

## MEMORANDUM

**TO:** Governing Board Members

**FROM:** Doug Bergstrom, Director, Administrative Services Division

**DATE:** December 15, 2011

**SUBJECT:** Monthly Financial Statement – October 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 October 31, 2011, with 8.3% 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 \$652 million consumable budget. Encumbrances represent orders for goods and services which have not yet been received.

### **Revenue Status:**

- As of October 31, 2011, with 8.3% of the year complete, 0.7% of the District's budgeted operating revenue has been collected. As expected, during the first month of the fiscal year, revenue collections are below the standard straight line monthly trend based on the nature of the various revenue sources. Budgeted revenue includes new and recurring sources supporting operations. 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 for the first month to 42% or \$277 million.
- As of October 31, 2011, 0.1% ad valorem tax revenue and no agricultural privilege tax revenue has 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 October 31, 2011, 0.2% 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 in October for the sale of license plates totals nearly \$43K. 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.

- Investment earnings have not been posted during the first month of the fiscal year. The District historically budgets investment earnings conservatively.
- Licenses, permits and fees budget consists of income from water use permits, environmental resource permits and right of way permits. Income received to date is primarily due to receipt of \$191K of unbudgeted wetlands and \$454K Lake Belt mitigation fees from restoration projects and fees for mining tonnage removed.
- 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. Less than 0.1% has been received in this category during this reporting period.
- 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. \$1.4 million equates to 4.8% collected for October.
- Lease revenue represents amounts collected from leases of real property owned by the District. Historically, this has been budgeted conservatively. 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 \$300K or 17% 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. October collections amounted to \$39K.

#### **Expenditure and Encumbrance Status:**

As of October 31, 2011, with 8.3% of the year complete, the District has expended **\$51.1 million** or **7.8%** and has encumbered **\$123.4 million** or **18.9%** of its total budget. The District has obligated (encumbrances plus expenditures) **\$174.5 million** or **26.7%** 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 11.4% and expended 1.1% of their total \$80.2 million budget. Principal expenditures include personal services (\$372K), contractual services (\$221K), and capital outlay (\$260K). Capital outlay encumbrances (\$6 million) and contractual services (\$2.3 million) include the following projects: Southern Crew, Biscayne Bay, C-111 Spreader Canal, Indian River Lagoon and Picayune Strand.
- The **Coastal Watersheds Program** has obligated 54.3% and expended 5.6% of their total \$24 million budget. Principal expenditures include personal services (\$295K) and contractual services (\$1.1 million). Encumbrances consist primarily of contractual services for interagency agreements (\$11.7 million) including: St. Lucie River projects, Loxahatchee River Preserve initiative, Big Cypress Basin Stormwater projects, etc.

- The **District Everglades Program** has obligated 26.3% and expended 2% of their total \$82.7 million budget. Principal expenditures include personal services (\$1.3 million), contractual services (\$103K) and operating (\$574K). Contractual encumbrances (\$2.8 million) include the operations monitoring, maintenance, and repair of Stormwater Treatment Areas (STA's). Operating encumbrances (\$611K) 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 48.3% and expended 0.5% of their total \$39.7 million budget. Principal expenditures include personal services (129K), contractual services and operating (\$28K). Capital outlay encumbrances are (\$16.5 million) for the Kissimmee River Restoration land acquisition (condemnation cases). Contractual encumbrances (\$2.5 million) are for the Kissimmee Chain of Lakes and Upper basin monitoring and assessment.
- The **Lake Okeechobee Program** has obligated 25.7% and expended 0.9% of their total \$27 million budget. Principal expenditures include personal services (\$203K), contractual services and operating (\$31K). Capital outlay encumbrances (\$3.8 million) are for the Lakeside Ranch STA project. Operating encumbrances (\$169K) include utilities and equipment rental. Contractual encumbrances (\$2.7 million) are primarily for the following projects; Dispersed Water Management and Florida Ranchland Environmental Service (\$1.7 million), Fisheating Creek project (\$173K), Northshore Navigation Canal (\$290K) and Istokpoga Marsh (\$124K).
- The **Land Stewardship Program** has obligated 9.9% and expended 2.4% of their total \$15.8 million budget. Principal expenditures include personal services (\$319K) and contractual services and operating (\$67K). Contractual and operating encumbrances (\$975K) include the maintenance of vegetation, provision of law enforcement services, and management of District owned lands and facilities. Capital outlay encumbrances (\$208K) include various public use refurbishments.
- The **Mission Support Program** has obligated 26.9% and expended 10.8% of their total \$60.4 million budget. Principal expenditures include personal services (\$2.6 million), operating (\$2.8 million), and contractual services (\$1 million). Operating expenditures include health self insurance claims, tax collector and property appraiser fees, utilities, and unemployment tax. Contractual service expenditures consist primarily of IT consulting services and systems maintenance and repairs, and the completion of the B-1 Atrium roof replacement. Encumbrances include operating expenditures (\$2.4 million), contractual services (\$7.1 million), and capital outlay (\$150K). Operating encumbrances consist primarily of utilities and space rental for the next 12 months. Contractual encumbrances include facilities maintenance and repair services, as well as IT consulting services, software, and systems maintenance for the next 12 months. Capital outlay encumbrances are associated with the completion of the Emergency Operations Data Center.
- The **Modeling and Science Support Program** has obligated 18.1% and expended 8.2% of their total \$12.2 million budget. Principal expenditures include personal services (\$804K), contractual services and operating (\$139K). Capital outlay encumbrances (\$580K) consist primarily of the New Environmental Services Laboratory Relocation project. Operating (243K) and contractual (376K) encumbrances include technical and peer reviews, organic analysis, hardware/software, operating equipment, fuel and utilities.

