

**Statement of Sources and Uses of Funds
For the Eleven Months Ended
August 31, 2023**

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 August 31, 2023, with 91.7 percent of the fiscal year completed.**

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2022-23 available budget of \$438.0 million. Encumbrances represent orders for goods and services which have not yet been received.

Revenues (Sources) Status:

- Overall, as of August 31, 2023, 83 percent of the District's budgeted revenues/balances have been recognized.
- As of August 31, 2023, the District has received \$123,101,153 of ad valorem tax revenue representing 100 percent of the budget. This is in-line with the eleven months prior year collection rates of 101 percent for FY2021-22 and 100 percent for FY2020-21. 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 FY2022-23, \$4,360,233 revenues have been recognized, representing 5.0 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 FY2022-23 interest earnings budget was based on a 1.08 percent expected rate of return. The District's investment portfolio on August 31, 2023, is earning a weighted average of 3.63 percent. For the eleven months ended August 31, 2023, the District has earned 1.33 percent yield on its investments. Interest earnings on invested funds in the amount of \$8,236,749 have been recognized representing 142 percent of the budgeted amount. The District has earned \$8.2 million of interest earnings through August 31, 2023 for the Fiscal Year 2022-2023. This is 142% of the budgeted amount of \$5.8 million. The additional interest earned this fiscal year is a result of the considerable increase in interest rates since March 2022. During this period, fixed income yields securities with maturities between one month and five years to maturity have increased between 2.60% and 5.10%. Current interest rates are significantly higher (in some cases more that 2% higher) than were forecasted during June 2022.

Statement of Sources and Uses of Funds
For the Eleven Months Ended August 31, 2023

- 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 99 percent of the budgeted amount as of August 31, 2023.
- As of August 31, 2023, other revenue earned 525 percent of the budgeted amount. 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 sales of fixed assets in the amount of \$2,522,931.
- 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 August 31, 2023, the District had obligated 79 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 \$56.3 million budgeted for this program, the District has obligated 89 percent of the budget (36 percent expended, and 53 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 \$302.4 million budgeted for this program, the District has obligated 76 percent of the budget (11 percent expended, and 65 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 \$37.6 million budgeted for this program, the District has obligated 81 percent of the budget (43 percent expended, and 38 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

Statement of Sources and Uses of Funds
For the Eleven Months Ended August 31, 2023

regulatory program. Of the \$24.8 million budgeted for this program, the District has obligated 84 percent of the budget (77 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 and advertising in any media. Of the \$3.1 million budgeted for this program, the District has obligated 90 percent of the budget (57 percent expended, and 33 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 \$13.8 million budgeted for this program, the District has obligated 96 percent of the budget (88 percent expended, and 8 percent encumbered).

Based on the financial activities for the eleven months ended August 31, 2023, 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 Eleven Months Ended August 31, 2023
(Unaudited)**

	FY2023			
	Current Budget	Actual Revenues through 8/31/2023	8/31/2023 Variance (Under)/Over Budget	8/31/2023 Actuals As A % of Budget (rounded)
Sources				
Ad Valorem Property Taxes	\$ 122,549,760	\$ 123,101,153	\$ 551,393	100%
Intergovernmental Revenues	85,672,203	4,360,233	(81,311,970)	5%
Interest on Invested Funds	5,800,000	8,236,749	2,436,749	142%
License and Permit Fees	2,256,857	2,242,828	(14,029)	99%
Other	708,373	3,719,876	3,011,503	525%
Fund Balance	221,041,194	221,041,194	-	100%
Total Sources	\$ 438,028,387	\$ 362,702,033	\$ (75,326,354)	83%

	FY2023					
	Current Budget	Actual Expenditures through 8/31/2023	Encumbrances ¹	Available Budget	8/31/2023 % Expended (rounded)	8/31/2023 % Obligated ² (rounded)
Uses						
Water Resource Planning and Monitoring	\$ 56,319,885	\$ 20,289,739	\$ 29,933,137	\$ 6,097,009	36%	89%
Land Acquisition, Restoration and Public Works	302,431,934	34,313,179	196,154,888	71,963,867	11%	76%
Operation and Maintenance of Works and Lands	37,582,110	16,005,198	14,256,075	7,320,837	43%	81%
Regulation	24,763,965	19,171,011	1,750,733	3,842,221	77%	84%
Outreach	3,146,542	1,802,915	1,023,513	320,114	57%	90%
Management and Administration	13,783,951	12,156,089	1,131,855	496,007	88%	96%
Total Uses	\$ 438,028,387	\$ 103,738,131	\$ 244,250,201	\$ 90,040,055	24%	79%

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 August 31, 2023, and covers the interim period since the most recent audited financial statements.