974
Permanently Restricted	
Cash and Investments	14,037,630
Capital Assets	
Land and Easements	2,587,763,131
Construction In Progress	530,728,881
Canals and Levees	656,383,787
Other Capital Assets, Net of Depreciation	868,320,146
Total Assets	<u>5,219,280,715</u>
<b>LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	
<b>LIABILITIES</b>	
Accounts Payable	41,629,019
Due to Other Governments	409,790
Noncurrent Liabilities:	
Due Within One Year	
Bonds Payable	6,120,000
Certificates of Participation Payable	11,060,000
Compensated Absences	10,219,000
Self Insurance Claims Payable	2,525,567
Due in More Than One Year	
Bonds Payable, Net of Unamortized Premiums/Discounts	13,213,395
Certificates of Participation Payable, Net of Unamortized Premiums/Discounts	493,172,927
Compensated Absences	5,617,000
OPEB Obligation	24,039,368
Self Insurance Claims Payable	3,818,389
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue	784,477
Total Liabilities & Deferred Inflows of Resources	<u>612,608,932</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,167,995,965
Restricted for:	
Debt Service	29,834,800
Wetlands Mitigation	
Expendable	21,723,599
Nonexpendable	14,037,630
Environmental Programs	287,183,215
Capital Construction	27,416,896
Unrestricted	58,479,678
Total Net Position	<u><u>\$ 4,606,671,783</u></u>

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Land Stewardship	\$ 11,221,915	\$ 20,114,342	\$ 1,414,592	\$ 46,065	\$ 10,353,084
Mission Support	46,556,301	10,978,092	487,103	269,933	(34,821,173)
Modeling and Scientific Support	10,775,376	-	27,206	-	(10,748,170)
Operations and Maintenance	135,936,264	71,392	14,351,306	85,415	(121,428,151)
Regulation	22,769,011	2,982,230	21,511	-	(19,765,270)
Restoration	146,728,178	-	7,897,125	52,662,666	(86,168,387)
Water Supply	14,127,405	-	-	-	(14,127,405)
Interest on Long Term Debt	26,521,567	-	-	-	(26,521,567)
<b>Total</b>	<b>\$414,636,017</b>	<b>\$ 34,146,056</b>	<b>\$ 24,198,843</b>	<b>\$ 53,064,079</b>	<b>(\$ 303,227,039)</b>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	232,838,276
Property Taxes, Levied for Everglades Restoration	47,242,100
Investment Earnings	385,038
Miscellaneous	1,092,105

Total General Revenues

281,557,519

Change in Net Position

(21,669,520)

Net Position at Beginning of Year

4,628,341,303

Net Position at End of Year

\$ 4,606,671,783

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2013**

	General	Okeechobee Basin Special Revenue	Everglades Restoration Trust Special Revenue	Okeechobee Basin Capital Projects	Everglades Trust Capital Projects
<b>ASSETS</b>					
Cash and Investments	\$ 70,254,763	\$ 108,387,342	\$ 10,994,849	\$ 24,623,015	\$ 85,851,527
Cash Held by Trustee	-	-	-	-	12,863,403
Accounts Receivable	124,003	124,090	14,704	28,669	119,444
Due from Other Governments	1,038,311	3,337,646	307,188	-	-
Due from Other Funds	-	265,869	-	-	-
Inventory	201,145	5,863,602	-	-	-
Other Assets	25,000	-	-	375	-
Total Assets	\$ 71,643,222	\$ 117,978,549	\$ 11,316,741	\$ 24,652,059	\$ 98,834,374
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 8,279,293	\$ 7,234,676	\$ 599,104	\$ 6,057,146	\$ 67,891
Due to Other Governments	-	144,356	-	-	-
Due to Other Funds	248,042	198,276	62,020	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	1,923,524	-	-	-
Total Liabilities & Deferred Inflows of Resources	8,527,335	9,500,832	661,124	6,057,146	67,891
<b>FUND BALANCES</b>					
Nonspendable	201,145	5,863,602	-	-	-
Restricted	-	102,614,115	10,655,617	18,594,913	98,766,483
Committed	27,514,703	-	-	-	-
Assigned	32,914,652	-	-	-	-
Unassigned	2,485,387	-	-	-	-
Total Fund Balances	63,115,887	108,477,717	10,655,617	18,594,913	98,766,483
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 71,643,222	\$ 117,978,549	\$ 11,316,741	\$ 24,652,059	\$ 98,834,374

**South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2013**

	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>		
Cash and Investments	\$ 165,429,138	\$ 465,540,634
Cash Held by Trustee	58,773,348	71,636,751
Accounts Receivable	489,832	900,742
Due from Other Governments	5,333,269	10,016,414
Due from Other Funds	-	265,869
Inventory	187,710	6,252,457
Other Assets	1,041,835	1,067,210
Total Assets	\$ 231,255,132	\$ 555,680,077
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 6,427,539	\$ 28,665,649
Due to Other Governments	265,434	409,790
Due to Other Funds	276,020	784,358
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue	924,469	2,847,993
Total Liabilities & Deferred Inflows of Resources	7,893,462	32,707,790
 <b>FUND BALANCES</b>		
Nonspendable	14,225,340	20,290,087
Restricted	167,347,540	397,978,668
Committed	57,610	27,572,313
Assigned	41,804,359	74,719,011
Unassigned	(73,179)	2,412,208
Total Fund Balances	223,361,670	522,972,287
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 231,255,132	\$ 555,680,077

South Florida Water Management District  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 September 30, 2013

Fund Balances - Total Governmental Funds \$522,972,287

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

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

Governmental capital assets	\$4,982,379,158	
Less accumulated depreciation	<u>(339,220,450)</u>	4,643,158,708

Long term liabilities not due and payable with current available resources are not reported in the governmental funds. The gain/loss on refunding of debt is amortized as an adjustment of interest expense in the statement of activities over the remaining life of the debt. The discounts and premiums on the debt are not deferred in governmental funds, but rather are recognized as other financing sources or uses when the debt is issued.

Bonds payable	(19,225,000)	
Bond premiums / discounts	(108,395)	
Certificates of participation payable	(489,610,000)	
Certificates of participation premiums / discounts	(14,622,927)	
Compensated absences	(15,836,000)	
Other post employment benefits	(24,039,368)	
Unamortized deferred interest	<u>561,532</u>	(562,880,158)

Bond and certificates of participation interest due October 1, 2013 are not reported as a liability of the governmental funds.

Accrued interest payable - bonds	(454,935)	
Accrued interest payable - certificates of participation	<u>(12,199,865)</u>	(12,654,800)

Assets not available to provide current resources are offset with deferred inflows of resources in the fund statements. 2,063,516

Internal Service Funds are used by management to charge the costs of certain activities, such as worker's compensation, general and automobile liability, and health benefits to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position. 14,012,230

Net Position of Governmental Activities \$4,606,671,783

See Accompanying Notes to the Financial Statements

**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2013**

	<u>General</u>	<u>Okeechobee Basin Special Revenue</u>	<u>Everglades Restoration Trust Special Revenue</u>	<u>Okeechobee Basin Capital Projects</u>	<u>Everglades Trust Capital Projects</u>
<b>REVENUES</b>					
Ad Valorem Property Taxes	\$ 112,009,584	\$ 111,657,025	\$ 35,648,535	\$ -	\$ -
Agricultural Privilege Taxes	-	-	11,593,566	-	-
Intergovernmental	584,852	4,768,283	4,400,000	85,415	-
Investment Earnings (Losses)	(32,800)	2,558	(61,946)	34,541	169,771
Licenses, Permits and Fees	2,982,230	88,295	-	-	-
Sale of District Property	32,210	299,509	-	-	-
Leases	108,891	1,340,232	-	-	-
Other	512,501	349,504	33,058	3,836	11,861
Total Revenues	<u>116,197,468</u>	<u>118,505,406</u>	<u>51,613,213</u>	<u>123,792</u>	<u>181,632</u>
<b>EXPENDITURES</b>					
Current Operating					
Land Stewardship	496,569	5,810,590	-	-	-
Mission Support	32,661,644	2,551,972	-	-	-
Modeling and Scientific Support	10,971,499	294,706	-	-	-
Operations and Maintenance	24,142,795	90,796,145	-	-	-
Regulation	19,111,090	-	-	-	-
Restoration	18,391,687	8,798,664	29,095,138	-	-
Water Supply	8,597,367	524,799	-	-	-
Capital Outlay	-	-	-	18,404,780	2,359,044
Debt Service					
Bond Principal Retirement	-	-	-	-	-
Bond Interest	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	5,867,648
COPS Bond Interest	-	-	-	-	13,619,009
Total Expenditures	<u>114,372,651</u>	<u>108,776,876</u>	<u>29,095,138</u>	<u>18,404,780</u>	<u>21,845,701</u>
Revenues in Excess of (Less than) Expenditures	<u>1,824,817</u>	<u>9,728,530</u>	<u>22,518,075</u>	<u>(18,280,988)</u>	<u>(21,664,069)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	20,561,375	-	2,371,799	17,858,359	19,575,885
Transfers Out	(41,394,350)	(17,858,359)	(21,775,885)	-	(2,371,799)
Total Other Financing Sources (Uses)	<u>(20,832,975)</u>	<u>(17,858,359)</u>	<u>(19,404,086)</u>	<u>17,858,359</u>	<u>17,204,086</u>
Net Change in Fund Balances	(19,008,158)	(8,129,829)	3,113,989	(422,629)	(4,459,983)
Fund Balances at Beginning of Year	<u>82,124,045</u>	<u>116,607,546</u>	<u>7,541,628</u>	<u>19,017,542</u>	<u>103,226,466</u>
Fund Balances at End of Year	<u>\$ 63,115,887</u>	<u>\$ 108,477,717</u>	<u>\$ 10,655,617</u>	<u>\$ 18,594,913</u>	<u>\$ 98,766,483</u>

See Accompanying Notes to the Financial Statements

Continued

**South Florida Water Management District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2013**

	Other Governmental Funds	Total Governmental Funds
	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>		
Ad Valorem Property Taxes	9,171,666	268,486,810
Agricultural Privilege Taxes	-	11,593,566
Intergovernmental	27,616,891	37,455,441
Investment Earnings (Losses)	241,083	353,207
Licenses, Permits and Fees	20,097,442	23,167,967
Sale of District Property	118,532	450,251
Leases	2,577,621	4,026,744
Other	11,467	922,227
Total Revenues	<u>59,834,702</u>	<u>346,456,213</u>
<b>EXPENDITURES</b>		
Current Operating		
Land Stewardship	4,941,571	11,248,730
Mission Support	227,480	35,441,096
Modeling and Scientific Support	-	11,266,205
Operations and Maintenance	4,882,370	119,821,310
Regulation	35,170	19,146,260
Restoration	10,365,107	66,650,596
Water Supply	505,043	9,627,209
Capital Outlay	27,685,648	48,449,472
Debt Service		
Bond Principal Retirement	5,865,000	5,865,000
Bond Interest	1,035,786	1,035,786
COPS Bond Principal Retirement	4,742,352	10,610,000
COPS Bond Interest	11,007,158	24,626,167
Total Expenditures	<u>71,292,685</u>	<u>363,787,831</u>
Revenues in Excess of (Less than) Expenditures	<u>(11,457,983)</u>	<u>(17,331,618)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	50,602,356	110,969,774
Transfers Out	(20,569,381)	(103,969,774)
Total Other Financing Sources (Uses)	<u>30,032,975</u>	<u>7,000,000</u>
Net Change in Fund Balances	18,574,992	(10,331,618)
Fund Balances at Beginning of Year	<u>204,786,678</u>	<u>533,303,905</u>
Fund Balances at End of Year	<u>\$ 223,361,670</u>	<u>\$ 522,972,287</u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2013

Net Change in Fund Balances – Total Governmental Funds \$(10,331,618)

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

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

Capital outlay	\$48,449,472	
Current year depreciated expense	<u>(32,487,417)</u>	15,962,055

The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is a decrease to net position. (33,456,513)

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

Bonds principal payment	5,865,000	
COPS principal payment	<u>10,610,000</u>	16,475,000

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

Change in long-term compensated absences	876,000	
Change in OPEB payable	(2,919,432)	
Change in bond interest payable	125,917	
Change in COPS interest payable	226,437	
Amortization of deferred interest on bonds	(280,766)	
Amortization of discount on debt – bonds	(4,274)	
Amortization of discount on debt – certificates	(2,616)	
Amortization of premium on debt – bonds	114,694	
Amortization of premium on debt – certificates	1,519,310	
Amortization of cost of issuance on bonds	(74,034)	
Amortization of cost of issuance on certificates	<u>(2,484,280)</u>	(2,903,044)

Revenues that are earned but not received within the District's availability period are recognized in the Statement of Activities when earned and subsequently in the governmental funds when they become available. The net difference is recorded as a reconciling item. (1,761,401)

Internal service funds are used by management to charge the costs of certain activities to the individual funds. The change in net assets of the internal service funds is reported with governmental activities. (5,653,999)

Change in Net Position of Governmental Activities \$(21,669,520)

See Accompanying Notes to the Financial Statements



**South Florida Water Management District  
Statement of Net Position  
Proprietary Funds  
September 30, 2013**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 18,561,784
Accounts Receivable	46,559
Due from Other Funds	520,594
Prepays	585,687
Other Assets	915,000
Total Current Assets	20,629,624
Noncurrent Assets	
Furniture, Fixtures and Equipment	27,459
Computer Hardware	8,196
Vehicles	36,224
Accumulated Depreciation	(34,642)
Total Noncurrent Assets	37,237
Total Assets	20,666,861
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 308,570
Due to Other Funds	2,105
Claims Payable	2,525,567
Total Current Liabilities	2,836,242
Noncurrent Liabilities	
Claims Payable	3,818,389
Total Noncurrent Liabilities	3,818,389
Total Liabilities	6,654,631
<b>NET POSITION</b>	
Net Investment in Capital Assets	37,237
Unrestricted	13,974,993
Total Net Position	\$ 14,012,230

See Accompanying Notes to the Financial Statements

**South Florida Water Management District**  
**Statement of Revenues, Expenses, and Change in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2013**

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 31,163,525
Other Operating Revenue	157,880
Total Operating Revenues	31,321,405
<b>OPERATING EXPENSES</b>	
Salaries	356,499
Benefits	929,005
Claims	25,435,821
Purchased Services	215,028
Administrative Fees	1,975,073
Other	1,090,698
Depreciation	5,111
Total Operating Expenses	30,007,235
<b>OPERATING INCOME</b>	1,314,170
<b>NONOPERATING REVENUES</b>	
Investment Earnings	31,831
Total Nonoperating Revenues	31,831
<b>INCOME BEFORE TRANSFERS</b>	1,346,001
Transfers Out	(7,000,000)
Change in Net Position	(5,653,999)
Net Position at Beginning of Year	19,666,229
Net Position at End of Year	\$ 14,012,230

See Accompanying Notes to the Financial Statements

**South Florida Water Management District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2013**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Receipts from Customers	\$ 31,201,880
Cash Payments to Suppliers	(3,983,685)
Cash Payments for Salaries, Benefits	(1,285,504)
Claims Paid	(25,835,260)
Other Receipts	140,515
Net Cash Provided by Operating Activities	237,946
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers Out	(7,000,000)
Net Cash Used In Noncapital Financing Activities	(7,000,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment Earnings	31,831
Net Cash Provided by Investing Activities	31,831
Net Increase (Decrease) in Cash and Cash Equivalents	(6,730,223)
Cash and Cash Equivalents, Beginning of Year	25,292,007
Cash and Cash Equivalents, End of Year	\$ 18,561,784
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Income	1,314,170
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	5,111
<b>CHANGES IN ASSETS AND LIABILITIES:</b>	
Decrease (Increase) in Accounts Receivable	38,355
Decrease (Increase) in Due from Other Funds	(17,365)
Decrease (Increase) in Prepays	10,301
Increase (Decrease) in Accounts Payable	(713,119)
Increase (Decrease) in Due to Other Funds	(68)
Increase (Decrease) in Estimated Unpaid Claims	(399,439)
Net Cash Provided by Operating Activities	\$ 237,946

See Accompanying Notes to the Financial Statements



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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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

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

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

*(a) Reporting Entity*

The District follows the standards promulgated by GASB Statement No. 14, "The Financial Reporting Entity", as amended by GASB Codification No. 2100, "Defining the Financial Reporting Entity" to determine the inclusion of an organization as part of its reporting entity. The Statement defines the criteria for inclusion as 1) the economic resources received or held by the separate organization are primarily for the direct benefit of the primary government, 2) the primary government is entitled to, or has the ability to access a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by the separate organization on behalf of the specific primary government are significant to that primary government. Based on these criteria, the District has determined that the South Florida Water Management District Leasing Corporation (the "Corporation") is a blended component unit. The Corporation's sole purpose is to provide financing for certain District projects. The Corporation is legally separate from the District and the Board of the Corporation consists of the nine Board members of the District. Therefore, the financial activities of the Corporation have been blended (reported as if it were part of the District) with the activities of the District. The Corporation does not publish individual component unit financial statements. The District is not a participant in any joint venture.

The District is a component unit of the State of Florida since the Governor appoints the nine member Governing Board and the District has a financial benefit/burden relationship with the State. The State provides funding for District programs through the sale of State debt, the sharing of documentary stamp revenues, and the approval of various annual grants and entitlements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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

The government-wide financial statements, i.e., the statement of net position and the statement of activities, report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

*(c) Measurement Focus and Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

---

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

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

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

The District reports the following major governmental funds:

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

The Okeechobee Basin Special Revenue Fund is used to record revenues from within all or part of a 15-county area designated as the Okeechobee Basin. Funding is provided by a .1919 mill property tax levy, intergovernmental revenues and permitting fees, which must be used for expenditures within the Okeechobee Basin.

The Everglades Restoration Trust Special Revenue Fund is used to account for expenditures related to the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Funding is provided through a .0613 mill tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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

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

The Everglades Trust Capital Projects Fund is used to record capital expenditures to construct stormwater treatment areas to cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Funding is provided from operating transfers from the Everglades Restoration Trust Special Revenue Fund, and interest earnings.

The District reports the following type of proprietary funds:

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

*(e) Budgetary Information*

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

*(f) Cash and Investments*

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

*(f) Cash and Investments (continued)*

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

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

*(g) Prepaid Items*

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

*(h) Inventory*

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

*(i) Capital Assets*

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

*(i) Capital Assets (continued)*

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

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

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

*(j) Compensated Absences*

District employees are granted a specific number of vacation and sick leave hours with pay. Non-management employees are permitted to accrue a maximum of 240 hours of vacation as of the end of the payroll calendar year. Managers are permitted to accrue a maximum of 480 hours of vacation as of the end of the payroll calendar year. Annual leave in excess of maximum carryover amounts at the end of the payroll calendar year will be converted to sick leave. Upon termination of employment, employees hired prior to July 1, 2012 are paid for 25 percent of unused sick leave after vesting with at least six years of service. Employees hired after July 1, 2012 must have eight or more consecutive years of District service to receive the 25 percent payout. The maximum payout for accrued but unused sick leave is 480 hours.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds when payments are made to employees for any eligible leave taken throughout the year while active. However, the liability for all accrued and vested vacation and sick leave benefits is recorded in the government-wide financial statements. The District normally liquidates its liability for compensated absences resulting from payouts of vested accrued leave upon termination, separation, retirement, etc. from the General Fund and the Okeechobee Basin Special Revenue Fund.

*(k) Wetland Mitigation*

The District manages a program for mitigating the impact of wetland destruction through a specialized regulatory permitting process. Permit applicants are required to remit a specified cash payment to the District as part of the permit conditions. The permit restricts the use of the funds received by the District to land acquisition, land restoration and long-term management of the lands in areas managed by the District that are near the lands being developed by permittees. The District accounts for the money received to assure it is used only for the approved purpose in the assigned area. Funds received for land acquisition and restoration (expendable) are placed in the Wetland Mitigation Special Revenue and Capital Projects Funds. Funds received for long-term management (nonexpendable) are placed in the Wetland Mitigation Permanent Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

*(l) Fund Balances / Net Position*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Restricted for Environmental Programs - Represents the portion of net position which is restricted for specific environmental programs through legally enforceable requirements stipulated in legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of September 30, 2013, the District has approximately \$287.2 million in restricted net position through enabling legislation.

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

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

*(m) Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

*(n) Impact of Recently Issued Accounting Pronouncements*

**Recently Issued and Implemented Accounting Pronouncements**

In June 2011, GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement amends the net asset reporting requirements in Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual

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

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

measure and by renaming that measure as net position, rather than net assets. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The District implemented this Statement during fiscal year ended September 30, 2013. In the government-wide financial statements, represented by the statement of net position, the District recognized \$784,477 in deferred inflows of resources. In the fund financial statements, deferred inflows of resources amounting to \$2,847,993 are reflected on the balance sheet as of September 30, 2013. These deferred inflows represent unavailable revenue as of date of the financial statements. There were no deferred outflows of resources as of September 30, 2013.

In March 2012, GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for periods beginning after December 15, 2012. The District implemented this Statement during the fiscal year ended September 30, 2013. A provision of Statement No. 65 requires debt issuance costs to be recognized as an expense in the period incurred. At the beginning of fiscal year 2013, the District carried unamortized debt issuance costs of \$74,035 relative to its Special Obligation Land Acquisition Bonds and \$2,484,280 relative to its Certificates of Participation, Series 2006. These unamortized debt issuance costs were expensed in full during the current fiscal year. Though GASB recommends the restatement of beginning net position (as of October 1, 2012) for the cumulative effect of the provisions of Statement No. 65 as pertaining to debt issuance costs, the District believes the effect on the financial statements to be immaterial and has not restated beginning balances in the financial statements.

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

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

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

In June 2012, GASB issued Statement No. 67 "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25." This Statement replaces the requirements of Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", and Statement No. 50, "Pension Disclosures", as they relate to plans that are administered through trusts or equivalent arrangements that meet certain criteria.

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

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

For defined benefit pension plans, this statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan, about which information is required to be presented. The Statement provisions are effective for financial statements for periods beginning after June 15, 2013. The District is required to implement this Statement in its fiscal year beginning October 1, 2013. The implementation of this Statement will have no effect on the District's financial statements.

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

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

In April, 2013, GASB issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The District is required to implement this Statement in its fiscal year beginning October 1, 2013.

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

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

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

*(3) CASH AND INVESTMENTS*

**Statement of Policy**

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

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. In March 2012 the Governing Board approved changes to a majority of District policies to update references to positions and departments to ensure they were aligned with the District's new organization structure. No substantive changes were made to the policies during that effort. The most recent substantive revisions to the investment policy were approved by the Governing Board in June 2008.

The District's investment policy authorizes investments in: 1) the Florida Local Government Surplus Funds Trust Fund (which includes Florida Prime, Pool B and the Florida Local Government Investment Trust), 2) United States government securities unconditionally guaranteed by the full faith and credit of the United States government, 3) United States government agencies backed by the full faith and credit of the United States government, 4) United States government-sponsored agencies, 5) interest bearing time deposit or savings accounts of Florida Banks and Savings and Loan Associations approved under Chapter 280, Florida Statutes, 6) commercial paper rated Prime 1 by Moody's, A1 by Standard and Poor's or F-1 by Fitch, 7) corporate notes rated at a minimum Aa by Moody's, AA by Standard and Poor's or AA by Fitch, 8) Bankers Acceptances rated at a minimum P-1 by Moody's and A-1 by Standard and Poor's, 9) state and/or local government taxable and/or tax exempt debt, general obligation and/or revenue bonds, rated at least Aa by Moody's and AA by Standard and Poor's



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(3) CASH AND INVESTMENTS (continued)**

or AA by Fitch for long term debt or rated at least MIG-1 by Moody's and SP-1 by Standard and Poor's for short-term debt, 10) money market mutual funds rated AAAM or AAAM-G or better by Standard & Poor's, or the equivalent by another rating agency, 11) master repurchase agreements collateralized by United States government, government agencies and federal instrumentalities, 12) hedging instruments, 13) reverse repurchase agreements and 14) agency mortgage backed securities or non-agency mortgage backed securities that maintain a AAA rating by a nationally recognized statistical rating agency.

As of September 30, 2013, the District had placed approximately 7% of its investments in U.S. government agencies backed by the full faith and credit of the United States government, 67% in U.S. government-sponsored agencies, 3% in Corporate Bonds, 9% in Florida Prime and the Local Government Investment Pool and 14% in the Florida Local Government Investment Trust.

