

MEMORANDUM

TO: Governing Board Members

FROM: Dorothy Bradshaw, Director, Administrative Services Division

DATE: October 12, 2017

SUBJECT: Monthly Financial Statement – August 31, 2017

This report provides an overview of the District's unaudited financial activity for Fiscal Year 2016-17, including revenue collections, expenditures and encumbrances made against the \$975.3 million current budget, including a \$248.3 million encumbrance carryforward from Fiscal Year 2015-16. 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 Chapter 373.536(4)(e) F.S., which requires each District to 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) total \$490.7 million. Including reserves, the total Fiscal Year 2016-17 revenue sources collected were 79.4% of budget or \$774.3 million.

- Tax revenues in the amount of \$283.4 million were collected through the Tax Collectors or approximately 101.1% of budgeted amounts, within the District's 16 counties, as of August 31st compared to the five-year average of 100.6%. Collections exceed budget due to prior year payments received in the current year. The total amount the District levied was \$295.2 million and was discounted to \$280.4 million for budgeting purposes.
- Intergovernmental revenues that total \$146.7 million were recognized. Intergovernmental revenues include funding from the Florida Legislature 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 that are submitted quarterly based on actual expenses incurred.
- Investment Earnings of \$7.5 million were recognized as of August 31st compared to \$3.9 million at the same time last year.
- Mitigation and permit application fees of \$10.7 million have been received, including \$6.6 million from Lake Belt mitigation fees, \$2.5 million from environmental resource permits and \$616K from water use permits.
- Other budgeted revenue includes leases, sale of district property and revenue supporting District self-insured programs.
 - \$2.9 million in rock mining royalties have been collected and \$3.6 million in lease revenues, for a total of \$6.5 million. The timing of revenues received is based on the fee schedules within the agreements.

- \$969K has been collected from cash discounts refunded from prior year expenditures, civil penalties, enforcement fees, and sale of recycled oil and scrap metal.
- \$4.5 million from the sale of District personal and real property has been received. Of that amount \$1.4 million was for sale of a parcel in L-8 basin, Palm Beach County, \$654K for easement to FPL on Water Conservation Area 3B in Miami-Dade County, \$1.3 million for a parcel at Janes Lane in Collier County, \$310K for a parcel near Nubbin Slough in Okeechobee County, \$265K for the Pearce Lockett Estate in Highlands County, \$136K for the former Fort Pierce Field Station in St. Lucie County and \$55K for parcel on Hillsboro Canal in Broward County.
- \$30.4 million in revenues recognized 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 **\$469.7 million** and has encumbered **\$266.3 million** of its budget. The District has obligated (encumbrances plus expenditures) **\$736 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 \$58.8 million budgeted for this program, the District has obligated \$48.2 million: \$39.1 million expended and \$9.1 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, cooperative projects. Of the \$542.9 million budgeted for this program, the District has obligated \$416.4 million: \$208.7 million expended and \$207.7 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 \$309.9 million budgeted for this program, the District has obligated \$214.4 million: \$167.3 million expended and \$47.1 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 \$24 million budgeted for this program, the District has obligated \$20.1 million: \$19.8 million expended and \$0.3 million encumbered.
- **Outreach Program** - of the \$1.3 million budgeted for this program, the District has obligated \$1 million: \$1 million expended and \$11K 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 \$38.4 million budgeted for this program, the District has obligated \$35.9 million: \$33.8 million expended and \$2.1 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) 682-2823 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: August 31, 2017. Percent of fiscal year completed: 91.7%

	CURRENT BUDGET	ACTUALS THROUGH 8/31/2017	VARIANCE (UNDER) / OVER BUDGET	ACTUALS AS A % OF BUDGET
Sources				
Taxes ¹	\$ 280,387,605	\$ 283,386,899	\$ 2,999,294	101.1%
Intergovernmental Revenues	361,690,291	146,721,123	(214,969,168)	40.6%
Interest on Invested Funds	4,650,000	7,498,352	2,848,352	161.3%
License and Permit Fees	7,711,000	10,668,225	2,957,225	138.4%
Other ²	37,249,784	42,402,395	5,152,611	113.8%
SUB-TOTAL OPERATING REVENUES	691,688,680	490,676,995	(201,011,685)	70.9%
Reserves	283,585,624	283,585,624	-	100.0%
Total Sources	\$ 975,274,304	\$ 774,262,619	\$ (201,011,685)	79.4%

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	\$ 58,758,644	\$ 39,085,482	\$ 9,122,953	\$ 10,550,209	66.5%	82.0%
Acquisition, Restoration and Public Works	542,858,389	208,665,050	207,700,296	126,493,042	38.4%	76.7%
Operation and Maintenance of Lands and Works	309,925,480	167,327,748	47,071,306	95,526,427	54.0%	69.2%
Regulation	24,017,629	19,815,589	276,191	3,925,849	82.5%	83.7%
Outreach	1,270,728	1,024,896	11,070	234,761	80.7%	81.5%
Management and Administration	38,443,435	33,763,099	2,162,432	2,517,904	87.8%	93.5%
Total Uses	\$ 975,274,304	\$ 469,681,864	\$ 266,344,248	\$ 239,248,192	48.2%	75.5%

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 August 31, 2017, and covers the interim period since the most recent audited financial statements.