

Comprehensive Annual Financial Report



Fiscal year ended September 30, 2009

**St. Johns River Water Management District
A Component Unit of the State of Florida**

COMPREHENSIVE ANNUAL FINANCIAL REPORT



ST. JOHNS RIVER WATER MANAGEMENT DISTRICT

A Component Unit of the State of Florida

Fiscal Year Ended September 30, 2009

Prepared by
Division of Financial Management
R. Gregory Rockwell, CPA, Director

Mission Statement

***"We will ensure the sustainable use and protection of water resources
for the benefit of the people of the District and the state of Florida."***

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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Comprehensive Annual Financial Report

Introductory Section

Letter of Transmittal
GFOA Certificate of Achievement
Organizational Chart Listing Principal Officials
Map of the Geographic Boundaries of the District



St. Johns River Water Management District

Kirby B. Green III, Executive Director • David W. Fisk, Assistant Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at www.sjrwmd.com.

TO: The Citizens of the St. Johns River Water Management District

SUBJECT: Comprehensive Annual Financial Report — Fiscal Year 2008–2009

Florida Statutes require that an external audit of our financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the St. Johns River Water Management District (the District) are fairly presented in conformance with generally accepted accounting principles (GAAP). Pursuant to this requirement, we hereby issue the comprehensive annual financial report for the District for the fiscal year ended September 30, 2009.

Responsibility for the integrity, objectivity, accuracy, completeness and fairness of presentation of these basic financial statements rests with management. The basic financial statements were prepared in conformity with generally accepted accounting principles for governmental entities. To our knowledge, the information is accurate in all material respects and fairly presents our financial position and operating results. The report includes disclosures required to provide an understanding of our financial affairs.

Management is responsible for maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and the evaluation of costs and benefits requires management's estimates. The Governing Board and management have a plan of organization and policies in place to safeguard assets, validate the reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies and procedures. We believe these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of our finances.

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the St. Johns River Water Management District's basic financial statements for the fiscal year ended September 30, 2009 are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section (page 3) of this report.

The independent audit of the District's basic financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the basic financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

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GOVERNING BOARD

Susan N. Hughes, CHAIRMAN PONTE VEDRA	W. Leonard Wood, VICE CHAIRMAN FERMINA BEACH	Harvey "Herky" Huffman, SECRETARY ENTERPRISE	Hans G. Tenzler III, TREASURER JACKSONVILLE
Douglas C. Bourmiquis VERO BEACH	Michael Ertel ONEDO	Maryann H. Ghyabl ORLANDO BEACH	Richard G. Hamann GAINESVILLE
			Arlen N. Jumper FORT MCCOY

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

DISTRICT BACKGROUND

The St. Johns River Water Management District is one of the five regional water management districts (WMDs) created by the Florida Legislature with passage of the Florida Water Resources Act of 1972 (Chapter 373, F.S.). The act provides the WMDs with specific authorities and responsibilities to manage the water resources of the state. It directly mandates WMDs to perform some functions and authorizes them to perform others, provides authority for the Florida Department of Environmental Protection (FDEP) to delegate functions to the WMDs; and gives FDEP general supervisory authority over the WMDs.

A nine-member Governing Board, appointed by the Governor and confirmed by the Florida Senate, oversees the District. The Governing Board, which meets at least monthly, establishes policy, hires the Executive Director, executes regulatory responsibilities, approves contracts, and has constitutional authority to levy ad valorem taxes for water management purposes. The District's authorized staffing level currently is 717 Full Time Equivalents (FTEs). Most of the employees are located at the District's headquarters in Palatka, with the remainder in service centers located in Jacksonville, Altamonte Springs and Palm Bay.

The 1996 Legislature created Section 373.536(5), F.S., which authorizes the Executive Office of the Governor (EOG) to approve or disapprove, in whole or part, WMD budgets. The EOG, in cooperation with the WMDs, FDEP, legislative staff, and others, developed a standard budgetary reporting process and began implementing it in 1998. Under this process, WMDs use six standard program-reporting categories.

GEOGRAPHIC BOUNDARIES OF THE DISTRICT

Water management district boundaries are based on natural, hydrological basins rather than political or county limits, to allow for effective and efficient planning and management. The boundaries of the District encompass all or part of 18 northeast Florida counties, covering a total area of 12,283 square miles, approximately 23% of the state's land area. An estimated 4.7 million people live within the District's boundaries. There are nine major surface water basins within the District. The most prominent river within the District is the St. Johns, which flows north through its upper, middle and lower basins. At 310 miles, it is the longest river located entirely in Florida. A map showing the geographic boundaries of the District can be found on page xvii.

REGIONAL ECONOMIC CONDITION AND OUTLOOK FOR FY 2009-2010

OVERVIEW OF THE REGIONAL ECONOMIC CONDITIONS

The District's economy, which includes the metropolitan areas of Jacksonville and Orlando, has weakened in recent years. Until 2009, a slow but steady population growth had driven the District's economy to outperform the nation since 2001.

The District's primary revenues are from ad valorem taxes, which are property taxes based on assessed value of property in the region, and from state funding sources such as Florida Forever, Water Management Land Trust Funds, and Ecosystem Management Trust Fund, all of which are funded by the Documentary Stamp Tax. Since 2001, a steady population growth and robust housing market along with low unemployment and interest rates contributed to historically high increases in property values that, in turn, translated into double-digit increases in ad valorem revenues. This positive growth trend has, in the last couple of years, been reversed due to a combination of a depressed housing market since 2005 that has resulted in less new construction activities and lower assessed values of real properties, legislative changes in 2007 and 2008 that have put a cap on the growth of ad valorem revenues, and the passage of constitutional amendments on property taxes that permanently reduced the District's total taxable values.

Florida has also experienced a slumping economy because of the housing market decline, a national recession, and a global financial crisis, which in turn has fueled job losses and dramatically slowed population growth. The impact of this slowdown is evident throughout the District. Fortunately, the counties within the District have not been as severely impacted as other areas of our state. Because of the District's revenue structure and its baseline budgeting practice that gives priorities to mission-critical programs and projects, its financial health is less vulnerable to economic recession and fluctuation of the Florida's tourism-dependent economy.

MAJOR INDUSTRIES AND POPULATION TRENDS

Since 2000, the District's population has grown by 21.4% compared to the state's 18.0%. It is projected that by 2020, the District's population will grow from its current 4.7 million to 5.2 million. The rising population creates economic opportunities for more new homes, jobs, consumer goods, and services. It also brings challenge to government agencies such as the District to meet the ever-increasing demand for water and other infrastructure. However, in the short-run, the District's population experienced a small reduction due to the economic recession but is expected to rebound by 2011. The negative population growth in 2009 has been unprecedented since the District's inception.

Because of the robust population growth and low interest rates in the early 2000s, the construction industry within the District remained strong until 2006. The year 2006 was a turning point when new residential construction in the District declined by 20% due to a combination of increasing interest rates and a large inventory of unsold new homes. In 2007, a dramatic downturn in residential construction resulted in an almost 50% decline in building permits for single family housing units. The slowdown in residential construction continued in 2009. During the first 11 months of 2009, the total new housing starts in six Metropolitan Statistical Areas (MSA) that are either wholly or partially within the District were just 10,330 units, a decrease of 50% over the same period in 2008. With three consecutive years of reductions, total new housing starts in 2009 were approximately at 20% of the 2006 level.

In addition to construction-related industries, the region's economy depends on tourism-related and hospitality industries. Tourism has experienced a downturn with the number of visitors declining 14% over a two-year period between 2007 and 2009. The state should slowly return to its normal tourism level in 2011. Florida has been hard hit by the slowdown in construction and tourism-related activities with the

state and district-wide unemployment rates increasing to 10.5% and 10.7%, respectively at December 31, 2009. In comparison, the national unemployment rate for the period was 9.3%.

SHORT-TERM ECONOMIC OUTLOOK

Over the next two years, the District's economy will grow at a much slower pace than in previous years. Personal income growth is expected to decline to 2.6% in 2009 and 4.9% in 2010. The slower income growth is affected by the region's negative job growth rate (-1.0% in 2010) and a higher unemployment rate (11% in 2011) as projected.

With respect to the overall employment figure, nine of twelve industry sectors are expected to lose jobs in 2010. Most of the employment loss will come from the construction-related sector. Most industry sectors are expected to rebound in 2011.

The region's outlook for tourism-related industries will be weaker for 2010 than in prior years. Florida is still attractive to foreign travelers due to the weak dollar, but Florida is facing competition from other sunny gateways, such as the Caribbean island nations. An uncertain economic future may have an impact on domestic travelers who may take shorter trips and spend less. However, the state is expected to slowly return to its normal tourism level of 83 million visitors in 2012, and the region's tourism-related industries are likely to recover to its pre-recession level as well.

From 2010 to 2011, the District's population growth is likely to remain unchanged due to continued slow economic growth. This slower population growth will eventually absorb surplus housing units but will continue to hamper the construction industry. Housing prices will continue to be depressed, and new housing starts are expected to decline further in 2009. Nevertheless, housing starts are expected to come out of the trough in 2010.

In addition, the District is also facing the loss of ad valorem revenues in 2010 and beyond, resulting from a combination of a constitutional amendment and a statewide depreciation in property values. The amendment relates to homesteaded properties that will: (1) increase the homestead exemption from \$25,000 per eligible homeowner to \$50,000; (2) make the Save-Our-Home savings differential portable when homeowners sell their houses; and (3) limit future budgets to the roll-back millage rate plus statewide per capita personal income growth. The constitutional amendment was approved by voters in January 2008, and consequently the District lost 7% and 10% in total taxable values in FY 2008-2009 and FY 2009-2010, respectively. Furthermore, the taxable values are expected to decline another 8% in FY 2010-2011. The District will have to make tough choices between funding its baseline budget and continuing its commitments to several new programs and projects that were initiated in recent years.

MAJOR INITIATIVES

WATER RESOURCE DEVELOPMENT

The Water Resource Development (WRD) Program was mandated by 1997 legislation that required WMDs to complete specific water supply planning activities and initiate resource development and water supply projects. The legislation defines water resource development to differentiate it from water supply development and states that WMDs' primary responsibilities are water supply planning and water resource development. All water resource development projects are identified in the District's annual Water Resource Development work program.

The Fellsmere Farms Restoration Area, entails the construction of a 10,000-acre reservoir in Indian River County for the storage, treatment, and reuse of agricultural runoff to improve the quality of freshwater in the St. Johns River Water Management Area, Three Forks Marsh Conservation Area and ultimately the St. Johns River. This project, estimated to cost \$65 million, has an estimated fiscal year 2014–2015 completion date.

The St. Johns River – Taylor Creek Reservoir Water Supply Project, which involves the expansion of the existing Taylor Creek Reservoir water supply system, will be diverting and pumping raw water from the St. Johns River. This project, which is in the planning phase, will provide an estimated additional maximum water supply yield of 40 million gallons a day for a number of water utilities in the east-central Florida area, while continuing to provide flood control and restoration benefits to the Upper St. Johns River Basin.

Eleven projects are currently under the WRD work program. Several construction projects have been moved from planning to implementation phase. Since 2001, Florida Forever has been the primary funding source of the program. The program budget for FY 2009–2010 is \$5 million, which is 67.5% lower than in FY 2008-2009 because of a reduced number of cooperative funding projects as several Florida Forever funded projects are nearing completion. In addition, the state will provide no new Florida Forever funding for these District programs.

WATER SUPPLY DEVELOPMENT ASSISTANCE/ALTERNATIVE WATER SUPPLY

This program was initiated in 1996 with the Alternative Water Supply Construction Cost-Sharing Program and the Reuse Feasibility Study and Planning Assistance Program. Legislation passed in 1997 required WMDs to complete specific planning activities and initiate water supply and resource development projects. During FY 2000–2001, the program expanded to include projects listed in the District Water Supply Plan (DWSP). Both technical and funding assistance are provided to local governments and utilities under the program.

This program continues to provide technical and cooperative assistance to local governments, but does so with a decreased emphasis on cooperative funding of alternative water supply construction projects. The former Alternative Water Supply Construction Cost-Sharing Program was discontinued in FY 2005–2006 with the advent of the Water Supply Protection and Sustainability (WSPS) Program, which now administers state and District funds for alternative water supply construction projects. Cooperative funding for reuse feasibility studies also has been discontinued in favor of directing funds to WSPS. The program's FY 2009-2010 budget of \$263,102 is 33.8% lower than its FY 2008-2009 level. The decrease is due to near completion of all remaining cooperative funding projects under this program. The District recommends not initiating new Alternative Water Supply (AWS) projects until the cumulative impact study of surface water withdrawals is complete. As a result, the District will not provide funding for this program in FY 2009-2010.

CONSERVATION AND DEMAND MANAGEMENT

During FY 2009–2010, the program has a \$2.0 million budget to continue the Water Conservation Public Awareness Campaign. The campaign's goal is to educate and ultimately change the landscape watering behavior of target audiences.

WATER PROTECTION AND SUSTAINABILITY

This program was initiated in 2005 with the requirements of revised Subsection 373.1961, F.S. The WSPS Program provides cost-share funding for alternative water supply projects, as identified in the DWSP. This program helps water suppliers and water users construct alternative water supply projects. The program replaces the previous Alternative Water Supply Construction Cost–Share Program and significantly increases the cost-share funding made available for construction.

Florida Statutes specify that the District receive \$25 million in FY 2005-2006 and \$15 million a year thereafter; however, the actual amount is subject to annual legislative appropriations. The District was appropriated \$25 million in FY 2005-2006, \$15 million in FY 2006-2007, and \$13 million in FY 2007-2008. Because the state forecasted significant revenue shortfalls during the 2008 legislative session, the state eliminated the program funding for FY 2008-2009. The FY 2009-2010 budget of \$47.6 million for the WP&S-AWS program is funded from carryover encumbrances for long-term cooperative funding projects.

SURFACE WATER PROJECTS

The Lower St. Johns River Basin was designated in the 1987 Surface Water Improvement and Management (SWIM) Act as a priority water body in need of restoration and special protection. The Lower St. Johns River Basin (LSJRWB) Program budget totals \$44.3 million, which is a 28% decrease over the FY 2008-2009 level. The decrease is due to no new District funding for the Reuse and Treatment Project and no new state funding to support basin initiatives. The FY 2009-2010 budget is funded from carryover encumbrances for long-term cooperative funding projects.

The goal of the Upper St. Johns River Basin (USJRB) Program is to provide flood protection, reduce flood damage, improve water quality, enhance and restore wetland habitat, develop and maintain water supplies, control exotic and undesirable plants, provide public recreation opportunities in the basin, and to reduce freshwater discharges from the basin to the Indian River Lagoon. The USJRB Program is now in the operation and maintenance phase and will use \$2.2 million to continue the Adaptive Management, Banjo Groves Restoration, and Three Forks Marsh Conservation Area.

The restoration phase of Lake Apopka is expected to continue for at least 25 years. It involves filtration of lake water through a marsh flow-way and annual harvests of gizzard shad to reduce the phosphorous concentration in the lake, adoption and implementation of a waste allocation rule to control phosphorous loading to the lake, planting of native emergent plants to stabilize sediments and improve shoreline habitat, and restoration of the former muck farms to aquatic and wetland habitats. The project budget for FY 2009–2010 is \$7.45 million, which is 46% less than the FY 2008-2009 budget. The reduction is due to no new state (Florida Forever) or federal (NRCS) revenues to support the North Shore Restoration Area project, which will proceed with District funding and Florida Department of Transportation mitigation funding. The District plans to allocate \$10 to \$12 million in ad valorem revenues in the next four years to complete the Lake Levy project in the North Shore Restoration Area.

The proposed FY 2009–2010 budget for the Indian River Lagoon program is \$26 million, which is 9% higher than the previous year. The program will receive \$3.8 million in federal funding for the construction of the Fellsmere Water Management Area project. The two main purposes of the Fellsmere Water Management Area are to provide a primary source of irrigation water supply and to provide water quality treatment of agricultural discharges from the SunAg Joint Venture into the St. Johns Water Management Area (SJWMA) and subsequently into Three Forks Marsh Conservation Area (TFMCA).

LAND ACQUISITION

Florida Forever, the primary state funding source for land acquisition, emphasizes water resource development and restoration projects as well as land acquisition for non-structural flood protection and conservation. In addition to Florida Forever funds, the District uses ad valorem property tax revenues and mitigation funds for land acquisition. Since 1979, the District has acquired approximately 693,000 acres of land through ownership, management or conservation easement rights. These acquired lands have been a challenge to the District for their management due to staffing and funding constraints.

In the past, the District issued bonds and used ad valorem property tax revenues and a variety of state sources to fund land acquisitions. Since 2000, Florida Forever has become the primary funding source for the program. Because of its revenue constraints, the state recently changed the Florida Forever funding allocation formula through legislation from \$26.3 million to \$22.5 million in FY 2008-2009. In FY 2009-10, there is no new Florida Forever funding from the state. The program's FY 2009-2010 revised budget is \$36.8 million, which is primarily funded with ad valorem taxes and WMLTF and FDOT state sources.

INTERNAL CONTROLS

BUDGET ADOPTION AND CONTROLS

The Truth-in-Millage (TRIM) Act enacted by state legislation requires disclosures of information regarding tax millage and budget adoption. Each year, following the required disclosures and the conduct of hearings for taxpayer comment, the Governing Board sets the tax rate and adopts a budget.

The Governing Board also approves budget transfers between programs for expenditures that exceed \$50,000 and transfers in excess of \$100,000 during the year. The level of control at which expenditures may not legally exceed the budget is at the program level within a department. Encumbrance accounting is used to reserve budgeted appropriations for obligations incurred but not received.

CASH MANAGEMENT

Cash not currently needed for operations is placed in a variety of investments, depending on how soon the cash is needed for spending. During the last fiscal year, the District's investments included U.S. Agency obligations, the Florida Local Government Surplus Fund Investment Pool and money market accounts. The District's investment policy objectives are to ensure the preservation and liquidity of capital and to maximize the rate of return on the portfolio.

RISK MANAGEMENT

The District is fully insured for worker's compensation, general liability, automobile liability and employment-related practices. The District self-insures its land improvements and water structures. All premiums and claims expenditures are reported in the General Fund. The District participates in a fully insured health care program that has enabled the District to realize substantial savings.

Risk control procedures have been established to reasonably ensure that the District's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control procedures have been established to reduce possible losses to property owned or under the control of the District.

DEBT ADMINISTRATION

The District's debt is composed mainly of the unpaid balance of Special Obligation Land Acquisition Bonds. These bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. The District has no general obligation bonds authorized or outstanding. The total liability for our bonds at September 30, 2009 is \$39,600,000. We are obligated for payments on these bonds through fiscal year 2016. (See Management's Discussion and Analysis and the Notes to Financial Statements for information regarding the fiscal year 2008–2009 refinancing of the District's two Bond Series.)

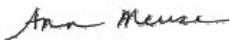
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended September 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We extend our sincere appreciation to the many District employees who provided countless hours of research and preparation in the production of this report. Special thanks go to the employees of the Department of Finance and Administration, the Office of Budget and Management Reporting and the Office of Communications and Governmental Affairs for their diligence in the production of this report.

Respectfully submitted,



Ann B. Meuse, CPA
Director, Department of Finance and Administration
February 22, 2010



R. Gregory Rockwell, CPA
Director, Division of Financial Management

Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Johns River Water
Management District
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

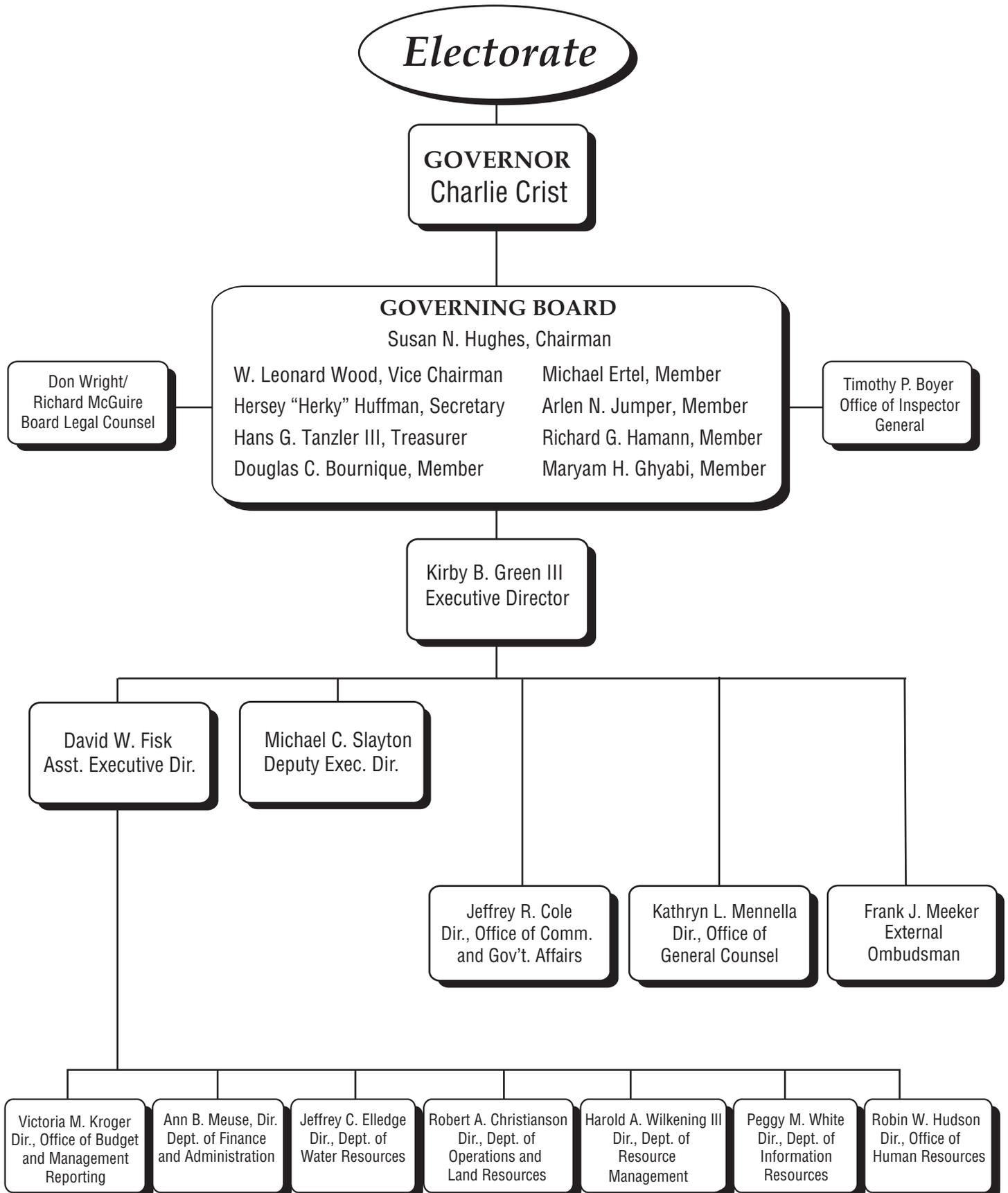


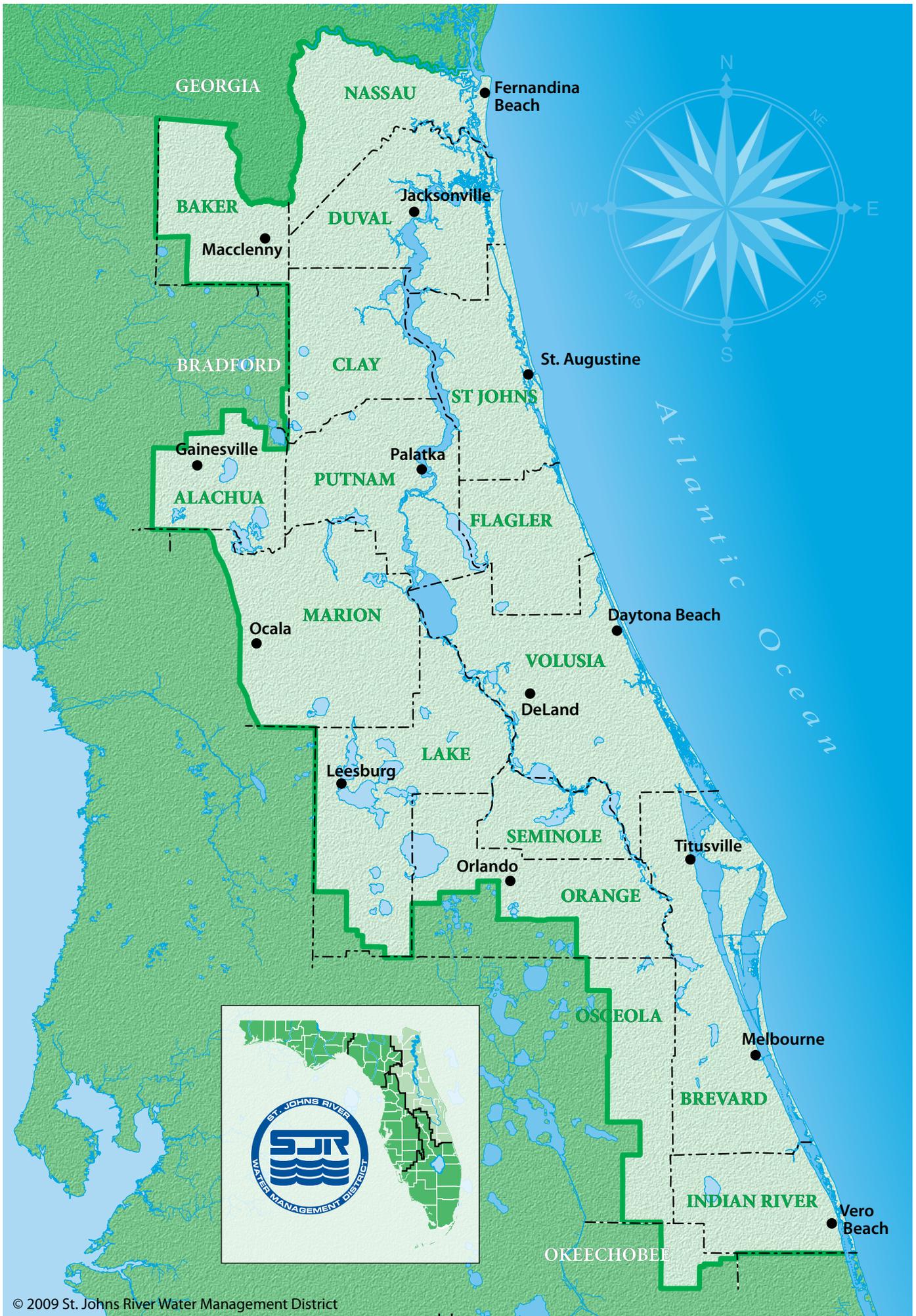
President

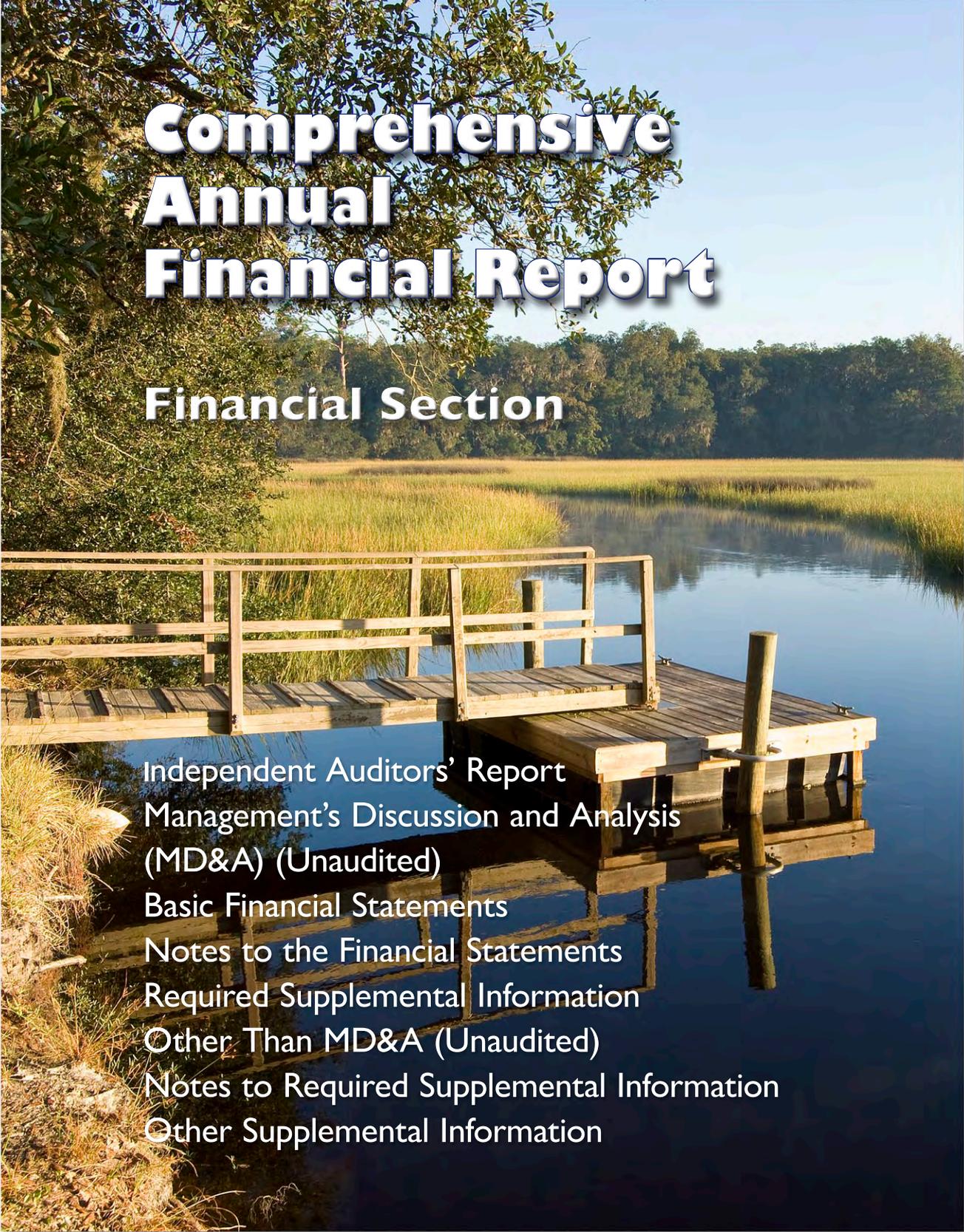
Executive Director

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
ORGANIZATIONAL CHART LISTING PRINCIPAL OFFICIALS**

September 30, 2009







Comprehensive Annual Financial Report

Financial Section

Independent Auditors' Report
Management's Discussion and Analysis
(MD&A) (Unaudited)
Basic Financial Statements
Notes to the Financial Statements
Required Supplemental Information
Other Than MD&A (Unaudited)
Notes to Required Supplemental Information
Other Supplemental Information



Independent Auditors' Report

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Governors,
St. Johns River Water Management District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Johns River Water Management District, a component unit of the State of Florida, as of and for the year ended September 30, 2009, which collectively comprise the St. Johns River Water Management District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. Johns River Water Management District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Johns River Water Management District, as of September 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2010, on our consideration of the St. Johns River Water Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Johns River Water Management District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, Florida Statutes, Florida Single Audit Act; and Chapter 10.550, Rules of the State of Florida Office of the Auditor General and is also not a required part of the basic financial statements of St. Johns River Water Management District. The combining and individual nonmajor fund financial statements, budgetary comparison information, and the schedule of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

James Moore + Co., P.L.