Florida Prime and the Local Government Investment Pool (Pool B) are investment pools available for investing temporarily idle cash by Florida governments and are managed by the State Board of Administration (the "SBA"). According to the SBA, Florida Prime meets the criteria to be considered as "2a-7 like", as defined by GASB Statement No. 31. Accordingly, it has been reported at the same value as the pool shares allocated to the District. Florida Prime maintains a AAAM rating by Standard and Poor's Ratings Services. Pool B is accounted for as a fluctuating net asset value (NAV) pool with a fair value factor of 1.13262284 at September 30. The pool is currently not rated by any nationally recognized statistical rating agency.

Florida Prime and Pool B are governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Funds. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

**Interest Rate Risk**

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

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

The District maintains an allocation of its investments in U.S. Agency Obligation securities which are callable by the issuer. These bonds are subject to the risk of being called prior to maturity. The District invests in Mortgage Backed Securities, including Collateralized Mortgage Obligations (CMO's) in part to maximize yield and as a protection against a rise in interest rates.

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

These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. An increase in interest rates may increase the average maturity of these investments. The District currently limits its exposure to all mortgage investments to 30% of the total portfolio balance at the time of purchase.

As of September 30, 2013 the District had the following investments in its pooled portfolio:

Investment Type	Fair Value	Effective Duration (in yrs)
U.S. Agency Obligations	\$ 110,058,000	2.41
Investments in Mortgage Backed Securities	168,966,913	4.30
Corporate Bonds	9,993,000	1.17
Florida Prime	32,840,311	0.12
Local Government Surplus Trust Fund - Pool B	935,990	4.04
Florida Local Government Investment Trust	<u>52,133,825</u>	1.54
Total Fair Value	<u>\$ 374,928,039</u>	
Portfolio Effective Duration		<b>2.91</b>

**Credit Risk**

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

All of the District's investments in agency securities for fiscal year 2013 were rated AA+ by Standard and Poor's, AAA by Fitch ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage Backed Securities were rated AAA by at least two of the three listed rating services. This applies to the direct agency obligations as well as the investment into non-agency mortgages and CMO's.

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

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

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Florida Prime	AAAm	\$ 32,840,311
Local Government Surplus Trust Fund - Pool B	Unrated	935,990
Fannie Mae – U.S. Agency Obligations	AAA	59,926,000
Fannie Mae – Mortgage Backed Securities	AAA	82,161,145
Freddie Mac – U.S. Agency Obligations	AAA	20,028,000
Freddie Mac – Mortgage Backed Securities	AAA	59,699,399
Federal Home Loan Bank – U.S. Agency Obligations	AAA	30,104,000
Ginnie Mae - Mortgage Backed Securities	AAA	27,106,369
General Electric Capital Corp.	AA+	9,993,000
Florida Local Government Investment Trust	AAAf	<u>52,133,825</u>
		<u>\$ 374,928,039</u>

**Custodial Credit Risk - Deposits**

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy. All bank balances are covered by federal deposit insurance and the bank's participation in the Florida Security for Public Deposits Act. The balance held with these institutions at September 30, 2013 is \$194,148,516.

A significant cash deposit of the District at September 30, 2013 is the balance of proceeds from the issuance of Certificates of Participation (COPS) in fiscal year 2007. The "Cash Deposits Held by Trustee" balance consists of \$48,376,886 in COPS proceeds which are held in trust by a third party financial institution on behalf of the District, and \$23,259,865 representing debt service on the COPS due October 1, 2013.

**Custodial Credit Risk - Investments**

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

**Concentration of Credit Risk**

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

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

**Percentage Allocation by Issuer as of September 30, 2013**

<u>Issuer</u>	<u>Percent of Total</u>
Florida Prime	8.76%
Local Government Surplus Trust Fund - Pool B	0.25%
Fannie Mae	37.90%
Freddie Mac	21.26%
Federal Home Loan Bank	8.03%
Ginnie Mae	7.23%
General Electric Capital Corp.	2.67%
Florida Local Government Investment Trust	13.90%

Cash and investments as of September 30, 2013 are comprised of the following:

*Cash Deposits:*

Money Market Accounts	\$ 38,061,094
Demand Deposit Accounts	71,107,510
Petty Cash	<u>5,775</u>
Total Cash Deposits	<u>109,174,379</u>

*Cash Deposits Held by Trustee:* 71,636,751

*Investments:*

U.S. Agency Obligations	110,058,000
Investments in Mortgage Backed Securities	168,966,913
Corporate Bonds	9,993,000
Florida Prime	32,840,311
Local Government Surplus Trust Fund - Pool B	935,990
Florida Local Government Investment Trust	<u>52,133,825</u>
Total Investments	<u>374,928,039</u>
Total Cash and Investments	<u>\$ 555,739,169</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**(4) ACCOUNTS RECEIVABLE**

Accounts receivable at September 30, 2013 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Everglades Trust SR Fund	Okeechobee Basin CP Fund	Everglades Trust CP Fund	Non Major / Internal Service Funds	Total
Leases	\$ 533	\$ -	\$ -	\$ -	\$ -	\$ 294,174	\$ 294,707
Interest	123,293	124,090	14,704	28,669	119,444	215,775	625,975
Other	177	-	-	-	-	26,442	26,619
	<u>\$ 124,003</u>	<u>\$ 124,090</u>	<u>\$ 14,704</u>	<u>\$ 28,669</u>	<u>\$ 119,444</u>	<u>\$ 536,391</u>	<u>\$ 947,301</u>

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

Interfund receivables and payables as of September 30, 2013 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 248,042
Okeechobee Basin Fund	265,869	198,276
Everglades Rest. Trust SR Fund	-	62,020
Other Governmental Funds	-	276,020
Internal Service Funds	520,594	2,105
	<u>\$ 786,463</u>	<u>\$ 786,463</u>

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

Interfund transfers during the year are as follows:

From:	To:					Totals
	General Fund	Everglades Trust SR Fund	Okeechobee Basin CP Fund	Everglades Trust CP Fund	Other Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$41,394,350	\$41,394,350
Okee. Basin SR Fund	-	-	17,858,359	-	-	17,858,359
Everglades Trust SR Fund	-	-	-	19,575,885	2,200,000	21,775,885
Everglades Trust CP Fund	-	2,371,799	-	-	-	2,371,799
CERP CP Fund	13,561,375	-	-	-	547,823	14,109,198
Other Gvmtl Funds	-	-	-	-	6,460,183	6,460,183
Internal Service Funds	7,000,000	-	-	-	-	7,000,000
	<u>\$ 20,561,375</u>	<u>\$ 2,371,799</u>	<u>\$ 17,858,359</u>	<u>\$ 19,575,885</u>	<u>\$ 50,602,356</u>	<u>\$ 110,969,774</u>

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

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

*(6) OPERATING LEASE RENTAL REVENUES*

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

The District purchases land for environmental restoration projects. Often there are agricultural activities occurring on parts of the land at the time of purchase. If the land is not needed for a project immediately, the District allows these activities to continue as it results in lower land maintenance costs. In addition, rent is charged for the use of the land for farming until such time it is needed for project purposes. The District investment in land on which operating leases exist is \$668.3 million as of September 30, 2013.

**Revenues under Operating Leases**

The following is a schedule by year of minimum future revenues on noncancelable operating leases, including contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. For fiscal year 2013, contingent revenues were \$-0-.

Year Ending September 30:

2014	\$ 3,195,893
2015	1,841,040
2016	1,773,898
2017	1,734,207
2018	1,480,752
2019 - 2023	<u>3,253,991</u>
Total minimum future revenues	<u>\$13,279,781</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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**(7) PROPERTY TAXES**

The District is permitted by Florida Statutes to levy taxes up to .800 mills per \$1,000 of assessed valuation. The rate levied for a majority of the District for fiscal year 2013 was .4289 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, 2012, upon which the fiscal year 2013 levy was based, was approximately \$670.2 billion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the District based on the amount of receipts reported by the county tax collectors. Property taxes receivable from the county tax collectors at September 30, 2013, is \$979,239 and is included in tax revenues.

**(8) INTERGOVERNMENTAL TRANSACTIONS**

Amounts due from other governments at September 30, 2013 and intergovernmental revenues for 2013 consist of the following:

	Due From Other Governments	Intergovernmental Revenues
U.S. Army Corps of Engineers	\$ 1,940,997	\$ 5,118,881
U.S. Department of Homeland Security	5,075	1,750
U.S. Department of Agriculture & Consumer Affairs	486,768	19,538
Florida Department of Environmental Protection	4,819,032	22,529,209
Florida Department of Environmental Resource Mgmt.	14,917	-
Florida Department of Motor Vehicles	-	330,807
Florida Department of Transportation	298	4,401,972
Florida Fish and Wildlife Conservation Commission	305,594	4,852,998
Southwest Florida Water Management District	2,270	-
St. Johns River Water Management District	-	25,000
Suwannee River Water Management District	-	175,286
Ad Valorem Taxes	979,239	- *
Property Appraiser/Tax Collector Fee Credits	1,462,224	- *
	\$ 10,016,414	\$ 37,455,441
<b>Total</b>		

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**(9) CAPITAL ASSETS ACTIVITY**

	Balance at October 1, 2012	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2013
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 2,561,571,235	\$ 3,357,279	\$ (48,661)	\$ (29,532,004)	\$ 2,535,347,849
Easements (Intangibles)	51,399,488	321,086	(3)	694,711	52,415,282
Construction in Process	802,983,288	34,375,561	(73,820,621)	(232,809,347)	530,728,881
Canals and Levees	565,065,940	13,277,330	-	78,040,517	656,383,787
	<u>3,981,019,951</u>	<u>51,331,256</u>	<u>(73,869,285)</u>	<u>(183,606,123)</u>	<u>3,774,875,799</u>
<b>Capital Assets Being Depreciated:</b>					
Buildings	114,848,579	266,962	(219,822)	1,928,294	116,824,013
Intangibles	39,825,648	79,312	-	890,095	40,795,055
Equipment	136,084,056	4,178,788	(4,053,951)	61,935	136,270,828
Improvements	27,299,547	1,027,751	-	817,734	29,145,032
Water Control Structures	672,323,052	33,134,287	(825,094)	179,908,065	884,540,310
	<u>990,380,882</u>	<u>38,687,100</u>	<u>(5,098,867)</u>	<u>183,606,123</u>	<u>1,207,575,238</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	(31,718,473)	(3,491,507)	83,557	917	(35,125,506)
Intangibles	(21,913,604)	(5,390,827)	-	(1,398)	(27,305,829)
Equipment	(88,570,758)	(7,743,718)	3,405,936	442	(92,908,098)
Improvements	(12,547,606)	(1,252,835)	-	-	(13,800,441)
Water Control Structures	(155,954,879)	(14,613,641)	453,263	39	(170,115,218)
	<u>(310,705,320)</u>	<u>(32,492,528)</u>	<u>3,942,756</u>	<u>-</u>	<u>(339,255,092)</u>
Capital Assets, Net	<u>\$ 4,660,695,513</u>	<u>\$ 57,525,828</u>	<u>\$ (75,025,396)</u>	<u>\$ -</u>	<u>\$ 4,643,195,945</u>

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

Mission Support	\$ 7,320,990
Operations and Maintenance	15,450,162
Restoration	9,450,785
Water Supply	<u>265,480</u>
	32,487,417
Depreciation of capital assets held in internal service funds are charged to the various programs based on the asset function	<u>5,111</u>
Total Depreciation Expense	<u>\$ 32,492,528</u>



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**(10) LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2013:

	Balance at October 1, 2012	Additions	Retirements And Adjustments	Balance at September 30, 2013	Amounts Due Within One Year
Land Acquisition Bonds	\$ 25,090,000	\$ -	\$ (5,865,000)	\$ 19,225,000	\$ 6,120,000
Bond Premium / Discount	218,815	-	(110,420)	108,395	-
COPS	500,220,000	-	(10,610,000)	489,610,000	11,060,000
COPS Premium / Discount	16,139,621	-	(1,516,694)	14,622,927	-
Compensated Absences	16,712,000	8,662,000	(9,538,000)	15,836,000	10,219,000
Other Post Emp Benefits	21,119,936	2,919,432	-	24,039,368	-
Self Insurance Claims	6,743,395	25,435,821	(25,835,260)	6,343,956	2,525,567
	<u>\$ 586,243,767</u>	<u>\$ 37,017,253</u>	<u>\$ (53,475,374)</u>	<u>\$ 569,785,646</u>	<u>\$ 29,924,567</u>

Special Obligation Land Acquisition Bonds are issued by the District to provide funds for the acquisition of environmentally sensitive lands. Principal and interest on the Land Acquisition Bonds are secured by a lien on documentary stamp excise taxes collected statewide by the State of Florida and allocated to the State's five water management districts through the Water Management Lands Trust Fund (WMLTF). For the current fiscal year, principal and interest payments and total revenue recognized by the District were \$6,900,786 and \$7,029,870, respectively. The District accounts for related debt service in the Save Our Rivers SR Fund.

Summary of the status of the District's bonded debt as of September 30, 2013 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002 Refunding	\$ 23,810,000	2014-2016	3.875-4.000%	\$ 7,155,000
2003 Refunding	<u>34,550,000</u>	2014-2016	4.100-5.250%	<u>12,070,000</u>
	<u>\$ 58,360,000</u>			<u>\$ 19,225,000</u>

Fiscal year requirements to amortize bonded debt as of September 30, 2013 are as follows:

	Principal	Interest	Total
2014	\$ 6,120,000	\$ 768,598	\$ 6,888,598
2015	6,400,000	474,200	6,874,200
2016	<u>6,705,000</u>	<u>160,538</u>	<u>6,865,538</u>
	<u>\$ 19,225,000</u>	<u>\$ 1,403,336</u>	<u>\$ 20,628,336</u>

An interagency agreement between the District and Florida Department of Environmental Protection (FDEP) requires FDEP to set aside and escrow from the first monies allocable to the District in the WMLTF, sufficient monies for the payment of principal and interest on the land acquisition bonds becoming due in each subsequent year. As of the District's financial statement date, FDEP had reserved an amount of \$6,894,648 for such purpose.

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

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

Fiscal year requirements to amortize the COPS as of September 30, 2013 are as follows:

	Principal	Interest	Total
2014	\$ 11,060,000	\$ 24,125,840	\$ 35,185,840
2015	11,610,000	23,572,247	35,182,247
2016	12,165,000	23,000,372	35,165,372
2017	12,750,000	22,392,425	35,142,425
2018	13,385,000	21,742,025	35,127,025
2019-2023	77,630,000	97,745,900	175,375,900
2024-2028	98,965,000	75,864,375	174,829,375
2029-2033	126,305,000	47,838,625	174,143,625
2034-2037	<u>125,740,000</u>	<u>12,957,000</u>	<u>138,697,000</u>
	<u>\$489,610,000</u>	<u>\$349,238,809</u>	<u>\$838,848,809</u>

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

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

The following is the governmental fund balances in detail as of September 30, 2013:

	General	Okeechobee	Everglades	Okeechobee
	Fund	Basin SR Fund	Trust SR Fund	Basin CP Fund
<b><i>Nonspendable:</i></b>				
Inventory	\$ 201,145	\$ 5,863,602	\$ -	\$ -
Permanent fund principal	-	-	-	-
<b><i>Restricted for:</i></b>				
Dispersed storage projects	-	16,027,996	-	-
Source control projects	-	225,000	240,686	-
External risk management	-	8,133,112	-	300,189
Okeechobee Basin operations	-	74,328,007	-	-
Water protection, ecosystem management, & restoration projects	-	-	-	-
Water quality enhancement projects	-	-	1,056,005	133,400
Caloosahatchee Basin storage treatment	-	3,900,000	-	-
Local government agreements	-	-	-	-
Big Cypress Basin operations	-	-	-	-
Debt service	-	-	-	-
Indian River Lagoon surface water environmental enhancement	-	-	-	-
Ops. & maint. of Everglades Stormwater Treatment Areas	-	-	9,358,926	-
Everglades conservation and natural resource protection	-	-	-	-
Lake Okeechobee restoration	-	-	-	-
Big Cypress Basin capital projects	-	-	-	-
Acquisition/restoration/mgmt of environmentally sensitive lands	-	-	-	-
Florida Bay restoration	-	-	-	-
Wetland creation, restoration and management	-	-	-	-
Construction and ops. of facilities for Everglades restoration	-	-	-	-
Other capital projects	-	-	-	18,161,324
<b><i>Committed for:</i></b>				
Caloosahatchee Basin storage treatment	5,125,635	-	-	-
Source control projects	645,483	-	-	-
External risk management	7,179,550	-	-	-
Facilities lease	389,736	-	-	-
Big Cypress Basin field station project	2,000,000	-	-	-
Water quality enhancement projects	10,246,740	-	-	-
Watershed projects	175,000	-	-	-
C-44 Reservoir/STA project	1,752,559	-	-	-
Okeechobee Basin capital projects	-	-	-	-
<b><i>Assigned to:</i></b>				
District operations	32,914,652	-	-	-
Other capital projects	-	-	-	-
Everglades restoration	-	-	-	-
Wetland creation, restoration and management	-	-	-	-
<b><i>Unassigned:</i></b>				
	2,485,387	-	-	-
	<u>\$ 63,115,887</u>	<u>\$ 108,477,717</u>	<u>\$ 10,655,617</u>	<u>\$ 18,594,913</u>

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

	Everglades Trust CP Fund	Other Governmental Funds	Total Governmental Funds
<b><i>Nonspendable:</i></b>			
Inventory	\$ -	\$ 187,710	\$ 6,252,457
Permanent fund principal	-	14,037,630	14,037,630
<b><i>Restricted for:</i></b>			
Dispersed storage projects	-	-	16,027,996
Source control projects	-	-	465,686
External risk management	-	-	8,433,301
Okeechobee Basin operations	-	-	74,328,007
Water protection, ecosystem management, & restoration projects	-	3,482,763	3,482,763
Water quality enhancement projects	84,352,750	8,500	85,550,655
Caloosahatchee Basin storage treatment	-	-	3,900,000
Local government agreements	-	4,408,887	4,408,887
Big Cypress Basin operations	-	5,999,062	5,999,062
Debt service	12,863,403	16,971,397	29,834,800
Indian River Lagoon surface water environmental enhancement	-	191,630	191,630
Ops. & maint. of Everglades Stormwater Treatment Areas	-	5,000	9,363,926
Everglades conservation and natural resource protection	-	497,511	497,511
Lake Okeechobee restoration	-	3,604,763	3,604,763
Big Cypress Basin capital projects	-	8,821,983	8,821,983
Acquisition/restoration/mgmt of environmentally sensitive lands	-	44,884,846	44,884,846
Florida Bay restoration	-	2,846,427	2,846,427
Wetland creation, restoration and management	-	21,802,547	21,802,547
Construction and ops. of facilities for Everglades restoration	-	53,822,224	53,822,224
Other capital projects	1,550,330	-	19,711,654
<b><i>Committed for:</i></b>			
Caloosahatchee Basin storage treatment	-	-	5,125,635
Source control projects	-	-	645,483
External risk management	-	-	7,179,550
Facilities lease	-	-	389,736
Big Cypress Basin field station project	-	-	2,000,000
Water quality enhancement projects	-	-	10,246,740
Watershed projects	-	-	175,000
C-44 Reservoir/STA project	-	-	1,752,559
Okeechobee Basin capital projects	-	57,610	57,610
<b><i>Assigned to:</i></b>			
District operations	-	12,820	32,927,472
Other capital projects	-	30,739,300	30,739,300
Everglades restoration	-	1,644,932	1,644,932
Wetland creation, restoration and management	-	9,407,307	9,407,307
<b><i>Unassigned:</i></b>			
	-	(73,179)	2,412,208
	<b>\$ 98,766,483</b>	<b>\$ 223,361,670</b>	<b>\$ 522,972,287</b>

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

At September 30, 2013, the following fund has a deficit fund balance:

Aquatic Plant Control Special Revenue Fund	\$ 73,179
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The deficit in the Aquatic Plant Control Fund is expected to be funded by future reimbursement from the Florida Fish and Wildlife Conservation Commission.

*(13) OPERATING LEASES*

The District is committed under various operating leases for building, office space, vehicles, office equipment and data processing equipment. The majority of the operating leases contain renewal options that the District may exercise. In most cases, the District expects that in the normal course of business the leases will be renewed or replaced with other leases. Lease expenditures for the year ended September 30, 2013 amounted to approximately \$1.9 million. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2014	\$ 1,354,621
2015	900,857
2016	527,996
2017	261,512
2018	<u>172,932</u>
	<u>\$ 3,217,918</u>

*(14) DEFINED BENEFIT PENSION PLAN*

**Plan Description**

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

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

**Funding Policy**

During fiscal year 2011, the Florida Legislature passed Senate Bill 2100, which was signed into law by the Governor and became effective July 1, 2011. The bill requires all FRS Investment Plan and Pension Plan members, excluding those in the Deferred Retirement Option Program (DROP), to contribute 3% towards their retirement benefits. The District is required to contribute an actuarially determined rate, which is fixed by law and varies based on employee class. At fiscal year end the District's contribution rates were 6.95%, 18.31% and 12.84% of annual covered payroll for regular class, senior management class, and DROP class employees, respectively. The contributions of the District are established and may be amended by the State Legislature. The District's contributions to the System for the past three fiscal years, which is equal to the required contributions for each year, are as follows:

Year Ending September 30:

2013	\$ 9,161,494
2012	8,086,080
2011	12,102,740

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

**Plan Description**

District retirees and their eligible dependents may continue participation in the District health insurance program as required by Florida Statutes, Section 112.0801. Because the cost to the retirees cannot be greater than that to active employees for the same coverage, an implicit subsidy is being provided to retirees.

In January 2007, the District Governing Board approved a direct subsidy program to aid retirees in retaining quality healthcare coverage. The subsidy is a discount of the total premium contribution equal to 2% for each year of creditable service under the Florida Retirement System to a maximum of 30 years of creditable service or 60%. Effective July 2, 2012, the direct subsidy program was closed to new participants. Eligibility requirements include a minimum six years of consecutive District service immediately preceding retirement and be age 62 or older, or have a minimum of 25 years of FRS service, regardless of age. In order to maintain eligibility for the 2.0% retiree subsidy program, current employees were required to declare their intent to retire by July 2, 2012, and must have separated from District employment by December 12, 2012.

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

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

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

**Funding Policy**

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

**Annual OPEB Costs and Net OPEB Obligation**

For the fiscal year ended September 30, 2013, the District's annual OPEB cost of \$4,767,397 was equal to the annual required contribution (ARC) for the fiscal year, one year's interest on the net OPEB obligation, and an adjustment equal to the discounted present value of the balance of the net OPEB obligation at the beginning of the year. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2013, 2012 and 2011 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Normal Cost (Service cost for one year)	\$ 2,007,312	\$ 2,015,202	\$ 3,662,884
Amortization of Unfunded Actuarial Accrued Liability	2,701,206	2,749,733	4,080,749
Interest on Normal Cost and Amortization	<u>47,538</u>	<u>48,107</u>	<u>91,045</u>
Annual Required Contribution (ARC)	4,756,056	4,813,042	7,834,678
Interest on NOO	865,917	764,305	691,638
Adjustment to ARC	<u>(854,576)</u>	<u>(754,295)</u>	<u>(588,524)</u>
Annual OPEB Cost (Expense)	4,767,397	4,823,052	7,937,792
Employer Contributions Made	<u>(1,847,965)</u>	<u>(2,344,703)</u>	<u>(3,705,335)</u>
Increase (decrease) in NOO	2,919,432	2,478,349	4,232,457
Net OPEB Obligation (NOO) at beginning of year	<u>21,119,936</u>	<u>18,641,587</u>	<u>14,409,130</u>
Estimated NOO at end of year	<u><u>24,039,368</u></u>	<u><u>21,119,936</u></u>	<u><u>18,641,587</u></u>
Percentage of annual OPEB Cost Contributed	38.76%	48.61%	46.68%

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

**Funded Status and Funding Progress**

The funded status of the plan as of September 30, 2013 was as follows:

Actuarial Accrued Liability (AAL)	\$62,913,036
Actuarial Value of Plan Assets	—
Unfunded Actuarial Accrued Liability (UAAL)	62,913,036
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	108,728,010
UAAL as a Percentage of Covered Payroll	57.86%

Actuarial valuations of an OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continued revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, as updated, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.1% investment rate of return, a 3.0% rate of general price inflation, and an annual healthcare cost trend rate of 6.5% in 2013, followed by 4.0% and 7.5% trend rates the next two years, respectively, followed by a trending down to an ultimate rate of 5.3% per year after 15 years, or 2030. The actuarial value of assets was not determined as the District has not advanced its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 24-year period with a closed amortization method. The assumed rate of payroll growth is 4.0% per year.

