

MEMORANDUM

TO: Governing Board Members

FROM: Candida Heater, Director, Administrative Services Division

DATE: December 14, 2023

SUBJECT: Monthly Financial Statement – October 31, 2023

This report provides an overview of the District's unaudited financial activity for Fiscal Year 2023-2024, including revenue collections, expenditures and encumbrances made against the \$2.2 billion current budget, including a \$951.5 million encumbrance carryforward from Fiscal Year 2022-2023. The carryforward encumbrances are predominantly for planning, design, and construction of large restoration projects under contract which are funded by Legislative appropriated state reimbursable funds. Encumbrances represent contractual orders for goods and services which have not yet been received. Attached is a summary in the State Program format in compliance with Section 373.536(4)(e), Florida Statutes, which states that each District shall provide a monthly financial statement in the form and manner prescribed by the Department of Financial Services to the District's Governing Board and make such monthly financial statement available for public access on its website.

Summary of Revenue Sources - New operating revenue collected (excluding prior year reserves) totals **\$69.3 million**. Including reserves, the total Fiscal Year 2023-2024 revenue sources collected were 13.7% of budget or **\$299.1 million**.

- Taxes collected in the amount of \$499,220 or 0.1% were distributed to the District through the Tax Collectors within the District's 16 counties. Compared to the five-year average of 0.1, as of the end of October, tax collections are the same as trend at the beginning of this fiscal year. The total amount of Ad Valorem the District levied was \$345.8 million and was discounted to \$330.6 million for budgeting purposes.
- Intergovernmental revenues of \$63.7 million were recognized as of the end of October. Intergovernmental revenues are comprised of local, state, and federal sources with the majority being allocated by the Florida Legislature. Specific funding sources include Save Our Everglades Trust Fund, Land Acquisition Trust Fund, Florida Fish and Wildlife Conservation Commission, Natural Resources Conservation Service and U.S. Army Corps of Engineers federal cost share of transferred projects. Most of these revenues are received through reimbursement requests submitted monthly or quarterly based on actual expenses incurred.
- Interest on Invested Funds was recorded as \$940,952 as of the end of October. Last year, at this time, investment earnings were reported as a loss of \$430,472.
- License and Permit Fees of \$705,118 have been received, including \$199,901 from Lake Belt mitigation fees, \$286,092 from Corkscrew Mitigation Bank, \$194,625 from environmental resource permits, and \$23,000 from water use permits.

- Other budgeted revenues of \$3.4 million received include leases, sale of District property and revenue supporting District self-insured programs:
 - \$1.5 million in rock mining royalties have been collected and \$148,372 in lease revenues, for a total of \$1.6 million. The timing of revenues received is based on the fee schedules within the agreements.
 - \$81,424 has been collected from cash discounts refunded from prior year expenditures, civil penalties, enforcement fees, and sale of recycled oil and scrap metal.
 - \$20,262 from the sale of District property has been received.
 - \$1.7 million in revenues recognized through the end of October for the District's self-insured programs. This includes District funding as well as premiums paid by employees, retirees, and COBRA participants.

Summary of Expenditure and Encumbrance - the District has spent **\$51.3 million** and has encumbered **\$967.2 million** of its budget. The District has obligated (encumbrances plus expenditures) **\$1 billion** of its budget.

- **Water Resources Planning and Monitoring Program** includes water supply and other water resources planning, development of minimum flows and levels and technical assistance (including local and regional plan and program review). District regional water supply plans for each planning area address the unique resources and needs of specific regions – Lower West Coast, Upper and Lower East Coast, Upper and Lower Kissimmee Basin. District work includes research, data collection, modeling, environmental monitoring and assessment activities that support various regulatory-driven mandates/agreements and comply with federal and state-issued permits for all restoration projects. Of the \$67.1 million budgeted for this program, the District has obligated \$17.6 million: \$3.6 million expended and \$14 million encumbered.
- **Land Acquisition, Restoration and Public Works Program** includes the acquisition, planning, design, engineering and construction of all restoration projects unique to the District including: Kissimmee River Restoration Project, Northern Everglades and Estuaries Protection Program (NEEPP), Everglades Forever Act (EFA), Critical Restoration, Comprehensive Everglades Restoration Plan (CERP) and Restoration Strategies (RS). This category also includes water resource development and water supply assistance projects, water control projects and cooperative projects. This Program is mostly funded with Legislatively appropriated state reimbursable funding. Of the \$1.4 billion budgeted for this program, the District has obligated \$776.9 million: \$27.5 million expended and \$749.4 million encumbered.
- **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. The District operates and maintains a multi-purpose water management system comprised of approximately 2,175 miles of canals and 2,130 miles of levees/berms, 89 pump stations, 915 water control structures and weirs, and 620 project culverts, throughout the Central and Southern Florida (C&SF) Project, Big Cypress Basin system, Storm Water Treatment Areas (STA's), CERP and RS completed projects. Of the \$605.8 million budgeted for this program, the District has obligated \$211.6 million: \$15.8 million expended and \$195.8 million encumbered.

