

Comprehensive Annual Financial Report



Fiscal year ended September 30, 2010

**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, 2010

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, 2010**

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Comprehensive Annual Financial Report Introductory Section

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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 floridaswater.com.

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

SUBJECT: Comprehensive Annual Financial Report — Fiscal Year (FY) 2009–2010

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, 2010.

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, 2010 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.

GOVERNING BOARD

W. Leonard Wood, CHAIRMAN
FERNANDINA BEACH

Hans G. Tanzler III, VICE CHAIRMAN
JACKSONVILLE

Maryam H. Ghyabi, TREASURER
OPINION BEACH

John A. Midos, SECRETARY
ORLANDO

Douglas C. Bourmiquet
VERO BEACH

Michael Ertel
ONIEDO

Richard G. Hamann
GAINESVILLE

Arlen N. Jumper
FORT MCJOY

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 appears on the pages immediately following the independent auditors report.

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. 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 xvi.

REGIONAL ECONOMIC CONDITION AND OUTLOOK FOR FY 2010-2011

OVERVIEW OF THE REGIONAL ECONOMIC CONDITIONS

The District's economy, which includes the metropolitan areas of Jacksonville and Orlando, has worsened in recent years. Between 2000 and 2010, the District's population grew by 21.4 %, which is more than the state's 18% population growth for the same period. However, the District's population experienced an unprecedented reduction in 2009 as a result of the economic downturn. During 2011 and 2012, population growth is projected to be less than 1%.

The District's primary revenues are from ad valorem taxes (property taxes based on assessed value of property in the region) and 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.

Steady population growth since 2001 and a 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. However, 2006 was a turning point, as new residential construction in the District declined by 20% due to a combination of increasing interest rates and a large inventory of unsold new and existing homes. The slowdown in both residential and commercial construction continued through 2010, marking four consecutive years of decline. High unemployment rates and existing home prices that are often less than construction costs, when combined with legislative changes in 2007 and 2008, put a cap on the growth of ad valorem revenues. In addition, the passage of constitutional amendments on property taxes that permanently reduced the District's total taxable values has had a major impact on the District's revenues from ad valorem taxes.

Florida has also experienced a worsening economy because of the housing market decline and a sluggish national economy that, in turn, has fueled job losses and dramatically slowed population growth in the state. The impact of this slowdown is evident throughout the District.

State funding historically accounted for more than 40% of total District revenues. The most significant state funding sources included Water Management Lands Trust Fund, Florida Forever Trust Fund and the Water Protection and Sustainability Trust Fund. However, state funding has declined since FY 2008–2009, when the state experienced a revenue shortfall. As a result, the District has scaled back its land acquisition and alternative water supply funding programs and has used ad valorem revenues to fund the land management and invasive plant management programs that were previously funded by the Water Management Lands Trust Fund.

MAJOR INDUSTRIES AND POPULATION TRENDS

Since 2000, the District's population has grown by 21.5%, as compared to the state's 17.8%. During 2011 and 2012, population growth is projected to be less than 1%. However, stronger growth is expected as the economy begins to improve, with annual growth rates of 1% projected by 2015, followed by a tapering off in population growth. The relatively slower population growth projected, as compared with the period of 1990–2010, has implications on the District's ad valorem revenues and funding for District programs.

During the first 11 months of 2010, building permits issued in the seven Metropolitan Statistical Areas (MSA) that are located either wholly or partially within the District totaled just 10,090 units, a decrease of 2% from the same period in 2009. With four consecutive years of reductions, total new housing starts in 2010 were approximately at 15% of the 2005 peak level. High unemployment rates and declines in existing home prices are expected to keep single-family housing construction at historic lows through the end of 2011. A rebound in the construction industry is not anticipated to begin until 2012.

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 by 5% over the two-year period between 2007 and 2009. Currently, the state is slowly returning to its normal tourism level. Both the District and the state have been hit hard by the slowdown in construction and tourism-related activities, with the state and district-wide unemployment rates increasing to 12.0% and 12.2%, respectively, in 2010. By comparison, the national unemployment rate for the same period was 9.6%.

SHORT-TERM ECONOMIC OUTLOOK

Between 2007 and 2009, personal income declined by 1.9%. However, per capita personal income growth is expected to grow at 2% a year for the next two years. The positive income growth will be fueled by the region's job growth rate (1.0%-2.0 % in 2011 and 2012) and a lower unemployment rate (10.8% in 2012). By comparison, the region's unemployment rate was 12.0% in 2010.

With respect to the overall employment figure, only two (mining and government) of 12 industry sectors are expected to lose jobs in 2011 and 2012. Most industry sectors are expected to rebound in 2011, and most of the employment gain will come from the construction-related sector.

The region's outlook for tourism-related industries will be brighter for 2011 and 2012 than in prior years as the state's economy recovers. 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 2011 and to exceed that level in 2012. As a result, the region's tourism-related industries are likely to recover in 2011 or 2012 to its pre-recession levels.

From 2011 to 2012, the District's population growth is likely to regain its scant positive rate due to continued slow economic growth. This slower population growth will eventually absorb surplus housing units, but it will continue to hamper the construction industry. Housing prices will likely stabilize in 2011, and new housing starts are expected to reverse the declining trends in 2011, and start to grow again at a much faster pace over the next two years.

However, the District is not likely to take advantage of the projected economic recovery in the years to come, through appreciations of home values and increases in new construction activities, because of a combination of a constitutional amendment and millage caps. The 2008 constitutional amendment relates to homesteaded properties, increasing the homestead exemption from \$25,000 per eligible homeowner to \$50,000, and limiting future budgets to the roll-back millage rate plus statewide per capita personal income growth. Furthermore, the current political environment makes it virtually impossible for the District to increase millage above the current 0.4158 mills. The District will need to make tough choices between funding its baseline budget and continuing its commitments to several major 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 13,000-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 and the continuation of providing 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 moved from planning to implementation phase. Since 2001, Florida Forever has been the primary funding source of the program. The program budget for FY 2010–2011 is \$3.7 million, which is 63.7% lower than in FY 2009–2010, because of a reduced number of cooperative funding projects as several Florida Forever funded projects near 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 were provided to local governments and utilities under the program. Because of declining ad valorem revenues in recent years and due to near completion of all remaining cooperative funding projects under this program, this program was discontinued in FY 2009–2010.

CONSERVATION AND DEMAND MANAGEMENT

Although the program budget for FY 2010–2011 is 3.2% less than for the prior year, the District is strongly committed to water conservation. The District has made water conservation requirements mandatory in its consumptive use-permitting program, as well as for water conservation cost-sharing, water conservation outreach and education programs, and regional water supply planning that includes water conservation as a key in meeting future needs. Year-round watering restrictions are in place to ensure that water is used efficiently for landscape irrigation. Other measures to increase water conservation are possible based on careful analysis of water use patterns contained in utility metering data.

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 per 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 has experienced significant revenue shortfalls, the state has provided no new

program funding since FY 2007-2008. The FY 2010-2011 budget of \$44.2 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 (LSJRB) 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 Program budget totals \$31.4 million, which is a 26% decrease from the FY 2009-2010 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 2010-2011 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. As the USJRB Program nears completion in 2013, it will be transitioning to a period of adaptive management. The program budget for FY 2010-2011 is \$1.8 million, which is 18.2% less than FY 2009-2010.

The restoration phase of Lake Apopka is expected to continue for at least 25 years. It involves the following: 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 the restoration of the former muck farms to aquatic and wetland habitats. The project budget for FY 2010–2011 is \$5.62 million, which is 39% less than the FY 2009-2010 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. Because of the long-term economic forecast of reduced revenues, the District has cancelled plans to complete the Lake Levy project in the North Shore Restoration Area in the next five years.

The proposed FY 2010–2011 program budget for the Indian River Lagoon is \$18.3 million, which is 12.8% decrease from the previous year. The program is currently implementing two major capital improvement projects: C-1 Rediversion, and the Fellsmere Water Management Area projects. When completed, the C-1 Rediversion project will reduce average annual freshwater discharges to the Indian River Lagoon by up to 56%. 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 and subsequently into Three Forks Marsh Conservation Area.

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 700,000 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.

Florida Forever funding was reduced from an historic high level of \$26.5 million to \$22.5 million in FY 2008-2009, and no new Florida Forever funding was provided in FY 2009-2010. Florida Forever funding in FY 2010-2011 totals \$1.13 million and was appropriated specifically for land acquisition.

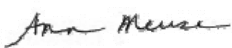
AWARDS AND ACKNOWLEDGEMENTS

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, 2009. 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 24, 2011



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, 2009

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.

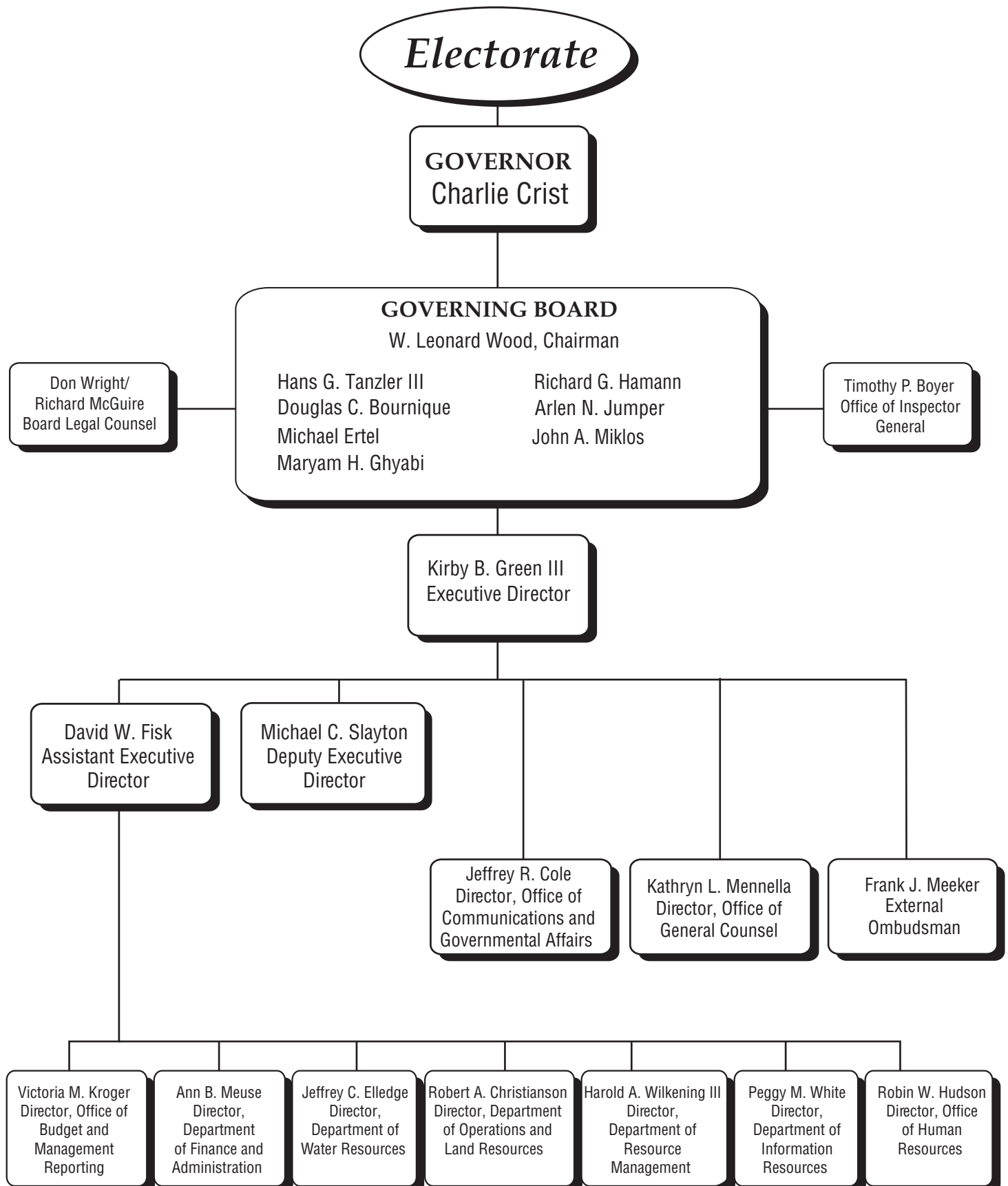


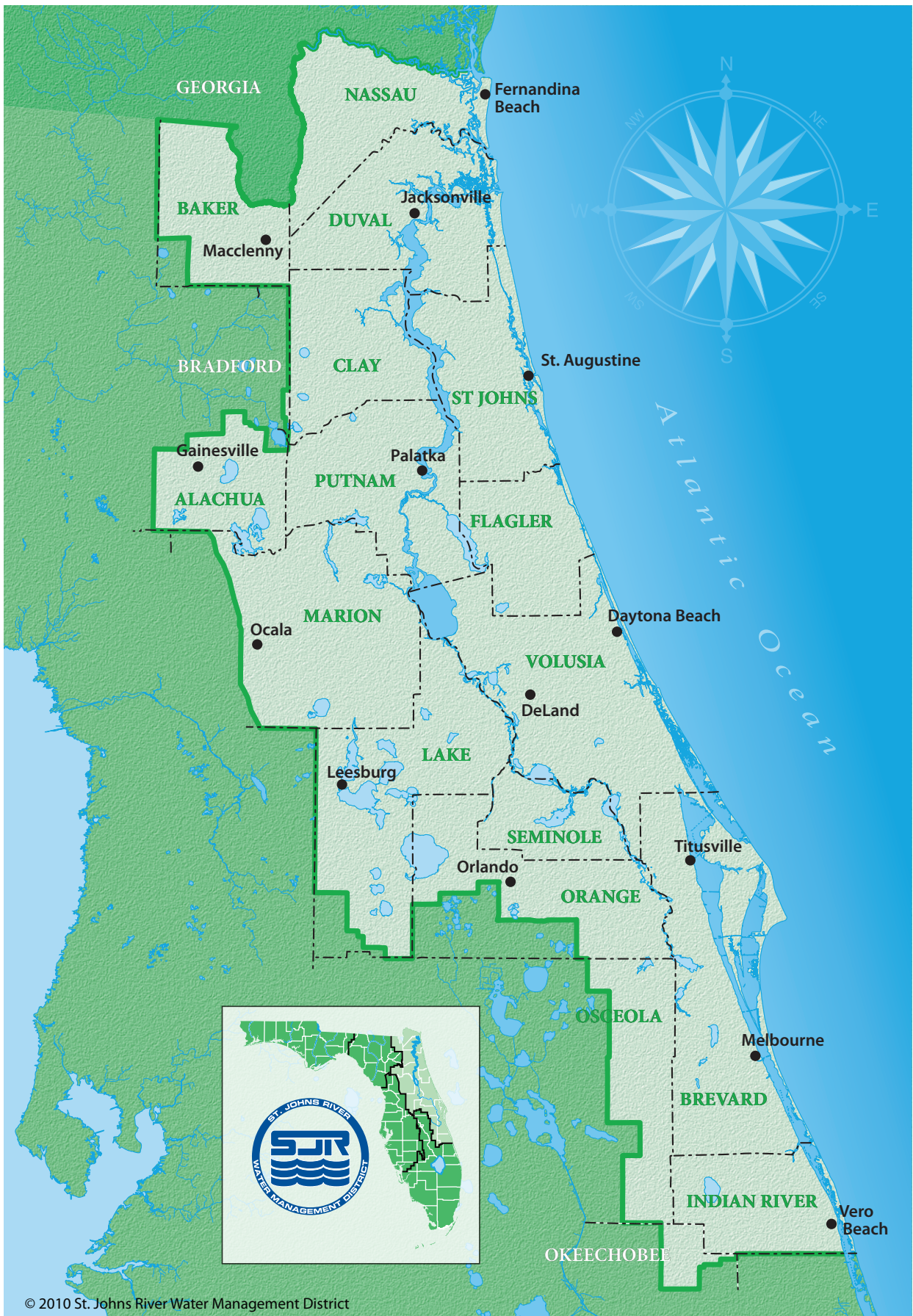
President

Executive Director

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

September 30, 2010





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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, 2010, 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, 2010, 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 24, 2011, 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the budgetary comparison information on pages 57 through 62, and the schedule of funding progress on page 66, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in

accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison information, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

James Moore & Co., P.L.

Gainesville, Florida
February 24, 2011



***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, 2010**

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

The information contained here 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 on successive pages of this discussion:

- Total assets exceeded total liabilities by \$1,205,129,717, as of September 30, 2010; 76.3% of that difference is represented by land (\$801,125,005) and easements (\$117,973,364) owned and managed by the District.
- Net assets increased \$59,114,468, or 5.2%, from the previous year. This increase can primarily be attributable to the additions of land and easements, totaling \$49.1 million and additions to infrastructure (less accumulated depreciation) totaling \$14.6 million.
- The District's restricted net assets increased by \$5.9 million, result from \$4.2 million in land and easement sales as well as \$1.7 million in increases to the long-term land management endowment. However, unrestricted net assets decreased by \$6.1 million due to decreases in ad valorem and investment earnings, mostly offset by cuts in annual District expenditures.
- Ad valorem revenues have decreased \$20,192,431, -14% since its peak of \$145.1 million in fiscal year 2007-2008. Ad valorem revenues are projected to decline \$14.1 million in fiscal year 2010-2011. This is due to the 10% reduction in the millage rate in the 2007 tax year, a marked decrease in property values, and the recent increase in the homestead exemption.
- Total fund balance slightly increased \$83,329, or 0.04%, from the previous year. However, three of four major funds had negative net changes in fund balance for the fiscal year. The General Fund balance decreased due to a transfer to the Capital Projects Fund to fund major capital expenditures. In the Water Protection & Sustainability Fund, the decline in fund balance was the result of the state discontinuing funding for this program. The Mitigation Fund's fund balance decreased due to the spending down of accumulated funds, for mitigation restoration projects.

OVERVIEW OF THE 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, 2010

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 of the 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 to show 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 as with other governmental bodies, uses fund accounting to 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. 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 among *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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Management Trust, Mitigation, 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 that, 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, Mitigation 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 68.

