

M E M O R A N D U M

TO: Governing Board Members

FROM: Doug Bergstrom, Director, Administrative Services Division

DATE: January 12, 2012

SUBJECT: Monthly Financial Statement – November 2011

The attached financial status report is provided for your review. This report provides a high level summarized snapshot of District financial activity of revenue by sources and expenditure summaries (uses) by program. This unaudited financial statement is provided as of November 30, 2011, with 16.7% of the fiscal year completed.

Please note that year end accounting accruals are not reflected in the data contained in this report.

Schedule of Sources and Uses – This financial statement compares revenues received and encumbrances / expenditures made against the District's FY2012 \$648 million consumable budget, a \$4 million dollar difference from the \$652 million dollar budget reported on as of October 31, 2011 due to FY2011 year end accruals processed. Encumbrances represent orders for goods and services which have not yet been received.

Revenue Status:

- As of November 30, 2011, with 16.7% of the year complete, 11.4% of the District's budgeted operating revenue has been collected. As expected, during the first two months of the fiscal year, revenue collections are below the standard straight line monthly trend based on the nature of the various revenue sources. The remaining revenue source is fund balance which represents the amount of prior year residual revenue that is budgeted in the current year and has already been received. When included, this category brings the total sources collected through November 2011 to 48.4% or \$313.8 million.
- As of November 30, 2011, 10.8% of budgeted ad valorem tax revenue and 2.1% of agricultural privilege tax revenue have been collected. Ad Valorem and Agricultural Privilege taxes peak November through January driven by the mailing of property tax bills in October and the 4% maximum discount available when paid in full by November 30. Historical trends support a 70% collection rate in the first quarter of the fiscal year.
- As of November 30, 2011, 10.3% of budgeted intergovernmental revenues have been collected. In addition to reimbursement agreements, intergovernmental revenues include license plate sales for Indian River Lagoon and the Everglades. Revenue received through November for the sale of license plates totals \$59K. The bulk of intergovernmental revenue is from reimbursements from the Save Our Everglades Trust fund, Water Management Lands trust fund, Department of Environmental Protection and Florida Fish and Wildlife Conservation Commission. Reimbursement requests are

submitted to the state based on actual expenses incurred and are typically received later in the fiscal year. Through November, reimbursements total \$5.8 million.

- As of November 30, 2011, \$1.6 million or 30.9% of budgeted Investment earnings have been earned. The District estimated an investment earnings budget of \$5.3 million for FY2012.
- Licenses, permits and fees budget consists of income from water use permits, environmental resource permits and right of way permits. Income received to date totals \$1.4 million and is primarily due to unbudgeted receipts of \$191K from Wetlands and \$893K Lake Belt mitigation fees from restoration projects and fees for mining tonnage removed. The balance of receipts support budgeted revenues of application fees \$220K, permits \$137K, and licenses \$1K.
- Sale of District property represents the sale of real property and minor revenues from the sale of maps and other documents. This is budgeted conservatively due to the uncertainty involved. Revenues received through November total \$50K which result from the sale of land and equates to 20.2% of the FY2012 amount budgeted.
- Self insurance premiums represent the District's contribution and the contribution from active and retired District employees to the self funded health benefits program. Also included is the District's contribution to the workers compensation, auto and general liability self insurance program. Contributions of \$4.2 million equate to 14.6% received through November.
- Lease revenue represents amounts collected from leases of real property owned by the District. The timing of revenue received is based on the fee schedules within the agreements; monthly, semi-annual or annual payments and these varying timing issues impact the collection rate of this revenue source. The District has currently collected \$387K or 21.9% of the budgeted lease revenue.
- Other revenue consists primarily of Civil Penalties and Enforcement Fees. This revenue is booked when received from cleared/settled cases. Fiscal year collections amounted to \$140K.

Expenditure and Encumbrance Status:

As of November 30, 2011, with 16.7% of the year complete, the District has expended **\$79.7 million** or **12.3%** and has encumbered **\$136.8 million** or **21.1%** of its total budget. The District has obligated (encumbrances plus expenditures) **\$216.5 million** or **33.4%** of its total budget.