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

*(16) INSURANCE ACTIVITIES*

The District is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In 1976 the District established a self-insurance program for its workers' compensation exposure and in 1986 the District established a self-insurance program for automobile and general liability claims. These self-insured claims are administered by a third party and are accounted for in the Self Insurance Fund (an internal service fund).



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(16) INSURANCE ACTIVITIES (continued)*

The District is totally self-insured for workers' compensation claims and the District's financial exposure for automobile and general liability is limited to \$200,000 per person and \$300,000 per occurrence pursuant to Section 768.28, Florida Statutes. Expenditures relating to insurance are charged to other funds based on a cost allocation study performed by Management. These expenditures include actuarial estimates utilizing the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense. The actuarial calculations are utilized to determine the amount needed for losses incurred but not reported (IBNR) at year end. The District transfers its risk for personal and real property through the purchase of an insurance policy. The coverage is written on a 100% replacement/stated value basis, with varying retentions.

In 2010 the District established a self-insurance program for health benefits, including medical, dental and vision coverage, for its employees and retirees who choose to remain within the plan. The claims are administered by a third party and accounted for in the Health Benefits Fund (an internal service fund). The participating funds make payments to the Health Benefits Fund by means of premiums charged and employee payroll deductions. The payments are based on management's estimates, using historical trends, of the amounts needed to pay prior and current year claims. The expenditures include an actuarial estimate to determine the amount needed for losses incurred but not reported at year end. The District maintains excess insurance coverage for health care costs.

The claims liabilities are based on actuarial valuations performed by independent actuaries as of September 30, 2013, and are presented on a net undiscounted basis. The liability includes claims incurred but not reported. The estimated liabilities by risk category at September 30, 2013 are as follows:

	Balance 9/30/2013	Amounts Due Within One Year
Workers' Compensation	\$ 4,423,000	\$ 657,012
General and Automobile	82,000	29,599
Health Insurance	<u>1,838,956</u>	<u>1,838,956</u>
	<u>\$ 6,343,956</u>	<u>\$ 2,525,567</u>

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

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2012	\$ 7,083,819	\$ 24,039,812	\$(24,380,236)	\$ 6,743,395
2013	6,743,395	25,435,821	(25,835,260)	6,343,956

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

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

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

*(17) CONDEMNATION PROCEEDINGS*

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

At September 30, 2013, the court had yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District is unable to estimate the potential financial exposure relative to these rulings, if any.

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

*(18) MAJOR CONSTRUCTION COMMITMENTS*

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

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

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

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

During fiscal year 2013, the District continued implementation of the Long-Term Plan, as required by the EFA. In FY2012, a total of \$51.6 million was expended for work associated with the District's Everglades Program. Of this amount, \$6.8 million was for work related to implementing the Long-Term Plan. Operations & Maintenance accounted for \$21.8 million. Construction expenditures associated with the expansion of Compartments B and C (financed through issuance of COPS) totaled \$0.5 million. Debt service payments on the COPS related to Compartments B and C was approximately \$19.5 million. The remaining \$3.0 million was spent on other EFA-related components such as monitoring, assessment, research, and evaluation in the EPA. Project Management Plans will be revised at various phases of each project, and project cost estimate changes or schedule alterations will follow a required formal review and approval process. The total inception-to-date spent on the Long-Term Plan, which includes operations and maintenance, on-going construction costs for Compartments B and C, and debt service is approximately \$803.7 million. The District estimated remaining commitment for the ECP and Long-Term Plan is \$339.1 million.

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

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
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*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the South Florida Water Management District have invested approximately \$2.4 billion toward this effort. Through September 30, 2013, 60 percent, or approximately 243,147 acres, of the estimated lands needed to implement CERP have been acquired. The District estimated remaining commitment for this project is \$628.0 million.

*(19) OTHER COMMITMENTS AND CONTINGENCIES*

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

For the four hurricanes combined a total of 145 different projects, each represented by a Project Worksheet (PW), were approved by FEMA for funding through their PA program for various categories of work including debris removal, emergency protective measures, and for the permanent repair of District facilities (primarily canal banks) that were damaged during the storms.

When FEMA approves a PW for a project both FEMA, as the grantor, and the State, as the grantee, deposit their grant specified share of the cost of the project in an account established for all PW's that were written State-wide for a single event. The District, as sub-grantee, contracts to have the approved work performed and then seeks reimbursement from the account for FEMA's and the State's share of the costs of the project. When the proper documentation is presented the State then sends the reimbursement to the District.

In late October 2011, the State and the District were informed of FEMA's intent to de-obligate 50 PW's totaling \$21.7 million that were written for permanent repair projects for damage which resulted from Hurricanes Charley, Frances, Jeanne, and Wilma. A de-obligation means that FEMA withdraws from the accounts that were established State-wide for each event, an amount equal to what was reserved for the project. By this time, the District had been reimbursed \$16.7 million towards the 50 repair projects in question. If, as in the case of the District, the amounts obligated have already been paid to the sub-grantee, FEMA will take, to the extent possible, anything in the account including amounts obligated for other sub-grantees. In accordance with the grant agreement, the State was also required to de-obligate their contribution towards these projects. The reason given by FEMA for the de-obligation was that they now concluded, years after approving and in many cases closing the projects, that permanent repairs on these facilities were ineligible for FEMA public assistance.

At the same time that the District received the notice of the proposed de-obligation, the U.S. Department of Homeland Security's Office of Inspector General (OIG) was conducting an audit of the public assistance that the District received from FEMA for Hurricanes Charley, Frances and Jeanne. FEMA agreed to defer their de-obligation until the OIG issued their audit report(s) with their findings.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

The three OIG reports, one for each storm, were issued in August, 2012. In them, the OIG concurred with FEMA's position that permanent repairs to flood control works were not eligible for FEMA public assistance and recommended the de-obligation of all permanent repair PW's that were written for the storms under audit. Further, the OIG recommended the de-obligation of two additional PW's written for Hurricane Jeanne that were not written for permanent repairs to water control facilities - but instead were written for repairs to a road that provides access to a levee and for emergency repairs to a flood control facility.

In late September 2012, approximately one month after the issuance of the OIG audit reports, FEMA officially de-obligated 50 PW's totaling \$21.9 million of eligible obligated costs. While this included the two additional PW's identified in the OIG audit of Hurricane Jeanne, it did not include two Hurricane Charley PW's since there were insufficient funds for FEMA to draw upon in the account established for Hurricane Charley.

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

On April 10, 2013, FEMA's Regional Administrator for Region IV issued its First Appeal determination denying the appeal and informed the District of its right to a "Second Appeal" pursuant to 44 CFR 206.206 which was submitted on May 30, 2013. The District also filed a civil action against FEMA in the United States District Court for the Southern District of Florida, seeking to have the de-obligation reversed.

Also during May 2013, FEMA de-obligated the remaining two Hurricane Charley PW's increasing the total de-obligation for all storms to \$23.5 million for 52 PW's. In September, 2013, the State invoiced the District approximately \$3.0 million to replenish the account established for Hurricane Charley so that they could fulfill their obligations to other communities affected by that storm. On October 31, 2013, the District paid the State the amount requested while stressing that the payment in no way constituted an admission by the District that the FEMA de-obligation was correct.

On November 5, 2013 the District presented oral arguments on its Second Appeal in Washington, D.C. FEMA ruled on the Second Appeal on February 18, 2014. In the ruling, FEMA maintained that the \$23.5 million that was de-obligated was justified except for \$792,000 that pertained to the repair of an access road that was not under the authority of another federal agency. At this time \$792,000 has not been re-obligated. This ruling represents the end of the administrative appeals process. Except for the amounts paid back to the State for Hurricane

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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*(19) OTHER COMMITMENTS AND CONTINGENCIES (continued)*

Charley, the State has made no further demands on the District for the remainder of the de-obligation.

District internal counsel is handling the civil case. In that action the District is contesting the matter vigorously. While the District did pay the State the amount de-obligated for Hurricane Charley it did so not because the District believes that it is liable to the State for these amounts but rather to replenish the State's account so that other sub-grantees can be reimbursed for damages from Hurricane Charley. That payment has been reflected in the financial statements; however, management does not believe that it is probable that the District will have to reimburse the State the remaining de-obligated amounts. As such no additional liability has been recorded related to the de-obligation of previous FEMA awards.

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

# **FINANCIAL SECTION**

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A  
(UNAUDITED)





**South Florida Water Management District  
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 111,867,521	\$ 111,867,521	\$ 112,009,584	\$ 142,063
Intergovernmental	97,264	97,264	584,852	487,588
Investment Earnings (Losses)	1,430,000	1,430,000	(32,800)	(1,462,800)
Licenses, Permits and Fees	2,231,310	2,231,310	2,982,230	750,920
Sale of District Property	75,000	75,000	32,210	(42,790)
Leases	73,500	73,500	108,891	35,391
Other	500,000	500,000	512,501	12,501
Total Revenues	<u>116,274,595</u>	<u>116,274,595</u>	<u>116,197,468</u>	<u>(77,127)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Land Stewardship	463,100	427,041	414,615	12,426
Mission Support	32,616,971	32,153,945	32,220,755	(66,810)
Modeling and Scientific Support	3,014,189	2,889,607	2,529,962	359,645
Operations and Maintenance	10,933,329	9,995,202	13,391,804	(3,396,602)
Regulation	4,492,120	4,254,578	4,336,078	(81,500)
Restoration	12,335,257	11,160,537	8,422,850	2,737,687
Water Supply	3,449,914	2,783,847	2,635,354	148,493
Total Administrative Services and Executive Offices	<u>67,304,880</u>	<u>63,664,757</u>	<u>63,951,418</u>	<u>(286,661)</u>
<b>Operations, Maintenance, and Construction</b>				
Land Stewardship	109,272	109,272	81,954	27,318
Mission Support	891,655	508,138	440,889	67,249
Modeling and Scientific Support	279,225	168,517	158,730	9,787
Operations and Maintenance	8,657,229	11,017,179	10,735,307	281,872
Regulation	71,611	128,442	128,171	271
Restoration	5,873,172	5,890,540	3,826,378	2,064,162
Water Supply	811,279	564,303	560,541	3,762
Total Operations, Maintenance, and Construction	<u>16,693,443</u>	<u>18,386,391</u>	<u>15,931,970</u>	<u>2,454,421</u>
<b>Regulation</b>				
Modeling and Scientific Support	19,345	5,787	537	5,250
Operations and Maintenance	28,894	18,594	15,684	2,910
Regulation	14,747,359	14,696,398	14,590,503	105,895
Restoration	893,999	728,985	665,457	63,528
Water Supply	-	14,200	13,310	890
Total Regulation	<u>15,689,597</u>	<u>15,463,964</u>	<u>15,285,491</u>	<u>178,473</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, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Water Resources				
Modeling and Scientific Support	8,702,773	8,435,472	8,282,270	153,202
Regulation	116,796	55,182	56,338	(1,156)
Restoration	6,168,341	5,876,432	5,477,002	399,430
Water Supply	5,271,737	5,547,265	5,388,162	159,103
Total Water Resources	<u>20,259,647</u>	<u>19,914,351</u>	<u>19,203,772</u>	<u>710,579</u>
Contingency				
Managerial Reserve	-	3,887,702	-	3,887,702
Managerial Reserve-Contingency	15,742,735	15,742,735	-	15,742,735
Total Contingency	<u>15,742,735</u>	<u>19,630,437</u>	<u>-</u>	<u>19,630,437</u>
Total Expenditures	<u>135,690,302</u>	<u>137,059,900</u>	<u>114,372,651</u>	<u>22,687,249</u>
Revenues in Excess of (Less than) Expenditures	<u>(19,415,707)</u>	<u>(20,785,305)</u>	<u>1,824,817</u>	<u>22,610,122</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	19,000,000	20,711,035	20,561,375	(149,660)
Transfers Out	(48,202,575)	(48,544,010)	(41,394,350)	7,149,660
Total Other Financing Sources (Uses)	<u>(29,202,575)</u>	<u>(27,832,975)</u>	<u>(20,832,975)</u>	<u>7,000,000</u>
Net Change in Fund Balance	(48,618,282)	(48,618,280)	(19,008,158)	29,610,122
Fund Balance at Beginning of Year	82,124,045	82,124,045	82,124,045	-
Fund Balance at End of Year	<u>\$ 33,505,763</u>	<u>\$ 33,505,765</u>	<u>\$ 63,115,887</u>	<u>\$ 29,610,122</u>

**South Florida Water Management District  
Okeechobee Basin Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 111,483,428	\$ 111,483,428	\$ 111,657,025	\$ 173,597
Intergovernmental	926,664	926,664	4,768,283	3,841,619
Investment Earnings (Losses)	1,085,000	1,085,000	2,558	(1,082,442)
Licenses, Permits and Fees	60,000	60,000	88,295	28,295
Sale of District Property	175,000	175,000	299,509	124,509
Leases	1,354,200	1,354,200	1,340,232	(13,968)
Other	25,000	25,000	349,504	324,504
Total Revenues	<u>115,109,292</u>	<u>115,109,292</u>	<u>118,505,406</u>	<u>3,396,114</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Land Stewardship	6,215	16,615	6,802	9,813
Mission Support	4,216,141	4,164,590	2,551,282	1,613,308
Operations and Maintenance	1,457,719	1,117,115	1,070,558	46,557
Regulation	72,501	-	-	-
Restoration	2,191,266	1,631,078	502,306	1,128,772
Water Supply	37,537	-	-	-
Total Administrative Services and Executive Offices	<u>7,981,379</u>	<u>6,929,398</u>	<u>4,130,948</u>	<u>2,798,450</u>
<b>Operations, Maintenance, and Construction</b>				
Land Stewardship	5,673,952	6,044,574	5,753,469	291,105
Mission Support	6,416	7,106	690	6,416
Operations and Maintenance	87,238,659	90,885,384	89,462,138	1,423,246
Restoration	14,844,863	2,085,274	1,691,065	394,209
Water Supply	42,070	6,288	6,287	1
Total Operations, Maintenance, and Construction	<u>107,805,960</u>	<u>99,028,626</u>	<u>96,913,649</u>	<u>2,114,977</u>
<b>Regulation</b>				
Land Stewardship	-	7,864	2,159	5,705
Operations and Maintenance	1,000	535	535	-
Restoration	8,327,945	3,317,714	2,585,684	732,030
Total Regulation	<u>8,328,945</u>	<u>3,326,113</u>	<u>2,588,378</u>	<u>737,735</u>
<b>Water Resources</b>				
Land Stewardship	-	57,500	48,160	9,340
Modeling and Scientific Support	872,523	671,946	294,706	377,240
Operations and Maintenance	382,355	271,698	262,914	8,784
Restoration	5,055,971	4,588,219	4,019,609	568,610
Water Supply	1,069,011	836,936	518,512	318,424
Total Water Resources	<u>7,379,860</u>	<u>6,426,299</u>	<u>5,143,901</u>	<u>1,282,398</u>

**South Florida Water Management District  
Okeechobee Basin Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Contingency				
Managerial Reserve	-	14,508,570	-	14,508,570
Managerial Reserve-Contingency	40,512,602	40,512,602	-	40,512,602
Total Contingency	<u>40,512,602</u>	<u>55,021,172</u>	<u>-</u>	<u>55,021,172</u>
Total Expenditures	<u>172,008,746</u>	<u>170,731,608</u>	<u>108,776,876</u>	<u>61,954,732</u>
Revenues in Excess of (Less than) Expenditures	<u>(56,899,454)</u>	<u>(55,622,316)</u>	<u>9,728,530</u>	<u>65,350,846</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(16,581,219)	(17,858,359)	(17,858,359)	-
Total Other Financing Sources (Uses)	<u>(16,581,219)</u>	<u>(17,858,359)</u>	<u>(17,858,359)</u>	<u>-</u>
Net Change in Fund Balance	(73,480,673)	(73,480,675)	(8,129,829)	65,350,846
Fund Balance at Beginning of Year	116,607,546	116,607,546	116,607,546	-
Fund Balance at End of Year	<u>\$ 43,126,873</u>	<u>\$ 43,126,871</u>	<u>\$ 108,477,717</u>	<u>\$ 65,350,846</u>

**South Florida Water Management District  
Everglades Restoration Trust Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ 35,611,955	\$ 35,611,955	\$ 35,648,535	\$ 36,580
Agricultural Privilege Taxes	11,352,040	11,352,040	11,593,566	241,526
Intergovernmental	4,400,000	4,400,000	4,400,000	-
Investment Earnings (Losses)	171,000	171,000	(61,946)	(232,946)
Other	-	-	33,058	33,058
Total Revenues	<u>51,534,995</u>	<u>51,534,995</u>	<u>51,613,213</u>	<u>78,218</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Administrative Services and Executive Offices</b>				
Restoration	6,782,375	3,471,714	2,879,118	592,596
Total Administrative Services and Executive Offices	<u>6,782,375</u>	<u>3,471,714</u>	<u>2,879,118</u>	<u>592,596</u>
<b>Operations, Maintenance, and Construction</b>				
Restoration	19,404,275	19,621,199	19,069,352	551,847
Total Operations, Maintenance, and Construction	<u>19,404,275</u>	<u>19,621,199</u>	<u>19,069,352</u>	<u>551,847</u>
<b>Regulation</b>				
Restoration	1,296,112	1,248,737	1,217,388	31,349
Total Regulation	<u>1,296,112</u>	<u>1,248,737</u>	<u>1,217,388</u>	<u>31,349</u>
<b>Water Resources</b>				
Restoration	6,040,913	6,047,273	5,929,280	117,993
Total Water Resources	<u>6,040,913</u>	<u>6,047,273</u>	<u>5,929,280</u>	<u>117,993</u>
<b>Contingency</b>				
Managerial Reserve	-	3,045,526	-	3,045,526
Managerial Reserve-Contingency	3,000,000	3,000,000	-	3,000,000
Total Contingency	<u>3,000,000</u>	<u>6,045,526</u>	<u>-</u>	<u>6,045,526</u>
Total Expenditures	<u>36,523,675</u>	<u>36,434,449</u>	<u>29,095,138</u>	<u>7,339,311</u>
Revenues in Excess of (Less than) Expenditures	<u>15,011,320</u>	<u>15,100,546</u>	<u>22,518,075</u>	<u>7,417,529</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,371,799	2,524,690	2,371,799	(152,891)
Transfers Out	(21,686,659)	(21,928,776)	(21,775,885)	152,891
Total Other Financing Sources (Uses)	<u>(19,314,860)</u>	<u>(19,404,086)</u>	<u>(19,404,086)</u>	<u>-</u>
Net Change in Fund Balance	(4,303,540)	(4,303,540)	3,113,989	7,417,529
Fund Balance at Beginning of Year	7,541,628	7,541,628	7,541,628	-
Fund Balance at End of Year	<u>\$ 3,238,088</u>	<u>\$ 3,238,088</u>	<u>\$ 10,655,617</u>	<u>\$ 7,417,529</u>

South Florida Water Management District  
 Schedule of Employer Contributions  
 Other Post-Employment Benefit Plans  
 September 30, 2013

Schedule of Employer Contributions

Year Ended September 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 903,976	\$ 3,458,515	26.14%
2009	\$ 1,028,112	\$ 3,675,782	27.97%
2010	\$ 1,560,396	\$ 7,972,296	19.57%
2011	\$ 3,705,335	\$ 7,834,678	47.29%
2012	\$ 2,344,703	\$ 4,813,042	48.72%
2013	\$ 1,847,965	\$ 4,756,056	38.85%

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded Actuarial Accrued Liability (UAAL)	(4) Funded Ratio (Actuarial Value of Plan Assets/AAL)	(5) Covered Payroll (Active Plan Members)	(6) UAAL as a Percentage of Covered Payroll
			(2) - (1)	(1) / (2)		(3) / (5)
10/1/2007	-	\$ 44,993,790	\$ 44,993,790	0%	\$115,455,078	38.97%
7/1/2009	-	\$ 97,110,991	\$ 97,110,991	0%	\$123,626,745	78.55%
7/1/2011	-	\$ 66,605,021	\$ 66,605,021	0%	\$108,728,010	61.26%
7/1/2011 *	-	\$ 62,913,036	\$ 62,913,036	0%	\$108,728,010	57.86%

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

\* Denotes update for plan change since previous valuation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2013**

**BUDGETARY INFORMATION**

- Budgets are legally adopted for all funds and are adopted on a basis consistent with generally accepted accounting principles. The adopted budget represents a fiscal-year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. There are seven Programs: Land Stewardship, Mission Support, Modeling and Scientific Support, Operations and Maintenance, Regulation, Restoration, and Water Supply. The District is organized by four main resource areas: Administrative Services and Executive Offices; Operations, Maintenance, and Construction; Regulation; and Water Resources.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. One budget amendment was approved by the Governing Board during fiscal year 2013 in order to recognize the receipt of \$169,036 in unbudgeted revenues. The subject amendment impacted governmental funds other than the three presented herein. As part of the adoption of the original District budget, a Governing Board-authorized resolution provides for the transfer of funds from and to the General Fund and/or Special Revenue Funds to and from the corresponding Capital Projects Fund. These transfers are processed throughout the fiscal year, and while there is no impact to the overall District budget total, individual Funds will realize increases or decreases in budget in comparison to the amount originally adopted.
- For the year ended September 30, 2013, the General Fund realized an increase in budgeted expenditures of \$1,369,599, while the Okeechobee Basin Special Revenue Fund and the Everglades Restoration Trust Special Revenue Fund realized decreases in budgeted expenditures of \$1,277,139 and \$89,226, respectively, as a result of the aforementioned inter-fund transfers processed during fiscal year 2013. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

**OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

- The employer contributions reported on the Schedule of Employer Contributions (see page IV-5) represents the current amount paid by the District for the current year cost of the benefits, which were entirely paid to or on behalf of retirees. Accordingly, no assets have been placed in trust to advance fund the employer's obligation.



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# **FINANCIAL SECTION**

**OTHER SUPPLEMENTARY INFORMATION**



# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by a .1633 mill tax levy and interest earnings.

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

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

#### **State Appropriations Fund**

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

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

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

#### **Melaleuca Control Fund**

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

#### **Wetland Mitigation Fund**

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

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

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

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

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

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

#### **External Grants Fund**

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

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

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

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

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

#### **Lake Okeechobee Fund**

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

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

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

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

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

#### **Florida Bay Fund**

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Capital Projects Funds**

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

#### **District Fund**

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

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

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

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

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

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

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

#### **Florida Bay Fund**

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

#### **Wetland Mitigation Fund**

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

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

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

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

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

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

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

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

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

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

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

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

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

#### **COPS – Comprehensive Everglades Forever Act Fund**

Accounts for revenues from Certificates of Participation issued to support the accelerated construction of projects in the Everglades Forever Act.