Governmental fund budgets are prepared by 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 may be found within the Statistical sections, Other Reports, and letter to the citizens that summarizes 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 2008–2009 fiscal year. The overall condition of the District improved in both fiscal years 2009 and 2010.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S NET ASSETS

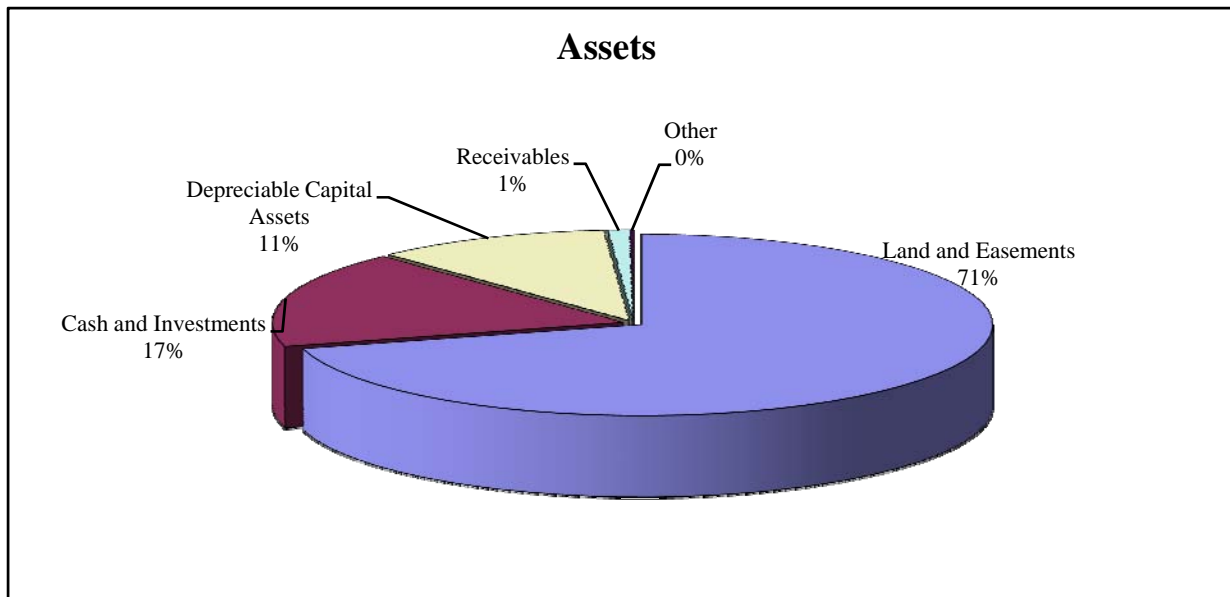
	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 237,837,179	\$ 256,590,447
Capital assets, net	<u>1,061,731,344</u>	<u>1,007,199,969</u>
Total assets	<u>1,299,568,523</u>	<u>1,263,790,416</u>
Long-term liabilities outstanding	47,121,830	51,644,524
Other liabilities	<u>47,316,976</u>	<u>66,130,643</u>
Total liabilities	<u>94,438,806</u>	<u>117,775,167</u>
Net assets		
Invested in capital assets, net of related debt	1,027,438,251	968,109,402
Restricted	21,531,338	15,588,704
Unrestricted	<u>156,160,128</u>	<u>162,317,143</u>
Total net assets	<u>\$ 1,205,129,717</u>	<u>\$ 1,146,015,249</u>

Total net assets increased by \$59,114,468, or 5.2 %, from September 30, 2009. The majority of the increase can be attributed to the acquisition of land (Evans, Maytown, Hart, and West Augustine properties), conservation easements (Lefils and Clonts properties and permit donations), and infrastructure additions (Fellsmere Farms Restoration and in-house developed software). For the first time, the District purchased the \$20 million Maytown property in part with \$12.5 million of ad valorem funds for land acquisition, saved over the years. Due to reductions in state revenues for the Florida Forever program, the District may have to rely on ad valorem and land management revenues for land acquisition in the future.

The District's overall financial position has increased due to substantial investments in capital assets during the fiscal year, as noted above. However, the combined restricted and unrestricted net assets slightly decreased over the prior year (-\$214,381 or -0.12%). The District's restricted net assets increased by \$5.9 million as a result of \$4.2 million in land and easement sales and increases to the long-term land management endowment of \$1.7 million. However, unrestricted net assets decreased by \$6.1 million due to decreases in ad valorem and investment earnings, mostly offset by cuts in annual District expenditures.

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 states "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." One critical program in fulfilling this mission is land acquisition. Understanding the land acquisition approach is necessary for understanding 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, 2010, land (\$801,125,005) and easements (\$117,973,364) less related long-term debt (\$34,555,000) comprise 73.4% of total District's net assets (\$1,205,129,717).

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**



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

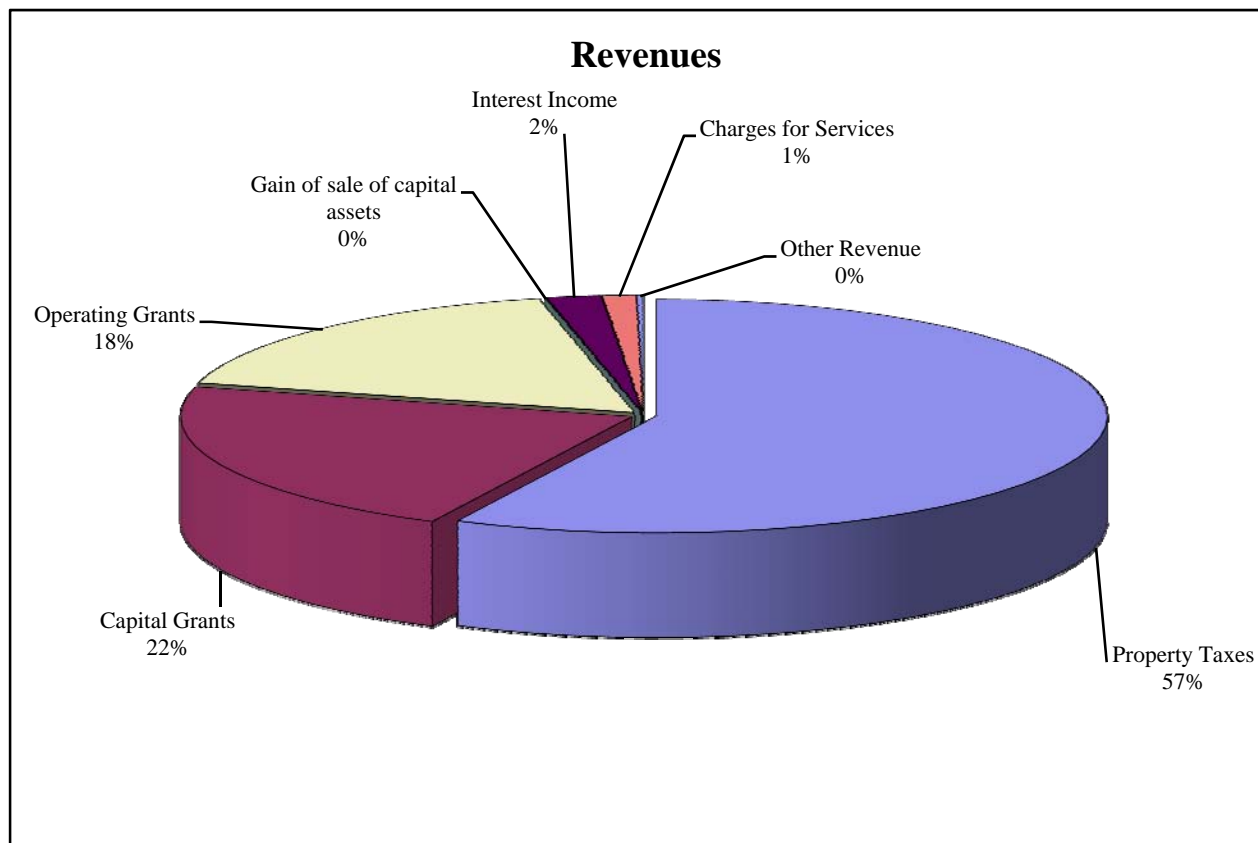
	2010	2009
Revenues		
Program revenues:		
Charges for services	\$ 2,624,319	\$ 3,461,574
Operating grants and contributions	38,166,419	55,036,822
Capital grants and contributions	47,631,576	25,116,714
General revenues:		
Ad valorem property taxes	124,930,368	138,108,192
Unrestricted investment earnings	4,214,405	7,708,352
Gain on sale of capital assets	74,105	256,274
Other revenue	488,122	333,537
Total revenues	218,129,314	230,021,465
Expenses		
Water resources planning and monitoring	17,531,746	19,442,113
Acquisition, restoration and public works	63,183,862	80,833,949
Operation and maintenance of lands and works	24,064,175	23,325,492
Regulation	17,548,909	18,347,155
Outreach	3,594,555	4,972,162
District management and administration	31,514,536	30,986,501
Interest on long-term debt	1,577,063	1,747,117
Total expenses	159,014,846	179,654,489
Increase in net assets	59,114,468	50,366,976
Net assets, beginning of the year	1,146,015,249	1,095,648,273
Net assets, end of the year	\$ 1,205,129,717	\$ 1,146,015,249

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

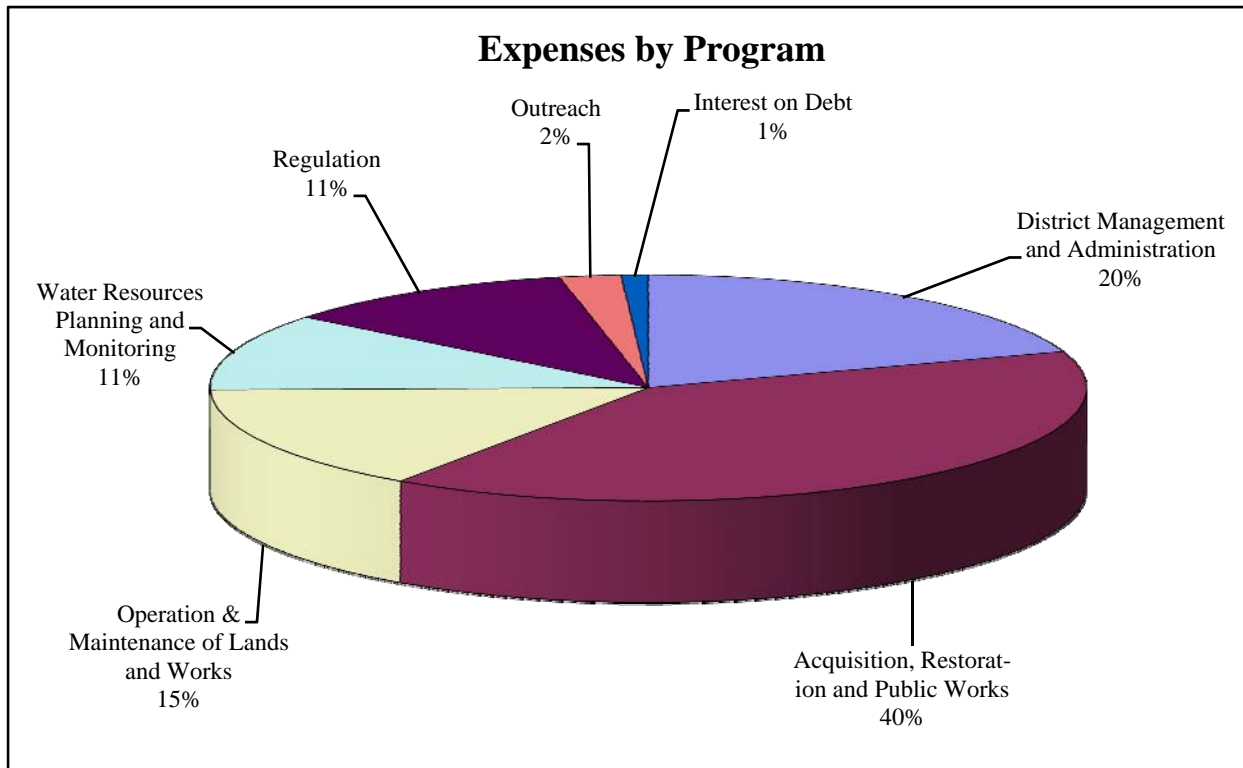
Total revenues decreased by -5.2%, or \$11,892,151, from the previous year. The net decrease is primarily attributable to the following: a reduction in unrestricted investment earnings (\$3.5 million); a reduction in ad valorem taxes (\$13.2 million); a reduction in Operating Grants and Contributions (\$16.9 million); and an increase in Capital Grants and Contributions (\$22.5 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, as well as from declining assessed property values throughout the 18 counties in the District. Operating Grants and Contributions sharply decreased due to severe cuts in state grant appropriations from the previous year. Investment earnings are smaller, resulting from anemically low interest rates. Capital Grants and Contributions increased, attributable to land acquisitions and conservation easement additions.

As a result of budget cuts, total expenses decreased by -11.5%, or \$20,639,643, less than the previous year. A reduction in Water Resources Planning and Monitoring (\$1.9 million) was due to the District's change in emphasis to water conservation. The decrease in Acquisition, Restoration and Public Works (\$17.5 million) resulted from a large reduction in capital outlay expense compared to the prior year.

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 40.5% of total revenues. General revenues comprise 59.5% of total revenues. The largest component of general revenues is ad valorem taxes, which is projected to decline \$14.1 million in fiscal year 2010-2011.



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**



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, 2010, the District's governmental funds reported combined ending fund balances of \$190,544,674, of which \$137,358,300 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 (\$31,352,318); to pay debt service (\$6,359,777); to endow long-term maintenance on mitigation properties (\$9,439,463); to pay out escrow agreements on land acquisition (\$4,511,201); or for a variety of other restricted purposes (\$1,523,615).

By comparison, the District reported unreserved fund balances of \$139,172,425, \$101,409,659, \$68,773,677, and \$59,844,826 for fiscal years 2008-2009, 2007-08, 2006-07, and 2005-06, respectively. From fiscal year 2005-2006, the District's unreserved fund balance increased 129.5%.

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

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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FOR THE YEAR ENDED SEPTEMBER 30, 2010**

the following fiscal year. These commitments are in the form of contracts and purchase orders and total \$20,205,654. Approximately \$11 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 pages 42-43 of this report).

The General Fund is the chief operating fund of the District. As of September 30, 2010, unreserved fund balance of the General Fund was \$126,035,650, while total fund balance reached \$140,649,942. 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 96.6% of total general fund expenditures, while total fund balance represents 107.8% of that same amount.

The overall fund balance of all the District's funds increased slightly by \$83,329; however, during the fiscal year ended September 30, 2010, the General Fund balance decreased by \$1,332,836, the Mitigation Fund decreased \$131,809 and the Water Protection and Sustainability Fund decreased \$4,287,679. The decline in the General Fund's fund balance is primarily as a result of a \$13.2 million decrease in ad valorem property tax revenues from the previous year, offset by dramatic cuts in spending across the District. Although the Mitigation Fund had a \$20 million increase in revenues from the prior fiscal year that were mainly expended on land acquisition, the decrease in fund balance is from land acquisition and mitigation project expenditures that were funded from mitigation monies received in previous fiscal years.

The District transfers general revenue matching funds to the Water Protection and Sustainability Fund when Governing Board approves the budget and related contracts. The decrease in the Water Protection and Sustainability Fund balance is from current year expenditures that used general revenue monies transferred to the fund in the previous fiscal year. This special revenue fund receives monies from the state of Florida Water Protection and Sustainability Trust Fund for alternative water supply projects, which require a 50% general revenue funding source match.

These decreases in the District's major fund balances described above were offset primarily by non-major fund balance increases of \$4,178,977 in the Florida Forever Fund and \$1,717,629 in the Long-term Maintenance Mitigation Fund. The increase in the Florida Forever Fund is from sales of easements and mitigation monies from the Florida Department of Transportation (see note (4)(b) on page 42 of this report). The increase in the Long-term Maintenance Mitigation Fund is from long-term land management mitigation funds received from state and local sources, of which, only the interest earned on the amounts received is spent on maintaining District lands into the future.

In comparison to this year's amended budget, the District is projecting a revenue reduction of \$58.5 million. Ad valorem, state sources, and federal sources are projected to decline -9.9%, -34.6%, and -56.1%, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's actual General Fund revenues were higher than the final budget, and this is primarily due to the collection of ad valorem property taxes exceeding 95% of the budgeted tax levied and investment earnings being higher than budgeted. Although actual revenues were 3% higher than the final budget, the District reduced its budgeted General Fund revenues \$27.3 million or 17.6% since fiscal year 2008 due to the economic downturn and reduction in ad valorem.

The District experienced a surplus over the budgeted expenditures of \$10,683,191 in all program areas, conservation and demand management — (\$1,244,146), general counsel — (\$782,621), property

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appraiser and tax collector fees — (\$949,883), and lapse salaries and benefits — (\$885,395) being the higher areas of budget to actual expenditure savings. This, in part, is a result of decisions by the District to reduce operating expenditures to accumulate funds to offset future budget reductions. These savings would have been larger, but the District for the first time spent \$12.5 million from the General Fund to purchase land. 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 2009–2010 fiscal year, with a higher (92%) than normal historically comparative 70% utilization of annual appropriations. This is due to the District lowering its final budget, since actual expenditures were much less than projected, and unspent encumbrances carried into the following fiscal year to continue obligations to local governments. This allows the District to preserve its fund balance for future long-term projects or for unexpected contingencies.

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 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, 2010, amounted to \$1,061,731,344 (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 2009–2010 valued at \$40.4 million. As noted earlier, the District acquired Maytown property for \$20 million. Additional information on the District's capital assets can be found in note 4 on pages 41-42 of this report.

Long-term debt — At year-end, the District had total bonded debt outstanding of \$34,555,000, of which \$5,315,000 was due within one year. In addition, the District has long-term obligations of \$8,194,704 for vested leave balances earned by employees, \$1,850,000 for claims and judgments owed, and \$2,505,786 for the other post-employment benefits. Additional information on the District's long-term debt can be found in note 8, starting on page 47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's 2010-2011 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 12.0% in 2010 and is expected to stabilize in 2012. In comparison, the national unemployment rate is 9.6% during the same period.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 2009–2010 fiscal year remained 0.4158 mills from the previous year's rate. Due to the reduction in the millage rate two years ago, 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 \$12.2 million, or 9.9% in fiscal year 2010-2011. 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 lending standards and tighter credit conditions take hold. Prices will further weaken until the current housing inventory clears, which is not expected until 2012.

Further, the District could receive less state revenues in 2012, as the state is facing a budget deficit of \$3 billion that could grow if the economy does not 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 jump-start the economy. The District will need 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 to the District only \$1.13 million from the Florida Forever Trust Fund and no new funding from its Water Protection and Sustainability Trust Fund and the Ecosystem Management Trust Fund for fiscal year 2010-2011. In addition, the state appropriated funds from its Water Management Lands Trust Fund to pay for only the District's 2010-2011 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, 2010

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 4,104,290
Investments	220,173,790
Accounts receivable	843,288
Inventories	437,101
Intergovernmental receivables	11,804,789
Unamortized issuance costs	278,247
Prepaid expenses	195,674
Non-depreciable capital assets:	
Land	801,125,005
Easements	117,973,364
Construction in progress	1,493,409
Depreciable capital assets:	
Buildings	35,840,278
Machinery and equipment	37,252,607
Infrastructure	135,152,923
Other depreciable assets	4,832,895
Accumulated depreciation	(71,939,137)
Total assets	1,299,568,523
LIABILITIES	
Accounts payable and other current liabilities	25,661,754
Deferred revenue	21,222,586
Due to other governmental units	129,918
Accrued interest payable	302,718
Long-term liabilities:	
Due within one year	7,411,979
Due in more than one year	39,709,851
Total Liabilities	94,438,806
NET ASSETS	
Invested in capital assets, net of related debt	1,027,438,251
Restricted for:	
Debt service	6,057,059
Legal restrictions	10,963,078
Land acquisition	4,511,201
Unrestricted	156,160,128
Total net assets	\$ 1,205,129,717

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, 2010

Function / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Water resources planning and monitoring	\$ 17,531,746	\$ -	\$ 559,019
Acquisition, restoration, and public works	63,183,862	-	36,342,365
Operation and maintenance of lands and works	24,064,175	1,162,611	752,002
Regulation	17,548,909	1,461,708	50,000
Outreach	3,594,555	-	314,222
District management and administration	31,514,536	-	148,811
Interest on long-term debt	1,577,063	-	-
Total governmental activities	\$ 159,014,846	\$ 2,624,319	\$ 38,166,419

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.