- **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. Additional regulatory enforcement activities include the Southern and Northern Everglades Nutrient Source Control Program, and the Everglades Long-Term Plan, which mandates the implementation of Best Management Practices (BMP) programs in the Everglades Construction Project (ECP) and non-ECP Basins for the Southern Everglades. Of the \$24.6 million budgeted for this program, the District has obligated \$2.9 million: \$1.9 million expended and \$1 million encumbered.
- **Outreach Program** includes all environmental education activities, such as water conservation campaigns and water resource education; public information activities; 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 \$1.4 million budgeted for this program, the District has obligated \$143,352: \$137,007 is expended and \$6,346 is encumbered.
- **District Management and Administration** includes all Governing and Basin Board support, executive support; management information systems, unrestricted reserves; and general counsel, ombudsman, human resources, budget, finance, audit, risk management, and administrative services. Additionally, this program includes property appraiser, tax collector & self-insurance fees in support of district and basin activities. Of the \$47.4 million budgeted for this program, the District has obligated \$9.4 million: \$2.3 million expended and \$7.1 million encumbered.

We hope this report will aid in understanding the District's financial condition as well as expenditure performance against the approved budget. If you have any questions, please feel free to contact me at (561) 682-6486.

CJH/MD

Attachment

South Florida Water Management District
Statement of Sources and Uses of Funds (Unaudited)
For the month ended: October 31, 2023. Percent of fiscal year completed: 8.3%

Sources	CURRENT BUDGET	Actuals Through October 2023	VARIANCE (UNDER) / OVER BUDGET	ACTUALS AS A % OF BUDGET
Taxes ¹	\$ 341,325,058	\$ 499,220	\$ (340,825,838)	0.1%
Intergovernmental	1,555,686,736	63,747,289	(1,491,939,446)	4.1%
Interest on Invested Funds	3,761,332	940,952	(2,820,380)	25.0%
Licenses Permits & Fees	3,589,000	705,118	(2,883,882)	19.6%
Other ²	44,232,700	3,428,618	(40,804,082)	7.8%
SUB-TOTAL OPERATING REVENUES	1,948,594,826	69,321,197	(1,879,273,628)	3.6%
Reserves	229,800,588	229,800,588	-	100.0%
Total Sources	\$ 2,178,395,413	\$ 299,121,785	\$ (1,879,273,628)	13.7%

¹ Includes Ad Valorem and Agricultural Privilege Taxes.

² Includes Leases, Sale of District Property, and Self Insurance Premiums.

Uses	CONSUMABLE BUDGET	EXPENDITURES	ENCUMBRANCES ³	AVAILABLE BUDGET	% EXPENDED	% OBLIGATED ⁴
Water Resources Planning and Monitoring	\$ 67,126,341	\$ 3,624,673	\$ 13,999,384	\$ 49,502,284	5.4%	26.3%
Land Acquisition, Restoration and Public Works	1,432,010,271	27,476,348	749,378,701	655,155,222	1.9%	54.2%
Operation and Maintenance of Lands and Works	605,788,679	15,858,059	195,761,427	394,169,193	2.6%	34.9%
Regulation	24,623,666	1,922,292	993,032	21,708,342	7.8%	11.8%
Outreach	1,438,436	137,007	6,346	1,295,083	9.5%	10.0%
District Management and Administration	47,408,020	2,290,384	7,101,857	38,015,779	4.8%	19.8%
Total Uses	\$ 2,178,395,413	\$ 51,308,764	\$ 967,240,747	\$ 1,159,845,902	2.4%	46.8%

³ Encumbrances represent unexpended balances of open purchase orders and contracts.

⁴ Represents the sum of expenditures and encumbrances as a percentage of the current budget.

This unaudited financial statement is prepared as of October 31, 2023, and covers the interim period since the most recent audited financial statement.