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

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

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

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

#### **Lake Okeechobee Fund**

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

### **Permanent Fund**

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

#### **Wetland Mitigation Fund**

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

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2013**

	Special Revenue Funds					
	Big Cypress Basin	Save Our Rivers	State Appropriations	Aquatic Plant Control	Melaleuca Control	Wetland Mitigation
<b>ASSETS</b>						
Cash and Investments	\$ 10,761,609	\$ 7,555,462	\$ 3,604,722	\$ -	\$ -	\$ 22,575,551
Cash Held by Trustee	-	-	-	-	-	-
Accounts Receivable	11,902	86,271	-	-	-	26,802
Due from Other Governments	140,402	19,992	20,666	305,594	-	-
Inventory	187,710	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total Assets	\$ 11,101,623	\$ 7,661,725	\$ 3,625,388	\$ 305,594	\$ -	\$ 22,602,353
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 247,918	\$ 147,782	\$ 142,625	\$ 34,609	\$ -	\$ 80,587
Due to Other Governments	250,000	6,599	-	-	-	-
Due to Other Funds	8,046	-	-	238,865	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	764,760	-	105,299	-	-
Total Liabilities & Deferred Inflows of Resources	505,964	919,141	142,625	378,773	-	80,587
<b>FUND BALANCES</b>						
Nonspendable	187,710	-	-	-	-	-
Restricted	10,407,949	6,742,584	3,482,763	-	-	18,514,984
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	4,006,782
Unassigned	-	-	-	(73,179)	-	-
Total Fund Balances	10,595,659	6,742,584	3,482,763	(73,179)	-	22,521,766
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 11,101,623	\$ 7,661,725	\$ 3,625,388	\$ 305,594	\$ -	\$ 22,602,353

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2013**

	Special Revenue Funds (Continued)					
	Indian River Lagoon Restoration	Federal Land Management	External Grants	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee
<b>ASSETS</b>						
Cash and Investments	\$ 212,302	\$ 2,030,060	\$ -	\$ 25,048,547	\$ 496,920	\$ 3,613,153
Cash Held by Trustee	-	-	-	-	-	-
Accounts Receivable	257	10,996	-	30,106	591	-
Due from Other Governments	-	-	57,003	-	-	-
Inventory	-	-	-	-	-	-
Other Assets	-	-	-	1,041,835	-	-
Total Assets	<u>\$ 212,559</u>	<u>\$ 2,041,056</u>	<u>\$ 57,003</u>	<u>\$ 26,120,488</u>	<u>\$ 497,511</u>	<u>\$ 3,613,153</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 20,929	\$ 195,673	\$ 16,500	\$ 6,724	\$ -	\$ 32,680
Due to Other Governments	-	-	-	-	-	8,835
Due to Other Funds	-	-	27,003	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>20,929</u>	<u>195,673</u>	<u>43,503</u>	<u>6,724</u>	<u>-</u>	<u>41,515</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	191,630	1,845,383	13,500	26,113,764	497,511	3,571,638
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>191,630</u>	<u>1,845,383</u>	<u>13,500</u>	<u>26,113,764</u>	<u>497,511</u>	<u>3,571,638</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 212,559</u>	<u>\$ 2,041,056</u>	<u>\$ 57,003</u>	<u>\$ 26,120,488</u>	<u>\$ 497,511</u>	<u>\$ 3,613,153</u>



**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2013**

	Special Revenue Funds (Concluded)				Capital Projects Funds	
	Save Our Everglades	Federal Emergency Management Agency	Florida Bay	Total	District	Big Cypress Basin
<b>ASSETS</b>						
Cash and Investments	\$ 3,081,841	\$ 12,820	\$ 921,124	\$ 79,914,111	\$ 14,232,841	\$ 8,869,944
Cash Held by Trustee	-	-	-	-	-	-
Accounts Receivable	196,907	-	1,252	365,084	19,154	10,423
Due from Other Governments	1,126,199	-	51,137	1,720,993	-	-
Inventory	-	-	-	187,710	-	-
Other Assets	-	-	-	1,041,835	-	-
Total Assets	<u>\$ 4,404,947</u>	<u>\$ 12,820</u>	<u>\$ 973,513</u>	<u>\$ 83,229,733</u>	<u>\$ 14,251,995</u>	<u>\$ 8,880,367</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 1,192,344	\$ -	\$ 198,158	\$ 2,316,529	\$ 81,202	\$ 58,384
Due to Other Governments	-	-	-	265,434	-	-
Due to Other Funds	-	-	2,106	276,020	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	19,933	889,992	-	-
Total Liabilities & Deferred Inflows of Resources	<u>1,192,344</u>	<u>-</u>	<u>220,197</u>	<u>3,747,975</u>	<u>81,202</u>	<u>58,384</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	187,710	-	-
Restricted	3,212,603	-	753,316	75,347,625	-	8,821,983
Committed	-	-	-	-	57,610	-
Assigned	-	12,820	-	4,019,602	14,113,183	-
Unassigned	-	-	-	(73,179)	-	-
Total Fund Balances	<u>3,212,603</u>	<u>12,820</u>	<u>753,316</u>	<u>79,481,758</u>	<u>14,170,793</u>	<u>8,821,983</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 4,404,947</u>	<u>\$ 12,820</u>	<u>\$ 973,513</u>	<u>\$ 83,229,733</u>	<u>\$ 14,251,995</u>	<u>\$ 8,880,367</u>

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2013**

	Capital Projects Funds (Continued)					
	Save Our Rivers	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition
<b>ASSETS</b>						
Cash and Investments	\$ 12,111,424	\$ 114,897	\$ 2,093,506	\$ 8,598,633	\$ 17,167,774	\$ 4,344,397
Cash Held by Trustee	-	-	-	-	10,396,462	-
Accounts Receivable	14,664	-	2,579	10,508	50,224	-
Due from Other Governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total Assets	<u>\$ 12,126,088</u>	<u>\$ 114,897</u>	<u>\$ 2,096,085</u>	<u>\$ 8,609,141</u>	<u>\$ 27,614,460</u>	<u>\$ 4,344,397</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 73,309	\$ -	\$ 2,974	\$ -	\$ 706,779	\$ -
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	<u>73,309</u>	<u>-</u>	<u>2,974</u>	<u>-</u>	<u>706,779</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	12,052,779	-	2,093,111	3,208,615	10,396,462	4,344,397
Committed	-	-	-	-	-	-
Assigned	-	114,897	-	5,400,526	16,511,219	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>12,052,779</u>	<u>114,897</u>	<u>2,093,111</u>	<u>8,609,141</u>	<u>26,907,681</u>	<u>4,344,397</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 12,126,088</u>	<u>\$ 114,897</u>	<u>\$ 2,096,085</u>	<u>\$ 8,609,141</u>	<u>\$ 27,614,460</u>	<u>\$ 4,344,397</u>

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2013**

Capital Project Funds (Continued)

	Save Our Everglades	Comprehensive Everglades Restoration Plan Federal	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever Act	COPS Comprehensive Everglades Restoration Plan	Lake Belt Mitigation
<b>ASSETS</b>						
Cash and Investments	\$ 885,771	\$ -	\$ 1,751,433	\$ -	\$ 762,379	\$ 449,521
Cash Held by Trustee	-	-	-	20,454,813	27,922,073	-
Accounts Receivable	-	-	-	-	-	-
Due from Other Governments	3,612,276	-	-	-	-	-
Inventory	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total Assets	\$ 4,498,047	\$ -	\$ 1,751,433	\$ 20,454,813	\$ 28,684,452	\$ 449,521
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 2,993,214	\$ -	\$ 106,501	\$ -	\$ -	\$ 88,647
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	34,477	-	-	-	-	-
Total Liabilities & Deferred Inflows of Resources	3,027,691	-	106,501	-	-	88,647
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	1,470,356	-	-	20,454,813	28,684,452	360,874
Committed	-	-	-	-	-	-
Assigned	-	-	1,644,932	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	1,470,356	-	1,644,932	20,454,813	28,684,452	360,874
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 4,498,047	\$ -	\$ 1,751,433	\$ 20,454,813	\$ 28,684,452	\$ 449,521

Continued

**South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2013**

	<u>Capital Project Funds (Concluded)</u>		<u>Permanent Fund</u>		Total Nonmajor Governmental Funds
	<u>Lake Okeechobee</u>	<u>Total</u>	<u>Wetland Mitigation</u>		
<b>ASSETS</b>					
Cash and Investments	\$ 33,125	\$ 71,415,645	\$ 14,099,382		\$ 165,429,138
Cash Held by Trustee	-	58,773,348	-		58,773,348
Accounts Receivable	-	107,552	17,196		489,832
Due from Other Governments	-	3,612,276	-		5,333,269
Inventory	-	-	-		187,710
Other Assets	-	-	-		1,041,835
Total Assets	<u>\$ 33,125</u>	<u>\$ 133,908,821</u>	<u>\$ 14,116,578</u>		<u>\$ 231,255,132</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 4,111,010	\$ -		\$ 6,427,539
Due to Other Governments	-	-	-		265,434
Due to Other Funds	-	-	-		276,020
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	34,477	-		924,469
Total Liabilities & Deferred Inflows of Resources	<u>-</u>	<u>4,145,487</u>	<u>-</u>		<u>7,893,462</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	14,037,630		14,225,340
Restricted	33,125	91,920,967	78,948		167,347,540
Committed	-	57,610	-		57,610
Assigned	-	37,784,757	-		41,804,359
Unassigned	-	-	-		(73,179)
Total Fund Balances	<u>33,125</u>	<u>129,763,334</u>	<u>14,116,578</u>		<u>223,361,670</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 33,125</u>	<u>\$ 133,908,821</u>	<u>\$ 14,116,578</u>		<u>\$ 231,255,132</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

Special Revenue Funds

	Big Cypress Basin	Save Our Rivers	State Appropriations	Aquatic Plant Control	Melaleuca Control	Wetland Mitigation
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ 9,171,666	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	7,029,870	22,870	2,183,244	1,397,405	-
Investment Earnings (Losses)	(1,298)	-	(6,480)	-	-	27,249
Licenses, Permits and Fees	900	-	-	-	-	920,687
Sale of District Property	16,614	375	-	-	-	-
Leases	-	722,360	-	-	-	-
Other	2,929	898	-	11	2,323	4,850
<b>Total Revenues</b>	<b>9,190,811</b>	<b>7,753,503</b>	<b>16,390</b>	<b>2,183,255</b>	<b>1,399,728</b>	<b>952,786</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	158,811	779,212	-	-	1,399,728	1,176,626
Mission Support	227,480	-	-	-	-	-
Operations and Maintenance	2,615,640	149	-	2,256,434	-	10,147
Regulation	10,943	-	-	-	-	24,227
Restoration	3,290,600	-	1,092,114	-	-	135,215
Water Supply	490,043	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Bond Principal Retirement	-	5,865,000	-	-	-	-
Bond Interest	-	1,035,786	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	-	-
COPS Bond Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6,793,517</b>	<b>7,680,147</b>	<b>1,092,114</b>	<b>2,256,434</b>	<b>1,399,728</b>	<b>1,346,215</b>
Revenues in Excess of (Less than) Expenditures	2,397,294	73,356	(1,075,724)	(73,179)	-	(393,429)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	3,324,537	-	-	-	182,933
Transfers Out	(466,288)	-	-	-	-	(3,878,679)
<b>Total Other Financing Sources (Uses)</b>	<b>(466,288)</b>	<b>3,324,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,695,746)</b>
Net Change in Fund Balances	1,931,006	3,397,893	(1,075,724)	(73,179)	-	(4,089,175)
Fund Balances (Deficits) at Beginning of Year	8,664,653	3,344,691	4,558,487	-	-	26,610,941
Fund Balances (Deficits) at End of Year	\$ 10,595,659	\$ 6,742,584	\$ 3,482,763	(\$ 73,179)	\$ -	\$ 22,521,766

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

Special Revenue Funds (Continued)

	Indian River Lagoon Restoration	Federal Land Management	External Grants	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	97,071	-	1,439,026	-	233,736	-
Investment Earnings (Losses)	185	3,610	-	10,977	397	(3,718)
Licenses, Permits and Fees	-	-	-	19,154,351	-	-
Sale of District Property	-	-	-	-	-	-
Leases	-	1,292,087	-	-	-	-
Other	-	-	-	-	-	-
<b>Total Revenues</b>	<b>97,256</b>	<b>1,295,697</b>	<b>1,439,026</b>	<b>19,165,328</b>	<b>234,133</b>	<b>(3,718)</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	-	433,417	-	450,058	-	-
Mission Support	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Regulation	-	-	-	-	-	-
Restoration	105,075	6,883	154,618	-	145,580	1,189,482
Water Supply	-	-	15,000	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Bond Principal Retirement	-	-	-	-	-	-
Bond Interest	-	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	-	-
COPS Bond Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>105,075</b>	<b>440,300</b>	<b>169,618</b>	<b>450,058</b>	<b>145,580</b>	<b>1,189,482</b>
Revenues in Excess of (Less than) Expenditures	(7,819)	855,397	1,269,408	18,715,270	88,553	(1,193,200)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	322,477	410,116	66,069	-	-
Transfers Out	-	-	-	(788,500)	-	(80,857)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>322,477</b>	<b>410,116</b>	<b>(722,431)</b>	<b>-</b>	<b>(80,857)</b>
Net Change in Fund Balances	(7,819)	1,177,874	1,679,524	17,992,839	88,553	(1,274,057)
Fund Balances (Deficits) at Beginning of Year	199,449	667,509	(1,666,024)	8,120,925	408,958	4,845,695
Fund Balances (Deficits) at End of Year	<u>\$ 191,630</u>	<u>\$ 1,845,383</u>	<u>\$ 13,500</u>	<u>\$ 26,113,764</u>	<u>\$ 497,511</u>	<u>\$ 3,571,638</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	Special Revenue Funds ( Concluded)				Capital Projects Funds	
	Save Our Everglades	Federal Emergency Management Agency	Florida Bay	Total	District	Big Cypress Basin
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ 9,171,666	\$ -	\$ -
Intergovernmental	3,242,130	1,750	131,283	15,778,385	-	-
Investment Earnings (Losses)	6,995	-	1,823	39,740	15,731	10,900
Licenses, Permits and Fees	-	-	-	20,075,938	-	-
Sale of District Property	-	-	-	16,989	1,300	-
Leases	563,298	-	-	2,577,745	-	-
Other	-	-	-	11,011	428	-
<b>Total Revenues</b>	<b>3,812,423</b>	<b>1,750</b>	<b>133,106</b>	<b>47,671,474</b>	<b>17,459</b>	<b>10,900</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	543,719	-	-	4,941,571	-	-
Mission Support	-	-	-	227,480	-	-
Operations and Maintenance	-	-	-	4,882,370	-	-
Regulation	-	-	-	35,170	-	-
Restoration	3,008,417	1,750	1,235,373	10,365,107	-	-
Water Supply	-	-	-	505,043	-	-
Capital Outlay	-	-	-	-	5,086,831	486,219
Debt Service						
Bond Principal Retirement	-	-	-	5,865,000	-	-
Bond Interest	-	-	-	1,035,786	-	-
COPS Bond Principal Retirement	-	-	-	-	-	-
COPS Bond Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,552,136</b>	<b>1,750</b>	<b>1,235,373</b>	<b>27,857,527</b>	<b>5,086,831</b>	<b>486,219</b>
Revenues in Excess of (Less than) Expenditures	260,287	-	(1,102,267)	19,813,947	(5,069,372)	(475,319)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	2,236,912	6,543,044	18,164,583	466,288
Transfers Out	-	-	(703,537)	(5,917,861)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,533,375</b>	<b>625,183</b>	<b>18,164,583</b>	<b>466,288</b>
Net Change in Fund Balances	260,287	-	431,108	20,439,130	13,095,211	(9,031)
Fund Balances (Deficits) at Beginning of Year	2,952,316	12,820	322,208	59,042,628	1,075,582	8,831,014
Fund Balances (Deficits) at End of Year	<b>\$ 3,212,603</b>	<b>\$ 12,820</b>	<b>\$ 753,316</b>	<b>\$ 79,481,758</b>	<b>\$ 14,170,793</b>	<b>\$ 8,821,983</b>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

Capital Projects Funds (Continued)

	Save Our Rivers	Federal Emergency Management Agency	Florida Bay	Wetland Mitigation	Comprehensive Everglades Restoration Plan (CERP)	Federal Land Acquisition
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Investment Earnings (Losses)	19,375	-	2,451	8,123	(9,417)	-
Licenses, Permits and Fees	-	-	-	-	-	-
Sale of District Property	15,500	-	-	-	-	-
Leases	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total Revenues</b>	<b>34,875</b>	<b>-</b>	<b>2,451</b>	<b>8,123</b>	<b>(9,417)</b>	<b>-</b>
<b>EXPENDITURES</b>						
<b>Current Operating</b>						
Land Stewardship	-	-	-	-	-	-
Mission Support	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Regulation	-	-	-	-	-	-
Restoration	-	-	-	-	-	-
Water Supply	-	-	-	-	-	-
Capital Outlay	1,271,316	-	68,596	71,142	7,351,408	18,919
<b>Debt Service</b>						
Bond Principal Retirement	-	-	-	-	-	-
Bond Interest	-	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	4,742,352	-
COPS Bond Interest	-	-	-	-	11,007,158	-
<b>Total Expenditures</b>	<b>1,271,316</b>	<b>-</b>	<b>68,596</b>	<b>71,142</b>	<b>23,100,918</b>	<b>18,919</b>
Revenues in Excess of (Less than) Expenditures	(1,236,441)	-	(66,145)	(63,019)	(23,110,335)	(18,919)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	703,537	3,812,610	19,495,114	-
Transfers Out	-	-	(36,912)	(79,933)	(14,109,198)	(322,477)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>666,625</b>	<b>3,732,677</b>	<b>5,385,916</b>	<b>(322,477)</b>
<b>Net Change in Fund Balances</b>	<b>(1,236,441)</b>	<b>-</b>	<b>600,480</b>	<b>3,669,658</b>	<b>(17,724,419)</b>	<b>(341,396)</b>
Fund Balances (Deficits) at Beginning of Year	13,289,220	114,897	1,492,631	4,939,483	44,632,100	4,685,793
Fund Balances (Deficits) at End of Year	<u>\$ 12,052,779</u>	<u>\$ 114,897</u>	<u>\$ 2,093,111</u>	<u>\$ 8,609,141</u>	<u>\$ 26,907,681</u>	<u>\$ 4,344,397</u>



**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	Capital Projects Funds (Continued)					
	Save Our Everglades	Comprehensive Everglades Restoration Plan Federal	Comprehensive Everglades Restoration Plan Other Creditable	COPS Everglades Forever Act	COPS Comprehensive Everglades Restoration Plan	Lake Belt Mitigation
<b>REVENUES</b>						
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,838,506	-	-	-	-	-
Investment Earnings (Losses)	-	-	-	59,651	78,042	-
Licenses, Permits and Fees	-	-	-	-	-	-
Sale of District Property	-	-	-	71,816	12,927	-
Leases	(124)	-	-	-	-	-
Other	-	-	-	28	-	-
<b>Total Revenues</b>	<b>11,838,382</b>	<b>-</b>	<b>-</b>	<b>131,495</b>	<b>90,969</b>	<b>-</b>
<b>EXPENDITURES</b>						
Current Operating						
Land Stewardship	-	-	-	-	-	-
Mission Support	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-
Regulation	-	-	-	-	-	-
Restoration	-	-	-	-	-	-
Water Supply	-	-	-	-	-	-
Capital Outlay	12,061,519	-	111,880	509,738	-	427,626
Debt Service						
Bond Principal Retirement	-	-	-	-	-	-
Bond Interest	-	-	-	-	-	-
COPS Bond Principal Retirement	-	-	-	-	-	-
COPS Bond Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>12,061,519</b>	<b>-</b>	<b>111,880</b>	<b>509,738</b>	<b>-</b>	<b>427,626</b>
Revenues in Excess of (Less than) Expenditures	(223,137)	-	(111,880)	(378,243)	90,969	(427,626)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	547,823	-	-	-	788,500
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>547,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>788,500</b>
<b>Net Change in Fund Balances</b>	<b>(223,137)</b>	<b>547,823</b>	<b>(111,880)</b>	<b>(378,243)</b>	<b>90,969</b>	<b>360,874</b>
Fund Balances (Deficits) at Beginning of Year	1,693,493	(547,823)	1,756,812	20,833,056	28,593,483	-
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ 1,470,356</b>	<b>\$ -</b>	<b>\$ 1,644,932</b>	<b>\$ 20,454,813</b>	<b>\$ 28,684,452</b>	<b>\$ 360,874</b>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	Capital Projects Funds (Concluded)		Permanent Fund	Total Nonmajor Governmental Funds
	Lake Okeechobee	Total	Wetland Mitigation	
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ 9,171,666
Intergovernmental	-	11,838,506	-	27,616,891
Investment Earnings (Losses)	-	184,856	16,487	241,083
Licenses, Permits and Fees	-	-	21,504	20,097,442
Sale of District Property	-	101,543	-	118,532
Leases	-	(124)	-	2,577,621
Other	-	456	-	11,467
<b>Total Revenues</b>	<b>-</b>	<b>12,125,237</b>	<b>37,991</b>	<b>59,834,702</b>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	4,941,571
Mission Support	-	-	-	227,480
Operations and Maintenance	-	-	-	4,882,370
Regulation	-	-	-	35,170
Restoration	-	-	-	10,365,107
Water Supply	-	-	-	505,043
Capital Outlay	220,454	27,685,648	-	27,685,648
Debt Service				
Bond Principal Retirement	-	-	-	5,865,000
Bond Interest	-	-	-	1,035,786
COPS Bond Principal Retirement	-	4,742,352	-	4,742,352
COPS Bond Interest	-	11,007,158	-	11,007,158
<b>Total Expenditures</b>	<b>220,454</b>	<b>43,435,158</b>	<b>-</b>	<b>71,292,685</b>
Revenues in Excess of (Less than) Expenditures	(220,454)	(31,309,921)	37,991	(11,457,983)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	80,857	44,059,312	-	50,602,356
Transfers Out	-	(14,548,520)	(103,000)	(20,569,381)
<b>Total Other Financing Sources (Uses)</b>	<b>80,857</b>	<b>29,510,792</b>	<b>(103,000)</b>	<b>30,032,975</b>
Net Change in Fund Balances	(139,597)	(1,799,129)	(65,009)	18,574,992
Fund Balances (Deficits) at Beginning of Year	172,722	131,562,463	14,181,587	204,786,678
Fund Balances (Deficits) at End of Year	\$ 33,125	\$ 129,763,334	\$ 14,116,578	\$ 223,361,670



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**South Florida Water Management District**  
**Special Revenue Fund**  
**Big Cypress Basin**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ 9,152,016	\$ 9,171,666	\$ 19,650
Investment Earnings (Losses)	110,000	(1,298)	(111,298)
Licenses, Permits and Fees	8,000	900	(7,100)
Sale of District Property	-	16,614	16,614
Other	-	2,929	2,929
Total Revenues	<u>9,270,016</u>	<u>9,190,811</u>	<u>(79,205)</u>
<b>EXPENDITURES</b>			
<b>Administrative Services and Executive Offices</b>			
Mission Support	428,256	227,480	200,776
Operations and Maintenance	135,278	134,891	387
Regulation	11,500	10,943	557
Restoration	3,772,660	2,241,936	1,530,724
Water Supply	1,392,544	490,043	902,501
Total Administrative Services and Executive Offices	<u>5,740,238</u>	<u>3,105,293</u>	<u>2,634,945</u>
<b>Operations, Maintenance, and Construction</b>			
Land Stewardship	159,000	158,811	189
Operations and Maintenance	2,717,563	2,479,305	238,258
Restoration	933,046	746,027	187,019
Total Operations, Maintenance, and Construction	<u>3,809,609</u>	<u>3,384,143</u>	<u>425,466</u>
<b>Water Resources</b>			
Operations and Maintenance	3,000	1,444	1,556
Restoration	377,698	302,637	75,061
Total Water Resources	<u>380,698</u>	<u>304,081</u>	<u>76,617</u>
<b>Contingency</b>			
Managerial Reserve	239,071	-	239,071
Managerial Reserve-Contingency	760,401	-	760,401
Total Contingency	<u>999,472</u>	<u>-</u>	<u>999,472</u>
Total Expenditures	<u>10,930,017</u>	<u>6,793,517</u>	<u>4,136,500</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,660,001)</u>	<u>2,397,294</u>	<u>4,057,295</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(466,288)	(466,288)	-
Total Other Financing Sources (Uses)	<u>(466,288)</u>	<u>(466,288)</u>	<u>-</u>
Net Change in Fund Balance	(2,126,289)	1,931,006	4,057,295
Fund Balance at Beginning of Year	8,664,653	8,664,653	-
Fund Balance at End of Year	<u>\$ 6,538,364</u>	<u>\$ 10,595,659</u>	<u>\$ 4,057,295</u>

**South Florida Water Management District**  
**Special Revenue Fund**  
**Save Our Rivers**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 6,915,786	\$ 7,029,870	\$ 114,084
Sale of District Property	-	375	375
Leases	775,080	722,360	(52,720)
Other	-	898	898
<b>Total Revenues</b>	<b>7,690,866</b>	<b>7,753,503</b>	<b>62,637</b>
<b>EXPENDITURES</b>			
Operations, Maintenance, and Construction			
Land Stewardship	816,823	779,212	37,611
Operations and Maintenance	-	149	(149)
Restoration	27,035	-	27,035
<b>Total Operations, Maintenance, and Construction</b>	<b>843,858</b>	<b>779,361</b>	<b>64,497</b>
Debt Service			
Bond Principal Retirement	5,865,000	5,865,000	-
Bond Interest	1,035,787	1,035,786	1
<b>Total Debt Service</b>	<b>6,900,787</b>	<b>6,900,786</b>	<b>1</b>
Contingency			
Managerial Reserve	3,324,537	-	3,324,537
<b>Total Contingency</b>	<b>3,324,537</b>	<b>-</b>	<b>3,324,537</b>
<b>Total Expenditures</b>	<b>11,069,182</b>	<b>7,680,147</b>	<b>3,389,035</b>
Revenues in Excess of (Less than) Expenditures	(3,378,316)	73,356	3,451,672
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	3,324,537	3,324,537	-
<b>Total Other Financing Sources (Uses)</b>	<b>3,324,537</b>	<b>3,324,537</b>	<b>-</b>
Net Change in Fund Balance	(53,779)	3,397,893	3,451,672
Fund Balance at Beginning of Year	3,344,691	3,344,691	-
Fund Balance at End of Year	<b>\$ 3,290,912</b>	<b>\$ 6,742,584</b>	<b>\$ 3,451,672</b>