	Net (Expenses) Revenues and Changes in Net Assets
<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
\$ -	\$ (16,972,727)
47,631,576	20,790,079
-	(22,149,562)
-	(16,037,201)
-	(3,280,333)
-	(31,365,725)
-	(1,577,063)
<u>\$ 47,631,576</u>	<u>(70,592,532)</u>

124,930,368
488,122
4,214,405
74,105
<u>129,707,000</u>
59,114,468
<u>1,146,015,249</u>
<u>\$ 1,205,129,717</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
BALANCE SHEET- GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<u>General Fund</u>	<u>Ecosystems Management Trust</u>
Assets		
Cash and cash equivalents	\$ 4,104,290	\$ -
Investments	142,728,341	25,614,539
Accounts and other receivables	808,083	-
Due from other funds	4,165,614	5,431
Inventories	437,101	-
Intergovernmental receivables	19,000	-
Prepaid expenses	195,674	-
Total assets	<u>152,458,103</u>	<u>25,619,970</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	11,802,730	7,400,441
Due to other funds	5,431	-
Deferred revenue	-	18,219,529
Due to other governmental units	-	-
Total liabilities	<u>11,808,161</u>	<u>25,619,970</u>
Fund balances		
Reserved for:		
Encumbrances	796,787	-
Grants to local governments	13,184,730	-
Inventory and prepaid expenses	632,775	-
Legal restrictions	-	-
Land acquisition	-	-
Unreserved:		
Designated for:		
Economic stabilization reserve	6,900,000	-
Subsequent year's expenditures	19,683,056	-
Water protection & sustainability	-	-
Indian River Lagoon C-1 Rediversion project	10,150,000	-
Land acquisition, major projects & cooperative funding	32,178,730	-
Fellsmere water management area	28,469,745	-
Apopka reservoir/North Shore restoration projects	2,200,000	-
WSP groundwater modeling & enhancement tools	2,180,000	-
Land management/acquisition	6,984,626	-
Global information system mapping	1,700,000	-
Undesignated	15,589,493	-
Total fund balances	<u>140,649,942</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 152,458,103</u>	<u>\$ 25,619,970</u>

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

Mitigation	Water Protection & Sustainability	Non–major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 4,104,290
471,994	25,586,430	25,772,486	220,173,790
-	-	35,205	843,288
-	-	-	4,171,045
-	-	-	437,101
4,353,808	3,928,802	3,503,179	11,804,789
-	-	-	195,674
<u>4,825,802</u>	<u>29,515,232</u>	<u>29,310,870</u>	<u>241,729,977</u>
1,463,123	2,860,853	2,134,607	25,661,754
2,145,391	-	2,020,223	4,171,045
471,994	265,176	2,265,887	21,222,586
-	-	129,918	129,918
<u>4,080,508</u>	<u>3,126,029</u>	<u>6,550,635</u>	<u>51,185,303</u>
-	-	1,407,392	2,204,179
-	15,863,409	100,000	29,148,139
-	-	-	632,775
745,294	-	15,944,786	16,690,080
-	-	4,511,201	4,511,201
-	-	-	6,900,000
-	-	-	19,683,056
-	10,525,794	-	10,525,794
-	-	-	10,150,000
-	-	-	32,178,730
-	-	-	28,469,745
-	-	-	2,200,000
-	-	-	2,180,000
-	-	796,856	7,781,482
-	-	-	1,700,000
-	-	-	15,589,493
<u>745,294</u>	<u>26,389,203</u>	<u>22,760,235</u>	<u>190,544,674</u>
<u>\$ 4,825,802</u>	<u>\$ 29,515,232</u>	<u>\$ 29,310,870</u>	<u>\$ 241,729,977</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

Total fund balances – governmental funds	\$ 190,544,674
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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	1,133,670,481	
Accumulated depreciation	(71,939,137)	
		1,061,731,344

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

Bonds payable	(34,555,000)	
Unamortized loss on advanced refunding	267,477	
Unamortized bond premium	(283,817)	
		(34,571,340)

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

Unamortized bond issuance costs		278,247
Compensated absences		(8,194,704)
Accrued interest payable		(302,718)
Other post-employment benefit payable		(2,505,786)
Claims and judgments		(1,850,000)

Net assets of governmental activities	<u><u>\$ 1,205,129,717</u></u>
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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, 2010

	<u>General Fund</u>	<u>Ecosystems Management Trust</u>
Revenues		
Ad valorem property taxes	\$ 124,930,368	\$ -
State	-	17,450,427
Federal	-	-
Investment earnings	4,090,473	-
Local mitigation	-	-
Licenses and permits	1,254,133	-
Cities and counties	-	-
Lease and timber sales	1,162,611	-
Fines and penalties	207,575	-
Other	488,122	-
Total revenues	<u>132,133,282</u>	<u>17,450,427</u>
Expenditures		
Current:		
Water resources planning and monitoring	17,272,113	-
Acquisition, restoration, and public works	42,854,782	17,450,427
Operation and maintenance of lands and works	15,702,598	-
Regulation	17,402,002	-
Outreach	3,333,583	-
District management and administration	33,922,953	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>130,488,031</u>	<u>17,450,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,645,251</u>	<u>-</u>
Other financing sources (uses):		
Transfers in	453,753	-
Transfers out	(3,665,401)	-
Sale of capital assets	97,423	-
Insurance/FEMA - loss recovery	136,138	-
Total other financing sources (uses)	<u>(2,978,087)</u>	<u>-</u>
Net change in fund balance	(1,332,836)	-
Fund balances, beginning of year	<u>141,982,778</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 140,649,942</u></u>	<u><u>\$ -</u></u>

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

Mitigation	Water Protection & Sustainability	Non–major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 124,930,368
21,828,200	4,287,678	17,671,443	61,237,748
-	-	3,070,006	3,070,006
-	-	123,932	4,214,405
4,570	-	84,883	89,453
-	-	-	1,254,133
-	-	834,729	834,729
-	-	-	1,162,611
-	-	-	207,575
-	-	375,602	863,724
<u>21,832,770</u>	<u>4,287,678</u>	<u>22,160,595</u>	<u>197,864,752</u>
-	-	559,019	17,831,132
19,917,704	8,575,357	16,670,531	105,468,801
-	-	789,423	16,492,021
-	-	50,000	17,452,002
-	-	314,222	3,647,805
-	-	148,811	34,071,764
-	-	5,045,000	5,045,000
-	-	1,372,843	1,372,843
<u>19,917,704</u>	<u>8,575,357</u>	<u>24,949,849</u>	<u>201,381,368</u>
<u>1,915,066</u>	<u>(4,287,679)</u>	<u>(2,789,254)</u>	<u>(3,516,616)</u>
-	-	5,423,245	5,876,998
(2,046,875)	-	(164,722)	(5,876,998)
-	-	3,366,384	3,463,807
-	-	-	136,138
<u>(2,046,875)</u>	<u>-</u>	<u>8,624,907</u>	<u>3,599,945</u>
(131,809)	(4,287,679)	5,835,653	83,329
<u>877,103</u>	<u>30,676,882</u>	<u>16,924,582</u>	<u>190,461,345</u>
<u>\$ 745,294</u>	<u>\$ 26,389,203</u>	<u>\$ 22,760,235</u>	<u>\$ 190,544,674</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, 2010**

Net change in fund balances – total governmental activities \$ 83,329

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	47,566,285	
Current year depreciation	(9,699,526)	
Contributions of capital assets	23,244,210	
		61,110,969

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. (6,579,594)

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. 5,045,000

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	518,500	
Accrued interest payable	43,306	
Other post-employment benefit payable	(859,516)	
Claims and judgments payable	-	
		(297,710)

Change in net assets of governmental activities \$ 59,114,468

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, 2010

(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, (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 U.S.. The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting principles generally accepted in the U.S. for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in accounting principles generally accepted in the U.S. and used by the District are discussed below.

- (b) **Reporting Entity** — As required by accounting principles generally accepted in the U.S., 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 to 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 segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

- (d) **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** — The government-wide financial statements are reported by 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 by 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 is 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 and Management (SWIM) Program.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

The *Mitigation Fund* is a special revenue fund that 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.

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, groundwater 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.
- **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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

- 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.

F.S., bond covenants, and the District's adopted Investment Policy authorize District funds to be invested in direct obligations of the U.S. 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 U.S. or its agencies and instrumentalities, and the Florida PRIME (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.
- (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:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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 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.

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:

<u>Assets</u>	<u>Years</u>
Buildings	5–50
Infrastructure	10–50
Machinery and equipment	3–40
Software	3–10

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

- (j) **Compensated Absences** — It is the District's policy to permit employees to accumulate earned, but unused annual 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 annual leave 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 annual and sick leave is subject to District policy and employment criteria.

In fiscal year 2009-2010, the District allowed employees to voluntarily buy down their unused annual and sick leave at their current hourly base rate of pay. Employees can buy down in 10-hour increments annual leave up to 80 hours in a payroll calendar year. The employee must maintain a minimum of 80 hours after the annual leave buy down and take it in cash or direct it to the employee's deferred compensation account or health savings account.

Employees with a minimum of 10 years of continuous service with the District can buy down in 10 hour increments sick leave up to 480 hours, which is paid out at 25% or a maximum of 120 hours in a payroll calendar year. The employee must maintain a minimum of 480 hours after the sick leave buy down and can take it in cash, convert it to annual leave or direct it to the employee's deferred compensation account or health savings account.

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) **Deferred Revenue** — Governmental funds report deferred revenue in connection with resources that have been received, but not yet earned because all eligibility requirements have not been met. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

<u>Fund/Funding Source</u>	<u>Amount</u>
Ecosystems Management Trust Fund	
State-Ecosystems Management Trust	\$ 18,219,529
State Grants Fund	
State-Resolution 2000-24	242,619
State-Specific Appropriation	1,519,656
Water Protection & Sustainability Trust Fund	
State-Water Protection and Sustainability SWIM	265,176
Mitigation Fund	
State-FDOT Mitigation	471,994
Special Revenues-Other Fund	
Local-Counties	255,773
Local-Water Management Districts	4,011
Local-Cities	239,414
Local-Other	<u>4,414</u>
Total	<u>\$ 21,222,586</u>

- (l) **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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

- (m) **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.
- (n) **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 2009-2010 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 *F.S.*, using the following calendar:

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

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.

- (o) **Use of Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. 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.

(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 excess 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:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) Deposits and Investments (Continued):

- (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, U.S. Treasury Securities, and Mortgage-Backed Securities are backed by the full faith and credit of the U.S. federal government. Investments in the Florida State Board of Administration Pool are divided into two funds: Florida PRIME (State Pool) and Fund B Surplus Funds Trust Fund (Fund B). The Florida PRIME is rated by Standard and Poors. The current rating is AAA. 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 Federated Government Obligations 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, money market funds, and interest bearing time deposit accounts. The District's average, effective duration for the Investment Portfolio as of September 30, 2010, was 1.45 years. The weighted average days to maturity of the Florida PRIME at September 30, 2010, was 52 days. The weighted average life of Fund B assets at September 30, 2010, was 7.49 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, 2010.
- (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 U.S. 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%, U.S. government agencies, registered investment companies (money market mutual funds) and repurchase agreements to 50%. While the District is

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) Deposits and Investments (d) (Continued):

is allowed to invest 100% in the Florida PRIME Trust Fund, U.S. government securities and federal instrumentalities, the investment strategy is to maintain diversification.

- (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, is as 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
U.S. Government Securities	100%	100%	<5 years
U.S. 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, 2010, 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	\$ 94,015,400	\$ -	\$ 84,794,872	\$ 9,220,528
U.S. Treasury Securities	75,841,130	1,004,978	74,836,152	-
Corporate Note	8,321,008	-	8,321,008	-
Commercial Paper	9,992,940	9,992,940	-	-
Florida PRIME and Fund B	27,830,879	27,830,879	-	-
Fixed Income Money Market Fund	4,172,433	4,172,433	-	-
TOTAL INVESTMENTS	\$220,173,790	\$ 43,001,230	\$167,952,032	\$ 9,220,528

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) Deposits and Investments (Continued):

(g) As of September 30, 2010, 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	01/09/2012	\$ 9,019,205	
Federal National Mortgage Association	AAA	06/22/2012	506,432	
Federal National Mortgage Association	AAA	06/22/2012	2,673,958	
Federal National Mortgage Association	AAA	08/10/2012	1,167,736	
Federal National Mortgage Association	AAA	02/22/2013	1,127,993	
Federal National Mortgage Association	AAA	08/09/2013	4,871,003	
Federal National Mortgage Association	AAA	02/04/2014	6,191,725	
Federal Home Loan Bank	AAA	03/16/2011	1,419,464	
Federal Home Loan Bank	AAA	04/13/2012	1,597,531	
Federal Home Loan Bank	AAA	05/18/2012	9,094,311	
Federal Home Loan Bank	AAA	06/20/2012	2,016,352	
Federal Home Loan Bank	AAA	06/20/2012	4,094,116	
Federal Home Loan Bank	AAA	08/22/2012	1,380,781	
Federal Home Loan Bank	AAA	11/21/2012	715,220	
Federal Home Loan Bank	AAA	03/20/2013	4,091,268	
Federal Home Loan Mortgage Corporation	AAA	12/30/2011	2,833,212	
Federal Home Loan Mortgage Corporation	AAA	04/15/2013	9,408,564	
Federal Home Loan Mortgage Corporation	AAA	04/15/2013	1,038,010	
Federal Home Loan Mortgage Corporation	AAA	07/12/2013	7,872,846	
Federal Home Loan Mortgage Corporation	AAA	07/26/2013	8,699,843	
Federal Home Loan Mortgage Corporation	AAA	10/28/2013	3,028,803	
Federal Farm Credit Bank	AAA	04/23/2012	5,999,514	
Federal Farm Credit Bank	AAA	05/23/2012	5,167,513	
			94,015,400	42.70%
U.S. Treasury Securities				
U.S. Treasury Notes	TSY	09/30/2011	1,004,978	
U.S. Treasury Notes	TSY	11/15/2011	13,553,653	
U.S. Treasury Notes	TSY	11/30/2011	3,517,637	
U.S. Treasury Notes	TSY	11/30/2011	4,180,962	
U.S. Treasury Notes	TSY	01/31/2012	7,401,653	
U.S. Treasury Notes	TSY	02/15/2012	2,261,969	
U.S. Treasury Notes	TSY	03/31/2012	5,231,178	
U.S. Treasury Notes	TSY	03/31/2012	5,862,353	
U.S. Treasury Notes	TSY	04/15/2012	4,175,665	
U.S. Treasury Notes	TSY	04/30/2012	7,474,592	
U.S. Treasury Notes	TSY	05/31/2012	3,913,262	
U.S. Treasury Notes	TSY	09/15/2012	6,914,922	
U.S. Treasury Notes	TSY	02/15/2013	4,763,764	
U.S. Treasury Notes	TSY	05/15/2013	5,584,542	
			75,841,130	34.45%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(3) Deposits and Investments (g) (Concluded):

	S & P Rating	Maturity Date	Market Value	% of Portfolio
Corporate Note				
General Electric Cap Corp Global Note	AA+	08/13/2012	8,321,008	3.78%
Commercial Paper				
Credit Agricole North America	A-1+	10/19/2010	7,178,239	
Barclays US Funding LLC	A-1+	03/28/2011	2,814,701	
			9,992,940	4.54%
Florida State Board of Administration Pool				
Florida PRIME	AAAm		27,294,639	
Fund B	NR		536,240	
			27,830,879	12.64%
Fixed Income Money Market Fund				
Federated Government Obligations	NR		4,172,433	1.90%
TOTAL INVESTMENTS			\$220,173,790	100.00%

(4) Capital Assets:

(a) Capital asset activity for the year ended September 30, 2010, was as follows:

	Balance at Oct. 1, 2009	Additions	Retirements	Balance at 9/30/10
Capital assets, not being depreciated:				
Land	\$782,813,730	\$ 23,639,742	\$ (5,328,467)	\$801,125,005
Easements	89,027,751	28,982,263	(36,650)	117,973,364
Construction in progress	10,145,153	860,372	(9,512,116)	1,493,409
Total capital assets, not being depreciated	881,986,634	53,482,377	(14,877,233)	920,591,778
Capital assets, being depreciated:				
Buildings	34,672,676	1,440,495	(272,893)	35,840,278
Infrastructure	118,036,105	18,497,774	(1,380,956)	135,152,923
Machinery and equipment	35,540,239	3,286,615	(1,574,247)	37,252,607
Other depreciable assets	870,986	3,961,909	-	4,832,895
Total capital assets, being depreciated	189,120,006	27,186,793	(3,228,096)	213,078,703
Less accumulated depreciation for:				
Buildings	(9,672,389)	(979,080)	78,300	(10,573,169)
Infrastructure	(30,501,820)	(3,917,357)	40,526	(34,378,651)
Machinery and equipment	(23,178,580)	(3,964,081)	1,548,234	(25,594,427)
Other depreciable assets	(553,882)	(839,008)	-	(1,392,890)
Total accumulated depreciation	(63,906,671)	(9,699,526)	1,667,060	(71,939,137)
Capital assets being depreciated, net	125,213,335	17,487,267	(1,561,036)	141,139,566
Governmental activities capital assets, net	\$1,007,199,969	\$ 70,969,644	\$ (16,438,269)	\$1,061,731,344

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(4) Capital Assets (a) (Concluded):

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

Operation and maintenance of lands and works	\$ 7,881,438
District management and administration	1,818,088
Total depreciation expense	<u>\$ 9,699,526</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.

In 2010, the Florida Department of Transportation purchased mitigation credits from the District on the Strawn property in Volusia County for \$1,023,897. The proceeds from the purchase reimbursed the Florida Forever funds originally used to purchase the property. The District received funds from local sources for the sale of easements and land on the following properties: Long Branch Farm property, \$11,310; Jenning/Black Creek property, \$31,601; Black Creek Ravines property, \$58,996; Julington Durbin property, \$1,025; Masters property, \$2,162,810; Growers Pre-Cooler property, \$257,001; Lust Farms property, \$81,522; Hickerson property, \$760,577; and Lockloosa property, \$1,542. The District also received funds from post closing adjustments of \$178 on the Plum Creek/ Rice Creek property and \$26 on the Evans property and reclassified \$120,716 of expenditures on the Neighborhood Lakes property from Florida Forever funds to STS Orlando Beltway Mitigation funds. The District carried over a balance in the Florida Forever Fund of \$332,224 from the 2008-2009 fiscal year and expended these monies along with the monies from the sale of mitigation credits on the Strawn property to purchase the following qualified conservation lands: Evans property, \$332,224; leaving an unspent balance of \$4,511,201 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:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(5) Commitments (Concluded):

	<u>Funding Source</u>		<u>Total</u>
	<u>State</u>	<u>Federal</u>	
Special Revenue Funds			
Ecosystems Management Trust	\$ 10,820,330	\$ -	\$ 10,820,330
Water Protection and Sustainability	6,805,117	-	6,805,117
Water Management Lands Trust	789,434	-	789,434
Florida Forever	463,403	-	463,403
State Grants	268,954	-	268,954
FDOT Mitigation	142,169	-	142,169
Special Revenue Funds-Other	489,187	-	489,187
Federal	-	427,060	427,060
Total	<u>\$ 19,778,594</u>	<u>\$ 427,060</u>	<u>\$ 20,205,654</u>

The committed future resources of the Ecosystems Management Trust and Mitigation funds which total approximately \$11 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. The District has entered into an agreement with the City of Cocoa, City of Titusville, Orange County, the Orlando Utilities Commission and the Tohopekaliga Water Authority for \$14 million to fund the St. Johns River/Taylor Creek Reservoir Water Supply Project estimated to be completed April 15, 2015, and an agreement with the City of Palm Coast, City of Deland, Dunes Community Development District, Flagler County, City of Leesburg, Marion County, City of Mount Dora and St. Johns County for \$15 million to fund the Coquina Coast Desalination Alternative Water Supply Project estimated to be begin construction April 29, 2015, of which, both contracts are not considered encumbrances, commitments or grants to local governments, and not accounted for in those figures.

