

Statement of Sources and Uses of Funds For the Three Months Ended December 31, 2011

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 December 31, with 25 percent of the fiscal year completed.**

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2012 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 December 31, 2011, 81 percent (including fund balance) of the District's budgeted revenue has been recognized.
- As of December 31, 2011, the District has received \$77.5 million of ad valorem tax revenue representing 75 percent of the budget, which is typical for the first three months of any fiscal year as the majority of the ad valorem tax revenue is collected in the months of December and January. 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, \$2.2 million in revenues have been recognized, representing 3 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 (i.e., a land acquisition, cooperative funding projects, etc.). In comparison to last month, please note that in accordance with resolution # 11-19 the final budget was revised to reflect the outside revenue associated with the encumbrances that have been automatically re-appropriated and incorporated into the final budget, resulting in an increase to the intergovernmental revenues budget with an offsetting decrease to fund balance.
- The FY2012 interest earnings budget was based on a 0.5 percent expected rate of return. The District's investment portfolio was generating 0.57 percent at December 31, 2011. Due to the higher than budgeted interest rate (for the first three months of the fiscal year) and varying cash balances related to project timing, interest earnings on invested funds are 43 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 21 percent of budget as of December 31, 2011.
- As of December 31, 2011, other revenue collected is 27 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.

- 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 FY2012.

Expenditures (Uses) Status:

Overall, as of December 31, 2011, at the time this report was prepared, the District had obligated 80 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 resource planning; research, data collection, analysis, and monitoring; and technical assistance (including local and regional plan and program review). Of the \$59.8 million budgeted for this program, the District has obligated 66 percent of the budget (6 percent expended and 60 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 \$354.4 million budgeted for this program, the District has encumbered 94 percent of the budget (1 percent expended and 93 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 million budgeted for this program, the District has obligated 44 percent of the budget (14 percent expended and 30 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 \$18.5 million budgeted for this program, the District has obligated 31 percent of the budget (17 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 53 percent of the budget (9 percent expended and 44 percent encumbered).

- The **Management and Administration Program** includes all governing board support; executive support; management information systems; annual contingency funds; and general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services. Of the \$49.3 million budgeted for this program, the District has obligated 34 percent of the budget (17 percent expended and 17 percent encumbered).

Of the \$49.3 million budgeted, \$7.1 million was budgeted as annual contingency funds.

Based on the financial activities for the three months ended December 31, 2011, 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 Three Months Ended December 31, 2011
(Unaudited)**

	Available Budget	Actuals Through 12/31/2011	Variance (under)/Over Budget	Actuals As A % of Budget
Sources				
Ad Valorem Property Taxes	\$ 103,449,973	\$ 77,524,910	\$ (25,925,063)	75%
Intergovernmental Revenues	68,792,285	2,174,372	(66,617,913)	3%
Interest on Invested Funds	2,615,000	1,126,943	(1,488,057)	43%
License and Permit Fees	1,900,000	406,708	(1,493,292)	21%
Other	752,369	206,542	(545,827)	27%
Fund Balance	331,696,221	331,696,221	-	100%
Total Sources	\$ 509,205,848	\$ 413,135,696	\$ (96,070,152)	81%

	Available Budget	Expenditures	Encumbrances ¹	Available	%Expended	%Obligated ²
Uses						
Water Resources Planning and Monitoring	\$ 59,825,649	\$ 3,815,859	\$ 35,507,649	\$ 20,502,141	6%	66%
Acquisition, Restoration and Public Works	354,381,946	3,624,213	328,526,299	22,231,434	1%	94%
Operation and Maintenance of Lands and Works	21,038,179	2,906,729	6,387,513	11,743,937	14%	44%
Regulation	18,477,434	3,132,332	2,611,388	12,733,714	17%	31%
Outreach	6,171,830	542,356	2,722,712	2,906,762	9%	53%
Management and Administration	49,310,810	8,618,206	8,251,904	32,440,700	17%	34%
Total Uses	\$ 509,205,848	\$ 22,639,695	\$ 384,007,465	\$ 102,558,688	4%	80%

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

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

This unaudited financial statement is prepared as of December 31, 2011, and covers the interim period since the most recent audited financial statements and is for the sole purpose of management.