Summary of Expenditures and Encumbrances by Program – This financial statement illustrates the effort to date for each of the District's program areas. Provided below is a discussion of the primary uses of funds by program.

- The **Comprehensive Everglades Restoration Plan Program** has obligated 14.2% and expended 3.2% of their total \$80.8 million budget. Principal expenditures include personal services (\$744K), contractual services (\$408K), operating (\$460K) and capital outlay (\$969K). Encumbrances consist primarily of contractual services (\$2.8 million), operating (\$16K) and capital outlay (\$6 million) including the following projects: Southern Crew, Biscayne Bay, C-111 Spreader Canal, Indian River Lagoon and Picayune Strand.

- The **Coastal Watersheds Program** has obligated 59.1% and expended 3.0% of their total \$22.6 million budget. Principal expenditures include personal services (\$571K) and contractual services (\$102K million). Contractual services encumbrances primarily consist of interagency agreements (\$12.7 million) including: St. Lucie and Indian River projects, Loxahatchee River Preserve initiative, Big Cypress Basin Stormwater projects, Florida Bay, etc.
- The **District Everglades Program** has obligated 33.1% and expended 7.8% of their total \$80.7 million budget. Principal expenditures include personal services (\$2.6 million), contractual services (\$305K), operating (\$1.1 million) and capital outlay (\$2.3 million). Contractual services encumbrances (\$3.3 million) primarily include the operations monitoring, maintenance, and repair of Stormwater Treatment Areas (STA's). Operating encumbrances (\$534K) are in support of the overall operation of STA's. Capital outlay encumbrances (\$16.6 million) include work on completing Compartments B & C.
- The **Kissimmee Watershed Program** has obligated 50.5% and expended 1.0% of their total \$39.7 million budget. Principal expenditures include personal services (270K), contractual services (\$79K), operating (\$6K), and capital outlay (\$26K). Contractual services encumbrances (\$3.4 million) primarily consist of Three Lakes Wildlife Hydrologic Restoration (\$1.3 million), Kissimmee River Restoration Evaluation (\$651K), Kissimmee Chain of Lakes and Upper basin monitoring and assessment (\$853K), and Oak Creek Litigation (\$156K). Capital outlay encumbrances (\$16.3 million) are for the Kissimmee River Restoration land acquisition (condemnation cases).
- The **Lake Okeechobee Program** has obligated 52.0% and expended 5.5% of their total \$27 million budget. Principal expenditures include personal services (\$454K), contractual services (\$107K), operating (\$54K), and capital outlay (\$863K). Operating encumbrances (\$153K) include utilities and equipment rental. Contractual encumbrances (\$8.5 million) are primarily for the following projects; Dispersed Water Management and Florida Ranchland Environmental Service (\$7.6 million), Fisheating Creek project (\$173K), Northshore Navigation Canal (\$290K) and Source Control (\$57K). Capital outlay encumbrances (\$4 million) are for the Lakeside Ranch STA project.
- The **Land Stewardship Program** has obligated 19.2% and expended 6.8% of their total \$15.5 million budget. Principal expenditures include personal services (\$571K), contractual services (\$137K), operating (\$306K) and capital outlay (\$42K). Contractual and operating encumbrances (\$1.7 million) include the maintenance of vegetation and exotic plant control, provision of law enforcement services, and management of District owned lands and facilities. Capital outlay encumbrances (\$167K) include various public use refurbishments.
- The **Mission Support Program** has obligated 39.8% and expended 22.2% of their total \$59.9 million budget. Principal expenditures include personal services (\$5 million); operating (\$5.7 million), contractual services (\$2.3 million), and capital outlay (\$183K). Operating expenditures include health self insurance claims, tax collector and property appraiser fees, utilities, space rental (including the Orlando and Okeechobee Service Centers, and Flight Operations), and unemployment compensation. Contractual services expenditures consist primarily of IT consulting services and systems

maintenance and repairs, and janitorial services, including hurricane shutter replacement. Capital outlay expenditures include computer operations equipment and the migration of District software to a new Oracle operating system. Encumbrances include operating (\$2.1 million), contractual services (\$8.2 million), and capital outlay (\$248K). Operating encumbrances consist primarily of utilities and space rental for the fiscal year, and property insurance premiums. Contractual encumbrances include facilities maintenance and repair services, including air conditioner maintenance and fire alarm inspections, as well as IT consulting services, software, and systems maintenance for the fiscal year. Capital outlay encumbrances are associated with the migration of District software to a new Oracle operating system and the completion of the Emergency Operations Data Center.

