

## **Statement of Sources and Uses of Funds For the Four Months Ended January 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 January 31, with 33.3 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 January 31, 2012, 83 percent (including fund balance) of the District's budgeted revenue has been recognized.
- As of January 31, 2012, the District has received \$84.8 million of ad valorem tax revenue representing 82 percent of the budget, which is typical for the first four 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, \$5.5 million in revenues have been recognized, representing 8 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.).
- 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 January 31, 2012. Due to the higher than budgeted interest rate (for the first four months of the fiscal year) and varying cash balances related to project timing, interest earnings on invested funds are 55 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 28 percent of budget as of January 31, 2012.
- As of January 31, 2012, other revenue collected is 34 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 January 31, 2012, at the time this report was prepared, the District had obligated 83 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 71 percent of the budget (10 percent expended and 61 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 96 percent of the budget (3 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 47 percent of the budget (19 percent expended and 28 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 38 percent of the budget (24 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 56 percent of the budget (15 percent expended and 41 percent encumbered).

- The **Management and Administration Program** includes all governing board support; executive support; technology and information services; annual contingency funds; and general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services, and 16-county property appraiser and tax collector fees. Of the \$49.3 million budgeted for this program, the District has obligated 39 percent of the budget (23 percent expended and 16 percent encumbered).

Of the \$49.3 million budgeted, \$7.1 million was budgeted as annual contingency funds. Of the contingency funds, \$6.9 million has not been expended or encumbered as of January 31, 2012.

Based on the financial activities for the four months ended January 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 Four Months Ended January 31, 2012  
(Unaudited)**

	<b>Available Budget</b>	<b>Actuals Through 1/31/2012</b>	<b>Variance (under)/Over Budget</b>	<b>Actuals As A % of Budget</b>
<b>Sources</b>				
Ad Valorem Property Taxes	\$ 103,449,973	\$ 84,766,537	\$ (18,683,436)	82%
Intergovernmental Revenues	68,792,285	5,458,475	(63,333,810)	8%
Interest on Invested Funds	2,615,000	1,441,317	(1,173,683)	55%
License and Permit Fees	1,900,000	529,223	(1,370,777)	28%
Other	752,369	256,890	(495,479)	34%
Fund Balance	331,696,221	331,696,221	-	100%
<b>Total Sources</b>	<b>\$ 509,205,848</b>	<b>\$ 424,148,663</b>	<b>\$ (85,057,185)</b>	<b>83%</b>

	<b>Available Budget</b>	<b>Expenditures</b>	<b>Encumbrances <sup>1</sup></b>	<b>Available</b>	<b>%Expended</b>	<b>%Obligated <sup>2</sup></b>
<b>Uses</b>						
Water Resources Planning and Monitoring	\$ 59,825,649	\$ 5,853,129	\$ 36,757,301	\$ 17,215,219	10%	71%
Acquisition, Restoration and Public Works	354,381,946	9,347,383	330,158,462	14,876,101	3%	96%
Operation and Maintenance of Lands and Works	21,038,179	3,967,622	6,017,745	11,052,812	19%	47%
Regulation	18,477,434	4,380,624	2,556,864	11,539,946	24%	38%
Outreach	6,171,830	920,359	2,555,507	2,695,964	15%	56%
Management and Administration	49,310,810	11,388,220	7,871,354	30,051,236	23%	39%
<b>Total Uses</b>	<b>\$ 509,205,848</b>	<b>\$ 35,857,337</b>	<b>\$ 385,917,233</b>	<b>\$ 87,431,278</b>	<b>7%</b>	<b>83%</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 annual budget.

This unaudited financial statement is prepared as of January 31, 2012, and covers the interim period since the most recent audited financial statements and is for the sole purpose of management.