

NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
MEMORANDUM

TO: Governing Board

THROUGH: Jon Steverson, Executive Director

FROM: Jean Whitten, Director
Division of Administration

DATE: March 26, 2014

SUBJECT: Consideration of Amendment No. 2 to the Fiscal Year 2013-2014 Budget
Adjusting Beginning Fund Balance

Amendment No. 2 to the Fiscal Year 2013-2014 District Budget adjusts the beginning budgeted fund balances based on the audited financial statements at September 30, 2013.

Each year, after completion and approval of the prior year's audited financial statements, the audited balances are brought forward into the current year's budget in the form of an amendment. Funds impacted by the adjusted balances include the General Fund, the Capital Improvement and Lands Acquisition Fund, the Lands Management Fund, the Regulation Fund and the Mitigation Fund.

In addition to the fund balance, the audited financial statements provide the unearned revenue available for the next year's budget. The amounts not currently budgeted in Fiscal Year 2013-2014 are available for current and future year budgets.

Fiscal Year 2013-2014 Beginning Fund Balance and Available Resources

	Fund Balance	Unearned Revenue	Available Resources
General Fund	33,288,688		33,288,688
SWIM/Projects		5,592,222	5,592,222
Capital Projects and Land Acq.	624,415	5,470,183	6,094,598
Lands Management	8,442,941	222,725	8,665,666
Regulation	1,078,184		1,078,184
Mitigation	1,379,871	16,401,353	17,781,224
	<u>\$ 44,814,099</u>	<u>\$ 27,686,483</u>	<u>\$ 72,500,582</u>

Summary

The budget adjustments impact the beginning and ending fund balances and transfers across funds; they do not impact the expenditure budget amounts.

Recommendation

Staff recommends that the Governing Board approve Amendment No. 2 to the Fiscal Year 2013-2014 District Budget adjusting fund balances.

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MEMORANDUM

TO: Governing Board

THROUGH: Jon Steverson, Executive Director

FROM: Jean Whitten, Director
Division of Administration

DATE: March 26, 2014

SUBJECT: Consideration of Resolution No. 785 Committing Fiscal Year 2013-2014 Audited Fund Balances as Required By GASB 54

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The District was required to adopt the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for Fiscal Year 2010-2011. GASB No. 54 changed how fund balances are reported by government entities to improve usefulness of the amounts reported in fund balances.

Under GASB 54, the Board is required to commit fund balances prior to September 30 each year for the current. The Board adopted Resolution 779 committing the ending fund balances for the Special Revenue fund. Resolution 785 commits the actual cash balances based on the September 30, 2013 audited financial statements as adopted by the Board on March 13, 2014.

The District accounts for all financial resources through a General Fund, which is the primary operating fund, and six Special Revenue Funds used to account for revenue sources that are limited to expenditures for specific purposes.

Special Revenue Funds include:

- Regulation Fund - Provides for all regulatory permitting, licensing and enforcement activities including the Environment Resource Permitting Program, which is statutorily required to be funded by the state. (Fund balance is restricted)
- SWIM Fund - Accounts for revenue and expenditure of state and local funds legally restricted for restoration and preservation of surface waters under the Surface Water Improvement and Management Act (SWIM). Revenues are primarily provided by state appropriation from the Water Management Lands Trust Fund (WMLTF), Ecosystem Management Trust Fund and Water Protection and Sustainability Trust Fund (WP&STF). (Fund balance is restricted)
- Special Projects Fund - Accounts for all resource management projects and activities funded through dedicated revenue sources from grants and contracts with state, federal or local government entities or water utility authorities. Revenues are provided from the Florida Department of Transportation (DOT), FEMA, WMLTF and local government sources.
- Lands Management Fund - Accounts for activities associated with the management, improvement and maintenance of District-owned lands. State appropriations from the WMLTF have historically provided the primary funding source for the District's land management activities. Current funding is from timber sales and use of fund balance.

- Mitigation Fund - Accounts for all District mitigation projects and activities funded primarily through the DOT. As part of their surface water management programs, the districts administer the DOT stormwater management program. Expenditures include land acquisitions, restorations, monitoring and other water resource related activities. (Fund balance is restricted)
- Capital Improvement & Land Acquisition Fund - Accounts for the acquisition of fixed assets and construction of major capital projects. The District uses the Capital Improvement & Lands Acquisition Fund for all land acquisitions and capital construction and improvements.

GASB 54 redefined Special Revenue Funds to allow ending fund balances to be classified only as restricted or committed. If the balance of a Special Revenue Fund is not formally restricted or committed by fiscal year end then it must be reported as part of the General Fund for year-end audited financial statement purposes.

Recommendation:

To commit fund balances for Fiscal Year 2012-2013, as required by GASB 54, staff would recommend that the Governing Board adopt Resolution #785 for the purpose of:

- Committing the amount of \$14,754,183 from the General Fund balance for future Water Resource and Supply Projects.
- Committing \$8,442,941 in the Lands Management Fund for land acquisition, management of District owned lands or capital improvements on District owned land.
- Committing \$624,415 in the Capital Projects Fund for land acquisition, capital construction and improvement on District owned lands; and
- Committing \$1,379,871 in the Mitigation Fund for activities of the DOT stormwater management program including restorations, monitoring and other water resource related activities.



Jonathan P. Stevenson
Executive Director

Northwest Florida Water Management District

81 Water Management Drive, Havana, Florida 32333-4712

(U.S. Highway 90, 10 miles west of Tallahassee)

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RESOLUTION NO. 785

COMMITTING FUND BALANCE RESERVES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, AS REQUIRED BY GASB 54

WHEREAS, the Florida Legislature created the Northwest Florida Water Management District under Chapter 373, Florida Statutes; and

WHEREAS, Fiscal Year 2012-2013 of the Northwest Florida Water Management District extends from October 1, 2012 through September 30, 2013; and

WHEREAS, the Governmental Accounting Standards Board (GASB) has adopted Statement 54 (GASB 54), a standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010, and

WHEREAS, the Northwest Florida Water Management District implemented GASB 54 requirements, to apply to its financial statements beginning with the October 1, 2010, through September 30, 2011 fiscal year; and

WHEREAS, the Northwest Florida Water Management District implemented a fund balance policy beginning in Fiscal Year 2010-2011 and Resolution 779 committing estimated fund balance reserves for Fiscal Year 2012-2013;

NOW THEREFORE BE IT RESOLVED, by the Governing Board of the Northwest Florida Water Management District that fund balance reserves will be committed for Fiscal Year 2012-2013 based on the audited fund balances as follows:

Commit \$14,754,183 of the General Fund Balance for future Water Resource and Supply Project expenditures.

Commit \$8,442,941, the total ending fund balance in the Lands Management Fund, for management of District-owned lands, land acquisition or capital improvements on District-owned land.

Commit \$624,415, the total ending fund balance, in the Capital Projects Fund for land acquisition and capital construction and improvement on District-owned lands.

And commit \$1,379,871, the total ending fund balance in the Mitigation Fund for activities of the DOT stormwater management program including restorations, monitoring and other water resource related activities.

GEORGE ROBERTS
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JON COSTELLO
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NICK PATRONIS
Panama City Beach

BO SPRING
Port Saint Joe

PASSED AND ADOPTED this 10th day of April, 2014, A.D.

The Governing Board of the
NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT

George Roberts, Chair

ATTEST:

Secretary/Treasurer