- The **Operations and Maintenance Program** has obligated 31.7% and expended 4.4% of their total \$151.2 million budget. Principal expenditures include personal services (\$4.2 million), contractual services (\$532K), and capital outlay (\$307K). Encumbrances for contractual services (\$19.6 million) relate to the 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 and C-24 Canal Bank Repairs, while operating encumbrances (\$1.4 million) are primarily associated with field station daily operations. Capital outlay encumbrances (\$20.2 million) include the following projects: 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.
- The **Regulation Program** has obligated 8.3% and expended 5.8% of their total \$24.3 million budget. Principal expenditures include personal services (\$1.3 million), contractual and operating (\$70K). Contractual encumbrances include application development and equipment rental and the Epermitting project (\$170K), which saves time and expense with online filing/searching of permits.
- The **Water Supply Program** has obligated 19.2% and expended 2.1% of their total \$21.6 million budget. Principal expenditures include personal services (\$408K), contractual and operating (\$37K). Capital outlay encumbrances (\$1.1 million) consist primarily of capital outlay for the Lower Floridan Aquifer project. Contractual encumbrances include the Central Florida Water Initiative (\$75K) and interagency agreements for Alternative Water Supply projects; City of Hialeah (\$1.4 million) and Big Cypress Basin projects (\$890K).
- **Reserves** of \$70 million are held for future transfer to various program areas as project needs and requirements are defined. \$60 million of these reserves are designated as Operations and Maintenance contingency reserves, including \$10 million for O&M capital projects. Remaining managerial reserves include \$5 million for Land Stewardship, \$2.5 million for Coastal Watersheds, \$1.5 million for Lake Okeechobee, \$750K for Everglades, and \$225K in CERP.

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

For the Month Ended: **October 31, 2011** Percent of Fiscal Year Completed: 8.3%

SOURCES	ANNUAL BUDGET	ACTUALS THROUGH 10/31/2011	VARIANCE (UNDER)/OVER BUDGET	ACTUALS AS A % OF BUDGET
Ad Valorem Property Taxes	\$ 270,685,220	\$ 145,480	\$ (270,539,740)	0.1%
Agricultural Privilege Taxes	\$ 11,300,000	\$ -	\$ (11,300,000)	0.0%
Intergovernmental	\$ 57,272,457	\$ 109,509	\$ (57,162,948)	0.2%
Investment Earnings	\$ 5,274,170	\$ (4,173)	\$ (5,278,343)	-0.1%
Licenses, Permits and Fees	\$ 2,178,000	\$ 816,515	\$ (1,361,485)	37.5%
Sale of District Property	\$ 250,000	\$ 57	\$ (249,943)	0.0%
Self Insurance Premiums	\$ 28,754,717	\$ 1,389,675	\$ (27,365,042)	4.8%
Leases	\$ 1,767,550	\$ 300,059	\$ (1,467,491)	17.0%
Other	\$ 300,000	\$ 39,178	\$ (260,822)	13.1%
Fund Balance	\$ 274,635,257	\$ 274,635,257	\$ -	100.0%
<b>TOTAL SOURCES</b>	<b>\$ 652,417,371</b>	<b>\$ 277,431,557</b>	<b>\$ (374,985,814)</b>	<b>42.5%</b>

