### Statement of Sources and Uses of Funds For the Nine Months Ended June 30, 2015

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 June 30, 2015, with 75 percent of the fiscal year completed.

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2014-15 available budget of \$332.3 million. Encumbrances represent orders for goods and services which have not yet been received.

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

- Overall, as of June 30, 2015, 93 percent of the District's budgeted revenues/balances have been recognized.
- As of June 30, 2015, the District has received \$102.7 million of ad valorem tax revenue representing 100 percent of the budget. This is in-line with the nine month prior year collection rates of 100 percent for FY2013-14 and 99 percent for FY2012-13. 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 FY2014-15, \$8.9 million in revenues have been recognized, representing 27 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 FY2014-15 interest earnings budget was based on a 0.75 percent expected rate of return. The District's investment portfolio at June 30, 2015, is earning a weighted average yield of 0.67 percent. For the nine months ended June 30, 2015, the District has earned 0.60 percent yield on its investments. Interest earnings on invested funds in the amount of \$2.2 million, have been recognized representing 62 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 68 percent of the budget as of June 30, 2015.
- As of June 30, 2015, other revenue earned is 251 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,
  insurance recoveries, legal settlements and the sale of assets can vary significantly from
  year to year. The majority of the revenue collected to-date is due to the receipt of a legal
  settlement during the month of December, sale of fixed assets and timber sales.
- 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 June 30, 2015, the District had obligated 77 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 \$45.6 million budgeted for this program, the District has obligated 71 percent of the budget (33 percent expended and 38 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 \$228 million budgeted for this program, the District has obligated 80 percent of the budget (16 percent expended and 64 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 \$19.2 million budgeted for this program, the District has obligated 70 percent of the budget (53 percent expended and 17 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 \$22.2 million budgeted for this program, the District has obligated 70 percent of the budget (55 percent expended and 15 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 \$2.6 million budgeted
  for this program, the District has obligated 61 percent of the budget (33 percent expended
  and 28 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 \$14.7 million budgeted for this program, the District has obligated 79 percent of the budget (67 percent expended and 12 percent encumbered).

Based on the financial activities for the nine months ended June 30, 2015, 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 Nine Months Ended June 30, 2015 (Unaudited)

	Current Budget	Actuals Through 6/30/2015	Variance (under)/Over Budget		Actuals As A % of Budget (rounded)	
Sources					_	
Ad Valorem Property Taxes	\$ 102,256,638	\$ 102,652,086	\$	395,448	100%	
Intergovernmental Revenues	32,899,649	8,873,644		(24,026,005)	27%	
Interest on Invested Funds	3,600,000	2,243,804		(1,356,196)	62%	
License and Permit Fees	1,700,000	1,156,922		(543,078)	68%	
Other	460,700	1,158,508		697,808	251%	
Fund Balance	191,386,205	191,386,205		-	100%	
Total Sources	\$ 332,303,192	\$ 307,471,169	\$	(24,832,023)	93%	

		Current						Available	% Expended	% Obligated <sup>2</sup>
	Budget		Expenditures		Encumbrances <sup>1</sup>		Budget		(rounded)	(rounded)
Uses										
Water Resource Planning and Monitoring	\$	45,587,374	\$	15,042,001	\$	17,154,763	\$	13,390,610	33%	71%
Land Acquisition, Restoration and Public Works		228,037,018		37,015,287		144,560,578		46,461,153	16%	80%
Operation and Maintenance of Works and Lands		19,241,631		10,272,164		3,135,114		5,834,353	53%	70%
Regulation		22,161,307		12,160,950		3,250,202		6,750,155	55%	70%
Outreach		2,572,705		841,303		718,471		1,012,931	33%	61%
Management and Administration		14,703,157		9,814,655		1,795,331		3,093,171	67%	79%
Total Uses	\$	332,303,192	\$	85,146,360	\$	170,614,459	\$	76,542,373	26%	77%

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

This unaudited financial statement is prepared as of June 30, 2015, and covers the interim period since the most recent audited financial statements.

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