**South Florida Water Management District**  
**Special Revenue Fund**  
**State Appropriations**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 22,870	\$ 22,870
Investment Earnings (Losses)	-	(6,480)	(6,480)
Total Revenues	-	16,390	16,390
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	3,951,475	1,092,114	2,859,361
Total Administrative Services and Executive Offices	3,951,475	1,092,114	2,859,361
Contingency			
Managerial Reserve	121,769	-	121,769
Total Contingency	121,769	-	121,769
Total Expenditures	4,073,244	1,092,114	2,981,130
Revenues in Excess of (Less than) Expenditures	(4,073,244)	(1,075,724)	2,997,520
Net Change in Fund Balance	(4,073,244)	(1,075,724)	2,997,520
Fund Balance at Beginning of Year	4,558,487	4,558,487	-
Fund Balance at End of Year	\$ 485,243	\$ 3,482,763	\$ 2,997,520

**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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,189,467	\$ 2,183,244	(\$ 6,223)
Other	-	11	11
Total Revenues	<u>2,189,467</u>	<u>2,183,255</u>	<u>(6,212)</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Operations and Maintenance	2,695,087	2,256,434	438,653
Total Operations, Maintenance, and Construction	<u>2,695,087</u>	<u>2,256,434</u>	<u>438,653</u>
Total Expenditures	<u>2,695,087</u>	<u>2,256,434</u>	<u>438,653</u>
Revenues in Excess of (Less than) Expenditures	(505,620)	(73,179)	432,441
Net Change in Fund Balance	<u>(505,620)</u>	<u>(73,179)</u>	<u>432,441</u>
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u><u>(\$ 505,620)</u></u>	<u><u>(\$ 73,179)</u></u>	<u><u>\$ 432,441</u></u>

**South Florida Water Management District  
Special Revenue Fund  
Melaleuca Control  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,400,000	\$ 1,397,405	(\$ 2,595)
Other	-	2,323	2,323
Total Revenues	<u>1,400,000</u>	<u>1,399,728</u>	<u>(272)</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	1,400,000	1,399,728	272
Total Operations, Maintenance, and Construction	<u>1,400,000</u>	<u>1,399,728</u>	<u>272</u>
Total Expenditures	<u>1,400,000</u>	<u>1,399,728</u>	<u>272</u>
Revenues in Excess of (Less than) Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**South Florida Water Management District**  
**Special Revenue Fund**  
**Wetland Mitigation**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Losses)	\$ 226,000	\$ 27,249	(\$ 198,751)
Licenses, Permits and Fees	105,000	920,687	815,687
Other	-	4,850	4,850
Total Revenues	<u>331,000</u>	<u>952,786</u>	<u>621,786</u>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Restoration	1,359	-	1,359
Total Administrative Services and Executive Offices	<u>1,359</u>	<u>-</u>	<u>1,359</u>
Operations, Maintenance, and Construction			
Land Stewardship	1,327,686	1,176,626	151,060
Operations and Maintenance	10,000	10,147	(147)
Restoration	583,771	135,215	448,556
Total Operations, Maintenance, and Construction	<u>1,921,457</u>	<u>1,321,988</u>	<u>599,469</u>
Regulation			
Regulation	105,000	24,227	80,773
Total Regulation	<u>105,000</u>	<u>24,227</u>	<u>80,773</u>
Contingency			
Managerial Reserve	88,000	-	88,000
Total Contingency	<u>88,000</u>	<u>-</u>	<u>88,000</u>
Total Expenditures	<u>2,115,816</u>	<u>1,346,215</u>	<u>769,601</u>
Revenues in Excess of (Less than) Expenditures	<u>(1,784,816)</u>	<u>(393,429)</u>	<u>1,391,387</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	182,933	182,933	-
Transfers Out	(3,878,679)	(3,878,679)	-
Total Other Financing Sources (Uses)	<u>(3,695,746)</u>	<u>(3,695,746)</u>	<u>-</u>
Net Change in Fund Balance	(5,480,562)	(4,089,175)	1,391,387
Fund Balance at Beginning of Year	26,610,941	26,610,941	-
Fund Balance at End of Year	<u>\$ 21,130,379</u>	<u>\$ 22,521,766</u>	<u>\$ 1,391,387</u>

**South Florida Water Management District  
Special Revenue Fund  
Indian River Lagoon Restoration  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 71,103	\$ 97,071	\$ 25,968
Investment Earnings (Losses)	2,700	185	(2,515)
Total Revenues	<u>73,803</u>	<u>97,256</u>	<u>23,453</u>
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	171,838	105,075	66,763
Total Administrative Services and Executive Offices	<u>171,838</u>	<u>105,075</u>	<u>66,763</u>
Total Expenditures	<u>171,838</u>	<u>105,075</u>	<u>66,763</u>
Revenues in Excess of (Less than) Expenditures	<u>(98,035)</u>	<u>(7,819)</u>	<u>90,216</u>
Net Change in Fund Balance	<u>(98,035)</u>	<u>(7,819)</u>	<u>90,216</u>
Fund Balance at Beginning of Year	199,449	199,449	-
Fund Balance at End of Year	<u>\$ 101,414</u>	<u>\$ 191,630</u>	<u>\$ 90,216</u>

**South Florida Water Management District  
Special Revenue Fund  
Federal Land Management  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Losses)	\$ -	\$ 3,610	\$ 3,610
Leases	200,956	1,292,087	1,091,131
Total Revenues	<u>200,956</u>	<u>1,295,697</u>	<u>1,094,741</u>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Restoration	58,433	-	58,433
Total Administrative Services and Executive Offices	<u>58,433</u>	<u>-</u>	<u>58,433</u>
Operations, Maintenance, and Construction			
Land Stewardship	469,539	433,417	36,122
Restoration	13,000	6,883	6,117
Total Operations, Maintenance, and Construction	<u>482,539</u>	<u>440,300</u>	<u>42,239</u>
Total Expenditures	<u>540,972</u>	<u>440,300</u>	<u>100,672</u>
Revenues in Excess of (Less than) Expenditures	<u>(340,016)</u>	<u>855,397</u>	<u>1,195,413</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	322,477	322,477	-
Total Other Financing Sources (Uses)	<u>322,477</u>	<u>322,477</u>	<u>-</u>
Net Change in Fund Balance	<u>(17,539)</u>	<u>1,177,874</u>	<u>1,195,413</u>
Fund Balance at Beginning of Year	667,509	667,509	-
Fund Balance at End of Year	<u>\$ 649,970</u>	<u>\$ 1,845,383</u>	<u>\$ 1,195,413</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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 200,168	\$ 1,439,026	\$ 1,238,858
Total Revenues	200,168	1,439,026	1,238,858
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	100,000	66,500	33,500
Water Supply	15,000	15,000	-
Total Administrative Services and Executive Offices	115,000	81,500	33,500
Operations, Maintenance, and Construction			
Restoration	176,608	88,118	88,490
Total Operations, Maintenance, and Construction	176,608	88,118	88,490
Contingency			
Managerial Reserve	371,132	-	371,132
Total Contingency	371,132	-	371,132
Total Expenditures	662,740	169,618	493,122
Revenues in Excess of (Less than) Expenditures	(462,572)	1,269,408	1,731,980
OTHER FINANCING SOURCES (USES)			
Transfers In	410,117	410,116	(1)
Total Other Financing Sources (Uses)	410,117	410,116	(1)
Net Change in Fund Balance	(52,455)	1,679,524	1,731,979
Fund Balance at Beginning of Year	(1,666,024)	(1,666,024)	-
Fund Balance at End of Year	(\$ 1,718,479)	\$ 13,500	\$ 1,731,979

**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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ 27,000	\$ 10,977	(\$ 16,023)
Licenses, Permits and Fees	-	19,154,351	19,154,351
Total Revenues	<u>27,000</u>	<u>19,165,328</u>	<u>19,138,328</u>
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	1,549,023	450,058	1,098,965
Total Operations, Maintenance, and Construction	<u>1,549,023</u>	<u>450,058</u>	<u>1,098,965</u>
Contingency			
Managerial Reserve	1,277,200	-	1,277,200
Total Contingency	<u>1,277,200</u>	<u>-</u>	<u>1,277,200</u>
Total Expenditures	<u>2,826,223</u>	<u>450,058</u>	<u>2,376,165</u>
Revenues in Excess of (Less than) Expenditures	<u>(2,799,223)</u>	<u>18,715,270</u>	<u>21,514,493</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	66,069	66,069	-
Transfers Out	(788,500)	(788,500)	-
Total Other Financing Sources (Uses)	<u>(722,431)</u>	<u>(722,431)</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,521,654)</u>	<u>17,992,839</u>	<u>21,514,493</u>
Fund Balance at Beginning of Year	8,120,925	8,120,925	-
Fund Balance at End of Year	<u>\$ 4,599,271</u>	<u>\$ 26,113,764</u>	<u>\$ 21,514,493</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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ 145,000	\$ 233,736	\$ 88,736
Investment Earnings (Losses)	3,600	397	(3,203)
Total Revenues	<u>148,600</u>	<u>234,133</u>	<u>85,533</u>
EXPENDITURES			
Water Resources			
Restoration	217,492	145,580	71,912
Total Water Resources	<u>217,492</u>	<u>145,580</u>	<u>71,912</u>
Contingency			
Managerial Reserve	72	-	72
Total Contingency	<u>72</u>	<u>-</u>	<u>72</u>
Total Expenditures	<u>217,564</u>	<u>145,580</u>	<u>71,984</u>
Revenues in Excess of (Less than) Expenditures	<u>(68,964)</u>	<u>88,553</u>	<u>157,517</u>
Net Change in Fund Balance	<u>(68,964)</u>	<u>88,553</u>	<u>157,517</u>
Fund Balance at Beginning of Year	408,958	408,958	-
Fund Balance at End of Year	<u>\$ 339,994</u>	<u>\$ 497,511</u>	<u>\$ 157,517</u>

**South Florida Water Management District**  
**Special Revenue Fund**  
**Lake Okeechobee**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	(\$ 3,718)	(\$ 3,718)
Total Revenues	-	(3,718)	(3,718)
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	87,243	15,030	72,213
Total Administrative Services and Executive Offices	87,243	15,030	72,213
Operations, Maintenance, and Construction			
Restoration	102,984	88,983	14,001
Total Operations, Maintenance, and Construction	102,984	88,983	14,001
Regulation			
Restoration	1,567,527	1,056,469	511,058
Total Regulation	1,567,527	1,056,469	511,058
Water Resources			
Restoration	40,400	29,000	11,400
Total Water Resources	40,400	29,000	11,400
Contingency			
Managerial Reserve	1,847,523	-	1,847,523
Total Contingency	1,847,523	-	1,847,523
Total Expenditures	3,645,677	1,189,482	2,456,195
Revenues in Excess of (Less than) Expenditures	(3,645,677)	(1,193,200)	2,452,477
OTHER FINANCING SOURCES (USES)			
Transfers Out	(80,857)	(80,857)	-
Total Other Financing Sources (Uses)	(80,857)	(80,857)	-
Net Change in Fund Balance	(3,726,534)	(1,274,057)	2,452,477
Fund Balance at Beginning of Year	4,845,695	4,845,695	-
Fund Balance at End of Year	\$ 1,119,161	\$ 3,571,638	\$ 2,452,477

**South Florida Water Management District**  
**Special Revenue Fund**  
**Save Our Everglades**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 7,187,702	\$ 3,242,130	(\$ 3,945,572)
Investment Earnings (Losses)	-	6,995	6,995
Leases	-	563,298	563,298
<b>Total Revenues</b>	<b>7,187,702</b>	<b>3,812,423</b>	<b>(3,375,279)</b>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Restoration	1,086,540	-	1,086,540
<b>Total Administrative Services and Executive Offices</b>	<b>1,086,540</b>	<b>-</b>	<b>1,086,540</b>
Operations, Maintenance, and Construction			
Land Stewardship	563,000	543,719	19,281
Restoration	6,520,466	2,943,543	3,576,923
<b>Total Operations, Maintenance, and Construction</b>	<b>7,083,466</b>	<b>3,487,262</b>	<b>3,596,204</b>
Regulation			
Restoration	6,114,304	-	6,114,304
<b>Total Regulation</b>	<b>6,114,304</b>	<b>-</b>	<b>6,114,304</b>
Water Resources			
Restoration	64,880	64,874	6
<b>Total Water Resources</b>	<b>64,880</b>	<b>64,874</b>	<b>6</b>
Contingency			
Managerial Reserve	75,000	-	75,000
<b>Total Contingency</b>	<b>75,000</b>	<b>-</b>	<b>75,000</b>
<b>Total Expenditures</b>	<b>14,424,190</b>	<b>3,552,136</b>	<b>10,872,054</b>
Revenues in Excess of (Less than) Expenditures	(7,236,488)	260,287	7,496,775
Net Change in Fund Balance	(7,236,488)	260,287	7,496,775
Fund Balance at Beginning of Year	2,952,316	2,952,316	-
Fund Balance at End of Year	(\$ 4,284,172)	\$ 3,212,603	\$ 7,496,775



**South Florida Water Management District  
Special Revenue Fund  
Federal Emergency Management Agency  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 1,750	\$ 1,750
Total Revenues	-	1,750	1,750
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	6,000	1,750	4,250
Total Administrative Services and Executive Offices	6,000	1,750	4,250
Total Expenditures	6,000	1,750	4,250
Revenues in Excess of (Less than) Expenditures	(6,000)	-	6,000
Net Change in Fund Balance	(6,000)	-	6,000
Fund Balance at Beginning of Year	12,820	12,820	-
Fund Balance at End of Year	\$ 6,820	\$ 12,820	\$ 6,000

**South Florida Water Management District**  
**Special Revenue Fund**  
**Florida Bay**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 131,283	\$ 131,283
Investment Earnings (Losses)	-	1,823	1,823
<b>Total Revenues</b>	<b>-</b>	<b>133,106</b>	<b>133,106</b>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Restoration	47,360	7,755	39,605
<b>Total Administrative Services and Executive Offices</b>	<b>47,360</b>	<b>7,755</b>	<b>39,605</b>
Operations, Maintenance, and Construction			
Restoration	26,472	-	26,472
<b>Total Operations, Maintenance, and Construction</b>	<b>26,472</b>	<b>-</b>	<b>26,472</b>
Water Resources			
Restoration	1,473,304	1,227,618	245,686
<b>Total Water Resources</b>	<b>1,473,304</b>	<b>1,227,618</b>	<b>245,686</b>
Contingency			
Managerial Reserve	44,388	-	44,388
<b>Total Contingency</b>	<b>44,388</b>	<b>-</b>	<b>44,388</b>
<b>Total Expenditures</b>	<b>1,591,524</b>	<b>1,235,373</b>	<b>356,151</b>
Revenues in Excess of (Less than) Expenditures	(1,591,524)	(1,102,267)	489,257
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,236,912	2,236,912	-
Transfers Out	(703,537)	(703,537)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,533,375</b>	<b>1,533,375</b>	<b>-</b>
Net Change in Fund Balance	(58,149)	431,108	489,257
Fund Balance at Beginning of Year	322,208	322,208	-
Fund Balance at End of Year	\$ 264,059	\$ 753,316	\$ 489,257

**South Florida Water Management District  
Capital Projects Fund  
District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Losses)	\$ -	\$ 15,731	\$ 15,731
Sale of District Property	-	1,300	1,300
Other	-	428	428
Total Revenues	<u>-</u>	<u>17,459</u>	<u>17,459</u>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Mission Support	1,107,182	1,106,131	1,051
Operations and Maintenance	457,885	421,367	36,518
Regulation	400,233	303,258	96,975
Total Administrative Services and Executive Offices	<u>1,965,300</u>	<u>1,830,756</u>	<u>134,544</u>
Operations, Maintenance, and Construction			
Mission Support	132,782	41,767	91,015
Operations and Maintenance	68,236	52,833	15,403
Restoration	3,067,500	2,873,490	194,010
Total Operations, Maintenance, and Construction	<u>3,268,518</u>	<u>2,968,090</u>	<u>300,428</u>
Regulation			
Restoration	130,000	130,000	-
Total Regulation	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Water Resources			
Modeling and Scientific Support	126,068	126,067	1
Restoration	186,530	30,524	156,006
Water Supply	1,394	1,394	-
Total Water Resources	<u>313,992</u>	<u>157,985</u>	<u>156,007</u>
Contingency			
Managerial Reserve	13,482,637	-	13,482,637
Total Contingency	<u>13,482,637</u>	<u>-</u>	<u>13,482,637</u>
Total Expenditures	<u>19,160,447</u>	<u>5,086,831</u>	<u>14,073,616</u>
Revenues in Excess of (Less than) Expenditures	<u>(19,160,447)</u>	<u>(5,069,372)</u>	<u>14,091,075</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	18,314,242	18,164,583	(149,659)
Transfers Out	(149,659)	-	149,659
Total Other Financing Sources (Uses)	<u>18,164,583</u>	<u>18,164,583</u>	<u>-</u>
Net Change in Fund Balance	<u>(995,864)</u>	<u>13,095,211</u>	<u>14,091,075</u>
Fund Balance at Beginning of Year	1,075,582	1,075,582	-
Fund Balance at End of Year	<u>\$ 79,718</u>	<u>\$ 14,170,793</u>	<u>\$ 14,091,075</u>

**South Florida Water Management District**  
**Capital Projects Fund**  
**Okeechobee Basin**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 85,415	\$ 85,415
Investment Earnings (Losses)	371,000	34,541	(336,459)
Other	-	3,836	3,836
<b>Total Revenues</b>	<b>371,000</b>	<b>123,792</b>	<b>(247,208)</b>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Restoration	345,320	46,334	298,986
<b>Total Administrative Services and Executive Offices</b>	<b>345,320</b>	<b>46,334</b>	<b>298,986</b>
Operations, Maintenance, and Construction			
Land Stewardship	66,337	66,337	-
Operations and Maintenance	16,543,119	14,438,579	2,104,540
Restoration	13,318,807	3,574,668	9,744,139
<b>Total Operations, Maintenance, and Construction</b>	<b>29,928,263</b>	<b>18,079,584</b>	<b>11,848,679</b>
Regulation			
Restoration	12,458	12,458	-
<b>Total Regulation</b>	<b>12,458</b>	<b>12,458</b>	<b>-</b>
Water Resources			
Restoration	33,034	33,034	-
Water Supply	268,405	233,370	35,035
<b>Total Water Resources</b>	<b>301,439</b>	<b>266,404</b>	<b>35,035</b>
Contingency			
Managerial Reserve	3,572	-	3,572
<b>Total Contingency</b>	<b>3,572</b>	<b>-</b>	<b>3,572</b>
<b>Total Expenditures</b>	<b>30,591,052</b>	<b>18,404,780</b>	<b>12,186,272</b>
Revenues in Excess of (Less than) Expenditures	(30,220,052)	(18,280,988)	11,939,064
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	17,858,359	17,858,359	-
<b>Total Other Financing Sources (Uses)</b>	<b>17,858,359</b>	<b>17,858,359</b>	<b>-</b>
Net Change in Fund Balance	(12,361,693)	(422,629)	11,939,064
Fund Balance at Beginning of Year	19,017,542	19,017,542	-
Fund Balance at End of Year	<b>\$ 6,655,849</b>	<b>\$ 18,594,913</b>	<b>\$ 11,939,064</b>

**South Florida Water Management District  
Capital Projects Fund  
Big Cypress Basin  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ 72,000	\$ 10,900	(\$ 61,100)
Total Revenues	72,000	10,900	(61,100)
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	53,000	36,333	16,667
Total Administrative Services and Executive Offices	53,000	36,333	16,667
Operations, Maintenance, and Construction			
Operations and Maintenance	372,312	318,922	53,390
Restoration	521,100	101,964	419,136
Total Operations, Maintenance, and Construction	893,412	420,886	472,526
Water Resources			
Restoration	29,000	29,000	-
Total Water Resources	29,000	29,000	-
Total Expenditures	975,412	486,219	489,193
Revenues in Excess of (Less than) Expenditures	(903,412)	(475,319)	428,093
OTHER FINANCING SOURCES (USES)			
Transfers In	466,288	466,288	-
Total Other Financing Sources (Uses)	466,288	466,288	-
Net Change in Fund Balance	(437,124)	(9,031)	428,093
Fund Balance at Beginning of Year	8,831,014	8,831,014	-
Fund Balance at End of Year	\$ 8,393,890	\$ 8,821,983	\$ 428,093

**South Florida Water Management District  
Capital Projects Fund  
Save Our Rivers  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 19,375	\$ 19,375
Sale of District Property	-	15,500	15,500
Total Revenues	-	34,875	34,875
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	11,099,332	1,271,316	9,828,016
Total Operations, Maintenance, and Construction	11,099,332	1,271,316	9,828,016
Total Expenditures	11,099,332	1,271,316	9,828,016
Revenues in Excess of (Less than) Expenditures	(11,099,332)	(1,236,441)	9,862,891
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,447,211)	-	1,447,211
Total Other Financing Sources (Uses)	(1,447,211)	-	1,447,211
Net Change in Fund Balance	(12,546,543)	(1,236,441)	11,310,102
Fund Balance at Beginning of Year	13,289,220	13,289,220	-
Fund Balance at End of Year	\$ 742,677	\$ 12,052,779	\$ 11,310,102

**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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Losses)	\$ 865,000	\$ 169,771	(\$ 695,229)
Other	-	11,861	11,861
Total Revenues	<u>865,000</u>	<u>181,632</u>	<u>(683,368)</u>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Restoration	659,956	439,707	220,249
Total Administrative Services and Executive Offices	<u>659,956</u>	<u>439,707</u>	<u>220,249</u>
Operations, Maintenance, and Construction			
Restoration	1,870,687	1,796,093	74,594
Total Operations, Maintenance, and Construction	<u>1,870,687</u>	<u>1,796,093</u>	<u>74,594</u>
Regulation			
Restoration	17,400	17,400	-
Total Regulation	<u>17,400</u>	<u>17,400</u>	<u>-</u>
Water Resources			
Restoration	197,099	105,844	91,255
Total Water Resources	<u>197,099</u>	<u>105,844</u>	<u>91,255</u>
Debt Service			
COPS Bond Principal Retirement	5,867,649	5,867,648	1
COPS Bond Interest	13,619,010	13,619,009	1
Total Debt Service	<u>19,486,659</u>	<u>19,486,657</u>	<u>2</u>
Contingency			
Managerial Reserve	7,357,630	-	7,357,630
Total Contingency	<u>7,357,630</u>	<u>-</u>	<u>7,357,630</u>
Total Expenditures	<u>29,589,431</u>	<u>21,845,701</u>	<u>7,743,730</u>
Revenues in Excess of (Less than) Expenditures	<u>(28,724,431)</u>	<u>(21,664,069)</u>	<u>7,060,362</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	20,209,572	19,575,885	(633,687)
Transfers Out	(2,524,690)	(2,371,799)	152,891
Total Other Financing Sources (Uses)	<u>17,684,882</u>	<u>17,204,086</u>	<u>(480,796)</u>
Net Change in Fund Balance	<u>(11,039,549)</u>	<u>(4,459,983)</u>	<u>6,579,566</u>
Fund Balance at Beginning of Year	103,226,466	103,226,466	-
Fund Balance at End of Year	<u>\$ 92,186,917</u>	<u>\$ 98,766,483</u>	<u>\$ 6,579,566</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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Fund Balance at Beginning of Year	\$ 114,897	\$ 114,897	\$ -
Fund Balance at End of Year	\$ 114,897	\$ 114,897	\$ -



**South Florida Water Management District  
Capital Projects Fund  
Florida Bay  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 2,451	\$ 2,451
Total Revenues	-	2,451	2,451
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	70,113	39,598	30,515
Total Operations, Maintenance, and Construction	70,113	39,598	30,515
Water Resources			
Restoration	29,180	28,998	182
Total Water Resources	29,180	28,998	182
Contingency			
Managerial Reserve	1,505,000	-	1,505,000
Total Contingency	1,505,000	-	1,505,000
Total Expenditures	1,604,293	68,596	1,535,697
Revenues in Excess of (Less than) Expenditures	(1,604,293)	(66,145)	1,538,148
OTHER FINANCING SOURCES (USES)			
Transfers In	703,537	703,537	-
Transfers Out	(36,912)	(36,912)	-
Total Other Financing Sources (Uses)	666,625	666,625	-
Net Change in Fund Balance	(937,668)	600,480	1,538,148
Fund Balance at Beginning of Year	1,492,631	1,492,631	-
Fund Balance at End of Year	\$ 554,963	\$ 2,093,111	\$ 1,538,148