USES	ANNUAL BUDGET	EXPENDITURES	ENCUMBRANCES <sup>1</sup>	REPORTED AVAILABLE BUDGET	%EXPENDED	%OBLIGATED <sup>2</sup>
CERP	\$ 80,234,659	\$ 861,693	\$ 8,321,919	\$ 71,051,047	1.1%	11.4%
Coastal Watersheds	\$ 24,002,796	\$ 1,348,136	\$ 11,693,973	\$ 10,960,686	5.6%	54.3%
District Everglades	\$ 82,627,840	\$ 1,677,859	\$ 20,028,704	\$ 60,921,276	2.0%	26.3%
Kissimmee Watershed	\$ 39,681,185	\$ 180,738	\$ 18,971,995	\$ 20,528,452	0.5%	48.3%
Lake Okeechobee	\$ 27,003,841	\$ 250,393	\$ 6,701,248	\$ 20,052,199	0.9%	25.7%
Land Stewardship	\$ 15,752,952	\$ 385,528	\$ 1,178,592	\$ 14,188,832	2.4%	9.9%
Mission Support	\$ 60,445,227	\$ 6,501,514	\$ 9,762,050	\$ 44,181,662	10.8%	26.9%
Modeling & Sci Supp	\$ 12,158,936	\$ 999,572	\$ 1,200,454	\$ 9,958,910	8.2%	18.1%
Ops & Maintenance	\$ 151,168,919	\$ 6,705,261	\$ 41,203,858	\$ 103,259,800	4.4%	31.7%
Regulation	\$ 24,261,210	\$ 1,418,954	\$ 606,242	\$ 22,236,014	5.8%	8.3%
Water Supply	\$ 21,633,835	\$ 445,705	\$ 3,705,361	\$ 17,482,769	2.1%	19.2%
Debt Service	\$ 43,358,647	\$ 30,327,489		\$ 13,031,158	69.9%	69.9%
Reserves	\$ 70,087,327			\$ 70,087,327	0.0%	0.0%
<b>TOTAL USES</b>	<b>\$ 652,417,371</b>	<b>\$ 51,102,842</b>	<b>\$ 123,374,396</b>	<b>\$ 477,940,133</b>	<b>7.8%</b>	<b>26.7%</b>

<sup>1</sup> Represents unexpended balances of open purchase orders

<sup>2</sup> 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: October 31, 2011

