

## **Statement of Sources and Uses of Funds For the Three Months Ended December 31, 2012**

The attached "Statement of Sources and Uses of Funds" statement is provided for your review. The financial statement provides summary-level revenues and balances (i.e., sources) and expenditures/encumbrances by program (i.e., uses).

The financial statement reports the financial activities for the first three months of fiscal year 2012-13, ended December 31, 2012, and compares actual results against the annual budget, with 25 percent of the fiscal year completed.

### **Revenues (Sources) Status:**

- Overall, as of December 31, 2012, 84 percent of the District's budgeted revenues/balances have been recognized.
- As of December 31, 2012, the District has received \$74 million of ad valorem tax revenue representing 74 percent of the budget. This is in-line with prior year first quarter collection rates of 75 percent for FY2011-12 and 73 percent for FY2010-11. The budget represents 96 percent of the tax levy based on the historical collection rate.
- Intergovernmental Revenues are recognized at the time related expenditures are incurred. For FY2012-13, \$2.5 million in revenues has been recognized, representing 7 percent of the budget. From year to year, the budgeted amount of intergovernmental revenue compared to the recognized amount can fluctuate for various reasons; projects can be in the planning stages and have not incurred a significant amount of expenditures, or anticipated projects may be canceled (e.g., cooperative funding projects).
- The FY2012-13 interest earnings budget was based on a 0.5 percent expected rate of return. For the three months ended December 31, 2012, the District earned 0.46 percent return on its investments. Interest earnings based on higher than anticipated invested funds and a slightly lower rate of return totaled \$672,065, representing 34 percent of the budget.
- License and Permit Fees consist of revenue from water use permits, environmental resource permits, water well construction permits, and water well construction licenses. Revenue recognized represents 21 percent of the budget as of December 31, 2012, slightly below budget.
- As of December 31, 2012, other revenue earned is 59 percent of budget. Each year, items that fall within the "Other" revenue category are budgeted conservatively due to the uncertainty of the amounts to be collected. For example, revenues from timber sales, hog hunts, and the sale of assets can vary significantly from year to year.
- Fund Balance consists of balance from prior years (budgeted for the current year) plus fund balance associated with the ad valorem funded encumbrances that rolled into the current year.

### **Expenditures (Uses) Status:**

Overall, as of December 31, 2012, the District had obligated 67 percent of its total budget.

### **Summary of Expenditures by Program**

This financial statement illustrates the effort to date for each of the District's six statutory program areas (Section 373.536(5)(e)4, Florida Statutes). A discussion of the expenditures by program follows.

- The **Water Resource Planning and Monitoring Program** includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resource planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review). Of the \$48.1 million budgeted for this program, the District has obligated 60 percent of the budget (8 percent expended and 52 percent encumbered).
- The **Land Acquisition, Restoration and Public Works Program** includes the development and construction of all capital projects (except for those contained in the Operation and Maintenance of Works and Lands Program), including water resource development projects/water supply development assistance, water control projects, and support and administrative facilities construction, land acquisition (i.e., Florida Forever program), and the restoration of lands and water bodies. Of the \$281.9 million budgeted for this program, the District has obligated 75 percent of the budget (2 percent expended and 73 percent encumbered). Because the majority of these program expenditures are incurred by cooperators and invoiced to the District for reimbursement, the majority of the billings received in the first quarter relate to expenditures that were incurred and accrued during the District's previous year-end.
- The **Operation and Maintenance of Works and Lands Program** includes all operation and maintenance of facilities, flood control and water conservation structures, lands, and other works authorized by Chapter 373, Florida Statutes. Of the \$20.9 million budgeted for this program, the District has obligated 36 percent of the budget (18 percent expended and 18 percent encumbered).
- The **Regulation Program** includes water use permitting, water well construction permitting, water well contractor licensing, environmental resource and surface water management permitting, permit administration, compliance and enforcement, and any delegated regulatory program. Of the \$23.1 million budgeted for this program, the District has obligated 30 percent of the budget (17 percent expended and 13 percent encumbered).
- The **Outreach Program** includes all environmental education activities, such as water conservation campaigns and water resources education; public information activities; all lobbying activities relating to local, regional, state, and federal governmental affairs; and all public relations activities and advertising in any media. Of the \$4.6 million budgeted for this program, the District has obligated 50 percent of the budget (11 percent expended and 39 percent encumbered).

- The **Management and Administration Program** includes executive management, executive support, governing board support, ombudsman, general counsel, inspector general, administrative support (general), procurement, finance, human resources, risk management, and communications. Of the \$16.7 million budgeted for this program, the District has obligated 42 percent of the budget (26 percent expended and 16 percent encumbered).

Based on the financial activities for the three months ended December 31, 2012, the financial condition of the District is positive and budget variances are generally favorable. There are no reported or identified major trends, conditions or variances that warrant additional management attention.

**Southwest Florida Water Management District  
Statement of Sources and Uses of Funds  
For the Three Months Ended December 31, 2012  
(Unaudited)**

	<b>Current Budget</b>	<b>Actuals Through 12/31/2012</b>	<b>Variance (under)/Over Budget</b>	<b>Actuals As A % of Budget</b>
<b>Sources</b>				
Ad Valorem Property Taxes	\$ 100,477,587	\$ 74,025,542	\$ (26,452,045)	74%
Intergovernmental Revenues	36,105,620	2,501,802	(33,603,818)	7%
Interest on Invested Funds	2,000,000	672,065	(1,327,935)	34%
License and Permit Fees	1,900,000	407,114	(1,492,886)	21%
Other	343,200	203,003	(140,197)	59%
Fund Balance	254,458,958	254,458,958	-	100%
<b>Total Sources</b>	<b>\$ 395,285,365</b>	<b>\$ 332,268,484</b>	<b>\$ (63,016,881)</b>	<b>84%</b>

	<b>Current Budget</b>	<b>Expenditures</b>	<b>Encumbrances<sup>1</sup></b>	<b>Available Budget</b>	<b>%Expended</b>	<b>%Obligated<sup>2</sup></b>
<b>Uses</b>						
Water Resource Planning and Monitoring	\$ 48,089,050	\$ 3,746,136	\$ 25,112,385	\$ 19,230,529	8%	60%
Land Acquisition, Restoration and Public Works	281,872,387	4,982,250	206,999,006	69,891,131	2%	75%
Operation and Maintenance of Works and Lands	20,962,354	3,670,221	3,787,225	13,504,908	18%	36%
Regulation	23,095,300	3,991,555	2,875,247	16,228,498	17%	30%
Outreach	4,597,287	503,891	1,815,667	2,277,729	11%	50%
Management and Administration	16,668,987	4,287,900	2,795,609	9,585,478	26%	42%
<b>Total Uses</b>	<b>\$ 395,285,365</b>	<b>\$ 21,181,953</b>	<b>\$ 243,385,139</b>	<b>\$ 130,718,273</b>	<b>5%</b>	<b>67%</b>

<sup>1</sup> Encumbrances represent unexpended balances of open purchase orders and contracts.

<sup>2</sup> Represents the sum of expenditures and encumbrances as a percentage of the current budget.

This unaudited financial statement is prepared as of December 31, 2012, and covers the interim period since the most recent audited financial statements.