Gainesville, Florida
February 22, 2010



***Management's Discussion and
Analysis (MD&A) (Unaudited)***

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

This discussion and analysis is designed to provide insight into the St. Johns River Water Management District's (the District's) financial reporting, including an overview of the statements presented, explaining the information provided by each and their relationship to other statements. This discussion will also focus on significant financial issues and explain material changes in the District's financial position; address significant deviations from the District's financial plan (the approved budget); and identify highlights and concerns relative to individual funds.

The information contained focuses on the current year's activities and is specifically designed to assist the reader in assessing whether the District's financial position has improved or deteriorated. This discussion should be considered as only a part of the District's reporting. It should be read and evaluated in conjunction with all of the other sections of this report.

FINANCIAL HIGHLIGHTS

The following financial highlights are discussed in greater detail in the following sections of this discussion:

- Total assets exceeded total liabilities by \$1,146,015,249 as of September 30, 2009, 76.1% of that difference is represented by land (\$782,813,730) and easements (\$89,027,751) owned and managed by the District.
- Net assets increased \$50,366,976, 4.6% over the previous year. This increase can primarily be attributable to the additions of land, easements, and construction in progress totaling \$28.9 million and additions to cash and investments (less deferred revenues) totaling \$29.5 million during the fiscal year.
- Unrestricted net assets increased \$20,786,702, 14.7% over the previous year. The build-up of the Governing Board's designation of funds necessary to address long-term water supply and resource development needs and encumbered grants to local governments for cooperative funding projects are the primary reasons for the major increase.
- General revenues decreased \$12,843,712, 8.8% under the previous year. The decrease is due to a reduction in realized gains on sales of capital assets of \$7.5 million, and in ad valorem property taxes of \$7 million, this fiscal year compared to last fiscal year.
- Total fund balance increased \$19,352,641, 11.3% over the previous year. This increase can be attributable to the same build-up of sinking funds, as discussed above, to provide future resources and matching funds for the long-term projects of the District.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are composed of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Government-wide financial statements — The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to financial statements private-sector.

The *statement of net assets* presents information on all of the District's assets (both short-term spendable resources and capital assets) and liabilities (including long-term obligations), with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements present functions of the District (*governmental activities*) that are principally supported by taxes and intergovernmental revenues (primarily operating grants and contributions from the state of Florida). The governmental activities of the District include water resources planning and monitoring; acquisition, restoration and public works; operation and maintenance of lands and works; regulation; outreach; and District management and administration.

The government-wide financial statements include only the District. There are no component units for which the District is financially accountable.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund financial statements — A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental funds — *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the fiscal year-end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the special revenue funds for Ecosystems

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Management Trust, Florida Forever, and Water Protection and Sustainability, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation.

Annual budgets are adopted for all governmental funds except for expenditures for long-term capital and cooperative funding projects, which adopt multi-year project length budgets. Estimated current year revenues and appropriations for project length budgets are included in the annual budget document for management control purposes. These long-term capital and cooperative funding projects are found in the General Fund, Ecosystems Management Trust, Florida Forever, Water Protection and Sustainability, State Grants, Federal Grants, Indian River Lagoon License Tag Fees and Special Revenue Funds—Other special revenue funds and the Capital Projects Other fund.

Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Ecosystems Management Trust Fund, Florida Forever Fund, and Water Protection and Sustainability Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for the four major funds are being reported as Required Supplemental Information Other Than Management Discussion and Analysis and are presented after the Notes to the Financial Statements beginning on page 57. Budgetary comparison schedules for the other governmental funds are presented as Other Supplemental Information beginning on page 69.

Governmental fund budgets are prepared using the modified accrual basis and therefore include estimated revenues that are deemed both measurable and available, with only those appropriations that represent the current year's fund liability. The District considers estimated revenues available if they are anticipated to be earned during the budget period and collected during or within sixty (60) days after the close of the fiscal year, or within one hundred-twenty (120) days for reimbursable grants.

The adopted budgets for the General Fund, the Ecosystems Management Trust, Florida Forever, Mitigation, Water Protection and Sustainability, Water Management Lands Trust, State Grants, Federal Grants, Indian River Lagoon License Tag Fees and Special Revenue Funds—Other special revenue funds and the Capital Projects Other fund include re-appropriated encumbrances of unspent balances of previously approved appropriations, if requested, and the related source of funds anticipated to be used to fund those appropriations.

The basic governmental fund financial statements can be found on pages 22-27 of this report.

Notes to the financial statements — The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-53 of this report.

Additional information — Additional information about the District, which may be of interest to the reader, is found under the Statistical, Other Reports and Management Letter sections of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, changes in the District's net assets serve as one useful measure of the District's financial position. The following condensed comparisons show how the District's net assets changed from the end of the 2007–2008 fiscal year. The overall condition of the District improved in both fiscal years 2008 and 2009.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S NET ASSETS

	2009	2008
Current and other assets	\$ 256,590,447	\$ 206,406,343
Capital assets, net	1,007,199,969	979,219,559
Total assets	1,263,790,416	1,185,625,902
Long-term liabilities outstanding	51,644,524	54,702,063
Other liabilities	66,130,643	35,275,566
Total liabilities	117,775,167	89,977,629
Net assets		
Invested in capital assets, net of related debt	968,109,402	935,496,518
Restricted	15,588,704	18,621,314
Unrestricted	162,317,143	141,530,441
Total net assets	\$ 1,146,015,249	\$ 1,095,648,273

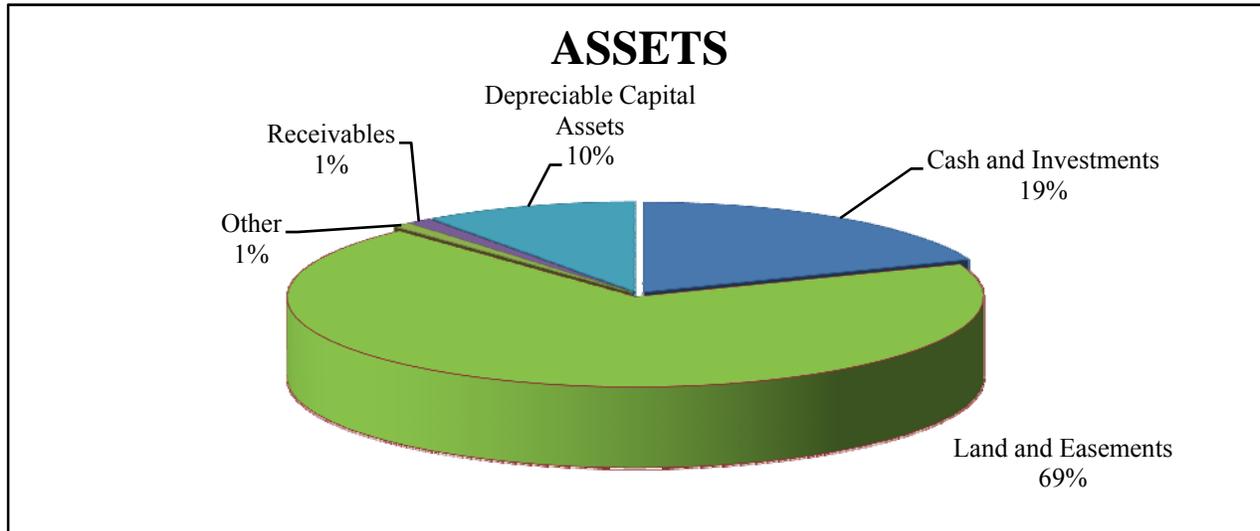
Total net assets increased by \$50,366,976, or 4.6%, over September 30, 2008. The majority of the increase can be attributed to the acquisition of land (Econ/Rybolt and Strawn Properties), conservation easements (Arahatchee and Halloran Properties), construction in progress (Fellsmere Farms Restoration) and infrastructure additions (C-1 Rediversion Project), as well as the recent addition of intangible assets of software and donated conservation easements to comply with GASB Statement No. 51.

The District's net assets balance relative to total assets and the capital assets net of related debt category relative to total net assets are not typical of most local government jurisdictions providing municipal services. An understanding of the District's core mission is necessary to evaluate the District's financial position and financial performance over time. The District's core mission is to "...ensure the sustainable use and protection of water resources for the benefit of the people of the District and the state of Florida." One critical program in fulfilling this mission is land acquisition. Understanding the land acquisition approach is necessary to understand the District's financial position and how it changes over time. The result over time has been a significant build-up of net assets, especially amounts reported as invested in capital assets. As of September 30, 2009, land (\$782,813,730) and easements (\$89,027,751) less related long-term debt (\$39,600,000) comprise 72.6% of total District's net assets (\$1,146,015,249).

The District's financial position has improved as the result of the current year's operations. The primary indicator of this improvement is the \$20,786,702, or 14.7%, increase in unrestricted net assets from the previous year. This increase compares with a 49% increase in the prior year. However, this pattern of increasing unrestricted net assets balances may not continue in the future due to shrinking revenue sources that may require the District to utilize available fund balance to cover the expenditure shortfall. In comparison to this year's amended budget, the District is projecting a revenue reduction of \$84.3 million for fiscal year 2009-2010. Ad valorem, state sources, and federal sources are projected to decline - 7.9%, -44.9%, and -79.6%, respectively.

Restricted net assets decreased during the fiscal year due to the acquisition of land and easements using funds restricted for this purpose. The majority of the remaining amount represents funds restricted to fulfill long-term mitigation requirements for land management and debt-service obligations.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**



ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S CHANGE IN NET ASSETS

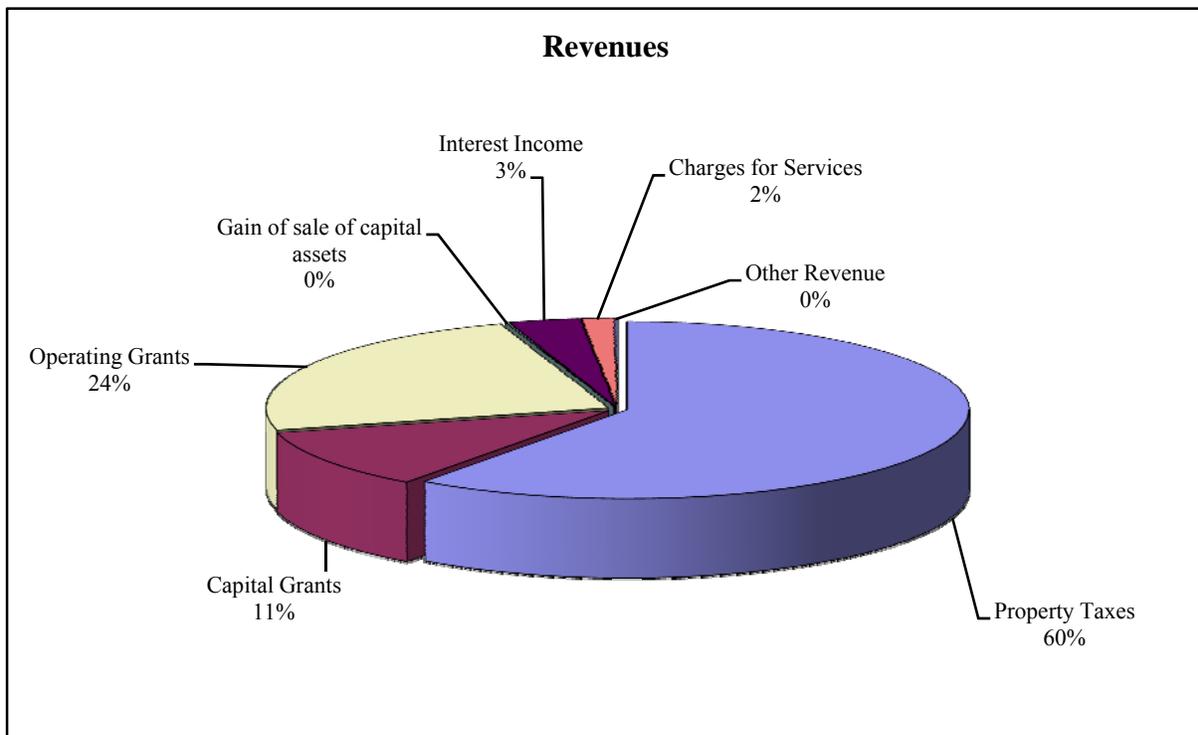
	<u>2009</u>	<u>2008</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 3,461,574	\$ 4,903,391
Operating Grants and Contributions	55,036,822	43,129,040
Capital Grants and Contributions	25,116,714	99,792,164
General Revenues:		
Ad Valorem Property Taxes	138,108,192	145,122,797
Unrestricted Investment Earnings	7,708,352	6,208,108
Gain on Sale of Capital Assets	256,274	7,742,637
Other Revenue	333,537	176,525
Total Revenues	<u>230,021,465</u>	<u>307,074,662</u>
Expenses		
Water Resources Planning and Monitoring	19,442,113	16,684,663
Acquisition, Restoration and Public Works	80,833,949	81,613,153
Operation and Maintenance of Lands and Works	23,325,492	24,104,108
Regulation	18,347,155	17,516,548
Outreach	4,972,162	5,066,235
District Management and Administration	30,986,501	22,004,507
Interest on Long-term Debt	1,747,117	1,903,361
Total Expenses	<u>179,654,489</u>	<u>168,892,575</u>
Increase in Net Assets	50,366,976	138,182,087
Net Assets, beginning of the year	<u>1,095,648,273</u>	<u>957,466,186</u>
Net Assets, end of the year	<u>\$ 1,146,015,249</u>	<u>\$ 1,095,648,273</u>

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

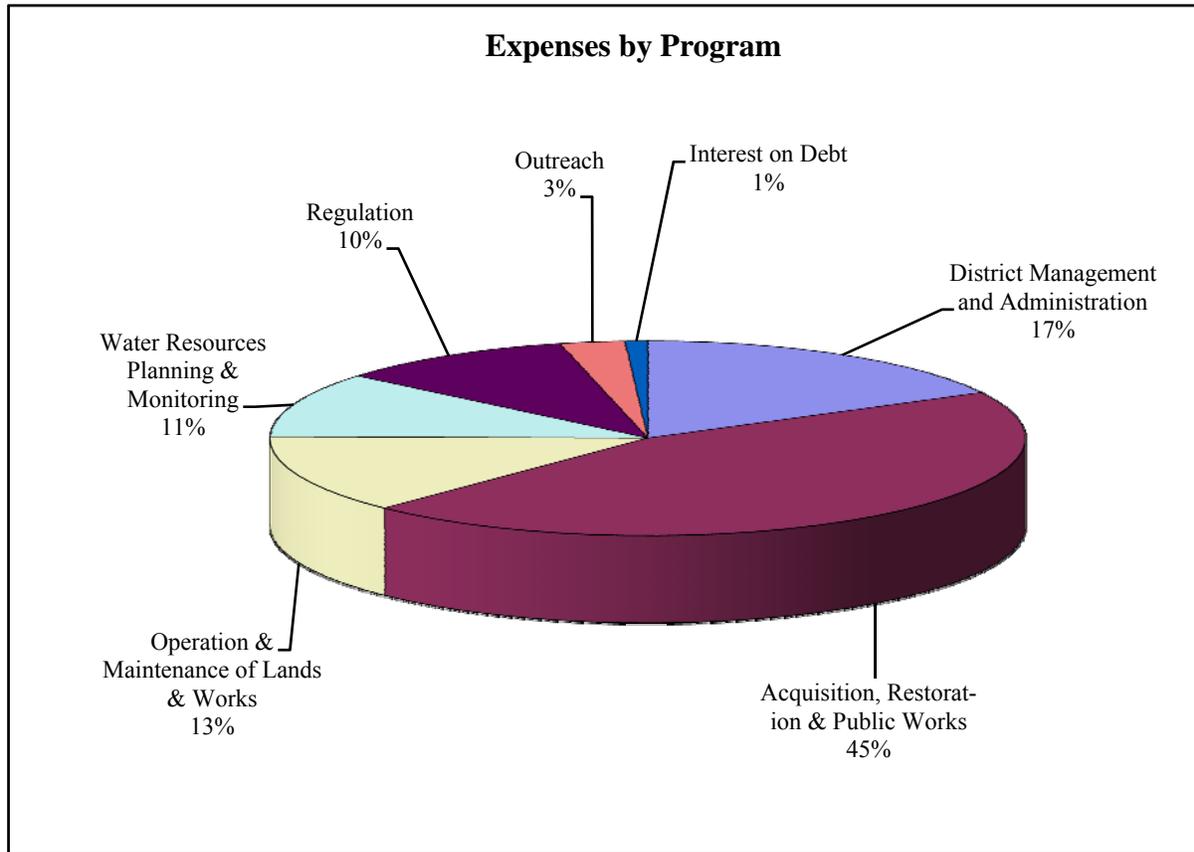
General revenues decreased by -8.8%, or \$12,843,712, less than the previous year. The decrease is primarily attributable to both a reduction in gains on the sale of capital assets recognized (\$7.5 million) and a reduction in ad valorem taxes (\$7 million) compared to the prior year. The decrease in ad valorem tax revenues is the result of a constitutional amendment passed in January 2008 that provided an additional \$25,000 in homestead exemptions and to declining assessed property values throughout the 18 counties in the District. Moreover, the decrease in ad valorem tax revenues for fiscal year 2009–2010 is estimated at -\$13.6 million or -10%, (as discussed under the Economic Factors and Next Year’s Budgets and Rates section, – see page 15 of this report).

Charges for services decreased \$1,441,817, mainly due to the decline in licenses and permits. The decline is a result of the economic downturn caused by Florida’s troubled housing market. Capital grants and contributions decreased \$74,675,450 due to significant decreases in state grant funding for land acquisition. Unrestricted earnings on investments increased \$1,572,244, which was due to unrealized gains on investments. District management and administration expenditures were much greater than the prior year; however, the current expenditures are in the normal range. In the prior year, management and administration expenditures were lower due to a \$13 million reserve for a claim that was resolved.

Governmental activities — The District relies heavily on general revenues (ad valorem taxes, investment earnings) to fund the expenses of its governmental activities. Program revenues, consisting primarily of operating and capital grants and contributions, comprise 36% of total revenues. General revenues comprise 64% of total revenues. The largest component of general revenues is ad valorem taxes, which is projected to decline \$13.6 million in fiscal year 2009-2010.



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds — The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2009, the District's governmental funds reported combined ending fund balances of \$190,461,345 of which \$139,172,425 constitutes *unreserved fund balance* and, is available for spending at the government's discretion. The remainder of fund balance *is reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period (\$35,354,192); to pay debt service (\$6,307,140); to endow long-term maintenance on mitigation properties (\$7,689,810); to pay out escrow agreements and mitigation agreements on land acquisition (\$449,974); or for a variety of other restricted purposes (\$1,487,804).

In comparison, the District reported unreserved fund balances of \$101,409,659, \$68,773,677, \$59,844,826, and \$46,125,756 for fiscal years 2007-08, 2006-07, 2005-06, and 2004-05 respectively. From fiscal year 2004-2005, the District's unreserved fund balance increased 300%.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

In addition, the District has committed future resources related to state and federal grants and contributions, for which revenues will not be recognized until expenditures are incurred and invoiced in the following fiscal year. These commitments are in the form of contracts and purchase orders and total \$34,011,670. Approximately \$22 million of this amount represents commitments for which cash has been received by the District, but the related revenue has not been earned and, therefore, has been deferred (see note (5) on page 43 of this report).

The General Fund is the chief operating fund of the District. As of September 30, 2009, unreserved fund balance of the General Fund was \$125,627,031, while total fund balance reached \$141,982,778. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 105.1% of total general fund expenditures, while total fund balance represents 118.8% of that same amount.

The fund balances of all the District's funds and General Fund increased by \$19,352,641 and \$32,050,146, respectively, during the year ended September 30, 2009, primarily as a result of an overall decrease in District spending and the District's building of ad valorem property tax revenues for sinking funds to carry out large, long-term construction and cooperative funding projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's actual general fund revenues were higher than the final budget primarily due to the collection of ad valorem property taxes exceeding 95% of the budgeted tax levied and investment earnings being higher than budgeted. The District's overall expenditures declined resulting in a large increase in the carrying amount of cash and investments thereby increasing its earnings. Regulatory permits, lease and timber sales, and fines and penalties all had a budget deficit in fiscal year 2008-2009 due to the economic housing and construction downturn.

The District experienced a surplus over the budgeted expenditures of \$26,925,209 in all program areas, with long-term cooperative funding projects in the District's lower basin — (\$2,354,700), Lake Apopka basin — (\$1,828,436), stormwater cost share — (\$2,257,828), reserves and designations — (\$7,910,000), and lapse salaries and benefits — (\$514,307) being the higher areas of budget to actual expenditure savings. The long-term cooperative funding projects are budgeted on a multi-year project-length basis; therefore, the budget variance does not reflect true unspent funds at fiscal year end. All unspent funds will be re-budgeted and encumbered in the following fiscal year to continue obligations granted to local governments.

The historical trend of general fund positive budget variances continued for the 2008-2009 fiscal year, with a higher (82%) than normal historically comparative 70% utilization of annual appropriations. This is largely due to the District lowering its final budget since actual expenditures were much less than projected and for unspent encumbrances carried into the following fiscal year and to continue obligations to local governments.

SPECIAL REVENUE FUNDS HIGHLIGHTS

The District budgets all of its funds on an annual basis except for long-term cooperative funding and capital projects, which are budgeted on a multi-year project-length basis. The budgets for the special revenue funds also take into account the availability of funds, so the budgets for long-term projects in the special revenue funds are both affected by the multi-year and state or federal appropriation availability constraints during each budgeted fiscal year. The revenues cannot be recognized until the related

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

expenditures have been recognized; therefore, there is a significant difference in the budgeted amounts and the actual revenues and expenditures recorded. The District budgets that amount available to the project, not the amount expected to be expended during the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets — The District's investment in capital assets for its governmental activities as of September 30, 2009, amounted to \$1,007,199,969 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems improvements, machinery and equipment, public access facilities, levees, canals, water control structures, and bridges. Major capital asset events occurred during fiscal year 2008–2009 valued at \$28.9 million. The District acquired Econ/Rybolt property for \$10 million. Also, in accordance with GASB Statement No. 51, the District recently included intangible assets of software and donated conservation easements in the amount of \$2 million and \$7.8 million, respectively. Additional information on the District's capital assets can be found in note 4 on page 42 of this report.

Long-term debt — At year-end, the District had total bonded debt outstanding of \$39,600,000, of which \$5,045,000 was due within one year. In addition, the District has long-term obligations of \$8,713,204 for vested leave balances earned by employees, \$1,850,000 for claims and judgments owed, and \$1,646,270 for the other post-employment benefits. Additional information on the District's long term debt can be found in note 8 starting on page 48 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's 2009-2010 fiscal year budget decreased from the previous year's budget as of a result of sharp declines in its major revenue sources, which includes ad valorem taxes, state grants derived from documentary stamp taxes, and federal grants. Fueling the revenue reductions are the credit crisis, stagnate housing market, unstable energy prices, and higher unemployment. Florida's unemployment rate, which is among the highest in the nation, is 10.5% in 2009 and is expected to stabilize in 2012. In comparison, the national unemployment rate is 9.3% during the same period.

Florida is also leading the nation in the housing crisis with declining home prices and an escalating number of foreclosures resulting in falling property tax collections expected over the next several years. As directed by the Governor, the millage rate for the 2008–2009 fiscal year was decreased to 0.4158 mills from the previous year's rate of 0.4620 mills. Due to the 10% reduction in the millage rate, a marked decrease in property values that began to fall in 2008, and the recent increase in the homestead exemption, the ad valorem tax revenues within the District are estimated to decrease by \$13.3 million, or 10% in fiscal year 2009-2010. The District's ad valorem collections were also affected by a recently passed constitutional amendment. The amendment relates to homesteaded properties that will: (1) increase the homestead exemption from \$25,000 per eligible homeowner to \$50,000; (2) make the Save-Our-Home savings differential portable when homeowners sell their houses; and (3) limit future budgets to the roll-back millage rate plus statewide per capita personal income growth. The constitutional amendment was approved by voters in January 29, 2008. Once the Florida economy recovers, it is unlikely that ad valorem growth will exceed 4% annually in the future due to the maximum millage cap.

Documentary stamp tax collections are primarily driven by Florida's housing market. Residential and commercial construction activity has fallen off severely from the 2005-2006 boom year. Florida has experienced lower home sales and drastic price depreciation as compared to the other states. Documentary stamp tax collections are expected to continue declining as the adjustment to stricter

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

lending standards and tighter credit conditions take hold. Prices will further weaken until the current housing inventory clears, which is not expected until 2011. Florida Forever, Water Management Lands Trust Fund, and Ecosystem Management Trust Fund are all funded by the state's documentary stamp tax. Combined, these funding sources cover over 60% of the District's budgeted expenses in fiscal year 2009–2010.

Further, the District could receive less state revenues in 2011, as the state is facing a \$2.6 billion budget deficit that could grow if the economy does not soon improve. The state legislature is currently addressing cuts to make up for the budget shortfall. Florida received additional non-recurring stimulus funds from the federal government for the 2008-2009 and 2009-2010 fiscal years to jumpstart the economy. The District will have to make tough choices between funding its baseline budget and continuing its commitments to several new programs and projects that were initiated in recent years. However, the District's strategy of accumulating reserves to fund long term projects will help to buffer the impact of these reductions in the coming year.

Because of revenue shortfalls, the state provided no new funding to the District from its Water Protection and Sustainability Trust Fund, the Florida Forever Trust Fund, and the Ecosystem Management Trust Fund for fiscal year 2009-2010. In addition, the state appropriated funds from its Water Management Lands Trust Fund to pay for only the District's 2009-2010 annual debt service obligation.

The District has been accumulating matching resources over the last several years to create a large-enough sinking fund to develop or assist in the development of one or more regionally significant water resource or supply development projects that could cost more than the District can afford to budget in a single year. The decline in the ad valorem property tax collections and other revenue sources will certainly impact the available amount of funding that District may be able to set aside in future years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Division of Financial Management, St. Johns River Water Management District, 4049 Reid Street, Palatka, FL 32177.



