

Comprehensive Annual Financial Report



Fiscal year ended September 30, 2011

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, 2011

Prepared by
Bureau 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, 2011**

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Comprehensive Annual Financial Report

Introductory Section



Letter of Transmittal

GFOA Certificate of Achievement

Organizational Chart Listing Principal Officials

Map of the Geographic Boundaries of the District



St. Johns River

Water Management District

Hans G. Tanzler 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) 2010–2011

Date: February 24, 2012

Florida Statutes (F.S.) require that an external audit of the St. Johns River Water Management District's (District's) financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the District are fairly presented in conformance with generally accepted accounting principles (GAAP). Pursuant to this requirement, the Comprehensive Annual Financial Report for the District is hereby issued for the fiscal year that ended September 30, 2011.

The basic financial statements were prepared in conformity with GAAP for governmental entities. The information is accurate in all material respects and fairly presents the District's financial position and operating results. The report includes disclosures required to provide an understanding of District financial affairs.

Management is responsible for maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, and 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 District's 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. The District believes these existing internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording and reporting of District 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 District's basic financial statements for the fiscal year that ended September 30, 2011, 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

GOVERNING BOARD

Lad Daniels, CHAIRMAN
JACKSONVILLE

John A. Miklos, VICE CHAIRMAN
ORLANDO

Douglas C. Bournique, SECRETARY
VERO BEACH

Maryam H. Ghyabi, TREASURER
ORMOND BEACH

Chuck Drake
ORLANDO

Richard G. Hamann
GAINESVILLE

George W. Robbins
JACKSONVILLE

W. Leonard Wood
FERNANDINA BEACH

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.

GAAP 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.

Geographic boundaries of the District

Water management district boundaries are based on natural, hydrologic basins rather than political or county boundaries to allow for effective and efficient planning and management. The St. Johns District's boundaries encompass all or part of 18 counties in northeast and east-central Florida, covering a total area of 12,283 square miles, approximately 23 percent of the state's land area. An estimated 4.7 million people (25 percent of the state's population) 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. The District contains 96 springs and more than 1,400 lakes. A map showing the geographic boundaries of the District can be found on page xviii.

District background

The 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, while giving delegation authority and oversight of the WMDs to the Florida Department of Environmental Protection (DEP).

A nine-member Governing Board, appointed by Florida's 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. Within its 18-county service area, the District serves 101 municipalities. The District operates and maintains more than 100 major and minor water control structures, including 11 spillways, three navigational locks, approximately 300 miles of levees, and 30 pump stations.

Florida Statutes authorize the Executive Office of the Governor (EOG) to approve or disapprove, in whole or part, WMD budgets. As Florida law has evolved and changed in recent years, the review of WMD budgets includes the EOG, DEP, Legislative Budget Committee and the public in a series of open hearings. The budgetary reporting process includes six standard, program-reporting categories.

District objectives

The District continually works to ensure the sustainable use and protection of water resources for the benefit of the environment and the residents of northeast and east-central Florida. Aligning the District with the focus and priorities of Florida's governor, Legislature and DEP has resulted in heightened efficiencies that are protecting water resources, reducing taxpayers' costs and providing enhanced service to the public. In preparing for FY 2011–2012, the District considered its core missions, priorities and organizational structure to identify ways to streamline operations and ensure environmental protection. A key District goal is to enhance the agency's responsiveness to the needs of the people in its 18-county area. To be responsive and effective, the District will continue to adapt and evolve, and will continue to actively seek and encourage open dialogue with the public it serves. Through such dialogue, the District has developed aggressive initiatives to streamline the permitting process — such as simplified forms and enhanced technical assistance. Such actions will save the public and the District time and money, while continuing to protect water resources.

District funding

As an agency of the state of Florida, the District's work is funded through a combination of property taxes, fees, grants and some funding from local, state and federal sources. In keeping with provisions provided by the passage of Senate Bill 2142 in the 2011 Florida legislative session, the District's Governing Board set the millage rate at 0.3313 for the 2011–2012 fiscal year (Oct. 1, 2011, through Sept. 30, 2012) to raise a maximum of \$85.33 million in property tax revenue. This represents a 23.02 percent reduction from FY 2010–2011. In addition to decreased property tax revenue, other decreases in the budget are attributed to declines in local, state and federal funding, resulting in reduced expenditures in most District programs.

The District began in January 2011 evaluating all aspects of its operations, such as travel, capital and cost-share projects, contractual services and staffing, to identify opportunities to reduce costs for the remainder of FY 2010–2011 and in preparation for FY 2011–2012. This work followed about five years of ongoing efforts to reduce budget expenditures as the state experienced declines in assessed property valuations. While the District's ad valorem rate remained constant at 0.4158 mills from FY 2007–2008 through FY 2010–2011, property tax revenues declined by 23.4 percent during that same period. The 0.4158 millage rate generated \$145.1 million in FY 2007–2008 and that same millage rate generated \$111.3 million in FY 2010–2011.

To meet the challenges of protecting the region's water resources with reduced funding, the District has taken aggressive steps for FY 2011–2012. The District has focused on:

- Ensuring that staff are properly aligned with core missions, making reassignments, staff reductions and other adjustments. A reduction in workforce resulted in eliminating 196 full-time equivalent positions (126 District personnel and 70 contracted/contingent workers).
- Ensuring that contractual services are properly aligned with core missions, which led to reductions in operation and maintenance expenses, including: computer technology; media production; engineering; vegetation management; well capping, plugging and construction; data collection, scientific research and analysis; travel; and staff training.
- Reducing and eliminating cooperative funding, including alternative water supply, reuse

- initiatives and stormwater projects.
- Reducing operating expenses, and reorganizing and refocusing program areas.

District priorities

Through various cost-cutting measures and the utilization of assigned fund balances, the FY 2011–2012 expenditures are fully supported with reduced revenues. To achieve water resource protection, the FY 2011–2012 budget is focused on core missions and projects with the highest priorities.

Core missions include:

- Water supply — To implement a regional strategy to provide sufficient water for users and the environment
- Flood protection — To prevent increases in flooding and operate and maintain the District's regional flood control projects
- Water quality and natural systems protection and improvement — To protect water quality and natural systems of the District and improve those resources within Surface Water Improvement and Management basins
- Organizational effectiveness — To provide for organizational structure and tools that result in and reward continuous improvement and enhanced service delivery

Major project areas include:

- Restoration projects that improve water quality and develop alternative water supplies
- Water supply planning, including water conservation, and minimum flows and levels prevention and recovery strategy development
- Monitoring water quality and quantity trends to ensure that appropriate data continues to exist on which to make sound scientific decisions
- Land management activities, such as prescribed burns; control of invasive exotic plants; and operation and maintenance of levees, locks and other structures
- Streamlining regulatory programs

Restoration

This priority includes maintaining commitments to completing major District projects to improve water quality, some of which may be developed as alternative water supplies.

Among the projects are:

- **Fellsmere Water Management Area** — The project involves the construction of a new 10,000-acre reservoir to treat agricultural discharges prior to entering the St. Johns Water Management Area, provide water supply potential and improve wildlife habitat. This is one of the final components of the Upper St. Johns River Basin project, restoring more than 150,000 acres at the headwaters of the St. Johns River.
- **Canal 1/10 redirection** — The project will divert stormwater runoff from Palm Bay to the C-1 Retention Area, where it will be pumped through the Sawgrass Lake Water Management Area for water quality improvement prior to discharging it to the St. Johns River. This project benefits the Indian River Lagoon and upper St. Johns River project areas by treating storm water before it reaches downstream waterways.

- **Lake Apopka north shore restoration** — The project includes long-term restoration of the former farmlands along the north shore of Lake Apopka, including shallow flooding to be consistent with the environmental conditions on the site. Infrastructure such as levees, water control structures and other nutrient control efforts will be needed as part of the restoration work.

Water supply

To meet current and future water use demands, the District has undertaken and continues numerous water supply development and water conservation projects, many in cooperation with local governments, utilities and other entities.

Among such water supply projects are:

- **St. Johns River Taylor Creek** — This major alternative water supply project, with the cooperation of several utilities, involves the expansion of the existing Taylor Creek Reservoir water supply system, which is owned and operated by the city of Cocoa. Identified in the District Water Supply Plan 2004 Interim Update, components include facilities expansion, treated water for aquifer storage and recovery or direct aquifer recharge, and new and upgraded pumping and transmission systems.
- **Seminole County Yankee Lake** — This project involves the construction of a plant to treat water from the St. Johns River to remove color and total suspended solids. The plant (near Lake Monroe) will provide water treated to meet public access reclaimed water standards to supplement existing reuse supplies. Seminole County is currently participating with the cities of Sanford and Lake Mary to receive alternative water supplies to augment its reclaimed water supply.
- **Water Conservation and Demand Management cooperative funding projects** — With utilities, businesses and homeowners' associations, the District is investigating new methods of conserving water and reducing water demands to stretch existing supplies. Projects include demonstrating reliability and performance that can be achieved with soil moisture sensors in residential landscape applications; linking integrated billing records, geographic information system (GIS) mapping software and a computerized maintenance management system to plan, monitor, track and implement water conservation measures; and rainwater collection systems to supplement irrigation for retail garden centers.
- **Minimum flows and levels (MFLs) prevention and recovery strategies development** — The District is facilitating a process to develop prevention and recovery strategies for water bodies within the District where MFLs are currently not being met or are projected not to be met within 20 years. The District and stakeholders are working collaboratively to develop long-term comprehensive strategies to achieve the MFLs. District water supply planning during the past few years has included further, detailed evaluation of adopted MFLs. To organize the process, the water bodies have been grouped into six strategy development areas.

Water quality monitoring

The District collects and analyzes information to use as a foundation on which to make informed decisions based on sound science in managing Florida's water resources. Each year, more than 16 million measurements are collected, verified, processed and stored, such as rainfall amounts, well levels, and surface water levels and fluctuations. In addition to District uses for its projects,

the data are shared with local governments and other entities that use the data, for example, to designate areas to protect drinking water supplies, and land use planning and development.

Some of the projects included in this section of the budget are:

- **Groundwater resources assessment** — The resource assessment group performs detailed hydrologic assessments, designs and evaluates monitoring networks, and conducts interpretive investigations in support of water supply management, water use regulation, and minimum flows and levels programs. This is done through construction and maintenance of monitoring wells, contractual drilling services, aquifer performance testing and related hydrologic testing, and providing geophysical well logging services.
- **Rough fish harvesting and alum treatment** — As part of multifaceted waterway cleanup efforts, the District is reducing the “rough” fish population in several central Florida area lakes. The removal of gizzard shad reduces the availability of nutrients that feed the growth of already overly productive algae in some water bodies. Likewise, liquid alum is used in nutrient-rich water bodies such as Lake Apopka to reduce the amount of phosphorus in discharge water to minimize nutrient loading.
- **Flood control structure rehabilitation** — This budget area focuses on rehabilitation of flood control structures in the Upper St. Johns River Basin and Ocklawaha River Basin. The District strives to use natural measures to control flooding, such as by storing rainwater in stormwater systems and treatment areas. In a few cases, some structures are needed to control water movement due to development that occurred prior to stormwater rules. For example, the upper basin project is a semistructural system of water management areas, marsh conservation areas, and marsh restoration areas covering more than 150,000 acres in Indian River and Brevard counties.
- **GIS imagery** — Large numbers of users across many District programs and projects use GIS technology as a tool for mapping, analysis and decision making. In addition to District uses, the information is provided on the agency’s website to benefit local governments and other entities that use the information in various projects.