(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: \$1,104,925, Florida Forever Trust Fund; \$265,407, Water Management Lands Trust Fund; \$2,145,391, Florida Department of Transportation; \$300,419, Florida Department of Environmental Protection; \$348,832, Federal Sources; and \$640, Debt Service Fund, leaving a deposit of \$5,431 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 is as follows:

<u>Receivable Funds</u>	<u>Amount</u>	<u>Payable Funds</u>	<u>Purpose</u>
Major Funds:			
General Fund	\$ 1,104,925	Florida Forever Fund	Temporary Loan
General Fund	265,407	Water Management Lands Trust Fund	Temporary Loan
General Fund	2,145,391	Mitigation Fund	Temporary Loan
General Fund	300,419	State Grants Fund	Temporary Loan
General Fund	348,832	Federal Grants Fund	Temporary Loan
General Fund	640	Debt Service Fund	Temporary Loan
Ecosystems Management Trust Fund	5,431	General Fund	Deposit
Total All Funds	<u>\$ 4,171,045</u>		

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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(6) Interfund Balances and Activities (Concluded):

The District makes routine transfers among its funds during 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. The \$3,665,401 transfer from the General Fund to the Capital Projects Fund is to fund major capital expenditures from District funding sources. The \$65,535 transfer from the Debt Service Fund to the General Fund was to repay a temporary loan. The \$289,031 transfer from the Mitigation Fund to the General Fund is to reimburse for administration expenses associated with mitigation projects. The \$99,187 transfer from the State Grants Fund to the General Fund is to reimburse for indirect costs of State grants. The \$1,144,613 transfer from the Mitigation Fund to the Florida Forever is to change the funding source of previous land acquisitions to mitigation funds. The \$613,231 transfer from the Mitigation Fund to the Long-Term Maintenance Mitigation Fund was to properly classify mitigation funds received from current restoration project funding to Long-Term land management mitigation funding. A summary of interfund transfers is as follows:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 289,031	Mitigation Fund
General Fund	99,187	State Grants Fund
General Fund	65,535	Debt Service Fund
Total Major Funds – General Fund	<u>453,753</u>	
Non-major Funds:		
Capital Projects Fund	3,665,401	General Fund
Florida Forever Fund	1,144,613	Mitigation Fund
Long-term Maintenance Mitigation Fund	613,231	Mitigation Fund
Total Non-major Funds	<u>5,423,245</u>	
Total All Funds	<u>\$ 5,876,998</u>	

(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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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.

(c) Membership:

At September 30, 2010, membership consisted of:	Active employees	637
	Inactive employees	<u>48</u>
	Total	685

(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, 2010, retired employees contributed \$3,626 to the plan. For retired employees, the District contributed \$49,603 and the state of Florida's Division of Retirement contributed \$185,385. For active employees, the District contributed \$6,660,900 and the employees contributed \$1,430,497.

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

The District's actuarial valuation was performed for the plan as of October 1, 2009, 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, 2010. The District's annual OPEB cost (expense) of \$1,030,058 was reduced by the assumed contributions of \$170,542, which netted an increase of \$859,516 in the net OPEB obligation. The following table shows the calculation of the Annual Required Contribution and Net OPEB Obligation:

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liabilities AAL</u>	<u>Unfunded Actuarial Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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%	\$44,668,057	17.34%
10/01/2009	\$0	\$7,406,746	\$7,406,746	0.0%	\$47,021,214	15.75%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

	For the Fiscal Year Ending	
	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Determination of Annual Required Contribution:		
Normal cost at year-end	\$ 618,504	\$ 561,402
Amortization of Unfunded Actuarial Liability	<u>444,500</u>	<u>503,962</u>
Annual Required Contribution (ARC)	<u>1,063,004</u>	<u>1,065,364</u>
Determination of Net OPEB Obligation:		
ARC	1,063,004	1,065,364
Interest on prior year Net OPEB Obligation	65,851	40,369
<i>Adjustment to ARC</i>	<u>(98,797)</u>	<u>(52,522)</u>
Annual OPEB Cost	1,030,058	1,053,211
Contributions made	<u>(170,542)</u>	<u>(214,327)</u>
Increase in Net OPEB Obligation	859,516	838,884
Net OPEB Obligation – beginning of year	1,646,270	807,386
Net OPEB Obligation – end of year	\$ 2,505,786	\$ 1,646,270

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

<u>Fiscal</u>	<u>Discount</u>	<u>Annual</u>	<u>Percentage of</u>	<u>Net OPEB</u>
<u>Year Ended</u>	<u>Rate</u>	<u>OPEB Cost</u>	<u>OPEB Cost</u>	<u>Obligation</u>
<u>Year Ended</u>	<u>Rate</u>	<u>OPEB Cost</u>	<u>Contributed</u>	<u>Obligation</u>
9/30/2008	5.00%	\$ 993,315	18.7%	\$ 807,386
9/30/2009	5.00%	\$1,053,211	20.3%	\$1,646,270
9/30/2010	4.00%	\$1,030,058	16.6%	\$2,505,786

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 therefore, they 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(7) Other Post-Employment Benefits (OPEB) (f) (Concluded):

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. The District does not have a separate, audited GAAP-basis post-employment benefit plan report, just an independent Valuation Report from the District's contracted actuary.

In the October 1, 2009, actuarial valuation, the Traditional Unprojected Unit Credit Actuarial Cost Method, was used. The actuarial assumptions included 4% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.7%, decreasing each year until it reaches an ultimate rate of 5.8% in 2014. Life expectancies were based upon data found in the Sex-distinct RP-2000 Generational Tables. Approximately 90% 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, 2010, was 27 years.

(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	2% to 4%	\$ 34,555,000
Payable in semi-annual installments through 2016		

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)	\$ 8,194,704
Claims and judgments	1,850,000
Other post-employment benefits	2,505,786
Less unamortized premium and deferred loss on advance refunding	<u>16,340</u>
Subtotal	<u>\$ 12,566,830</u>
Total Long-Term Obligations less unamortized balances	<u>\$ 47,121,830</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(8) Long-Term Obligations (Continued):

(b) Debt service requirements to maturity:

Debt service requirements to maturity on the District's long-term obligations as of September 30, 2010, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Long-Term Obligations and Interest
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	6,025,000	491,600	6,516,600
2016	6,265,000	250,600	6,515,600
Total principal and interest	34,555,000	4,544,938	39,099,938
Less interest to be paid	-	(4,544,938)	(4,544,938)
Total principal	34,555,000	-	34,555,000
Deferred amounts	16,340	-	16,340
Totals	<u>\$ 34,571,340</u>	<u>\$ -</u>	<u>34,571,340</u>

Long-term obligations not included above:

Accrued compensated absences payable	8,194,704
Other post-employment benefits	2,505,786
Claims and judgments	<u>1,850,000</u>
Total long-term obligations	<u>\$ 47,121,830</u>

(c) Long-Term Obligations:

Changes in long-term liabilities for the fiscal year ended September 30, 2010, are summarized as follows:

Governmental Activities:	Balance October 1, 2009	Additions	Reductions	Balance September 30, 2010	Due Within One Year
General long-term obligations:					
Revenue bonds payable	\$ 39,600,000	\$ -	\$ 5,045,000	\$ 34,555,000	\$ 5,315,000
Deferred amounts:					
Issuance premiums	370,005	-	86,188	283,817	-
Unamortized loss on refunding	(534,955)	-	(267,478)	(267,477)	-
Total revenue bonds payable	39,435,050	-	4,863,710	34,571,340	5,315,000
Accrued compensated absences	8,713,204	4,594,165	5,112,665	8,194,704	246,979
Other post-employment benefits	1,646,270	859,516	-	2,505,786	-
Claims and judgments	<u>1,850,000</u>	<u>-</u>	<u>-</u>	<u>1,850,000</u>	<u>1,850,000</u>
Total governmental activity long-term obligations	<u>\$ 51,644,524</u>	<u>\$ 5,453,681</u>	<u>\$ 9,976,375</u>	<u>\$ 47,121,830</u>	<u>\$ 7,411,979</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(8) Long-Term Obligations (Concluded):

Interest expense is \$1,577,063 in the accompanying Statement of Activities for the year ended September 30, 2010.

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>
2011	446,233
Total Lease Payments	<u>\$ 446,233</u>

Net other post-employment benefit obligations, 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 2011, the District has a revised budget of approximately \$15 million for land acquisition in the fiscal year ending September 30, 2011.

(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, 2010, 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, 2010, 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 as of September 30, 2010, 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(10) Employee Benefits (Continued):

The total cost of this post-employment benefit for fiscal year ending September 30, 2010, was \$49,603 for 12 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 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(10) Employee Benefits (Continued):

Funding Policy: The District is required to contribute 10.77% for regular annual covered employee's salary, 14.57% for senior management annual covered employee's salary, and 12.25% 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, 2010, 2009, and 2008, the District contributed 100% of the required contribution to the FRS. The District's contributions to the FRS for the years ended September 30, 2010, 2009, and 2008, were \$4,770,436, \$4,561,495, and \$4,406,596, 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, 2010, 584 employees were participating in the 401a plan, with fiscal year 2009–2010 District contributions totaling \$1,117,303. The total balance of the plan is \$6,103,293, of which \$5,869,001 and \$234,292 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.

(11) State Trust Funds:

According to F.S., 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 the following: (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, 2009-2010 and 2010-2011, the state cut the appropriation to the District down to only fund the debt service payments.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(11) State Trust Funds (Concluded):

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 the following (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. From fiscal year 2000-2001 to 2007-2008, the District received an annual appropriation of \$26.25 million. In fiscal year 2008-2009, the annual appropriation was cut to \$22.5 million, then in fiscal year 2009-2010, the appropriation was cut 100% by the state. In fiscal year 2010-2011, the appropriation was restated at \$1.125 million.

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. In fiscal year 2009-2010 and 2010-2011, the state cut 100% of the appropriation to the District.

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, 2009-2010 and 2010-2011, 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.

(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, 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 an irrevocable letter of credit is used, a standby trust fund shall be established in which all payments under the bonds or letters of credit 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, 2010, the District estimates the value of the financial assurances provided by the various mitigation banks is \$14 million.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(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, 2010. The objective of Statement No. 59 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. The 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.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, effective for the District's fiscal year beginning October 1, 2010. The objective of Statement No. 59 is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The District is currently evaluating the effect this Statement 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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Ad valorem property taxes	\$ 123,000,000	\$ 123,000,000	\$ 124,930,368	\$ 1,930,368
Investment earnings	2,440,000	2,440,000	4,090,473	1,650,473
Regulatory permits	1,200,000	1,200,000	1,254,133	54,133
Lease and timber sales	774,000	774,000	1,162,611	388,611
Fines and penalties	400,000	400,000	207,575	(192,425)
Other	100,000	100,000	488,122	388,122
Total revenues	127,914,000	127,914,000	132,133,282	4,219,282
EXPENDITURES				
Water resources planning and monitoring				
Water supply planning	5,419,643	5,441,126	5,135,527	305,599
Groundwater resource assessment	1,847,100	1,850,223	1,754,590	95,633
Water use data management	853,348	1,075,087	1,003,684	71,403
Minimum flows and levels	1,615,812	1,678,019	1,555,854	122,165
Hydrologic data collection	4,435,987	4,438,286	4,208,839	229,447
Surface water quality monitoring	557,658	496,383	466,844	29,539
Laboratory services	1,724,064	1,718,745	1,587,651	131,094
Surveying services	1,401,447	1,032,365	1,015,378	16,987
Geographic information system development	589,796	590,148	543,746	46,402
Water resources planning and monitoring total	18,444,855	18,320,382	17,272,113	1,048,269
Acquisition, restoration and public works				
Land acquisition	1,108,126	14,302,565	14,050,915	251,650
Water resource development projects	1,211,970	1,005,254	910,067	95,187
Water supply development assistance	263,102	207,049	184,566	22,483
Water protection and sustainability	148,881	60,317	16,151	44,166
Conservation and demand management	9,815,522	5,076,458	3,832,312	1,244,146
Alternative water supply	-	2,301	2,301	-
Abandoned artesian well plugging	178,227	117,671	99,545	18,126
Surface water projects program support	2,485,451	3,127,065	3,082,949	44,116
Lower St. Johns River Basin	12,657,880	7,174,268	7,051,827	122,441
Middle St. Johns River Basin	1,321,744	1,328,732	1,188,628	140,104
Upper St. Johns River Basin	1,951,027	1,981,272	1,853,231	128,041

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Ocklawaha River Basin	338,917	339,093	328,568	10,525
Upper Ocklawaha River Basin	1,426,586	1,554,285	1,450,711	103,574
Lake Apopka Basin	3,331,094	2,765,304	2,456,995	308,309
Orange Creek Basin	143,602	137,003	121,572	15,431
Northern Coastal Basin	276,476	499,364	470,923	28,441
Indian River Lagoon Basin	2,742,227	3,023,315	2,703,272	320,043
Stormwater cost share	3,589,490	2,620,206	2,331,032	289,174
Facilities construction	764,724	725,453	719,217	6,236
Acquisition, restoration and public works total	43,755,046	46,046,975	42,854,782	3,192,193
Operation and maintenance of lands and works				
Land management	6,300,090	6,292,419	5,852,172	440,247
Works - structures and levees operations and maintenance	3,108,837	3,436,840	3,261,437	175,403
Facilities management	4,285,482	4,140,693	3,870,208	270,485
Invasive plant management	2,258,483	1,710,729	1,467,367	243,362
Emergency management	37,910	21,528	11,490	10,038
Environmental management program	451,054	421,660	352,884	68,776
Operations and maintenance support	814,937	926,485	887,040	39,445
Operation and maintenance of lands and works total	17,256,793	16,950,354	15,702,598	1,247,756
Regulation				
Consumptive use permitting	4,533,955	4,601,712	4,337,807	263,905
Water well construction permitting and contractor licensing	741,482	671,479	590,677	80,802
Environmental resource and surface water permitting	11,804,275	11,467,339	11,343,527	123,812
Resource management regulatory support	733,221	1,218,777	1,129,991	88,786
Regulation total	17,812,933	17,959,307	17,402,002	557,305
Outreach				
Outreach - public information	3,846,259	3,664,429	3,323,516	340,913
Lobbying	107,766	40,511	10,067	30,444
Outreach total	3,954,025	3,704,940	3,333,583	371,357

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
District management and administration				
Executive direction	1,699,110	1,805,246	1,645,754	159,492
General counsel	3,556,145	3,571,759	2,789,138	782,621
Inspector general	289,057	292,754	289,706	3,048
Human resources	7,258,328	5,243,763	4,016,869	1,226,894
Communications	1,339,388	1,342,990	1,035,408	307,582
Administrative support	3,732,239	4,119,358	3,984,994	134,364
Fleet services - transportation and equipment management	4,518,003	4,531,615	4,284,918	246,697
IR computer information systems	12,768,509	13,381,779	12,935,024	446,755
Reserves and designations	10,000,000	-	-	-
Non-operating expenses-inventory	-	-	(8,975)	8,975
Property appraiser and tax collector fees	3,900,000	3,900,000	2,950,117	949,883
District management and administration total	49,060,779	38,189,264	33,922,953	4,266,311
Total expenditures	150,284,431	141,171,222	130,488,031	10,683,191
Excess (deficiency) of revenues over (under) expenditures	(22,370,431)	(13,257,222)	1,645,251	14,902,473
Other financing sources (uses)				
Transfers in	-	-	453,753	453,753
Transfers out	(14,362,248)	(4,635,834)	(3,665,401)	970,433
Sale of capital assets	100,000	100,000	97,423	(2,577)
Insurance/FEMA /Arbitrage - recovery	-	-	136,138	136,138
Total other financing sources (uses)	(14,262,248)	(4,535,834)	(2,978,087)	1,557,747
Net change in fund balance	(36,632,679)	(17,793,056)	(1,332,836)	16,460,220
Fund balance, beginning of year	141,982,778	141,982,778	141,982,778	-
Fund balance, end of year	\$ 105,350,099	\$ 124,189,722	\$ 140,649,942	\$ 16,460,220

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 – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Ocklawaha River Basin	338,917	339,093	328,568	10,525
Upper Ocklawaha River Basin	1,426,586	1,554,285	1,450,711	103,574
Lake Apopka Basin	3,331,094	2,765,304	2,456,995	308,309
Orange Creek Basin	143,602	137,003	121,572	15,431
Northern Coastal Basin	276,476	499,364	470,923	28,441
Indian River Lagoon Basin	2,742,227	3,023,315	2,703,272	320,043
Stormwater cost share	3,589,490	2,620,206	2,331,032	289,174
Facilities construction	764,724	725,453	719,217	6,236
Acquisition, restoration and public works total	43,755,046	46,046,975	42,854,782	3,192,193
Operation and maintenance of lands and works				
Land management	6,300,090	6,292,419	5,852,172	440,247
Works - structures and levees operations and maintenance	3,108,837	3,436,840	3,261,437	175,403
Facilities management	4,285,482	4,140,693	3,870,208	270,485
Invasive plant management	2,258,483	1,710,729	1,467,367	243,362
Emergency management	37,910	21,528	11,490	10,038
Environmental management program	451,054	421,660	352,884	68,776
Operations and maintenance support	814,937	926,485	887,040	39,445
Operation and maintenance of lands and works total	17,256,793	16,950,354	15,702,598	1,247,756
Regulation				
Consumptive use permitting	4,533,955	4,601,712	4,337,807	263,905
Water well construction permitting and contractor licensing	741,482	671,479	590,677	80,802
Environmental resource and surface water permitting	11,804,275	11,467,339	11,343,527	123,812
Resource management regulatory support	733,221	1,218,777	1,129,991	88,786
Regulation total	17,812,933	17,959,307	17,402,002	557,305
Outreach				
Outreach - public information	3,846,259	3,664,429	3,323,516	340,913
Lobbying	107,766	40,511	10,067	30,444
Outreach total	3,954,025	3,704,940	3,333,583	371,357