Basic Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 9,133,597
Investments	232,079,256
Accounts receivable	1,136,859
Inventories	356,344
Intergovernmental receivables	13,386,218
Unamortized issuance costs	344,483
Prepaid expenses	153,690
Non-depreciable capital assets:	
Land	782,813,730
Easements	89,027,751
Construction in progress	10,145,153
Depreciable capital assets:	
Buildings	34,672,676
Machinery and equipment	35,540,239
Infrastructure	118,036,105
Other depreciable assets	870,986
Accumulated depreciation	(63,906,671)
Total assets	1,263,790,416
 LIABILITIES	
Accounts payable and other current liabilities	26,243,802
Deferred revenue	39,329,901
Due to other governmental units	210,916
Accrued interest payable	346,024
Long-term liabilities:	
Due within one year	7,977,006
Due in more than one year	43,667,518
Total Liabilities	117,775,167
 NET ASSETS	
Invested in capital assets, net of related debt	968,109,402
Restricted for:	
Debt service	5,961,116
Legal restrictions	9,331,304
Land acquisition	449,974
Unrestricted	162,163,453
Total net assets	\$ 1,146,015,249

The accompanying notes to financial statements are an integral part of this statement.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>Function / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities			
Water resources planning and monitoring	\$ 19,442,113	\$ -	\$ 261,190
Acquisition, restoration, and public works	80,833,949	-	50,336,167
Operation and maintenance of lands and works	23,325,492	1,742,275	3,732,645
Regulation	18,347,155	1,719,299	-
Outreach	4,972,162	-	357,435
District management and administration	30,986,501	-	349,385
Interest on long-term debt	1,747,117	-	-
 Total governmental activities	 <u>\$ 179,654,489</u>	 <u>\$ 3,461,574</u>	 <u>\$ 55,036,822</u>

General Revenues:

Ad valorem property taxes
Miscellaneous revenue
Unrestricted investment earnings
Gain on sale of capital assets
Total general revenues

Increase in net assets

Net assets, beginning of year

Net assets, end of year

The accompanying notes to financial statements are an integral part of this statement.

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u> <u>Governmental Activities</u>
\$ -	\$ (19,180,923)
24,610,224	(5,887,558)
506,490	(17,344,082)
-	(16,627,856)
-	(4,614,727)
-	(30,637,116)
-	(1,747,117)
<u>\$ 25,116,714</u>	<u>(96,039,379)</u>

138,108,192
333,537
7,708,352
256,274
<u>146,406,355</u>
50,366,976
<u>1,095,648,273</u>
<u>\$ 1,146,015,249</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
BALANCE SHEET- GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	General Fund	Ecosystems Management Trust
Assets		
Cash and cash equivalents	\$ 710,896	\$ -
Investments	148,640,695	38,959,305
Accounts and other receivables	1,093,692	7,904
Due from other funds	5,365,984	276,355
Inventories	356,344	-
Intergovernmental receivables	-	-
Prepaid expenses	153,690	-
Total assets	156,321,301	39,243,564
Liabilities and fund balances		
Liabilities		
Accounts payable	13,970,650	3,656,962
Due to other funds	276,355	-
Deferred revenue	-	35,586,602
Due to other governmental units	91,518	-
Total liabilities	14,338,523	39,243,564
Fund balances		
Reserved for:		
Encumbrances	1,030,388	-
Grants to local governments	14,969,015	-
Inventory and prepaid expenses	510,034	-
Legal restrictions	-	-
Land acquisition	-	-
Unreserved:		
Designated for:		
Economic stabilization reserve	6,900,000	-
Subsequent year's expenditures	10,323,194	-
Water protection and sustainability	26,108,203	-
Water conservation management	6,064,897	-
LSJRB reuse initiative sinking fund	20,670,040	-
USJRB water resource development	3,951,230	-
Apopka reservoir/North Shore restoration projects	1,672,243	-
Nutrient reduction - St. Johns River/Lake Jesup	9,664,970	-
Land management/acquisition	10,472,841	-
Global information system mapping	400,000	-
Undesignated	29,245,723	-
Total fund balances	141,982,778	-
Total liabilities and fund balances	\$ 156,321,301	\$ 39,243,564

The accompanying notes to financial statements are an integral part of this statement.

Florida Forever	Water Protection & Sustainability	Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,422,701	\$ 9,133,597
332,224	32,742,039	11,404,993	232,079,256
-	-	35,263	1,136,859
-	-	-	5,642,339
-	-	-	356,344
5,829,265	1,480,145	6,076,808	13,386,218
-	-	-	153,690
<u>6,161,489</u>	<u>34,222,184</u>	<u>25,939,765</u>	<u>261,888,303</u>
2,611,171	2,420,966	3,584,053	26,243,802
3,218,094	-	2,147,890	5,642,339
-	1,124,336	2,618,963	39,329,901
-	-	119,398	210,916
<u>5,829,265</u>	<u>3,545,302</u>	<u>8,470,304</u>	<u>71,426,958</u>
-	-	1,100,000	2,130,388
-	17,960,368	294,421	33,223,804
-	-	-	510,034
-	-	15,128,410	15,128,410
332,224	-	117,750	449,974
-	-	-	6,900,000
-	-	-	10,323,194
-	12,716,514	-	38,824,717
-	-	-	6,064,897
-	-	-	20,670,040
-	-	-	3,951,230
-	-	-	1,672,243
-	-	-	9,664,970
-	-	828,880	11,301,721
-	-	-	400,000
-	-	-	29,245,723
<u>332,224</u>	<u>30,676,882</u>	<u>17,469,461</u>	<u>190,461,345</u>
<u>\$ 6,161,489</u>	<u>\$ 34,222,184</u>	<u>\$ 25,939,765</u>	<u>\$ 261,888,303</u>

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009**

Total fund balances – governmental funds \$ 190,461,345

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The amount included in the statement of net assets is the difference between:

Capital assets, at cost	1,071,106,640	
Accumulated depreciation	(63,906,671)	
	1,007,199,969	1,007,199,969

Long-term liabilities are not due and payable from current resources and, therefore, are not reported in the funds:

Bonds payable	(39,600,000)	
Unamortized loss on advanced refunding	534,955	
Unamortized bond premium	(370,005)	
	(39,435,050)	(39,435,050)

Certain assets and liabilities reported in governmental activities are financial resources and, therefore, are not reported in the funds:

Unamortized bond issuance costs		344,483
Compensated absences		(8,713,204)
Accrued interest payable		(346,024)
Other post-employment benefit payable		(1,646,270)
Claims and judgments		(1,850,000)
		(1,850,000)

Net assets of governmental activities \$ 1,146,015,249

The accompanying notes to financial statements are an integral part of this statement.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General Fund	Ecosystems Management Trust
Revenues		
Ad valorem property taxes	\$ 138,108,192	\$ -
State	-	17,197,410
Federal	-	-
Investment earnings	7,415,332	-
Local mitigation	-	-
Licenses and permits	1,539,179	-
Cities and counties	-	-
Lease and timber sales	1,742,275	-
Fines and penalties	180,120	-
Other	333,537	-
Total revenues	149,318,635	17,197,410
Expenditures		
Current:		
Water resources planning and monitoring	19,312,227	-
Acquisition, restoration, and public works	30,743,258	17,197,410
Operation and maintenance of lands and works	12,303,549	-
Regulation	17,929,435	-
Outreach	4,560,411	-
District management and administration	34,683,559	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Total expenditures	119,532,439	17,197,410
Excess (deficiency) of revenues over (under) expenditures	29,786,196	-
Other financing sources (uses):		
Transfers in	2,460,856	-
Transfers out	(433,151)	-
Sale of capital assets	148,056	-
Insurance/FEMA - loss recovery	88,189	-
Total other financing sources (uses)	2,263,950	-
Net change in fund balance	32,050,146	-
Fund balances, beginning of year	109,932,632	-
Fund balances, end of year	\$ 141,982,778	\$ -

The accompanying notes to financial statements are an integral part of this statement.

Florida Forever	Water Protection & Sustainability	Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 138,108,192
29,179,795	5,359,614	15,450,670	67,187,489
-	-	3,496,518	3,496,518
-	-	293,020	7,708,352
-	-	92,034	92,034
-	-	-	1,539,179
-	-	756,858	756,858
-	-	-	1,742,275
-	-	-	180,120
-	-	1,467,656	1,801,193
<u>29,179,795</u>	<u>5,359,614</u>	<u>21,556,756</u>	<u>222,612,210</u>
-	-	261,190	19,573,417
32,675,079	11,375,537	11,391,859	103,383,143
-	-	4,271,692	16,575,241
-	-	20,000	17,949,435
-	-	357,435	4,917,846
-	-	226,789	34,910,348
-	-	4,880,000	4,880,000
-	-	1,542,213	1,542,213
<u>32,675,079</u>	<u>11,375,537</u>	<u>22,951,178</u>	<u>203,731,643</u>
<u>(3,495,284)</u>	<u>(6,015,923)</u>	<u>(1,394,422)</u>	<u>18,880,567</u>
251,246	-	743,152	3,455,254
-	(1,884,919)	(1,137,184)	(3,455,254)
198,079	-	37,750	383,885
-	-	-	88,189
<u>449,325</u>	<u>(1,884,919)</u>	<u>(356,282)</u>	<u>472,074</u>
(3,045,959)	(7,900,842)	(1,750,704)	19,352,641
3,378,183	38,577,724	19,220,165	171,108,704
<u>\$ 332,224</u>	<u>\$ 30,676,882</u>	<u>\$ 17,469,461</u>	<u>\$ 190,461,345</u>

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Net change in fund balances – total governmental activities \$ 19,352,641

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, capital assets are contributed to the District upon completion, requiring recognition of income not reported in the funds.

Capital assets acquired with financial resources	29,405,954	
Current year depreciation	(8,362,725)	
Contributions of capital assets	7,794,895	
		28,838,124

In the fund level statements, the entire amount of proceeds from the sale of capital assets is reported as an increase in financial resources. In the statement of activities, the amount reported is only the gain on disposal. The change in net assets differs from the change in fund balance by the net book value (original cost less depreciation to date of sale) of the assets sold, as well as the net book value of assets transferred to other agencies. (857,714)

Governmental funds report certain bond transactions as resources, uses, or expenditures. However, in the statement of activities these transactions are reported as expenses over the life of the debt:

Current year amortization of bond issuance costs	(66,236)	
Current year amortization of bond premiums	86,188	
Current year amortization of loss on refunding	(267,478)	
		(247,526)

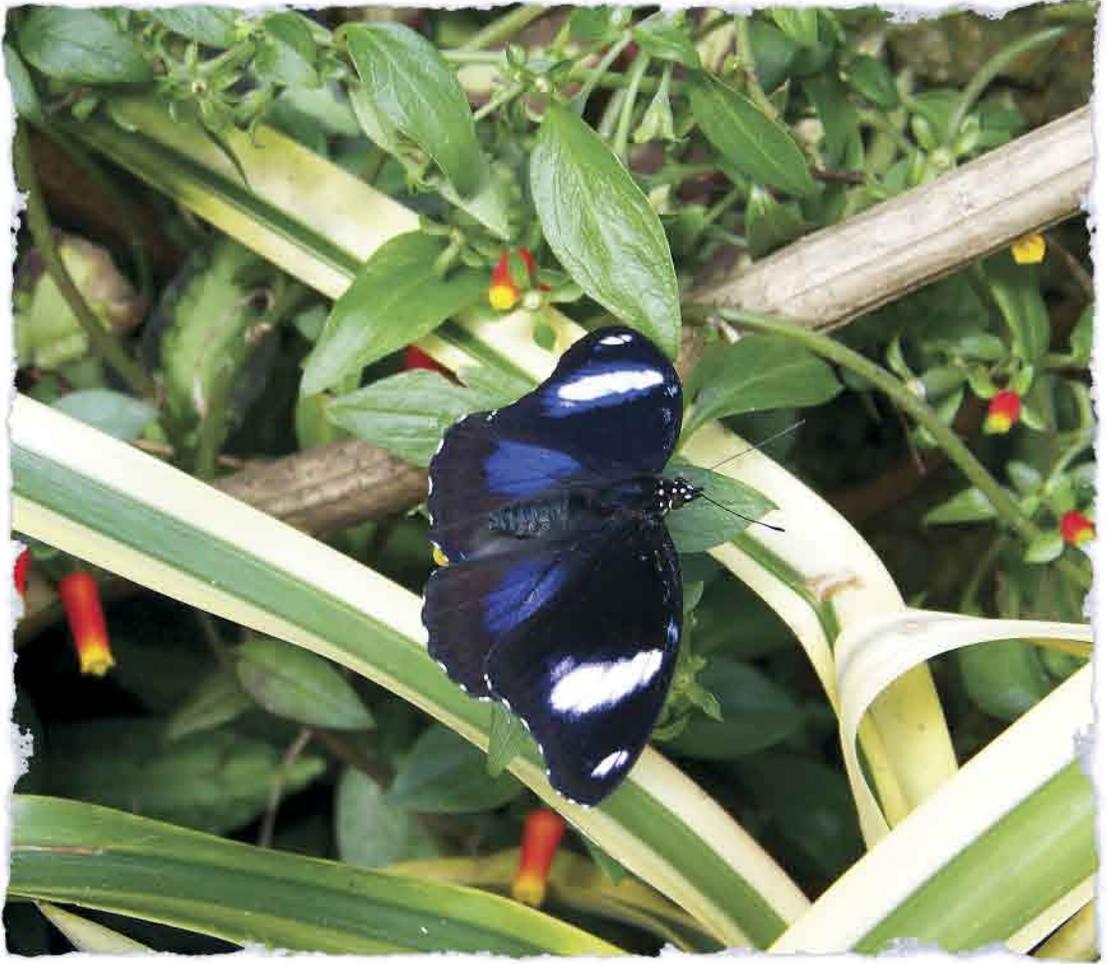
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Issuing debt provides current financial resources to governmental funds but increases liabilities in the statement of net assets. 4,880,000

Some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Those include:

Accrued compensated absences	(577,287)	
Accrued interest payable	42,622	
Claims and judgments payable	(225,000)	
		(1,598,549)

Change in net assets of governmental activities \$ 50,366,976

The accompanying notes to financial statements are an integral part of this statement.



Notes to the Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies:

- (a) **General Information** — The St. Johns River Water Management District (the District) is a public corporation created by Chapter 373, *Florida Statutes* (F.S.), known as the Florida Water Resources Act of 1972. The District is governed by a nine-member board that is appointed by the Governor and confirmed by the state Senate. The accompanying financial statements present the District's funds and activities.

The purpose of the District is to promote the conservation, development, and proper utilization of surface and ground water within the District and to prevent damage from floods, soil erosion and excessive drainage. In carrying out such purposes, the powers and duties of the District are to manage and regulate usage and storage of water within the District and to acquire properties and construct facilities necessary for such purposes.

The District encompasses all or part of 18 counties along Florida's east coast and stretches from Nassau County in the north to Indian River County in the south and inland as far as Baker, Lake, Marion, and Alachua counties.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting principles generally accepted in the United States of America for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in accounting principles generally accepted in the United States of America and used by the District are discussed below.

- (b) **Reporting Entity** — As required by accounting principles generally accepted in the United States of America, these financial statements present the District as a component unit of the State of Florida. Based on the criteria listed below, the State of Florida is considered a primary government.

A primary government is financially accountable for an organization if: (1) it appoints a voting majority of the organization's governing board; (2) it is able to impose its will on the organization; or (3) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Based upon these criteria, the District is considered to be a component unit of the state of Florida, and is disclosed as such in the state of Florida financial statements.

- (c) **Government-Wide and Fund Financial Statements** — The government-wide financial statements consist of a statement of net assets and a statement of activities that report information about the District as a whole. The statement of net assets reports all financial and capital resources.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued):

segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

- (d) **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** — The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this are federal and state grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The District considers reimbursement amounts received within one year as available. Major revenues that are determined to be susceptible to accrual include property taxes, intergovernmental revenue, charges for services and investment income. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Ecosystems Trust Fund* is a special revenue fund that accounts for restricted state revenues received from the Ecosystems Management Trust Fund, administered by the Florida Department of Environmental Protection. The expenditures are for detailed planning and implementation of programs for the management and restoration of ecosystems, including the Surface Water Improvement Management Program (SWIM).

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued):

The *Florida Forever Fund* is a special revenue fund that accounts for restricted state revenues received from the Florida Forever Trust Fund, received from and administered by the Florida Department of Environmental Protection. The expenditures are for the acquisition of environmentally significant lands, water resource development, regional water supply planning and the SWIM Program.

The *Water Protection and Sustainability Fund* is a special revenue fund that accounts for restricted state revenues, received from and administered by the Florida Department of Environmental Protection and the District's 50% match from ad valorem property tax revenues. This fund was created during the 2005-2006 fiscal year after the action by the state legislature to fund the Alternative Water Supply Program. The expenditures are to grant matching funds to assist counties, municipalities, special districts, publicly owned and privately owned water utilities, multi-jurisdictional water supply entities, or regional water supply authorities in the development of alternative water supply and reclaimed water supply projects.

The general fund and major individual funds are reported as separate columns in the governmental funds financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

Amounts reported as program revenues include (1) permit application fees; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all ad valorem taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

- (e) **Classification of Expenditures** — The District currently categorizes the revenues, expenditures, and budget data it submits to the Governor's Office, the Department of Environmental Protection, and the Legislature by six program areas. These programs, which are set forth in Section 373.536(5)(d)4, F.S., are each described as follows:
- **Water Resources Planning and Monitoring** — This program includes all water management planning, including water supply planning, ground-water resource assessment, water use data management, development of minimum flows and levels, and other water resources planning; research, data collection, analysis, and monitoring; and technical assistance, including hydrologic data collection, surface water quality monitoring, laboratory services, surveying services, and geographic information systems development.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued):

- Acquisition, Restoration, and Public Works — This program includes the development and construction of all capital projects (except for those contained in Operation and Maintenance of Lands and Works), including water resource development projects/water supply development assistance, water control projects, and support and administrative facilities construction; stormwater cost-share projects; land acquisition; and the restoration of lands and water bodies.
 - Operation and Maintenance of Lands and Works — This program includes all operation and maintenance of facilities, flood control and water supply structures, lands, and other works authorized by Chapter 373, F.S..
 - Regulation — This program includes consumptive use permitting, water well construction permitting and contractor licensing, environmental resource and surface water permitting, permit administration and enforcement, and any delegated regulatory program.
 - Outreach — This program includes all environmental education activities, such as water conservation campaigns and water resource education; public information activities; all lobbying activities relating to local, regional, state, and federal governmental affairs; and all public relations activities, including related public service announcements and advertising in any media.
 - District Management and Administration — This program includes all Governing Board support, executive direction, budget, ombudsman, administrative support (financial management and general services), general counsel, inspector general, fleet services (transportation and equipment), human resources, telecommunications, computer information systems, information resources application development, reserves and designations, and commissions paid to property appraisers and tax collectors.
- (f) **Deposits and Investments** — The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.
- Florida Statutes*, bond covenants, and the District's adopted Investment Policy authorize District funds to be invested in direct obligations of the United States or its agencies and instrumentalities, direct obligations of states and municipalities, bankers' acceptances, commercial paper, corporate notes, repurchase agreements, mutual funds investing in direct obligations of the United States or its agencies and instrumentalities, and the Local Government Surplus Funds Trust Investment Pool (State Pool). Investments for the District are reported at fair value. The State Pool operates in accordance with appropriate state laws and regulations.
- (g) **Receivables and Payables** — Activity between funds that are representative of accounting transactions outstanding at the end of the fiscal year are referred to as due to/from other funds.
- (h) **Inventories** — All inventories are valued at average cost and consist of chemicals and supplies held for consumption. The cost is recorded as an expenditure when consumed rather than when purchased.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued):

- (i) **Capital Assets** — A capital asset is real or personal, tangible or intangible property that has a cost equal to or greater than an established capitalization threshold and has an estimated useful life extending beyond one year. The District reports capital assets under the following categories and thresholds:

Land and Land Improvements	Capitalize all
Easements	Capitalize all
Buildings	\$1,000
Buildings Improvements	\$100,000
Infrastructure and Infrastructure Improvements	\$100,000
Machinery and Equipment	\$1,000
Software	\$1,000
Construction in Progress	Accumulate all costs and capitalize when completed

Capital assets are reported at historical cost or estimated historical cost, plus any ancillary charges (freight and transportation charges, site preparation costs, installation costs, and professional fees) necessary to place the asset into its intended location and condition for use. Donated capital assets are reported at their estimated fair value at the date of donation.

Donated conservation easements received by the District through the permitting process are recorded at the current fiscal year per acre cost of purchased conservation easements. The average current fiscal year per acre conservation easement cost is multiplied by the total acres received.

Costs related to the development of computer software are expensed as incurred until (a) the District has completed the preliminary project stage (i.e., the conceptual formulation and evaluation of alternatives, determination of the existence of needed technologies, and final selection of software development alternatives) and (b) management has implicitly and explicitly authorized or committed to funding the project. Activities related to the application development stage of internally generated computer software (e.g., software configuration and software interfaces, coding, installation to hardware, and testing) are capitalized at the amount of the associated outlays. Post-implementation activities, such as application training and software maintenance, are expensed as incurred. Costs associated with data conversion are also expensed if such activities are not necessary in order for internally developed software to become operational.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued):

In the government-wide financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included as General Revenues and falls into Increase or Decrease in Net Assets in the Statement of Activities.

Buildings, infrastructure, software and machinery and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	5–50
Infrastructure	10–50
Machinery and equipment	3–40
Software	3–10

- (j) **Compensated Absences** — It is the District's policy to permit employees to accumulate earned, but unused vacation and sick leave benefits, which will be paid upon separation from the District. Effective November 15, 2004, senior management and permanent employees are entitled to accrue vacation time up to 480 hours and 360 hours, respectively. All staff are entitled to accrue an unlimited number of sick leave hours. Payment of unused vacation and sick leave is subject to District policy and employment criteria.

All vacation hours and a portion of the sick leave hours are accrued when incurred in the government financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

- (k) **Long-Term Obligations** — In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities of governmental activities in the statement of net assets.
- (l) **Fund Equity** — In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.
- (m) **Property Taxes** — The District is authorized by Section 373.503, F.S., to levy ad valorem taxes on all real and personal property located within the District, not to exceed 0.60 mills. The rate for the 2008-2009 fiscal year was 0.4158 mills. The property assessment and tax collection functions are performed by appropriate officials of county government in each of the 18 counties comprising the District. Commissions are paid to the counties for these appraisal and collection services.

Taxes are billed and collected for the District by the county tax collectors according to *Florida Statutes*, under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Concluded):

A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1 of each year. Property taxes are recognized as revenues in the fiscal year of the District in which the taxes are billed and substantially collected.

- (n) **Use of Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.
- (o) **Change in Accounting Principles** — The District has changed its manner of accounting for certain intangible assets that do and do not have indefinite useful lives. The District has adopted the requirements of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, for purchased and internally developed software and donated conservation easements acquired through the permitting process. As permitted by GASB Statement No. 51, the financial statements have not been restated for prior year costs associated with internally generated computer software because the District does not have sufficient information to determine such costs.

(2) Budgetary Information:

The District has elected to report budgetary comparisons as Required Supplementary Information. The District's policies for adopting and monitoring its budget are included in the Required Supplementary Information section of this report.

(3) Deposits and Investments:

The District's bank accounts were deposited in a state-qualified public depository. The entire balance was insured by federal depository insurance or by collateral held by the District's custodial bank, which is pledged to a state trust fund that provides security in accordance with the Florida Security for Deposits Act, Chapter 280, for amounts held in access of Federal Deposit Insurance Corporation.

The foremost objective of the District's investment policy is the safety of capital and liquidity of funds. Achieving an optimal rate of return is of secondary importance as compared to the safety and liquidity of funds. The investment policy limits investments to those relatively low risk securities authorized in anticipation of earning a fair return relative to the risk being assumed. How the investment policy manages credit risk, interest rate risk, custodial credit risk and concentration of credit risk is as follows:

- (a) **Credit Risk** — In accordance with the District's investment policy, the District minimizes credit risk, the risk of loss due to the failure of the security, by limiting investments to the authorized investments in the investment policy, pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the District will do business, and diversifying the investment portfolio to protect against losses on individual securities. Investments in Federal Instrumentalities, United States Treasury Securities, and Mortgage-Backed Securities are backed

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(3) Deposits and Investments (Continued):

by the full faith and credit of the United States federal government. Investments in the Florida State Board of Administration Pool are divided into two funds: Local Government Surplus Funds Trust Fund Pool (Florida PRIME) and Fund B Surplus Funds Trust Fund (Fund B). The Florida PRIME is rated by Standard and Poors. The current rating is AAAM. The Investment Manager of the Florida PRIME manages credit risk by purchasing only high quality securities, performing a credit analysis to develop a database of issuers and securities that meet the Investment Manager's minimum standard and by regularly reviewing the portfolio's securities financial data, issuer news and developments, and ratings of the nationally recognized statistical rating organizations. The Fund B is not rated by any nationally recognized statistical rating agency. The fixed income money market funds in the Ridgeworth US Government Securities Fund are held in a state-qualified public depository and the balances are either fully insured or collateralized.