Land management activities

This area of the budget covers prescribed burns; control of invasive exotic plants; and operation and maintenance of levees, locks and other structures. The District has purchased land to preserve, restore, enhance or develop water resources to provide flood protection, naturally filter pollutants from stormwater runoff, prevent erosion, and protect plant and animal habitat.

Planned activities for FY 2011–2012 include reducing shrub growth to restore former herbaceous marshes, accelerating lygodium control in the Upper St. Johns River Basin, maximizing prescribed burning and wildfire readiness and control of invasive species infestations.

In the past, the District relied on the state’s Water Management Lands Trust Fund (WMLTF) to fund the majority of its land management activities. The state WMLTF has provided no new funding since FY 2008–2009. Since FY 2009–2010, the District has reallocated some fund balance and ad valorem revenues to fund land management and invasive plant control activities.

Permitting

The District is retooling its permitting programs — Consumptive Use Permits (CUP) and Environmental Resource Permits (ERP) — to more proactively provide assistance to the public to save them time and money, to be more efficient, and to strengthen communication between the District and permit applicants. The District is aggressively streamlining its operations and has reduced its budget while continuing to protect valuable water resources.

The changes already made or proposed include:

- Increased proactive communication with applicants, targeted at reducing paperwork and letters requesting additional information.
- Increased use of electronic permitting to save applicants and consultants money and to reduce District staff processing time.
- Establishing pre-application meetings for potential applicants so staff can answer questions and provide technical support and materials prior to application submittal.
- Enhanced outreach with additional and simplified web resources and workshops.
- Increased cross-training for staff to enhance their understanding of all aspects of the permitting process and better prepare them to make decisions.
- Reduced and simplified CUP water use categories (from 23 to seven).
- Expanded CUP modifications that can be made through a letter, rather than through a new application.
- Reduced CUP reporting requirements for small-volume water users.

Looking ahead and economic outlook

The District developed an FY 2011–2012 budget that utilizes available resources to meet its core missions, ensuring the necessary and required water resource protections. The District anticipates that ad valorem revenue will remain at approximately the same level for the foreseeable future and expects no new external funding. The District will continue to evaluate the capacity of available revenues to fund priorities and statutory requirements, which will become even more critical in future fiscal years when higher growth rates are projected.

Awards and acknowledgements

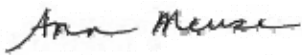
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year that ended September 30, 2010. To be awarded a Certificate of 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. Management believes that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and will submit it to the GFOA to determine its eligibility for another certificate.

The District also received the GFOA Distinguished Budget Presentation award for its FY 2010–2011 budget. It was the fifth consecutive year the District received the award for the budget document, which guides the District’s fiscal policy.

Management extends its 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 Bureau of Financial Management, the Office of Budget and Management Reporting and the Office of Communications and Intergovernmental Affairs for their diligence in the production of this report.

Respectfully submitted,



Ann B. Meuse, CPA
Director, Office of Finance and Administration



R. Gregory Rockwell, CPA
Director, Bureau 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, 2010

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.



Linda C. Danison

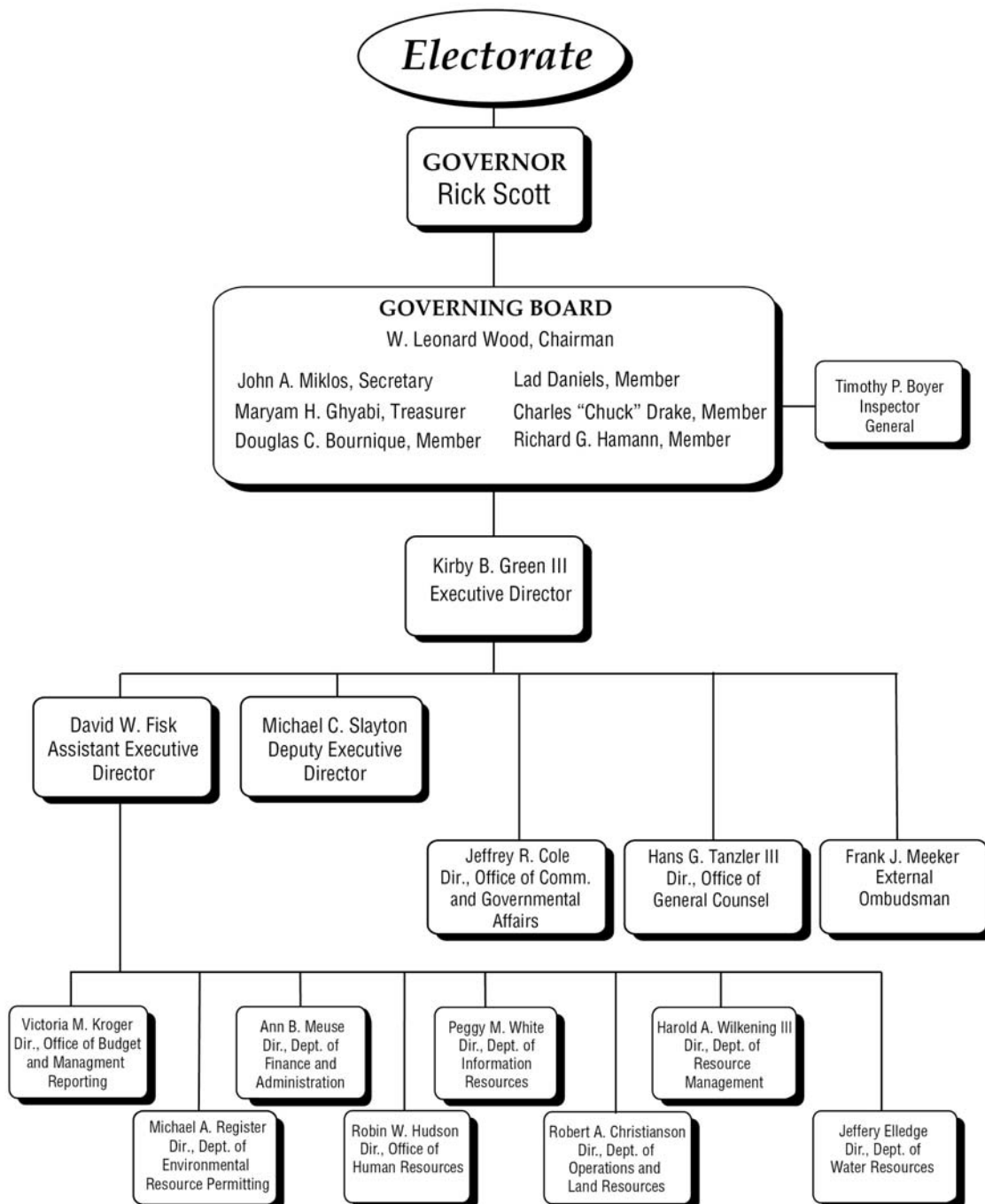
President

Jeffrey R. Evers

Executive Director

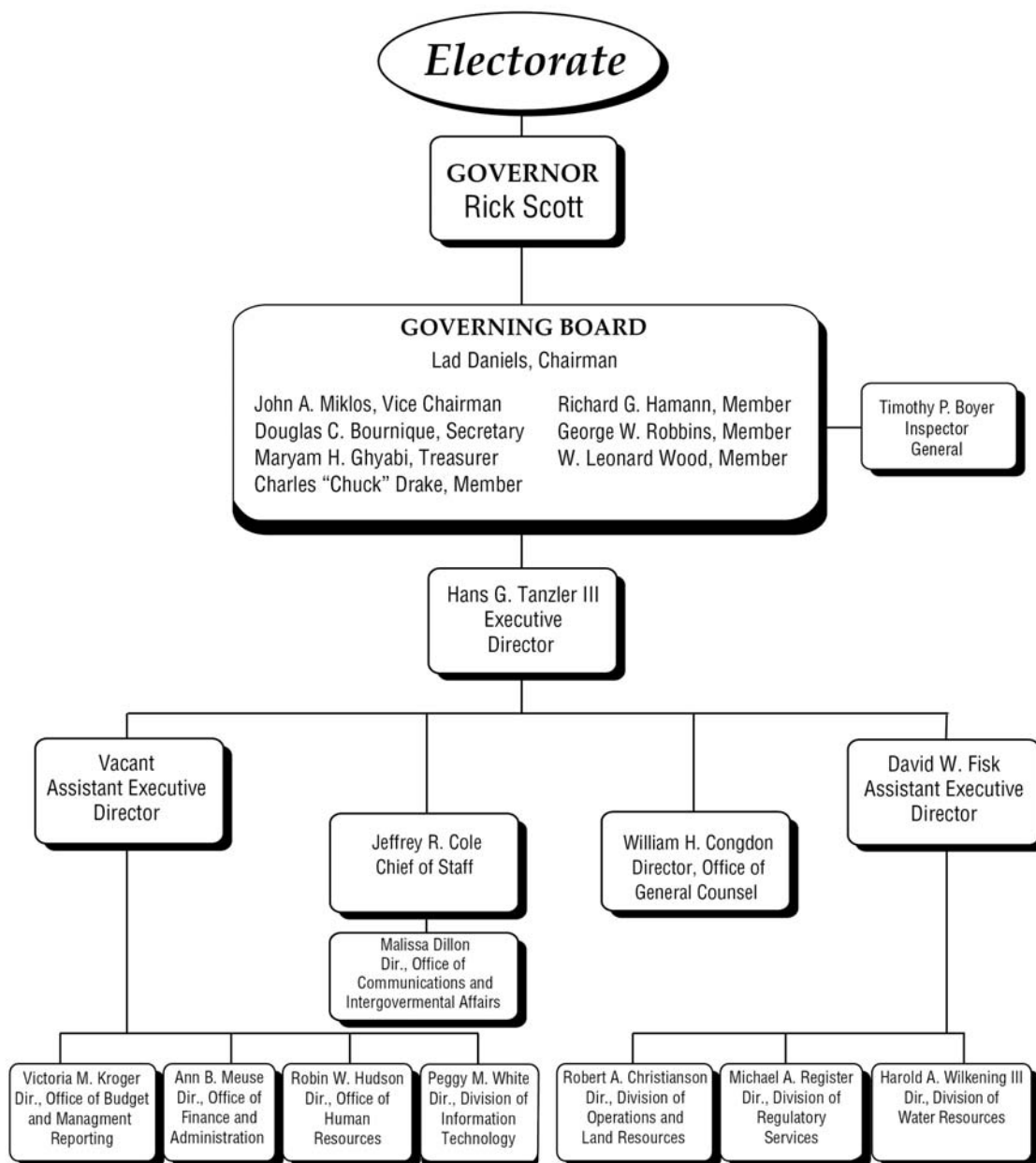
**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
ORGANIZATIONAL CHART LISTING PRINCIPAL OFFICIALS**

