

Statement of Sources and Uses of Funds For the Ten Months Ended July 31, 2020

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 July 31, 2020, with 83.3 percent of the fiscal year completed.**

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2019-20 available budget of \$365.1 million. Encumbrances represent orders for goods and services which have not yet been received.

Revenues (Sources) Status:

- Overall, as of July 31, 2020, 91 percent of the District's budgeted revenues/balances have been recognized.
- As of July 31, 2020, the District has received \$113,646,419 of ad valorem tax revenue representing 100 percent of the budget. This is in-line with the ten months prior year collection rates of 100 percent for FY2018-19 and 101 percent for FY2017-18. The budget represents 96 percent of estimated proceeds based on 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 as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For FY2019-20, \$8,402,482 revenues have been recognized, representing 18 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 FY2019-20 interest earnings budget was based on a 2.33 percent expected rate of return. The District's investment portfolio at July 31, 2020 is earning a weighted average yield of 1.33 percent. For the ten months ended July 31, 2020, the District has earned 1.80 percent yield on its investments. Interest earnings on invested funds in the amount of \$7,511,990 have been recognized representing 68 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 84 percent of the budgeted amount as of July 31, 2020.
- As of July 31, 2020, other revenue earned is 1095 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 sales of capital assets in the amount of \$6,645,889.

- 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, 2020, the District had obligated 76 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 \$47.2 million budgeted for this program, the District has obligated 79 percent of the budget (41 percent expended, and 38 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 \$251.5 million budgeted for this program, the District has obligated 77 percent of the budget (13 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 \$29.3 million budgeted for this program, the District has obligated 63 percent of the budget (46 percent expended, and 17 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 \$21.5 million budgeted for this program, the District has obligated 78 percent of the budget (70 percent expended, and 8 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 \$3.1 million budgeted for this program, the District has obligated 67 percent of the budget (44 percent expended, and 23 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 \$12.5 million budgeted for this program, the District has obligated 84 percent of the budget (79 percent expended, and 5 percent encumbered).

Based on the financial activities for the ten months ended July 31, 2020, 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, 2020
(Unaudited)

	Current Budget	Actuals Through 7/31/2020	Variance (under)/Over Budget	Actuals As A % of Budget (rounded)
Sources				
Ad Valorem Property Taxes	\$ 113,153,713	\$ 113,646,419	\$ 492,706	100%
Intergovernmental Revenues	45,815,159	8,402,482	(37,412,677)	18%
Interest on Invested Funds	11,000,000	7,511,990	(3,488,010)	68%
License and Permit Fees	2,029,700	1,713,152	(316,548)	84%
Other	690,250	7,558,759	6,868,509	1095%
Fund Balance	192,396,261	192,396,261	-	100%
Total Sources	\$ 365,085,083	\$ 331,229,063	\$ (33,856,020)	91%

	Current Budget	Expenditures	Encumbrances¹	Available Budget	% Expended (rounded)	% Obligated² (rounded)
Uses						
Water Resource Planning and Monitoring	\$ 47,184,464	\$ 19,316,500	\$ 17,845,755	\$ 10,022,209	41%	79%
Land Acquisition, Restoration and Public Works	251,498,699	32,687,907	160,422,540	58,388,252	13%	77%
Operation and Maintenance of Works and Lands	29,272,964	13,522,278	5,054,288	10,696,398	46%	63%
Regulation	21,512,817	15,166,503	1,705,433	4,640,881	70%	78%
Outreach	3,081,465	1,349,314	729,378	1,002,773	44%	67%
Management and Administration	12,534,674	9,869,145	709,725	1,955,804	79%	84%
Total Uses	\$ 365,085,083	\$ 91,911,647	\$ 186,467,119	\$ 86,706,317	25%	76%

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 preliminary financial statement is prepared as of July 31, 2020, and covers the interim period since the most recent audited financial statements.