- (b) Interest Rate Risk** — In accordance with the District's investment policy, the District manages its exposure to declines in fair values of its investments by limiting the allowable length to maturity to a maximum of five years from the date of purchase, structuring the investment portfolio so that securities mature to meet ongoing operating cash requirements and investing operating funds primarily in shorter-term securities, Florida State Board of Administration – Florida PRIME and Fund B, money market funds, and interest bearing time deposit accounts. The District's average effective duration for the Investment Portfolio as of September 30, 2009 was 1.47 years. The weighted average days to maturity of the Florida PRIME at September 30, 2009 was 33 days. The weighted average life of Fund B assets at September 30, 2009 was 6.69 years, however, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.
- (c) Custodial Credit Risk** — Investments are subject to custodial credit risk if the securities are uninsured, not registered in the District's name, and are held by the party that either sells to or buys for the District. All of the District securities are held in the District's name, therefore, no investments held at year-end were subject to custodial credit risk. The Florida State Board of Administration – Florida PRIME does participate in securities lending, but the District owns shares of the Florida PRIME and not the underlying securities. Neither the District or the Fund B has participated in a securities lending program in the fiscal year ending September 30, 2009.
- (d) Concentration of Credit Risk** — In accordance with the District's investment policy, the District manages its exposure to positions of 5% or more in the securities of a single issuer by diversifying the portfolio, limiting the maximum amount invested in any single issuer of commercial paper or corporate notes to 5%; interest bearing time deposit or savings account to 15%, state and/or local government taxable and/or tax-exempt debt to 20% and United States government agencies, federal instrumentalities, registered investment companies (money market mutual funds) and repurchase agreements to 25%; and limiting the maximum amount invested in commercial paper or corporate notes to 10%, state and/or local government taxable and/or tax-exempt debt to 20%, interest bearing time deposit or savings account to 25%, United States government agencies, registered investment companies (money market mutual funds) and repurchase agreements to 50%. While the District is allowed to invest 100% in the Florida PRIME Trust Fund, United States government securities and federal instrumentalities, the investment strategy is to maintain diversification.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(3) Deposits and Investments (Continued):

(e) A summary of the authorized investments of the District, including the maximum percentage of the total investments, maximum percentage with a individual issuer, and the maximum duration of each investment, follows:

<u>Description of Investment</u>	<u>Investment Percentage Allowed</u>	<u>Individual Issuer % Allowed</u>	<u>Maturity Duration</u>
Florida PRIME	100%	100%	N/A
United States Government Securities	100%	100%	<5 years
United States Government Agencies	50%	25%	<5 years
Federal Instrumentalities	100%	25%	<5 years
Interest Bearing Time Deposit or Savings Accounts	25%	15%	<1 year
State and/or Local Government Taxable and/or Tax-Exempt Debt	20%	20%	<3 years
Registered Investment Companies (Money Market Mutual Funds)	50%	25%	N/A
Repurchase Agreements	50%	25%	<90 days
Commercial Paper and Corporate Notes	10%	5%	<2 years

(f) As of September 30, 2009, the District had the following investments and maturities:

	<u>Investment Maturity (in years)</u>			
	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-3 year</u>	<u>3-5 years</u>
Federal Instrumentalities	\$110,077,906	\$ 17,153,292	\$ 85,717,848	\$ 7,206,766
United States Treasury Securities	66,819,314	33,429,174	33,390,140	-
Mortgage-Backed Securities	237,565	237,565	-	-
United States Government Supported Corporate Debt	12,239,797	2,003,222	10,236,575	-
Florida PRIME and Fund B	42,469,861	42,469,861	-	-
Fixed Income Money Market Fund	234,813	234,813	-	-
TOTAL INVESTMENTS	\$232,079,256	\$ 95,527,927	\$129,344,563	\$ 7,206,766

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(3) Deposits and Investments (Continued):

(g) As of September 30, 2009, the District had the following investments reported at market-values:

	S & P Rating	Maturity Date	Market Value	% of Portfolio
Federal Instrumentalities				
Federal National Mortgage Association	AAA	02/11/2011	\$ 9,045,000	
Federal National Mortgage Association	AAA	02/11/2011	603,000	
Federal National Mortgage Association	AAA	03/23/2011	6,841,100	
Federal National Mortgage Association	AAA	01/09/2012	8,991,938	
Federal National Mortgage Association	AAA	08/10/2012	1,147,353	
Federal National Mortgage Association	AAA	01/15/2013	3,947,078	
Federal Home Loan Bank	AAA	12/01/2009	4,998,863	
Federal Home Loan Bank	AAA	02/04/2010	9,993,255	
Federal Home Loan Bank	AAA	06/18/2010	971,212	
Federal Home Loan Bank	AAA	10/20/2010	5,100,553	
Federal Home Loan Bank	AAA	10/20/2010	1,389,656	
Federal Home Loan Bank	AAA	12/10/2010	1,542,188	
Federal Home Loan Bank	AAA	02/18/2011	8,977,950	
Federal Home Loan Bank	AAA	03/16/2011	1,428,506	
Federal Home Loan Bank	AAA	01/27/2012	7,163,422	
Federal Home Loan Bank	AAA	04/13/2012	1,589,016	
Federal Home Loan Bank	AAA	06/20/2012	4,038,750	
Federal Home Loan Bank	AAA	06/20/2012	1,989,084	
Federal Home Loan Bank	AAA	08/22/2012	3,049,500	
Federal Home Loan Bank	AAA	09/25/2012	2,808,750	
Federal Home Loan Bank	AAA	10/10/2012	3,259,688	
Federal Home Loan Mortgage Corporation	A-1+	10/13/2009	1,189,962	
Federal Home Loan Mortgage Corporation	AAA	02/25/2011	5,032,841	
Federal Home Loan Mortgage Corporation	AAA	07/22/2011	1,000,626	
Federal Home Loan Mortgage Corporation	AAA	02/02/2012	4,825,363	
Federal Home Loan Mortgage Corporation	AAA	03/23/2012	4,142,111	
Federal Farm Credit Bank	AAA	02/18/2011	1,694,780	
Federal Farm Credit Bank	AAA	11/18/2011	3,316,361	
			110,077,906	47.43%
United States Treasury Securities				
U.S. Treasury Cash Management Bill	TSY	06/10/2010	6,357,738	
U.S. Treasury Bill	TSY	08/26/2010	2,990,898	
U.S. Treasury Notes	TSY	05/15/2010	4,089,376	
U.S. Treasury Notes	TSY	06/15/2010	4,093,436	
U.S. Treasury Notes	TSY	08/31/2010	3,787,135	
U.S. Treasury Notes	TSY	09/30/2010	2,538,770	
U.S. Treasury Notes	TSY	09/30/2010	3,214,083	
U.S. Treasury Notes	TSY	10/31/2010	138,530	
U.S. Treasury Notes	TSY	11/30/2010	1,372,006	
U.S. Treasury Notes	TSY	03/31/2011	963,225	

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(3) Deposits and Investments (Concluded):

	S & P Rating	Maturity Date	Market Value	% of Portfolio
U.S. Treasury Notes	TSY	04/30/2011	1,514,128	
U.S. Treasury Notes	TSY	05/31/2011	2,447,080	
U.S. Treasury Notes	TSY	05/31/2011	6,304,990	
U.S. Treasury Notes	TSY	02/15/2012	2,241,672	
U.S. Treasury Notes	TSY	04/15/2012	13,227,619	
U.S. Treasury Notes	TSY	05/15/2012	11,538,628	
			66,819,314	28.79%
Mortgage-Backed Securities				
Federal National Mortgage Association	AAA	03/01/2010	237,565	
			237,565	0.10%
United States Government Supported Corporate Debt				
Citigroup Funding Inc. (FDIC) Float	AAA	07/30/2010	2,003,222	
PNC Funding Corp. (FDIC) Global Note	AAA	06/22/2011	5,060,300	
SunTrust Bank (FDIC) Global Bank	AAA	11/16/2011	5,176,275	
			12,239,797	5.27%
Florida State Board of Administration Pool				
Florida PRIME	AAAm		41,931,447	
Fund B	NR		538,414	
			42,469,861	18.30%
Fixed Income Money Market Fund				
Ridgeworth US Government Securities	NR		234,813	0.10%
TOTAL INVESTMENTS			\$232,079,256	100.00%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(4) Capital Assets:

(a) Capital asset activity for the year ended September 30, 2009, was as follows:

	Balance at 10/1/08	Additions	Retirements	Balance at 9/30/09
Capital assets, not being depreciated:				
Land	\$769,591,127	\$ 14,166,011	\$ (943,408)	\$782,813,730
Easements	77,564,805	11,526,075	(63,129)	89,027,751
Construction in progress	5,901,845	4,267,203	(23,895)	10,145,153
Total capital assets, not being depreciated	<u>853,057,777</u>	<u>29,959,289</u>	<u>(1,030,432)</u>	<u>881,986,634</u>
Capital assets, being depreciated:				
Buildings	34,311,272	472,885	(111,481)	34,672,676
Infrastructure	114,805,607	3,230,498	-	118,036,105
Machinery and equipment	35,122,071	3,669,726	(3,251,558)	35,540,239
Other depreciable assets	424,425	446,561	-	870,986
Total capital assets, being depreciated	<u>184,663,375</u>	<u>7,819,670</u>	<u>(3,363,039)</u>	<u>189,120,006</u>
Less accumulated depreciation for:				
Buildings	(8,769,108)	(951,488)	48,207	(9,672,389)
Infrastructure	(27,045,856)	(3,455,964)	-	(30,501,820)
Machinery and equipment	(22,520,367)	(3,849,561)	3,191,348	(23,178,580)
Other depreciable assets	(166,262)	(387,620)	-	(553,882)
Total accumulated depreciation	<u>(58,501,593)</u>	<u>(8,644,633)</u>	<u>3,239,555</u>	<u>(63,906,671)</u>
Capital assets being depreciated, net	<u>126,161,782</u>	<u>(824,963)</u>	<u>(123,484)</u>	<u>125,213,335</u>
Governmental activities capital assets, net	<u>\$979,219,559</u>	<u>\$ 29,134,326</u>	<u>\$ (1,153,916)</u>	<u>\$1,007,199,969</u>

Depreciation expense was charged to functions/programs of the District as follows:

Operation and maintenance of lands and works	\$ 7,305,525
District management and administration	1,339,108
Total depreciation expense	<u>\$ 8,644,633</u>

(b) Land Acquisition — The Florida Legislature determined that environmental mitigation of transportation projects could be more effectively achieved by regional, long-range planning rather than on a project-by-project basis and established, under Section 373.4137, F.S., that mitigation to offset adverse effects of transportation projects be funded by the Florida Department of Transportation and carried out by the water management districts. To comply with this statute, the District periodically acquires lands through various grant programs such as Florida Forever, Ecosystems Management and Water Management Lands Trust Funds, with the intent of utilizing these lands for future mitigation of transportation projects as identified by the Department of Transportation. This results in the District being reimbursed by the Department of Transportation for land originally purchased with non-mitigation revenue sources. When the District receives mitigation monies for lands originally purchased with non-mitigation revenue sources, the mitigation monies received revert to the original funding source used to purchase the land, and all restrictions associated with the original funding source apply. The District is required to expend these monies within one year of receipt.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(4) Capital Assets (Concluded):

In 2009, the Florida Department of Transportation did not purchase any mitigation credits from the District. The District carried over a balance in the Florida Forever Fund of \$3,378,183 from the 2007-2008 fiscal year and expended these monies received from the mitigation of road projects and sales of conservation easements to purchase the following qualified conservation lands: Medlock and Motes property, \$1,142,088; Econ Project Addition property, \$2,236,095; leaving an unspent balance of \$332,224 in the Florida Forever Fund.

(5) Commitments:

Encumbrances of Future Resources

The District has committed future resources related to local, state, and federal grants and contributions for which revenues will not be recognized until expenditures are incurred in the following fiscal year. These commitments, which are not included on the balance sheet, are in the form of contracts, grants to local governments and purchase orders and total as follows:

	<u>Funding Source</u>		
	<u>State</u>	<u>Federal</u>	<u>Total</u>
Special Revenue Funds			
Ecosystems Management Trust	\$ 21,308,710	\$ -	\$ 21,308,710
Water Protection and Sustainability	8,902,075	-	8,902,075
Water Management Lands Trust	951,549	-	951,549
Florida Forever	226,920	-	226,920
State Grants	53,509	-	53,509
FDOT Mitigation	387,581	-	387,581
Indian River Lagoon Tag Fees	294,421	-	294,421
Federal	-	<u>1,886,905</u>	<u>1,886,905</u>
Total	<u>\$ 32,124,765</u>	<u>\$ 1,886,905</u>	<u>\$ 34,011,670</u>

The committed futures resources of the Ecosystems Management Trust and Mitigation funds which total approximately \$22 million are from deferred revenues advanced to the District by the state of Florida. These funds are on hand, but not recognized until the commitment is expended.

(6) Interfund Balances and Activities:

Interfund balances at year-end are temporary loans to fund grant activities pending reimbursement. Interfund loans are repaid upon receipt of grant proceeds. The majority of the temporary loans listed below are from the General Fund to the various Special Revenue Funds for expenditures requiring reimbursements from the following grantors: \$3,218,094 — Florida Forever; \$994,870 — Water Management Lands Trust Fund; \$25,506 — Florida Department of Transportation; \$221,817 — Florida Department of Environmental Protection; \$350,682 — Federal Sources; and \$485,844 — Other Local Sources and a temporary loan to the Debt Service Fund of \$69,171, leaving a deposit of \$276,355 in the General Fund to pay for retainage payable from expenditures of the Ecosystems Management Trust Fund. A summary of interfund balances at year end follows:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(6) Interfund Balances and Activities (Concluded):

<u>Receivable Funds</u>	<u>Amount</u>	<u>Payable Funds</u>	<u>Purpose</u>
Major Funds:			
General Fund	\$ 3,218,094	Florida Forever Fund	Temporary Loan
General Fund	994,870	Water Management Lands Trust Fund	Temporary Loan
General Fund	25,506	Mitigation Fund	Temporary Loan
General Fund	221,817	State Grants Fund	Temporary Loan
General Fund	350,682	Federal Grants Fund	Temporary Loan
General Fund	485,844	Special Revenue–Other Fund	Temporary Loan
General Fund	69,171	Debt Service Fund	Temporary Loan
Ecosystems Fund	276,355	General Fund	Deposit
Total All Funds	<u>\$ 5,642,339</u>		

The Water Protection and Sustainability Fund was established as a result of a state program enacted in 2005 for the development of alternative water supplies. This program requires a 50% match of District resources. In the past, the District transferred funds from the General Fund to cover the match requirement, however, the State discontinued the program, so the District transferred back funds to the General Fund that were not needed for this match purpose. The \$1,884,919 transfer from the Water Protection and Sustainability Fund to the General Fund are those surplus matching District funds. The \$367,617 transfer from the General Fund to the Capital Projects Fund is to fund major capital expenditures from District funding sources. The \$310,000 transfer from the Debt Service Fund to the Water Management Lands Trust Fund was to fund allowable Water Management Lands Trust Fund expenditures with interest revenue earned in the Debt Service Fund. The District also makes routine transfers among its funds in the course of the fiscal year. The principal purposes of the transfers are to allocate resources for land acquisition, construction or other capital projects, and to provide operating subsidies and indirect costs. These transfers are consistent with the activities of the funds involved. A summary of interfund transfers is as follows:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 1,884,919	Water Protection & Sustainability Fund
General Fund	327,860	Mitigation Fund
General Fund	127,379	Special Revenue Funds Other - Fund
General Fund	120,698	State Grants Fund
Total General Fund	<u>2,460,856</u>	
Special Revenue Funds:		
Florida Forever Fund	249,348	Mitigation Fund
Florida Forever Fund	1,898	Federal Grants Fund
Total Special Revenue Funds	<u>251,246</u>	
Total Major Funds	<u>2,712,102</u>	
Non-major Funds:		
Water Management Lands Trust Fund	310,000	Debt Service Fund
Debt Service Fund	65,535	General Fund
Capital Projects Other Fund	367,617	General Fund
Total Non-major Funds	<u>743,152</u>	
Total All Funds	<u>\$ 3,455,254</u>	

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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(7) Other Post-Employment Benefits (OPEB):

The cost of post-employment healthcare benefits generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The District recognizes the cost of post-employment healthcare benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows.

(a) Plan Description:

The District contributes, along with its employees and retirees, to the Blue Cross and Blue Shield of Florida Health Care Plan (Plan) to provide certain healthcare benefits to active and retired employees and their dependents. The Plan is a single-employer plan administered by Blue Cross and Blue Shield of Florida and the District. The benefits, benefit levels, employee contributions and employer contributions are governed by the Plan.

(b) Benefits Provided:

The District provides post-employment health care benefits to its retired employees and their dependents. To be eligible for benefits, an employee must have completed at least six years of service and started receiving pension benefits at termination. All health care benefits are provided through the District's Blue Cross Blue Shield employee health care plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental and substance abuse care; dental care; and prescriptions. Upon retirees reaching 65 years of age, Medicare becomes the primary insurer and the District's plan will not pay benefits already paid by Medicare.

(7) Other Post-Employment Benefits (OPEB) (Continued):

(c) Membership:

At September 30, 2009, membership consisted of:	Active Employees	682
	Inactive Employees	<u>43</u>
	Total	725

(d) Funding Policy:

The District contributes one-half the premium for retired employees between the ages of 62 and 65 and the state of Florida's Division of Retirement contributes each month \$5 for each year of service, up to \$150 per month. The District's Blue Cross Blue Shield contract establishes the individual premium to be paid by the retired employees. The state of Florida prohibits the District from separately rating retired employees and active employees. As a result, the District's premium charges to retired employees can be no more than the premium cost applicable to active employees. Generally accepted accounting principles, however, require that the actuarial information presented below be calculated using age-adjusted premiums approximating claims costs for retirees separate from the active employees. The use of age-adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. For the fiscal year ending September 30, 2009, retired employees contributed \$1,447 to the plan. For retired employees, the District contributed \$41,170 and the state of Florida's Division of Retirement contributed \$196,582. For active employees, the District contributed \$6,096,496 and the employees contributed \$1,521,562.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(7) Other Post-Employment Benefits (OPEB) (Continued):

(e) Annual OPEB Costs, Net OPEB Obligation and Funding Progress:

The District's actuarial valuation was performed for the plan as of October 1, 2008, and determined the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2009. The District's annual OPEB cost (expense) of \$838,884 was reduced by the retiree contributions of \$214,327, which reduced the \$1,065,364 ARC. The following table shows the calculation of the Annual Required Contribution and Net OPEB Obligation:

	For the Fiscal Year Ending	
	<u>September 30, 2009</u>	<u>September 30, 2008</u>
Determination of Annual Required Contribution:		
Normal cost at year-end	\$ 561,402	\$ 534,669
Amortization of Unfunded Actuarial Liability	<u>503,962</u>	<u>458,646</u>
Annual Required Contribution (ARC)	<u>\$1,065,364</u>	<u>\$ 993,315</u>
Determination of Net OPEB Obligation:		
ARC	\$1,065,364	\$ 993,315
Interest on prior year Net OPEB Obligation	40,369	0
<i>Adjustment to ARC</i>	<u>(52,522)</u>	<u>0</u>
Annual OPEB Cost	\$1,053,211	993,315
Contributions made	<u>(214,327)</u>	<u>(185,929)</u>
Increase in Net OPEB Obligation	\$ 838,884	\$ 807,386
Net OPEB Obligation – beginning of year	\$ 807,386	\$ 0
Net OPEB Obligation – end of year	\$ 1,646,270	\$ 807,386

The following table shows three years of the annual OPEB cost and net OPEB obligation:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
9/30/2007	N/A	N/A	N/A
9/30/2008	\$993,315	18.7%	\$807,386
9/30/2009	\$1,053,211	20.3%	\$1,646,270

The following table shows three years of the funding progress of the OPEB Obligation:

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u>	<u>Unfunded</u> <u>Actuarial</u> <u>Liabilities</u> <u>AAL</u>	<u>Actuarial</u> <u>Liabilities</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>Covered</u> <u>Payroll</u>
10/01/2006	N/A	N/A	N/A	N/A	N/A	N/A
10/01/2007	0	\$7,050,520	\$7,050,520	0.0%	\$40,366,480	17.47%
10/01/2008	0	\$7,747,138	\$7,747,138	0.0%	N/A	N/A

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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(7) Other Post-Employment Benefits (OPEB) (Concluded):

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear comparative trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

While the District has not established an irrevocable trust fund or equivalent arrangement to accumulate assets to cover the unfunded actuarial accrued liability, it is paying into the state of Florida's Division of Retirement Services (FRS) an amount on a bi-monthly basis established to cover the future FRS contributions and paying one-half the monthly premiums on retirees between the ages of 62 and 65. Generally accepted accounting principles consider these payments as pay-as-you-go funding methodology and cannot be considered as meeting the District's net OPEB obligation nor as assets that can be used to offset the unfunded actuarial accrued liability.

(f) Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projections do not explicitly incorporate the potential effects of legal or contractual funding limitations.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2008, actuarial valuation, the Unit Credit Actuarial Cost Method was used. The actuarial assumptions included 5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.6%, decreasing each year until it reaches an ultimate rate of 5.0% in 2017. Life expectancies were based upon data found in the Sex-distinct RP-2000 Generational Tables. Ninety percent of all eligible members are assumed to elect coverage upon retirement and 30% are assumed to have an eligible spouse who will elect coverage. Retiree and spousal coverage is provided for the lifetime of both the participant and spouse. However, benefits are valued as payable only until age 65, as the option of enrolling in Medicare is a much more attractive option at a lower cost. The actuarial value of the assets was not determined as the District has not advance funded its obligation. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at September 30, 2009, was 28 years.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(8) Long-Term Obligations:

(a) Bonds Payable, OPEB, Compensated Absences and Claims and Judgments:

Bonds Payable from Governmental Activities:

	<u>Interest Rates</u>	<u>Principal</u>
Revenue Refunding Bonds, Series 2004 Payable in semi-annual installments through 2016	2% to 4%	\$ 37,695,000
Revenue Refunding Bonds, Series 2005 Payable in semi-annual installments through 2010	3.25% to 4.5%	<u>1,905,000</u>
Total bonds payable from governmental funds		<u>\$ 39,600,000</u>

Accrued Compensated Absences, OPEB and Claims and Judgments:

Vested portion of accrued vacation and sick pay (see note (1)(j) for a summary of the District's leave policies)	\$ 8,713,204
Claims and judgments	1,850,000
Other post-employment benefits	1,646,270
Less unamortized premium and deferred loss on advance refunding	<u>(164,950)</u>
Subtotal	<u>\$ 12,044,524</u>
Total Long-Term Obligations less unamortized balances	<u>\$ 51,644,524</u>

(b) Debt service requirements to maturity:

Debt service requirements to maturity on the District's long-term obligations as of September 30, 2009, are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Long-Term Obligations and Interest</u>
2010	\$ 5,045,000	\$ 1,372,812	\$ 6,417,812
2011	5,315,000	1,201,000	6,516,000
2012	5,475,000	1,041,550	6,516,550
2013	5,645,000	871,826	6,516,826
2014	5,830,000	688,362	6,518,362
2015-2016	<u>12,290,000</u>	<u>742,200</u>	<u>13,032,200</u>
Total principal and interest	39,600,000	5,917,750	45,517,750
Less interest to be paid	<u>-</u>	<u>(5,917,750)</u>	<u>(5,917,750)</u>
Total principal	39,600,000	-	39,600,000
Deferred amounts	<u>(164,950)</u>	<u>-</u>	<u>(164,950)</u>
Totals	<u>\$ 39,435,050</u>	<u>\$ -</u>	39,435,050

Long-term obligations not included above:

Accrued compensated absences payable	8,713,204
Other post-employment benefits	1,646,270
Claims and judgments	1,850,000
Total long-term obligations	<u>\$ 51,644,524</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(8) Long-Term Obligations (Concluded):

(c) Long-Term Obligations:

Changes in long-term liabilities for the fiscal year ended September 30, 2009, are summarized as follows:

Governmental Activities:	Balance October 1, 2008	Additions	Reductions	Balance September 30, 2009	Due Within One Year
General long-term obligations:					
Revenue bonds payable	\$ 44,480,000	\$ -	\$ 4,880,000	\$ 39,600,000	\$ 5,045,000
Deferred amounts:					
Issuance premiums	456,193	-	86,188	370,005	-
Unamortized loss on refunding	(802,433)	-	(267,478)	(534,955)	-
Total revenue bonds payable	44,133,760	-	4,698,710	39,435,050	5,045,000
Accrued compensated absences	8,135,917	4,149,451	3,572,164	8,713,204	243,122
Other post-employment benefits	807,386	838,884	-	1,646,270	838,884
Claims and judgments	1,625,000	225,000	-	1,850,000	1,850,000
Total governmental activity long-term obligations	<u>\$ 54,702,063</u>	<u>\$ 5,213,335</u>	<u>\$ 8,270,874</u>	<u>\$ 51,644,524</u>	<u>\$ 7,977,006</u>

Interest expense is \$1,747,117 in the accompanying Statement of Activities for the year ended September 30, 2009.

The District is committed under an operating lease for building, office and warehouse space. Future minimum lease payments for this lease is as follows:

<u>Year-Ending September 30</u>	<u>Total</u>
2010	\$ 450,295
2011	462,547
Total Lease Payments	<u>\$ 912,842</u>

Governmental activities, claims and judgments, and compensated absences are generally liquidated by the general fund.

(9) Contingent Liabilities:

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

The District has entered into or is negotiating agreements to acquire various land parcels to be used for District purposes. These agreements provide options as to timing of the acquisitions, which may or may not be exercised depending on the Governing Board's decisions. As of January 2010, the District has revised budget of approximately \$37 million for land acquisition in the fiscal year ending September 30, 2010.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(10) Employee Benefits:

Other Post-Employment Benefits — In 1987, the Florida Legislature established through Chapter 112.363, F.S., the Retiree Health Insurance Subsidy (HIS) to assist retirees of all state-administered retirement systems in paying health insurance costs. For the year ended September 30, 2009 eligible retirees and beneficiaries received as much as \$5 per month for each year of creditable service completed at the time of retirement. The payments to individual retirees or beneficiaries as of September 30, 2009, were at least \$30, but not more than \$150 per month.

To be eligible to receive the HIS, a retiree under any state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. The HIS is funded by required contributions from employers participating in the Florida Retirement System (FRS). The contribution rate at September 30, 2009, is 1.11% of payroll for all active employees covered by the FRS. This contribution was added to the amount submitted for retirement contributions and was deposited in a separate trust fund from which the HIS payments are authorized. If these contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

In addition to the HIS, Chapter 112.0801, F.S., provides that retirees may elect to participate in the District's group health insurance programs, with premiums being paid by the retiree. The District offers an additional benefit to retirees between the ages of 62 and 65 by paying one-half the health insurance plan premium costs. The total cost of this post-employment benefit for fiscal year ending September 30, 2009, was \$41,170 for 11 retirees.

Employee Retirement Systems and Pension Plans

Plan Description — The employees of the District participate in the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing, multiple-employer public employee retirement system administered by the state of Florida Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, F.S., establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

The Pension Plan issues a publicly available financial report that includes financial statements, 10-year historical trend information, and other required supplementary information. That report may be obtained by writing to the:

State of Florida Department of Administration
Division of Retirement
Cedars Executive Center, Building C
2639 North Monroe Street
Tallahassee, Florida 32399-1560

The Pension Plan provides vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service, however, there is a 5% benefit reduction for each year prior to normal retirement.

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5%. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(10) Employee Benefits (Continued):

DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they are vested (six years) and have reached the normal retirement date, which is being vested at age 62, or 30 years of service. If an employee completes 30 years of service before the age of 57, the employee may elect to defer the DROP election until age 57.

As of June 1, 2003, the FRS offered members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the state of Florida Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, F.S., establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by “buying back” into the Pension Plan. Retirement coverage is employee noncontributory. The employer pays all contributions. The rates for the Investment Plan are the same as the Pension Plan.

Funding Policy: The District is required to contribute 9.85% for regular annual covered employee’s salary, 13.12% for senior management annual covered employee’s salary, and 10.91% for employees participating in the Deferred Retirement Option Program. The contribution requirements of the District may be changed by the FRS. For each of the three years ended September 30, 2009, 2008, and 2007, the District contributed 100% of the required contribution to the FRS. The District’s contributions to the FRS for the years ended September 30, 2009, 2008, and 2007, were \$4,561,495, \$4,406,596, and \$4,071,730, respectively.

Deferred Compensation — The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all regular payroll District employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen financial emergency.

The District does not contribute to the 457 plan. Participation under the plan is solely at the discretion of the employee.

The District contributes to a deferred compensation plan created in accordance with Internal Revenue Code Section 401a. The plan is available to all regular payroll District employees and all contributions are made by the District for the benefit of those employees that contribute to the 457 plan mentioned above. The contribution is equal to 50% of employee’s 457 plan contribution up to 4% of the employee’s bi-weekly gross salary. The plan is vested at a rate of 20% per District year of service and fully vested after five years.

As of September 30, 2009, 612 employees were participating in the 401a plan, with fiscal year 2008–2009 District contributions totaling \$1,113,482. The total balance of the plan is \$4,726,581, of which \$4,504,923 and \$221,658 were vested and unvested, respectively.

The District has no liability for losses under the 457 or 401a plan but does have the duty of due care that would be required of an ordinary prudent investor. The District does not have a fiduciary relationship with the plan. Therefore, the assets and liabilities related to the plan are not recorded in the District's financial statements.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(11) State Trust Funds:

Under Florida Statutes, the District is entitled to monies from the state of Florida that are allocated and appropriated to various trust funds. The Florida Department of Environmental Protection has oversight responsibility for the trust funds and releases funds to the District for various programs when eligibility requirements have been met. It is the District's policy to recognize monies received through these state trust funds as intergovernmental revenues at the time an eligible cost has been incurred.

The Water Management Lands Trust Fund (WMLTF) was established in 1981 pursuant to Chapter 373.59, F.S. Funded primarily from a portion of the documentary stamp taxes collected by the state, the nonlapsing trust fund provides funding to the District for (1) payment of principal and interest on the land acquisition revenue bonds; (2) land acquisitions; (3) ongoing management, maintenance, and capital improvements of lands; (4) payments in lieu of taxes; (5) preacquisition costs associated with land purchases; and (6) the Surface Water Improvement and Management (SWIM) program. Revenues received from the trust fund are accounted for in the District's Water Management Lands Trust special revenue fund and debt service fund. In fiscal year 2008-2009 and 2009-2010, the state cut the appropriation to the District down to only fund the debt service payments.

The Florida Forever Trust Fund was established in 2000 pursuant to Chapter 259.1051, F.S. The Florida Forever program is the successor program to the Preservation 2000 program. The trust fund is funded through bond proceeds and may be used for (1) the acquisition of environmentally significant lands (at least 50 percent of trust funds must be used for land acquisition); (2) water resource development; (3) regional water supply planning; and (4) the SWIM program. Revenues received from the trust fund are accounted for in the Florida Forever special revenue fund. In fiscal year 2008-2009 and 2009-2010, the state cut 100% of the appropriation to the District.

The Ecosystem Management and Restoration Trust Fund was established in 1996 pursuant to Section 403.1651, F.S. The trust fund is funded through various sources, such as documentary stamp tax, transfers from other trust funds, general revenues, interest earnings, and fines. It provides funding to the District for the detailed planning and implementation of programs for the management and restoration of ecosystems, including the SWIM Program. Revenues received from the trust fund are accounted for in the Ecosystems Management Trust special revenue fund. The Florida Department of Environmental Protection advanced approximately \$47 million to the District in March 2009.

The Alternative Water Supply Program (AWS) was established in 2005 pursuant to Chapter 373.1961, F.S. The program is funded through a distribution of a portion of revenues received by the Florida Water Protection and Sustainability Trust Fund from documentary stamp taxes collected by the state. The program was established for the development of alternative water supplies. The monies are available to assist counties, municipalities, special districts, publicly owned and privately owned water utilities, multi-jurisdictional water supply entities, or regional water supply authorities. Revenues received from the trust fund are accounted for in the Water Protection and Sustainability special revenue fund. In fiscal year 2008-2009 and 2009-2010, the state cut 100% of the appropriation to the District.

