

Statement of Sources and Uses of Funds For the Ten Months Ended July 31, 2013

The attached "Statement of Sources and Uses of Funds" statement is provided for your review. The financial statement provides summary-level revenues and balances (i.e., sources) and expenditures/encumbrances by program (i.e., uses).

The financial statement reports the financial activities for the first ten months of fiscal year 2012-13, ended July 31, 2013, and compares actual results against the annual budget, with 83.3 percent of the fiscal year completed.

Revenues (Sources) Status:

- Overall, as of July 31, 2013, 94 percent of the District's budgeted revenues/balances have been recognized.
- As of July 31, 2013, the District has received \$100.7 million of ad valorem tax revenue representing 100 percent of the budget. This is in-line with the prior year tenth month collection rate of 100 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, \$11.9 million in revenues has been recognized, representing 33 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 ten months ended July 31, 2013, the District earned 0.44 percent return on its investments. Interest earnings based on higher than anticipated invested funds and a slightly lower rate of return totaled \$2.1 million, representing 105 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 79 percent of the budget as of July 31, 2013, slightly below budget.
- As of July 31, 2013, other revenue earned is 488 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 relates 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 July 31, 2013, the District had obligated 84 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 86 percent of the budget (39 percent expended and 47 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 87 percent of the budget (15 percent expended and 72 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 73 percent of the budget (58 percent expended and 15 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 70 percent of the budget (61 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 and advertising in any media. Of the \$4.6 million budgeted for this program, the District has obligated 75 percent of the budget (44 percent expended and 31 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 77 percent of the budget (63 percent expended and 14 percent encumbered).

Based on the financial activities for the ten months ended July 31, 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
Statement of Sources and Uses of Funds
For the Ten Months Ended July 31, 2013
(Unaudited)**

	Current Budget	Actuals Through 7/31/2013	Variance (under)/Over Budget	Actuals As A % of Budget
Sources				
Ad Valorem Property Taxes	\$ 100,477,587	\$ 100,667,298	\$ 189,711	100%
Intergovernmental Revenues	36,131,833	11,913,251	(24,218,582)	33%
Interest on Invested Funds	2,000,000	2,094,833	94,833	105%
License and Permit Fees	1,900,000	1,503,346	(396,654)	79%
Other	343,200	1,674,380	1,331,180	488%
Fund Balance	254,432,745	254,432,745	-	100%
Total Sources	\$ 395,285,365	\$ 372,285,853	\$ (22,999,512)	94%

	Current Budget	Expenditures	Encumbrances¹	Available Budget	%Expended	%Obligated²
Uses						
Water Resource Planning and Monitoring	\$ 48,068,061	\$ 18,572,440	\$ 22,567,916	\$ 6,927,705	39%	86%
Land Acquisition, Restoration and Public Works	281,814,987	41,263,074	202,638,655	37,913,258	15%	87%
Operation and Maintenance of Works and Lands	20,896,553	12,143,211	3,049,420	5,703,922	58%	73%
Regulation	23,156,475	14,084,159	2,237,013	6,835,303	61%	70%
Outreach	4,597,555	2,040,841	1,414,204	1,142,510	44%	75%
Management and Administration	16,751,734	10,569,844	2,322,917	3,858,973	63%	77%
Total Uses	\$ 395,285,365	\$ 98,673,569	\$ 234,230,125	\$ 62,381,671	25%	84%

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 financial statement is prepared as of July 31, 2013, and covers the interim period since the most recent audited financial statements.