**South Florida Water Management District  
Capital Projects Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 8,123	\$ 8,123
Total Revenues	-	8,123	8,123
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	2,646	2,646	-
Total Administrative Services and Executive Offices	2,646	2,646	-
Operations, Maintenance, and Construction			
Restoration	69,996	68,496	1,500
Total Operations, Maintenance, and Construction	69,996	68,496	1,500
Contingency			
Managerial Reserve	3,731,177	-	3,731,177
Total Contingency	3,731,177	-	3,731,177
Total Expenditures	3,803,819	71,142	3,732,677
Revenues in Excess of (Less than) Expenditures	(3,803,819)	(63,019)	3,740,800
OTHER FINANCING SOURCES (USES)			
Transfers In	3,812,610	3,812,610	-
Transfers Out	(79,933)	(79,933)	-
Total Other Financing Sources (Uses)	3,732,677	3,732,677	-
Net Change in Fund Balance	(71,142)	3,669,658	3,740,800
Fund Balance at Beginning of Year	4,939,483	4,939,483	-
Fund Balance at End of Year	\$ 4,868,341	\$ 8,609,141	\$ 3,740,800

**South Florida Water Management District  
Capital Projects Fund  
Comprehensive Everglades Restoration Plan  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ 488,000	(\$ 9,417)	(\$ 497,417)
Total Revenues	488,000	(9,417)	(497,417)
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	297,596	295,688	1,908
Total Administrative Services and Executive Offices	297,596	295,688	1,908
Operations, Maintenance, and Construction			
Restoration	10,932,551	7,030,157	3,902,394
Total Operations, Maintenance, and Construction	10,932,551	7,030,157	3,902,394
Water Resources			
Restoration	25,563	25,563	-
Total Water Resources	25,563	25,563	-
Debt Service			
COPS Bond Principal Retirement	4,742,352	4,742,352	-
COPS Bond Interest	11,007,159	11,007,158	1
Total Debt Service	15,749,511	15,749,510	1
Contingency			
Managerial Reserve	2,704,312	-	2,704,312
Total Contingency	2,704,312	-	2,704,312
Total Expenditures	29,709,533	23,100,918	6,608,615
Revenues in Excess of (Less than) Expenditures	(29,221,533)	(23,110,335)	6,111,198
OTHER FINANCING SOURCES (USES)			
Transfers In	21,568,311	19,495,114	(2,073,197)
Transfers Out	(14,109,199)	(14,109,198)	1
Total Other Financing Sources (Uses)	7,459,112	5,385,916	(2,073,196)
Net Change in Fund Balance	(21,762,421)	(17,724,419)	4,038,002
Fund Balance at Beginning of Year	44,632,100	44,632,100	-
Fund Balance at End of Year	\$ 22,869,679	\$ 26,907,681	\$ 4,038,002

**South Florida Water Management District  
Capital Projects Fund  
Federal Land Acquisition  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	\$ 19,124	\$ 18,919	\$ 205
Total Administrative Services and Executive Offices	19,124	18,919	205
Contingency			
Managerial Reserve	95,113	-	95,113
Total Contingency	95,113	-	95,113
Total Expenditures	114,237	18,919	95,318
Revenues in Excess of (Less than) Expenditures	(114,237)	(18,919)	95,318
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,429,259)	(322,477)	1,106,782
Total Other Financing Sources (Uses)	(1,429,259)	(322,477)	1,106,782
Net Change in Fund Balance	(1,543,496)	(341,396)	1,202,100
Fund Balance at Beginning of Year	4,685,793	4,685,793	-
Fund Balance at End of Year	\$ 3,142,297	\$ 4,344,397	\$ 1,202,100

**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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 55,203,675	\$ 11,838,506	(\$ 43,365,169)
Leases	-	(124)	(124)
Other	-	-	-
Total Revenues	<u>55,203,675</u>	<u>11,838,382</u>	<u>(43,365,293)</u>
<b>EXPENDITURES</b>			
Administrative Services and Executive Offices			
Restoration	3,850,000	-	3,850,000
Total Administrative Services and Executive Offices	<u>3,850,000</u>	<u>-</u>	<u>3,850,000</u>
Operations, Maintenance, and Construction			
Restoration	50,768,844	12,061,519	38,707,325
Total Operations, Maintenance, and Construction	<u>50,768,844</u>	<u>12,061,519</u>	<u>38,707,325</u>
Contingency			
Managerial Reserve	910,160	-	910,160
Total Contingency	<u>910,160</u>	<u>-</u>	<u>910,160</u>
Total Expenditures	<u>55,529,004</u>	<u>12,061,519</u>	<u>43,467,485</u>
Revenues in Excess of (Less than) Expenditures	<u>(325,329)</u>	<u>(223,137)</u>	<u>102,192</u>
Net Change in Fund Balance	<u>(325,329)</u>	<u>(223,137)</u>	<u>102,192</u>
Fund Balance at Beginning of Year	1,693,493	1,693,493	-
Fund Balance at End of Year	<u>\$ 1,368,164</u>	<u>\$ 1,470,356</u>	<u>\$ 102,192</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, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Contingency			
Managerial Reserve	547,824	-	547,824
Total Contingency	547,824	-	547,824
Total Expenditures	547,824	-	547,824
Revenues in Excess of (Less than) Expenditures	(547,824)	-	547,824
OTHER FINANCING SOURCES (USES)			
Transfers In	547,824	547,823	(1)
Total Other Financing Sources (Uses)	547,824	547,823	(1)
Net Change in Fund Balance	-	547,823	547,823
Fund Balance at Beginning of Year	(547,823)	(547,823)	-
Fund Balance at End of Year	(547,823)	-	547,823

**South Florida Water Management District  
Capital Projects Fund  
Comprehensive Everglades Restoration Plan - Other Creditable Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance, and Construction			
Restoration	\$ 1,756,812	\$ 111,880	\$ 1,644,932
Total Operations, Maintenance, and Construction	1,756,812	111,880	1,644,932
Total Expenditures	1,756,812	111,880	1,644,932
Revenues in Excess of (Less than) Expenditures	(1,756,812)	(111,880)	1,644,932
Net Change in Fund Balance	(1,756,812)	(111,880)	1,644,932
Fund Balance at Beginning of Year	1,756,812	1,756,812	-
Fund Balance at End of Year	\$ -	\$ 1,644,932	\$ 1,644,932

**South Florida Water Management District**  
**Capital Projects Fund**  
**COPS - Everglades Forever Act (EFA)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
<b>REVENUES</b>			
Investment Earnings (Losses)	\$ -	\$ 59,651	\$ 59,651
Sale of District Property	-	71,816	71,816
Other	-	28	28
<b>Total Revenues</b>	<b>-</b>	<b>131,495</b>	<b>131,495</b>
<b>EXPENDITURES</b>			
Operations, Maintenance, and Construction			
Restoration	723,249	509,738	213,511
<b>Total Operations, Maintenance, and Construction</b>	<b>723,249</b>	<b>509,738</b>	<b>213,511</b>
Contingency			
Managerial Reserve	1,442,054	-	1,442,054
<b>Total Contingency</b>	<b>1,442,054</b>	<b>-</b>	<b>1,442,054</b>
<b>Total Expenditures</b>	<b>2,165,303</b>	<b>509,738</b>	<b>1,655,565</b>
Revenues in Excess of (Less than) Expenditures	(2,165,303)	(378,243)	1,787,060
Net Change in Fund Balance	(2,165,303)	(378,243)	1,787,060
Fund Balance at Beginning of Year	20,833,056	20,833,056	-
Fund Balance at End of Year	<b>\$ 18,667,753</b>	<b>\$ 20,454,813</b>	<b>\$ 1,787,060</b>



**South Florida Water Management District  
Capital Projects Fund  
COPS - Comprehensive Everglades Restoration Plan (CERP)  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ -	\$ 78,042	\$ 78,042
Sale of District Property	-	12,927	12,927
Total Revenues	-	90,969	90,969
EXPENDITURES			
Revenues in Excess of (Less than) Expenditures	-	90,969	90,969
Net Change in Fund Balance	-	90,969	90,969
Fund Balance at Beginning of Year	28,593,483	28,593,483	-
Fund Balance at End of Year	\$ 28,593,483	\$ 28,684,452	\$ 90,969

**South Florida Water Management District  
Capital Projects Fund  
Lake Belt Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES			
Operations, Maintenance, and Construction			
Land Stewardship	\$ 788,500	\$ 427,626	\$ 360,874
Total Operations, Maintenance, and Construction	788,500	427,626	360,874
Total Expenditures	788,500	427,626	360,874
Revenues in Excess of (Less than) Expenditures	(788,500)	(427,626)	360,874
OTHER FINANCING SOURCES (USES)			
Transfers In	788,500	788,500	-
Total Other Financing Sources (Uses)	788,500	788,500	-
Net Change in Fund Balance	-	360,874	360,874
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$ 360,874	\$ 360,874

**South Florida Water Management District  
Capital Projects Fund  
Lake Okeechobee  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Other	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Administrative Services and Executive Offices			
Restoration	147,139	147,074	65
Total Administrative Services and Executive Offices	147,139	147,074	65
Operations, Maintenance, and Construction			
Restoration	175,563	58,359	117,204
Total Operations, Maintenance, and Construction	175,563	58,359	117,204
Water Resources			
Restoration	16,608	15,021	1,587
Total Water Resources	16,608	15,021	1,587
Total Expenditures	339,310	220,454	118,856
Revenues in Excess of (Less than) Expenditures	(339,310)	(220,454)	118,856
OTHER FINANCING SOURCES (USES)			
Transfers In	80,857	80,857	-
Total Other Financing Sources (Uses)	80,857	80,857	-
Net Change in Fund Balance	(258,453)	(139,597)	118,856
Fund Balance at Beginning of Year	172,722	172,722	-
Fund Balance at End of Year	(\$ 85,731)	\$ 33,125	\$ 118,856

**South Florida Water Management District  
Permanent Fund  
Wetland Mitigation  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2013**

	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES			
Investment Earnings (Losses)	\$ 103,000	\$ 16,487	(\$ 86,513)
Licenses, Permits and Fees	-	21,504	21,504
Total Revenues	<u>103,000</u>	<u>37,991</u>	<u>(65,009)</u>
EXPENDITURES			
Revenues in Excess of (Less than) Expenditures	<u>103,000</u>	<u>37,991</u>	<u>(65,009)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(103,000)	(103,000)	-
Total Other Financing Sources (Uses)	<u>(103,000)</u>	<u>(103,000)</u>	<u>-</u>
Net Change in Fund Balance	-	(65,009)	(65,009)
Fund Balance at Beginning of Year	14,181,587	14,181,587	-
Fund Balance at End of Year	<u>\$ 14,181,587</u>	<u>\$ 14,116,578</u>	<u>(\$ 65,009)</u>

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Internal Service Funds**

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

### **Self Insurance Fund**

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

### **Health Benefits Fund**

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

**South Florida Water Management District  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2013**

	<u>Self Insurance Fund</u>	<u>Health Benefits Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 10,938,637	\$ 7,623,147	\$ 18,561,784
Accounts Receivable	46,371	188	46,559
Due from Other Funds	-	520,594	520,594
Prepays	585,687	-	585,687
Other Assets	140,000	775,000	915,000
Total Current Assets	<u>11,710,695</u>	<u>8,918,929</u>	<u>20,629,624</u>
Noncurrent Assets			
Furniture, Fixtures and Equipment	27,459	-	27,459
Computer Hardware	8,196	-	8,196
Vehicles	36,224	-	36,224
Accumulated Depreciation	(34,642)	-	(34,642)
Total Noncurrent Assets	<u>37,237</u>	<u>-</u>	<u>37,237</u>
Total Assets	<u>11,747,932</u>	<u>8,918,929</u>	<u>20,666,861</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 25,914	\$ 282,656	\$ 308,570
Due to Other Funds	2,105	-	2,105
Claims Payable	686,611	1,838,956	2,525,567
Total Current Liabilities	<u>714,630</u>	<u>2,121,612</u>	<u>2,836,242</u>
Noncurrent Liabilities			
Claims Payable	3,818,389	-	3,818,389
Total Noncurrent Liabilities	<u>3,818,389</u>	<u>-</u>	<u>3,818,389</u>
Total Liabilities	<u>4,533,019</u>	<u>2,121,612</u>	<u>6,654,631</u>
<b>NET POSITION</b>			
Net Position			
Net Investment in Capital Assets	37,237	-	37,237
Unrestricted	7,177,676	6,797,317	13,974,993
Total Net Position	<u>\$ 7,214,913</u>	<u>\$ 6,797,317</u>	<u>\$ 14,012,230</u>

**South Florida Water Management District**  
**Combining Statement of Revenues, Expenses, and Change in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2013**

	Self Insurance Fund	Health Benefits Fund	Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,724,413	\$ 29,439,112	\$ 31,163,525
Other Operating Revenue	101,986	55,894	157,880
Total Operating Revenues	<u>1,826,399</u>	<u>29,495,006</u>	<u>31,321,405</u>
<b>OPERATING EXPENSES</b>			
Salaries	356,499	-	356,499
Benefits	153,669	775,336	929,005
Claims	554,862	24,880,959	25,435,821
Purchased Services	202,528	12,500	215,028
Administrative Fees	-	1,975,073	1,975,073
Other	1,090,698	-	1,090,698
Depreciation	5,111	-	5,111
Total Operating Expenses	<u>2,363,367</u>	<u>27,643,868</u>	<u>30,007,235</u>
OPERATING INCOME (LOSS)	(536,968)	1,851,138	1,314,170
<b>NONOPERATING REVENUES</b>			
Investment Earnings	28,803	3,028	31,831
Total Nonoperating Revenues	<u>28,803</u>	<u>3,028</u>	<u>31,831</u>
INCOME (LOSS) BEFORE TRANSFERS	(508,165)	1,854,166	1,346,001
Transfers Out	<u>(7,000,000)</u>	<u>-</u>	<u>(7,000,000)</u>
Change in Net Position	(7,508,165)	1,854,166	(5,653,999)
Net Position at Beginning of Year	<u>14,723,078</u>	<u>4,943,151</u>	<u>19,666,229</u>
Net Position at End of Year	<u>\$ 7,214,913</u>	<u>\$ 6,797,317</u>	<u>\$ 14,012,230</u>

**South Florida Water Management District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2013**

	<u>Self Insurance Fund</u>	<u>Health Benefits Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers	\$ 1,746,044	\$ 29,455,836	\$ 31,201,880
Cash Payments to Suppliers	(1,279,797)	(2,703,888)	(3,983,685)
Cash Payments for Salaries, Benefits	(510,168)	(775,336)	(1,285,504)
Claims Paid	(889,862)	(24,945,398)	(25,835,260)
Other Receipts	101,986	38,529	140,515
Net Cash Provided by (Used In) Operating Activities	<u>(831,797)</u>	<u>1,069,743</u>	<u>237,946</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers Out	(7,000,000)	-	(7,000,000)
Net Cash Used In Noncapital Financing Activities	<u>(7,000,000)</u>	<u>-</u>	<u>(7,000,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment Earnings	28,803	3,028	31,831
Net Cash Provided by Investing Activities	<u>28,803</u>	<u>3,028</u>	<u>31,831</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,802,994)	1,072,771	(6,730,223)
Cash and Cash Equivalents, Beginning of Year	<u>18,741,631</u>	<u>6,550,376</u>	<u>25,292,007</u>
Cash and Cash Equivalents, End of Year	<u>\$ 10,938,637</u>	<u>\$ 7,623,147</u>	<u>\$ 18,561,784</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	(536,968)	1,851,138	1,314,170
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Depreciation	5,111	-	5,111
<b>CHANGES IN ASSETS AND LIABILITIES:</b>			
Decrease (Increase) in Accounts Receivable	21,631	16,724	38,355
Decrease (Increase) in Due from Other Funds	-	(17,365)	(17,365)
Decrease (Increase) in Prepays	10,301	-	10,301
Increase (Decrease) in Accounts Payable	3,196	(716,315)	(713,119)
Increase (Decrease) in Due to Other Funds	(68)	-	(68)
Increase (Decrease) in Estimated Unpaid Claims	(335,000)	(64,439)	(399,439)
Net Cash Provided by (Used In) Operating Activities	<u>\$ (831,797)</u>	<u>\$ 1,069,743</u>	<u>\$ 237,946</u>



# **STATISTICAL SECTION**



## Statistical Section

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

### FINANCIAL TRENDS.....VI-2

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

### REVENUE CAPACITY.....VI-8

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

### DEBT CAPACITY .....VI-17

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

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

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

### OPERATING INFORMATION.....VI-23

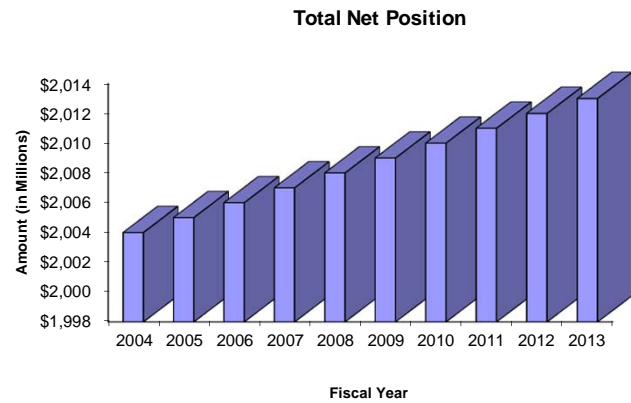
*These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District's provides and the activities it performs.*

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008 <sup>1</sup>	2009	2010	2011	2012	2013
Net investment in capital assets	\$2,199,470,206	\$2,473,840,536	\$2,991,538,729	\$3,398,712,773	\$3,679,678,118	\$3,788,956,243	\$3,889,860,428	\$4,157,311,051	\$4,172,534,665	\$4,213,896,550
Restricted for:										
Debt Service	9,873,615	8,172,744	5,842,813	26,937,291	28,235,089	28,523,676	28,802,266	30,327,489	29,482,154	29,834,800
Wetlands Mitigation										
Expendable	20,463,621	14,048,767	13,048,502	11,552,393	13,790,936	16,476,384	23,272,435	23,290,831	22,168,650	21,723,599
Nonexpendable	6,945,763	7,030,157	7,230,157	7,538,957	7,687,077	10,262,096	12,707,636	13,988,620	14,016,126	14,037,630
Environmental Programs	32,524,198	26,097,971	40,830,660	49,828,254	57,195,146	51,814,854	233,501,723	267,486,175	278,835,411	287,183,215
Capital Construction	-	-	-	-	-	-	-	63,511,269	27,848,557	27,416,896
Totals for Restricted	69,807,197	55,349,639	66,952,132	95,856,895	106,908,248	107,077,010	298,284,060	398,604,384	372,350,898	380,196,140
Unrestricted	204,525,775	266,450,259	215,398,367	301,251,768	379,896,285	471,387,884	355,459,774	68,008,071	83,455,740	58,479,678
<b>Total Net Position</b>	<b>\$2,473,803,178</b>	<b>\$2,795,640,434</b>	<b>\$3,273,889,228</b>	<b>\$3,795,821,436</b>	<b>\$4,166,482,651</b>	<b>\$4,367,421,137</b>	<b>\$4,543,604,262</b>	<b>\$4,623,923,506</b>	<b>\$4,628,341,303</b>	<b>\$4,652,572,368</b>

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



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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Functions/Programs</b>										
<b>Expenses</b>										
Land Stewardship	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,230,408	\$ 11,221,915
Mission Support	-	-	115,901,217	128,467,596	103,599,908	105,245,086	114,123,630	121,213,117	59,451,321	46,556,301
Modeling and Scientific Support	-	-	-	-	-	-	-	-	10,229,236	10,775,376
Operations and Maintenance	-	-	91,518,678	97,480,318	146,532,283	133,417,655	122,360,621	134,014,814	130,821,218	135,936,264
Regulation	-	-	-	-	-	-	-	-	20,960,963	22,769,011
Restoration	-	-	183,764,384	183,624,022	195,459,257	179,584,139	170,045,556	115,552,532	106,379,179	146,728,178
Water Supply	-	-	71,239,720	77,191,322	73,680,009	50,853,964	30,375,078	28,085,557	15,496,110	14,127,405
Interest on Long-Term Debt	-	-	5,862,342	25,466,262	27,496,071	26,880,613	26,264,799	25,608,163	24,896,558	26,521,567
<b>Total Expenses</b>	<b>373,574,001</b>	<b>417,298,017</b>	<b>468,286,341</b>	<b>512,229,520</b>	<b>546,767,528</b>	<b>495,981,457</b>	<b>463,169,684</b>	<b>424,474,183</b>	<b>385,464,993</b>	<b>414,636,017</b>
<b>Program Revenues</b>										
<b>Operating Grants &amp; Contributions</b>										
Land Stewardship	-	-	-	-	-	-	-	-	1,000,814	1,414,592
Mission Support	-	-	-	-	-	-	-	-	784,356	487,103
Modeling and Scientific Support	-	-	-	-	-	-	-	-	20,170	27,206
Operations and Maintenance	-	-	37,726,800	39,301,930	39,287,214	20,070,144	4,291,272	3,993,318	9,852,785	14,351,306
Regulation	-	-	-	-	-	-	-	-	26,945	21,511
Restoration	-	-	1,304,033	16,326,983	21,103,303	11,061,814	20,087,646	23,810,358	4,824,792	7,897,125
Water Supply	-	-	26,382,690	51,205,258	27,172,174	7,655,238	4,751	3,521,120	70,000	-
<b>Total Operating Grants &amp; Contributions</b>	<b>41,968,192</b>	<b>93,011,818</b>	<b>65,413,523</b>	<b>106,834,171</b>	<b>87,562,691</b>	<b>38,787,196</b>	<b>24,383,669</b>	<b>31,324,796</b>	<b>16,579,862</b>	<b>24,198,843</b>
<b>Capital Grants &amp; Contributions:</b>										
Land Stewardship	-	-	-	-	-	-	-	-	32,827	46,065
Mission Support	-	-	-	612,722	1,902,128	12,000	3,193,658	-	9,585,221	269,933
Operations and Maintenance	-	-	13,656,576	21,986,733	54,381,178	7,806,297	21,301,044	12,560,490	-	85,415
Restoration	-	-	368,432,012	262,837,217	191,915,979	53,211,727	80,199,258	10,797,605	45,705,508	52,662,666
Water Supply	-	-	1,371,778	7,250	-	-	-	-	-	-
<b>Total Capital Grants &amp; Contributions</b>	<b>157,103,336</b>	<b>208,558,280</b>	<b>383,460,366</b>	<b>285,443,922</b>	<b>248,199,285</b>	<b>61,030,024</b>	<b>104,693,960</b>	<b>23,358,095</b>	<b>55,323,556</b>	<b>53,064,079</b>
<b>Charges for Services</b>										
Land Stewardship	-	-	-	-	-	-	-	-	11,616,667	20,114,342
Mission Support	-	-	-	-	148,175	99,733	10,379,191	11,278,950	9,140,164	10,978,092
Operations and Maintenance	-	-	-	-	6,388,625	3,280,921	4,857,675	8,039,514	115,421	71,392
Regulation	-	-	-	-	-	-	-	-	2,785,026	2,982,230
Water Supply	-	-	11,805,719	12,761,049	4,630,694	6,061,734	5,798,803	3,319,171	-	-
<b>Total Charges for Services</b>	<b>10,820,870</b>	<b>9,495,049</b>	<b>11,805,719</b>	<b>12,761,049</b>	<b>11,167,494</b>	<b>9,442,388</b>	<b>21,035,669</b>	<b>22,637,635</b>	<b>23,657,278</b>	<b>34,146,056</b>
<b>Total Program Revenues</b>	<b>209,892,398</b>	<b>311,065,147</b>	<b>460,679,608</b>	<b>405,039,142</b>	<b>346,929,470</b>	<b>109,259,608</b>	<b>150,113,298</b>	<b>77,320,526</b>	<b>95,560,696</b>	<b>111,408,978</b>
<b>Net (Expense)/Revenue</b>	<b>(163,681,603)</b>	<b>(106,232,870)</b>	<b>(7,606,733)</b>	<b>(107,190,378)</b>	<b>(199,838,058)</b>	<b>(386,721,849)</b>	<b>(313,056,386)</b>	<b>(347,153,657)</b>	<b>(289,904,297)</b>	<b>(303,227,039)</b>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues</b>										
Taxes:										
Property Taxes, Levied for General Purposes	343,908,082	325,825,399	386,282,388	476,628,776	475,621,991	451,384,521	394,194,577	347,234,986	236,860,170	232,838,276
Property Taxes, Levied for Everglades Constru	-	62,577,693	70,980,322	84,882,009	84,388,098	81,045,067	72,185,795	64,381,190	47,798,117	47,242,100
Investment Earnings	8,254,627	7,845,492	18,440,431	47,506,506	37,834,818	28,483,350	14,467,902	13,693,847	8,611,844	385,038
Other	9,445,921	31,821,543	11,220,865	20,105,295	13,707,833	26,747,397	8,391,237	2,162,878	1,051,963	1,092,105
Gain on Sale of Capital Assets	-	-	15,365,812	-	-	-	-	-	-	-
<b>Total General Revenues</b>	<u>361,608,630</u>	<u>428,070,127</u>	<u>502,289,818</u>	<u>629,122,586</u>	<u>611,552,740</u>	<u>587,660,335</u>	<u>489,239,511</u>	<u>427,472,901</u>	<u>294,322,094</u>	<u>281,557,519</u>
<b>Total Revenue</b>	<u>571,501,028</u>	<u>739,135,274</u>	<u>962,969,426</u>	<u>1,034,161,728</u>	<u>958,482,210</u>	<u>696,919,943</u>	<u>639,352,809</u>	<u>504,793,427</u>	<u>389,882,790</u>	<u>392,966,497</u>
<b>Change in Net Position</b>	<u>\$ 197,927,027</u>	<u>\$ 321,837,257</u>	<u>\$ 494,683,085</u>	<u>\$ 521,932,208</u>	<u>\$ 411,714,682</u>	<u>\$ 200,938,486</u>	<u>\$ 176,183,125</u>	<u>\$ 80,319,244</u>	<u>\$ 4,417,797</u>	<u>\$ (21,669,520)</u>

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

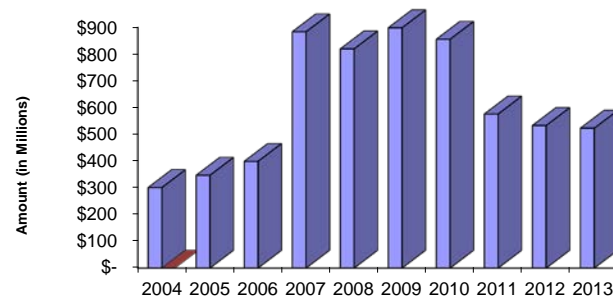
At the beginning of fiscal year 2012, the District reorganized its resource area and major program structure.