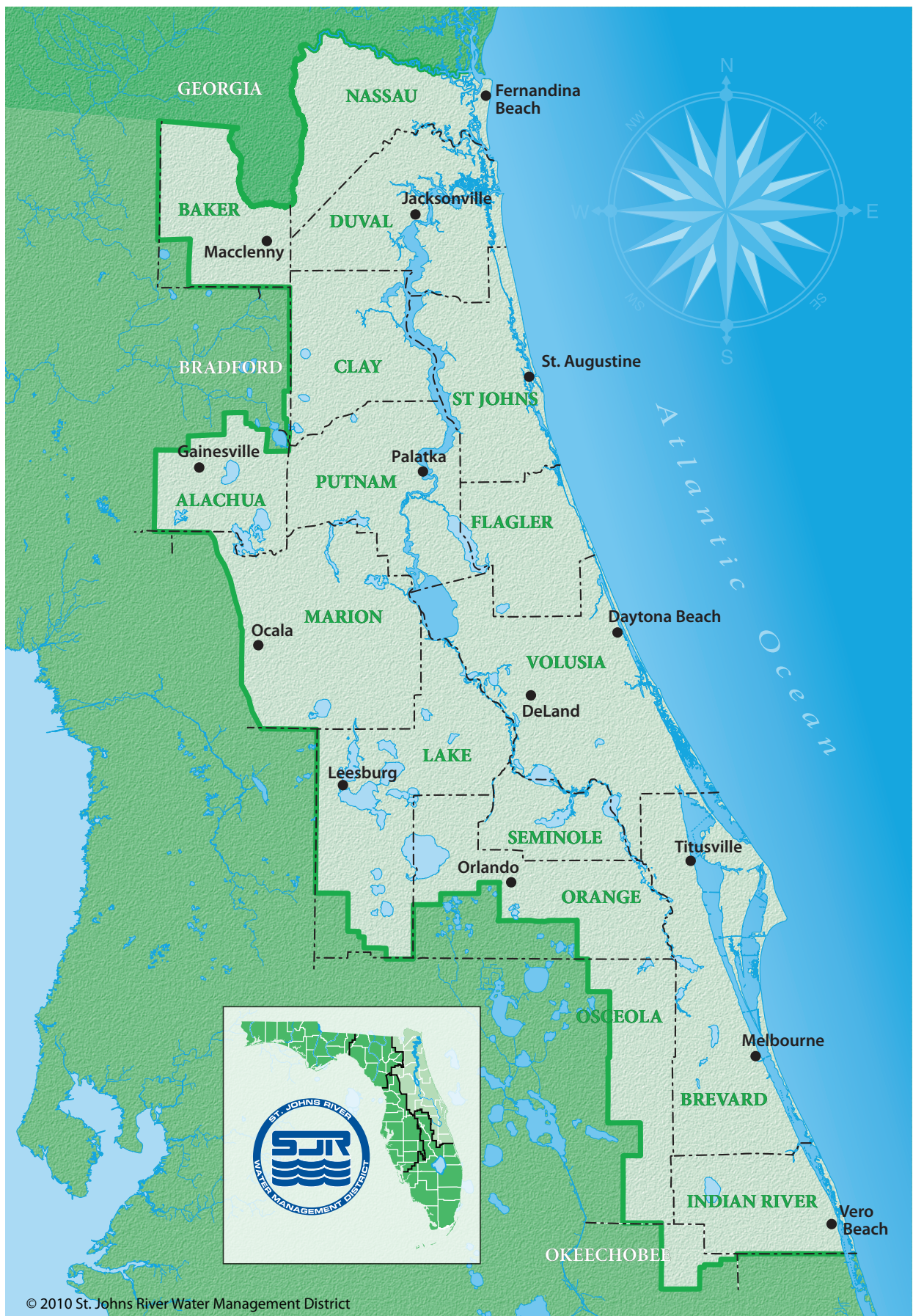
As of September 30, 2011



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

As of February 10, 2012





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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



Kathleen McMullen

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 St. Johns River Water Management District, a component unit of the State of Florida, as of and for the year ended September 30, 2011, which collectively comprise St. Johns River Water Management District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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, 2011, 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 15, 2012, 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 6 through 16, the budgetary comparison information on pages 59 through 64, and the schedule of funding progress on page 68, 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 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 Mann + Co., P.L.

Gainesville, Florida
February 15, 2012



Ursula Dubrick

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, 2011**

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 \$1,265,167,383, as of September 30, 2011; 77% of that difference is represented by land (\$820,104,044) and easements (\$149,274,886) owned and managed by the District.
- Net assets increased \$60,037,666, or 5%, from the previous year. This increase can primarily be attributable a \$59.5 million increase in net assets invested in capital assets, net of related debt. This increase is the result of additions to capital assets, totaling \$66 million, less depreciation and retirements of \$13 million and reductions in long-term liabilities of over \$6 million.
- The District's restricted net assets increased by \$11.5 million or 53%, resulting from changes in fund balance reporting under GASB 54, which \$15.1 of State of Florida matching funds were now classified as restricted and \$4.2 million of restricted land acquisition funds were expended during the fiscal year, as well as \$.8 million in increases to the long-term land management endowment. However, unrestricted net assets decreased by \$10.9 million due to decreases in ad valorem property tax revenues and investment earnings, mostly offset by cuts in annual District expenditures.
- Ad valorem revenues have decreased \$33.8 million, -23% since its peak of \$145.1 million in fiscal year 2007-2008. Ad valorem revenues are projected and mandated by the State of Florida to decline \$26 million in fiscal year 2011-2012. This is the result of new legislation (SB 2142) passed in 2011 that caps the District's ad valorem property tax revenues at \$85.33 million a year. This reduction brings the District's ad valorem revenue back to fiscal year 2003-2004 levels.
- Total fund balance decreased \$1.3 million, or 0.7%, from the previous fiscal year. The General Fund balance increased \$2.8 million due to a \$8.2 million transfer from the Water Protection and Sustainability Fund, which had a \$11.3 million decline in fund balance. This was the result of the State of Florida discontinuing funding for this program and matching funds being transferred back to the General Fund, plus normal cooperative funding expenditures which reduced the fund balance by \$2.1 million. The Mitigation's fund balance decreased due to the spending down of accumulated funds for restoration projects.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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.

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

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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 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 76.

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 31-56 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.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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 2009–2010 fiscal year. The overall condition of the District improved in both fiscal years 2010 and 2011.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S NET ASSETS

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 216,227,376	\$ 237,837,179
Capital assets, net	<u>1,116,164,303</u>	<u>1,061,731,344</u>
Total assets	<u>1,332,391,679</u>	<u>1,299,568,523</u>
Long-term liabilities outstanding	40,197,949	47,121,830
Other liabilities	<u>27,026,347</u>	<u>47,316,976</u>
Total liabilities	<u>67,224,296</u>	<u>94,438,806</u>
Net assets		
Invested in capital assets, net of related debt	1,086,938,685	1,027,438,251
Restricted	33,005,869	21,531,338
Unrestricted	<u>145,222,829</u>	<u>156,160,128</u>
Total net assets	<u>\$ 1,265,167,383</u>	<u>\$ 1,205,129,717</u>

Total net assets increased by \$60,037,666, or 5 %, from September 30, 2010. The majority of the increase can be attributed to the \$29 million of conservation easement donations received by the District through the environmental resource permitting process, also through acquisitions of land (Peters, Norstrom, Lewis, Dan Paul Estate, Kemcho and 301 Land Investment properties), conservation easements (BJ Bar Ranch and Sutton Ranch properties and permit donations), and infrastructure additions (Fellsmere Farms Restoration and Lake Apopka North Shore Restoration Area). These additions to land, conservation easements and infrastructure were mainly purchased from new sources of revenue, such as state and federal grants. The District purchased the \$10 million Kemcho property in part with \$2.5 million of ad valorem funds for land acquisition and \$4.7 million of Florida Forever fund balance, both accumulated from prior fiscal years, along with \$1.6 million of current Florida Forever revenues and \$.9 million of Federal grant funds. The \$7.5 million BJ Bar Ranch conservation easement was purchased in part with \$2.5 million of new Florida Forever revenues and \$5 million of new federal grant funds. The \$3 million 301 Land Investment property was purchased with new federal grant funds. The District paid down \$5.3 of its outstanding long-term debt with new Water Management Lands Trust funds, had a net decrease in outstanding compensated absences liabilities of \$2.3 million and a \$.9 million increase in other post-employment benefits liability.

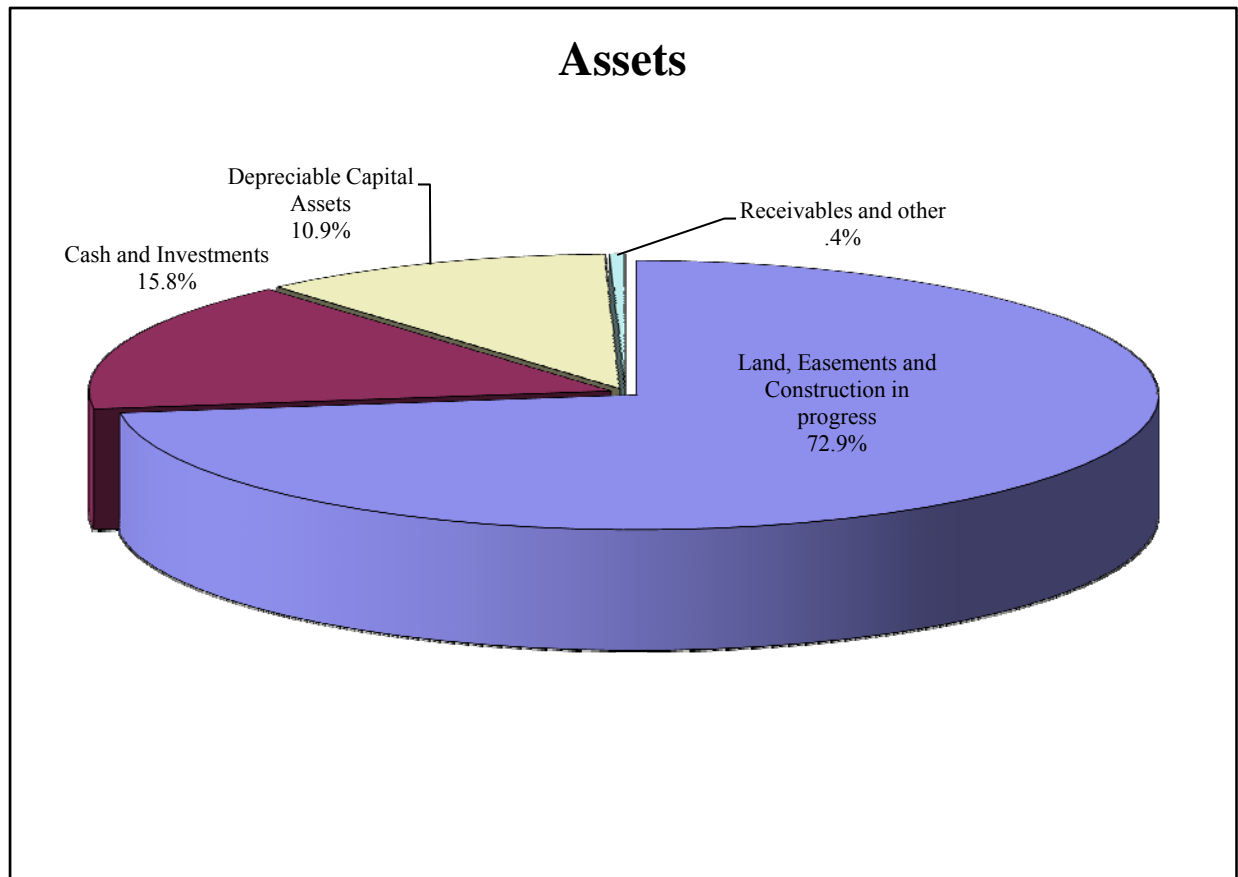
Due to reductions in state revenues for the Florida Forever program, the District may have to rely on ad valorem property tax revenues, land management revenues and sales or exchanges of surplus lands for future land acquisitions.