(12) Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

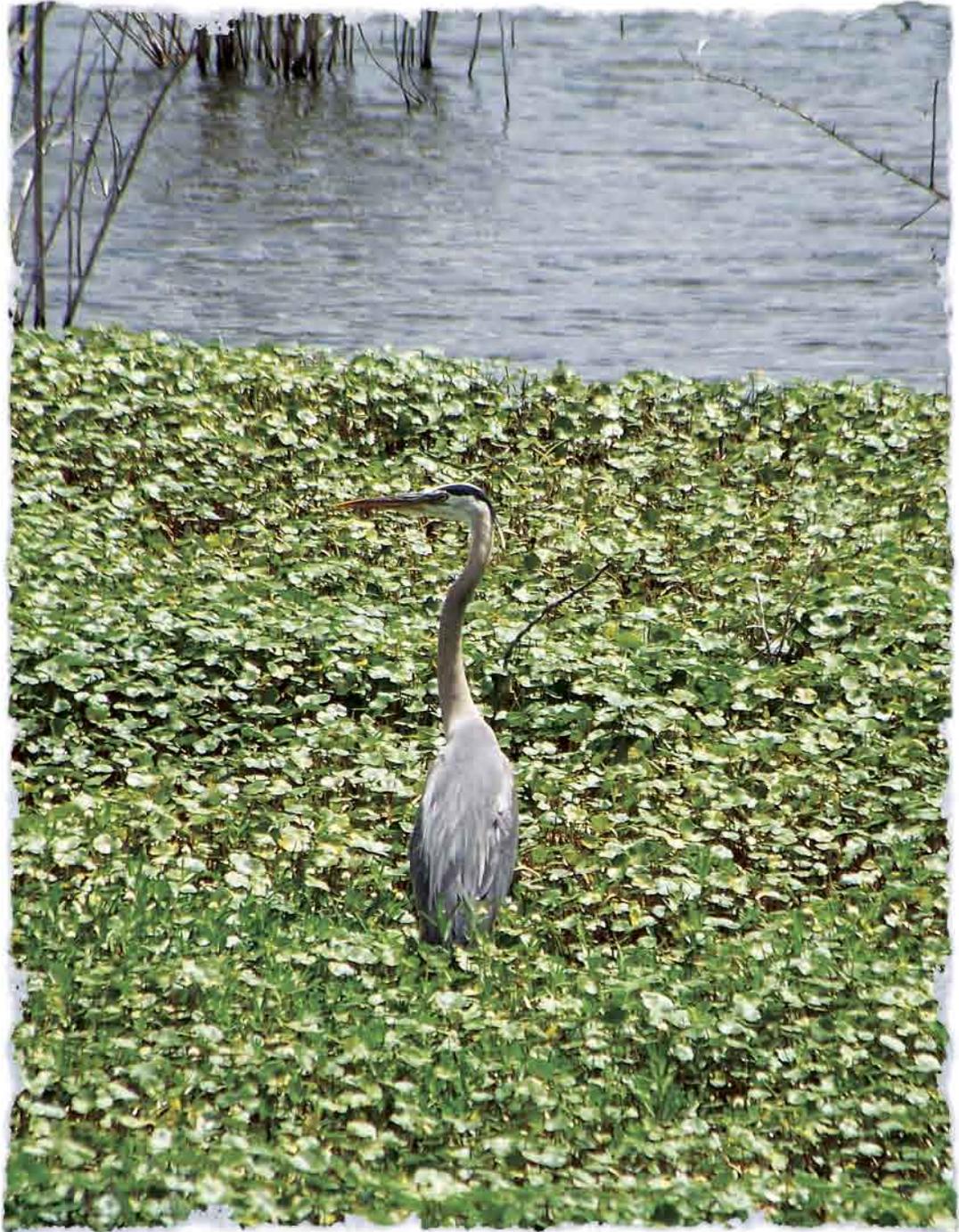
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

(13) Mitigation Bank Financial Responsibility Assurances:

The District is authorized by Section 373.4136, F.S. to permit the establishment of mitigation banks. A permit applicant proposing the establishment of a mitigation bank is required to demonstrate the financial ability to conduct the mitigation activities, and any necessary management of the site, monitoring of the mitigation, and any necessary corrective action indicated by the monitoring. The mitigation banks can provide the demonstrated financial assurance by obtaining a surety bond, performance bond, irrevocable letter of credit, or establishing a trust fund. If a bond or irrevocable letter of credit is used, a standby trust fund shall be established in which all payments under the bonds or letters of credits shall be directly deposited. If the mitigation banks fails to comply with the terms and conditions of the permit, the District may draw upon the financial assurance provided by the mitigation bank. As of September 30, 2009, the District estimates the value of the financial assurances provided by the various mitigation banks to be \$14.4 million.

(14) New Accounting Pronouncements

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting, effective for the District's fiscal year beginning October 1, 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The District is currently evaluating the effect that Statement No. 54 will have on its financial statements.



***Required Supplemental Information
Other Than MD&A (Unaudited)***

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Ad valorem property taxes	\$ 136,619,607	\$ 136,619,607	\$ 138,108,192	\$ 1,488,585
Investment earnings	4,689,450	4,689,450	7,415,332	2,725,882
Regulatory permits	3,000,000	3,016,000	1,539,179	(1,476,821)
Lease and timber sales	1,865,634	1,210,000	1,742,275	532,275
Fines and penalties	438,459	438,459	180,120	(258,339)
Other	125,000	347,425	333,537	(13,888)
Total revenues	<u>146,738,150</u>	<u>146,320,941</u>	<u>149,318,635</u>	<u>2,997,694</u>
EXPENDITURES				
Water resources planning and monitoring				
Water supply planning	4,272,649	4,980,841	4,843,045	137,796
Groundwater resource assessment	1,948,732	2,314,443	2,200,813	113,630
Water use data management	917,918	921,171	768,089	153,082
Minimum flows and levels	1,672,678	1,456,868	1,224,499	232,369
Hydrologic data collection	4,526,421	4,512,334	4,338,404	173,930
Surface water quality monitoring	619,596	603,808	528,000	75,808
Laboratory services	1,664,219	1,667,143	1,614,912	52,231
Surveying services	1,526,276	1,499,748	1,468,991	30,757
Geographic information system development	1,967,873	2,461,885	2,325,474	136,411
Water resources planning and monitoring total	<u>19,116,362</u>	<u>20,418,241</u>	<u>19,312,227</u>	<u>1,106,014</u>
Acquisition, restoration and public works				
Land acquisition	1,750,512	1,724,843	988,529	736,314
Water resource development projects	1,823,997	1,572,601	1,313,692	258,909
Water supply development assistance	472,154	356,868	356,846	22
Water protection and sustainability	104,397	42,569	42,569	-
Conservation and demand management	9,564,656	3,330,564	3,032,080	298,484
Alternative water supply	15,904,665	189,201	184,463	4,738
Abandoned artesian well plugging	342,673	165,155	148,537	16,618
Surface water projects program support	2,998,148	3,823,397	3,472,703	350,694
Lower St. Johns River Basin	38,234,025	8,589,187	6,234,487	2,354,700
Middle St. Johns River Basin	2,417,003	2,283,624	1,290,864	992,760
Upper St. Johns River Basin	1,761,817	2,124,591	1,773,105	351,486

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Ocklawaha River Basin	171,008	143,725	142,276	1,449
Upper Ocklawaha River Basin	1,461,440	2,006,705	1,401,657	605,048
Lake Apopka Basin	6,885,848	7,443,492	5,615,056	1,828,436
Orange Creek Basin	636,946	476,897	408,814	68,083
Northern Coastal Basin	645,026	1,461,463	430,002	1,031,461
Indian River Lagoon Basin	3,247,010	3,033,657	2,774,534	259,123
Stormwater cost share	7,850,814	2,936,324	678,496	2,257,828
Facilities construction	807,738	470,108	454,548	15,560
Acquisition, restoration and public works total	<u>97,079,877</u>	<u>42,174,971</u>	<u>30,743,258</u>	<u>11,431,713</u>
Operation and maintenance of lands and works				
Land management	1,815,634	3,832,225	3,339,188	493,037
Works - structures and levees operations and maintenance	3,357,230	3,559,526	3,116,807	442,719
Facilities management	4,730,714	4,595,133	4,141,098	454,035
Invasive plant management	-	482,396	465,309	17,087
Emergency management	34,900	57,579	57,379	200
Environmental management program	266,684	228,696	210,755	17,941
Operations and maintenance support	869,683	1,016,803	973,013	43,790
Operation and maintenance of lands and works total	<u>11,074,845</u>	<u>13,772,358</u>	<u>12,303,549</u>	<u>1,468,809</u>
Regulation				
Consumptive use permitting	4,695,416	4,472,009	4,254,012	217,997
Water well construction permitting and contractor licensing	738,195	603,617	599,563	4,054
Environmental resource and surface water permitting	12,053,172	11,886,623	11,746,434	140,189
Resource management regulatory support	884,574	1,364,430	1,329,426	35,004
Regulation total	<u>18,371,357</u>	<u>18,326,679</u>	<u>17,929,435</u>	<u>397,244</u>
Outreach				
Outreach - public information	4,806,383	4,841,951	4,545,836	296,115
Lobbying	103,831	20,486	14,575	5,911
Outreach total	<u>4,910,214</u>	<u>4,862,437</u>	<u>4,560,411</u>	<u>302,026</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
District management and administration				
Executive direction	1,935,926	1,931,700	1,767,763	163,937
General counsel	3,606,001	3,620,407	2,868,797	751,610
Inspector general	287,800	269,226	267,256	1,970
Human resources	5,623,237	4,912,815	4,097,135	815,680
Communications	1,116,577	1,211,602	1,193,539	18,063
Administrative support	3,946,208	4,012,924	3,628,493	384,431
Fleet services - transportation and equipment management	5,503,777	5,409,935	4,727,675	682,260
IR computer information systems	13,649,302	13,762,104	12,987,233	774,871
IR application development	-	2,249	2,249	-
Reserves and designations	9,000,000	7,910,000	-	7,910,000
Non-operating expenses-inventory	-	-	16,387	(16,387)
Property appraiser and tax collector fees	3,860,000	3,860,000	3,127,032	732,968
District management and administration total	<u>48,528,828</u>	<u>46,902,962</u>	<u>34,683,559</u>	<u>12,219,403</u>
Total expenditures	<u>199,081,483</u>	<u>146,457,648</u>	<u>119,532,439</u>	<u>26,925,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,343,333)</u>	<u>(136,707)</u>	<u>29,786,196</u>	<u>29,922,903</u>
Other financing sources (uses)				
Transfers in	-	2,460,856	2,460,856	-
Transfers out	(863,707)	(433,151)	(433,151)	-
Sale of capital assets	150,000	150,000	148,056	(1,944)
Insurance/FEMA /Arbitrage - recovery	-	-	88,189	88,189
Total other financing sources (uses)	<u>(713,707)</u>	<u>2,177,705</u>	<u>2,263,950</u>	<u>86,245</u>
Net change in fund balance	(53,057,040)	2,040,998	32,050,146	30,009,148
Fund balance, beginning of year	<u>109,932,632</u>	<u>109,932,632</u>	<u>109,932,632</u>	<u>-</u>
Fund balance, end of year	<u>\$ 56,875,592</u>	<u>\$ 111,973,630</u>	<u>\$ 141,982,778</u>	<u>\$ 30,009,148</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

(Concluded)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – ECOSYSTEMS MANAGEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State				
Ecosystems Management Trust Fund	\$ 37,712,028	\$ 21,900,070	\$ 17,197,410	\$ (4,702,660)
Total revenues	<u>37,712,028</u>	<u>21,900,070</u>	<u>17,197,410</u>	<u>(4,702,660)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Lower St. Johns River Basin	22,606,818	9,597,217	7,080,275	2,516,942
Middle St. Johns River Basin	6,503,800	4,590,455	3,501,145	1,089,310
Upper St. Johns River Basin	300,000	300,000	296,695	3,305
Ocklawaha River Basin	300,000	389,196	388,485	711
Upper Ocklawaha River Basin	1,050,300	724,705	433,163	291,542
Lake Apopka Basin	1,285,610	1,177,523	935,140	242,383
Orange Creek Basin	850,000	350,000	350,000	-
Northern Coastal Basin	115,500	300,086	249,386	50,700
Indian River Lagoon Basin	4,700,000	4,470,888	3,963,121	507,767
Acquisition, restoration and public works total	<u>37,712,028</u>	<u>21,900,070</u>	<u>17,197,410</u>	<u>4,702,660</u>
Total expenditures	<u>37,712,028</u>	<u>21,900,070</u>	<u>17,197,410</u>	<u>4,702,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – FLORIDA FOREVER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State				
Department of Environmental Protection	\$ 28,690,298	\$ 35,782,049	\$ 29,179,795	\$ (6,602,254)
Total revenues	<u>28,690,298</u>	<u>35,782,049</u>	<u>29,179,795</u>	<u>(6,602,254)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Land acquisition	15,000,000	23,487,747	21,049,455	2,438,292
Water resource development projects	6,621,978	9,886,728	7,324,818	2,561,910
Abandoned artesian well plugging	400,000	396,629	224,200	172,429
Lake Apopka Basin	2,000,000	2,000,000	1,541,651	458,349
Indian River Lagoon Basin	4,668,320	3,581,259	2,534,955	1,046,304
Total expenditures	<u>28,690,298</u>	<u>39,352,363</u>	<u>32,675,079</u>	<u>6,677,284</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,570,314)</u>	<u>(3,495,284)</u>	<u>75,030</u>
Other financing sources (uses)				
Transfers in	-	251,246	251,246	-
Transfers out	-	-	-	-
Sale of capital assets	-	65,454	198,079	132,625
Total other financing sources (uses)	<u>-</u>	<u>316,700</u>	<u>449,325</u>	<u>132,625</u>
Net change in fund balance	-	(3,253,614)	(3,045,959)	207,655
Fund balance, beginning of year	<u>3,378,183</u>	<u>3,378,183</u>	<u>3,378,183</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,378,183</u>	<u>\$ 124,569</u>	<u>\$ 332,224</u>	<u>\$ 207,655</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – WATER PROTECTION AND SUSTAINABILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State				
Department of Environmental Protection	\$ 32,858,361	\$ 7,367,952	\$ 5,359,614	\$ (2,008,338)
Total revenues	<u>32,858,361</u>	<u>7,367,952</u>	<u>5,359,614</u>	<u>(2,008,338)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Water resource development projects	-	281,556	247,635	33,921
Water protection and sustainability	60,454,245	10,332,050	6,719,827	3,612,223
Lower St. Johns River Basin	3,146,203	3,573,104	3,554,877	18,227
Stormwater cost share	2,116,273	1,257,650	853,198	404,452
Acquisition, restoration and public works total	<u>65,716,721</u>	<u>15,444,360</u>	<u>11,375,537</u>	<u>4,068,823</u>
Total expenditures	<u>65,716,721</u>	<u>15,444,360</u>	<u>11,375,537</u>	<u>4,068,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,858,360)</u>	<u>(8,076,408)</u>	<u>(6,015,923)</u>	<u>2,060,485</u>
Other financing sources (uses)				
Transfers in	675,000	-	-	-
Transfers out	-	(1,884,919)	(1,884,919)	-
Total other financing sources (uses)	<u>675,000</u>	<u>(1,884,919)</u>	<u>(1,884,919)</u>	<u>-</u>
Net change in fund balance	(32,183,360)	(9,961,327)	(7,900,842)	2,060,485
Fund balance, beginning of year	<u>38,577,724</u>	<u>38,577,724</u>	<u>38,577,724</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,394,364</u>	<u>\$ 28,616,397</u>	<u>\$ 30,676,882</u>	<u>\$ 2,060,485</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.



***Notes to Required
Supplemental Information***

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2009

Stewardship, Compliance, and Accountability

Budgetary Information — Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds and may be amended by Governing Board action for supplemental budgetary appropriations. Appropriations validly encumbered at year-end are carried forward to the following fiscal year. Appropriations that are not expended or encumbered lapse at the end of the fiscal year.

Budgetary control is exercised by fund and major expenditure program category. The major categories are water resources planning and monitoring; acquisition, restoration and public works; operation and maintenance of lands and works; regulation; outreach; and District management and administration (see note 1(e) of the Notes to Financial Statements for more information). Any excess of appropriations over estimated revenues represents an appropriation of beginning fund balance.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

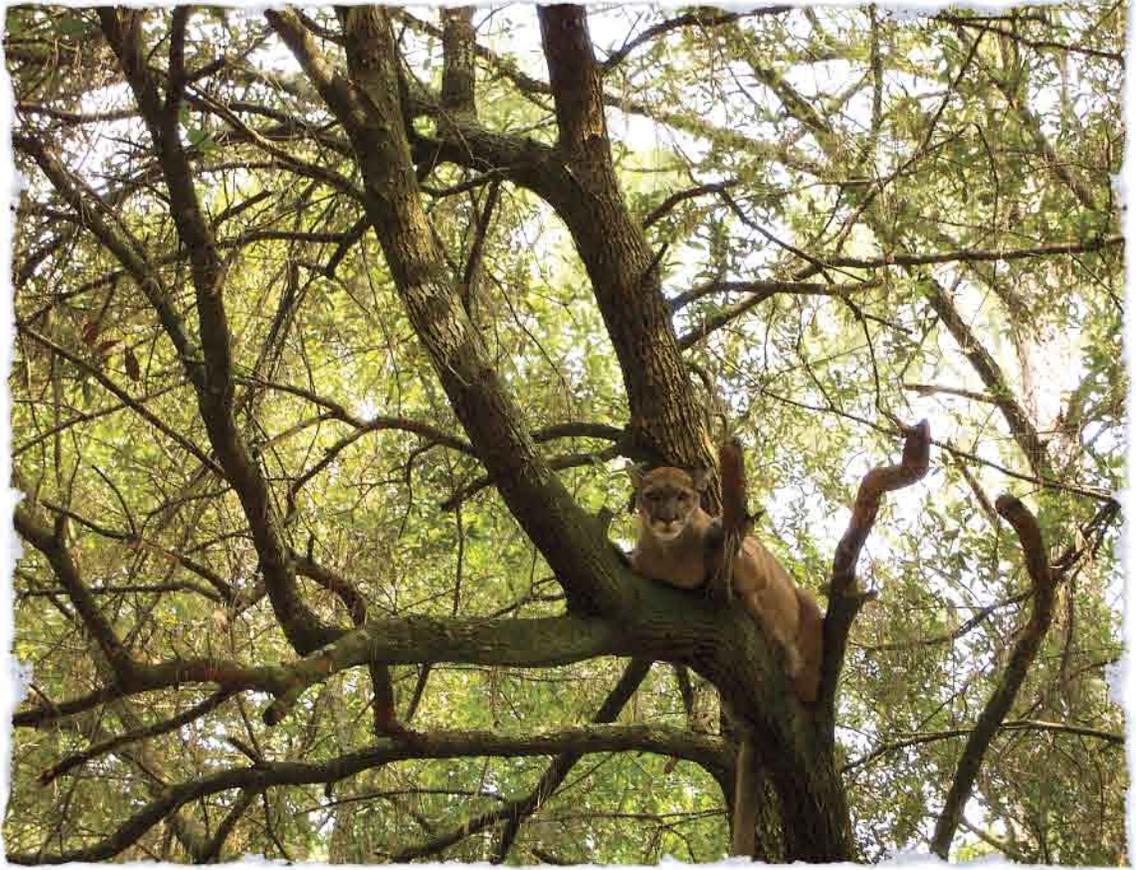
The following procedures are followed by the Governing Board, acting in its capacity as the Taxing Authority of the District, in establishing the budget for the District.

On or before July 15, the Executive Director, as District Budget Officer, submits to the Governing Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes all proposed expenditures and all anticipated balances and receipts, including millage rates pursuant to Chapter 373.536, *Florida Statutes*.

Two public hearings are held to obtain taxpayers' comments. The budget is tentatively adopted during the first public hearing. The budget is finally adopted during the second public hearing. The budget is legally enacted through passage of a millage resolution and a budget resolution.

The Governing Board is authorized to amend budgets for the receipt of unanticipated revenues. Governing Board authorization to transfer budgeted amounts between programs within any fund is delegated to the Executive Director for transfer of \$50,000 or less. The Governing Board must approve any transfers between programs that exceed \$50,000 and all transfers exceeding \$100,000.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Budgetary expenditures are reported on a basis consistent with the accounting principles generally accepted in the United States of America.



Other Supplemental Information

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS: SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditure for specific purposes.

Water Management Lands Trust Fund — Accounts for restricted revenues received from the Water Management Lands Trust Fund, established by *Florida Statutes 373.59*, through the Florida Department of Environmental Protection, and related expenditures. The moneys in the fund are continually appropriated for the purpose of land management and maintenance, capital improvements of land titled to the water management districts, payments in lieu of taxes, debt service payments on bonds and surface water restoration projects.

Mitigation Fund — Accounts for both local and Florida Department of Transportation wetland mitigation program revenues designed to offset the adverse environmental impacts associated with the construction of transportation projects. The expenditures are transferred to and made from other funds when appropriate.

State Grants Fund — Accounts for miscellaneous restricted revenues received from the state of Florida and related expenditures. This fund is supported by reimbursable grants from state of Florida agencies other than Water Management Lands Trust, Ecosystems Management Trust, Florida Forever Trust and Florida Department of Transportation mitigation revenues, each of which is accounted for in its own specific special revenue fund.

Federal Grants Fund — Accounts for restricted revenues received from the federal government and related expenditures. The U.S. Environmental Protection Agency and the Natural Resources Conservation Service of the U.S. Department of Agriculture are two primary revenue sources for this fund. The expenditures may be transferred to and made from other funds when appropriate.

Long-term Maintenance Mitigation Fund — Accounts for donated, long-term mitigation revenues collected and expenditures for the perpetual maintenance of specific, environmentally sensitive conservation lands. The District is able to use only the interest earnings from the fund for land maintenance purposes. The expenditures may be transferred to and made from other funds when appropriate.

Indian River Lagoon License Tag Fees Fund — Accounts for restricted revenues received through the state of Florida specialized license plate donation program. The funds received from the sale of specialty license plates may only be used in the specific counties of the District where the Indian River Lagoon resides (including Brevard, Indian River and Volusia counties). The license plate revenues provide funding for public education and outreach projects, for supplementing local government storm-water cost-share programs, and for ongoing license plate promotions.

Special Revenue Funds - Other Fund — Accounts for restricted revenues received from local sources, such as cities, counties, and water management districts, as well as other private and public institutions and related expenditures. The expenditures may be transferred to and made from other funds when appropriate.

DEBT SERVICE FUND

Debt Service Fund — Accounts for the accumulation of resources for, and the payment of, principal and interest on the St. Johns River Water Management District Land Acquisition Revenue Refunding Bonds, Series 2004 and 2005. The fund is supported by interest income and revenue from the Water Management Lands Trust Fund.

CAPITAL PROJECTS FUND

Capital Projects Other Fund — Accounts for financial resources segregated for the construction or acquisition of major capital facilities. Land purchases are not covered by this fund. The revenue sources include land management revenue and other District sources. The expenditures may be transferred to and made from other funds when appropriate.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	Special Revenue Funds				
	Water Management Lands Trust	Mitigation	State Grants	Federal Grants	Long-term Maintenance Mitigation
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,579	\$ 8,420,122
Investments	-	132,537	2,245,589	-	101,838
Accounts and other receivables	-	-	-	-	-
Intergovernmental receivables	2,486,487	1,168,922	294,653	1,197,623	-
Total assets	2,486,487	1,301,459	2,540,242	1,200,202	8,521,960
Liabilities and fund balances					
Liabilities					
Accounts payable	1,491,617	266,313	263,730	846,941	3,270
Due to other funds	994,870	25,506	221,817	350,682	-
Deferred revenue	-	132,537	2,054,695	2,579	-
Due to other governmental units	-	-	-	-	-
Total liabilities	2,486,487	424,356	2,540,242	1,200,202	3,270
Fund balances					
Reserved for:					
Encumbrances	-	-	-	-	-
Grants to local governments	-	-	-	-	-
Legal restrictions	-	759,353	-	-	7,689,810
Land acquisition	-	117,750	-	-	-
Unreserved, designated for:					
Land management/acquisition	-	-	-	-	828,880
Total fund balances	-	877,103	-	-	8,518,690
Total liabilities and fund balances	\$ 2,486,487	\$ 1,301,459	\$ 2,540,242	\$ 1,200,202	\$ 8,521,960

Special Revenue Funds (Continued)

Indian River Lagoon License Tag Fees	Special Revenue Funds - Other	Special Revenue Total	Debt Service Fund	Capital Projects Other	Total Non-major Governmental Funds
\$ -	\$ -	\$ 8,422,701	\$ -	\$ -	\$ 8,422,701
889,750	466,154	3,835,868	6,355,463	1,213,662	11,404,993
12,035	-	12,035	23,228	-	35,263
-	929,123	6,076,808	-	-	6,076,808
901,785	1,395,277	18,347,412	6,378,691	1,213,662	25,939,765
115,859	480,281	3,468,011	2,380	113,662	3,584,053
-	485,844	2,078,719	69,171	-	2,147,890
-	429,152	2,618,963	-	-	2,618,963
119,398	-	119,398	-	-	119,398
235,257	1,395,277	8,285,091	71,551	113,662	8,470,304
-	-	-	-	1,100,000	1,100,000
294,421	-	294,421	-	-	294,421
372,107	-	8,821,270	6,307,140	-	15,128,410
-	-	117,750	-	-	117,750
-	-	828,880	-	-	828,880
666,528	-	10,062,321	6,307,140	1,100,000	17,469,461
\$ 901,785	\$ 1,395,277	\$ 18,347,412	\$ 6,378,691	\$ 1,213,662	\$ 25,939,765

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Special Revenue Funds				
	Water Management Lands Trust	Mitigation	State Grants	Federal Grants	Long-term Maintenance Mitigation
Revenues					
State	\$ 6,099,101	\$ 1,603,166	\$ 1,111,750	\$ -	\$ 11,214
Federal	-	-	-	3,496,518	-
Investment earnings	-	-	-	-	42,448
Local mitigation	-	11,942	-	-	80,092
Cities and counties	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>6,099,101</u>	<u>1,615,108</u>	<u>1,111,750</u>	<u>3,496,518</u>	<u>133,754</u>
Expenditures					
Current:					
Water resources planning and monitoring	-	-	261,190	-	-
Acquisition, restoration, and public works	2,346,112	1,035,469	553,801	3,480,594	-
Operation and maint. of lands and works	4,062,989	34,667	127,453	14,026	32,557
Regulation	-	-	-	-	-
Outreach	-	-	-	-	-
District management and administration	-	-	48,608	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>6,409,101</u>	<u>1,070,136</u>	<u>991,052</u>	<u>3,494,620</u>	<u>32,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(310,000)</u>	<u>544,972</u>	<u>120,698</u>	<u>1,898</u>	<u>101,197</u>
Other financing sources (uses):					
Transfers in	310,000	-	-	-	-
Transfers out	-	(577,208)	(120,698)	(1,898)	-
Sale of capital assets	-	37,750	-	-	-
Total other financing sources (uses)	<u>310,000</u>	<u>(539,458)</u>	<u>(120,698)</u>	<u>(1,898)</u>	<u>-</u>
Net change in fund balance	-	5,514	-	-	101,197
Fund balances, beginning of year	-	871,589	-	-	8,417,493
Fund balances, end of year	<u>\$ -</u>	<u>\$ 877,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,518,690</u>

Special Revenue Funds (Continued)

Indian River Lagoon License Tag Fees	Special Revenue Funds - Other	Special Revenue Total	Debt Service Fund	Capital Projects Other	Total Non-major Governmental Funds
\$ 203,526	\$ -	\$ 9,028,757	\$ 6,421,913	\$ -	\$ 15,450,670
-	-	3,496,518	-	-	3,496,518
4,697	-	47,145	245,875	-	293,020
-	-	92,034	-	-	92,034
-	756,858	756,858	-	-	756,858
-	1,467,656	1,467,656	-	-	1,467,656
208,223	2,224,514	14,888,968	6,667,788	-	21,556,756
-	-	261,190	-	-	261,190
352,679	1,541,518	9,310,173	-	2,081,686	11,391,859
-	-	4,271,692	-	-	4,271,692
-	20,000	20,000	-	-	20,000
-	357,435	357,435	-	-	357,435
-	178,181	226,789	-	-	226,789
-	-	-	4,880,000	-	4,880,000
-	-	-	1,542,213	-	1,542,213
352,679	2,097,134	14,447,279	6,422,213	2,081,686	22,951,178
(144,456)	127,380	441,689	245,575	(2,081,686)	(1,394,422)
-	-	310,000	65,535	367,617	743,152
-	(127,380)	(827,184)	(310,000)	-	(1,137,184)
-	-	37,750	-	-	37,750
-	(127,380)	(479,434)	(244,465)	367,617	(356,282)
(144,456)	-	(37,745)	1,110	(1,714,069)	(1,750,704)
810,984	-	10,100,066	6,306,030	2,814,069	19,220,165
\$ 666,528	\$ -	\$ 10,062,321	\$ 6,307,140	\$ 1,100,000	\$ 17,469,461

