

## **Statement of Sources and Uses of Funds For the Eight Months Ended May 31, 2016**

The attached "Statement of Sources and Uses of Funds" statement is provided for your review. This financial statement provides summary-level revenues (i.e., sources) and expenditures by program (i.e., uses). **This unaudited financial statement is provided as of May 31, 2016, with 66.7 percent of the fiscal year completed.**

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2015-16 available budget of \$324.9 million. Encumbrances represent orders for goods and services which have not yet been received.

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

- Overall, as of May 31, 2016, 85 percent of the District's budgeted revenues/balances have been recognized.
- As of May 31, 2016, the District has received \$101.6 million of ad valorem tax revenue representing 98 percent of the budgeted amount. This is in-line with the eighth month prior year collection rates of 97 percent for both FY2014-15 and FY2013-14. The budget represents 96 percent of the taxable property values as certified by the District's sixteen counties multiplied by the Governing Board approved millage rate. Projections are based on historical collections.
- Intergovernmental Revenues are recognized at the time related expenditures are incurred. For FY2015-16, \$3.4 million in revenues has been recognized, representing 7 percent of the budgeted amount. 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 FY2015-16 interest earnings budget was based on a 0.70 percent expected rate of return. The District's investment portfolio at May 31, 2016, is earning a weighted average yield of 0.93 percent. For the eight months ended May 31, 2016, the District has earned 0.88 percent yield on its investments. Interest earnings on invested funds in the amount of \$2.9 million, have been recognized representing 92 percent of the budgeted amount.
- 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 68 percent of the budgeted amount as of May 31, 2016.
- As of May 31, 2016, other revenue earned is 474 percent of budgeted amount. 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, insurance recoveries, legal settlements and the sale of fixed assets can vary significantly from year to year. The majority of the increase is due to a recent legal settlement of \$2 million along with consent order settlement fees of approximately \$156,000 and Florida Blue wellness incentive funds of \$125,000.

- 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 May 31, 2016, 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 \$41.7 million budgeted for this program, the District has obligated 70 percent of the budget (36 percent expended and 34 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 \$223.9 million budgeted for this program, the District has obligated 68 percent of the budget (7 percent expended and 61 percent encumbered).
- 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 \$21.6 million budgeted for this program, the District has obligated 52 percent of the budget (40 percent expended and 12 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 \$20.7 million budgeted for this program, the District has obligated 66 percent of the budget (52 percent expended and 14 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 \$2.5 million budgeted for this program, the District has obligated 57 percent of the budget (31 percent expended and 26 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, and risk management. Of the \$14.4 million budgeted for this program, the District has obligated 71 percent of the budget (62 percent expended and 9 percent encumbered).

Based on the financial activities for the eight months ended May 31, 2016, 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 Eight Months Ended May 31, 2016  
(Unaudited)**

	<b>Current Budget</b>	<b>Actuals Through 5/31/2016</b>	<b>Variance (under)/Over Budget</b>	<b>Actuals As A % of Budget (rounded)</b>
<b>Sources</b>				
Ad Valorem Property Taxes	\$ 104,036,884	\$ 101,554,666	\$ (2,482,218)	98%
Intergovernmental Revenues	49,685,684	3,439,128	(46,246,556)	7%
Interest on Invested Funds	3,100,000	2,850,518	(249,482)	92%
License and Permit Fees	1,500,000	1,019,824	(480,176)	68%
Other	560,700	2,660,422	2,099,722	474%
Fund Balance	166,050,481	166,050,481	-	100%
<b>Total Sources</b>	<b>\$ 324,933,749</b>	<b>\$ 277,575,039</b>	<b>\$ (47,358,710)</b>	<b>85%</b>

	<b>Current Budget</b>	<b>Expenditures</b>	<b>Encumbrances<sup>1</sup></b>	<b>Available Budget</b>	<b>% Expended (rounded)</b>	<b>% Obligated<sup>2</sup> (rounded)</b>
<b>Uses</b>						
Water Resource Planning and Monitoring	\$ 41,689,633	\$ 14,895,699	\$ 14,085,535	\$ 12,708,399	36%	70%
Land Acquisition, Restoration and Public Works	223,949,504	14,805,237	138,116,039	71,028,228	7%	68%
Operation and Maintenance of Works and Lands	21,575,398	8,660,771	2,611,608	10,303,019	40%	52%
Regulation	20,723,357	10,830,589	2,766,904	7,125,864	52%	66%
Outreach	2,548,385	782,872	673,320	1,092,193	31%	57%
Management and Administration	14,447,472	8,903,803	1,303,104	4,240,565	62%	71%
<b>Total Uses</b>	<b>\$ 324,933,749</b>	<b>\$ 58,878,971</b>	<b>\$ 159,556,510</b>	<b>\$ 106,498,268</b>	<b>18%</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 preliminary financial statement is prepared as of May 31, 2016, and covers the interim period since the most recent audited financial statements.