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

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slightly increased over the prior year (\$537,232 or 0.3%). The District's restricted net assets increased by \$11.5 million as a result of changes in fund balance reporting under GASB 54, which now classify \$15.1 million of grant matching funds as restricted, restricted Florida Forever land acquisitions using fund balance of \$4.2 million and increases to the long-term land management endowment of \$.8 million. However, unrestricted net assets decreased by \$10.9 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, 2011, land (\$820,104,044) and easements (\$149,274,886) less related long-term debt (\$29,240,000) comprise 74.3% of total District's net assets (\$1,265,167,383).



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

	2011	2010
Revenues		
Program revenues:		
Charges for services	\$ 3,293,436	\$ 2,624,319
Operating grants and contributions	19,002,122	38,166,419
Capital grants and contributions	49,169,451	47,631,576
General revenues:		
Ad valorem property taxes	111,317,677	124,930,368
Unrestricted investment earnings	2,041,261	4,214,405
Gain on sale of capital assets	90,476	74,105
Other revenue	182,047	488,122
Total revenues	<u>185,096,470</u>	<u>218,129,314</u>
Expenses		
Water resources planning and monitoring	15,524,373	17,531,746
Acquisition, restoration and public works	33,110,658	63,183,862
Operation and maintenance of lands and works	23,241,335	24,064,175
Regulation	17,629,095	17,548,909
Outreach	2,988,580	3,594,555
District management and administration	31,156,428	31,514,536
Interest on long-term debt	1,408,335	1,577,063
Total expenses	<u>125,058,804</u>	<u>159,014,846</u>
Increase in net assets	60,037,666	59,114,468
Net assets , beginning of the year	<u>1,205,129,717</u>	<u>1,146,015,249</u>
Net assets , end of the year	<u>\$ 1,265,167,383</u>	<u>\$ 1,205,129,717</u>

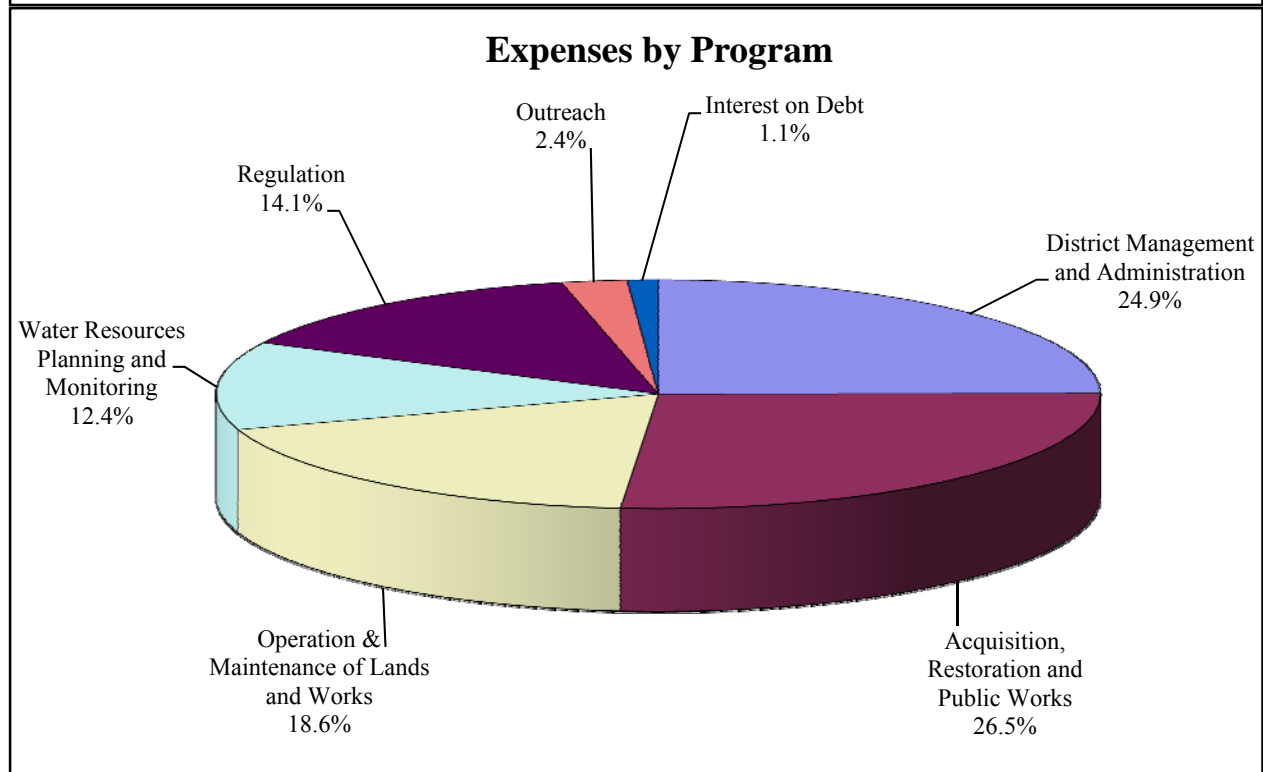
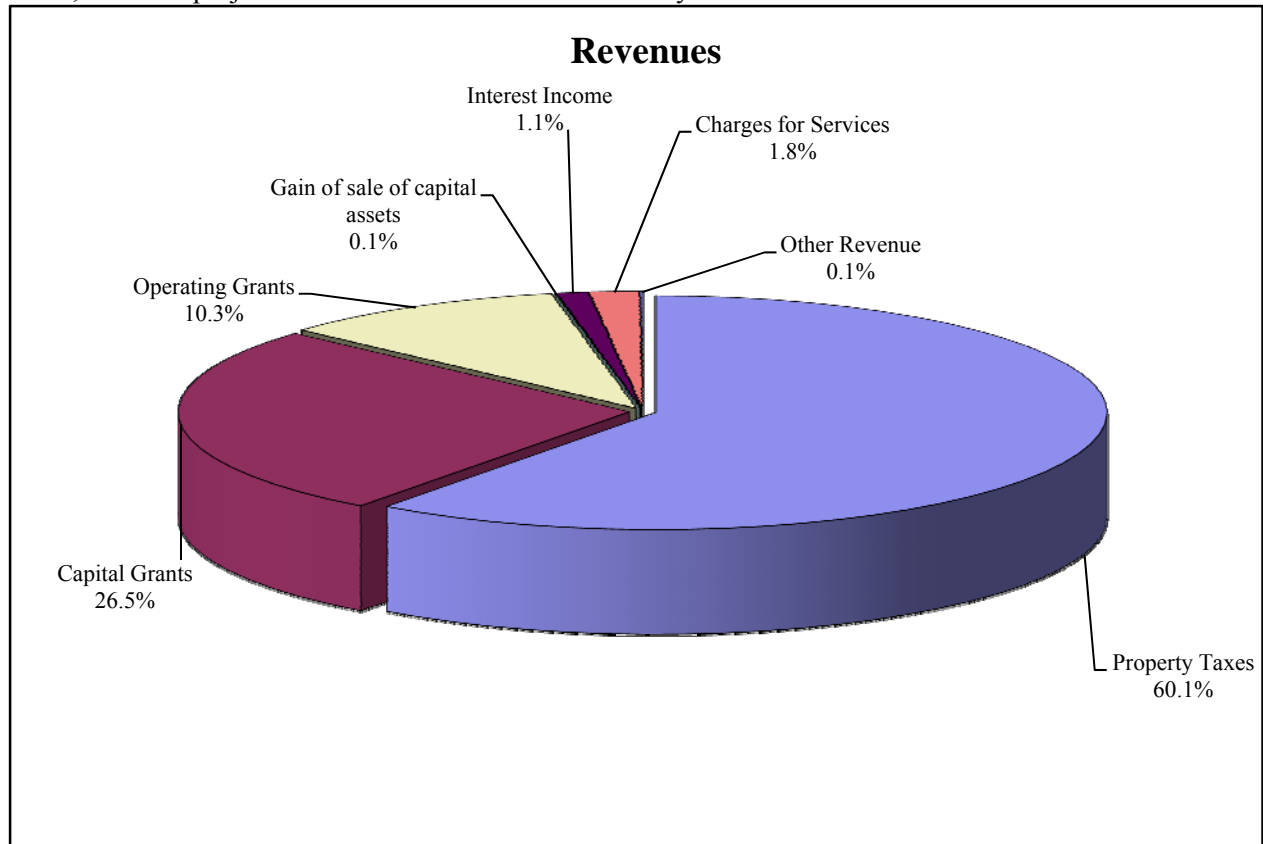
Total revenues decreased by -15.1%, or \$33,032,844, from the previous year. The net decrease is primarily attributable to the following: a reduction in unrestricted investment earnings (\$2.2 million); a reduction in ad valorem taxes (\$13.6 million); a reduction in Operating Grants and Contributions (\$19.2 million); and an increase in Capital Grants and Contributions (\$1.5 million) compared to the prior year. The decrease in ad valorem tax revenues is the result of 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, both purchased and donated.

As a result of increased efficiencies, total expenses decreased by -21.4%, or \$33,956,042, less than the previous year. A reduction in Water Resources Planning and Monitoring (\$2 million) was due to the District's change in emphasis to water conservation. The decrease in Acquisition, Restoration and Public Works (\$30 million) resulted from reductions in appropriations from the State of Florida. This reduction of State of Florida appropriations is expected to continue for the next several years. The District is continuing to increase efficiencies and streamline processes to achieve its core missions with its available funding.

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 38.6% of total revenues. General revenues

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comprise 61.4% of total revenues. The largest component of general revenues is ad valorem property taxes, which is projected to decline \$26 million in fiscal year 2011-2012.



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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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, *unrestricted 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, 2011, the District's governmental funds reported combined ending fund balances of \$189,251,546, of which \$155,983,149 constitutes *unrestricted fund balance* and is available for spending at the government's discretion. The remainder of fund balance *is restricted* to indicate that it is not available for new spending, because it has already been committed to pay debt service (\$6,406,625); matching State of Florida grant funds for Alternative Water Supply projects of the Water Protection and Sustainability program (\$15,087,235); to endow long-term maintenance on mitigation properties (\$11,057,425); or for a variety of other restricted purposes (\$717,112).

By comparison, the District reported unrestricted fund balances of \$137,358,300, \$139,018,735, \$101,409,659, \$68,773,677, and \$59,844,826 for fiscal years 2009-2010, 2008-2009, 2007-08, 2006-07, and 2005-06, respectively. From fiscal year 2005-2006, the District's unrestricted fund balance increased 160.7%.

In addition, the District has committed future resources related to state and federal grants and contributions, for which revenues will not be recognized until expenditures are incurred and invoiced in the following fiscal year. These commitments are in the form of contracts and purchase orders and total \$32,269,040. Approximately \$7.4 million of this amount represents commitments for which cash has been received by the District, but the related revenue has not been earned and, therefore, has been deferred (see note (5) on page 42 of this report).