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
District management and administration				
Executive direction	1,699,110	1,805,246	1,645,754	159,492
General counsel	3,556,145	3,571,759	2,789,138	782,621
Inspector general	289,057	292,754	289,706	3,048
Human resources	7,258,328	5,243,763	4,016,869	1,226,894
Communications	1,339,388	1,342,990	1,035,408	307,582
Administrative support	3,732,239	4,119,358	3,984,994	134,364
Fleet services - transportation and equipment management	4,518,003	4,531,615	4,284,918	246,697
IR computer information systems	12,768,509	13,381,779	12,935,024	446,755
Reserves and designations	10,000,000	-	-	-
Non-operating expenses-inventory	-	-	(8,975)	8,975
Property appraiser and tax collector fees	3,900,000	3,900,000	2,950,117	949,883
District management and administration total	49,060,779	38,189,264	33,922,953	4,266,311
Total expenditures	150,284,431	141,171,222	130,488,031	10,683,191
Excess (deficiency) of revenues over (under) expenditures	(22,370,431)	(13,257,222)	1,645,251	14,902,473
Other financing sources (uses)				
Transfers in	-	-	453,753	453,753
Transfers out	(14,362,248)	(4,635,834)	(3,665,401)	970,433
Sale of capital assets	100,000	100,000	97,423	(2,577)
Insurance/FEMA /Arbitrage - recovery	-	-	136,138	136,138
Total other financing sources (uses)	(14,262,248)	(4,535,834)	(2,978,087)	1,557,747
Net change in fund balance	(36,632,679)	(17,793,056)	(1,332,836)	16,460,220
Fund balance, beginning of year	141,982,778	141,982,778	141,982,778	-
Fund balance, end of year	\$ 105,350,099	\$ 124,189,722	\$ 140,649,942	\$ 16,460,220

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Ecosystems Management Trust Fund	\$ 24,056,516	\$ 19,567,502	\$ 17,450,427	\$ (2,117,075)
Total revenues	24,056,516	19,567,502	17,450,427	(2,117,075)
EXPENDITURES				
Acquisition, restoration and public works				
Lower St. Johns River Basin	17,330,934	10,735,758	10,553,454	182,304
Middle St. Johns River Basin	2,730,362	2,973,501	2,006,961	966,540
Upper St. Johns River Basin	30,000	49,469	28,910	20,559
Ocklawaha River Basin	77,652	84,652	74,490	10,162
Upper Ocklawaha River Basin	539,124	506,391	367,967	138,424
Lake Apopka Basin	59,866	15,106	15,106	-
Orange Creek Basin	850,000	850,000	850,000	-
Northern Coastal Basin	144,710	192,810	175,095	17,715
Indian River Lagoon Basin	2,293,868	4,159,815	3,378,444	781,371
Acquisition, restoration and public works total	24,056,516	19,567,502	17,450,427	2,117,075
Total expenditures	24,056,516	19,567,502	17,450,427	2,117,075
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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 – MITIGATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Transportation	\$ 7,444,127	\$ 20,632,514	\$ 21,828,200	\$ 1,195,686
Local mitigation	-	-	4,570	4,570
Total revenues	7,444,127	20,632,514	21,832,770	1,200,256
EXPENDITURES				
Acquisition, restoration, and public works				
Land acquisition	-	14,029,851	13,955,104	74,747
Florida Dept. of Transportation mitigation	306,546	306,546	172,333	134,213
Upper Ocklawaha River Basin	537,581	935,568	484,535	451,033
Lake Apopka Basin	1,800,000	513,293	512,270	1,023
Indian River Lagoon Basin	4,800,000	4,797,256	4,793,462	3,794
Acquisition, restoration and public works total	7,444,127	20,582,514	19,917,704	664,810
Operation and maintenance of lands and works				
Land management	-	50,000	-	50,000
Total expenditures	7,444,127	20,632,514	19,917,704	714,810
Excess (deficiency) of revenues over (under) expenditures	-	-	1,915,066	1,915,066
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(2,046,875)	(2,046,875)
Total other financing sources (uses)	-	-	(2,046,875)	(2,046,875)
Net change in fund balance	-	-	(131,809)	(131,809)
Fund balance, beginning of year	877,103	877,103	877,103	-
Fund balance, end of year	\$ 877,103	\$ 877,103	\$ 745,294	\$ (131,809)

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ 28,540,157	\$ 4,566,301	\$ 4,287,678	\$ (278,623)
Total revenues	<u>28,540,157</u>	<u>4,566,301</u>	<u>4,287,678</u>	<u>(278,623)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Water protection and sustainability	46,505,488	8,804,330	8,247,085	557,245
Lower St. Johns River Basin	9,007,746	-	-	-
Stormwater cost share	858,623	328,272	328,272	-
Acquisition, restoration and public works total	<u>56,371,857</u>	<u>9,132,602</u>	<u>8,575,357</u>	<u>557,245</u>
Total expenditures	<u>56,371,857</u>	<u>9,132,602</u>	<u>8,575,357</u>	<u>557,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,831,700)</u>	<u>(4,566,301)</u>	<u>(4,287,679)</u>	<u>278,622</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	<u>(27,831,700)</u>	<u>(4,566,301)</u>	<u>(4,287,679)</u>	<u>278,622</u>
Fund balance, beginning of year	<u>30,676,882</u>	<u>30,676,882</u>	<u>30,676,882</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,845,182</u>	<u>\$ 26,110,581</u>	<u>\$ 26,389,203</u>	<u>\$ 278,622</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, 2010

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 the St Johns River Water Management District (the District) Governing Board 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, (F.S.)

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2010

Stewardship, Compliance, and Accountability (Continued)

Other Post-Employment Benefits (OPEB) — The employer contributions reported on the Schedule of Funding Progress (see page 46) represents the current amount paid by the District for the current year cost of the benefits, which were entirely paid to or on behalf of retirees. Accordingly, no assets have been placed in trust to advance fund the employer's obligation.

The Schedule of the Funding Progress and the Schedule of Employer Contributions follows:

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liabilities (AAL)</u>	<u>Unfunded Actuarial Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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%	\$44,668,057	17.34%
10/01/2009	\$0	\$7,406,746	\$7,406,746	0.0%	\$47,021,214	15.75%

Schedule of Employer Contributions

<u>Valuation September 30,</u>	<u>Annual OPEB Cost</u>	<u>Expected Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 993,315	\$185,929	18.72%	\$ 807,386
2009	\$1,053,211	\$214,327	20.35%	\$ 838,884
2010	\$1,030,058	\$170,542	16.56%	\$ 859,516



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.

Florida Forever Fund — This fund 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 Surface Water Improvement and Management (SWIM) Program.

Water Management Lands Trust Fund — This fund accounts for restricted revenues received from the Water Management Lands Trust Fund, established by Section 373.59, *Florida Statutes*, through the Florida Department of Environmental Protection, and related expenditures. The revenues in the fund are continually appropriated for 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.

State Grants Fund — This 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 special revenue fund.

Federal Grants Fund — This 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 — This 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 — This 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 St John's River Water Management District (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 — This 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA

DEBT SERVICE FUND

Debt Service Fund — This 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 Fund — This 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, 2010

	Special Revenue Funds				
	Florida Forever	Water Management Lands Trust	State Grants	Federal Grants	Long-term Maintenance Mitigation
Assets					
Investments	\$ 4,511,201	\$ -	\$ 1,848,220	\$ -	\$ 10,240,055
Accounts and other receivables	-	-	-	-	-
Intergovernmental receivables	1,373,389	726,458	501,312	864,675	-
Total assets	5,884,590	726,458	2,349,532	864,675	10,240,055
Liabilities and fund balances					
Liabilities					
Accounts payable	268,464	461,051	286,838	515,843	3,736
Due to other funds	1,104,925	265,407	300,419	348,832	-
Deferred revenue	-	-	1,762,275	-	-
Due to other governmental units	-	-	-	-	-
Total liabilities	1,373,389	726,458	2,349,532	864,675	3,736
Fund balances					
Reserved for:					
Encumbrances	-	-	-	-	-
Grants to local governments	-	-	-	-	-
Legal restrictions	-	-	-	-	9,439,463
Land acquisition	4,511,201	-	-	-	-
Unreserved, designated for:					
Land management/acquisition	-	-	-	-	796,856
Total fund balances	4,511,201	-	-	-	10,236,319
Total liabilities and fund balances	\$ 5,884,590	\$ 726,458	\$ 2,349,532	\$ 864,675	\$ 10,240,055

Special Revenue Funds (Continued)

Indian River Lagoon License Tag Fees	Special Revenue Funds - Other	Special Revenue Total	Debt Service Fund	Capital Projects	Total Non-major Governmental Funds
\$ 652,510	\$ 525,927	\$ 17,777,913	\$ 6,330,792	\$ 1,663,781	\$ 25,772,486
5,580	-	5,580	29,625	-	35,205
-	37,345	3,503,179	-	-	3,503,179
658,090	563,272	21,286,672	6,360,417	1,663,781	29,310,870
204,808	59,660	1,800,400	-	334,207	2,134,607
-	-	2,019,583	640	-	2,020,223
-	503,612	2,265,887	-	-	2,265,887
129,918	-	129,918	-	-	129,918
334,726	563,272	6,215,788	640	334,207	6,550,635
77,818	-	77,818	-	1,329,574	1,407,392
100,000	-	100,000	-	-	100,000
145,546	-	9,585,009	6,359,777	-	15,944,786
-	-	4,511,201	-	-	4,511,201
-	-	796,856	-	-	796,856
323,364	-	15,070,884	6,359,777	1,329,574	22,760,235
\$ 658,090	\$ 563,272	\$ 21,286,672	\$ 6,360,417	\$ 1,663,781	\$ 29,310,870

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Special Revenue Funds				
	Florida Forever	Water Management Lands Trust	State Grants	Federal Grants	Long-term Maintenance Mitigation
Revenues					
State	\$7,295,503	\$ 1,344,856	\$1,415,741	\$ -	\$ 1,051,539
Federal	-	-	-	3,070,006	-
Investment earnings	-	-	-	-	5,397
Local mitigation	-	-	-	-	84,883
Cities and counties	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	7,295,503	1,344,856	1,415,741	3,070,006	1,141,819
Expenditures					
Current:					
Water resources planning and monitoring	-	-	261,173	297,846	-
Acquisition, restoration, and public works	7,627,523	783,161	825,329	2,761,186	-
Operation and maint. of lands and works	-	561,695	179,333	10,974	37,421
Regulation	-	-	-	-	-
Outreach	-	-	-	-	-
District management and administration	-	-	50,719	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	7,627,523	1,344,856	1,316,554	3,070,006	37,421
Excess (deficiency) of revenues over (under) expenditures	(332,020)	-	99,187	-	1,104,398
Other financing sources (uses):					
Transfers in	1,144,613	-	-	-	613,231
Transfers out	-	-	(99,187)	-	-
Sale of capital assets	3,366,384	-	-	-	-
Total other financing sources (uses)	4,510,997	-	(99,187)	-	613,231
Net change in fund balance	4,178,977	-	-	-	1,717,629
Fund balances, beginning of year	332,224	-	-	-	8,518,690
Fund balances, end of year	\$4,511,201	\$ -	\$ -	\$ -	\$10,236,319

Special Revenue Funds (Continued)

Indian River Lagoon License Tag Fees	Special Revenue Funds - Other	Special Revenue Total	Debt Service Fund	Capital Projects	Total Non-major Governmental Funds
\$ 145,991	\$ -	\$ 11,253,630	\$ 6,417,813	\$ -	\$ 17,671,443
-	-	3,070,006	-	-	3,070,006
333	-	5,730	118,202	-	123,932
-	-	84,883	-	-	84,883
-	834,729	834,729	-	-	834,729
-	375,602	375,602	-	-	375,602
146,324	1,210,331	15,624,580	6,536,015	-	22,160,595
-	-	559,019	-	-	559,019
489,488	748,017	13,234,704	-	3,435,827	16,670,531
-	-	789,423	-	-	789,423
-	50,000	50,000	-	-	50,000
-	314,222	314,222	-	-	314,222
-	98,092	148,811	-	-	148,811
-	-	-	5,045,000	-	5,045,000
-	-	-	1,372,843	-	1,372,843
489,488	1,210,331	15,096,179	6,417,843	3,435,827	24,949,849
(343,164)	-	528,401	118,172	(3,435,827)	(2,789,254)
-	-	1,757,844	-	3,665,401	5,423,245
-	-	(99,187)	(65,535)	-	(164,722)
-	-	3,366,384	-	-	3,366,384
-	-	5,025,041	(65,535)	3,665,401	8,624,907
(343,164)	-	5,553,442	52,637	229,574	5,835,653
666,528	-	9,517,442	6,307,140	1,100,000	16,924,582
\$ 323,364	\$ -	\$ 15,070,884	\$ 6,359,777	\$ 1,329,574	\$ 22,760,235

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ 4,783,006	\$ 8,183,895	\$ 7,295,503	\$ (888,392)
Total revenues	<u>4,783,006</u>	<u>8,183,895</u>	<u>7,295,503</u>	<u>(888,392)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Land acquisition	498,026	3,193,512	3,065,173	128,339
Water resource development projects	2,713,218	2,461,485	2,047,640	413,845
Abandoned artesian well plugging	377,431	377,431	45,369	332,062
Lake Apopka Basin	-	458,349	458,349	-
Indian River Lagoon Basin	1,194,331	2,025,342	2,010,992	14,350
Total expenditures	<u>4,783,006</u>	<u>8,516,119</u>	<u>7,627,523</u>	<u>888,596</u>
Excess (deficiency) of revenues over				
(under) expenditures	<u>-</u>	<u>(332,224)</u>	<u>(332,020)</u>	<u>204</u>
Other financing sources (uses)				
Transfers in	-	-	1,144,613	1,144,613
Transfers out	-	-	-	-
Sale of capital assets	-	-	3,366,384	3,366,384
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,510,997</u>	<u>4,510,997</u>
Net change in fund balance	<u>-</u>	<u>(332,224)</u>	<u>4,178,977</u>	<u>4,511,201</u>
Fund balance, beginning of year	<u>332,224</u>	<u>332,224</u>	<u>332,224</u>	<u>-</u>
Fund balance, end of year	<u>\$ 332,224</u>	<u>\$ -</u>	<u>\$ 4,511,201</u>	<u>\$ 4,511,201</u>

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ 1,099,749	\$ 1,504,167	\$ 1,344,856	\$ (159,311)
Total revenues	1,099,749	1,504,167	1,344,856	(159,311)
EXPENDITURES				
Acquisition, restoration and public works				
Land acquisition	-	13,500	-	13,500
Lower St. Johns River Basin	63,341	83,342	83,305	37
Middle St. Johns River Basin	900,000	280,558	256,744	23,814
Ocklawaha River Basin	-	111,652	108,498	3,154
Upper Ocklawaha River Basin	136,408	75,963	65,033	10,930
Lake Apopka Basin	-	84,866	84,866	-
Orange Creek Basin	-	10,717	-	10,717
Northern Coastal Basin	-	5,140	5,130	10
Indian River Lagoon Basin	-	179,585	179,585	-
Acquisition, restoration and public works total	1,099,749	845,323	783,161	62,162
Operation and maintenance of lands and works				
Land management	-	4,969	-	4,969
Invasive plant management	-	653,875	561,695	92,180
Operation and maintenance of lands and works total	-	658,844	561,695	97,149
Total expenditures	1,099,749	1,504,167	1,344,856	159,311
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ 350,700	\$ 353,418	\$ 306,330	\$ (47,088)
Resolution 2000–24	291,481	304,649	156,769	(147,880)
Specific appropriations	56,194	428,994	424,394	(4,600)
Federal through state	1,104,020	464,048	481,527	17,479
Department of Transportation	5,000	5,000	-	(5,000)
Other agencies	46,729.0	46,729	46,721	(8)
State total	1,854,124	1,602,838	1,415,741	(187,097)
Total revenues	1,854,124	1,602,838	1,415,741	(187,097)
EXPENDITURES				
Water resources planning and monitoring				
Groundwater resource assessment	585,000	52,718	52,646	72
Surface water quality monitoring	208,300	213,008	208,527	4,481
Water resources planning and monitoring total	793,300	265,726	261,173	4,553
Acquisition, restoration and public works				
Abandoned artesian well plugging	5,000	5,000	-	5,000
Lower St. Johns River Basin	127,616	142,513	62,972	79,541
Middle St. Johns River Basin	197,951	615,004	564,148	50,856
Upper Ocklawaha River Basin	46,729	46,729	46,721	8
Indian River Lagoon Basin	332,108	176,446	151,488	24,958
Acquisition, restoration and public works total	709,404	985,692	825,329	160,363
Operation and maintenance of lands and works				
Invasive plant management	300,700	300,700	179,333	121,367
District management and administration				
Communications	720	720	720	-
IR information technology	50,000	50,000	49,999	1
District management and administration total	50,720	50,720	50,719	1
Total expenditures	1,854,124	1,602,838	1,316,554	286,284

(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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Excess (deficiency) of revenues over				
(under) expenditures	-	-	99,187	99,187
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(99,187)	(99,187)
Total other financing sources (uses)	-	-	(99,187)	(99,187)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