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – WATER MANAGEMENT LANDS TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
State				
Department of Environmental Protection	\$ 11,993,139	\$ 7,087,787	\$ 6,099,101	\$ (988,686)
Total revenues	<u>11,993,139</u>	<u>7,087,787</u>	<u>6,099,101</u>	<u>(988,686)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Land acquisition	60,000	60,000	39,275	20,725
Lower St. Johns River Basin	1,707,768	1,644,427	1,644,427	-
Middle St. Johns River Basin	900,000	-	-	-
Upper St. Johns River Basin	300,000	1,771	1,771	-
Ocklawaha River Basin	503,396	400,000	384,723	15,277
Upper Ocklawaha River Basin	96,604	-	-	-
Orange Creek Basin	13,688	50,688	48,895	1,793
Indian River Lagoon Basin	256,387	265,606	227,021	38,585
Acquisition, restoration and public works total	<u>3,837,843</u>	<u>2,422,492</u>	<u>2,346,112</u>	<u>76,380</u>
Operation and maintenance of lands and works				
Land management	6,079,289	3,614,288	3,004,372	609,916
Invasive plant management	1,766,007	1,151,007	870,498	280,509
Environmental management program	300,000	200,000	188,119	11,881
Operations and maintenance support	10,000	10,000	-	10,000
Operation and maintenance of lands and works total	<u>8,155,296</u>	<u>4,975,295</u>	<u>4,062,989</u>	<u>912,306</u>
Total expenditures	<u>11,993,139</u>	<u>7,397,787</u>	<u>6,409,101</u>	<u>988,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(310,000)</u>	<u>(310,000)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	310,000	310,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – MITIGATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State				
Department of Transportation	\$ 359,298	\$ 5,678,335	\$ 1,603,166	\$ (4,075,169)
Local mitigation	-	-	11,942	11,942
Total revenues	<u>359,298</u>	<u>5,678,335</u>	<u>1,615,108</u>	<u>(4,063,227)</u>
EXPENDITURES				
Acquisition, restoration, and public works				
Land acquisition	-	4,429,822	420,258	4,009,564
Florida Dept. of Transportation mitigation	174,601	267,701	268,909	(1,208)
Upper Ocklawaha River Basin	150,000	862,419	346,302	516,117
Acquisition, restoration and public works total	<u>324,601</u>	<u>5,559,942</u>	<u>1,035,469</u>	<u>4,524,473</u>
Operation and maintenance of lands and works				
Land management	34,697	34,697	34,667	30
Total expenditures	<u>359,298</u>	<u>5,594,639</u>	<u>1,070,136</u>	<u>4,524,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>83,696</u>	<u>544,972</u>	<u>461,276</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(577,208)	(577,208)	-
Sale of capital assets	-	-	37,750	37,750
Total other financing sources (uses)	<u>-</u>	<u>(577,208)</u>	<u>(539,458)</u>	<u>37,750</u>
Net change in fund balance	-	(493,512)	5,514	499,026
Fund balance, beginning of year	871,589	871,589	871,589	-
Fund balance, end of year	<u>\$ 871,589</u>	<u>\$ 378,077</u>	<u>\$ 877,103</u>	<u>\$ 499,026</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – STATE GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
State				
Department of Environmental Protection	\$ 217,895	\$ 1,834,245	\$ 248,303	\$ (1,585,942)
Resolution 2000–24	550,428	535,022	264,122	(270,900)
Specific appropriations	41,773	1,650,934	150,933	(1,500,001)
Federal through state	257,556	328,611	359,546	30,935
Department of Transportation	5,000	5,000	-	(5,000)
Other agencies	-	100,000	88,846	(11,154)
State total	<u>1,072,652</u>	<u>4,453,812</u>	<u>1,111,750</u>	<u>(3,342,062)</u>
Total revenues	<u>1,072,652</u>	<u>4,453,812</u>	<u>1,111,750</u>	<u>(3,342,062)</u>
EXPENDITURES				
Water resources planning and monitoring				
Groundwater resource assessment	140,000	156,350	64,783	91,567
Surface water quality monitoring	206,836	212,891	196,407	16,484
Water resources planning and monitoring total	<u>346,836</u>	<u>369,241</u>	<u>261,190</u>	<u>108,051</u>
Acquisition, restoration and public works				
Abandoned artesian well plugging	5,000	5,000	-	5,000
Lower St. Johns River Basin	-	1,548,498	41,073	1,507,425
Middle St. Johns River Basin	401,356	460,318	365,579	94,739
Upper St. Johns River Basin	-	100,000	88,846	11,154
Indian River Lagoon Basin	190,845	1,742,140	58,303	1,683,837
Acquisition, restoration and public works total	<u>597,201</u>	<u>3,855,956</u>	<u>553,801</u>	<u>3,302,155</u>
Operation and maintenance of lands and works				
Invasive plant management	77,895	177,895	127,453	50,442
District management and administration				
Communications	720	720	720	-
IR information technology	50,000	50,000	47,888	2,112
District management and administration total	<u>50,720</u>	<u>50,720</u>	<u>48,608</u>	<u>2,112</u>
Total expenditures	<u>1,072,652</u>	<u>4,453,812</u>	<u>991,052</u>	<u>3,462,760</u>

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – STATE GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	120,698	120,698
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(120,698)	(120,698)
Total other financing sources (uses)	-	-	(120,698)	(120,698)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – FEDERAL GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal				
Environmental Protection Agency	\$ 1,853,280	\$ 1,501,970	\$ 1,475,648	\$ (26,322)
Natural Resources Conservation Service	6,882,660	6,903,471	542,154	(6,361,317)
National Oceanic and Atmospheric Administration	-	347,003	344,731	(2,272)
Other	-	722,455	1,133,985	411,530
Federal total	<u>8,735,940</u>	<u>9,474,899</u>	<u>3,496,518</u>	<u>(5,978,381)</u>
Total revenues	<u>8,735,940</u>	<u>9,474,899</u>	<u>3,496,518</u>	<u>(5,978,381)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Land acquisition	-	700,000	1,118,061	(418,061)
Water resource development projects	1,102,900	804,712	804,712	-
Abandoned artesian well plugging	10,000	30,295	11,030	19,265
Upper St. Johns River Basin	110,608	111,124	111,124	-
Lake Apopka Basin	2,776,445	2,776,445	420,000	2,356,445
Northern Coastal Basin	-	47,003	47,003	-
Indian River Lagoon Basin	4,735,987	4,982,865	968,664	4,014,201
Acquisition, restoration and public works total	<u>8,735,940</u>	<u>9,452,444</u>	<u>3,480,594</u>	<u>5,971,850</u>
Operation and maintenance of lands and works				
Land management	-	22,455	14,026	8,429
Total expenditures	<u>8,735,940</u>	<u>9,474,899</u>	<u>3,494,620</u>	<u>5,980,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,898</u>	<u>1,898</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(1,898)	(1,898)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,898)</u>	<u>(1,898)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – LONG-TERM MAINTENANCE MITIGATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
State				
Department of Transportation	\$ -	\$ -	\$ 11,214	\$ 11,214
Investment earnings	60,000	60,000	42,448	(17,552)
Local mitigation	-	-	80,092	80,092
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>133,754</u>	<u>73,754</u>
EXPENDITURES				
Operation and maintenance of lands and works				
Land management	60,000	60,000	32,557	27,443
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>32,557</u>	<u>27,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>101,197</u>	<u>101,197</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	101,197	101,197
Fund balance, beginning of year	8,417,493	8,417,493	8,417,493	-
Fund balance, end of year	<u>\$ 8,417,493</u>	<u>\$ 8,417,493</u>	<u>\$ 8,518,690</u>	<u>\$ 101,197</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – INDIAN RIVER LAGOON LICENSE TAG FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State				
Indian River Lagoon license plate	\$ 225,000	\$ 225,000	\$ 203,526	\$ (21,474)
Investment earnings	-	-	4,697	4,697
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>208,223</u>	<u>(16,777)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Indian River Lagoon Basin	473,635	476,174	352,679	123,495
Total expenditures	<u>473,635</u>	<u>476,174</u>	<u>352,679</u>	<u>123,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(248,635)</u>	<u>(251,174)</u>	<u>(144,456)</u>	<u>106,718</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(248,635)	(251,174)	(144,456)	106,718
Fund balance, beginning of year	<u>810,984</u>	<u>810,984</u>	<u>810,984</u>	<u>-</u>
Fund balance, end of year	<u>\$ 562,349</u>	<u>\$ 559,810</u>	<u>\$ 666,528</u>	<u>\$ 106,718</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS – OTHER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Cities and counties				
Cities	\$ 223,000	\$ 1,386,500	\$ 321,654	\$ (1,064,846)
Counties	294,510	1,512,283	435,204	(1,077,079)
Cities and counties total	<u>517,510</u>	<u>2,898,783</u>	<u>756,858</u>	<u>(2,141,925)</u>
Other				
Water management districts	194,897	388,003	388,003	-
Other local sources	989,997	2,147,497	1,079,653	(1,067,844)
Other total	<u>1,184,894</u>	<u>2,535,500</u>	<u>1,467,656</u>	<u>(1,067,844)</u>
Total revenues	<u>1,702,404</u>	<u>5,434,283</u>	<u>2,224,514</u>	<u>(3,209,769)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Conservation and demand management	-	431,500	431,500	-
Abandoned artesian well plugging	180,000	180,000	48,522	131,478
Middle St. Johns River Basin	60,000	60,000	17,154	42,846
Upper Ocklawaha River Basin	40,000	40,000	12,553	27,447
Northern Coastal Basin	-	3,000,000	-	3,000,000
Indian River Lagoon Basin	930,997	1,032,787	1,031,789	998
Acquisition, restoration and public works total	<u>1,210,997</u>	<u>4,744,287</u>	<u>1,541,518</u>	<u>3,202,769</u>
Regulation				
Consumptive use permitting	-	20,000	20,000	-
Outreach				
Outreach - public information	326,510	353,010	346,010	7,000
Lobbying	10,700	11,425	11,425	-
Outreach total	<u>337,210</u>	<u>364,435</u>	<u>357,435</u>	<u>7,000</u>
District management and administration				
Executive direction	104,197	116,942	116,942	-
Communications (telecommunications)	-	1,239	1,239	-
IR information technology	50,000	60,000	60,000	-
District management and administration total	<u>154,197</u>	<u>178,181</u>	<u>178,181</u>	<u>-</u>
Total expenditures	<u>1,702,404</u>	<u>5,306,903</u>	<u>2,097,134</u>	<u>3,209,769</u>

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS – OTHER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Excess (deficiency) of revenues over (under) expenditures	-	127,380	127,380	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(127,380)	(127,380)	-
Total other financing sources (uses)	-	(127,380)	(127,380)	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

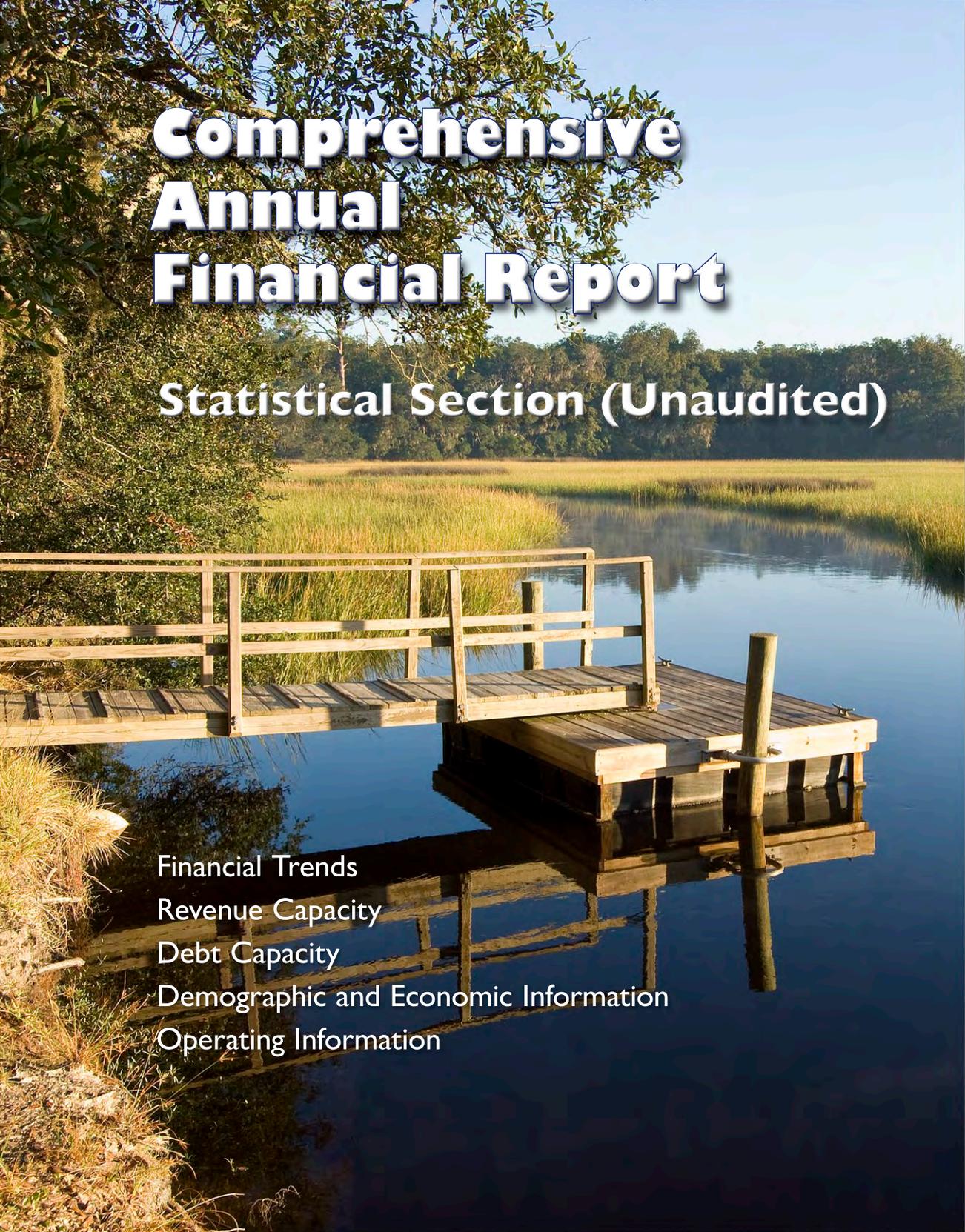
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ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State				
Water Management Lands Trust Fund	\$ 6,122,972	\$ 6,421,913	\$ 6,421,913	\$ -
Investment earnings	310,550	310,550	245,875	(64,675)
Total revenues	6,433,522	6,732,463	6,667,788	(64,675)
EXPENDITURES				
Principal	4,880,000	4,880,000	4,880,000	-
Interest and fiscal charges	1,552,972	1,541,913	1,541,913	-
Other debt service costs	550	550	300	250
Total expenditures	6,433,522	6,422,463	6,422,213	250
Excess (deficiency) of revenues over (under) expenditures	-	310,000	245,575	(64,425)
Other financing sources (uses)				
Transfers in	-	65,535	65,535	-
Transfers out	-	(310,000)	(310,000)	-
Total other financing sources (uses)	-	(244,465)	(244,465)	-
Net change in fund balance	-	65,535	1,110	(64,425)
Fund balance, beginning of year	6,306,030	6,306,030	6,306,030	-
Fund balance, end of year	\$ 6,306,030	\$ 6,371,565	\$ 6,307,140	\$ (64,425)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL PROJECTS OTHER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Acquisition, restoration and public works				
Lower St. Johns River Basin	100,000	-	-	-
Middle St. Johns River Basin	1,100,000	-	-	-
Upper St. Johns River Basin	88,707	365,759	362,680	3,079
Indian River Lagoon Basin	1,714,069	1,730,069	1,719,006	11,063
Acquisition, restoration and public works total	3,002,776	2,095,828	2,081,686	14,142
Total expenditures	3,002,776	2,095,828	2,081,686	14,142
Excess (deficiency) of revenues over (under) expenditures	(3,002,776)	(2,095,828)	(2,081,686)	14,142
Other financing sources (uses)				
Transfers in	188,707	367,617	367,617	-
Transfers out	-	-	-	-
Total other financing sources (uses)	188,707	367,617	367,617	-
Net change in fund balance	(2,814,069)	(1,728,211)	(1,714,069)	14,142
Fund balance, beginning of year	2,814,069	2,814,069	2,814,069	-
Fund balance, end of year	\$ -	\$ 1,085,858	\$ 1,100,000	\$ 14,142



Comprehensive Annual Financial Report

Statistical Section (Unaudited)

Financial Trends
Revenue Capacity
Debt Capacity
Demographic and Economic Information
Operating Information

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA

STATISTICAL SECTION

This part of the St. Johns River Water Management District (the District) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends — These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity — These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity — These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information — These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information — These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

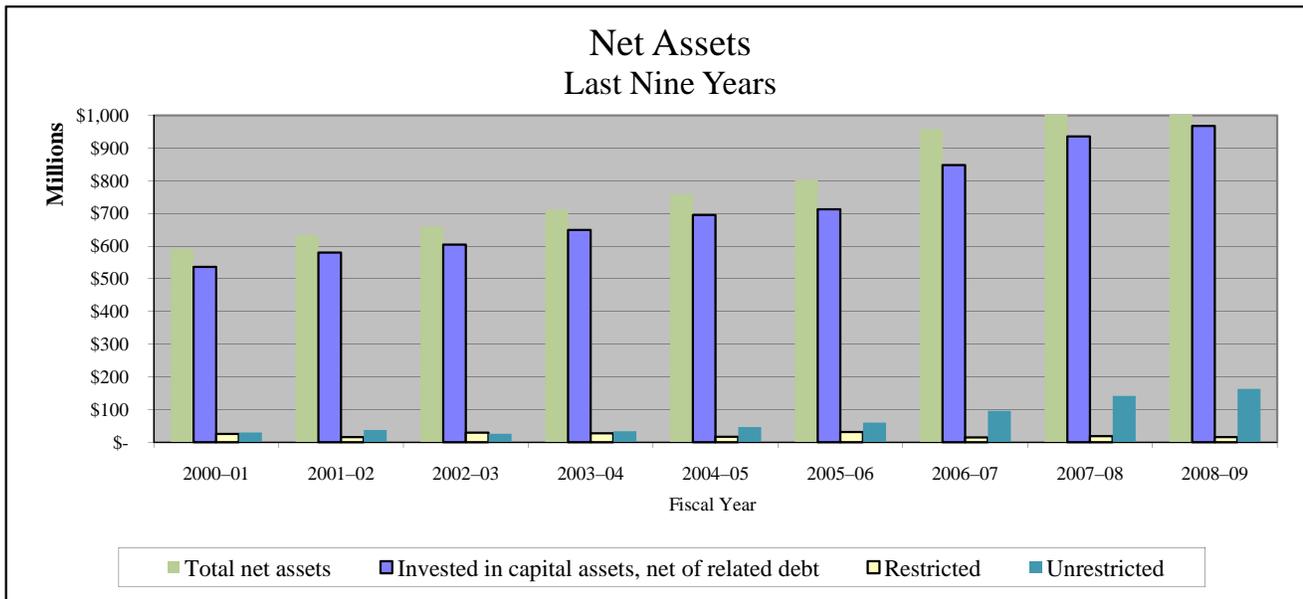
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.



Financial Trends

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS¹

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 536,344,672	\$ 580,296,265	\$ 604,864,217	\$ 649,781,237	\$ 695,485,819
Restricted	25,312,598	15,704,531	29,378,902	27,609,597	16,876,740
Unrestricted	29,141,265	37,196,794	25,076,705	33,067,721	45,951,583
Total net assets, governmental activities	<u>\$ 590,798,535</u>	<u>\$ 633,197,590</u>	<u>\$ 659,319,824</u>	<u>\$ 710,458,555</u>	<u>\$ 758,314,142</u>



¹The District implemented GASB 34 beginning in fiscal year ended September 30, 2001; therefore, government-wide financial statements were not produced for prior periods.

<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
\$ 712,487,535	\$ 847,938,851	\$ 935,496,518	\$ 968,109,402
30,706,894	14,432,348	18,621,314	15,588,704
<u>59,573,371</u>	<u>95,094,987</u>	<u>141,530,441</u>	<u>162,317,143</u>
<u>\$ 802,767,800</u>	<u>\$ 957,466,186</u>	<u>\$ 1,095,648,273</u>	<u>\$ 1,146,015,249</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS¹

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Expenses:					
Water resources planning and monitoring	\$ 17,390,075	\$ 15,617,776	\$ 13,341,876	\$ 14,937,632	\$ 14,859,673
Acquisition, restoration and public works	34,571,359	40,039,563	39,234,840	38,741,724	39,741,922
Operation and maintenance of land and works	20,843,744	18,172,238	17,703,962	17,735,027	18,969,285
Regulation	9,703,124	9,900,045	11,498,576	11,835,126	13,305,074
Outreach	2,314,665	2,681,911	3,281,123	4,219,761	4,610,782
District management and administration	18,043,829	17,854,277	24,558,887	24,773,664	26,626,913
Interest on long-term debt	3,829,063	3,670,563	3,504,313	4,122,543	1,403,866
Total expenses	<u>106,695,859</u>	<u>107,936,373</u>	<u>113,123,577</u>	<u>116,365,477</u>	<u>119,517,515</u>
Program revenues:					
Charges for services:					
Regulatory permitting	2,420,965	2,419,889	2,919,747	2,909,628	3,491,770
Operations and land management	-	-	-	-	1,452,750
Operating grants and contributions	52,416,702	64,281,321	39,089,532	23,538,750	16,337,336
Capital grants and contributions	27,698,004	6,525,782	16,438,937	17,570,886	40,240,212
Total program revenues	<u>82,535,671</u>	<u>73,226,992</u>	<u>58,448,216</u>	<u>44,019,264</u>	<u>61,522,068</u>
Net (expense)/ revenue	(24,160,188)	(34,709,381)	(54,675,361)	(72,346,213)	(57,995,447)
General revenues and other changes in net assets					
Taxes	69,076,565	74,344,747	80,657,242	88,478,126	99,042,154
Unrestricted earnings on investments	3,264,204	1,505,045	1,047,160	1,170,862	2,291,984
Gain(Loss) on sale of capital assets	149,670	1,121,801	(164,605)	40,205	950,826
Miscellaneous	496,607	136,843	477,798	300,015	1,163,577
Total general revenues and other changes in net assets	<u>72,987,046</u>	<u>77,108,436</u>	<u>82,017,595</u>	<u>89,989,208</u>	<u>103,448,541</u>
Change in net assets	<u><u>\$ 48,826,858</u></u>	<u><u>\$ 42,399,055</u></u>	<u><u>\$ 27,342,234</u></u>	<u><u>\$ 17,642,995</u></u>	<u><u>\$ 45,453,094</u></u>

¹The District implemented GASB 34 beginning in fiscal year ended September 30, 2001; therefore, government-wide financial statements were not produced for prior periods.

2005-06	2006-07	2007-08	2008-09
\$ 16,867,083	\$ 17,168,733	\$ 16,684,663	\$ 19,442,113
55,406,698	71,247,250	81,613,153	80,833,949
19,895,374	21,677,617	24,104,108	23,325,492
14,900,042	16,969,140	17,516,548	18,347,155
4,145,257	5,347,966	5,066,235	4,972,162
29,335,082	40,943,492	22,004,507	30,986,501
2,455,190	2,090,959	1,903,361	1,747,117
<u>143,004,726</u>	<u>175,445,157</u>	<u>168,892,575</u>	<u>179,654,489</u>
4,627,038	3,914,456	3,106,679	1,742,275
2,975,175	1,391,832	1,796,712	1,719,299
34,326,985	42,960,577	43,129,040	55,036,822
<u>23,078,231</u>	<u>105,772,582</u>	<u>99,792,164</u>	<u>25,116,714</u>
65,007,429	154,039,447	147,824,595	83,615,110
(77,997,297)	(21,405,710)	(21,067,980)	(96,039,379)
115,864,922	143,018,871	145,122,797	138,108,192
5,116,150	8,558,259	6,208,108	7,708,352
1,190,419	24,424,763	7,742,637	256,274
279,464	102,203	176,525	333,537
<u>122,450,955</u>	<u>176,104,096</u>	<u>159,250,067</u>	<u>146,406,355</u>
<u>\$ 44,453,658</u>	<u>\$ 154,698,386</u>	<u>\$ 138,182,087</u>	<u>\$ 50,366,976</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
General fund					
Reserved	\$ 22,735,271	\$ 21,403,421	\$ 16,381,364	\$ 9,150,047	\$ 7,051,233
Unreserved	27,985,897	12,587,642	13,305,947	21,446,516	26,015,684
Total general fund	<u>50,721,168</u>	<u>33,991,063</u>	<u>29,687,311</u>	<u>30,596,563</u>	<u>33,066,917</u>
All other governmental funds					
Reserved	42,727,455	27,407,005	15,183,487	29,968,288	30,839,312
Unreserved, reported in:					
Special revenue funds	(6,541,172)	454,990	466,060	1,936,258	-
Capital projects funds	<u>(19,680,741)</u>	<u>381,951</u>	<u>12,555,759</u>	<u>260,703</u>	<u>5,865,862</u>
Total all other governmental funds	<u>\$ 67,226,710</u>	<u>\$ 62,235,009</u>	<u>\$ 57,892,617</u>	<u>\$ 62,761,812</u>	<u>\$ 69,772,091</u>

<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
\$ 770,942	\$ 12,905,529	\$ 27,496,993	\$ 24,737,710	\$ 16,355,747
19,464,310	32,285,783	45,017,651	85,194,922	125,627,031
<u>20,235,252</u>	<u>45,191,312</u>	<u>72,514,644</u>	<u>109,932,632</u>	<u>141,982,778</u>
24,184,221	27,908,395	35,108,520	44,961,335	34,933,173
19,558,538	27,317,090	23,756,026	16,214,737	13,545,394
7,102,908	241,953	-	-	-
<u>\$ 71,080,919</u>	<u>\$ 100,658,750</u>	<u>\$ 131,379,190</u>	<u>\$ 171,108,704</u>	<u>\$ 190,461,345</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
Revenues:				
Taxes	\$ 64,852,018	\$ 69,076,565	\$ 74,344,747	\$ 80,657,242
State	30,168,937	60,588,532	61,135,618	46,313,000
Federal	1,549,029	7,172,648	1,133,929	1,780,554
Investment earnings	5,044,455	4,244,608	2,136,275	1,455,291
Local mitigation	1,475,421	6,470,891	3,552,790	2,659,850
Licenses and permits	2,508,249	2,346,831	2,387,050	2,919,747
Cities and counties	-	-	-	-
Miscellaneous revenue	3,351,484	3,509,589	4,035,518	2,950,222
Total revenues	<u>108,949,593</u>	<u>153,409,664</u>	<u>148,725,927</u>	<u>138,735,906</u>
Expenditures:				
Executive	10,736,383	9,399,598	11,519,380	13,393,063
Administration	4,903,692	6,983,770	5,759,207	3,089,636
Resource management	13,904,971	18,690,495	18,570,631	19,651,667
Water resources	30,207,320	37,239,629	39,032,878	39,142,822
Operations and land resources	35,305,100	68,084,086	61,806,564	46,976,056
Information resources	5,366,834	11,054,394	9,732,783	9,917,454
Water resource management	-	-	-	-
Acquisition, restoration and public works	-	-	-	-
Operation and maintenance of land and works	-	-	-	-
Regulation	-	-	-	-
Outreach	-	-	-	-
District management and administration	-	-	-	-
Capital outlay				
Debt service:				
Principal retirement	3,015,000	3,170,000	3,325,000	3,495,000
Interest and fiscal charges	3,979,813	3,829,063	3,670,563	3,504,312
Other - cost of issuance	-	-	-	-
Total expenditures	<u>107,419,113</u>	<u>158,451,035</u>	<u>153,417,006</u>	<u>139,170,010</u>
Excess of revenues over(under) expenditures	1,530,480	(5,041,371)	(4,691,079)	(434,104)
Other financing sources (uses):				
Transfers in	463,793	34,031,502	11,269,310	10,062,965
Transfers out	(463,793)	(34,031,502)	(11,269,310)	(10,062,965)
Long term debt issued	-	-	-	-
Premium on revenue bonds issued	-	-	-	-
Payment to escrow agent-refunded bonds	-	-	-	-
Sale of capital assets	-	149,670	2,987,707	5,303,300
Insurance/ FEMA - loss recovery	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>149,670</u>	<u>2,987,707</u>	<u>5,303,300</u>
Net change in fund balances	<u>\$ 1,530,480</u>	<u>\$ (4,891,701)</u>	<u>\$ (1,703,372)</u>	<u>\$ 4,869,196</u>
Debt service as a percentage of noncapital expenditures	8.04%	6.72%	6.52%	6.47%

2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
\$ 88,478,126	\$ 99,042,154	\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192
33,176,714	52,883,314	49,051,089	137,975,154	132,949,884	67,187,489
4,504,605	929,488	1,459,893	3,661,398	4,706,562	3,496,518
1,170,862	2,291,984	5,116,150	8,558,259	6,208,108	7,708,352
497,593	295,989	54,718	2,185,364	1,064,233	92,034
2,909,628	3,491,770	3,593,279	3,357,891	2,322,017	1,539,179
512,380	974,475	685,815	842,572	821,525	756,858
2,080,488	2,907,181	5,268,905	3,353,990	6,054,322	3,723,588
133,330,396	162,816,355	181,094,771	302,953,499	299,249,448	222,612,210
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,086,163	15,260,660	16,966,367	17,338,510	17,004,052	19,573,417
53,818,033	82,093,251	65,735,659	186,009,297	179,840,632	103,383,143
13,704,035	15,065,380	15,891,333	15,613,635	17,602,973	16,575,241
11,746,695	13,153,780	14,779,607	16,608,017	17,352,936	17,949,435
4,228,978	4,589,650	4,130,964	5,299,861	5,055,126	4,917,846
26,144,218	28,049,668	31,073,113	33,953,085	35,263,176	34,910,348
3,670,000	4,505,000	4,355,000	4,525,000	4,725,000	4,880,000
3,329,563	1,681,517	2,064,450	1,893,750	1,694,125	1,542,213
-	675,663	-	-	-	-
131,727,685	165,074,569	154,996,493	281,241,155	278,538,020	203,731,643
1,602,711	(2,258,214)	26,098,278	21,712,344	20,711,428	18,880,567
7,199,094	55,306,725	77,017,913	39,170,977	12,802,535	3,455,254
(7,199,094)	(55,306,725)	(77,017,913)	(39,170,977)	(12,802,535)	(3,455,254)
-	58,740,000	-	-	-	-
-	800,945	-	-	-	-
-	(59,637,345)	-	-	-	-
5,407,568	507,521	2,231,569	8,749,956	18,943,514	383,885
-	753,428	1,247,984	258,140	74,572	88,189
5,407,568	1,164,549	3,479,553	9,008,096	19,018,086	472,074
\$ 7,010,279	\$ (1,093,665)	\$ 29,577,831	\$ 30,720,440	\$ 39,729,514	\$ 19,352,641
6.10%	5.21%	4.70%	4.12%	3.65%	3.68%



Revenue Capacity

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TAXABLE PROPERTY VALUES AND ESTIMATED JUST VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Assessed Property Value (Millions)	\$ 140,302	\$ 152,133	\$ 167,067	\$ 180,855	\$ 198,408
Estimated Just Value (Millions)	207,942	222,109	244,521	266,478	292,321
Assessed Value as a Percentage of Just Value	67.5%	68.5%	68.3%	67.9%	67.9%

¹ Florida Department of Revenue, Annual DR-420 Forms - Certification of Taxable Value

² It is estimated by multiplying the calculated percentage of just value for the whole county by assessed value for individual counties that are either wholly or partly within SJRWMD.