- The **Modeling and Science Support Program** has obligated 32.6% and expended 16.8% of their total \$11.7 million budget. Principal expenditures include personal services (\$1.6 million), contractual services (\$213K), operating (\$78K), and capital outlay (\$112K). Capital outlay encumbrances (\$577K) consist primarily of the New Environmental Services Laboratory Relocation project. Contractual encumbrances (\$1 million) include technical and peer reviews, organic analysis, sediment sampling and Broward and Everglades National Park water quality sampling. Operating encumbrances (\$235K) primarily include hardware/software, equipment rental, fuel and utilities.
- The **Operations and Maintenance Program** has obligated 39.8% and expended 11.5% of their total \$151.3 million budget. Principal expenditures include personal services (\$8.1 million), contractual services (\$3.5 million), operating (\$3.6 million) and capital outlay (\$2.2 million). Encumbrances for contractual services and capital outlay (\$40.7 million) primarily relate to the O&M capital program for maintenance and repair of existing water management system canals and water control structures including C-41A Canal Bank Stabilization, West Palm Beach Field Station Roof Replacements, Hillsboro Canal Bank Stabilization, C-24 Canal Bank Repairs, S-193 Navigation Lock Refurbishment, S-197 Replacement, Golden Gate 6 & 7 Replacement, S-331 Repower and Gearbox Replacement, S-140 Pump Station Refurbishment, S-44/G-57 Gate Operator Replacement, while operating encumbrances (\$2.1 million) are primarily associated with field station daily maintenance operations.
- The **Regulation Program** has obligated 16.0% and expended 11.9% of their total \$24.2 million budget. Principal expenditures include personal services (\$2.7 million), contractual (\$158K) and operating (\$60K). Contractual services encumbrances (\$519K) include application development, temporary staff, computer hardware/software, etc. Capital outlay encumbrances (\$170K) include the E-permitting project which saves time and expense with online filing/searching of permits.
- The **Water Supply Program** has obligated 27% and expended 6.3% of their total \$21.6 million budget. Principal expenditures include personal services (\$824K); contractual services (\$98K) operating (\$15K) and capital outlay (\$410K). Contractual services encumbrances (\$3.8 million) include the Central Florida Water Initiative (\$100K), WaterSIP (\$117K) and interagency agreements for Alternative Water Supply projects; City of Hialeah (\$1.4 million) and Big Cypress Basin projects (\$890K). Capital outlay encumbrances (\$684K million) consist primarily of capital outlay for the Lower Floridan Aquifer project.

- **Debt Service** has expended 69.9% (\$30.3 million) of the total \$43.4 million budget. Principal debt service and partial interest payments include Land Acquisition Bonds through the Water Management Lands Trust Fund, Certificates of Participation and a Bank Loan. Scheduled debt service payments are structured into a single principal payment and partial payment of interest in October and the balance of interest in April.
- **Reserves** of \$70.2 million are held for future transfer to program areas as project needs and requirements are identified by staff and presented to the Governing Board for review and if permitted, approval. \$60 million of these reserves are designated as Operations and Maintenance contingency reserves, including \$10 million for O&M capital projects. Remaining managerial reserves (rounded) include \$5 million for Land Stewardship, \$2.5 million for Coastal Watersheds, \$1.5 million for Lake Okeechobee, \$750K for Everglades, \$225K in CERP, and \$71K for regulatory permitting.

We hope these reports and the associated narrative 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 call Chris Flierl at (561) 682-6078 or Mike Smykowski at (561) 682-6295.

