

**Statement of Sources and Uses of Funds  
For the Three Months Ended December 31, 2017**

The attached "Statement of Sources and Uses of Funds" statement is provided for your review. This financial statement provides summary-level revenues (i.e., sources) and expenditures by program (i.e., uses). **This unaudited financial statement is provided as of December 31, 2017, with 25 percent of the fiscal year completed.**

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2017-18 available budget of \$363.4 million. Encumbrances represent orders for goods and services which have not yet been received.

**Revenues (Sources) Status:**

- Overall, as of December 31, 2017, 77 percent of the District's budgeted revenues/balances have been recognized.
- As of December 31, 2017, the District has received \$84,056,513 of ad valorem tax revenue representing 78 percent of the budget. This is in-line with the three-month prior year collection rates of 77 percent for FY2016-17 and 75 percent for FY2015-16. The budget represents 96 percent of the taxable property values as certified by the District's sixteen counties multiplied by the Governing Board approved millage rate. Projections are based on historical collections.
- Intergovernmental Revenues are recognized at the time related expenditures are incurred. For FY2017-18, \$768,821 in revenues has been recognized, representing 1 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 FY2017-18 interest earnings budget was based on a 1.35 percent expected rate of return. The District's investment portfolio at December 31, 2017, is earning a weighted average yield of 1.36 percent. For the three months ended December 31, 2017, the District has earned 1.18 percent yield on its investments. Interest earnings on invested funds in the amount of \$1,469,041 have been recognized representing 24 percent of the budgeted amount.
- 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 23 percent of the budgeted amount as of December 31, 2017.
- As of December 31, 2017, other revenue earned is 200 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 capital assets can vary significantly from year to year. The majority of the increase is due to sale of capital assets in the amount of \$1,090,000.

- 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 December 31, 2017, the District had obligated 59 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 \$43.2 million budgeted for this program, the District has obligated 52 percent of the budget (10 percent expended and 42 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 \$257.8 million budgeted for this program, the District has obligated 65 percent of the budget (1 percent expended and 64 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 \$25.7 million budgeted for this program, the District has obligated 36 percent of the budget (14 percent expended and 22 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 \$20.9 million budgeted for this program, the District has obligated 34 percent of the budget (19 percent expended and 15 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 \$2.8 million budgeted for this program, the District has obligated 33 percent of the budget (11 percent expended and 22 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, and risk management. Of the \$13.0 million budgeted for this program, the District has obligated 45 percent of the budget (31 percent expended, and 14 percent encumbered).

Based on the financial activities for the three months ended December 31, 2017, 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, 2017  
(Unaudited)**

	<b>Current Budget</b>	<b>Actuals Through 12/31/2017</b>	<b>Variance (under)/Over Budget</b>	<b>Actuals As A % of Budget (rounded)</b>
<b>Sources</b>				
Ad Valorem Property Taxes	\$ 108,116,279	\$ 84,056,513	\$ (24,059,766)	78%
Intergovernmental Revenues	53,082,743	768,821	(52,313,922)	1%
Interest on Invested Funds	6,200,000	1,469,041	(4,730,959)	24%
License and Permit Fees	1,938,500	446,982	(1,491,518)	23%
Other	603,028	1,204,961	601,933	200%
Fund Balance	193,457,253	193,457,253	-	100%
<b>Total Sources</b>	<b>\$ 363,397,803</b>	<b>\$ 281,403,571</b>	<b>\$ (81,994,232)</b>	<b>77%</b>

	<b>Current Budget</b>	<b>Expenditures</b>	<b>Encumbrances<sup>1</sup></b>	<b>Available Budget</b>	<b>% Expended (rounded)</b>	<b>% Obligated<sup>2</sup> (rounded)</b>
<b>Uses</b>						
Water Resource Planning and Monitoring	\$ 43,176,183	\$ 4,277,840	\$ 18,344,674	\$ 20,553,669	10%	52%
Land Acquisition, Restoration and Public Works	257,808,765	2,047,215	166,743,418	89,018,132	1%	65%
Operation and Maintenance of Works and Lands	25,668,591	3,710,064	5,513,536	16,444,991	14%	36%
Regulation	20,927,162	3,966,660	3,247,910	13,712,592	19%	34%
Outreach	2,820,810	296,817	637,268	1,886,725	11%	33%
Management and Administration	12,996,292	4,040,994	1,798,395	7,156,903	31%	45%
<b>Total Uses</b>	<b>\$ 363,397,803</b>	<b>\$ 18,339,590</b>	<b>\$ 196,285,201</b>	<b>\$ 148,773,012</b>	<b>5%</b>	<b>59%</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 current budget.

This unaudited preliminary financial statement is prepared as of December 31, 2017, and covers the interim period since the most recent audited financial statements.