

## MEMORANDUM

**TO:** Governing Board Members

**FROM:** Candida Heater, Director, Administrative Services Division

**DATE:** November 14, 2019

**SUBJECT:** Monthly Financial Statement – September 30, 2019

This report provides an overview of the District's unaudited financial activity for Fiscal Year 2018-2019, including revenue collections, expenditures and encumbrances made against the \$1.1 billion current budget, including a \$328.8 million encumbrance carryforward from Fiscal Year 2017-2018. The carryforward is predominantly planning, design and construction of large restoration projects. Encumbrances represent 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 \$565.8 million. Including reserves, the total Fiscal Year 2018-2019 revenue sources collected were 73.4% of budget or \$838.3 million.

- Taxes collected in the amount of \$290.1 million or 100.6% were distributed to the District through the Tax Collectors within the District's 16 counties. Compared to the five-year average of 100.9%, as of the end of September, tax collections are the same as trend. The total amount of Ad Valorem the District levied was \$291.9 million and was discounted to \$277.3 million for budgeting purposes.
- Intergovernmental revenues of \$212.2 million were recognized as of the end of September. 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. The majority of these revenues are received through reimbursement requests submitted monthly or quarterly based on actual expenses incurred.
- Interest on Invested Funds of \$12.3 million was recognized as of the end of September. Last year, at this time, \$10.8 million was recognized.
- License and Permit Fees of \$8.9 million have been received, including \$3 million from Loxahatchee mitigation bank, \$2 million from Lake Belt mitigation fees, \$3.1 million from environmental resource permits, and \$661,880 from water use permits.

- Other budgeted revenues of \$42.3 million received include leases, sale of District property and revenue supporting District self-insured programs:
  - \$2.4 million in rock mining royalties have been collected and \$4.3 million in lease revenues, for a total of \$6.7 million. The timing of revenues received is based on the fee schedules within the agreements.
  - \$1.4 million has been collected from cash discounts refunded from prior year expenditures, civil penalties, enforcement fees, and sale of recycled oil and scrap metal. The total amount includes \$574,083 received in May as a surety check for C-44 construction.
  - \$4 million from the sale of District property has been received. This amount includes \$215,000 from surplus land for 85.73 acres in Lee County, \$2,975,460 as the second installment payment for 581.24 acres in Palm Beach County.
  - \$30.2 million in revenues recognized through the end of September 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 **\$512.7 million** and has encumbered **\$399.3 million** of its budget. The District has obligated (encumbrances plus expenditures) **\$912 million** 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 \$56.6 million budgeted for this program, the District has obligated \$51.2 million: \$44.6 million expended and \$6.6 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. Of the \$707.5 million budgeted for this program, the District has obligated \$566.2 million: \$216.3 million expended and \$349.9 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 2,200 miles of canals and 2,100 miles of levees/berms, 84 pump stations, 778 water control structures and weirs, and 621 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 \$317 million budgeted for this program, the District has obligated \$235.5 million: \$195.4 million expended and \$40.1 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 \$21.1 million budgeted for this program, the District has obligated \$20.1 million: \$19.7 million expended and \$0.4 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 \$1.1 million budgeted for this program, the District has obligated \$1.1 million: \$1.1 million expended and \$2,684 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 \$39.3 million budgeted for this program, the District has obligated \$37.8 million: \$35.4 million expended and \$2.4 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: September 30, 2019. Percent of fiscal year completed: 100%

	CURRENT BUDGET	ACTUALS THROUGH September 2019	VARIANCE (UNDER) / OVER BUDGET	ACTUALS AS A % OF BUDGET
<b>Sources</b>				
Taxes <sup>1</sup>	\$ 288,363,490	\$ 290,097,705	\$ 1,734,215	100.6%
Intergovernmental Revenues	531,281,146	212,158,610	(319,122,536)	39.9%
Interest on Invested Funds	6,100,000	12,276,910	6,176,910	201.3%
License and Permit Fees	3,311,000	8,935,771	5,624,771	269.9%
Other <sup>2</sup>	41,176,124	42,319,504	1,143,380	102.8%
<b><i>SUB-TOTAL OPERATING REVENUES</i></b>	<b>870,231,760</b>	<b>565,788,502</b>	<b>(304,443,258)</b>	<b>65.0%</b>
Reserves	272,464,004	272,464,004	-	100.0%
<b>Total Sources</b>	<b>\$ 1,142,695,764</b>	<b>\$ 838,252,506</b>	<b>\$ (304,443,258)</b>	<b>73.4%</b>

<sup>1</sup> Includes Ad Valorem and Agricultural Privilege Taxes

<sup>2</sup> Includes Leases, Sale of District Property, and Self Insurance Premiums

	CURRENT BUDGET	EXPENDITURES	ENCUMBRANCES <sup>3</sup>	AVAILABLE BUDGET	% EXPENDED	% OBLIGATED <sup>4</sup>
<b>Uses</b>						
Water Resources Planning and Monitoring	\$ 56,637,909	\$ 44,638,177	\$ 6,552,495	\$ 5,447,237	78.8%	90.4%
Land Acquisition, Restoration and Public Works	707,536,300	216,344,350	349,921,184	141,270,767	30.6%	80.0%
Operation and Maintenance of Lands and Works	317,013,727	195,418,058	40,090,962	81,504,707	61.6%	74.3%
Regulation	21,122,355	19,745,699	343,655	1,033,001	93.5%	95.1%
Outreach	1,113,813	1,077,004	2,684	34,125	96.7%	96.9%
District Management and Administration	39,271,659	35,440,188	2,445,388	1,386,083	90.2%	96.5%
<b>Total Uses</b>	<b>\$ 1,142,695,764</b>	<b>\$ 512,663,477</b>	<b>\$ 399,356,368</b>	<b>\$ 230,675,919</b>	<b>44.9%</b>	<b>79.8%</b>

<sup>3</sup> Encumbrances represent unexpended balances of open purchase orders and contracts.

<sup>4</sup> Represents the sum of expenditures and encumbrances as a percentage of the current budget.

This unaudited financial statement is prepared as of September 30, 2019, and covers the interim period since the most recent audited financial statements.