DB/CF/MS
Attachment

South Florida Water Management District
Statement of Sources and Uses of Funds (Unaudited)

For the Month Ended: **November 30, 2011** Percent of Fiscal Year Completed: 16.7%

SOURCES	ANNUAL BUDGET	ACTUALS THROUGH 11/30/2011	VARIANCE (UNDER)/OVER BUDGET	ACTUALS AS A % OF BUDGET
Ad Valorem Property Taxes	\$ 270,685,220	\$ 29,165,865	\$ (241,519,355)	10.8%
Agricultural Privilege Taxes	\$ 11,300,000	\$ 231,724	\$ (11,068,276)	2.1%
Intergovernmental	\$ 57,272,457	\$ 5,908,080	\$ (51,364,377)	10.3%
Investment Earnings	\$ 5,274,170	\$ 1,630,873	\$ (3,643,297)	30.9%
Licenses, Permits and Fees	\$ 2,178,000	\$ 1,442,844	\$ (735,156)	66.2%
Sale of District Property	\$ 250,000	\$ 50,460	\$ (199,540)	20.2%
Self Insurance Premiums	\$ 28,754,717	\$ 4,187,575	\$ (24,567,142)	14.6%
Leases	\$ 1,767,550	\$ 386,820	\$ (1,380,730)	21.9%
Other	\$ 300,000	\$ 140,382	\$ (159,618)	46.8%
Fund Balance	\$ 270,660,997	\$ 270,660,997	\$ -	100.0%
TOTAL SOURCES	\$ 648,443,111	\$ 313,805,620	\$ (334,637,491)	48.4%

USES	ANNUAL BUDGET	EXPENDITURES	ENCUMBRANCES ¹	REPORTED AVAILABLE BUDGET	%EXPENDED	%OBLIGATED ²
CERP	\$ 80,753,612	\$ 2,584,814	\$ 8,864,751	\$ 69,304,047	3.2%	14.2%
Coastal Watersheds	\$ 22,601,053	\$ 674,984	\$ 12,674,579	\$ 9,251,490	3.0%	59.1%
District Everglades	\$ 80,656,930	\$ 6,289,736	\$ 20,424,697	\$ 53,942,497	7.8%	33.1%
Kissimmee Watershed	\$ 39,709,670	\$ 383,068	\$ 19,687,409	\$ 19,639,192	1.0%	50.5%
Lake Okeechobee	\$ 26,981,752	\$ 1,477,639	\$ 12,558,875	\$ 12,945,238	5.5%	52.0%
Land Stewardship	\$ 15,505,898	\$ 1,056,703	\$ 1,913,181	\$ 12,536,015	6.8%	19.2%
Mission Support	\$ 59,949,192	\$ 13,288,347	\$ 10,590,323	\$ 36,070,522	22.2%	39.8%
Modeling & Sci Supp	\$ 11,697,438	\$ 1,962,979	\$ 1,854,503	\$ 7,879,955	16.8%	32.6%
Ops & Maintenance	\$ 151,281,722	\$ 17,432,776	\$ 42,781,751	\$ 91,067,195	11.5%	39.8%
Regulation	\$ 24,189,710	\$ 2,880,177	\$ 989,533	\$ 20,320,000	11.9%	16.0%
Water Supply	\$ 21,561,281	\$ 1,350,677	\$ 4,467,088	\$ 15,743,517	6.3%	27.0%
Debt Service	\$ 43,358,647	\$ 30,327,489	\$ -	\$ 13,031,158	69.9%	69.9%
Reserves	\$ 70,196,206	\$ -	\$ -	\$ 70,196,206	0.0%	0.0%
TOTAL USES	\$ 648,443,111	\$ 79,709,391	\$ 136,806,690	\$ 431,927,030	12.3%	33.4%

¹ Represents unexpended balances of open purchase orders

² Represents the sum of expenditures and encumbrances as a percentage of the annual budget

South Florida Water Management District
 Summary of Uses - Statement of Sources and Uses of Funds (Unaudited)
 As of: November 30, 2011