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 10,503,187	\$ 12,557,883	\$ 11,933,752	\$ 9,776,476	\$ 9,296,735	\$ 7,631,800	\$ 11,120,668	\$ -	\$ -	\$ -
Unreserved	28,534,385	26,251,006	37,101,833	54,269,757	84,982,169	81,084,241	76,659,888	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	201,145	201,145
Restricted	-	-	-	-	-	-	-	1,190,857	-	-
Committed	-	-	-	-	-	-	-	13,571,806	20,532,474	27,514,703
Assigned	-	-	-	-	-	-	-	50,267,731	48,616,088	32,914,652
Unassigned	-	-	-	-	-	-	-	22,761,839	12,774,338	2,485,387
<b>Total General Fund</b>	<b>39,037,572</b>	<b>38,808,889</b>	<b>49,035,585</b>	<b>64,046,233</b>	<b>94,278,904</b>	<b>88,716,041</b>	<b>87,780,556</b>	<b>87,792,233</b>	<b>82,124,045</b>	<b>63,115,887</b>
All Other Governmental Funds										
Reserved	238,721,295	178,809,881	137,723,123	202,169,397	95,628,437	100,455,114	128,352,468	-	-	-
Unreserved, reported in:										
Special Revenue Funds	44,639,896	98,731,116	98,778,294	120,286,117	126,025,864	137,081,191	116,393,784	-	-	-
Capital Project Funds	(21,388,585)	30,963,011	113,473,976	497,274,716	504,835,607	572,503,303	523,243,561	-	-	-
Permanent Fund	216,480	156,240	11,904	124,439	(902,266)	(37,783)	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	19,858,805	20,196,060	20,088,942
Restricted	-	-	-	-	-	-	-	418,023,868	386,520,197	397,978,668
Committed	-	-	-	-	-	-	-	31,991,986	12,223,594	57,610
Assigned	-	-	-	-	-	-	-	32,464,433	34,453,856	41,804,359
Unassigned	-	-	-	-	-	-	-	(13,880,130)	(2,213,847)	(73,179)
<b>Total All Other Governmental Funds</b>	<b>262,189,086</b>	<b>308,660,248</b>	<b>349,987,297</b>	<b>819,854,669</b>	<b>725,587,642</b>	<b>810,001,825</b>	<b>767,989,813</b>	<b>488,458,962</b>	<b>451,179,860</b>	<b>459,856,400</b>
<b>Grand Total</b>	<b>\$ 301,226,658</b>	<b>\$ 347,469,137</b>	<b>\$ 399,022,882</b>	<b>\$ 883,900,902</b>	<b>\$ 819,866,546</b>	<b>\$ 898,717,866</b>	<b>\$ 855,770,369</b>	<b>\$ 576,251,195</b>	<b>\$ 533,303,905</b>	<b>\$ 522,972,287</b>

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



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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 331,671,331	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810
Agricultural Privilege Taxes	12,236,751	12,349,728	11,512,807	11,661,037	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566
Intergovernmental	196,951,248	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441
Investment Earnings	8,374,907	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207
Licenses, Permits and Fees	6,359,132	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967
Self-Insurance Premiums	2,878,819	2,816,417	1,992,597	2,536,441	3,109,956	2,548,463	-	-	-	-
Sale of District Property	770,698	20,564,902	943,075	669,441	1,521,780	342,759	603,025	1,868,263	507,382	450,251
Indirect Costs Recovered	4,473,238	4,388,282	4,250,305	5,814,975	8,460,722	6,885,448	5,445,432	5,420,591	-	-
Leases	4,614,065	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744
Other	1,170,839	3,551,069	4,034,888	11,714,828	1,502,932	11,173,458	2,934,236	895,996	959,735	922,227
<b>Total Revenues</b>	<b>569,501,028</b>	<b>739,135,274</b>	<b>947,603,614</b>	<b>847,320,633</b>	<b>910,086,790</b>	<b>688,614,721</b>	<b>595,269,621</b>	<b>512,880,816</b>	<b>355,671,360</b>	<b>346,456,213</b>
<b>EXPENDITURES</b>										
Current Operating	340,643,689	404,980,082	-	-	-	-	-	-	-	-
Land Stewardship	-	-	-	-	-	-	-	-	17,149,280	11,248,730
Mission Support	-	-	112,631,686	109,436,655	107,521,245	102,689,836	97,584,202	94,765,560	46,163,905	35,441,096
Modeling and Scientific Support	-	-	-	-	-	-	-	-	10,937,113	11,266,205
Operations and Maintenance	-	-	107,005,090	112,187,086	140,170,271	119,992,071	112,283,074	125,507,410	110,555,983	119,821,310
Regulation	-	-	-	-	-	-	-	-	17,344,353	19,146,260
Restoration	-	-	199,738,140	256,087,796	228,347,719	148,745,910	157,002,200	129,413,639	70,143,349	66,650,596
Water Supply	-	-	71,040,556	77,119,810	73,702,317	50,649,663	32,559,823	32,328,114	10,398,423	9,627,209
Capital Outlay	252,652,260	284,130,917	475,145,947	274,226,563	379,030,673	143,169,182	183,126,292	370,729,580	66,970,460	48,449,472
Debt Service										
Bond Principal Retirement	2,025,000	3,260,000	4,500,000	4,660,000	4,785,000	4,975,000	5,190,000	5,415,000	5,655,000	5,865,000
Bond Interest and Other Fiscal Charges	1,981,904	2,583,429	2,444,126	2,303,401	2,143,086	1,940,171	1,722,396	1,489,721	1,265,749	1,035,786
1 Bank Loan Principal Payments	10,558,228	4,872,193	3,577,553	86,847,342	3,247,469	1,832,482	1,832,482	2,975,339	1,142,857	-
Bank Loan Interest	915,934	610,763	740,199	580,847	390,991	279,620	206,172	180,724	19,867	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Defeasance Costs	-	-	-	-	-	-	-	-	-	-
Capital Lease Principal Payments	1,405,367	1,296,990	1,144,988	968,060	502,187	193,161	200,330	-	-	-
Capital Lease Interest	100,935	98,004	81,584	53,983	25,894	12,712	5,543	-	-	-
COPS Principal Retirement	-	-	-	-	7,675,000	9,015,000	9,370,000	9,705,000	10,135,000	10,610,000
COPS Interest	-	-	-	10,091,807	26,579,294	26,268,593	25,923,546	25,539,177	25,088,037	24,626,167
<b>Total Expenditures</b>	<b>610,283,317</b>	<b>701,832,378</b>	<b>978,049,869</b>	<b>934,563,350</b>	<b>974,121,146</b>	<b>609,763,401</b>	<b>627,006,060</b>	<b>798,049,264</b>	<b>392,969,376</b>	<b>363,787,831</b>
Revenues in Excess of (Less Than) Expenditures	(40,782,289)	37,302,896	(30,446,255)	(87,242,717)	(64,034,356)	78,851,320	(31,736,439)	(285,168,448)	(37,298,016)	(17,331,618)



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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	146,298,313	142,255,948	212,798,171	261,893,797	214,646,804	454,498,325	163,744,472	143,735,575	72,862,774	110,969,774
Transfers Out	(146,298,313)	(142,255,948)	(212,798,171)	(261,893,797)	(214,646,804)	(454,498,325)	(174,955,529)	(143,735,575)	(72,862,774)	(103,969,774)
Land Acquisition Refunding Bonds Issues	-	-	-	-	-	-	-	-	-	-
Proceeds of Bond Issuance	-	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	26,081,797	-	-	-	-	-	-
Discount on Bonds Issued	-	-	-	(81,060)	-	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Proceeds of Bank Loan	-	8,000,000	82,000,000	-	-	-	-	-	-	-
Proceeds of Capital Leases	1,399,426	939,583	-	-	-	-	-	-	-	-
Proceeds of Certificate of Participation (COPS)	-	-	-	546,120,000	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,399,426</b>	<b>8,939,583</b>	<b>82,000,000</b>	<b>572,120,737</b>	<b>-</b>	<b>-</b>	<b>(11,211,057)</b>	<b>-</b>	<b>-</b>	<b>7,000,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ (39,382,863)</b>	<b>\$ 46,242,479</b>	<b>\$ 51,553,745</b>	<b>\$ 484,878,020</b>	<b>\$ (64,034,356)</b>	<b>\$ 78,851,320</b>	<b>\$ (42,947,496)</b>	<b>\$ (285,168,448)</b>	<b>\$ (37,298,016)</b>	<b>\$ (10,331,618)</b>
Debt Service as a percentage of noncapital expenditures <sup>1</sup>	4.90%	2.88%	2.65%	26.02%	8.42%	8.51%	9.57%	11.11%	13.28%	13.36%

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

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

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

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

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

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

	<b>Fiscal Year</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Property Taxes	\$ 331,671,331	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080	\$ 454,702,214	\$ 400,551,714	\$ 273,150,566	\$ 268,486,810
Agricultural Privilege Taxes	12,236,751	12,349,728	11,512,807	11,661,037	11,262,609	11,675,508	11,678,158	11,064,462	11,507,721	11,593,566
Intergovernmental	196,951,248	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268	92,069,137	67,888,578	44,507,437	37,455,441
Investment Earnings	8,374,907	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350	14,404,749	13,108,606	8,294,234	353,207
Licenses, Permits & Fees	6,359,132	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332	10,989,204	8,166,854	12,419,372	23,167,967
Leases	4,614,065	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055	2,443,466	3,915,752	4,324,913	4,026,744
Other	9,293,594	31,320,670	11,220,865	20,735,685	14,595,390	20,950,128	8,982,693	8,184,850	1,467,117	1,372,478
<b>Total</b>	<b><u>\$ 569,501,028</u></b>	<b><u>\$ 739,135,274</u></b>	<b><u>\$ 947,603,614</u></b>	<b><u>\$ 847,320,633</u></b>	<b><u>\$ 910,086,790</u></b>	<b><u>\$ 688,614,721</u></b>	<b><u>\$ 595,269,621</u></b>	<b><u>\$ 512,880,816</u></b>	<b><u>\$ 355,671,360</u></b>	<b><u>\$ 346,456,213</u></b>

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

<b>Fiscal Year</b>	<b>Broward</b>	<b>Charlotte *</b>	<b>Collier</b>	<b>Miami-Dade</b>	<b>Glades</b>	<b>Hendry</b>	<b>Highlands *</b>	<b>Lee</b>
<b>2004</b>	<b>68,896</b> 20.03%	<b>69</b> 0.02%	<b>23,032</b> 6.70%	<b>89,879</b> 26.13%	<b>294</b> 0.09%	<b>2,806</b> 0.82%	<b>280</b> 0.08%	<b>28,842</b> 8.39%
<b>2005</b>	<b>77,187</b> 19.87%	<b>75</b> 0.02%	<b>26,063</b> 6.71%	<b>99,372</b> 25.58%	<b>298</b> 0.08%	<b>2,903</b> 0.75%	<b>362</b> 0.09%	<b>33,775</b> 8.70%
<b>2006</b>	<b>89,586</b> 19.59%	<b>105</b> 0.02%	<b>31,274</b> 6.84%	<b>116,767</b> 25.54%	<b>366</b> 0.08%	<b>2,834</b> 0.62%	<b>380</b> 0.08%	<b>43,411</b> 9.49%
<b>2007</b>	<b>105,682</b> 18.82%	<b>117</b> 0.02%	<b>39,245</b> 6.99%	<b>139,563</b> 24.85%	<b>513</b> 0.09%	<b>3,232</b> 0.58%	<b>672</b> 0.12%	<b>60,215</b> 10.72%
<b>2008</b>	<b>106,200</b> 18.96%	<b>222</b> 0.04%	<b>38,430</b> 6.86%	<b>145,653</b> 26.01%	<b>449</b> 0.08%	<b>3,103</b> 0.55%	<b>555</b> 0.10%	<b>58,010</b> 10.36%
<b>2009</b>	<b>101,545</b> 19.07%	<b>96</b> 0.02%	<b>36,569</b> 6.87%	<b>143,415</b> 26.94%	<b>410</b> 0.08%	<b>2,900</b> 0.54%	<b>536</b> 0.10%	<b>50,973</b> 9.57%
<b>2010</b>	<b>88,823</b> 19.05%	<b>83</b> 0.02%	<b>32,370</b> 6.94%	<b>129,243</b> 27.71%	<b>384</b> 0.08%	<b>2,746</b> 0.59%	<b>470</b> 0.10%	<b>39,242</b> 8.41%
<b>2011</b>	<b>77,688</b> 18.87%	<b>72</b> 0.02%	<b>28,407</b> 6.90%	<b>113,386</b> 27.55%	<b>356</b> 0.09%	<b>2,593</b> 0.63%	<b>427</b> 0.10%	<b>33,482</b> 8.13%
<b>2012</b>	<b>52,960</b> 18.61%	<b>48</b> 0.02%	<b>19,370</b> 6.80%	<b>77,466</b> 27.21%	<b>251</b> 0.09%	<b>2,177</b> 0.76%	<b>276</b> 0.10%	<b>22,653</b> 7.96%
<b>2013</b>	<b>52,800</b> 18.85%	<b>46</b> 0.02%	<b>19,197</b> 6.85%	<b>75,463</b> 26.94%	<b>239</b> 0.09%	<b>2,175</b> 0.78%	<b>302</b> 0.11%	<b>22,142</b> 7.91%

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

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

Fiscal Year	Martin	Monroe	Okeechobee *	Orange *	Osceola *	Palm Beach	Polk *	St. Lucie	Total
2004	8,860 2.58%	9,801 2.85%	781 0.23%	19,122 5.56%	8,080 2.35%	75,408 21.92%	491 0.14%	7,267 2.11%	343,908 100.00%
2005	10,414 2.68%	11,716 3.02%	910 0.23%	20,766 5.35%	9,119 2.35%	85,636 22.05%	595 0.15%	9,212 2.37%	388,403 100.00%
2006	12,413 2.71%	14,678 3.21%	1,016 0.22%	22,945 5.02%	10,868 2.38%	98,021 21.45%	790 0.17%	11,809 2.58%	457,263 100.00%
2007	13,846 2.47%	17,907 3.19%	1,481 0.26%	28,104 5.01%	14,495 2.58%	118,700 21.14%	1,322 0.24%	16,416 2.92%	561,510 100.00%
2008	13,724 2.45%	17,254 3.08%	1,399 0.25%	29,268 5.23%	15,810 2.82%	112,805 20.15%	1,568 0.28%	15,560 2.78%	560,010 100.00%
2009	12,370 2.32%	15,932 2.99%	1,218 0.23%	29,852 5.61%	15,614 2.93%	106,580 20.02%	1,446 0.27%	12,974 2.44%	532,430 100.00%
2010	11,279 2.42%	13,614 2.92%	1,140 0.24%	26,985 5.79%	13,017 2.79%	95,642 20.51%	1,104 0.23%	10,238 2.20%	466,380 100.00%
2011	10,582 2.57%	11,915 2.89%	891 0.22%	24,122 5.86%	10,901 2.65%	86,691 21.06%	818 0.20%	9,285 2.26%	411,616 100.00%
2012	7,196 2.53%	7,928 2.79%	599 0.21%	16,950 5.95%	7,093 2.49%	62,997 22.13%	524 0.18%	6,170 2.17%	284,658 100.00%
2013	7,130 2.55%	7,871 2.81%	610 0.22%	16,681 5.96%	6,863 2.45%	62,021 22.13%	515 0.18%	6,025 2.15%	280,080 100.00%

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

**Schedule 7**

**South Florida Water Management District**

**Direct Property Tax Rates**

Last Ten Fiscal Years

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

Year	Okeechobee Basin			Big Cypress Basin		
	District	Basin	Total	District	Basin	Total
2004	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2005	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2006	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2007	0.2840	0.4130	0.6970	0.2840	0.2425	0.5265
2008	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2009	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2010	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2011	0.2549	0.3691	0.6240	0.2549	0.2265	0.4814
2012	0.1785	0.2578	0.4363	0.1785	0.1633	0.3418
2013	0.1757	0.2532	0.4289	0.1757	0.1633	0.3390

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

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

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

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

Source: South Florida Water Management District Budget Bureau.

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

<b>Fiscal Year Ended Sept. 30</b>	<b>District Wide Tax Rate</b>	<b>Okee Basin Tax Rate</b>	<b>Big Cypress Basin Tax Rate</b>	<b>Total Tax Levy</b>	<b>Collections within the Fiscal Year of the Levy</b>	<b>Percentage of Levy</b>	<b>Collection of Prior Year Taxes <sup>1</sup></b>	<b>Total Collections to Date</b>	<b>Percentage of Levy <sup>2</sup></b>
2004	0.2840	0.4130	0.2425	331,860,455	329,382,620	99.3%	1,777,530	331,160,150	99.8%
2005	0.2840	0.4130	0.2425	375,371,188	372,357,871	99.2%	2,696,744	375,054,615	99.9%
2006	0.2840	0.4130	0.2425	444,075,931	423,518,333	95.4%	2,090,550	425,608,883	95.8%
2007	0.2840	0.4130	0.2425	553,009,838	553,009,740	100.0%	3,623,093	558,459,133	101.0%
2008	0.2549	0.3691	0.2265	549,484,359	539,248,357	98.1%	5,829,932	545,078,289	99.2%
2009	0.2549	0.3691	0.2265	525,229,365	514,311,078	97.9%	5,256,004	519,567,082	98.9%
2010	0.2549	0.3691	0.2265	459,945,322	442,168,909	96.1%	11,526,724	453,695,633	98.6%
2011	0.2549	0.3691	0.2265	399,025,958	384,381,001	96.3%	18,915,088	403,296,089	101.1%
2012	0.1785	0.2578	0.1633	270,685,220	268,398,410	99.2%	6,535,361	274,933,771	101.6%
2013	0.1757	0.2532	0.1633	268,114,920	261,778,333	97.6%	4,988,476	266,766,809	99.5%

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

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

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

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

<u>County</u>	<u>Just Value <sup>1</sup></u>	<u>Taxable Value <sup>2</sup></u>	<u>Taxable Value as a percentage of Just Value</u>
Broward	\$ 177,737,782,240	127,631,389,113	71.81%
Charlotte *	146,768,805	104,904,935	71.48%
Collier	70,829,658,821	58,685,004,074	82.85%
Glades	3,207,585,832	541,212,240	16.87%
Hendry	5,068,477,905	1,688,839,857	33.32%
Highlands *	1,028,665,544	681,576,581	66.26%
Lee	68,677,054,192	53,346,013,264	77.68%
Martin	23,151,743,857	16,992,225,742	73.40%
Miami-Dade	263,161,022,027	192,216,732,694	73.04%
Monroe	26,429,743,539	18,674,278,656	70.66%
Okeechobee *	2,323,639,479	1,391,749,479	59.90%
Orange *	55,323,531,733	40,476,919,978	73.16%
Osceola *	26,173,565,575	16,366,572,315	62.53%
Palm Beach	163,255,147,844	125,751,664,813	77.03%
Polk *	1,780,416,696	1,224,943,608	68.80%
St. Lucie	22,238,606,523	14,432,488,573	64.90%
	<u>\$ 910,533,410,612</u>	<u>670,206,515,922</u>	<u>73.61%</u>

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

<sup>1</sup> Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book.  
Partial county just value is calculated based on the percentage of taxable value that is within the District's boundaries compared to the taxable value of the whole county.  
Just value is a legal synonym for "full cash value" or "fair market value".

<sup>2</sup> Source: South Florida Water Management District Budget Department, FY 2013 Budget.  
Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution.

