

MEMORANDUM

TO: Governing Board Members

FROM: Dorothy Bradshaw, Director, Administrative Services Division

DATE: March 8, 2018

SUBJECT: Monthly Financial Statement – January 31, 2018

This report provides an overview of the District's unaudited financial activity for Fiscal Year 2017-18, including revenue collections, expenditures and encumbrances made against the \$1.1 billion current budget, including a preliminary encumbrance carryforward from Fiscal Year 2016-17 of \$297.5 million. The carryforward is predominantly planning, design and construction of large restoration projects and will be adjusted for year-end accruals. 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 (excluding prior year reserves) totals \$311.8 million. Including reserves, the total Fiscal Year 2017-18 revenue sources collected were 37.5% of budget or \$587.1 million.

- Tax revenues in the amount of \$246.6 million were collected through the Tax Collectors or approximately 86.5% of budgeted amounts, within the District's 16 counties, as of January 31st compared to the five-year average of 83.8%. The total amount the District levied was \$288.4 million and was discounted to \$274 million for budgeting purposes.
- Intergovernmental revenues of \$46.2 million were recognized as of January 31st. 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 quarterly based on actual expenses incurred.
- Investment Earnings of \$2.7 million were recognized as of the end of January. Last year, at the end of January, \$1.8 million was recognized.
- Mitigation and permit application fees of \$3.1 million have been received, including \$1.9 million from Lake Belt mitigation fees, \$917K from environmental resource permits and \$205K from water use permits.
- Other budgeted revenue includes leases, sale of district property and revenue supporting District self-insured programs:

- \$1.5 million in rock mining royalties have been collected and \$1.6 million in lease revenues, for a total of \$3.1 million. The timing of revenues received is based on the fee schedules within the agreements.
- \$280K has been collected from cash discounts refunded from prior year expenditures, civil penalties, enforcement fees, and sale of recycled oil and scrap metal.
- \$568K from the sale of District personal and real property has been received. This amount includes \$175,001 for 0.79 acre of the C-10 Project in Broward County and \$167,005 for 20.03 acres in Okeechobee County.
- \$9.2 million in revenues recognized through the end of January 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 **\$158.5 million** and has encumbered **\$380.9 million** of its budget. The District has obligated (encumbrances plus expenditures) **\$539.4 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 \$60.3 million budgeted for this program, the District has obligated \$27.9 million: \$14.1 million expended and \$13.8 million encumbered.
- **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 the Governor's Restoration Strategies (RS). This category also includes water resource development and water supply assistance projects, water control projects and cooperative projects. Of the \$668.5 million budgeted for this program, the District has obligated \$340.6 million: \$57.3 million expended and \$283.3 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, F.S. District specific operation and maintenance of a multi-purpose water management system comprised of over 4,098 miles of canals and levees, 692 water control structures and weirs, 71 pumping stations and 618 smaller project culverts, of 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 \$316.7 million budgeted for this program, the District has obligated \$146.1 million: \$64.7 million expended and \$81.4 million encumbered.

- **Regulation Program** includes permitting for: water use, environmental resource, surface water management, water well construction and contractor licensing; permit administration, enforcement and any delegated regulatory program. Other 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 \$21.9 million budgeted for this program, the District has obligated \$7.3 million: \$6.9 million expended and \$0.4 million encumbered.
- **Outreach Program** - of the \$1.1 million budgeted for this program, the District has obligated \$384K: \$370K expended and \$14K encumbered.
- **District Management and Administration** includes all Governing and Basin Board support, management, information technology, general counsel, procurement, human resources, budget, finance, audit, risk management, and administrative support services. Of the \$37.2 million budgeted for this program, the District has obligated \$17.1 million: \$15.1 million expended and \$2 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) 682-2823 or Candida Heater at (561) 682-6486.

DB/CJH

Attachment

South Florida Water Management District
Statement of Sources and Uses of Funds (Unaudited)
For the month ended: January 31, 2018. Percent of fiscal year completed: 33.3%

	CURRENT BUDGET	ACTUALS THROUGH 1/31/2018	VARIANCE (UNDER) / OVER BUDGET	ACTUALS AS A % OF BUDGET
Sources				
Taxes ¹	\$ 285,058,862	\$ 246,611,813	\$ (38,447,049)	86.51%
Intergovernmental Revenues	497,286,620	46,195,256	(451,091,364)	9.29%
Interest on Invested Funds	6,100,000	2,745,852	(3,354,148)	45.0%
License and Permit Fees	3,311,000	3,087,360	(223,640)	93.2%
Other ²	38,810,483	13,147,386	(25,663,097)	33.9%
<i>SUB-TOTAL OPERATING REVENUES</i>	830,566,965	311,787,668	(518,779,298)	37.5%
Reserves	275,298,218	275,298,218	-	100.0%
Total Sources	\$ 1,105,865,183	\$ 587,085,885	\$ (518,779,298)	53.1%

¹ Includes Ad Valorem and Agricultural Privilege Taxes

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

	CURRENT BUDGET	EXPENDITURES	ENCUMBRANCES ³	AVAILABLE BUDGET	% EXPENDED	% OBLIGATED ⁴
Uses						
Water Resources Planning and Monitoring	\$ 60,309,986	\$ 14,087,798	\$ 13,859,321	\$ 32,362,868	23.4%	46.3%
Acquisition, Restoration and Public Works	668,524,391	57,317,129	283,268,290	327,938,973	8.6%	50.9%
Operation and Maintenance of Lands and Works	316,737,160	64,757,980	81,364,076	170,615,104	20.4%	46.1%
Regulation	21,935,308	6,900,407	384,214	14,650,687	31.5%	33.2%
Outreach	1,116,934	369,468	14,289	733,176	33.1%	34.4%
Management and Administration	37,241,403	15,098,412	2,040,937	20,102,055	40.5%	46.0%
Total Uses	\$ 1,105,865,183	\$ 158,531,194	\$ 380,931,126	\$ 566,402,862	14.3%	48.8%

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 January 31, 2018, and covers the interim period since the most recent audited financial statements.