The General Fund is the chief operating fund of the District. As of September 30, 2011, unrestricted fund balance of the General Fund was \$142,895,098, while total fund balance reached \$143,427,871. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 136.8% of total general fund expenditures.

The overall fund balance of all the District's funds decreased by \$1,293,128; however, during the fiscal year ended September 30, 2011, the General Fund balance increased by \$2,777,929, the Mitigation Fund decreased \$745,294 and the Water Protection and Sustainability Fund decreased \$11,301,968. The increase in the General Fund's fund balance is primarily as a result of a \$13.6 million decrease in ad valorem property tax revenues from the previous year, offset by dramatic reductions in spending across the District. Although the Mitigation Fund had a \$17 million decrease in revenues from the prior fiscal year that is the result of decreases in State of Florida appropriations, the decrease in fund balance is from 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 the Governing Board approves the budget and related contracts. The decrease in the Water Protection and Sustainability Fund September 30, 2011 fund balance is from \$2.1 million in current year expenditures that used general revenue monies transferred to the fund in the previous fiscal years and

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from a \$8.2 million transfer of grant matching funds back to the General Fund that are not needed as State of Florida appropriations have been dramatically reduced. 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.

The \$9.3 million decrease in the District's major fund balances described above were offset primarily by non-major fund balance increases of \$11,758,477 in the Capital Projects Fund and \$821,106 in the Long-term Maintenance Mitigation Fund. The increase in the Capital Projects Fund is from a transfer of General Fund monies to fund the Fellsmere Water Management Area project. 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 \$40.1 million. Ad valorem property taxes, state sources, federal sources and local sources are projected to decline -23.0%, -45.8%, -91.4%, and -26.3%, 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 only .4% higher than the final budget, the District has reduced its budgeted General Fund revenues \$39.6 million or 25.5% since fiscal year 2007-2008 due to the economic downturn, which caused a dramatic reduction in ad valorem property tax revenues, interest rates at historic lows, licenses and permit revenues at less than half of what they once were and fines and penalties down 83% from fiscal year 2007-2008.

The District experienced a surplus over the budgeted expenditures of \$14,307,570 in all spending categories, budgeted reserves and designations — \$6,121,607, contractual services — \$2,938,628, utilities, rentals, maintenance, legal advertising and travel — \$1,787,101, lapse salaries and benefits — \$1,283,467, materials and supplies — \$764,856 and land acquisition — \$616,607 being the higher areas of revised budget to actual expenditure savings. This, in part, is a result of decisions by the District to reduce operating expenditures. The District is also funding the Fellsmere Water Management Area project with General Fund monies and has transferred \$18.4 million to the Capital Projects Fund in fiscal year 2010-2011. The adopted budget for this project was \$13.1 million in fiscal year 2010-2011 and is \$27.2 million in fiscal year 2011-2012. The District will reduce its ad valorem property tax revenues by another \$26.0 million or -23% in fiscal year 2011-2012 due to new legislation (SB 2142) passed in 2011 that caps these revenues at \$85.33 million. All unspent funds will be re-budgeted and encumbered in the following fiscal year to continue ongoing obligations of the District.

The historical trend of General Fund positive budget variances continued for the 2010-2011 fiscal year, with a higher (88%) than normal historically comparative 83% 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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.

As compared to last fiscal year, total revenues of all special revenue funds have decreased by \$21 million and expenditures have decreased by \$26 million. This downward trend in outside funding sources has been evident since 2007 when special revenue fund revenues were \$115 million higher and special revenue fund expenditures \$126 million higher than fiscal year 2010-2011. This downward trend is expected to continue for the next several years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets — The District's investment in capital assets for its governmental activities as of September 30, 2011, amounted to \$1,116,164,303 (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 additions occurred during fiscal year 2010-2011 valued at \$66.4 million with additions to easements of \$31,301,522, land of \$19,403,173 and infrastructure of \$12,452,265 being the largest. It is normal for the District to have large additions to land and easements, as these assets are either purchased for conservation and water resource enhancement or donated to the District through the permitting process. The District received \$29.1 million of conservation easements in fiscal year 2010-2011 through the environmental resource permitting process. Additional information on the District's capital assets can be found in note 4 on page 41 of this report.

Long-term debt — At year-end, the District had total bonded debt outstanding of \$29,240,000, of which \$5,475,000 was due within one year and final payment is in 2016. In addition, the District has long-term obligations of \$5,891,749 for vested leave balances earned by employees, \$1,475,000 for claims and judgments owed, and \$3,393,571 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 a result of declines in its major revenue sources, which includes ad valorem taxes and state grants derived from documentary stamp taxes.

The millage rate for the 2010-2011 fiscal year remained at 0.4158 mills, the same as the previous year's rate. Due to new legislation (SB 2142) that passed in 2011 that caps the District's ad valorem tax revenues at \$85.33 million a year, these revenues are estimated to decrease by \$26 million, or -23% in fiscal year 2011-2012.

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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 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 2014.

Because of budget reductions, the state provided to the District only an amount based on the State's sale of surplus lands 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 2011-2012. In addition, the state appropriated funds from its Water Management Lands Trust Fund to pay for only the District's 2011-2012 annual debt service obligation.

The District has been accumulating matching resources over the last five 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 impact the available amount of funding that the 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, Bureau of Financial Management, St. Johns River Water Management District, 4049 Reid Street, Palatka, FL 32177.



Edward McEwens

Basic Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 2,462,737
Investments	207,739,599
Accounts and other receivables	540,349
Inventories	342,194
Intergovernmental receivables - billed	2,766,945
Intergovernmental receivables - unbilled	1,972,962
Unamortized issuance costs	212,011
Prepaid expenses	190,579
Non-depreciable capital assets:	
Land	820,104,044
Easements	149,274,886
Construction in progress	1,291,888
Depreciable capital assets:	
Buildings	36,506,546
Machinery and equipment	37,615,578
Infrastructure	147,605,188
Other depreciable assets	4,930,135
Accumulated depreciation	(81,163,962)
Total assets	1,332,391,679
LIABILITIES	
Accounts payable and other current liabilities	13,920,485
Unearned revenue	12,769,529
Due to other governmental units	73,805
Accrued interest payable	262,528
Long-term liabilities:	
Due within one year	7,392,993
Due in more than one year	32,804,956
Total Liabilities	67,224,296
NET ASSETS	
Invested in capital assets, net of related debt	1,086,938,685
Restricted for:	
Debt service	6,144,097
Legal restrictions	26,861,772
Unrestricted	145,222,829
Total net assets	\$ 1,265,167,383

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, 2011

Function / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Water resources planning and monitoring	\$ 15,524,373	\$ -	\$ 408,898
Acquisition, restoration, and public works	33,110,658	-	18,168,278
Operation and maintenance of lands and works	23,241,335	1,593,119	364,863
Regulation	17,629,095	1,700,317	54,380
Outreach	2,988,580	-	5,139
District management and administration	31,156,428	-	564
Interest on long-term debt	1,408,335	-	-
Total governmental activities	\$ 125,058,804	\$ 3,293,436	\$ 19,002,122

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>
\$ -	\$ (15,115,475)
49,114,495	34,172,115
54,956	(21,228,397)
-	(15,874,398)
-	(2,983,441)
-	(31,155,864)
-	(1,408,335)
<u>\$ 49,169,451</u>	<u>(53,593,795)</u>

111,317,677
182,047
2,041,261
90,476
<u>113,631,461</u>
60,037,666
<u>1,205,129,717</u>
<u>\$ 1,265,167,383</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
BALANCE SHEET- GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	<u>General Fund</u>	<u>Ecosystems Management Trust</u>
Assets		
Cash and cash equivalents	\$ 2,296,498	\$ -
Investments	146,579,446	8,982,697
Accounts and other receivables	508,482	-
Due from other funds	1,201,123	302,039
Inventories	342,194	-
Intergovernmental receivables - billed	3,798	-
Intergovernmental receivables - unbilled	-	-
Prepaid expenses	190,579	-
Total assets	<u>151,122,120</u>	<u>9,284,736</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	7,392,210	1,037,752
Due to other funds	302,039	-
Deferred revenue	-	8,246,984
Due to other governmental units	-	-
Total liabilities	<u>7,694,249</u>	<u>9,284,736</u>
Fund balances		
Nonspendable:	532,773	-
Restricted:	-	-
Committed:	128,147,398	-
Assigned:	2,124,416	-
Unassigned:	12,623,284	-
Total fund balances	<u>143,427,871</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 151,122,120</u></u>	<u><u>\$ 9,284,736</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
\$ -	\$ -	\$ 166,239	\$ 2,462,737
905,671	16,256,378	35,015,407	207,739,599
-	-	31,867	540,349
-	-	-	1,503,162
-	-	-	342,194
1,479,572	226,506	1,057,069	2,766,945
135,974	1,106,163	730,825	1,972,962
-	-	-	190,579
<u>2,521,217</u>	<u>17,589,047</u>	<u>37,001,407</u>	<u>217,518,527</u>
143,885	2,396,937	2,949,701	13,920,485
-	-	1,201,123	1,503,162
2,377,332	104,875	2,040,338	12,769,529
-	-	73,805	73,805
<u>2,521,217</u>	<u>2,501,812</u>	<u>6,264,967</u>	<u>28,266,981</u>
-	-	-	532,773
-	15,087,235	17,648,389	32,735,624
-	-	13,088,051	141,235,449
-	-	-	2,124,416
-	-	-	12,623,284
<u>-</u>	<u>15,087,235</u>	<u>30,736,440</u>	<u>189,251,546</u>
<u>\$ 2,521,217</u>	<u>\$ 17,589,047</u>	<u>\$ 37,001,407</u>	<u>\$ 217,518,527</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Total fund balances – governmental funds	\$ 189,251,546
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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	1,197,328,265	
Accumulated depreciation	(81,163,962)	
		1,116,164,303

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

Bonds payable	(29,240,000)	
Unamortized loss on advanced refunding	-	
Unamortized bond premium	(197,629)	
		(29,437,629)

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

Unamortized bond issuance costs		212,011
Compensated absences		(5,891,749)
Accrued interest payable		(262,528)
Other post-employment benefit payable		(3,393,571)
Claims and judgments		(1,475,000)

Net assets of governmental activities	<u><u>\$ 1,265,167,383</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, 2011