(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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Federal				
Environmental Protection Agency	\$ 1,035,629	\$ 1,030,629	\$ 804,758	\$ (225,871)
Natural Resources Conservation Service	10,000	10,000	-	(10,000)
National Oceanic and Atmospheric				
Administration	2,383,838	2,355,618	2,254,274	(101,344)
Other	35,000	45,974	10,974	(35,000)
Federal total	3,464,467	3,442,221	3,070,006	(372,215)
Total revenues	3,464,467	3,442,221	3,070,006	(372,215)
EXPENDITURES				
Water resources planning and monitoring				
Groundwater resource assessment	-	393,841	297,846	95,995
Acquisition, restoration and public works				
Water resource development projects	298,187	298,187	153,313	144,874
Abandoned artesian well plugging	45,000	45,000	-	45,000
Northern Coastal Basin	1,593,718	1,244,470	1,241,951	2,519
Indian River Lagoon Basin	1,527,562	1,449,749	1,365,922	83,827
Acquisition, restoration and				
public works total	3,464,467	3,037,406	2,761,186	276,220
Operation and maintenance of lands and works				
Land management	-	10,974	10,974	-
Total expenditures	3,464,467	3,442,221	3,070,006	372,215
Excess (deficiency) of revenues over				
(under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
State				
Department of Transportation	\$ -	\$ -	\$ 1,051,539	\$ 1,051,539
Investment earnings	60,000	60,000	5,397	(54,603)
Local mitigation	-	-	84,883	84,883
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>1,141,819</u>	<u>1,081,819</u>
EXPENDITURES				
Operation and maintenance of lands and works				
Land management	60,000	60,000	37,421	22,579
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>37,421</u>	<u>22,579</u>
Excess (deficiency) of revenues over				
 (under) expenditures	<u>-</u>	<u>-</u>	<u>1,104,398</u>	<u>1,104,398</u>
Other financing sources (uses)				
Transfers in	-	-	613,231	613,231
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>613,231</u>	<u>613,231</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1,717,629</u>	<u>1,717,629</u>
Fund balance, beginning of year	<u>8,518,690</u>	<u>8,518,690</u>	<u>8,518,690</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,518,690</u>	<u>\$ 8,518,690</u>	<u>\$ 10,236,319</u>	<u>\$ 1,717,629</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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Indian River Lagoon license plate	\$ 471,721	\$ 177,300	\$ 145,991	\$ (31,309)
Investment earnings	-	-	333	333
Total revenues	<u>471,721</u>	<u>177,300</u>	<u>146,324</u>	<u>(30,976)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Indian River Lagoon Basin	759,331	581,513	489,488	92,025
Total expenditures	<u>759,331</u>	<u>581,513</u>	<u>489,488</u>	<u>92,025</u>
Excess (deficiency) of revenues over				
 (under) expenditures	<u>(287,610)</u>	<u>(404,213)</u>	<u>(343,164)</u>	<u>61,049</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	<u>(287,610)</u>	<u>(404,213)</u>	<u>(343,164)</u>	<u>61,049</u>
Fund balance, beginning of year	<u>666,528</u>	<u>666,528</u>	<u>666,528</u>	<u>-</u>
Fund balance, end of year	<u>\$ 378,918</u>	<u>\$ 262,315</u>	<u>\$ 323,364</u>	<u>\$ 61,049</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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Cities and counties				
Cities	\$ 160,332	\$ 464,265	\$ 455,169	\$ (9,096)
Counties	320,333	479,560	379,560	(100,000)
Cities and counties total	480,665	943,825	834,729	(109,096)
Other				
Water management districts	208,254	195,078	186,113	(8,965)
Other local sources	95,000	221,000	189,489	(31,511)
Other total	303,254	416,078	375,602	(40,476)
Total revenues	783,919	1,359,903	1,210,331	(149,572)
EXPENDITURES				
Acquisition, restoration and public works				
Conservation and demand management	-	462,000	462,000	-
Abandoned artesian well plugging	155,000	158,000	17,392	140,608
Lower St. Johns River Basin	10,000	20,500	20,501	(1)
Middle St. Johns River Basin	81,155	69,715	69,715	-
Upper Ocklawaha River Basin	40,000	-	-	-
Northern Coastal Basin	-	165,100	165,100	-
Indian River Lagoon Basin	-	13,309	13,309	-
Acquisition, restoration and				
public works total	286,155	888,624	748,017	140,607
Regulation				
Consumptive use permitting	30,000	50,000	50,000	-
Outreach				
Outreach - public information	309,510	309,510	305,499	4,011
Lobbying	12,500	12,500	8,723	3,777
Outreach total	322,010	322,010	314,222	7,788
District management and administration				
Executive direction	99,454	46,215	46,215	-
Communications (telecommunications)	1,300	1,300	123	1,177
IR information technology	45,000	51,754	51,754	-

(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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
District management and administration total	145,754	99,269	98,092	1,177
Total expenditures	783,919	1,359,903	1,210,331	149,572
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

(Concluded)

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, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Water Management Lands Trust Fund	\$ 6,418,363	\$ 6,417,813	\$ 6,417,813	\$ -
Investment earnings	-	550	118,202	117,652
Total revenues	<u>6,418,363</u>	<u>6,418,363</u>	<u>6,536,015</u>	<u>117,652</u>
EXPENDITURES				
Principal	5,045,000	5,045,000	5,045,000	-
Interest and fiscal charges	1,372,813	1,372,813	1,372,813	-
Other debt service costs	550	550	30	520
Total expenditures	<u>6,418,363</u>	<u>6,418,363</u>	<u>6,417,843</u>	<u>520</u>
Excess (deficiency) of revenues over				
(under) expenditures	<u>-</u>	<u>-</u>	<u>118,172</u>	<u>118,172</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(65,535)	(65,535)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(65,535)</u>	<u>(65,535)</u>
Net change in fund balance	-	-	52,637	52,637
Fund balance, beginning of year	<u>6,307,140</u>	<u>6,307,140</u>	<u>6,307,140</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,307,140</u></u>	<u><u>\$ 6,307,140</u></u>	<u><u>\$ 6,359,777</u></u>	<u><u>\$ 52,637</u></u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Acquisition, restoration and public works				
Middle St. Johns River Basin	1,100,000	-	-	-
Upper St. Johns River Basin	200,000	-	-	-
Lake Apopka Basin	2,262,248	1,731,601	1,647,095	84,506
Indian River Lagoon Basin	11,900,000	2,674,659	1,788,732	885,927
Acquisition, restoration and public works total	15,462,248	4,406,260	3,435,827	970,433
Total expenditures	15,462,248	4,406,260	3,435,827	970,433
Excess (deficiency) of revenues over (under) expenditures	(15,462,248)	(4,406,260)	(3,435,827)	970,433
Other financing sources (uses)				
Transfers in	14,362,248	4,635,834	3,665,401	(970,433)
Transfers out	-	-	-	-
Total other financing sources (uses)	14,362,248	4,635,834	3,665,401	(970,433)
Net change in fund balance	(1,100,000)	229,574	229,574	-
Fund balance, beginning of year	1,100,000	1,100,000	1,100,000	-
Fund balance, end of year	\$ -	\$ 1,329,574	\$ 1,329,574	\$ -



Comprehensive Annual Financial Report Statistical Section (Unaudited)

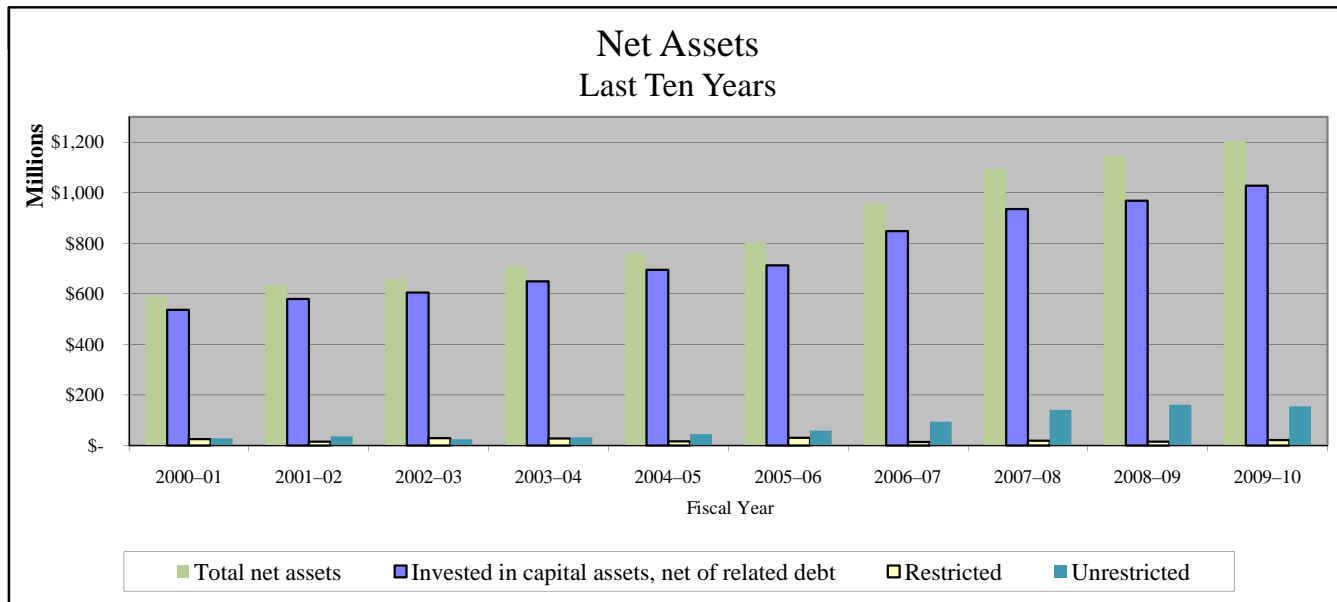
Financial Trends
Revenue Capacity
Debt Capacity
Demographic and Economic Information
Operating Information



Financial Trends

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

	2000-01	2001-02	2002-03	2003-04	2004-05
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	\$ 590,798,535	\$ 633,197,590	\$ 659,319,824	\$ 710,458,555	\$ 758,314,142



<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
\$ 712,487,535	\$ 847,938,851	\$ 935,496,518	\$ 968,109,402	\$ 1,027,438,251
30,706,894	14,432,348	18,621,314	15,588,704	21,531,338
<u>59,573,371</u>	<u>95,094,987</u>	<u>141,530,441</u>	<u>162,317,143</u>	<u>156,160,128</u>
<u><u>\$ 802,767,800</u></u>	<u><u>\$ 957,466,186</u></u>	<u><u>\$ 1,095,648,273</u></u>	<u><u>\$ 1,146,015,249</u></u>	<u><u>\$ 1,205,129,717</u></u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

	2000-01	2001-02	2002-03	2003-04	2004-05
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	106,695,859	107,936,373	113,123,577	116,365,477	119,517,515
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	82,535,671	73,226,992	58,448,216	44,019,264	61,522,068
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	72,987,046	77,108,436	82,017,595	89,989,208	103,448,541
Change in net assets	\$ 48,826,858	\$ 42,399,055	\$ 27,342,234	\$ 17,642,995	\$ 45,453,094

2005-06	2006-07	2007-08	2008-09	2009-10
\$ 16,867,083	\$ 17,168,733	\$ 16,684,663	\$ 19,442,113	\$ 17,531,746
55,406,698	71,247,250	81,613,153	80,833,949	63,183,862
19,895,374	21,677,617	24,104,108	23,325,492	24,064,175
14,900,042	16,969,140	17,516,548	18,347,155	17,548,909
4,145,257	5,347,966	5,066,235	4,972,162	3,594,555
29,335,082	40,943,492	22,004,507	30,986,501	31,514,536
2,455,190	2,090,959	1,903,361	1,747,117	1,577,063
143,004,726	175,445,157	168,892,575	179,654,489	159,014,846
4,627,038	3,914,456	3,106,679	1,742,275	1,461,708
2,975,175	1,391,832	1,796,712	1,719,299	1,162,611
34,326,985	42,960,577	43,129,040	55,036,822	38,166,419
23,078,231	105,772,582	99,792,164	25,116,714	47,631,576
65,007,429	154,039,447	147,824,595	83,615,110	88,422,314
(77,997,297)	(21,405,710)	(21,067,980)	(96,039,379)	(70,592,532)
115,864,922	143,018,871	145,122,797	138,108,192	124,930,368
5,116,150	8,558,259	6,208,108	7,708,352	4,214,405
1,190,419	24,424,763	7,742,637	256,274	74,105
279,464	102,203	176,525	333,537	488,122
122,450,955	176,104,096	159,250,067	146,406,355	129,707,000
\$ 44,453,658	\$ 154,698,386	\$ 138,182,087	\$ 50,366,976	\$ 59,114,468

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

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
General fund					
Reserved	\$ 21,403,421	\$ 16,381,364	\$ 9,150,047	\$ 7,051,233	\$ 770,942
Unreserved	12,587,642	13,305,947	21,446,516	26,015,684	19,464,310
Total general fund	<u>33,991,063</u>	<u>29,687,311</u>	<u>30,596,563</u>	<u>33,066,917</u>	<u>20,235,252</u>
All other governmental funds					
Reserved	27,407,005	15,183,487	29,968,288	30,839,312	24,184,221
Unreserved, reported in:					
Special revenue funds	454,990	466,060	1,936,258	-	19,558,538
Capital projects funds	<u>381,951</u>	<u>12,555,759</u>	<u>260,703</u>	<u>5,865,862</u>	<u>7,102,908</u>
Total all other governmental funds	<u>28,243,946</u>	<u>28,205,306</u>	<u>32,165,249</u>	<u>36,705,174</u>	<u>50,845,667</u>
Total fund balances	<u>\$ 62,235,009</u>	<u>\$ 57,892,617</u>	<u>\$ 62,761,812</u>	<u>\$ 69,772,091</u>	<u>\$ 71,080,919</u>

<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
\$ 12,905,529	\$ 27,496,993	\$ 24,737,710	\$ 16,355,747	\$ 14,614,292
32,285,783	45,017,651	85,194,922	125,627,031	126,035,650
<u>45,191,312</u>	<u>72,514,644</u>	<u>109,932,632</u>	<u>141,982,778</u>	<u>140,649,942</u>
27,908,395	35,108,520	44,961,335	34,933,173	38,572,082
27,317,090	23,756,026	16,214,737	13,545,394	11,322,650
241,953	-	-	-	-
<u>55,467,438</u>	<u>58,864,546</u>	<u>61,176,072</u>	<u>48,478,567</u>	<u>49,894,732</u>
<u>\$ 100,658,750</u>	<u>\$ 131,379,190</u>	<u>\$ 171,108,704</u>	<u>\$ 190,461,345</u>	<u>\$ 190,544,674</u>

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

	2000-01	2001-02	2002-03	2003-04
Revenues:				
Taxes	\$ 69,076,565	\$ 74,344,747	\$ 80,657,242	\$ 88,478,126
State	65,888,529	61,135,618	46,313,000	33,176,714
Federal	7,172,648	1,133,930	1,780,554	4,504,605
Investment earnings	4,244,608	2,136,272	1,455,291	1,170,863
Local mitigation	1,170,894	4,188,616	2,659,850	497,593
Licenses and permits	2,346,831	2,387,050	2,919,747	2,909,628
Cities and counties	841,002	1,009,006	498,360	683,113
Other local	1,338,839	784,323	552,931	707,709
Land management	1,056,728	1,292,754	1,041,764	981,939
Miscellaneous revenue	157,649	313,611	827,117	220,106
Total revenues	<u>153,294,293</u>	<u>148,725,927</u>	<u>138,705,856</u>	<u>133,330,396</u>
Expenditures:				
Executive	9,399,598	11,519,380	13,393,063	-
Administration	6,983,770	5,759,207	3,089,636	-
Resource management	18,690,495	18,570,631	19,651,667	-
Water resources	37,239,629	39,032,878	39,142,822	-
Operations and land resources	68,084,086	61,806,564	46,976,056	-
Information resources	11,054,394	9,732,783	9,917,454	-
Water resource management	-	-	-	15,086,163
Acquisition, restoration and public works	-	-	-	53,818,033
Operation and maintenance of land and works	-	-	-	13,704,035
Regulation	-	-	-	11,746,695
Outreach	-	-	-	4,228,978
District management and administration	-	-	-	26,144,218
Debt service:				
Principal retirement	3,170,000	3,325,000	3,495,000	3,670,000
Interest and fiscal charges	3,829,063	3,670,563	3,504,312	3,329,563
Other - cost of issuance	-	-	-	-
Total expenditures	<u>158,451,035</u>	<u>153,417,006</u>	<u>139,170,010</u>	<u>131,727,685</u>
Excess of revenues over(under) expenditures	(5,156,742)	(4,691,079)	(464,154)	1,602,711
Other financing sources (uses):				
Transfers in	34,031,502	11,269,310	10,062,965	7,199,094
Transfers out	(34,031,502)	(11,269,310)	(10,062,965)	(7,199,094)
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	5,407,568
Insurance/ FEMA - loss recovery	115,371	-	30,050	-
Total other financing sources (uses)	<u>265,041</u>	<u>2,987,707</u>	<u>5,333,350</u>	<u>5,407,568</u>
Net change in fund balances	<u>\$ (4,891,701)</u>	<u>\$ (1,703,372)</u>	<u>\$ 4,869,196</u>	<u>\$ 7,010,279</u>
Debt service as a percentage of noncapital expenditures	6.72%	6.52%	6.47%	6.10%

2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
\$ 99,042,154	\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192	\$ 124,930,368
52,883,314	49,051,089	137,975,154	132,949,884	67,187,487	61,237,748
929,488	1,459,893	3,661,398	4,706,562	3,496,518	3,070,006
2,291,984	5,116,150	8,558,259	6,208,108	7,708,353	4,214,405
295,989	54,718	2,185,364	1,064,233	92,034	89,453
3,491,770	3,593,279	3,357,891	2,322,017	1,539,179	1,254,133
974,475	685,815	842,572	821,525	756,858	834,729
1,044,282	980,507	1,303,390	3,296,423	1,467,655	375,602
1,452,750	2,975,175	1,391,832	1,796,712	1,742,275	1,162,611
410,149	1,313,223	658,768	961,187	513,658	695,697
162,816,355	181,094,771	302,953,499	299,249,448	222,612,209	197,864,752
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,260,660	16,966,367	17,338,510	17,004,052	19,573,417	17,831,132
82,093,251	65,735,659	186,009,297	179,840,632	103,383,143	105,468,801
15,065,380	15,891,333	15,613,635	17,602,973	16,575,241	16,492,021
13,153,780	14,779,607	16,608,017	17,352,936	17,949,435	17,452,002
4,589,650	4,130,964	5,299,861	5,055,126	4,917,846	3,647,805
28,049,668	31,073,113	33,953,085	35,263,176	34,910,348	34,071,764
4,505,000	4,355,000	4,525,000	4,725,000	4,880,000	5,045,000
1,681,517	2,064,450	1,893,750	1,694,125	1,542,213	1,372,843
675,663	-	-	-	-	-
165,074,569	154,996,493	281,241,155	278,538,020	203,731,643	201,381,368
(2,258,214)	26,098,278	21,712,344	20,711,428	18,880,566	(3,516,616)
55,306,725	77,017,913	39,170,977	12,802,535	3,455,254	5,876,998
(55,306,725)	(77,017,913)	(39,170,977)	(12,802,535)	(3,455,254)	(5,876,998)
58,740,000	-	-	-	-	-
800,945	-	-	-	-	-
(59,637,345)	-	-	-	-	-
507,521	2,231,569	8,749,956	18,943,514	383,885	3,463,807
753,428	1,247,984	258,140	74,572	88,189	136,138
1,164,549	3,479,553	9,008,096	19,018,086	472,074	3,599,945
\$ (1,093,665)	\$ 29,577,831	\$ 30,720,440	\$ 39,729,514	\$ 19,352,640	\$ 83,329
5.21%	4.70%	4.12%	3.65%	3.68%	4.17%



Revenue Capacity

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

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Assessed Property Value (Millions) ¹	\$ 152,133	\$ 167,067	\$ 180,855	\$ 198,408	\$ 220,529
Estimated Just Value (Millions) ²	222,109	244,521	266,478	292,321	326,099
Assessed Value as a Percentage of Just Value	68.5%	68.3%	67.9%	67.9%	67.6%
Millage Levy	0.4720	0.4620	0.4620	0.4620	0.4620

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>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
\$ 259,406	\$ 321,225	\$ 361,315	\$ 345,827	\$ 309,478
388,827	489,352	543,164	546,049	475,693
66.7%	65.6%	66.5%	63.3%	65.1%
0.4620	0.4620	0.4158	0.4158	0.4158

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TAXABLE PROPERTY VALUES AND ESTIMATED
JUST VALUES OF TAXABLE PROPERTY BY COUNTY
FISCAL YEAR 2009–2010

<u>County</u>	<u>Estimated Just Value¹</u>	<u>Taxable Value²</u>	<u>Taxable as Percentage of Just Value</u>
Alachua*	\$17,673,515,638	\$9,113,277,664	51.6%
Baker*	\$1,731,322,798	789,000,558	45.6%
Bradford*	\$158,005,801	61,816,961	39.1%
Brevard	59,186,483,459	33,330,608,859	56.3%
Clay	15,242,782,787	9,385,820,759	61.6%
Duval	95,400,845,191	58,382,480,195	61.2%
Flagler	13,276,936,467	9,336,098,682	70.3%
Indian River	22,033,450,631	15,796,158,693	71.7%
Lake*	\$26,871,585,922	19,121,877,053	71.2%
Marion*	\$21,002,178,149	11,784,180,347	56.1%
Nassau	10,780,465,119	7,829,223,346	72.6%
Okeechobee*	\$191,667,071	97,533,146	50.9%
Orange*	\$70,184,788,334	51,719,551,945	73.7%
Osceola*	\$177,231,375	116,583,438	65.8%
Polk ³	-	-	0.0%
Putnam*	7,707,062,234	3,945,688,030	51.2%
St. Johns	28,946,525,556	20,454,452,825	70.7%
Seminole	39,411,321,659	28,061,917,002	71.2%
Volusia	45,717,249,728	30,151,455,638	66.0%
Total	<u>\$ 475,693,417,919</u>	<u>\$ 309,477,725,141</u>	<u>65.1%</u>
Florida Total	<u>\$2,213,977,141,447</u>	<u>\$1,516,182,700,604</u>	<u>68.5%</u>

Source: Florida Department of Revenue. 2010 DR-420 Reports and 2009 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 2009–2010

<u>County</u>	<u>Property Tax Collections</u>	<u>Percentage of Collections</u>
Alachua	\$ 3,656,160	2.93%
Baker	343,421	0.27%
Bradford	24,836	0.02%
Brevard	13,575,140	10.87%
Clay	3,804,185	3.05%
Duval	23,274,026	18.63%
Flagler	3,827,635	3.06%
Indian River	6,384,914	5.11%
Lake	7,765,521	6.22%
Marion	4,750,603	3.80%
Nassau	3,129,703	2.51%
Okeechobee	40,030	0.03%
Orange	20,626,141	16.51%
Osceola	47,018	0.04%
Polk ¹	-	0.00%
Putnam	1,596,445	1.28%
St. Johns	8,329,791	6.67%
Seminole	11,384,313	9.11%
Volusia	12,370,486	9.90%
Total	\$ 124,930,368	100.00%

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.

