

Statement of Sources and Uses of Funds For the Eleven Months Ended August 31, 2011

The attached "Statement of Sources and Uses of Funds" report 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 August 31, 2011, with 91.7 percent of the fiscal year completed.**

This unaudited financial statement compares revenues received and encumbrances/ expenditures made against the District's fiscal year (FY) 2011 available budget of \$838.3 million. Encumbrances represent orders for goods and services which have not yet been received.

Revenue (Sources) Status:

- Overall, as of August 31, 2011, with 91.7 percent of the fiscal year completed, 88 percent (including fund balance) of the District's budgeted revenue has been collected.
- Through August 31, 2011 the District collected \$161.4 million in ad valorem tax revenue which represents just over 100 percent of the budget.
- Intergovernmental Revenues are recognized at the time related expenditures are incurred. For FY2011, through the period ended August 31, 2011, \$17.5 million in revenues have been collected, representing 15 percent of the budget. From year to year, the budgeted amount of intergovernmental revenue compared to the collected amount can fluctuate for various reasons; projects can be in the planning stages and have not incurred a significant amount of expenditures, and anticipated projects get canceled (i.e., a land acquisition, cooperative funding projects, etc.)
- The FY2011 interest earnings budget was based on a 0.75 percent rate of return. The District's investment portfolio was generating 0.80 percent at August 31, 2011. Due to the higher than budgeted interest rate (for the first eleven months of the fiscal year) and varying cash balances related to project timing, interest earnings on invested funds is 116 percent of the budget. The District historically budgets investment earnings conservatively.
- License and Permit Fees consists of revenue from water use permits, environmental resource permits, water well construction permits, and water well construction licenses. Revenue collected is 102 percent of budget as of August 31, 2011, with one month remaining.
- As of August 31, 2011, other revenue collected is 169 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 can vary year to year. In addition, unanticipated revenues can be collected, such as the prorated share of revenue from Blue Cross Blue Shield that was not included in the budget.

- 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.

Expenditure (Uses) Status:

Overall, as of August 31, 2011, with 91.7 percent of the fiscal year completed, the District has obligated 82 percent of its total budget. This indicates that most major projects are in progress and will be accomplished, and that funds are encumbered for long-term projects associated with future water supply, water resource development and other long-term District core mission projects.

Summary of Expenditures by Program

This unaudited financial statement illustrates the effort to date for each of the District's program areas that are set forth in Section 373.536(5)(d)4, Florida Statutes. Provided below is a discussion of the primary uses of funds 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 \$77.9 million budgeted for this program, the District has obligated 85 percent (38 percent expended and 47 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 \$640.2 million budgeted for this program, the District has obligated 84 percent (10 percent expended and 74 percent encumbered).

Of the \$640.2 million budgeted, \$197.1 million represents reserves for future water resource development, land acquisition, and flood protection projects.

In addition, there have been land acquisitions, water resource development, and other District projects that have been budgeted this year that have either been canceled or are at the initial stage and have not incurred significant expenditures as of August 31, 2011.

- 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 \$28.7 million budgeted for this program, the District has obligated 67 percent (44 percent expended and 23 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 \$20.7 million budgeted for this program, the District has obligated 80 percent (73 percent expended and 7 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 \$8.6 million budgeted for this program, the District has obligated 85 percent (48 percent expended and 37 percent encumbered).
- The **Management and Administration Program** includes all governing board support; executive support; management information systems; unrestricted reserves for contingencies; and general counsel, ombudsman, human resources, finance, audit, risk management, and administrative services. Of the \$62.2 million budgeted for this program, the District has obligated 67 percent (59 percent expended and 8 percent encumbered).

Of the \$62.2 million budgeted, \$9.7 million represents reserves for contingencies that have not been expended or encumbered as of August 31, 2011.

In addition, the District has made reductions in contractual services and staffing levels as of August 31, 2011.

Based on the financial activities for the first eleven months of the fiscal year, as of August 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. We will continue to monitor and report on all financial activities throughout FY2011 as a means to ensure the District's continued financial success.

**Southwest Florida Water Management District
Statement of Sources and Uses of Funds
For the Eleven Months Ended August 31, 2011
(Unaudited)**

	Available Budget	Actuals Through 08/31/2011	Variance (under)/Over Budget	Actuals As A % of Budget
Sources				
Ad Valorem Property Taxes	\$ 160,880,206	\$ 161,394,148	\$ 513,942	100%
Intergovernmental Revenues	120,430,599	17,466,707	(102,963,892)	15%
Interest on Invested Funds	4,630,000	5,373,281	743,281	116%
License and Permit Fees	1,700,000	1,728,755	28,755	102%
Other	1,211,273	2,045,789	834,516	169%
Fund Balance	549,489,892	549,489,892	-	100%
Total Sources	\$ 838,341,970	\$ 737,498,572	\$ (100,843,398)	88%

	Available Budget	Expenditures	Encumbrances ¹	Available	%Expended	%Obligated ²
Uses						
Water Resources Planning and Monitoring	\$ 77,932,558	\$ 29,573,190	\$ 36,506,950	\$ 11,852,418	38%	85%
Acquisition, Restoration and Public Works	640,203,416	60,843,407	474,259,454	105,100,555	10%	84%
Operation and Maintenance of Lands and Works	28,708,775	12,687,902	6,489,651	9,531,222	44%	67%
Regulation	20,692,575	15,013,346	1,602,167	4,077,062	73%	80%
Outreach	8,566,339	4,149,264	3,101,614	1,315,461	48%	85%
Management and Administration	62,238,307	36,762,855	5,217,987	20,257,465	59%	67%
Total Uses	\$ 838,341,970	\$ 159,029,964	\$ 527,177,823	\$ 152,134,183	19%	82%

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 August 31, 2011, and covers the interim period since the most recent audited financial statements and is for the sole purpose of management.