

Preliminary Statement of Sources and Uses of Funds For the Year Ended September 30, 2013

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) 2012-13. 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 FY2012-13 available budget of \$395.3 million. Encumbrances represent orders for goods and services which have not yet been received.

Revenues (Sources) Status:

- Overall, as of September 30, 2013, 95 percent of the District's budgeted revenues/balances have been recognized.
- As of September 30, 2013, the District has received \$100.8 million of ad valorem tax revenue representing 100 percent of the budget. This is in-line with the prior year collection rate of 101 percent for FY2011-12. 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, \$14.9 million in revenues has been recognized, representing 41 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 Year ended September 30, 2013, the District earned 0.43 percent return on its investments. Interest earnings based on higher than anticipated invested funds and a slightly lower rate of return totaled \$2.4 million, representing 122 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 98 percent of the budget as of September 30, 2013, slightly below budget.
- As of September 30, 2013, other revenue earned is 506 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 and the sale of assets can vary significantly from year to year. The majority of funds collected this year relate to the Green Swamp West Tully Plantation Timber Sale – Select Harvest project, insurance proceeds related to previous water damage, and the prorated share of revenue from Blue Cross Blue Shield.
- 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 September 30, 2013, the District had obligated 91 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 95 percent of the budget (52 percent expended and 43 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 \$281.8 million budgeted for this program, the District has obligated 90 percent of the budget (27 percent expended and 63 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 \$20.9 million budgeted for this program, the District has obligated 90 percent of the budget (74 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, compliance and enforcement, and any delegated regulatory program. Of the \$23.2 million budgeted for this program, the District has obligated 93 percent of the budget (77 percent expended and 16 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 95 percent of the budget (69 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, risk management, and communications. Of the \$16.8 million budgeted for this program, the District has obligated 84 percent of the budget (75 percent expended and 9 percent encumbered).

Based on the financial activities for the year ended September 30, 2013, 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, 2013
(Unaudited)**

	Current Budget	Actuals Through 9/30/2013	Variance (under)/Over Budget	Actuals As A % of Budget
Sources				
Ad Valorem Property Taxes	\$ 100,477,587	\$ 100,786,218	\$ 308,631	100%
Intergovernmental Revenues	36,131,833	14,893,661	(21,238,172)	41%
Interest on Invested Funds	2,000,000	2,436,739	436,739	122%
License and Permit Fees	1,900,000	1,856,608	(43,392)	98%
Other	343,200	1,738,199	1,394,999	506%
Fund Balance	254,432,745	254,432,745	-	100%
Total Sources	\$ 395,285,365	\$ 376,144,170	\$ (19,141,195)	95%

	Current Budget	Expenditures	Encumbrances¹	Available Budget	%Expended	%Obligated²
Uses						
Water Resource Planning and Monitoring	\$ 48,113,061	\$ 25,168,807	\$ 20,642,047	\$ 2,302,207	52%	95%
Land Acquisition, Restoration and Public Works	281,779,987	75,664,299	177,923,237	28,192,451	27%	90%
Operation and Maintenance of Works and Lands	20,886,553	15,400,054	3,413,348	2,073,151	74%	90%
Regulation	23,156,475	17,888,942	3,621,932	1,645,601	77%	93%
Outreach	4,597,555	3,179,505	1,176,570	241,480	69%	95%
Management and Administration	16,751,734	12,563,307	1,475,976	2,712,451	75%	84%
Total Uses	\$ 395,285,365	\$ 149,864,914	\$ 208,253,110	\$ 37,167,341	38%	91%

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

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

This unaudited preliminary financial statement is prepared as of September 30, 2013, and covers the interim period since the most recent audited financial statements.