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

<b>Fiscal Year</b>	<b>Real Property <sup>1</sup></b>	<b>Personal Property <sup>2</sup></b>	<b>Centrally Assessed Property <sup>3</sup></b>	<b>Total</b>	<b>District Tax Rate <sup>4</sup></b>	<b>Okeechobee Basin Tax Rate <sup>4</sup></b>	<b>Total Direct Tax Rate <sup>5</sup></b>
2004	469,651,692,616	37,277,744,647	239,306,014	507,168,743,277	2.84	4.13	6.97
2005	535,652,622,464	37,581,256,994	249,689,014	573,483,568,472	2.84	4.13	6.97
2006	639,271,283,210	39,061,362,113	270,717,328	678,603,362,651	2.84	4.13	6.97
2007	803,519,922,519	41,423,176,998	284,238,697	845,227,338,214	2.84	4.13	6.97
2008	892,858,395,941	42,892,968,298	300,886,190	936,052,250,429	2.55	3.69	6.24
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	3.69	6.24
2010	742,675,388,669	40,715,092,253	399,210,940	783,789,691,862	2.55	3.69	6.24
2011	645,555,800,822	41,283,680,011	312,424,992	687,151,905,825	2.55	3.69	6.24
2012	625,090,457,818	40,201,298,218	323,038,790	665,614,794,826	1.79	2.58	4.37
2013	628,500,005,272	41,359,190,647	347,320,003	670,206,515,922	1.76	2.53	4.29

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

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

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

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

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

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

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

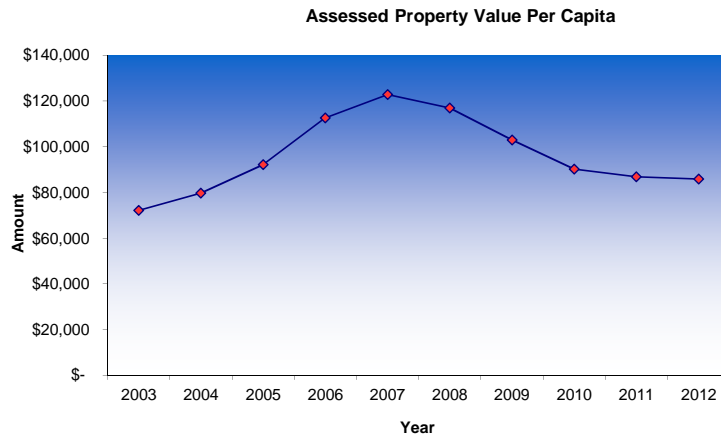


**Schedule 11**  
**South Florida Water Management District**  
**Assessed Value Per Capita**  
 Last Ten Calendar Years

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Property Value <sup>1</sup> (in Billions)	\$ 507.2	\$ 573.5	\$ 678.6	\$ 845.2	\$ 936.1	\$ 894.7	\$ 783.8	\$ 687.2	\$ 665.6	\$ 670.2
District Population <sup>2</sup>	7,027,363	7,199,934	7,359,652	7,504,525	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608
Assessed Property Value Per Capita	\$ 72,175	\$ 79,654	\$ 92,205	\$ 112,625	\$ 122,885	\$ 116,974	\$ 102,998	\$ 90,235	\$ 86,787	\$ 85,795

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

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



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

Taxpayer	2013			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	\$ 11,869,106,961	1	1.77%	\$ 6,331,743,321	1	0.93%
Walt Disney Company	7,032,534,531	2	1.05%	6,194,118,181	2	0.91%
Universal Studios	1,410,000,000	3	0.21%	1,565,314,671	3	0.23%
BellSouth Telecommunications Inc	1,237,738,022	4	0.18%	580,584,834	7	0.09%
Westgate Properties/Resorts	1,213,877,037	5	0.18%	1,001,813,446	6	0.15%
Marriott Corporation	1,050,000,000	6	0.16%	1,261,567,853	5	0.19%
Progress Energy	982,258,557	7	0.15%	396,000,000	10	0.06%
Hilton Corporation	899,000,000	8	0.13%	1,401,827,566	4	0.21%
Wyndham Resorts	679,727,689	9	0.10%	-	-	-
Orange Lake CC	599,000,000	10	0.09%	-	-	-
Florida Power Corporation <sup>1</sup>	-	-	-	572,654,709	8	0.08%
R H Resorts/Rosen Hotels	-	-	-	418,720,980	9	0.06%
<b>Totals</b>	<b>\$ 26,973,242,797</b>		<b>4.02%</b>	<b>\$ 19,724,345,561</b>		<b>2.91%</b>

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

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

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

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

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

Fiscal Year Ended Sept. 30	Governmental Activities					Total Outstanding Debt	Percentage of Personal Income <sup>3</sup>	Per Capita <sup>4</sup>	Percentage of Assessed Value <sup>5</sup>
	Land Acquisition Bonds - WMLTF <sup>2</sup>	Land Purchases Payable	Capital Leases	Bank Loans	Certificates of Participation				
2004	63,530,000	134,396,198	3,373,363	16,329,860	-	217,629,421	0.0938%	30.23	0.0429%
2005	60,270,000	100,108,087	3,008,733	19,456,880	-	182,843,700	0.0726%	24.84	0.0319%
2006 <sup>1</sup>	55,770,000	77,679,516	1,863,645	97,878,527	-	233,191,688	0.0851%	31.07	0.0344%
2007	51,110,000	40,219,445	895,678	11,031,537	546,120,000	649,376,660	0.2265%	85.25	0.0768%
2008	46,325,000	40,910,434	393,491	7,783,160	538,445,000	633,857,085	0.2154%	82.87	0.0677%
2009	41,350,000	-	200,330	5,950,678	529,430,000	576,931,008	0.1952%	75.81	0.0645%
2010	36,160,000	-	-	4,118,196	520,060,000	560,338,196	0.1898%	73.58	0.0715%
2011	30,745,000	-	-	1,142,847	510,355,000	542,242,847	0.1748%	70.70	0.0789%
2012	25,090,000	-	-	-	500,220,000	525,310,000	0.1570%	67.25	0.0789%
2013	19,225,000	-	-	-	489,610,000	508,835,000	0.1530%	64.48	0.0759%

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

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

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

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

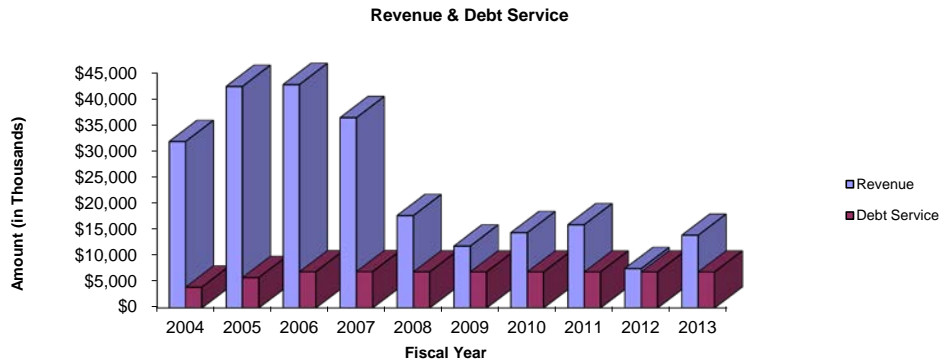
<sup>4</sup> Refer to Schedule 15 for population information.

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

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

Fiscal Year	Revenue				Debt Service			Coverage Ratio
	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Total Revenue	Principal	Interest	Total Debt Service	
2004	30,328,188	729,712	876,611	31,934,511	2,025,000	1,981,904	4,006,904	7.97
2005	40,825,275	641,382	1,004,100	42,470,757	3,260,000	2,583,429	5,843,429	7.27
2006	40,437,784	556,170	1,829,897	42,823,851	4,500,000	2,444,126	6,944,126	6.17
2007	34,619,597	810,573	1,042,873	36,473,043	4,660,000	2,303,401	6,963,401	5.24
2008	15,193,803	1,037,381	1,507,927	17,739,111	4,785,000	2,143,086	6,928,086	2.56
2009	10,909,497	450,011	522,616	11,882,124	4,975,000	1,940,171	6,915,171	1.72
2010	13,972,497	46,147	437,404	14,456,048	5,190,000	1,722,396	6,912,396	2.09
2011	15,760,042	12,956	208,320	15,981,318	5,415,000	1,489,721	6,904,721	2.31
2012	7,354,939	20,000	183,055	7,557,994	5,655,000	1,265,749	6,920,749	1.09
2013	13,775,608	18,081	168,925	13,962,614	5,865,000	1,035,786	6,900,786	2.02

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



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

<u>Calendar Year</u>	<u>Population <sup>1</sup></u>	<u>Personal Income (in thousands) <sup>2</sup></u>	<u>Per Capita Personal Income</u>	<u>School Enrollment K - 12<sup>3</sup></u>	<u>Unemployment Rate <sup>4</sup></u>
2004	7,199,934	231,929,083	32,213	1,096,057	5.0%
2005	7,359,652	251,907,469	34,228	1,102,719	4.0%
2006	7,504,525	274,090,198	36,523	1,124,773	3.4%
2007	7,617,705	286,718,796	37,638	1,082,297	4.4%
2008	7,648,679	294,230,623	38,468	1,071,876	6.1%
2009	7,609,852	295,589,133	38,843	1,073,728	10.6%
2010	7,615,667	295,290,827	38,774	1,084,184	11.7%
2011	7,669,381	310,253,970	40,454	1,096,048	10.5%
2012	7,811,608	334,574,240	42,830	1,109,444	8.7%
2013	7,891,851	332,463,841	42,127	1,122,567	7.5%

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

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

<sup>2</sup> Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce.  
Final data for calendar year 2013 is currently unavailable. The figure shown for calendar year 2013 estimates 4th quarter results as an average of the first three quarters. Fiscal year 2012 data has been updated using final figures.

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

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

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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Broward	1,723,131	1,740,987	1,753,162	1,765,707	1,758,494	1,744,922	1,742,891	1,748,066	1,771,099	1,784,715
Charlotte *	785	770	802	823	6,300	6,287	6,302	6,079	6,208	6,220
Collier	306,186	317,788	326,658	333,858	332,854	333,032	333,554	321,520	329,849	333,663
Miami-Dade	2,379,818	2,422,075	2,437,022	2,462,292	2,477,289	2,472,344	2,476,289	2,496,435	2,551,290	2,582,375
Glades	10,733	10,729	10,796	11,055	11,323	11,311	11,330	12,884	12,671	12,658
Hendry	37,394	38,376	38,678	39,651	41,216	41,320	41,026	39,140	38,132	37,808
Highlands *	9,482	9,626	9,957	10,169	8,718	8,675	8,677	8,594	8,609	8,621
Lee	521,253	549,442	585,608	615,741	623,725	615,124	616,626	618,754	638,029	643,367
Martin	137,637	141,059	142,645	143,737	143,868	143,856	143,848	146,318	147,203	148,077
Monroe	81,236	82,413	80,510	78,987	76,081	77,925	78,150	73,090	72,897	73,560
Okeechobee *	37,244	37,010	37,893	38,249	39,203	38,909	38,918	39,196	39,009	38,967
Orange *	253,484	260,859	269,881	276,401	269,825	268,349	268,860	277,321	284,578	291,121
Osceola *	225,139	234,451	255,135	265,325	270,972	270,060	270,541	265,998	278,057	285,477
Palm Beach	1,242,270	1,265,900	1,287,987	1,295,033	1,294,654	1,287,344	1,286,778	1,320,134	1,335,415	1,345,652
Polk *	7,926	8,128	8,476	8,716	17,572	17,530	17,514	18,063	18,207	18,419
St. Lucie	226,216	240,039	259,315	271,961	276,585	272,864	274,363	277,789	280,355	281,151
<b>Total</b>	<b>7,199,934</b>	<b>7,359,652</b>	<b>7,504,525</b>	<b>7,617,705</b>	<b>7,648,679</b>	<b>7,609,852</b>	<b>7,615,667</b>	<b>7,669,381</b>	<b>7,811,608</b>	<b>7,891,851</b>

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

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

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

<u>Calendar Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate (%)</u>
2004	3,600,708	3,422,407	178,301	5.0
2005	3,714,548	3,564,785	149,763	4.0
2006	3,815,337	3,686,457	128,880	3.4
2007	3,855,439	3,685,668	169,771	4.4
2008	3,844,561	3,610,123	234,438	6.1
2009	3,844,536	3,438,418	406,118	10.6
2010	3,876,208	3,423,749	452,459	11.7
2011	3,857,912	3,454,296	403,616	10.5
2012 <sup>1</sup>	3,973,042	3,629,273	343,769	8.7
2013 <sup>2</sup>	3,983,220	3,685,618	297,602	7.5

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

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

<sup>2</sup> Final data for the calendar year 2013 is currently not available. The 2013 figures are based on the yearly average, through October, 2013.

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

**Schedule 18**

**South Florida Water Management District**

**Ten Largest Employers within District Boundaries**

Prior Calendar Year and Ten Years Prior

2012			
Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World Co.	1	67,114	1.8%
Miami-Dade County Public Schools	2	44,132	1.2%
Publix Supermarkets	3	30,846	0.8%
Broward County School Board	4	26,933	0.7%
Miami-Dade County	5	26,351	0.7%
Orange County Public Schools	6	22,789	0.6%
Palm Beach County School Board	7	21,495	0.6%
Adventist Health Systems	8	17,600	0.5%
Universal Studios	9	16,000	0.4%
Baptist Health South Florida	10	14,864	0.4%
Orlando Health	-	-	-
Broward County Government	-	-	-
			-
Total		<u>288,124</u>	<u>7.7%</u>
Total Employment in District Boundaries		<u>3,629,273</u>	

2002			
Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World Co.	1	53,000	1.6%
Miami-Dade County Public Schools	2	37,500	1.1%
Publix Supermarkets	-	-	-
Broward County School Board	4	28,203	0.9%
Miami-Dade County	3	30,000	0.9%
Orange County Public Schools	5	22,000	0.7%
Palm Beach County School Board	6	18,677	0.6%
Adventist Health Systems	7	18,175	0.6%
Universal Studios	10	12,000	0.4%
Baptist Health South Florida	-	-	-
Orlando Health	9	12,754	0.4%
Broward County Government	8	13,384	0.4%
			-
Total		<u>245,693</u>	<u>7.6%</u>
Total Employment in District Boundaries		<u>3,264,210</u>	

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

Source: Individual County Comprehensive Annual Financial Reports, where available.  
Employment detail for 2012 is shown on Schedule 17.



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

	Calendar Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of Authorized Positions <sup>1</sup>	1,771	1,771	1,771	1,784	1,808	1,828	1,842	1,933	1,651	1,620
Population <sup>2</sup>	7,199,934	7,359,652	7,504,525	7,617,705	7,648,679	7,609,852	7,615,667	7,669,381	7,811,608	7,891,851
Authorized Positions per 100,000 Population	25	24	24	23	24	24	24	25	21	21

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

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

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

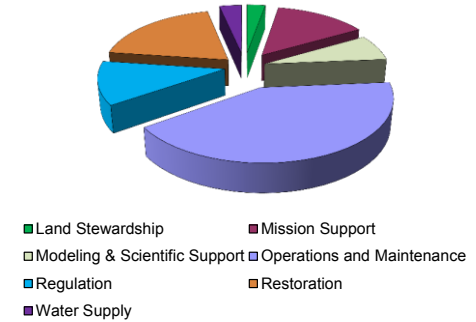
Resource Area / Major Program	Number of Employees per Program <sup>1</sup>	Percentage of Employees per Resource Area	Percentage of Employees District-wide
<b>Administrative Services and Executive Offices</b>			
Land Stewardship	3	0.88%	0.19%
Mission Support	209	61.11%	13.54%
Modeling and Scientific Support	14	4.09%	0.91%
Operations and Maintenance	52	15.20%	3.37%
Regulation	20	5.85%	1.30%
Restoration	44	12.87%	2.85%
<b>Administrative Services and Executive Offices Total</b>	<b><u>342</u></b>	<b><u>100.00%</u></b>	<b><u>22.16%</u></b>
<b>Operations, Maintenance, and Construction</b>			
Land Stewardship	40	5.41%	2.59%
Mission Support	5	0.68%	0.32%
Operations and Maintenance	587	79.43%	38.02%
Regulation	2	0.27%	0.13%
Restoration	105	14.21%	6.80%
<b>Operations, Maintenance, and Construction Total</b>	<b><u>739</u></b>	<b><u>100.00%</u></b>	<b><u>47.86%</u></b>
<b>Regulation</b>			
Regulation	160	87.91%	10.36%
Restoration	22	12.09%	1.42%
<b>Regulation Total</b>	<b><u>182</u></b>	<b><u>100.00%</u></b>	<b><u>11.78%</u></b>
<b>Water Resources</b>			
Modeling and Scientific Support	95	33.81%	6.15%
Operations and Maintenance	4	1.42%	0.26%
Restoration	130	46.26%	8.42%
Water Supply	52	18.51%	3.37%
<b>Water Resources Total</b>	<b><u>281</u></b>	<b><u>100.00%</u></b>	<b><u>18.20%</u></b>
<b>District Total</b>	<b><u><u>1,544</u></u></b>		<b><u><u>100.00%</u></u></b>

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

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

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

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



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

**Schedule 22**

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

<b>Permit Category</b>	<b>Fiscal Year</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Environmental Resource	2,547	2,690	2,706	2,229	1,673	1,423	1,917	1,656	2,232	2,094
Consumptive Use	2,476	2,541	2,503	3,806	3,037	2,638	2,818	2,144	1,970	1,737
SWIM & Everglades Works Of The District	9	20	78	51	12	4	5	26	33	6
<b>Total Applications Received</b>	<b>5,032</b>	<b>5,251</b>	<b>5,287</b>	<b>6,086</b>	<b>4,722</b>	<b>4,065</b>	<b>4,740</b>	<b>3,826</b>	<b>4,235</b>	<b>3,837</b>

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

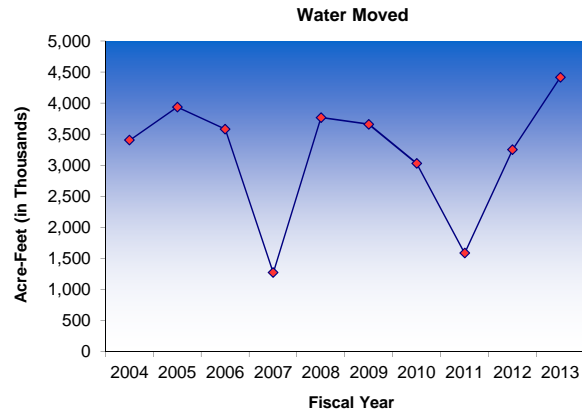
Source: Regulation Division of South Florida Water Management District.

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

	<b>Fiscal Year</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Acre-Feet (Thousands)	3,404	3,938	3,583	1,272	3,768	3,660	3,032	1,584	3,254	4,419

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

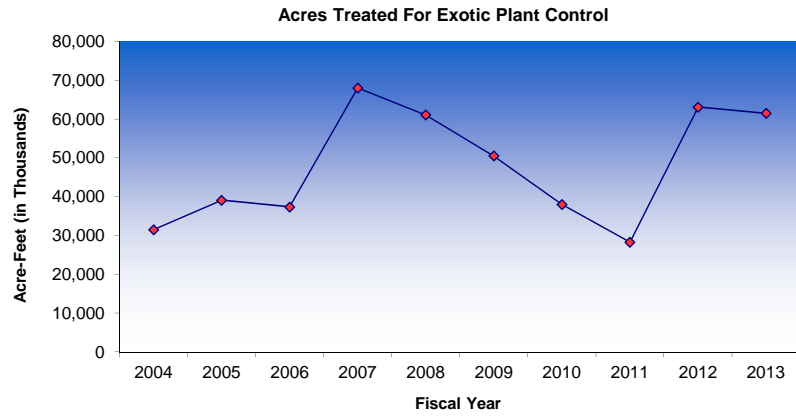
Source: Operations, Engineering & Construction Division of South Florida Water Management District.



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

	<b>Fiscal Year</b>									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Acres treated	31,527	39,077	37,350	68,053	61,070	50,538	38,015	28,284	63,111	61,489

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

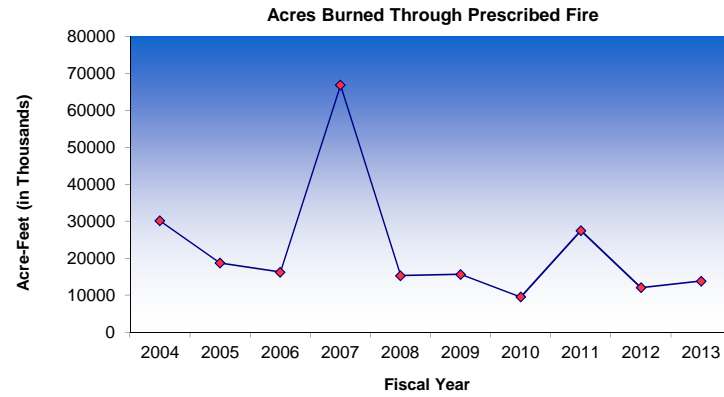


**Schedule 25**  
**South Florida Water Management District**  
**Prescribed Burns**  
 Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Acres burned	30,132	18,704	16,211	66,825 *	15,283	15,609	9,523	27,479	12,010	13,794

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

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



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

	Water Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Metric tons of phosphorus removed	300	500	300	200	100	400	300	300	260	210

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

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

Source: South Florida Water Management District Environment Report.



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

Major Program	Land	Intangibles- Not Depreciated	Construction In Process	Canals & Levees	Buildings	Intangibles- Depreciated	Equipment	Improvements	Water Control Structures	Total
Land Stewardship	\$ 950,448,504	\$ 17,374,700	\$ 1,411,548	\$ 28,837,293	\$ 1,089,985	\$ -	\$ 680,541	\$ 4,032,766	\$ 842,435	\$ 1,004,717,772
Mission Support	-	1,523	105,206	-	26,638,447	11,689,244	9,343,802	1,319	-	47,779,541
Modeling & Scientific Support	-	-	-	-	12,011,538	261,215	858,691	-	-	13,131,444
Operations & Maintenance	16,199,969	233,009	22,112,704	373,925,178	39,567,805	461,730	19,475,228	4,014,014	330,413,022	806,402,659
Regulation	-	-	301,770	-	-	208,016	489,508	-	-	999,294
Restoration	1,568,699,376	34,806,050	504,202,558	253,621,316	2,390,732	867,050	12,297,968	7,296,492	383,169,635	2,767,351,177
Water Supply	-	-	2,595,095	-	-	1,971	216,992	-	-	2,814,058
<b>District Total</b>	<b>\$ 2,535,347,849</b>	<b>\$ 52,415,282</b>	<b>\$ 530,728,881</b>	<b>\$ 656,383,787</b>	<b>\$ 81,698,507</b>	<b>\$ 13,489,226</b>	<b>\$ 43,362,730</b>	<b>\$ 15,344,591</b>	<b>\$ 714,425,092</b>	<b>\$ 4,643,195,945</b>

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

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



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# **DISCLOSURE SECTION**

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



## CONTINUING ANNUAL AND EVENT DISCLOSURES

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

### DISTRICT AGREEMENT AND EFFECTIVE DATES

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

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

<b>SUMMARY OF CONTINUING BOND DISCLOSURE REQUIREMENTS</b>				
Recipient	Annual Financial Information	Audited Annual Financial Statements	Notice of Material Events	Notice of Failure to Provide Annual Financial Information
	SEC Rule 15c2-12 (b)(5)(i)(A)	SEC Rule 15c2-12 (b)(5)(i)(B)	SEC Rule 15c2-12 (b)(5)(i)(C)	SEC Rule 15c2-12 (b)(5)(i)(D)
	Effective FYE (1) After Jan. 1, 1996	Effective FYE (1) After Jan. 1, 1996	Effective July 3, 1995	Effective April 1 After FYE (1)
Each NRMSIR (2) or the MSRB (3)			X	X
Each NRMSIR (2)	X	X		
Paying Agent (4)	X	X	X	X
Underwriters (4)	X	X	X	X
<p>(1) For the District, the date first effective was for Fiscal Year Ended (FYE) September 30, 1996.</p> <p>(2) Nationally Recognized Municipal Securities Information Repository.</p> <p>(3) Municipal Securities Rulemaking Board.</p> <p>(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.</p>				

## **ANNUAL FINANCIAL INFORMATION**

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

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

## **SECURITY FOR THE BONDS**

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

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

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

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

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

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

## **DOCUMENTARY STAMP TAX**

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

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

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

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

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

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

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

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

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

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

## **USE OF THE TRUST FUND**

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

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

## **ESCROW AND RESERVE FUNDS**

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

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

### **Trust Fund Escrow**

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

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

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

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

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



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

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

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

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

### **Lease Payments**

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

## ANNUAL DEBT SERVICE REQUIREMENTS

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

<b>ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)</b>					
<b>Fiscal Years</b>	<b>Total</b>	<b>Series 2002</b>	<b>Series 2003</b>	<b>Series 2006</b>	
2014	\$ 42.08	\$ 2.54	\$ 4.35	\$ 35.19	
2015	42.06	2.53	4.35	35.18	
2016	42.03	2.52	4.34	35.17	
2017	35.14			35.14	
2018 - 2022	175.47		<sup>1</sup>	<sup>1</sup>	175.47
2023 - 2027	174.94				174.94
2028 - 2032	174.29				174.29
2033 - 2037	173.47				173.47 <sup>2</sup>
<b>Totals</b>	<b>\$ 859.48</b>	<b>\$ 7.59</b>	<b>\$ 13.04</b>	<b>\$ 838.85</b>	

## AUDITED ANNUAL FINANCIAL STATEMENTS

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

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

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

## REQUIRED NOTICES

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

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

- (a) During fiscal year 2011, Moody's Investor Services (Moody's) and Standard and Poor's (S&P) withdrew their ratings of the District's bond insurer, AMBAC Assurance Corporation. This rating was previously withdrawn by Fitch Ratings. During fiscal year 2012, Moody's lowered its credit rating on the District's Certificates and Land Acquisition Bonds to Aa3 from Aa2 and to A3 from A1 and Fitch Ratings downgraded the rating on the District's COPS to AA- from AA. On January 14, 2014, Fitch Ratings affirmed both the AA- rating on the District's COPS and the A rating on the Land Acquisition Bonds. The rating on all District debt is based on the District's underlying "non-insured" rating for the current fiscal year as follows:
- Certificates of Participation, Series 2006, rated Aa3, AA and AA- by Moody's, Standard & Poor's and Fitch, respectively.
  - Land Acquisition Bonds, Series 2002 and 2003, rated A3, A+ and A by Moody's, Standard & Poor's and Fitch, respectively.
- (b) On March 18, 2013, U.S. Bancorp announced that its lead bank, U.S. Bank National Association, entered into a definitive agreement to purchase the municipal bond trustee business of Deutsche Bank, the District's Trustee for the Certificates of Participation, Series 2006. The acquisition is expected to close in the third quarter of 2013.





**South Florida Water Management District**  
3301 Gun Club Road • West Palm Beach, Florida 33406  
561-686-8800 • 1-800-432-2045 • [www.sfwmd.gov](http://www.sfwmd.gov)

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

[sfwmd.gov](http://sfwmd.gov)