	Annual Budget	Expenditures	Encumbrances	Reported Available		
				Budget	% Expended	% Obligated
CERP						
Personnel Services	\$ 7,217,510.00	\$ 743,524.79	\$ -	\$ 6,473,985.21	10.3%	10.3%
Contractual Services	17,871,558.91	408,472.02	2,795,004.36	14,668,082.53	2.3%	17.9%
Operating	6,531,640.38	459,763.57	16,334.84	6,055,541.97	7.0%	7.3%
Travel	52,750.00	4,374.66	(222.82)	48,598.16	8.3%	7.9%
Capital Outlay	49,080,152.69	968,679.40	6,053,634.31	42,057,838.98	2.0%	14.3%
Total CERP	80,753,611.98	2,584,814.44	8,864,750.69	69,304,046.85	3.2%	14.2%
Coastal Watersheds						
Personnel Services	3,741,265.00	570,888.84	-	3,170,376.16	15.3%	15.3%
Contractual Services	17,717,305.60	101,577.11	12,667,848.68	4,947,879.81	0.6%	72.1%
Operating	52,749.80	2,188.24	6,730.51	43,831.05	4.1%	16.9%
Travel	89,733.00	330.00	-	89,403.00	0.4%	0.4%
Capital Outlay	1,000,000.00	-	-	1,000,000.00	0.0%	0.0%
Total Coastal Watersheds	22,601,053.40	674,984.19	12,674,579.19	9,251,490.02	3.0%	59.1%
District Everglades						
Personnel Services	17,480,315.00	2,570,759.30	-	14,909,555.70	14.7%	14.7%
Contractual Services	7,800,586.23	305,105.62	3,335,306.22	4,160,174.39	3.9%	46.7%
Operating	7,959,344.45	1,109,528.17	534,386.54	6,315,429.74	13.9%	20.7%
Travel	26,014.00	1,584.90	714.00	23,715.10	6.1%	8.8%
Capital Outlay	47,390,669.97	2,302,757.81	16,554,290.06	28,533,622.10	4.9%	39.8%
Total District Everglades	80,656,929.65	6,289,735.80	20,424,696.82	53,942,497.03	7.8%	33.1%
Kissimmee Watershed						
Personnel Services	2,464,833.00	269,552.11	-	2,195,280.89	10.9%	10.9%
Contractual Services	20,101,094.53	79,619.80	3,403,867.31	16,617,607.42	0.4%	17.3%
Operating	84,549.00	6,369.05	68.54	78,111.41	7.5%	7.6%
Travel	26,756.00	1,807.51	200.00	24,748.49	6.8%	7.5%
Capital Outlay	17,032,437.55	25,720.00	16,283,273.55	723,444.00	0.2%	95.8%
Total Kissimmee Watershed	\$ 39,709,670.08	\$ 383,068.47	\$ 19,687,409.40	\$ 19,639,192.21	1.0%	50.5%

South Florida Water Management District
 Summary of Uses - Statement of Sources and Uses of Funds (Unaudited)
 As of: November 30, 2011

	Annual Budget	Expenditures	Encumbrances	Reported Available		% Expended	% Obligated
				Budget			
Lake Okeechobee							
Personnel Services	\$ 3,825,658.00	\$ 453,972.99	\$ -	\$ 3,371,685.01		11.9%	11.9%
Contractual Services	17,785,853.56	106,843.98	8,450,564.94	9,228,444.64		0.6%	48.1%
Operating	258,483.39	53,778.91	152,746.96	51,957.52		20.8%	79.9%
Travel	7,206.00	193.40	-	7,012.60		2.7%	2.7%
Capital Outlay	5,104,550.59	862,849.58	3,955,562.96	286,138.05		16.9%	94.4%
Total Lake Okeechobee	26,981,751.54	1,477,638.86	12,558,874.86	12,945,237.82		5.5%	52.0%
Land Stewardship							
Personnel Services	3,254,627.00	571,099.71	-	2,683,527.29		17.5%	17.5%
Contractual Services	6,289,943.33	137,187.65	1,686,200.15	4,466,555.53		2.2%	29.0%
Operating	1,038,925.04	306,357.28	59,695.40	672,872.36		29.5%	35.2%
Travel	20,423.00	196.25	-	20,226.75		1.0%	1.0%
Capital Outlay	4,901,979.98	41,862.00	167,285.00	4,692,832.98		0.9%	4.3%
Total Land Stewardship	15,505,898.35	1,056,702.89	1,913,180.55	12,536,014.91		6.8%	19.2%
Mission Support							
Personnel Services	31,373,170.27	5,003,134.53	-	26,370,035.74		15.9%	15.9%
Contractual Services	16,058,664.17	2,336,838.89	8,191,173.29	5,530,651.99		14.6%	65.6%
Operating	10,448,726.95	5,679,008.71	2,128,401.63	2,641,316.61		54.4%	74.7%
Travel	303,740.71	86,328.67	22,561.15	194,850.89		28.4%	35.8%
Capital Outlay	1,764,889.99	183,036.17	248,187.26	1,333,666.56		10.4%	24.4%
Total Mission Support	59,949,192.09	13,288,346.97	10,590,323.33	36,070,521.79		22.2%	39.8%
Modeling & Science Support							
Personnel Services	8,238,447.00	1,558,282.19	-	6,680,164.81		18.9%	18.9%
Contractual Services	2,063,772.81	212,758.48	1,041,410.59	809,603.74		10.3%	60.8%
Operating	542,983.55	77,543.25	235,208.76	230,231.54		14.3%	57.6%
Travel	42,177.00	2,839.44	1,255.00	38,082.56		6.7%	9.7%
Capital Outlay	810,057.43	111,555.97	576,628.92	121,872.54		13.8%	85.0%
Total Modeling & Science Support	\$ 11,697,437.79	\$ 1,962,979.33	\$ 1,854,503.27	\$ 7,879,955.19		16.8%	32.6%

