

Statement of Sources and Uses of Funds For the Eleven Months Ended August 31, 2012

The attached "Statement of Sources and Uses of Funds" statement is provided for your review. This report provides a summarized snapshot of high level District financial activity of revenue by sources and expenditure summaries (uses) by program. **This unaudited financial statement is provided as of August 31, with 91.7 percent of the fiscal year completed.**

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's fiscal year (FY) 2011-12 available budget of \$509.2 million. Encumbrances represent orders for goods and services which have not yet been received.

Revenues (Sources) Status:

- Overall, as of August 31, 2012, 92 percent (including fund balance) of the District's budgeted revenue has been recognized.
- As of August 31, 2012, the District has received \$104.1 million of ad valorem tax revenue representing 101 percent of the budget. 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 FY2011-12, \$27.5 million in revenues have been recognized, representing 40 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 FY2011-12 interest earnings budget was based on a 0.5 percent expected rate of return. The District's investment portfolio at August 31, 2012, is earning a weighted average yield of 0.52 percent. For the eleven months ended, the District has earned 0.60 percent yield on its investments. Due to the higher than budgeted interest rate and varying cash balances related to project timing, interest earnings on invested funds in the amount of \$3.4 million have been recognized representing 131 percent of the budget. The District historically budgets investment earnings conservatively.
- 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 is 80 percent of the budget as of August 31, 2012.
- As of August 31, 2012, other revenue collected is 238 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, the prorated share of revenue from Blue Cross Blue Shield, rebates, and insurance proceeds can significantly vary from year to year.
- Fund Balance represents funds carried over from prior years that are allocated for expenditures, or are reserved or designated to fund outstanding encumbrances or board designations that were re-appropriated for expenditure in FY2011-12.

Expenditures (Uses) Status:

Overall, as of August 31, 2012, the District had obligated 86 percent of its total budget. This indicates that most major projects are in progress and will be accomplished.

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)(d)4, Florida Statutes). Provided below is a discussion of the expenditures by program.

- The **Water Resources Planning and Monitoring Program** includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resources planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review). Of the \$57.7 million budgeted for this program, the District has obligated 88 percent of the budget (40 percent expended and 48 percent encumbered).
- The **Acquisition, Restoration and Public Works Program** includes the development and construction of all capital projects (except for those contained within the Operation and Maintenance of Lands and Works Program), including water resource development projects/water supply development assistance, water control projects, and support and administrative facilities construction; land acquisition; and the restoration of lands and water bodies. Of the \$358.9 million budgeted for this program, the District has obligated 90 percent of the budget (19 percent expended and 71 percent encumbered).
- The **Operation and Maintenance of Lands and Works Program** includes all operation and maintenance of facilities, flood control and water supply structures, lands, and other works authorized by Chapter 373, Florida Statutes. Of the \$21.7 million budgeted for this program, the District has obligated 76 percent of the budget (62 percent expended and 14 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 and enforcement, and any delegated regulatory program. Of the \$20.8 million budgeted for this program, the District has obligated 81 percent of the budget (72 percent expended and 9 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, including public service announcements and advertising in any media. Of the \$6.3 million budgeted for this program, the District has obligated 84 percent of the budget (51 percent expended and 33 percent encumbered).

- The **Management and Administration Program** includes all governing board support; executive support; technology and information services; general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services; annual contingency funds; and 16-county property appraiser and tax collector fees. Of the \$43.8 million budgeted for this program, the District has obligated 65 percent of the budget (56 percent expended and 9 percent encumbered).

Of the \$43.8 million budgeted, \$7.1 million was budgeted as annual contingency funds; a balance of \$6.9 million remains as of August 31, 2012.

For this financial report, the Management and Administration Program's costs are inclusive of all costs. For other financial reports that relate to performance metrics, certain costs of this program area are allocated to direct program areas, as appropriate.

Based on the financial activities for the eleven months ended August 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 Eleven Months Ended August 31, 2012
(Unaudited)**

	Current Budget	Actuals Through 8/31/2012	Variance (under)/Over Budget	Actuals As A % of Budget
Sources				
Ad Valorem Property Taxes	\$ 103,449,973	\$ 104,073,464	\$ 623,491	101%
Intergovernmental Revenues	68,865,594	27,501,087	(41,364,507)	40%
Interest on Invested Funds	2,615,000	3,419,314	804,314	131%
License and Permit Fees	1,900,000	1,518,621	(381,379)	80%
Other	752,369	1,791,669	1,039,300	238%
Fund Balance	331,622,912	331,622,912	-	100%
Total Sources	\$ 509,205,848	\$ 469,927,067	\$ (39,278,781)	92%

	Current Budget	Expenditures	Encumbrances¹	Available Budget	%Expended	%Obligated²
Uses						
Water Resources Planning and Monitoring	\$ 57,710,264	\$ 22,885,011	\$ 28,166,316	\$ 6,658,937	40%	88%
Acquisition, Restoration and Public Works	358,863,505	68,467,525	253,453,677	36,942,303	19%	90%
Operation and Maintenance of Lands and Works	21,741,147	13,558,444	2,920,403	5,262,300	62%	76%
Regulation	20,763,530	15,047,972	1,733,112	3,982,446	72%	81%
Outreach	6,272,577	3,197,130	2,043,454	1,031,993	51%	84%
Management and Administration ³	43,854,825	24,676,897	3,804,691	15,373,237	56%	65%
Total Uses	\$ 509,205,848	\$ 147,832,979	\$ 292,121,653	\$ 69,251,216	29%	86%

¹ Encumbrances represent unexpended balances of open purchase orders and contracts.

² Represents the sum of expenditures and encumbrances as a percentage of the available budget.

³ Management and administration costs are inclusive of all costs; for performance metrics certain costs are allocated to direct program areas, as appropriate.

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