	<u>General Fund</u>	<u>Ecosystems Management Trust</u>
Revenues		
Ad valorem property taxes	\$ 111,317,677	\$ -
State	-	10,052,148
Federal	-	-
Investment earnings	1,886,258	-
Local mitigation	-	-
Licenses and permits	1,571,181	-
Cities and counties	-	-
Lease and timber sales	1,593,119	-
Fines and penalties	129,136	-
Other	182,047	-
Total revenues	<u>116,679,418</u>	<u>10,052,148</u>
Expenditures		
Current:		
Water resources planning and monitoring	15,467,006	-
Acquisition, restoration, and public works	22,269,358	10,052,148
Operation and maintenance of lands and works	14,862,704	-
Regulation	17,970,943	-
Outreach	3,095,229	-
District management and administration	30,820,942	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>104,486,182</u>	<u>10,052,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,193,236</u>	<u>-</u>
Other financing sources (uses):		
Transfers in	8,873,017	-
Transfers out	(18,437,608)	-
Sale of capital assets	147,085	-
Insurance/FEMA - loss recovery	2,199	-
Total other financing sources (uses)	<u>(9,415,307)</u>	<u>-</u>
Net change in fund balances	2,777,929	-
Fund balances, beginning of year	<u>140,649,942</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 143,427,871</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
\$ -	\$ -	\$ -	\$ 111,317,677
3,806,612	2,246,904	13,633,367	29,739,031
-	-	9,507,599	9,507,599
-	-	155,003	2,041,261
-	-	-	-
-	-	-	1,571,181
-	-	56,330	56,330
-	-	-	1,593,119
-	-	-	129,136
-	-	73,608	255,655
<u>3,806,612</u>	<u>2,246,904</u>	<u>23,425,907</u>	<u>156,210,989</u>
-	-	408,898	15,875,904
3,666,241	5,386,112	26,638,328	68,012,187
25,301	-	431,746	15,319,751
-	-	54,380	18,025,323
-	-	5,139	3,100,368
-	-	563	30,821,505
-	-	5,315,000	5,315,000
-	-	1,201,000	1,201,000
<u>3,691,542</u>	<u>5,386,112</u>	<u>34,055,054</u>	<u>157,671,038</u>
<u>115,070</u>	<u>(3,139,208)</u>	<u>(10,629,147)</u>	<u>(1,460,049)</u>
13,750	-	18,962,095	27,848,862
(874,114)	(8,162,760)	(374,380)	(27,848,862)
-	-	17,637	164,722
-	-	-	2,199
<u>(860,364)</u>	<u>(8,162,760)</u>	<u>18,605,352</u>	<u>166,921</u>
(745,294)	(11,301,968)	7,976,205	(1,293,128)
<u>745,294</u>	<u>26,389,203</u>	<u>22,760,235</u>	<u>190,544,674</u>
<u>\$ -</u>	<u>\$ 15,087,235</u>	<u>\$ 30,736,440</u>	<u>\$ 189,251,546</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, 2011**

Net change in fund balances – total governmental activities \$ (1,293,128)

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	36,798,356	
Current year depreciation	(11,083,957)	
Contributions of capital assets	29,161,564	
		54,875,963

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 at date of sale) of the assets sold, as well as the net book value of assets transferred to other agencies. (443,004)

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	(267,477)	
		(247,525)

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. 5,315,000

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	2,302,955	
Accrued interest payable	40,190	
Other post-employment benefit payable	(887,785)	
Claims and judgments payable	375,000	
		1,830,360

Change in net assets of governmental activities \$ 60,037,666

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



Robbyn Spratt

Notes to the Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(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 core mission of Florida's five water management districts is to protect Florida's water supply, water quality, natural systems and provide flood protection. Focusing on those core missions, the St. Johns District's mission statement is: "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."

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, 2011

(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 Management 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, 2011

(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, 2011

(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 water resource education; public information activities and all public relations activities, including public service announcements and advertising in any media; and lobbying activities related to local, regional, state, and federal governmental affairs.
- 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) Prepaid Expenses** — Prepaid expenses consist of rent payments, software maintenance services, and property tax commissions, which have been paid prior to the end of the fiscal year, but represent expenses which are applicable to future accounting periods. These amounts do not constitute available spendable resources even though they are a component of current assets.
- (i) 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.
- (j) 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, 2011

(1) Summary of Significant Accounting Policies (j) (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 at project completion or percentage of completion for long-term projects

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, 2011

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

- (k) Compensated Absences** — It is the District's policy to permit employees to accumulate certain levels of 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 regular 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 2010-2011, the District allowed employees to voluntarily buy down a portion of their unused annual and sick leave. Annual leave was paid out at the employees current hourly base rate of pay and sick leave was paid at 25% of the hourly rate. The employee could take it in cash or direct it to the employee's deferred compensation account or health savings account.

In fiscal year 2010-2011, employees voluntarily bought down \$1,441,390 of their accumulated annual and sick leave. As of October 1, 2011, the District discontinued the annual and sick leave buy downs.

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.

- (l) 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	\$ 8,246,984
State Grants Fund	State-Resolution 2000-24	148,526
	State-Specific Appropriation	1,476,375
Water Protection & Sustainability Fund	State-Water Protection and Sustainability SWIM	104,875
Mitigation Fund	State-FDOT Mitigation	2,377,332
Special Revenues-Other Fund	Local-Counties	175,790
	Local-Water Management Districts	10,745
	Local-Cities	169,790
	Local-Other	59,112
	Total	<u>\$12,769,529</u>

- (m) 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.

- (n) 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- (o) 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 2010-2011 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.

- (p) 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 Supplemental Information Other Than Management's Discussion and Analysis 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, 2011

(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 (SBA) are divided into two funds: Local Government Surplus Funds Trust (Florida PRIME) and Fund B Surplus Funds Trust Fund (Fund B). The Florida PRIME is rated by Standard and Poors. The current rating is AAAM. The Investment Manager of the Florida PRIME manages credit risk by purchasing only high quality securities, performing a credit analysis to develop a database of issuers and securities that meet the Investment Manager's minimum standard and by regularly reviewing the portfolio's securities financial data, issuer news and developments, and ratings of the nationally recognized statistical rating organizations. The Fund B is not rated by any nationally recognized statistical rating agency. The fixed income money market funds in the 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, 2011, was 1.57 years. The weighted average days to maturity of the Florida PRIME at September 30, 2011, was 38 days. The weighted average life of Fund B assets at September 30, 2011, was 4.82 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, 2011.

Investments in the Florida PRIME are held with the SBA. This fund is structured as a "2a-7 like" fund, which is carried at amortized cost. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for amortization of discount or premium over the period from purchase to maturity. Thus, the balance in the fund is its fair value. A "2a-7 like" fund is not registered with the SEC as an investment company, but never the less has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

Investments in the Fund B are held with the SBA. The Fund B is accounted for as a fluctuating net asset value pool. Therefore, fair value for this fund must be calculated using a fair value factor, which was .7568386 at September 30, 2011.

(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 deposits 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 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 an 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/ Local Government Taxable/ Tax-Exempt Debt	20%	20%	<3 years
Registered Investment Comp.(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, 2011, 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	\$108,387,657	\$ 15,595,906	\$ 88,553,992	\$ 4,237,759
U.S. Treasury Securities	52,055,113	19,961,014	32,094,099	-
Corporate Note	8,113,630	-	8,113,630	-
Commercial Paper	7,199,503	7,199,503	-	-
Florida PRIME and Fund B	10,874,611	10,874,611	-	-
Fixed Income Money Market Fund	21,109,085	21,109,085	-	-
TOTAL INVESTMENTS	\$207,739,599	\$ 74,740,119	\$128,761,721	\$ 4,237,759

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(3) Deposits and Investments (Continued):

(g) As of September 30, 2011, 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	AA+	08/10/2012	\$ 1,156,288	
Federal National Mortgage Association	AA+	09/15/2012	2,534,599	
Federal National Mortgage Association	AA+	12/03/2012	4,980,463	
Federal National Mortgage Association	AA+	09/19/2013	4,987,845	
Federal National Mortgage Association	AA+	10/15/2013	997,277	
Federal Home Loan Bank	AA+	04/13/2012	1,571,542	
Federal Home Loan Bank	AA+	09/14/2012	5,164,625	
Federal Home Loan Bank	AA+	03/20/2013	4,074,056	
Federal Home Loan Bank	AA+	08/28/2013	4,722,360	
Federal Home Loan Bank	AA+	12/27/2013	6,566,611	
Federal Home Loan Bank Global Notes	AA+	05/28/2014	8,174,213	
Fannie Mae Global Notes	AA+	09/23/2013	8,918,839	
Fannie Mae Global Notes	AA+	09/23/2013	9,211,756	
Freddie Mac Global Notes	AA+	09/22/2014	5,013,895	
Federal Home Loan Mortgage Corporation	AA+	03/28/2013	2,836,331	
Federal Home Loan Mortgage Corporation	AA+	04/15/2013	9,376,971	
Federal Home Loan Mortgage Corporation	AA+	04/15/2013	1,034,525	
Federal Home Loan Mortgage Corporation	AA+	10/28/2013	3,056,573	
Federal Home Loan Mortgage Corporation	AA+	10/28/2013	7,565,775	
Federal Home Loan Mortgage Corporation	AA+	09/19/2014	2,986,515	
Federal Home Loan Mortgage Corporation	AA+	09/10/2015	4,237,759	
Federal Farm Credit Bank	AA+	05/23/2012	5,168,852	
Federal Farm Credit Bank	AA+	10/07/2013	4,049,987	
			108,387,657	52.17%
U.S. Treasury Securities				
U.S. Treasury Notes	AA+	08/15/2012	1,120,021	
U.S. Treasury Notes	AA+	08/15/2012	10,348,795	
U.S. Treasury Notes	AA+	09/15/2012	4,995,382	
U.S. Treasury Notes	AA+	09/30/2012	3,496,816	
U.S. Treasury Notes	AA+	10/31/2012	1,382,857	
U.S. Treasury Notes	AA+	12/31/2012	3,719,510	
U.S. Treasury Notes	AA+	01/31/2013	5,540,134	
U.S. Treasury Notes	AA+	03/31/2013	1,433,163	
U.S. Treasury Notes	AA+	05/15/2013	5,567,202	
U.S. Treasury Notes	AA+	10/15/2013	3,172,343	
U.S. Treasury Notes	AA+	10/15/2013	6,244,295	
U.S. Treasury Notes	AA+	02/15/2014	2,450,251	
U.S. Treasury Notes	AA+	03/15/2014	2,584,344	
			52,055,113	25.06%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

	S & P Rating	Maturity Date	Market Value	% of Portfolio
Corporate Note				
General Electric Cap Corp Global Note	AA+	05/22/2013	8,113,630	3.91%
Commercial Paper				
Societe Generale	A-1	10/14/2011	7,199,503	3.47%
Florida State Board of Administration Pool				
Florida PRIME	AAAm		10,418,743	
Fund B	NR		455,868	
			10,874,611	5.23%
Fixed Income Money Market Fund				
Federated Government Obligations	NR		21,109,085	10.16%
TOTAL INVESTMENTS			\$ 207,739,599	100.00%

(4) Capital Assets:

(a) Capital asset activity for the year ended September 30, 2011, was as follows:

	Balance at Oct. 1, 2010	Additions	Retirements	Balance at 9/30/11
Capital assets, not being depreciated:				
Land	\$801,125,005	\$ 19,403,173	\$ (424,134)	\$820,104,044
Easements	117,973,364	31,301,522	-	149,274,886
Construction in progress	1,493,409	177,448	(378,969)	1,291,888
Total capital assets, not being depreciated	920,591,778	50,882,143	(803,103)	970,670,818
Capital assets, being depreciated:				
Buildings	35,840,278	666,268	-	36,506,546
Infrastructure	135,152,923	12,452,265	-	147,605,188
Machinery and equipment	37,252,607	2,250,168	(1,887,197)	37,615,578
Other depreciable assets	4,832,895	97,240	-	4,930,135
Total capital assets, being depreciated	213,078,703	15,465,941	(1,887,197)	226,657,447
Less accumulated depreciation for:				
Buildings	(10,573,169)	(1,022,046)	-	(11,595,215)
Infrastructure	(34,378,651)	(4,403,589)	-	(38,782,240)
Machinery and equipment	(25,594,427)	(3,919,604)	1,859,132	(27,654,899)
Other depreciable assets	(1,392,890)	(1,738,718)	-	(3,131,608)
Total accumulated depreciation	(71,939,137)	(11,083,957)	1,859,132	(81,163,962)
Capital assets being depreciated, net	141,139,566	4,381,984	(28,065)	145,493,485
Governmental activities capital assets, net	<u>\$1,061,731,344</u>	<u>\$ 55,264,127</u>	<u>\$ (831,168)</u>	<u>\$1,116,164,303</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

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

Operation and maintenance of lands and works	\$ 8,323,193
District management and administration	2,760,764
Total depreciation expense	<u>\$ 11,083,957</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 fiscal year 2010-2011, the District purchased the Kemcho property using all of the \$4,511,201 Florida Forever funds unspent at September 30, 2010.

