

M E M O R A N D U M

TO: Governing Board Members

FROM: Dorothy Bradshaw, Director, Administrative Services Division

DATE: December 8, 2016

SUBJECT: Monthly Financial Statement – October 31, 2016

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 \$981.2 million current budget, including a \$254.6 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 \$5.7 million. This total includes \$328K in tax revenue collected through October 31. Including reserves, the total Fiscal Year 2016-17 revenue sources collected were 30.1% of budget or \$295.6 million.

- Intergovernmental revenues that total \$16K 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 \$402K were recognized as of October 31.
- Mitigation and permit application fees of \$1.2 million have been received, including \$840K from Lake Belt mitigation fees, \$180K from environmental resource permits and \$57K from water use permit.
- Other budgeted revenue includes leases, sale of district property and revenue supporting District self-insured programs.
 - \$918K in rock mining royalties have been collected and \$581k in lease revenues, for a total of \$1.5 million. The timing of revenues received is based on the fee schedules within the agreements.
 - \$21K has been collected from cash discounts refunded from prior year expenditures, civil penalties, enforcement fees, and sale of recycled oil and scrap metal.
 - \$63K from the sale of District personal and real property has been received.

- \$2.2 million in revenues recognized for the District's self-insured programs have received. This includes District funding as well as premiums paid by employees, retirees, and COBRA participants.

Summary of Expenditure and Encumbrance –the District has spent **\$46.9 million** and has encumbered **\$305.4 million** of its budget. The District has obligated (encumbrances plus expenditures) **\$352.3 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 \$59.2 million budgeted for this program, the District has obligated \$9 million: \$3.6 million expended and \$5.4 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 \$545.8 million budgeted for this program, the District has obligated \$252 million: \$28.2 million expended and \$223.8 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 \$312.2 million budgeted for this program, the District has obligated \$82.9 million: \$10.6 million expended and \$72.3 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 \$24.6 million budgeted for this program, the District has obligated \$2.9 million: \$2 million expended and \$879K encumbered.
- **Outreach Program** Of the \$1.2 million budgeted for this program, the District has obligated \$92K: \$87K expended and \$5K 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 \$38.2 million budgeted for this program, the District has obligated \$5.3 million: \$2.3 million expended and \$3 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: October 31, 2016. Percent of fiscal year completed: 8.3%

	CURRENT BUDGET	ACTUALS THROUGH 10/31/2016	VARIANCE (UNDER) / OVER BUDGET	ACTUALS AS A % OF BUDGET
Sources				
Taxes ¹	\$ 280,387,605	\$ 328,071	\$ (280,059,534)	0.1%
Intergovernmental Revenues	361,340,291	15,860	(361,324,431)	0.0%
Interest on Invested Funds	4,650,000	402,347	(4,247,653)	8.7%
License and Permit Fees	7,711,000	1,153,746	(6,557,254)	15.0%
Other ²	37,249,784	3,772,990	(33,476,794)	10.1%
<i>SUB-TOTAL OPERATING REVENUES</i>	691,338,680	5,673,014	(685,665,666)	0.8%
Reserves	289,911,051	289,911,051	-	100.0%
Total Sources	\$ 981,249,731	\$ 295,584,065	\$ (685,665,666)	30.1%

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	\$ 59,239,196	\$ 3,634,471	\$ 5,412,681	\$ 50,192,044	6.1%	15.3%
Acquisition, Restoration and Public Works	545,813,633	28,230,273	223,755,860	293,827,501	5.2%	46.2%
Operation and Maintenance of Lands and Works	312,163,646	10,621,535	72,313,559	229,228,553	3.4%	26.6%
Regulation	24,601,024	2,026,359	878,809	21,695,856	8.2%	11.8%
Outreach	1,219,742	86,322	5,315	1,128,105	7.1%	7.5%
Management and Administration	38,212,489	2,300,967	3,044,668	32,866,855	6.0%	14.0%
Total Uses	\$ 981,249,731	\$ 46,899,926	\$ 305,410,892	\$ 628,938,914	4.8%	35.9%

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 October 31, 2016, and covers the interim period since the most recent audited financial statements.