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

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Millage Levy	0.4720	0.4620	0.4620	0.4620
Alachua	\$ 2,080,345	\$ 2,210,429	\$ 2,411,448	\$ 2,620,026
Baker	143,965	163,046	171,435	200,253
Bradford	23,059	15,158	16,450	17,502
Brevard	7,722,869	8,108,561	8,843,913	9,892,887
Clay	1,954,136	2,132,946	2,308,547	2,549,041
Duval	13,534,133	14,530,957	15,179,872	16,479,185
Flagler	1,260,685	1,454,825	1,670,415	2,032,921
Indian River	3,408,384	3,771,745	4,268,222	4,848,349
Lake	3,503,221	3,740,576	4,147,934	4,574,389
Marion	2,310,101	2,456,327	2,685,968	3,051,042
Nassau	1,402,833	1,579,530	1,803,315	1,946,076
Okeechobee	24,145	23,303	24,892	25,433
Orange	12,164,779	13,086,699	13,891,014	14,828,812
Osceola	32,960	35,705	36,358	38,608
Polk ¹	261,003	351,367	440,070	476
Putnam	1,038,921	1,043,721	1,085,379	1,132,349
St. Johns	3,701,411	4,277,471	4,870,248	5,633,173
Seminole	6,985,191	7,528,299	8,225,937	8,851,546
Volusia	7,524,424	7,834,082	8,575,825	9,756,059
Total	<u>\$ 69,076,565</u>	<u>\$ 74,344,747</u>	<u>\$ 80,657,242</u>	<u>\$ 88,478,127</u>
Percentage increase of property tax revenues	6.514%	7.627%	8.491%	9.696%

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.

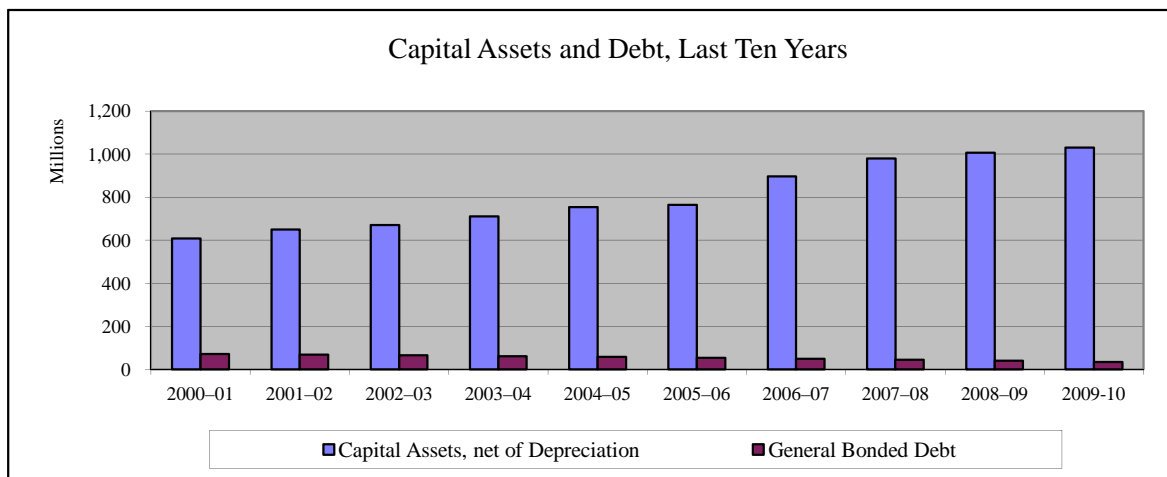
2004-05	2005-06	2006-07	2007-08	2008-2009	2009-2010
0.4620	0.4620	0.4620	0.4158	0.4158	0.4158
\$ 2,826,858	\$ 3,170,486	\$ 3,698,891	\$ 3,764,454	\$ 3,691,898	\$ 3,656,160
224,108	258,440	312,027	332,478	335,454	343,421
18,712	21,211	25,504	27,246	24,980	24,836
11,309,894	13,851,248	17,522,812	16,462,415	15,278,575	13,575,140
2,879,023	3,339,041	4,105,037	4,322,683	4,003,031	3,804,185
17,976,450	20,465,028	23,311,064	24,580,575	24,424,441	23,274,026
2,601,920	3,548,985	4,890,528	4,960,294	4,522,956	3,827,635
5,445,494	6,372,774	7,977,562	7,328,800	7,191,682	6,384,914
5,375,081	6,359,023	8,470,737	8,923,002	8,406,518	7,765,521
3,482,322	3,886,312	4,990,267	5,618,860	5,194,509	4,750,603
2,185,732	2,673,425	3,195,766	3,303,262	3,257,302	3,129,703
31,334	43,383	51,552	54,072	48,457	40,030
16,244,689	18,480,069	22,598,990	23,827,053	23,216,222	20,626,141
43,836	47,426	54,037	51,061	48,835	47,018
-	-	-	-	-	-
1,321,573	1,414,610	1,829,688	1,677,396	1,613,157	1,596,445
6,388,655	7,786,803	9,886,993	9,800,861	9,488,809	8,329,791
9,526,601	10,744,094	13,305,181	13,534,562	12,828,954	11,384,313
11,159,872	13,402,564	16,792,235	16,553,723	14,532,412	12,370,486
\$ 99,042,154	\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192	\$ 124,930,368
11.940%	16.985%	23.436%	1.471%	-4.834%	-9.542%



Debt Capacity

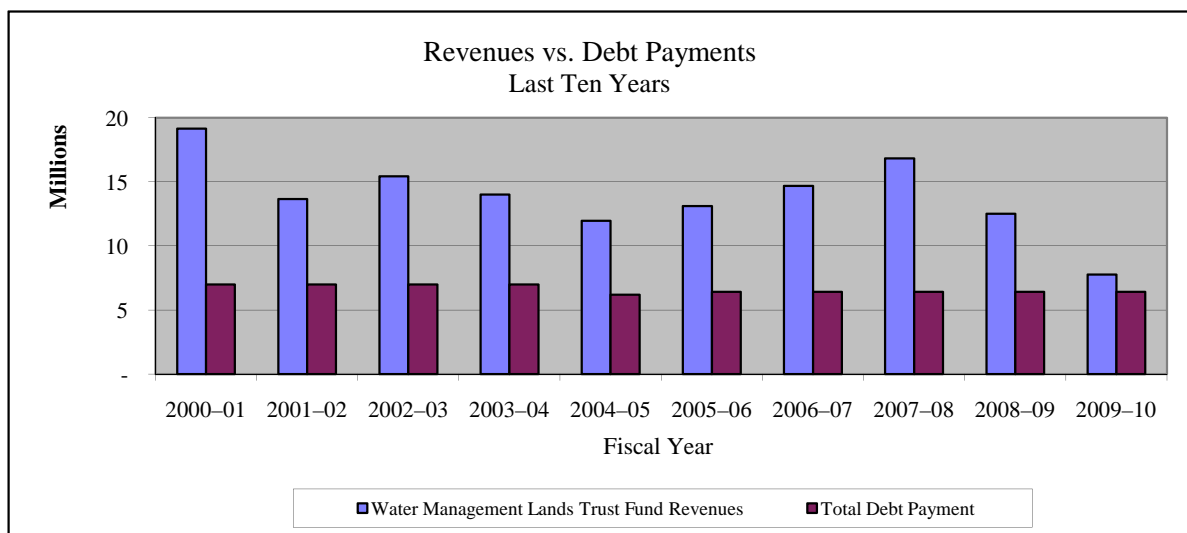
ST. JOHNS RIVER MANAGEMENT DISTRICT, FLORIDA
RATIO OF DEBT TO CAPITAL ASSETS, DEBT PER CAPITA, AND
RATIO OF BONDED DEBT TO TAXABLE PROPERTY VALUE
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt	Capital Assets, net of Depreciation	Ratio Debt to Net Capital Assets	Estimated Population at April 1	General Bonded Debt Per Capita
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%	4,736,638	8.36
2009-10	34,555,000	1,061,731,344	3.25%	4,739,869	7.29



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

Fiscal Year	Water Management Lands Trust Fund Revenues	Principal	Interest and Fiscal Charges	Total	Coverage
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
2009-10	7,762,669	5,045,000	1,372,843	6,417,843	1.21





Demographic and Economic Information

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Alachua*	171,388	175,748	177,815	181,565	185,094	187,412
Baker*	20,972	21,371	21,735	22,274	22,265	23,242
Bradford*	1,234	1,254	1,276	1,312	1,330	1,351
Brevard	485,178	494,102	507,810	521,422	531,970	543,050
Clay	142,838	149,901	156,011	163,461	169,623	176,901
Duval	793,898	809,394	826,279	840,474	861,150	879,235
Flagler	53,061	56,785	61,541	69,683	78,617	89,075
Indian River	115,716	118,149	121,174	126,829	130,043	135,262
Lake*	219,145	229,836	239,429	250,531	261,610	275,303
Marion*	191,927	196,880	204,774	213,017	221,448	228,818
Nassau	59,409	61,094	63,062	65,016	65,759	68,188
Okeechobee*	738	746	760	776	771	789
Orange*	705,111	724,695	745,393	768,723	791,089	818,448
Osceola*	1,795	1,934	2,104	2,258	2,352	2,559
Polk ¹	13,417	13,586	13,844	-	-	-
Putnam*	70,820	71,329	71,971	73,226	73,764	74,416
St. Johns	128,604	133,953	139,849	149,336	157,278	165,291
Seminole	377,960	387,626	394,900	403,361	411,744	420,667
Volusia	<u>452,050</u>	<u>459,737</u>	<u>470,770</u>	<u>484,261</u>	<u>494,649</u>	<u>503,844</u>
SJRWMD Total	<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>	<u>4,593,851</u>
Annual						
Percentage Increase	2.7%	2.6%	2.7%	2.8%	2.8%	3.0%

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.

2007	2008	2009	2010
190,319	194,030	196,987	196,569
23,817	24,065	24,073	24,124
1,374	1,375	1,376	1,355
552,109	556,213	555,657	555,248
184,644	185,158	185,208	187,278
897,597	904,971	900,518	901,271
93,568	95,512	94,901	94,905
139,757	141,667	141,634	142,009
284,967	286,837	290,431	295,841
236,043	239,235	239,977	239,743
69,569	71,915	72,588	71,556
797	817	810	813
838,220	845,329	840,706	841,671
2,661	2,737	2,728	2,757
-	-	-	-
74,799	74,989	74,608	74,115
173,935	181,180	183,572	185,464
425,698	426,413	423,759	420,100
508,014	510,750	507,105	505,050
4,697,888	4,743,193	4,736,638	4,739,869
2.3%	1.0%	-0.1%	0.1%

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Number of Employees ¹	727	693	691	691	691	691
District Population ²	4,005,261	4,108,120	4,220,497	4,337,525	4,460,556	4,593,851
Employees Per 100,000 Population	18.1	16.9	16.4	15.9	15.5	15.0

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

²St. Johns River Water Management District estimates

2007	2008	2009	2010
715	717	717	717
4,697,888	4,743,193	4,736,638	4,739,869
15.2	15.1	15.1	15.1

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TOP TEN NON-GOVERNMENT EMPLOYERS WITHIN A SINGLE COUNTY¹
FISCAL YEAR 2009–2010

<u>Employer¹</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

¹Nine years of employer information not available to the District.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Alachua	3.4%	3.9%	3.6%	3.4%	3.0%	2.6%	3.0%	4.2%	6.9%	8.6%
Baker	4.0%	5.0%	5.1%	4.4%	3.5%	2.9%	3.6%	5.7%	10.3%	11.7%
Bradford	4.3%	5.0%	4.6%	4.3%	3.7%	2.8%	3.4%	4.7%	8.0%	10.6%
Brevard	4.3%	5.6%	5.1%	4.4%	3.6%	3.3%	4.4%	6.5%	10.8%	12.6%
Clay	3.8%	4.9%	4.5%	4.3%	3.4%	3.0%	3.5%	5.3%	9.4%	11.5%
Duval	4.2%	5.7%	5.5%	5.2%	4.2%	3.5%	4.1%	6.1%	10.7%	12.0%
Flagler	4.6%	5.4%	5.0%	4.6%	3.5%	4.2%	6.5%	9.6%	15.5%	16.6%
Indian River	5.8%	7.0%	6.6%	6.6%	4.6%	4.2%	5.8%	8.1%	13.6%	14.5%
Lake	4.4%	5.6%	5.0%	4.5%	3.6%	3.3%	4.2%	6.4%	11.4%	12.5%
Marion	4.9%	5.7%	5.2%	4.6%	3.6%	3.4%	4.6%	7.7%	12.8%	14.6%
Nassau	4.0%	4.9%	4.9%	4.2%	3.4%	2.9%	3.4%	5.4%	9.8%	11.6%
Okeechobee	6.1%	7.0%	6.8%	6.3%	5.0%	4.1%	5.3%	8.0%	12.1%	14.5%
Orange	4.2%	5.7%	5.2%	4.6%	3.6%	3.1%	3.8%	5.8%	10.7%	11.9%
Osceola	4.4%	5.7%	5.2%	4.8%	3.6%	3.4%	4.3%	6.4%	11.7%	12.9%
Polk ¹	5.0%	5.8%	5.6%	-	-	-	-	-	-	-
Putnam	5.4%	6.6%	5.7%	5.5%	4.5%	3.7%	4.7%	7.2%	11.9%	14.1%
St. Johns	3.6%	4.4%	4.1%	3.7%	2.9%	2.7%	3.3%	5.1%	8.7%	10.2%
Seminole	4.0%	5.5%	5.1%	4.3%	3.3%	2.9%	3.5%	5.6%	10.0%	11.0%
Volusia	4.2%	5.4%	5.1%	4.6%	3.6%	3.3%	4.2%	6.6%	11.2%	12.8%
SJRWMD	4.5%	5.5%	5.2%	4.7%	3.7%	3.3%	4.0%	6.0%	11.0%	12.0%
Florida	4.6%	5.7%	5.3%	4.7%	3.8%	3.3%	4.1%	6.3%	10.5%	12.2%
U.S.	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%

Source: Local Area Unemployment Statistics at <http://fred.labormarketinfo.com>. Retrieved 1/13/2011

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.



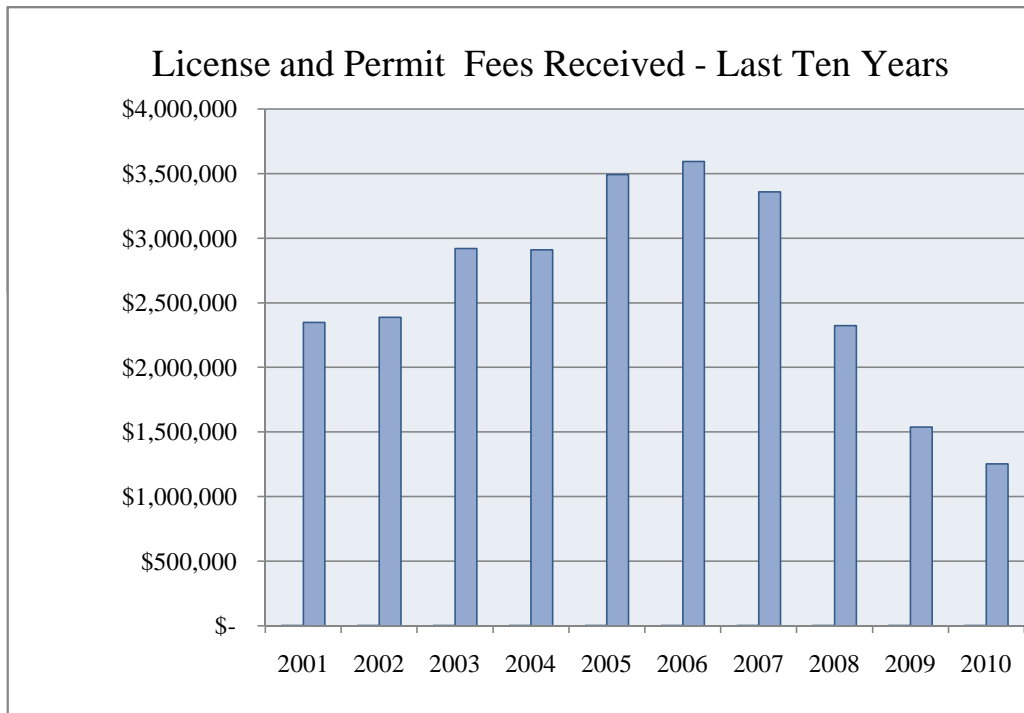
Operating Information

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

Type of Ownership	Acres of Land or Conservation Easement Ownership									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full Fee:										
Acquired	53,645	20,918	15,345	-4,076	15,156	1,499	14,647	14,346	2,778	4,883
Cumulative	516,428	537,346	552,691	548,615	563,771	565,270	579,917	594,263	597,041	601,924
Conservation Easement :										
Acquired	3,752	11,720	5,415	7,625	15,404	575	2,895	(3,357)	990	1,635
Cumulative	55,109	66,829	72,244	79,869	95,273	95,848	98,743	95,386	96,376	98,011
Total Acres	571,537	604,175	624,935	628,484	659,044	661,118	678,660	689,649	693,417	699,935

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

2001	2002	2003	2004	2005
\$ 2,346,831	\$ 2,387,050	\$ 2,919,747	\$ 2,909,628	\$ 3,491,770
2006	2007	2008	2009	2010
\$ 3,593,279	\$ 3,357,891	\$ 2,322,017	\$ 1,539,179	\$ 1,254,133



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

Construction Type of Levee	Miles of Levees									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
USACE & Flood Control	117.30	117.30	117.30	117.30	117.30	117.30	117.30	117.30	118.70	159.00
Farm	<u>185.33</u>	<u>185.33</u>	<u>185.33</u>	<u>185.33</u>	<u>185.33</u>	<u>185.33</u>	<u>185.33</u>	<u>185.33</u>	<u>185.33</u>	<u>147.00</u>
Total Miles of Levees	<u>302.63</u>	<u>302.63</u>	<u>302.63</u>	<u>302.63</u>	<u>302.63</u>	<u>302.63</u>	<u>302.63</u>	<u>302.63</u>	<u>304.03</u>	<u>306.00</u>

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, 2010, which collectively comprise the St. Johns River Water Management District's basic financial statements and have issued our report thereon dated February 24, 2011. 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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*.