(5) Commitments:

Encumbrances of Fund Balance

The District has committed and assigned fund balances for obligations that were executed in fiscal year 2010-2011, but will be expended in future fiscal years. These commitments and assignments are in the form of contracts, agreements, grants to local governments, memorandums of understanding, and purchase orders and total by fund as follows:

General Fund	\$ 5,655,281
Indian River Lagoon License Tag Fees Fund	10,110
Water Protection and Sustainability Fund	14,689,118
Capital Projects Fund	<u>13,088,051</u>
Total	<u>\$ 33,442,560</u>

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, agreements, grants to local governments, memorandums of understanding and purchase orders and total by fund as follows:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(5) Commitments (Concluded):

	Funding Source		Total
	State	Federal	
Special Revenue Funds			
Ecosystems Management Trust Fund	\$ 5,088,684	\$ -	\$ 5,088,684
Water Protection and Sustainability Fund	23,706,158	-	23,706,158
Water Management Lands Trust Fund	389,942	-	389,942
State Grants Fund	1,936,392	-	1,936,392
Mitigation Fund	584,819	-	584,819
Special Revenue Funds-Other Fund	448,045	-	448,045
Federal Grants Fund	-	115,000	115,000
Total	\$ 32,154,040	\$ 115,000	\$ 32,269,040

The committed future resources of the Ecosystems Management Trust and Mitigation funds which total approximately \$5 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 agreements with the City of Cocoa, City of Titusville, Orange County, the Orlando Utilities Commission and the Tohopekaliga Water Authority for \$14 million (\$10 million with the Water Protection and Sustainability Trust Fund) 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 (\$8.5 million with the Water Protection and Sustainability Trust Fund) to fund the Coquina Coast Desalination Alternative Water Supply Project estimated to be begin construction April 29, 2015.

(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: \$72,067, Florida Forever Trust Fund; \$890,244, Water Management Lands Trust Fund; \$107,515, Florida Department of Environmental Protection; and \$131,297, Federal Sources, 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:

Receivable Funds	Amount	Payable Funds	Purpose
Major Funds:			
General Fund	\$ 72,067	Florida Forever Fund	Temporary Loan
General Fund	890,244	Water Management Lands Trust Fund	Temporary Loan
General Fund	107,515	State Grants Fund	Temporary Loan
General Fund	131,297	Federal Grants Fund	Temporary Loan
Ecosystems Management Trust Fund	302,039	General Fund	Deposit
Total All Funds	\$ 1,503,162		

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(6) Interfund Balances and Activities (Concluded):

The \$18,437,608 transfer from the General Fund to the Capital Projects Fund is to fund major capital expenditures from District funding sources. The \$8,162,760 transfer from the Water Protection and Sustainability Fund to the General Fund was the result of matching funds of the Water Protection and Sustainability - Alternative Water Supply program being spent out of the General Fund. The \$349,627 transfer from the Mitigation Fund to the General Fund is to reimburse for administration expenses associated with mitigation projects. The \$216,619 transfer from the State Grants Fund to the General Fund is to reimburse for indirect costs of State grants. The \$247,860 transfer from the Mitigation Fund to the Florida Forever is to change the funding source of previous land acquisitions to mitigation funds. The \$276,627 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. The \$140,000 transfer from the Federal Grants Fund to the General Fund was to reimburse expenditures of the General Fund that were made in anticipation of Federal Grants fund being made available. The \$13,750 transfer from the Long-term Maintenance Mitigation Fund to the Mitigation Fund were for expenditures that were determined to be normal restoration expenditures, not long-term land management expenditures. The \$4,011 transfer from Special Revenue Funds – Other Fund to the General Fund was to reimburse for indirect costs of local grants. A summary of interfund transfers is as follows:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 349,627	Mitigation Fund
General Fund	216,619	State Grants Fund
General Fund	140,000	Federal Grants Fund
General Fund	8,162,760	Water Protection & Sustainability Fund
General Fund	4,011	Special Revenue Funds - Other Fund
Total General Fund	<u>8,873,017</u>	
Mitigation Fund	<u>13,750</u>	Long-term Maintenance Mitigation Fund
Total Major Funds	<u>8,886,767</u>	
Non-major Funds:		
Capital Projects Fund	18,437,608	General Fund
Florida Forever Fund	247,860	Mitigation Fund
Long-term Maintenance Mitigation Fund	276,627	Mitigation Fund
Total Non-major Funds	<u>18,962,095</u>	
Total All Funds	<u>\$ 27,848,862</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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

(a) Plan Description:

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

(b) Benefits Provided:

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

(c) Membership:

At September 30, 2011, 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, 2011, retired employees directly contributed \$8,120 to the plan. For retired employees, the District contributed \$61,200 and the state of Florida's Division of Retirement contributed \$178,148 through a pension deduction and the above mentioned Florida Division of Retirement subsidy. For active employees, the District contributed \$6,602,844 and the employees contributed \$1,500,841. The District also contributed \$175,330 to the accounts of employees with a High Deductible Savings Accounts.

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

The District's actuarial valuation was performed for the plan as of October 1, 2010, 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, 2011. The District's annual OPEB cost (expense) of \$1,088,969 was reduced by the assumed contributions of \$201,184, which netted an increase of \$887,785 in the net OPEB obligation. The following table shows the calculation of the Annual Required Contribution and Net OPEB Obligation:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

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>
10/01/2008	\$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%
10/01/2010	\$0	\$8,147,566	\$8,147,566	0.0%	\$46,586,131	17.49%

For the Fiscal Year Ending
September 30, 2011 September 30, 2010

Determination of Annual Required Contribution:

Normal cost at year-end	\$ 643,244	\$ 618,504
Amortization of Unfunded Actuarial Liability	<u>498,945</u>	<u>444,500</u>
Annual Required Contribution (ARC)	<u>1,142,189</u>	<u>1,063,004</u>

Determination of Net OPEB Obligation:

ARC	1,142,189	1,063,004
Interest on prior year Net OPEB Obligation	100,231	65,851
<i>Adjustment to ARC</i>	<u>(153,451)</u>	<u>(98,797)</u>
Annual OPEB Cost	1,088,969	1,030,058
Contributions made	<u>(201,184)</u>	<u>(170,542)</u>
Increase in Net OPEB Obligation	887,785	859,516
Net OPEB Obligation – beginning of year	<u>2,505,786</u>	<u>1,646,270</u>
Net OPEB Obligation – end of year	<u>\$ 3,393,571</u>	<u>\$ 2,505,786</u>

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

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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
9/30/2011	4.00%	\$1,088,969	18.5%	\$3,393,571

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

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.

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, 2010, 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 7.2%, 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 50% 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, 2011, was 26 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, Original issue \$39,005,000	2% to 4%	\$ 29,240,000
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)		\$ 5,891,749
Claims and judgments		1,475,000
Other post-employment benefits		3,393,571
Unamortized bond premium		197,629
Subtotal		<u>\$ 10,957,949</u>
Total Long-Term Obligations less unamortized balances		<u>\$ 40,197,949</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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SEPTEMBER 30, 2011

(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, 2011, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Long-Term Obligations and Interest
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	<u>6,265,000</u>	<u>250,600</u>	<u>6,515,600</u>
Total principal & interest	29,240,000	3,343,938	32,583,938
Less interest to be paid	<u>-</u>	<u>(3,343,938)</u>	<u>(3,343,938)</u>
Total principal	29,240,000	-	29,240,000
Deferred amounts	<u>197,629</u>	<u>-</u>	<u>197,629</u>
Totals	<u>\$ 29,437,629</u>	<u>\$ -</u>	<u>29,437,629</u>

Long-term obligations not included above:

Accrued compensated absences payable	5,891,749
Other post-employment benefits	3,393,571
Claims and judgments	<u>1,475,000</u>
Total long-term obligations	<u>\$ 40,197,949</u>

(c) Long-Term Obligations:

Changes in long-term liabilities for the fiscal year ended September 30, 2011, are summarized as follows:

Governmental Activities:	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
General long-term obligations:					
Revenue bonds payable	\$ 34,555,000	\$ -	\$ 5,315,000	\$ 29,240,000	\$ 5,475,000
Deferred amounts:					
Issuance premiums	283,817	-	86,188	197,629	-
Unamortized loss on refunding	<u>(267,477)</u>	<u>-</u>	<u>(267,477)</u>	<u>-</u>	<u>-</u>
Total revenue bonds payable	34,571,340	-	5,133,711	29,437,629	5,475,000
Accrued compensated absences	8,194,704	4,941,093	7,244,048	5,891,749	442,993
Other post-employment benefits	2,505,786	887,785	-	3,393,571	-
Claims and judgments	<u>1,850,000</u>	<u>-</u>	<u>375,000</u>	<u>1,475,000</u>	<u>1,475,000</u>
Total governmental activity long-term obligations	<u>\$ 47,121,830</u>	<u>\$ 5,828,878</u>	<u>\$ 12,752,759</u>	<u>\$ 40,197,949</u>	<u>\$ 7,392,993</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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(8) Long-Term Obligations (c) (Concluded):

Interest expense is \$1,408,335 in the accompanying Statement of Activities for the year ended September 30, 2011.

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>
2012	\$ 155,400
2013	384,255
2014	395,764
2015	407,485
2016	419,846
2017-2021	2,295,516
Total Lease Payments	<u>\$ 4,058,266</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 2012, the District has a revised budget of approximately \$1.65 million for land acquisition in the fiscal year ending September 30, 2012.

(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, 2011, 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, 2011, 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, 2011, 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(10) Employee Benefits (Continued):

In addition to the HIS, Chapter 112.0801, F.S., provides that retirees may elect to participate in the District's group health insurance programs, with premiums being paid by the retiree. The District offers an additional benefit to retirees between the ages of 62 and 65 by paying one-half the health insurance plan premium costs. The total cost of this post-employment benefit for fiscal year ending September 30, 2011, was \$61,200 for 22 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% for FRS Pension Plan members with an effective DROP begin date before July 1, 2011. For FRS Pension Plan members with an effective DROP begin date on or after July 1, 2011, the annual rate is 1.3%. 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(10) Employee Benefits (Concluded):

of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by “buying back” into the Pension Plan. Retirement coverage is employee noncontributory. The employer pays all contributions. The rates for the Investment Plan are the same as the Pension Plan.

Funding Policy: From October 1, 2010 through June 30, 2011, the District was 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. As of July 1, 2011, the District is required to contribute 4.91% for regular annual covered employee’s salary, 6.27% for senior management annual covered employee’s salary, and 4.42% for employees participating in the Deferred Retirement Option Program. The contribution requirements of the District may be changed by the FRS. The District contributed 100% of the required contribution to FRS in fiscal years ended September 30, 2010 and 2009. Starting July 1, 2011, the employees of the District began contributing 3% of their gross salaries to FRS. The District’s contributions to the FRS for the years ended September 30, 2011, 2010, and 2009, were \$4,350,773, \$4,770,436, and \$4,561,495, respectively. The employees contributed \$346,247 to FRS from July 1, 2011 to September 30, 2011.