<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
\$ 220,529	\$ 259,406	\$ 321,225	\$ 361,315	\$ 345,827
326,099	388,827	489,352	543,164	546,049
67.6%	66.7%	65.6%	66.5%	63.3%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TAXABLE PROPERTY VALUES AND ESTIMATED
JUST VALUES OF TAXABLE PROPERTY BY COUNTY
FISCAL YEAR 2008–2009

<u>County</u>	<u>Estimated Just Value¹</u>	<u>Taxable Value²</u>	<u>Taxable as Percentage of Just Value</u>
Alachua*	\$18,018,379,516	\$9,286,262,881	51.5%
Baker*	\$1,700,664,159	760,790,923	44.7%
Bradford*	\$160,832,122	62,446,319	38.8%
Brevard	68,541,534,744	38,294,048,573	55.9%
Clay	16,233,772,317	10,011,282,436	61.7%
Duval	99,287,242,092	60,950,930,131	61.4%
Flagler	15,816,035,892	11,296,943,656	71.4%
Indian River	24,881,555,781	17,571,533,809	70.6%
Lake*	\$29,942,128,490	21,107,148,431	70.5%
Marion*	\$24,089,499,029	13,160,133,564	54.6%
Nassau	11,341,152,834	8,245,194,781	72.7%
Okeechobee*	\$271,316,203	124,043,569	45.7%
Orange*	\$80,943,523,453	58,142,871,219	71.8%
Osceola*	\$185,156,444	123,273,430	66.6%
Polk ³	-	-	0.0%
Putnam*	7,760,794,907	4,003,399,388	51.6%
St. Johns	35,482,347,920	23,573,453,699	66.4%
Seminole	48,910,062,363	32,032,401,561	65.5%
Volusia	62,483,245,935	37,081,105,149	59.3%
Total	<u>\$ 546,049,244,202</u>	<u>\$ 345,827,263,519</u>	<u>63.3%</u>
Florida Total	<u>\$2,574,758,860,493</u>	<u>\$1,716,561,174,715</u>	<u>66.7%</u>

Source: Florida Department of Revenue. 2009 DR-420 Reports and 2008 Florida Property and Tax Data book; Internet site <<http://www.myflorida.com/dor/property/databk.html>>

*County that is partly within St. Johns River Water Management District

¹ It is estimated by multiplying the calculated percentage of just value for the whole county by assessed value for individual counties that are either wholly or partly within St. Johns River Water Management District.

² Florida Department of Revenue, Annual DR-420 Forms - Certification of Taxable Value

³ Effective October 1, 2003, the portion of Polk County located within St. Johns River Water Management District boundaries changed to be within the Southwest Florida Water Management District boundaries.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
PRINCIPAL TAXPAYERS BY COUNTY
FISCAL YEAR 2008–2009**

<u>County</u>	<u>Property Tax Collections</u>	<u>Percentage of Collections</u>
Alachua	\$ 3,691,898	2.67%
Baker	335,454.40	0.24%
Bradford	24,979.87	0.02%
Brevard	15,278,574.97	11.06%
Clay	4,003,031.01	2.90%
Duval	24,424,441.24	17.69%
Flagler	4,522,956.09	3.27%
Indian River	7,191,682.10	5.21%
Lake	8,406,517.83	6.09%
Marion	5,194,508.55	3.76%
Nassau	3,257,301.94	2.36%
Okeechobee	48,456.77	0.04%
Orange	23,216,222.30	16.81%
Osceola	48,835.08	0.04%
Polk ¹	-	0.00%
Putnam	1,613,156.53	1.17%
St. Johns	9,488,809.09	6.87%
Seminole	12,828,953.91	9.29%
Volusia	<u>14,532,412.40</u>	<u>10.52%</u>
Total	<u><u>\$ 138,108,192</u></u>	<u><u>100.00%</u></u>

¹ Effective October 1, 2003, the portion of Polk County located within St. Johns River Water Management District boundaries changed to be within the Southwest Florida Water Management District boundaries.

(2) Unaudited data as of 1/05/10

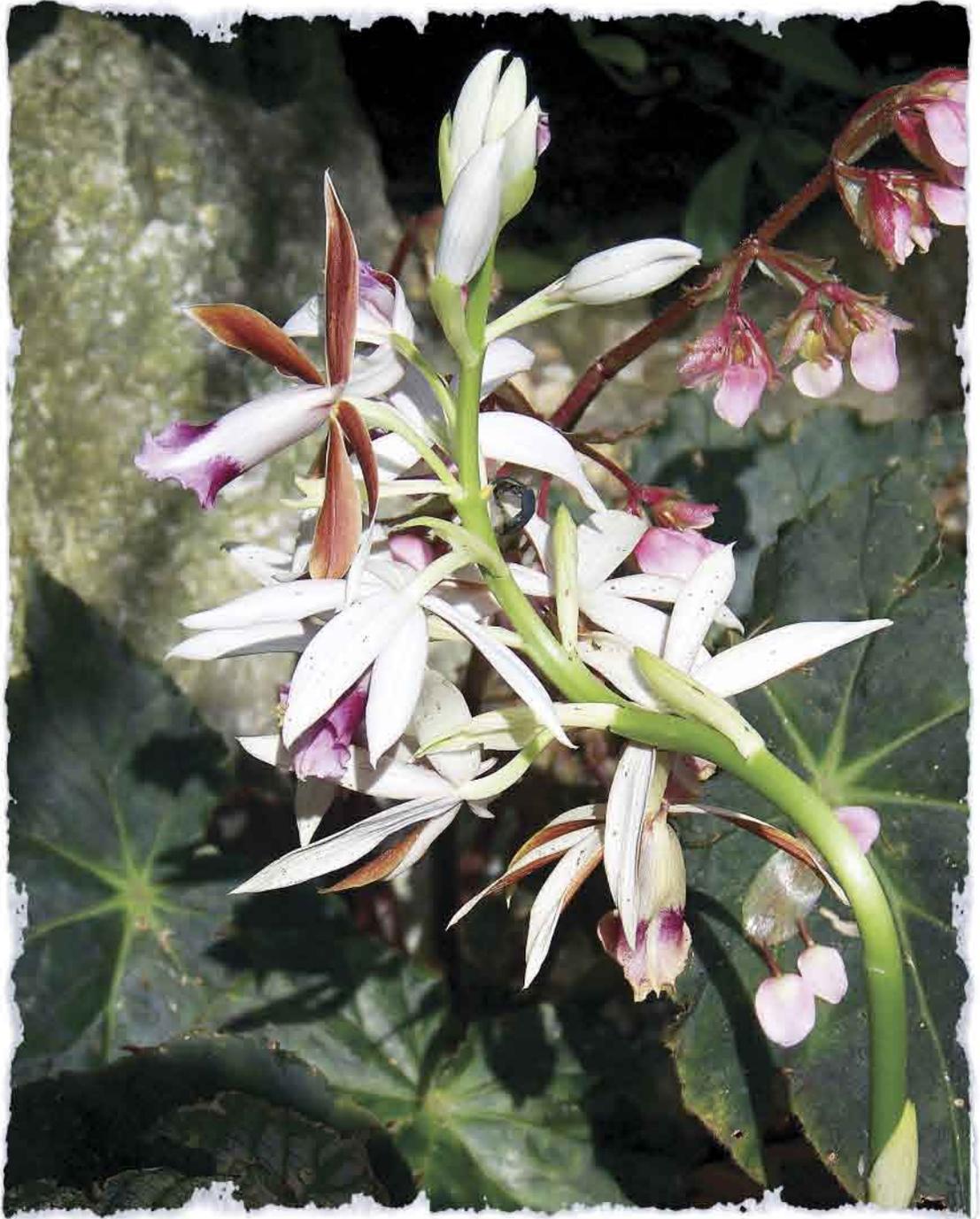
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
PROPERTY TAX REVENUES BY COUNTY
LAST TEN FISCAL YEARS

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
Millage Levy	0.4820	0.4720	0.4620	0.4620
Alachua	\$ 1,965,707	\$ 2,080,345	\$ 2,210,429	\$ 2,411,448
Baker	142,294	143,965	163,046	171,435
Bradford	13,906	23,059	15,158	16,450
Brevard	7,394,664	7,722,869	8,108,561	8,843,913
Clay	1,831,633	1,954,136	2,132,946	2,308,547
Duval	12,801,694	13,534,133	14,530,957	15,179,872
Flagler	1,202,839	1,260,685	1,454,825	1,670,415
Indian River	3,252,300	3,408,384	3,771,745	4,268,222
Lake	3,250,321	3,503,221	3,740,576	4,147,934
Marion	2,102,518	2,310,101	2,456,327	2,685,968
Nassau	1,226,408	1,402,833	1,579,530	1,803,315
Okeechobee	22,966	24,145	23,303	24,892
Orange	11,449,800	12,164,779	13,086,699	13,891,014
Osceola	33,205	32,960	35,705	36,358
Polk ¹	207,864	261,003	351,367	440,070
Putnam	1,038,364	1,038,921	1,043,721	1,085,379
St. Johns	3,281,574	3,701,411	4,277,471	4,870,248
Seminole	6,656,513	6,985,191	7,528,299	8,225,937
Volusia	6,977,448	7,524,424	7,834,082	8,575,825
Total	<u>\$ 64,852,018</u>	<u>\$ 69,076,565</u>	<u>\$ 74,344,747</u>	<u>\$ 80,657,242</u>
percentage increase of property tax revenues	7.481%	6.514%	7.627%	8.491%

¹ Effective October 1, 2003, the portion of Polk County located within St. Johns River Water Management District boundaries changed to be within the Southwest Florida Water Management District boundaries.

(2) Unaudited data as of 1/05/10

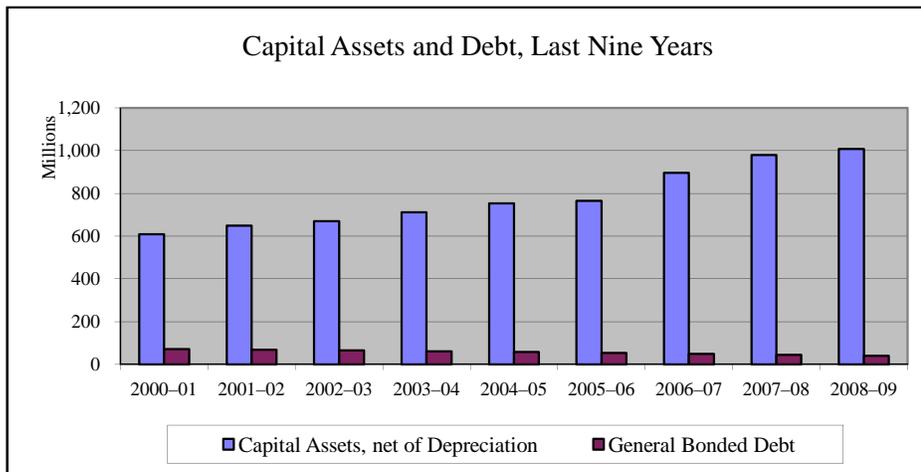
2003-04	2004-05	2005-06	2006-07	2007-08	2008-2009
0.4620	0.4620	0.4620	0.4620	0.4158	0.4158
\$ 2,620,026	\$ 2,826,858	\$ 3,170,486	\$ 3,698,891	\$ 3,764,454	\$ 3,691,898
200,253	224,108	258,440	312,027	332,478	335,454
17,502	18,712	21,211	25,504	27,246	24,980
9,892,887	11,309,894	13,851,248	17,522,812	16,462,415	15,278,575
2,549,041	2,879,023	3,339,041	4,105,037	4,322,683	4,003,031
16,479,185	17,976,450	20,465,028	23,311,064	24,580,575	24,424,441
2,032,921	2,601,920	3,548,985	4,890,528	4,960,294	4,522,956
4,848,349	5,445,494	6,372,774	7,977,562	7,328,800	7,191,682
4,574,389	5,375,081	6,359,023	8,470,737	8,923,002	8,406,518
3,051,042	3,482,322	3,886,312	4,990,267	5,618,860	5,194,509
1,946,076	2,185,732	2,673,425	3,195,766	3,303,262	3,257,302
25,433	31,334	43,383	51,552	54,072	48,457
14,828,812	16,244,689	18,480,069	22,598,990	23,827,053	23,216,222
38,608	43,836	47,426	54,037	51,061	48,835
476	-	-	-	-	-
1,132,349	1,321,573	1,414,610	1,829,688	1,677,396	1,613,157
5,633,173	6,388,655	7,786,803	9,886,993	9,800,861	9,488,809
8,851,546	9,526,601	10,744,094	13,305,181	13,534,562	12,828,954
9,756,059	11,159,872	13,402,564	16,792,235	16,553,723	14,532,412
\$ 88,478,127	\$ 99,042,154	\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192
9.696%	11.940%	16.985%	23.436%	1.471%	-4.834%



Debt Capacity

**ST. JOHNS RIVER MANAGEMENT DISTRICT, FLORIDA
RATIO OF DEBT TO CAPITAL ASSETS, DEBT PER CAPITA, AND
RATIO OF BONDED DEBT TO TAXABLE PROPERTY VALUE
LAST TEN FISCAL YEARS¹**

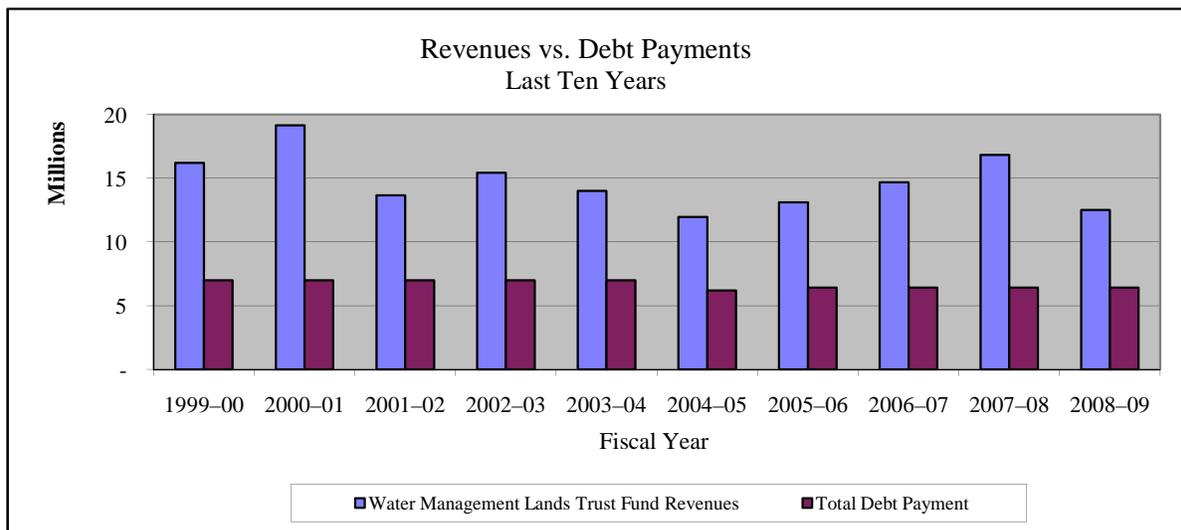
Fiscal Year	General Bonded Debt	Capital Assets, net of Depreciation ¹	Ratio Debt to Net Capital Assets ¹	Estimated Population at April 1	General Bonded Debt Per Capita
1999-00	75,275,000	N/A	N/A	3,900,487	19.30
2000-01	72,105,000	\$ 608,449,672	11.85%	4,005,260	18.00
2001-02	68,780,000	649,076,265	10.60%	4,108,121	16.74
2002-03	65,285,000	670,149,217	9.74%	4,220,497	15.47
2003-04	61,615,000	711,396,237	8.66%	4,337,525	14.21
2004-05	58,085,000	753,570,819	7.71%	4,460,556	13.02
2005-06	53,730,000	764,965,524	7.02%	4,593,850	11.70
2006-07	49,205,000	896,139,366	5.49%	4,697,889	10.47
2007-08	44,480,000	979,219,559	4.54%	4,743,193	9.38
2008-09	39,600,000	1,007,199,969	3.93%	4,743,193	8.35



¹The District implemented GASB 34 beginning with the fiscal year ended September 30, 2001; therefore, depreciation expense was not calculated in prior periods.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Water Management Lands Trust Fund Revenues</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>	<u>Coverage</u>
1999-00	16,214,166	3,015,000	3,979,813	6,994,813	2.32
2000-01	19,148,591	3,170,000	3,829,063	6,999,063	2.74
2001-02	13,656,932	3,325,000	3,670,563	6,995,563	1.95
2002-03	15,435,497	3,495,000	3,504,313	6,999,313	2.21
2003-04	14,008,113	3,670,000	3,329,563	6,999,563	2.00
2004-05	11,967,296	4,505,000	1,681,517	6,186,517	1.93
2005-06	13,107,479	4,355,000	2,064,450	6,419,450	2.04
2006-07	14,681,854	4,525,000	1,893,750	6,418,750	2.29
2007-08	16,840,571	4,725,000	1,694,125	6,419,125	2.62
2008-09	12,521,014	4,880,000	1,542,213	6,422,213	1.95





*Demographic and Economic
Information*

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
DEMOGRAPHIC STATISTICS - POPULATION BY COUNTY
LAST TEN FISCAL YEARS**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Alachua*	167,559	171,388	175,748	177,815	181,565	185,094
Baker*	20,690	20,972	21,371	21,735	22,274	22,265
Bradford*	1,234	1,234	1,254	1,276	1,312	1,330
Brevard	476,230	485,178	494,102	507,810	521,422	531,970
Clay	140,814	142,838	149,901	156,011	163,461	169,623
Duval	778,879	793,898	809,394	826,279	840,474	861,150
Flagler	49,832	53,061	56,785	61,541	69,683	78,617
Indian River	112,947	115,716	118,149	121,174	126,829	130,043
Lake*	209,401	219,145	229,836	239,429	250,531	261,610
Marion*	188,034	191,927	196,880	204,774	213,017	221,448
Nassau	57,663	59,409	61,094	63,062	65,016	65,759
Okeechobee*	733	738	746	760	776	771
Orange*	679,569	705,111	724,695	745,393	768,723	791,089
Osceola*	1,725	1,795	1,934	2,104	2,258	2,352
Polk ¹	13,087	13,417	13,586	13,844	-	-
Putnam*	70,423	70,820	71,329	71,971	73,226	73,764
St. Johns	123,135	128,604	133,953	139,849	149,336	157,278
Seminole	365,196	377,960	387,626	394,900	403,361	411,744
Volusia	443,343	452,050	459,737	470,770	484,261	494,649
SJRWMD Total	<u>3,900,494</u>	<u>4,005,261</u>	<u>4,108,120</u>	<u>4,220,497</u>	<u>4,337,525</u>	<u>4,460,556</u>
Annual Percentage Increase	2.2%	2.7%	2.6%	2.7%	2.8%	2.8%

Source: University of Florida Bureau of Economic and Business Research

*St. Johns River Water Management District estimated county population based on geographic boundaries that lie within the St. Johns River Water Management District.

¹Effective October 1, 2003, the portion of Polk County located within St. Johns River Water Management District boundaries changed to be within the Southwest Florida Water Management District.

2006	2007	2008	2009
187,412	190,319	194,030	196,986
23,242	23,817	24,065	24,073
1,351	1,374	1,375	1,376
543,050	552,109	556,213	555,657
176,901	184,644	185,158	185,208
879,235	897,597	904,971	900,518
89,075	93,568	95,512	94,901
135,262	139,757	141,667	141,634
275,303	284,967	286,837	290,431
228,818	236,043	239,235	239,977
68,188	69,569	71,915	72,588
789	797	817	810
818,448	838,220	845,329	840,706
2,559	2,661	2,737	2,728
-	-	-	-
74,416	74,799	74,989	74,608
165,291	173,935	181,180	183,572
420,667	425,698	426,413	423,759
503,844	508,014	510,750	507,105
<u>4,593,851</u>	<u>4,697,888</u>	<u>4,743,193</u>	<u>4,736,638</u>
3.0%	2.3%	1.0%	-0.1%

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
 DEMOGRAPHIC STATISTICS - NUMBER OF DISTRICT EMPLOYEES
 PER 100,000 POPULATION
 LAST TEN FISCAL YEARS**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Number of Employees ¹	728	727	693	691	691	691
District Population ²	3,900,487	4,005,260	4,108,121	4,220,497	4,337,525	4,460,556
Employees Per 100,000 Population	18.7	18.1	16.9	16.4	15.9	15.5

¹Number of Full Time Equivalent (FTEs) at the beginning of fiscal years.

²St. Johns River Water Management District estimates

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
691	715	717	717
4,593,850	4,697,889	4,743,193	4,736,638
15.0	15.2	15.1	15.1

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TOP TEN NON-GOVERNMENT EMPLOYERS WITHIN A SINGLE COUNTY
FISCAL YEAR 2008–2009**

<u>Employer</u>	<u>Number of Employees</u>	<u>County</u>
Walt Disney World	62,000	Orange
Adventist Health System	16,002	Orange
Universal Orlando	13,000	Orange
Shands Hospital	12,588	Alachua
Orlando Regional Healthcare System	10,000	Orange
Baptist Health	8,100	Duval
Busch Entertainment Corp.	7,800	Orange
Lockheed Martin	7,200	Orange
Blue Cross Blue Shield of Florida	7,000	Duval
Harris Corporation	6,700	Brevard

Source: eFlorida.com

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
DEMOGRAPHIC STATISTICS - UNEMPLOYMENT RATES
LAST TEN FISCAL YEARS**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Alachua	3.0%	3.4%	3.9%	3.6%	3.4%	3.0%	2.6%	3.0%	4.2%	6.9%
Baker	3.0%	4.0%	5.0%	5.1%	4.4%	3.5%	2.9%	3.6%	5.7%	10.3%
Bradford	3.7%	4.3%	5.0%	4.6%	4.3%	3.7%	2.8%	3.4%	4.7%	8.0%
Brevard	3.6%	4.3%	5.6%	5.1%	4.4%	3.6%	3.3%	4.4%	6.5%	10.8%
Clay	3.0%	3.8%	4.9%	4.5%	4.3%	3.4%	3.0%	3.5%	5.3%	9.4%
Duval	3.3%	4.2%	5.7%	5.5%	5.2%	4.2%	3.5%	4.1%	6.1%	10.7%
Flagler	3.6%	4.6%	5.4%	5.0%	4.6%	3.5%	4.2%	6.5%	9.6%	15.5%
Indian River	5.1%	5.8%	7.0%	6.6%	6.6%	4.6%	4.2%	5.8%	8.1%	13.6%
Lake	3.6%	4.4%	5.6%	5.0%	4.5%	3.6%	3.3%	4.2%	6.4%	11.4%
Marion	4.0%	4.9%	5.7%	5.2%	4.6%	3.6%	3.4%	4.6%	7.7%	12.8%
Nassau	3.3%	4.0%	4.9%	4.9%	4.2%	3.4%	2.9%	3.4%	5.4%	9.8%
Okeechobee	5.4%	6.1%	7.0%	6.8%	6.3%	5.0%	4.1%	5.3%	8.0%	12.1%
Orange	3.1%	4.2%	5.7%	5.2%	4.6%	3.6%	3.1%	3.8%	5.8%	10.7%
Osceola	3.3%	4.4%	5.7%	5.2%	4.8%	3.6%	3.4%	4.3%	6.4%	11.7%
Polk ¹	4.1%	5.0%	5.8%	5.6%	-	-	-	-	-	-
Putnam	4.3%	5.4%	6.6%	5.7%	5.5%	4.5%	3.7%	4.7%	7.2%	11.9%
St. Johns	3.0%	3.6%	4.4%	4.1%	3.7%	2.9%	2.7%	3.3%	5.1%	8.7%
Seminole	3.0%	4.0%	5.5%	5.1%	4.3%	3.3%	2.9%	3.5%	5.6%	10.0%
Volusia	3.4%	4.2%	5.4%	5.1%	4.6%	3.6%	3.3%	4.2%	6.6%	11.2%
SJRWMD	3.6%	4.5%	5.5%	5.2%	4.7%	3.7%	3.3%	4.0%	6.1%	10.7%
Florida	3.8%	4.6%	5.7%	5.3%	4.7%	3.8%	3.3%	4.0%	6.2%	10.5%
U.S.	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%

Source: Local Area Unemployment Statistics at <http://fred.labormarketinfo.com>. Retrieved 1/25/2010

¹Effective October 1, 2003, the portion of Polk County located within St. Johns River Water Management District boundaries changed to be within the Southwest Florida Water Management boundaries.