South Florida Water Management District
 Summary of Uses - Statement of Sources and Uses of Funds (Unaudited)
 As of: November 30, 2011

	Annual Budget	Expenditures	Encumbrances	Reported Available		
				Budget	% Expended	% Obligated
Operations and Maintenance						
Personnel Services	\$ 47,044,847.00	\$ 8,063,336.92	\$ -	\$ 38,981,510.08	17.1%	17.1%
Contractual Services	41,830,396.15	3,513,506.49	21,967,069.44	16,349,820.22	8.4%	60.9%
Operating	33,022,368.90	3,648,116.19	2,133,375.77	27,240,876.94	11.0%	17.5%
Travel	108,211.00	31,235.95	657.65	76,317.40	28.9%	29.5%
Capital Outlay	29,275,899.01	2,176,580.56	18,680,648.29	8,418,670.16	7.4%	71.2%
Total Operations and Maintenance	151,281,722.06	17,432,776.11	42,781,751.15	91,067,194.80	11.5%	39.8%
Regulation						
Personnel Services	16,179,261.00	2,659,993.43	-	13,519,267.57	16.4%	16.4%
Contractual Services	1,339,500.38	157,824.15	519,140.20	662,536.03	11.8%	50.5%
Operating	6,392,836.34	60,293.95	300,392.54	6,032,149.85	0.9%	5.6%
Travel	36,242.00	2,065.92	-	34,176.08	5.7%	5.7%
Capital Outlay	241,870.00	-	170,000.00	71,870.00	0.0%	70.3%
Total Regulation	24,189,709.72	2,880,177.45	989,532.74	20,319,999.53	11.9%	16.0%
Water Supply						
Personnel Services	5,461,190.73	823,939.66	-	4,637,251.07	15.1%	15.1%
Contractual Services	7,191,150.24	98,423.80	3,759,818.69	3,332,907.75	1.4%	53.7%
Operating	5,986,475.50	14,625.11	22,782.50	5,949,067.89	0.2%	0.6%
Travel	9,870.00	3,766.50	277.00	5,826.50	38.2%	41.0%
Capital Outlay	2,912,594.81	409,921.94	684,209.54	1,818,463.33	14.1%	37.6%
Total Water Supply	21,561,281.28	1,350,677.01	4,467,087.73	15,743,516.54	6.3%	27.0%
Debt Service						
Debt Service	43,358,647.00	30,327,489.02	-	13,031,157.98	69.9%	69.9%
Total Debt Service	43,358,647.00	30,327,489.02		13,031,157.98	69.9%	69.9%
Reserves						
Reserves	70,196,205.79	-	-	70,196,205.79	0.0%	0.0%
Total Reserves	70,196,205.79	-	-	70,196,205.79	0.0%	0.0%
Grand Total	\$ 648,443,110.73	\$ 79,709,390.54	\$ 136,806,689.73	\$ 431,927,030.46	12.3%	33.4%