Pursuant to Chapter 119, Florida Statutes, this report 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, the Florida Auditor General, 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 24, 2011

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
FEDERAL AWARDS			
U.S. Environmental Protection Agency			
Direct Programs			
National Estuary Program			
Indian River Comprehensive Conservation Plan	66.456	SK441XA	\$ 651,445
			<u>651,445</u>
Pass through Florida Department of Environmental Protection			
Recovery Act: Water Quality Management Planning			
Silver Springs Nutrient Pathway Project	66.454	ARRA-25452	297,846
Ocklawaha River Fluid Dynamics Model Project		26613	45,957
			<u>343,803</u>
Congressionally Mandated Projects			
Development of East-Central Florida Project	66.202	SJ318XA	153,313
			<u>153,313</u>
Water Pollution Control State, Interstate and Tribal Program Support			
Water Sampling in SJRWMD Area	66.419	25083	176,373
Water Sampling for Temporal Variability Monitoring Network		25164	107,708
			<u>284,081</u>
Total U.S. Environmental Protection Agency			<u>1,432,642</u>
U.S. Fish and Wildlife Service			
Direct Programs			
State Wildlife Grants			
Restore Dragline Ditched Coastal Wetlands	15.634	25410	104,339
Partners for Fish and Wildlife Habitat Improvement			
Hal Scott Preserve Longleaf Pine Restoration Project	15.631	25370	10,974
			<u>115,313</u>
Total U.S. Fish and Wildlife Service			<u>115,313</u>
U.S. National Oceanic and Atmospheric Administration			
Direct Programs			
Recovery Act: Habitat Conservation			
North Peninsula and Merritt Island Projects	11.463	ARRA-25440	1,956,428
			<u>1,956,428</u>
Pass through Florida Department of Environmental Protection			
Coastal Zone Management Administration Awards			
Restoration of Intertidal Oyster Reefs Project	11.419	25491	47,149
			<u>47,149</u>
Total U.S. National Oceanic and Atmospheric Administration			<u>2,003,577</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>3,551,532</u>

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Florida Department of Environmental Protection			
Direct Projects			
Department of Transportation Mitigation Projects			
Maytown Property	37.020	SJ45-SJ53	6,020,700
Hart Property		SJ46-01	4,630,730
Fellsmere Property		SJ48-01	3,757,767
West Augustine Property		SJ59-01	3,102,436
Herndon Swamp and Wheeler Properties		SJ51-01	1,035,695
Strawn Property		SJ56-01	1,023,897 ¹
Yarborough, Edgefield, Masters, and Deep Creep Properties		SJ12-04	632,400
Lake Apopka North Shore Property		SJ58-01	512,270
Emeralda Marsh and Lake Apopka Properties		SJ38-01	484,535
Mitigation Plan Preparation District Wide		FDOTMIT	307,156
Paredes Property		SJ36-SJ52	261,513
Cape Atlantic Estates Small Lots Properties		SJ46-02	77,729
			<u>21,846,828</u>
Water Management Districts - Land Acquisition			
Debt Service - Land Acquisition Bonds	37.022	DEBTSER	6,417,812
Water Resource Development Projects - Aquifer Storage and Recovery		2009-03	2,034,422
Restoration Activities - Indian River Lagoon		2009-06	1,950,775
Land Acquisition - Maytown Property		2010-02	1,557,693
Land Acquisition - Evans Property		2009-27	1,037,245
Invasive Plant Management Program		2010-07	561,695
Restoration Activities - District Wide		2007-01	546,207
Restoration Activities - Lake Apopka Basin		2009-05	458,349
Restoration Activities - District Wide		2008-17	173,282
Land Acquisition - Legal Services		2010-04	138,215
Indian River Lagoon Restoration Projects		2007-02	60,217
Restoration Activities - Lower St. Johns River Basin		2008-27	51,549
Abandoned Artesian Well Plugging		2007-13	45,369
Water Resource Development Projects - Aquifer Recharge Project		2006-14	13,218
Restoration Activities - Ocklawaha River Basin		2009-08	12,123
			<u>15,058,171</u>
Statewide Surface Water Restoration and Wastewater Projects			
Lower St. Johns River Basin - Initiative Plan Projects	37.039	2007-06	4,476,075
Lower St. Johns River Basin - Initiative Plan Projects		2008-01	4,290,215
Indian River Lagoon - Initiative Plan Projects		2009-14	2,117,485
Indian River Lagoon - Initiative Plan Projects		2007-05	1,021,741
Lower St. Johns River Basin Surface Water Restoration Projects		2005-02	906,247

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
Lower St. Johns River Basin - Initiative Plan Projects		2009-12	757,471
Middle St. Johns River Basin Surface Water Restoration Projects		2002-31	637,226
Middle St. Johns River Basin - Initiative Plan Projects		2007-07	557,531
Orange Creek Basin - Initiative Plan Projects		2006-05	550,000
Middle St. Johns River Basin - Initiative Plan Projects		2006-04	495,897
Cassel Creek Stormwater Projects		SI492XA	367,384
Upper Ocklawaha River Basin - Initiative Plan Projects		2009-15	323,195
Orange Creek Basin - Initiative Plan Projects		2007-09	300,000
Middle St. Johns River Basin - Initiative Plan Projects		2008-02	181,122
Lake Griffin Hydrilla Control		SG607XA	253,685
Northern Coastal Basin - Initiative Plan Projects		2006-06	175,095
Surface Water Restoration Activities		2006-11	164,136
District Wide Surface Water Restoration Projects		2000-24	156,769
Indian River Lagoon - Initiative Plan Projects		2008-04	149,217
District Wide Surface Water Restoration Projects		2002-32	133,446
Middle St. Johns River Basin - Initiative Plan Projects		2001-35	91,514
Lower St. Johns River Basin - Initiative Plan Projects		2006-02	80,000
Upper Ocklawaha River Basin Surface Water Restoration Projects		2005-05	62,840
Ocklawaha River Basin - Initiative Plan Projects		2006-03	51,460
Middle St. Johns River Basin - Initiative Plan Projects		2009-13	43,672
Wekiva River Nitrate Impact Study, Phase II		24966	39,995
Upper St. Johns River Basin - Initiative Plan Projects		2008-03	28,910
Upper Ocklawaha River Basin - Initiative Plan Projects		2007-10	20,068
Tri-County Agricultural Water Quality Projects		SD125AA	10,885
Lower St. Johns River Basin 5-Year Restoration Plan		98B317	6,130
			<u>18,449,411</u>
Florida Springs Initiative Grant Program			
Spring Projects	37.052	SJ518XA	52,646
			<u>52,646</u>
Water Protection and Sustainability Program			
Alternative Water Supply Projects	37.066	WPSP	4,123,542
			<u>4,123,542</u>
Total Florida Department of Environmental Protection			<u>59,530,598</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	489,488
Total Florida Department of Highway Safety and Motor Vehicles			<u>489,488</u>

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
<u>Florida Fish and Wildlife Conservation Commission</u>			
Direct Projects			
Aquatic Habitat Conservation and Restoration Projects			
Lowrie Brown Restoration Project	77.016	SK425XA	46,722
Total Florida Fish and Wildlife Conservation Commission			<u>46,722</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>60,066,808</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u><u>\$ 63,618,340</u></u>

¹ The Florida Department of Transportation Mitigation (FDOT) provided monies totaling \$1,023,897 for FDOT road project mitigation at Strawn property. The District originally purchased Strawn property using Florida Forever monies totaling \$1,247,785; FDOT subsequently contributed \$1,023,897 towards the purchase, which resulted in net expenditures of \$223,888.

(Continued)

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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	\$ 172,884
Indian River Comprehensive Conservation and Management Plan	SK441XA	651,445
Hal Scott Preserve Longleaf Pine Project	25370	38,788
Restore Dragline Ditched Coastal Wetlands	25410	55,630
Recovery Act: North Peninsula and Merritt Island Projects	25440-ARRA	90,000
Coastal Zone Management Project	25491	50,000
TOTAL FEDERAL AWARDS		<u>1,058,747</u>
STATE FINANCIAL ASSISTANCE		
Lowrie Brown Restoration Activities	SK425XA	46,722
Surface Water Restoration Activities	2006-11	164,136
Indian River Lagoon - Initiative Plan Projects	2007-05	1,021,741
Lower St. Johns River Basin - Initiative Plan Projects	2007-06	4,476,075
Middle St. Johns River Basin - Initiative Plan Projects	2007-07	557,531
Orange Creek Basin - Initiative Plan Projects	2007-09	300,000
Upper Ocklawaha River Basin - Initiative Plan Projects	2007-10	20,068
Alternative Water Supply Projects	Multiple	4,123,542
TOTAL STATE FINANCIAL ASSISTANCE		<u>10,709,815</u>
TOTAL AWARDS		<u><u>\$ 11,768,562</u></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, 2010**

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.

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 Grantor/Pass-Through Grantor/State Grantor Subrecipient Program	CFDA/ CSFA Number	Amount Provided To Subrecipients
Congressionally Mandated Projects		
Development of East-Central Florida Project	66.202	\$ 153,313
National Estuary Program		
Indian River Lagoon Projects	66.456	102,072
U.S. National Oceanic and Atmospheric Administration		
Recovery Act: Habitat Conservation	11.463	1,239,470
Coastal Zone Management Administration Awards	11.419	47,149
		<u>1,286,619</u>
U.S. Fish and Wildlife Service		
State Wildlife Grants	15.634	104,339
Statewide Surface Water Restoration and Wastewater Projects		
Lower St. Johns River Basin - State Initiative Plan Projects	37.039	4,476,075
Lower St. Johns River Basin - State Initiative Plan Projects		4,290,214
Indian River Lagoon - State Initiative Plan Projects		2,000,000
Lower St. Johns River Basin - State Initiative Plan Projects		663,286
Orange Creek Basin State - State Initiative Plan Projects		550,000
Middle St. Johns River Basin - State Initiative Plan Projects		398,897
Cassel Creek Stormwater Management Project		367,384
Middle St. Johns River Basin - State Initiative Plan Projects		332,820
Orange Creek Basin State - State Initiative Plan Projects		300,000
Middle St. Johns River Basin - State Initiative Plan Projects		181,122
Surface Water Restoration Activities		164,136
Middle St. Johns River Basin - State Initiative Plan Projects		143,812
Middle St. Johns River Basin - State Initiative Plan Projects		91,514
District Wide Surface Water Restoration Projects		90,000
Implementing Projects Approved by the Water Advisory Panel		41,069

(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, 2010

Federal Grantor/Pass-Through Grantor/State Grantor Subrecipient Program	CFDA/ CSFA Number	Amount Provided To Subrecipients
Orange Creek Basin State - State Initiative Plan Projects		37,872
Northern Coastal Basin - State Initiative Plan Projects		21,100
		<u>14,149,301</u>
Water Management Districts - Land Acquisition		
District Wide Restoration Projects	37.022	105,000
Restoration Activities Lower St. Johns River Basin		51,549
Water Resource Development Projects - Central Florida Aquifer Project		13,218
		<u>169,767</u>
Water Protection and Sustainability Program		
Alternative Water Supply Program	37.066	4,123,542
Indian River Lagoon License Plate		
Indian River Lagoon Projects	76.010	336,653
Total Awards		<u><u>\$ 20,425,606</u></u>

Subrecipients are the following:

City of Jacksonville Beach	\$ 4,317,656
City of Jacksonville	4,290,214
Seminole County	3,460,857
Floridan Resource Conservation & Conservation Council	1,260,570
Indian River County	1,527,730
City of Winter Springs	1,017,169
City of Gainesville	850,000
Town of Orange Park	627,286
City of Vero Beach	500,000
City of Orlando	424,663
City of St. Augustine	268,993
City of Cocoa	241,151
Volusia County	231,974
City of Melbourne	226,828
City of Winter Garden	193,812
Brevard County	190,760
City of Green Cove Springs	164,136
Jacksonville Electric Authority	158,419
The Nature Conservancy	125,376
City of Edgewater	90,000
Marine Resources Council	54,998
Clay County Utility Authority	51,549
St Lucie County	40,000
City of Neptune Beach	36,000
City of Palm Bay	25,460
City of Sanford	13,218
Town of Melbourne Beach	15,000
Keep Brevard Beautiful	12,993
City of Rockledge	8,794
Total Awards	<u><u>\$ 20,425,606</u></u>

(Concluded)

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 St. Johns River Water Management District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the State of Florida State Projects Compliance Supplement, that that could have a direct and material effect on each of the St. Johns River Water Management District's major federal programs and major state projects for the year ended September 30, 2010. 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 Auditing 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2010.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, the Florida Single Audit Act and Chapter 10.550, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

Pursuant to Chapter 119, Florida Statutes, this report 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, the Florida Auditor General, 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 24, 2011

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified ☐ Yes ☒ None reported

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 ☒ No

Identification of major programs: CFDA No. 66.454, United States Environmental Protection Agency - Recovery Act: Water Quality Management Planning

CFDA No. 11.463, United States Ocean and Atmospheric Administration - Habitat Restoration

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

Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

State Financial Assistance

Internal control over major state financial assistance projects:

- Material weakness(es) identified? ☐ Yes ☒ No

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(Continued)

State Financial Assistance (Continued)

• Significant deficiency(ies) identified _____ Yes X None reported

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? _____ Yes X No

Identification of major state financial assistance CSFA No. 37.020, Florida Department of
Environmental Protection - DOT Mitigation
Projects - Water Resource Management

CSFA No. 37.039, Florida Department of
Environmental Protection - Statewide Surface
Water Restoration and Wastewater Projects

Dollar threshold used to distinguish between the
type A and type B programs: \$1,802,004

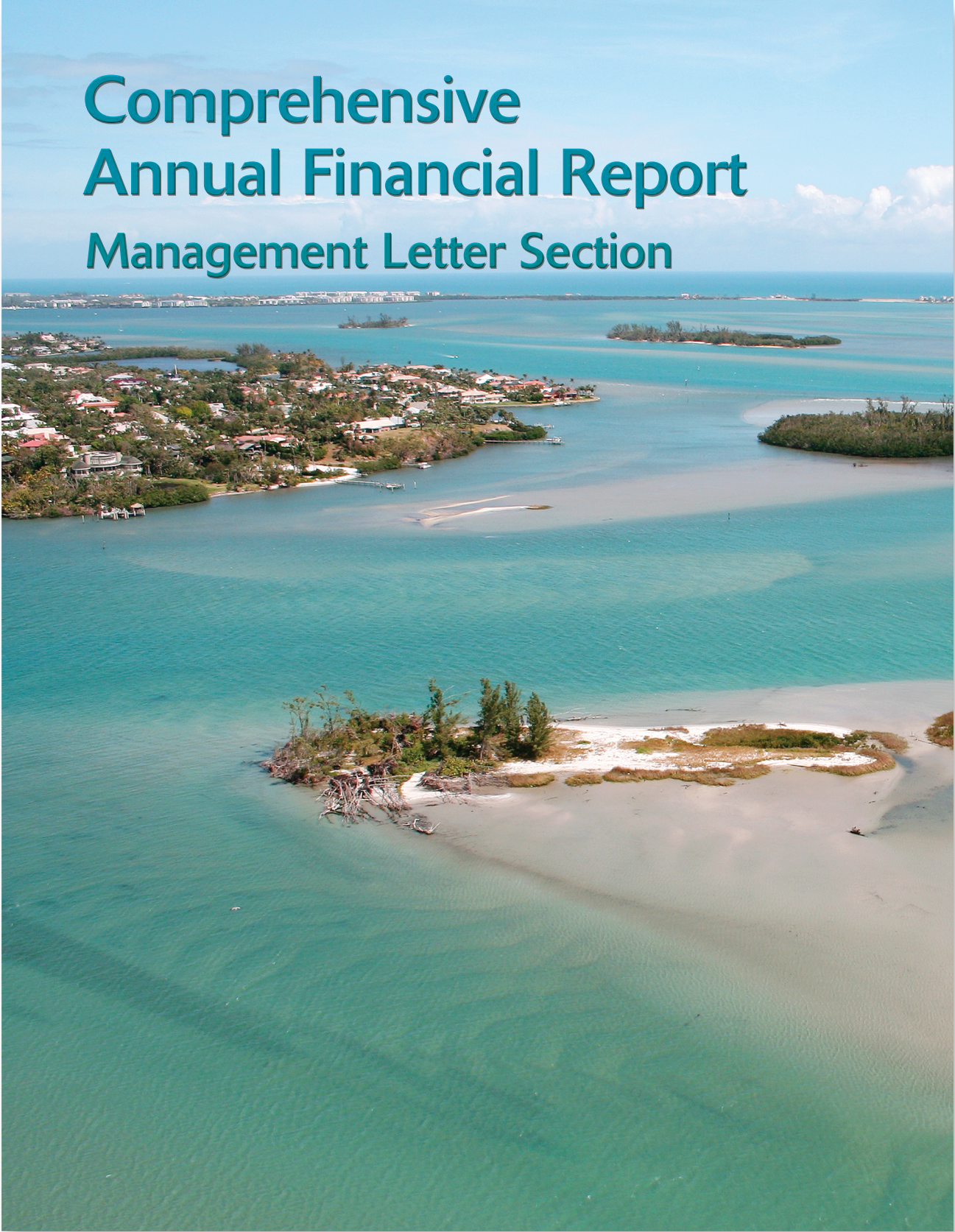
Section II. Financial Statement Findings: None.

Section III. Federal Award Findings and Questioned Costs: None.

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

**Section V. Prior Audit Findings and Corrective Action Plan
for Federal Awards for the Year Ended
September 30, 2009:** None.

**Section VI. Prior Audit Findings and Corrective Action Plan
for State Financial Assistance for the Year Ended
September 30, 2009:** 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, 2010, and have issued our report thereon dated February 24, 2011.

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 That Could Have a Direct and Material Effect on 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 24, 2011, 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 or schedule:

- 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. In connection with our audit, we did not have any such recommendations.
- 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 occurred, or are likely to have occurred, 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 in internal control 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, 2010, 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, 2010. 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 Maru + Co., P.L.

Gainesville, Florida
February 24, 2011



St. Johns River Water Management District
Division of Financial Management
4049 Reid Street
Palatka, FL 32177
floridaswater.com