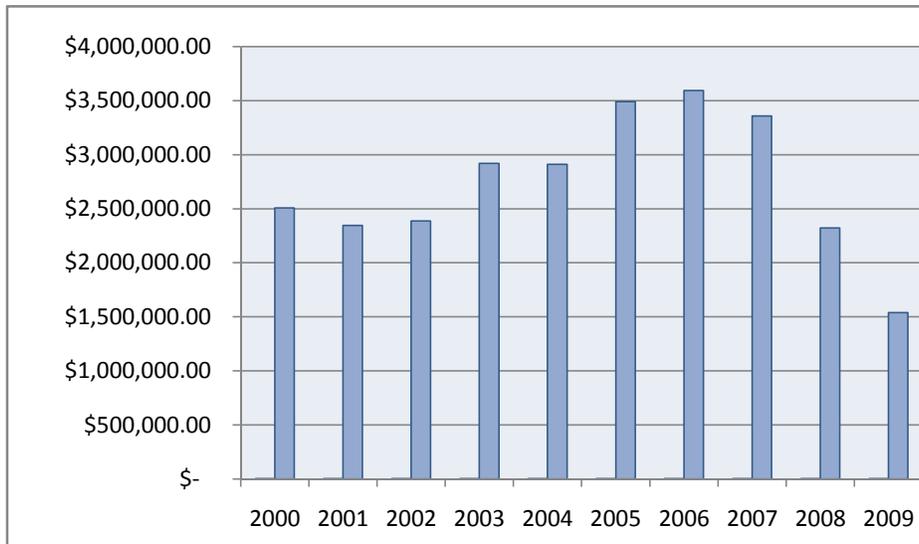
Operating Information

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
ACRES OF LAND OR CONSERVATION EASEMENT OWNERSHIP
LAST TEN FISCAL YEARS**

Type of Ownership	Acres of Land or Conservation Easement Ownership									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Full Fee:										
Acquired	14,144	53,645	20,918	15,345	-4,076	15,156	1,499	14,647	14,346	2,778
Cumulative	462,783	516,428	537,346	552,691	548,615	563,771	565,270	579,917	594,263	597,041
Conservation Easement:										
Acquired	4,017	3,752	11,720	5,415	7,625	15,404	575	2,895	(3,357)	990
Cumulative	51,357	55,109	66,829	72,244	79,869	95,273	95,848	98,743	95,386	96,376
Total Acres	514,140	571,537	604,175	624,935	628,484	659,044	661,118	678,660	689,649	693,417

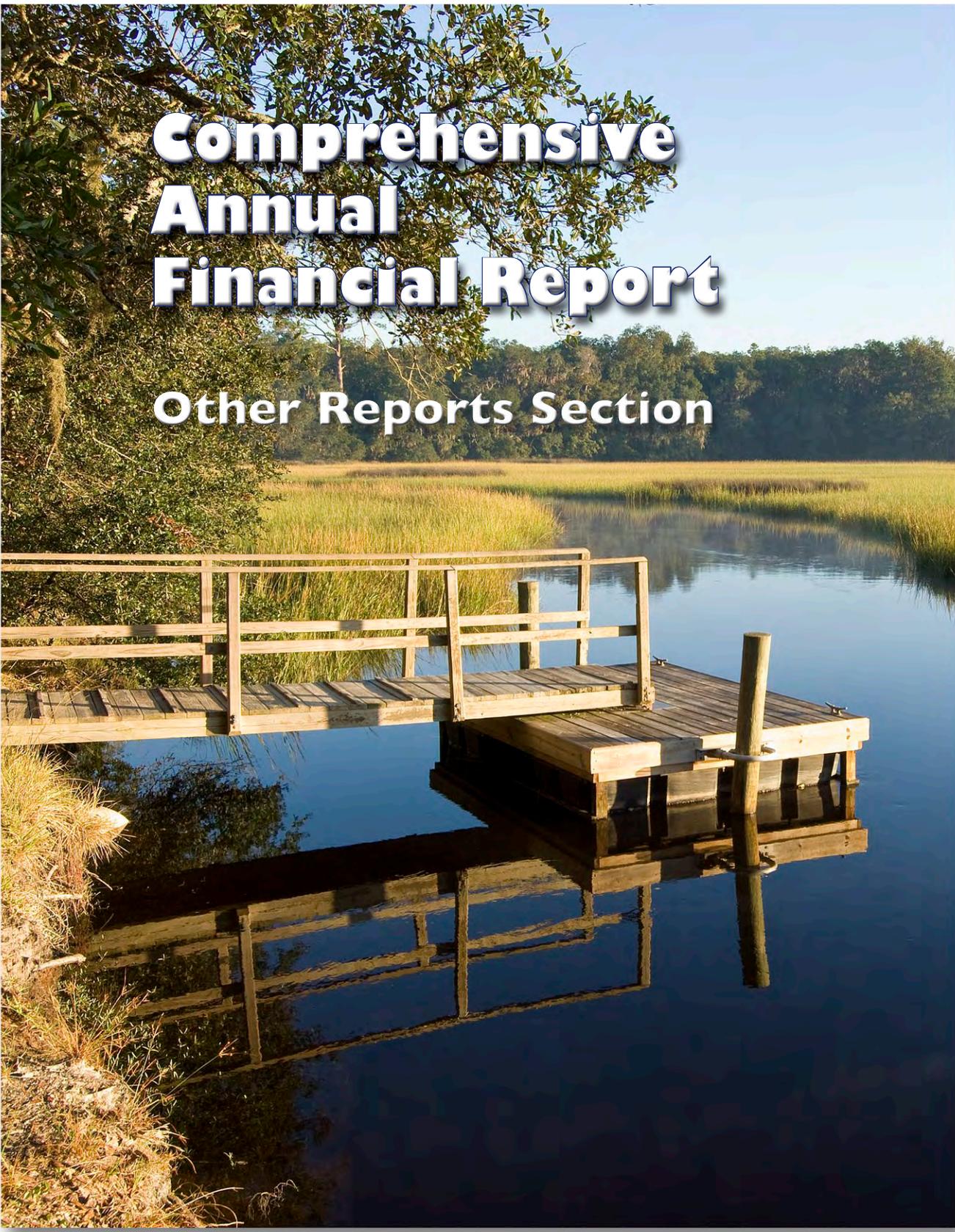
**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
 LICENSE AND PERMIT FEES RECEIVED
 LAST TEN FISCAL YEARS**

2000	2001	2002	2003	2004
\$ 2,508,249	\$ 2,346,831	\$ 2,387,050	\$ 2,919,747	\$ 2,909,628
2005	2006	2007	2008	2009
\$ 3,491,770	\$ 3,593,279	\$ 3,357,891	\$ 2,322,017	\$ 1,539,179



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
MILES OF LEVEES
LAST TEN FISCAL YEARS**

Construction Type of Levee	Miles of Levees									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
United States Army Corps of Engineers	117.30	117.30	117.30	117.30	117.30	117.30	117.30	117.30	117.30	118.70
Farm	185.33	185.33	185.33	185.33	185.33	185.33	185.33	185.33	185.33	185.33
Total Miles of Levees	302.63	302.63	302.63	302.63	302.63	302.63	302.63	302.63	302.63	304.03



Comprehensive Annual Financial Report

Other Reports Section

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Board of Governors,
St. Johns River Water Management District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Johns River Water Management District as of and for the year ended September 30, 2009, which collectively comprise the St. Johns River Water Management District's basic financial statements and have issued our report thereon dated February 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Johns River Water Management District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Johns River Water Management District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Johns River Water Management District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the St. Johns River Water Management District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the St. Johns River Water Management District's financial statements that is more than inconsequential will not be prevented or detected by the St. Johns River Water Management District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the St. Johns River Water Management District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Johns River Water Management District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the St. Johns River Water Management District, in a separate letter dated February 22, 2010.

This report is intended solely for the information and use of St. Johns River Water Management District's management, the Board of Governors, state awarding agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James Moore + Co., P.L.

Gainesville, Florida
February 22, 2010

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Agriculture</u>			
Direct Programs			
Wetlands Reserve Program			
NSRA Unit 1 Cost Share	10.072	SK942XA	\$ 420,000
Banjo Groves Conservation Area		SG477XA	111,124
			<u>531,124</u>
Environmental Quality Incentives Program			
Well Abandonment In St. Johns County	10.912	25406	11,030
Total U.S. Department of Agriculture			<u>542,154</u>
U.S. Department of Defense			
Pass through Florida Department of Environmental Protection			
National Guard Military Operations and Maintenance			
(O&M) Projects			
Arahatchee Properties	12.401	DOD-US-ANG	700,000
Halloran Properties		DOD-US-DOA	419,959
Total U.S. Department of Defense			<u>1,119,959</u>
U.S. Environmental Protection Agency			
Direct Programs			
National Estuary Program			
Indian River Comprehensive Conservation and Management Plan	66.456	SK441XA	592,368
Indian River Lagoon Projects		SF603XA	78,568
			<u>670,936</u>
Pass through Florida Department of Environmental Protection			
Congressionally Mandated Projects			
Development of East-Central Florida Project	66.202	SJ318XA	804,712
			<u>804,712</u>
Office of Water, Environmental Protection Agency			
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	25083	225,587
Water Sampling for Temporal Variability Monitoring Network		25164	108,981
			<u>334,568</u>
Total U.S. Environmental Protection Agency			<u>1,810,216</u>
U.S. Department of Interior, Office of Fish and Wildlife Service			
Direct Programs			
State Wildlife Grants			
Restore Dragline Ditched Coastal Wetlands	15.634	25410	24,977
Partners for Fish and Wildlife			
Hal Scott Preserve Longleaf Pine Restoration Project	15.631	25370	14,026
Total U.S. Department of Interior, Office of Fish and Wildlife Service			<u>39,003</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

(Continued)

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
U.S. Department of Commerce, Office of National Oceanic and Atmospheric Administration			
Direct Programs			
Recovery Act: Habitat Conservation North Peninsula and Merritt Island Projects	11.463	25440-ARRA	344,731
Total U.S. Department of Commerce, Office of National Oceanic and Atmospheric Administration			344,731
TOTAL EXPENDITURES OF FEDERAL AWARDS			3,856,063
STATE FINANCIAL ASSISTANCE			
Florida Department of Environmental Protection			
Direct Projects			
Department of Transportation Mitigation Projects Mitigation Projects	37.020	FDOTMIT	1,203,320
Water Management Districts - Land Acquisition			
Land Acquisition - Econ Property	37.022	2009-23	8,117,830
Debt Service - Land Acquisition Bonds		DEBTSER	6,421,913
Water Resource Development Projects - Aquifer Storage and Recovery		2008-11	5,678,472
Land Acquisition - Golden Gem Property		2009-38	4,504,658
Land Management Program		2009-09	2,688,187
Land Acquisition - Arahatchee Conservation Easement		2009-24	2,387,262
Restoration Activities - Indian River Lagoon		2009-06	1,717,205
Restoration Activities - Lake Apopka Basin		2009-05	1,541,651
Land Acquisition - Strawn Property		2008-44	1,271,757
Invasive Plant Management Program		2009-10	870,498
Indian River Lagoon Restoration Projects		2005-23	750,577
Water Resource Development Projects - Aquifer Storage and Recovery		2009-03	677,594
Restoration Activities - Lower St. Johns River Basin		2008-27	628,417
Land Acquisition - Edwards Property		2009-26	507,540
Water Resource Development Projects - Cost-Sharing		2007-36	507,491
Restoration Activities - District Wide		2006-17	493,416
Land Acquisition - Plum Creek and Rice Creek		2009-25	477,278
Water Resource Development Projects - Aquifer Recharge Project		2006-14	466,782
Restoration Activities - District Wide		2007-01	449,615
Restoration Activities - Ocklawaha River Basin		2009-08	384,723
Restoration Activities - District Wide		2008-17	348,895
Abandoned Artesian Well Plugging		2007-13	224,199
Environmental Management Program		2009-11	188,119
Land Acquisition - Gladstone Property		2009-36	154,197
Land Acquisition - Legal Services		2009-02	133,650
Indian River Lagoon Restoration Projects		2007-02	67,173

The accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

(Continued)

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
Payment in Lieu of Taxes to Baker County		2009-18	30,443
Payment in Lieu of Taxes to Putnam County		2009-20	8,466
Land Management Program		2008-15	6,184
Restoration Activities - Upper St. Johns River Basin		2009-07	1,771
Payment in Lieu of Taxes to Flagler County		2009-19	366
			<u>41,706,329</u>
Statewide Surface Water Restoration and Wastewater Projects			
Lower St. Johns River Basin - Initiative Plan Projects	37.039	2008-01	4,097,503
Lower St. Johns River Basin - Initiative Plan Projects		2007-06	2,254,106
Upper Ocklawaha River Basin - Initiative Plan Projects		2009-15	1,517,358
Surface Water Restoration Activities		2006-11	1,180,336
Middle St. Johns River Basin - Initiative Plan Projects		2006-04	1,441,240
Middle St. Johns River Basin Surface Water Restoration Projects		2002-31	1,121,745
Indian River Lagoon - Initiative Plan Projects		2009-14	1,071,516
Indian River Lagoon - Initiative Plan Projects		2007-05	930,000
Middle St. Johns River Basin - Initiative Plan Projects		2009-13	840,714
Indian River Lagoon - Initiative Plan Projects		2006-01	821,698
Surface Water Restoration Activities		2007-11	819,364
Indian River Lagoon Surface Water Restoration Projects		2001-41	622,709
Lower St. Johns River Basin Surface Water Restoration Projects		2005-02	498,464
District Wide Surface Water Restoration Projects		2002-32	409,609
Upper St. Johns River Basin - Initiative Plan Projects		2009-16	396,695
Orange Creek Basin - Initiative Plan Projects		2005-04	350,000
District Wide Surface Water Restoration Projects		2000-24	264,122
Northern Coastal Basin - Initiative Plan Projects		2006-06	249,386
Ocklawaha River Basin - Initiative Plan Projects		2006-03	173,320
Wekiva River Nitrate Impact Study, Phase II		24966	132,136
Lake Griffin Hydrilla Control		SG607XA	158,597
Lower St. Johns River Basin - Initiative Plan Projects		2009-12	108,759
Indian River Lagoon - Initiative Plan Projects		2008-04	86,553
Middle St. Johns River Basin - Initiative Plan Projects		2007-07	86,281
Upper Ocklawaha River Basin - Initiative Plan Projects		2007-10	66,109
Indian River Lagoon Surface Water Restoration Projects		2005-01	42,479
Wheeler Property Sebastian River Project		25290	24,923
Lower St. Johns River Basin 5-Year Restoration Plan		98B317	18,798
Middle St. Johns River Basin - Initiative Plan Projects		2001-35	11,165
			<u>19,795,685</u>
Florida Springs Initiative Grant Program			
Spring Projects	37.052	SJ518XA	53,328
Spring Data Logger Project		25137	11,455
			<u>64,783</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

(Continued)

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
Water Protection and Sustainability Program Alternative Water Supply Projects	37.066	WPSP	3,359,913
Total Florida Department of Environmental Protection			<u>66,130,030</u>
<u>Florida Department of Highway Safety and Motor Vehicles</u>			
Direct Projects			
Indian River Lagoon License Plate Indian River Lagoon Projects	76.010	IRLTAG	352,679
Total Florida Department of Highway Safety and Motor Vehicles			<u>352,679</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>66,482,709</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 70,338,772</u>

Federal Grantor/Pass-Through Grantor/State Grantor Matching Program Title	Grantor's Contract Number	Program Award/ Matching Amount
FEDERAL AWARDS		
Development of East-Central Florida Project	SJ318XA	\$ 907,442
Indian River Comprehensive Conservation and Management Plan	SK441XA	592,368
North Shore Conservation Area	SK942XA	105,000
Indian River Lagoon Projects	SF603XA	78,568
Recovery Act: North Peninsula and Merritt Island Projects	25440-ARRA	68,900
Banjo Groves Conservation Area	SG477XA	27,781
Hal Scott Preserve Longleaf Pine Project	25370	39,400
Restore Dragline Ditched Coastal Wetlands	25410	15,000
TOTAL FEDERAL AWARDS		<u>1,834,459</u>
STATE FINANCIAL ASSISTANCE		
Lower St. Johns River Basin - Initiative Plan Projects	2007-06	2,254,106
Surface Water Restoration Activities	2006-11	1,180,336
Indian River Lagoon - Initiative Plan Projects	2007-05	930,000
Surface Water Restoration Activities	2007-11	819,364
Middle St. Johns River Basin - Initiative Plan Projects	2007-07	86,281
Upper Ocklawaha River Basin - Initiative Plan Projects	2007-10	66,109
Alternative Water Supply Projects	Multiple	3,359,913
TOTAL STATE FINANCIAL ASSISTANCE		<u>8,696,109</u>
TOTAL AWARDS		<u>\$ 10,530,568</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

(Concluded)

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Basis of Accounting

The Schedule of Expenditures of Federal Awards and State Financial Assistance is prepared on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Encumbrances are used during the year for budgetary control purposes. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of State, Local Governments and Non Profit Organizations" and Chapter 10.550, Rules of the Office of the Auditor General. Therefore, some amounts presented in this Schedule may differ from amounts presented in , or used in the preparation of, the financial statements.

Reporting Entity

The St. Johns River Water Management District (the District), for purpose of the Schedule of Expenditures of Federal Awards and State Financial Assistance, includes all the funds of the primary government as defined by GASB 14, The Financial Reporting Entity.

Pass-Through Awards

The District receives certain federal awards from pass-through awards of the state. The total amount of such pass-through awards is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Subrecipients

Of the expenses presented in the accompanying schedule of Federal awards and state financial assistance, the various grantors provided Federal and state awards to sub-recipients as follows:

Federal and State Subrecipient Programs	CFDA/ CSFA Number	Amount Provided To Subrecipients
Congressionally Mandated Projects		
Development of East-Central Florida Project	66.202	\$ 804,712
National Estuary Program		
Indian River Lagoon Projects	66.456	231,696
U.S. Department of Commerce, Office of National Oceanic and Atmospheric Administration		
Recovery Act: Habitat Conservation	11.463	47,002
U.S. Fish and Wildlife Service		
Coastal Program	15.634	24,977
Statewide Surface Water Restoration and Wastewater Projects		
Lower St. Johns River Basin - State Initiative Plan Projects	37.039	4,341,152
Lower St. Johns River Basin - State Initiative Plan Projects		2,254,106
Middle St. Johns River Basin - State Initiative Plan Projects		1,383,740
Surface Water Restoration Activities		1,150,956
District Wide Surface Water Restoration Projects		809,950
Orange Creek Basin State - State Initiative Plan Projects		350,000
Implementing Projects Approved by the Water Advisory Panel		233,444
Northern Coastal Basin - State Initiative Plan Projects		78,900
Indian River Lagoon - State Initiative Plan Projects		18,242
		<u>10,620,490</u>

(Continued)

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Federal and State Subrecipient Programs	CFDA/ CSFA Number	Amount Provided To Subrecipients
Water Management Districts - Land Acquisition		
Water Resource Development Projects - Cost-Share Funding	37.022	\$ 507,491
District Wide Lands Management Restoration Projects		493,416
Water Resource Development Projects - Central Florida Aquifer Project		466,782
Clay County Utility Authority		427,407
District Wide Lands Management Restoration Projects		262,368
Water Resource Development Projects - Aquifer Storage and Recovery		100,000
		<u>2,257,464</u>
Water Protection and Sustainability		
Alternative Water Supply Projects	37.066	<u>3,359,913</u>
Indian River Lagoon License Plate		
Indian River Lagoon Projects	76.010	<u>187,377</u>
Total Awards		<u>\$ 17,533,631</u>

Subrecipients are the following:

City of Jacksonville	6,051,876
Clay County Utility Authority	2,271,490
Putnam County BOCC	1,736,861
Seminole County	1,530,269
City of Cocoa	1,055,002
City of Rockledge	630,929
City of Sanford	614,735
City of Jacksonville Beach	543,382
Volusia County	501,739
City of Gainesville	350,000
City of Leesburg	347,462
U.S. Fish & Wildlife Services	243,860
Brevard County	213,021
City of Clermont	203,618
City of St. Augustine	196,933
City of Orlando	182,318
City of Flagler Beach	140,928
Floridan Resource Conservation & Conservation Council	125,902
Martin County	113,630
Southwest Florida Water Management District	100,000
City of Ormond Beach	95,208

(Continued)

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Federal and State Subrecipient Programs	CFDA/ CSFA Number	Amount Provided To Subrecipients
Orange County		\$ 86,915
City of Palm Coast		57,720
Orange County Utilities		42,631
Brevard County BOCC		28,800
City of Melbourne		25,771
Florida Fish and Wildlife Conservation Commission		18,242
Marine Resources Council of East Florida		12,555
Marine Discovery Center, Inc		11,834
Total Awards		\$ 17,533,631

(Concluded)

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133, SECTION 215.97, FLORIDA STATUTES, AND CHAPTER 10.550, RULES
OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Honorable Board of Governors,
St. Johns River Water Management District:

Compliance

We have audited the compliance of the St. Johns River Water Management District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the State of Florida State Projects Compliance Supplement, that are applicable to each of its major federal programs and major state projects for the year ended September 30, 2009. The St. Johns River Water Management District's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and major state projects is the responsibility of the St. Johns River Water Management District's management. Our responsibility is to express an opinion on the St. Johns River Water Management District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, Florida Statutes, Florida Single Audit Act; and Chapter 10.550, Rules of the State of Florida Office of the Auditor General. Those standards, OMB Circular A-133, the Florida Single Audit Act and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the St. Johns River Water Management District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the St. Johns River Water Management District's compliance with those requirements.

In our opinion, the St. Johns River Water Management District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the St. Johns River Water Management District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts,

and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the St. Johns River Water Management District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Johns River Water Management District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the St. Johns River Water Management District's management, the Board of Governors, state awarding agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James Moore + Co., P.L.C.

Gainesville, Florida
February 22, 2010

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS
 AND STATE FINANCIAL ASSISTANCE PROJECTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X No

Type of auditors' report issued on compliance for major federal awards programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of major programs:

CFDA No. 11.463, United States Department of Commerce, Office of National Oceanic and Atmospheric Administration - Recovery Act - Habitat Conservation

CFDA No. 12.401, United States Department of Defense - National Guard Military Operations and Maintenance (O&M) Projects

CFDA No. 66.419, United States Environmental Protection Agency - Water Pollution Control State, Interstate, and Tribal Program Support

CFDA No. 66.456, United States Environmental Protection Agency - National Estuary Program

Dollar threshold used to distinguish between the type A and type B programs: \$300,000

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS
 AND STATE FINANCIAL ASSISTANCE PROJECTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

(Continued)

Federal Awards (Continued)

Auditee qualified as a low-risk auditee? X Yes No

State Financial Assistance

Internal control over major state financial assistance projects:

• Material weakness(es) identified? Yes X No

• Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X No

Type of auditors' report issued on compliance for major state financial assistance projects: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the State of Florida Office of the Auditor General? X Yes No

Identification of major state financial assistance CSFA No. 37.022, Florida Department of Environmental Protection - Water Management Districts - Land Acquisition

CSFA No. 37.066, Florida Department of Environmental Protection - Water Protection and Sustainability

Dollar threshold used to distinguish between the type A and type B programs: \$1,994,481

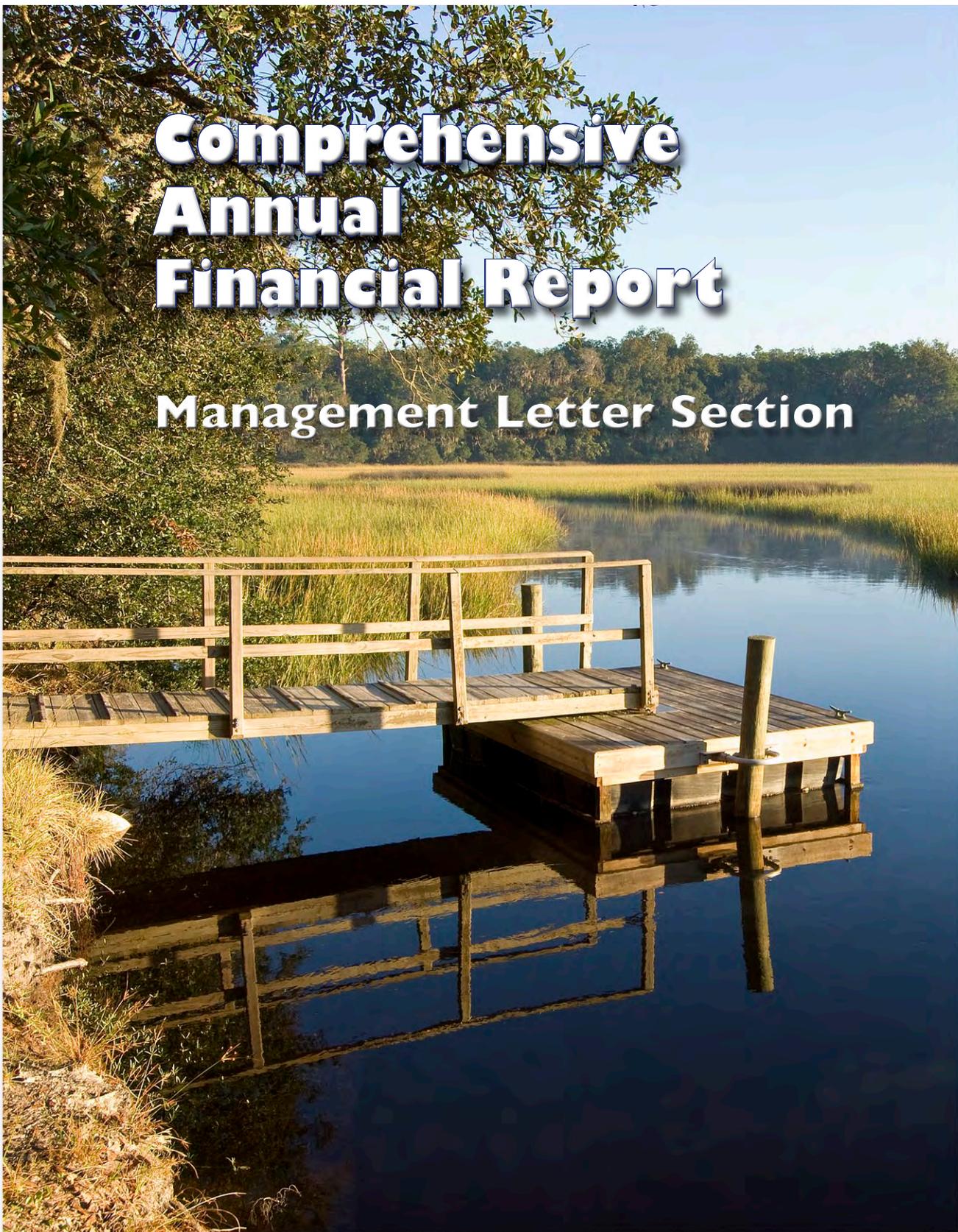
Section II. Findings relating to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards* None.

Section III. Findings and Questioned Costs for Federal Awards: None.

Section IV. Findings and Questioned Costs for State Financial Assistance: None.

Section V. Prior Audit Findings and Corrective Action Plan for Federal Awards for the Year Ended September 30, 2008: None.

Section VI. Prior Audit Findings and Corrective Action Plan for State Financial Assistance for the Year Ended September 30, 2008: None.



Comprehensive Annual Financial Report

Management Letter Section

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

To the Honorable Board of Governors,
St. Johns River Water Management District:

We have audited the financial statements of the St. Johns River Water Management District, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated February 22, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 22, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the St. Johns River Water Management District complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our audit disclosed the following matter required to be disclosed by the Rules of the Auditor General (Section 10.554(1)(i)3.):

Processing of cash disbursements—During our audit, we noted one instance in which the amount paid to a vendor/subrecipient did not reconcile to the invoice and pay applications. Upon further investigation and discussions with District personnel, the District received the invoice from the vendor/subrecipient without complete documentation. However, the project manager for the District verified that the projects were complete and the invoices should be paid in full (based on the District’s cost share percentage). District personnel continued to request the missing documentation. Once the documentation was received, it was noted that one of the projects was not complete as of September 30, 2009 and an invoice for work performed after September 30, 2009 was paid in error. Once the error was discovered, the District contacted the vendor/subrecipient and requested the funds in the amount of \$127,314 be refunded to the District. The funds were subsequently received.

District procedures require a final closeout review of all grants. In this instance, once the vendor/subrecipient submitted the supporting documentation for the expenditure, the District’s normal review procedures, coupled with the final closeout review conducted by another member of the grants compliance staff would recognize the discrepancy and take appropriate action. Based on our audit experience with the District and our understanding of the District’s internal control procedures, the controls in place are sufficient to prevent unauthorized grant disbursements from occurring and/or allow for timely corrective action in the event of an error. However, we suggest that all employees responsible for these procedures review the District’s formal policies and that all policies be followed.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The St. Johns River Water Management District was established by Chapter 373 of the Florida Statutes, known as the Florida Water Resources Act of 1972. There are no component units of the St. Johns River Water Management District to be disclosed as required by accounting principles generally accepted in the United States of America.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the St. Johns River Water Management District, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the St. Johns River Water Management District for the fiscal year ended September 30, 2009, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for

the fiscal year ended September 30, 2009. In connection with our audit, we determined that these two reports were in agreement.

- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the St. Johns River Water Management District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the St. Johns River Water Management District's management, the Board of Governors and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore + Co., P.L.C.

Gainesville, Florida
February 22, 2010



St. Johns River Water Management District

Kirby B. Green III, Executive Director • David W. Fisk, Assistant Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at www.sjrwmd.com.

February 24, 2010

James Moore & Co., PL
5931 NW 1st Place
Gainesville, FL 32607

St. Johns River Water Management District (the District) provides the following response to the Independent Auditors' Management Letter for fiscal year 2008-2009.

Approval and Documentation of Invoices:

Observation: During our audit, we noted one instance in which the amount paid to a vendor/subrecipient did not reconcile to the invoice and pay applications. Upon further investigation and discussions with District personnel, the District received the invoice from the vendor/subrecipient without complete documentation. However, the project manager for the District verified that the projects were complete and the invoices should be paid in full (based on the District's cost share percentage). District personnel continued to request the missing documentation. Once the documentation was received, it was noted that one of the projects was not complete as of September 30, 2009 and an invoice for work performed after September 30, 2009 was paid in error. Once the error was discovered, the District contacted the vendor/subrecipient and requested the funds in the amount of \$127,314 be refunded to the District. The funds were subsequently received.

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Recommendation: We suggest that all employees responsible for these procedures review the District's formal policies and that all policies be followed.

Management Response: The District concurs with the recommendation. The District is currently enhancing the independent audit procedures performed by its Grants Compliance Officer and will increase its communications with District project managers to assure contract and grants compliance.

It has been a pleasure working with your staff on the audit this year.

Mar 2 2010 9:23 AM

X *Ann Meuse*

Ann Meuse

Director, Department of Finance and Administration

GOVERNING BOARD

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