

## **Preliminary Statement of Sources and Uses of Funds For the Year Ended September 30, 2012**

The attached "Preliminary Statement of Sources and Uses of Funds" statement is provided for your review. This is a preliminary financial statement for fiscal year (FY) 2011-12. A full set of financial statements will be prepared and finalized as year-end processes are completed in preparation for the annual financial audit. This preliminary financial statement provides summary-level revenues (i.e., sources) and expenditures by program (i.e., uses).

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2011-12 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 September 30, 2012, 93 percent (including fund balance) of the District's budgeted revenue has been recognized.
- As of September 30, 2012, the District has received \$104.5 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, \$30.7 million in revenues have been recognized, representing 45 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 September 30, 2012, is earning a weighted average yield of 0.54 percent. For the year ended September 30, 2012, 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 \$3.7 million have been recognized representing 141 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 86 percent of the budget as of September 30, 2012.
- As of September 30, 2012, other revenue collected is 271 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 vary significantly 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 September 30, 2012, the District had obligated 89 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 \$57.6 million budgeted for this program, the District has obligated 92 percent of the budget (46 percent expended and 46 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 91 percent of the budget (23 percent expended and 68 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 85 percent of the budget (69 percent expended and 16 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 \$21.2 million budgeted for this program, the District has obligated 91 percent of the budget (77 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, including public service announcements and advertising in any media. Of the \$6.2 million budgeted for this program, the District has obligated 88 percent of the budget (57 percent expended and 31 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 \$43.6 million budgeted for this program, the District has obligated 71 percent of the budget (60 percent expended and 11 percent encumbered).

Of the \$43.6 million budgeted, \$7.1 million was budgeted as annual contingency funds; a balance of \$6.9 million remains as of September 30, 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 year ended September 30, 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  
Preliminary Statement of Sources and Uses of Funds  
For the Year Ended September 30, 2012  
(Unaudited)**

	<b>Current Budget</b>	<b>Actuals Through 9/30/2012</b>	<b>Variance (under)/Over Budget</b>	<b>Actuals As A % of Budget</b>
<b>Sources</b>				
Ad Valorem Property Taxes	\$ 103,449,973	\$ 104,477,462	\$ 1,027,489	101%
Intergovernmental Revenues	68,865,594	30,685,010	(38,180,584)	45%
Interest on Invested Funds	2,615,000	3,680,361	1,065,361	141%
License and Permit Fees	1,900,000	1,641,924	(258,076)	86%
Other	752,369	2,039,666	1,287,297	271%
Fund Balance	331,622,912	331,622,912	-	100%
<b>Total Sources</b>	<b>\$ 509,205,848</b>	<b>\$ 474,147,335</b>	<b>\$ (35,058,513)</b>	<b>93%</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 Resources Planning and Monitoring	\$ 57,622,467	\$ 26,459,404	\$ 26,457,370	\$ 4,705,693	46%	92%
Acquisition, Restoration and Public Works	358,871,592	83,745,605	241,198,178	33,927,809	23%	91%
Operation and Maintenance of Lands and Works	21,741,147	15,026,306	3,438,045	3,276,796	69%	85%
Regulation	21,172,494	16,405,465	2,834,685	1,932,344	77%	91%
Outreach	6,175,742	3,528,787	1,934,690	712,265	57%	88%
Management and Administration <sup>3</sup>	43,622,406	26,382,178	4,741,993	12,498,235	60%	71%
<b>Total Uses</b>	<b>\$ 509,205,848</b>	<b>\$ 171,547,745</b>	<b>\$ 280,604,961</b>	<b>\$ 57,053,142</b>	<b>34%</b>	<b>89%</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.

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

This unaudited preliminary financial statement is prepared as of September 30, 2012, and covers the fiscal year 2011-12.