	Annual Budget	Expenditures	Encumbrances	Reported Available		
				Budget	% Expended	% Obligated
<b>CERP</b>						
Personnel Services	6,641,207.00	371,950.17		6,269,256.83	5.6%	5.6%
Contractual Services	17,931,046.64	221,162.59	2,266,905.20	15,442,978.85	1.2%	13.9%
Operating	6,547,069.38	8,606.91	7,178.36	6,531,284.11	0.1%	0.2%
Travel	52,750.00	417.60	1,809.18	50,523.22	0.8%	4.2%
Capital Outlay	49,062,585.57	259,555.31	6,046,026.29	42,757,003.97	0.5%	12.9%
<b>Total CERP</b>	<b>80,234,658.59</b>	<b>861,692.58</b>	<b>8,321,919.03</b>	<b>71,051,046.98</b>	<b>1.1%</b>	<b>11.4%</b>
<b>Coastal Watersheds</b>						
Personnel Services	3,761,427.00	295,499.39		3,465,927.61	7.9%	7.9%
Contractual Services	19,098,885.90	1,051,975.65	11,690,006.68	6,356,903.57	5.5%	66.7%
Operating	52,749.80	331.33	3,966.37	48,452.10	0.6%	8.1%
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%
<b>Total Coastal Watersheds</b>	<b>24,002,795.70</b>	<b>1,348,136.37</b>	<b>11,693,973.05</b>	<b>10,960,686.28</b>	<b>5.6%</b>	<b>54.3%</b>
<b>District Everglades</b>						
Personnel Services	17,480,315.00	1,330,526.41		16,149,788.59	7.6%	7.6%
Contractual Services	7,852,715.95	102,963.34	2,842,677.84	4,907,074.77	1.3%	37.5%
Operating	7,968,398.95	574,275.33	611,389.66	6,782,733.96	7.2%	14.9%
Travel	26,014.00	30.00	216.00	25,768.00	0.1%	0.9%
Capital Outlay	49,300,395.60	(329,936.17)	16,574,420.91	33,055,910.86	-0.7%	33.0%
<b>Total District Everglades</b>	<b>82,627,839.50</b>	<b>1,677,858.91</b>	<b>20,028,704.41</b>	<b>60,921,276.18</b>	<b>2.0%</b>	<b>26.3%</b>
<b>Kissimmee Watershed</b>						
Personnel Services	2,436,348.00	128,720.10		2,307,627.90	5.3%	5.3%
Contractual Services	20,101,094.53	26,202.79	2,455,882.32	17,619,009.42	0.1%	12.3%
Operating	84,549.00	1,588.89	1,262.54	81,697.57	1.9%	3.4%
Travel	26,756.00	56.31	1,251.20	25,448.49	0.2%	4.9%
Capital Outlay	17,032,437.55	24,170.00	16,513,598.55	494,669.00	0.1%	97.1%
<b>Total Kissimmee Watershed</b>	<b>39,681,185.08</b>	<b>180,738.09</b>	<b>18,971,994.61</b>	<b>20,528,452.38</b>	<b>0.5%</b>	<b>48.3%</b>

**South Florida Water Management District**  
 Summary of Uses - Statement of Sources and Uses of Funds (Unaudited)  
 As of: October 31, 2011

	Annual Budget	Expenditures	Encumbrances	Reported Available		
				Budget	% Expended	% Obligated
<b>Lake Okeechobee</b>						
Personnel Services	3,847,747.00	202,503.94		3,645,243.06	5.3%	5.3%
Contractual Services	17,785,853.56	1,647.24	2,737,496.82	15,046,709.50	0.0%	15.4%
Operating	258,483.39	29,780.08	169,091.30	59,612.01	11.5%	76.9%
Travel	7,206.00	163.40		7,042.60	2.3%	2.3%
Capital Outlay	5,104,550.59	16,298.50	3,794,660.04	1,293,592.05	0.3%	74.7%
<b>Total Lake Okeechobee</b>	<b>27,003,840.54</b>	<b>250,393.16</b>	<b>6,701,248.16</b>	<b>20,052,199.22</b>	<b>0.9%</b>	<b>25.7%</b>
<b>Land Stewardship</b>						
Personnel Services	3,402,338.00	318,540.65		3,083,797.35	9.4%	9.4%
Contractual Services	6,400,198.81	29,919.52	907,220.41	5,463,058.88	0.5%	14.6%
Operating	1,032,011.82	37,067.62	63,312.50	931,631.70	3.6%	9.7%
Travel	20,423.00		16.25	20,406.75	0.0%	0.1%
Capital Outlay	4,897,979.98		208,042.98	4,689,937.00	0.0%	4.2%
<b>Total Land Stewardship</b>	<b>15,752,951.61</b>	<b>385,527.79</b>	<b>1,178,592.14</b>	<b>14,188,831.68</b>	<b>2.4%</b>	<b>9.9%</b>
<b>Mission Support</b>						
Personnel Services	31,373,170.27	2,559,201.32		28,813,968.95	8.2%	8.2%
Contractual Services	16,526,785.34	1,006,728.90	7,195,409.42	8,324,647.02	6.1%	49.6%
Operating	10,574,150.90	2,756,057.61	2,383,682.78	5,434,410.51	26.1%	48.6%
Travel	303,740.71	65,354.65	32,987.82	205,398.24	21.5%	32.4%
Capital Outlay	1,667,379.51	114,171.47	149,970.29	1,403,237.75	6.8%	15.8%
<b>Total Mission Support</b>	<b>60,445,226.73</b>	<b>6,501,513.95</b>	<b>9,762,050.31</b>	<b>44,181,662.47</b>	<b>10.8%</b>	<b>26.9%</b>
<b>Modeling &amp; Science Support</b>						
Personnel Services	8,699,945.00	804,219.94		7,895,725.06	9.2%	9.2%
Contractual Services	2,068,981.81	88,355.14	375,951.03	1,604,675.64	4.3%	22.4%
Operating	542,983.55	50,163.08	242,695.39	250,125.08	9.2%	53.9%
Travel	42,177.00	983.05	2,126.09	39,067.86	2.3%	7.4%
Capital Outlay	804,848.43	55,850.77	579,681.31	169,316.35	6.9%	79.0%
<b>Total Modeling &amp; Science Support</b>	<b>12,158,935.79</b>	<b>999,571.98</b>	<b>1,200,453.82</b>	<b>9,958,909.99</b>	<b>8.2%</b>	<b>18.1%</b>

