

**Statement of Sources and Uses of Funds
For the Twelve Months Ended
September 30, 2024**

The attached "Preliminary Statement of Sources and Uses of Funds" statement is provided for your review. This preliminary financial statement is for fiscal year (FY) 2023-24. A full set of financial statements will be prepared and finalized as year-end processes are completed in preparation for the annual financial audit. This preliminary financial statement provides summary-level revenues (i.e. sources) and expenditures by program (i.e. uses). **This unaudited financial statement is provided as of September 30, 2024, with 100.0 percent of the fiscal year completed.**

This financial statement compares revenues recognized and encumbrances/expenditures made against the District's FY2023-24 available budget of \$465.9 million. Encumbrances represent orders for goods and services which have not yet been received.

Revenues (Sources) Status:

- Overall, as of September 30, 2024, 87 percent of the District's budgeted revenues/balances have been recognized.
- As of September 30, 2024, the District has received \$126,403,440 of ad valorem tax revenue representing 100 percent of the budget. This is in-line with the twelve-months prior year collection rates of 100 percent for FY2022-23 and 101 percent for FY2021-22. 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. As of September 30, 2024, \$8,735,168 of revenues have been recognized, representing 9 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 FY2023-24 interest earnings budget was based on a 2.27 percent expected rate of return. The District's investment portfolio on September 30, 2024 is earning a weighted average yield of 4.12 percent. For the twelve months ended September 30, 2024, the District has earned 3.36 percent yield on its investments. Interest earnings on invested funds in the amount of \$19,987,281 have been recognized representing 161 percent of the budgeted amount.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, for year-end reporting only, the District is required to adjust investments and investment income to reflect unrealized gains and losses. As of September 30, 2023, the District's portfolios reflected unrealized losses of \$13.6 million. As of September 30, 2024, District's portfolios reflected unrealized gains of \$1.4 million. This is a result of securities previously carried at unrealized losses being sold or maturing at par and purchasing securities having

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higher book yields that are reflective of the higher market rates during the period. The District recognized \$19,987,281 million in interest earnings.

- 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 100 percent of the budgeted amount as of September 30, 2024.
- As of September 30, 2024, other revenue earned 323 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 variance over budget is due to sales of capital assets in the amount of \$758,791 and various settlements in the amount of \$250,124.
- 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 September 30, 2024, the District had obligated 94 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 \$64.9 million budgeted for this program, the District has obligated 92 percent of the budget (41 percent expended, and 51 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 \$308.4 million budgeted for this program, the District has obligated 94 percent of the budget (15 percent expended, and 79 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 \$48.7 million budgeted for this program, the District has obligated 94 percent of the budget (51 percent expended, and 43 percent encumbered).

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- 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 \$25.6 million budgeted for this program, the District has obligated 94 percent of the budget (91 percent expended, and 3 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 \$3.5 million budgeted for this program, the District has obligated 91 percent of the budget (69 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 \$14.8 million budgeted for this program, the District has obligated 105 percent of the budget (97 percent expended, and 8 percent encumbered). Year-end entries that allocate qualified expenditures to other Programs are still in process.

Based on the financial activities for the twelve months ended September 30, 2024, 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
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For the Twelve Months Ended September 30, 2024
(Unaudited)

FY2024				
	Current	Actual	9/30/2024	9/30/2024
	Budget	Revenues	Variance	Actuals As A
		through 9/30/2024	(Under)/Over	% of Budget
			Budget	(rounded)
Sources				
Ad Valorem Property Taxes	\$ 125,990,030	\$ 126,403,440	\$ 413,410	100%
Intergovernmental Revenues	95,236,796	8,735,168	(86,501,628)	9%
Interest Revenue:				
Interest on Invested Funds	12,400,000	19,987,281	7,587,281	161%
Change in Fair Market Value to Investments ⁴	-	15,013,853	15,013,853	-
License and Permit Fees	2,274,617	2,279,016	4,399	100%
Other	628,679	2,028,005	1,399,326	323%
Fund Balance	229,398,877	229,398,877	-	100%
Total Sources	\$ 465,928,999	\$ 403,845,640	\$ (62,083,359)	87%

FY2024						
	Current	Actual		Available	9/30/2024	9/30/2024
	Budget	Expenditures	Encumbrances ¹	Budget	% Expended	% Obligated ²
		through 9/30/2024			(rounded)	(rounded)
Uses						
Water Resource Planning and Monitoring	\$ 64,912,138	\$ 26,689,920	\$ 33,236,918	\$ 4,985,300	41%	92%
Land Acquisition, Restoration and Public Works	308,446,495	47,411,788	244,040,874	16,993,833	15%	94%
Operation and Maintenance of Works and Lands	48,676,075	24,653,832	21,323,843	2,698,400	51%	94%
Regulation	25,584,116	23,294,227	819,225	1,470,664	91%	94%
Outreach	3,513,340	2,417,601	793,432	302,307	69%	91%
Management and Administration	14,796,835	14,351,308	1,208,746	(763,219)	97%	105% ³
Total Uses	\$ 465,928,999	\$ 138,818,676	\$ 301,423,038	\$ 25,687,285	30%	94%

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.

³ Year-end entries that allocate qualified expenditures to other Programs are still in process.

⁴ Governmental Accounting Standards Board Statement No. 31 requires that the District, at year-end, adjust investments to fair market value and include in revenue all investment income changes in the fair market value of investments. The District's unrealized gain at 9/30/24 was \$1.4 million. Therefore, the District reduced its unrealized losses by \$15.0 million and recognized interest earnings of \$20.0 million for reporting in the year-end financial statements.

This unaudited preliminary financial statement is prepared as of September 30, 2024, and covers the interim period since the most recent audited financial statements