**South Florida Water Management District**  
 Summary of Uses - Statement of Sources and Uses of Funds (Unaudited)  
 As of: October 31, 2011

	Annual Budget	Expenditures	Encumbrances	Reported Available		
				Budget	% Expended	% Obligated
<b>Operations and Maintenance</b>						
Personnel Services	46,925,621.00	4,199,999.18		42,725,621.82	9.0%	9.0%
Contractual Services	42,316,036.15	532,483.73	19,623,867.73	22,159,684.69	1.3%	47.6%
Operating	32,477,941.55	1,641,888.03	1,355,526.96	29,480,526.56	5.1%	9.2%
Travel	108,211.00	23,660.12	4,666.62	79,884.26	21.9%	26.2%
Capital Outlay	29,341,109.01	307,229.97	20,219,796.31	8,814,082.73	1.0%	70.0%
<b>Total Operations and Maintenance</b>	<b>151,168,918.71</b>	<b>6,705,261.03</b>	<b>41,203,857.62</b>	<b>103,259,800.06</b>	<b>4.4%</b>	<b>31.7%</b>
<b>Regulation</b>						
Personnel Services	16,179,261.00	1,348,070.62		14,831,190.38	8.3%	8.3%
Contractual Services	1,652,870.38	31,936.40	292,818.95	1,328,115.03	1.9%	19.6%
Operating	6,392,836.34	38,543.68	312,514.88	6,041,777.78	0.6%	5.5%
Travel	36,242.00	403.43	908.01	34,930.56	1.1%	3.6%
<b>Total Regulation</b>	<b>24,261,209.72</b>	<b>1,418,954.13</b>	<b>606,241.84</b>	<b>22,236,013.75</b>	<b>5.8%</b>	<b>8.3%</b>
<b>Water Supply</b>						
Personnel Services	5,533,744.73	407,519.39		5,126,225.34	7.4%	7.4%
Contractual Services	7,191,150.24	32,040.40	2,577,938.29	4,581,171.55	0.4%	36.3%
Operating	5,986,475.50	4,825.50	31,362.50	5,950,287.50	0.1%	0.6%
Travel	9,870.00	1,320.00	1,929.00	6,621.00	13.4%	32.9%
Capital Outlay	2,912,594.81		1,094,131.48	1,818,463.33	0.0%	37.6%
<b>Total Water Supply</b>	<b>21,633,835.28</b>	<b>445,705.29</b>	<b>3,705,361.27</b>	<b>17,482,768.72</b>	<b>2.1%</b>	<b>19.2%</b>
<b>Debt Service</b>						
Debt Service	43,358,647.00	30,327,489.02		13,031,157.98	69.9%	69.9%
<b>Total Debt Service</b>	<b>43,358,647.00</b>	<b>30,327,489.02</b>		<b>13,031,157.98</b>	<b>69.9%</b>	<b>69.9%</b>
<b>Reserves</b>						
Reserves	70,087,327.20			70,087,327.20	0.0%	0.0%
<b>Total Reserves</b>	<b>70,087,327.20</b>			<b>70,087,327.20</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>652,417,371.45</b>	<b>51,102,842.30</b>	<b>123,374,396.26</b>	<b>477,940,132.89</b>	<b>7.8%</b>	<b>26.7%</b>