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, 2011, the District no longer contributes to the Section 401a deferred compensation plan.

As of September 30, 2011, 619 employees were participating in the 401a plan, with fiscal year 2010–2011 District contributions totaling \$1,178,626. The total balance of the plan at September 30, 2011 was \$7,069,972.

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(11) State Trust Funds (Concluded):

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 years 2008-2009, 2009-2010, 2010-2011 and 2011-2012, the state reduced the appropriation to the District to the annual debt service payments.

The Florida Forever Trust Fund was established in 2000 pursuant to Chapter 259.1051, F.S. The Florida Forever program is the successor program to the Preservation 2000 program. The trust fund is funded through bond proceeds and may be used for 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 reduced to \$22.5 million, then in fiscal year 2009-2010, no appropriations were made. In fiscal year 2010-2011, the appropriation was restated at \$1.125 million. In fiscal year 2011-2012, the appropriation was limited to the amount the State of Florida sells in surplus property. At this time, there have been no sales of surplus property by the State of Florida.

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 years 2009-2010, 2010-2011 and 2011-2012, no appropriations were made.

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 years 2008-2009, 2009-2010, 2010-2011 and 2011-2012, the state made no appropriations.

(12) Risk Management:

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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SEPTEMBER 30, 2011

(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, 2011, the District estimates the value of the financial assurances provided by the various mitigation banks is \$12.7 million.

(14) Fund Balance Disclosure:

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. Inventory assets and prepaid expenses are typical balances that are reported in this category.

Spendable Fund Balance –

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. Debt service reserves, State of Florida Specialty Licenses Tag revenues and Long-term Maintenance Mitigation endowment funds set aside to fund land management activities are typical balances that are reported in this category.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. The District's commits funds through Governing Board resolutions and can only deplete or change the commitments through a Governing Board resolution or an expenditure authorized by contract. Long-term projects and programs and the District's Economic Stabilization Reserve are typical balances that are reported in this category.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered to be restricted nor committed. Fund Balance may be assigned through the following: Formal Budget Adoption Resolution and encumbrances/contractual obligations/ grants to local governments/ memorandums of understanding that are not otherwise restricted or committed.
- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories.

The District does not have a formal minimum fund balance policy. The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(14) Fund Balance Disclosure (Continued):

Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made, with the exception of the Economic Stabilization Reserve established by the District's Governing Board. Under normal circumstances, the District would first elect to utilize the Designated Operating Reserves and Contingencies that is approved in the Adopted Budget Resolution (Unassigned fund balance in the General Fund) before considering use of its Economic Stabilization Reserve.

The District established an Economic Stabilization Reserve from the Unassigned General Fund Balance in an amount not less than five percent of the previous year's actual revenues from all sources of ad valorem tax supported funds. The Economic Stabilization Reserve is established annually for the next fiscal year during the budgetary process for that fiscal year. The purpose of the Economic Stabilization Reserve is to provide sufficient funds for unforeseen and unexpected events, meet major emergencies and ensure the District's continued orderly operational and financial stability. Utilization of funds from the Economic Stabilization Reserve is limited to the following circumstances:

- (1) when a state of emergency is declared by the Governor or President of the United States; or
- (2) when the Governing Board determines through a resolution that: (a) an emergency or other circumstances has arisen that creates an unanticipated need for additional revenues that are not available through other funding sources; (b) the underlying condition directly impacts the citizens and/or environment within District boundaries; and (c) remedial action cannot wait until the next fiscal year. In the event of an emergency, the Executive Director or Assistant Executive Director may take necessary action as a time sensitive matter in accordance with District Policy 2007-01; or
- (3) when anticipated or realized revenues from ad valorem sources within a specific fiscal period are at least ten percent less than the revenue realized over the prior year.

The Economic Stabilization Reserve is not to be appropriated for recurring operating expenditures or capital expenditures that can be addressed through the normal budgeting process. If funds are appropriated from the Economic Stabilization Reserve, the District is required to re-establish the minimum Economic Stabilization Reserve balance within the three fiscal-year period following the year in which such funds are appropriated. Available funds in excess of the five percent Economic Stabilization Reserve requirement may be utilized for other District purposes, including, without limitation, additional capital or cooperative funding expenditures, sinking funds or other purposes.

The District's annual budget may also include an annual contingency appropriation to meet unforeseen demand in service delivery costs or unexpected expenditure increases after the adoption of the budget. This appropriation is authorized along with the Annual Budget Resolution and is titled - Designated Operating Reserves and Contingencies.

The District shall also maintain those reserves required by generally accepted accounting principals.

A schedule of District fund balances at September 30, 2011 follows:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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SEPTEMBER 30, 2011

(14) Fund Balance Disclosure (Continued):

Fund Balances:	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total All Funds
Nonspendable:					
Inventories	\$ 342,194	\$ -	\$ -	\$ -	\$ 342,194
Prepaid Expenses	190,579	-	-	-	190,579
Total Nonspendable	<u>532,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>532,773</u>
Spendable:					
Restricted for:					
Mitigation Endowment	-	11,057,425	-	-	11,057,425
Debt Service Reserve	-	-	6,406,625	-	6,406,625
Indian River Lagoon License Tag Fees	-	184,339	-	-	184,339
Water Protection and Sustainability	-	15,087,235	-	-	15,087,235
Total Restricted	<u>-</u>	<u>26,328,999</u>	<u>6,406,625</u>	<u>-</u>	<u>32,735,624</u>
Committed for:					
Economic Stabilization Reserve	6,900,000	-	-	-	6,900,000
Land Management/Acquisition	8,701,220	-	-	-	8,701,220
Fellsmere Water Management Area	10,877,745	-	-	11,389,809	22,267,554
Canal 1/10 Rediversion	11,611,000	-	-	-	11,611,000
Groundwater Resources Assessment	10,000,000	-	-	-	10,000,000
Rough Fish Harvesting	2,167,299	-	-	-	2,167,299
Alum Treatment - Stormwater Control	2,200,000	-	-	-	2,200,000
Flood Control Structure Rehabilitation	2,942,002	-	-	-	2,942,002
Minimum Flows & Levels Prevention	25,000,000	-	-	-	25,000,000
Water Quality & Ecological Restoration	30,000,000	-	-	-	30,000,000
Water Conservation & Demand Mgmt.	13,751,366	-	-	-	13,751,366
Lake Apopka - North Shore Restoration	-	-	-	1,101,145	1,101,145
Lake Jesup Restoration	-	-	-	597,097	597,097
Lower St. Johns River Basin Reuse Proj	3,996,766	-	-	-	3,996,766
Total Committed	<u>128,147,398</u>	<u>-</u>	<u>-</u>	<u>13,088,051</u>	<u>141,235,449</u>
Assigned for:					
Lake Apopka - North Shore Restoration	800,000	-	-	-	800,000
Taylor Creek Reservoir Design	379,267	-	-	-	379,267
Survey NAVD88 Vertical Data Conver.	38,000	-	-	-	38,000
Palm Bay Security Automation Design	12,785	-	-	-	12,785
Fleet Services Operating Capital Outlay	46,972	-	-	-	46,972
Information Technology Operating Cap	5,442	-	-	-	5,442
Stormwater Cost Share - City of Eustis	267,500	-	-	-	267,500
Shoreline Erosion Prevention - UCF	19,988	-	-	-	19,988
Dragline Ditch – Volusia County	132,083	-	-	-	132,083
Water Quality Restoration – Rose Bay	217,451	-	-	-	217,451
Desalination Plant-City of Palm Coast	187,448	-	-	-	187,448
Water Impact Study – Data & Analysis	11,150	-	-	-	11,150
Water Impact Study – Peer Review	6,330	-	-	-	6,330
Total Assigned	<u>2,124,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,124,416</u>
Unassigned for:	<u>12,623,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,623,284</u>
Totals All Funds	\$143,427,871	\$26,328,999	\$6,406,625	\$13,088,051	\$189,251,546

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

(15) New Accounting Pronouncements:

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, effective for the District's fiscal year beginning October 1, 2012. The objective of Statement No. 60 is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (government or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement requires disclosures about an SCA including a general description of the arrangement and information about the associated assets, liabilities, and deferred inflows, the rights granted and retained, and guarantees and commitments. The District is currently evaluating the effect this Statement will have on its financial statements.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements 14 and 34*, effective for the District's fiscal year beginning October 1, 2012. The objective of Statement No. 61 is to improve financial reporting for a governmental financial entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The District is currently evaluating the effect this Statement will have on its financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for the District's fiscal year beginning October 1, 2012. The objective of Statement No. 62 is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: 1. Financial Accounting Standards Board (FASB) Statements and Interpretations, 2. Accounting Principles Board Opinions and 3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The District is currently evaluating the effect this Statement will have on its financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for the District's fiscal year beginning October 1, 2012. The objective of Statement No. 63 is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The District is currently evaluating the effect this Statement will have on its financial statements.

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*, effective for the District's fiscal year beginning October 1, 2011. The objective of Statement No. 64 is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The District is currently evaluating the effect this Statement will have on its financial statements.



Tim Ebaugh

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Ad valorem property taxes	\$ 110,873,030	\$ 110,873,030	\$ 111,317,677	\$ 444,647
Investment earnings	2,455,000	2,455,000	1,886,258	(568,742)
Regulatory permits	1,200,000	1,200,000	1,571,181	371,181
Lease and timber sales	635,000	635,000	1,593,119	958,119
Fines and penalties	400,000	400,000	129,136	(270,864)
Other	100,000	100,000	182,047	82,047
Total revenues	115,663,030	115,663,030	116,679,418	1,016,388
EXPENDITURES				
Water resources planning and monitoring				
Water supply planning	4,236,661	4,449,711	4,259,633	190,078
Groundwater resource assessment	1,362,258	1,341,216	1,295,624	45,592
Water use data management	741,979	705,799	661,318	44,481
Minimum flows and levels	1,553,745	1,385,828	1,368,751	17,077
Hydrologic data collection	4,293,291	5,291,739	5,053,460	238,279
Surface water quality monitoring	575,352	355,745	351,057	4,688
Laboratory services	1,670,483	968,644	968,644	-
Surveying services	972,066	918,244	911,026	7,218
Geographic information system development	593,525	615,257	597,493	17,764
Water resources planning and monitoring total	15,999,360	16,032,183	15,467,006	565,177
Acquisition, restoration and public works				
Land acquisition	1,113,596	3,512,810	2,888,043	624,767
Water resource development projects	1,969,774	831,029	831,029	-
Water supply development assistance	51,848	79,876	79,655	221
Water protection and sustainability	38,058	35,296	33,687	1,609
Conservation and demand management	10,103,625	2,286,303	1,894,733	391,570
Abandoned artesian well plugging	111,383	105,796	91,139	14,657
Surface water projects program support	2,120,277	3,364,777	3,336,302	28,475
FDOT Mitigation	-	4,976	4,976	-
Lower St. Johns River Basin	14,086,505	2,350,019	2,278,145	71,874
Middle St. Johns River Basin	972,470	892,840	869,932	22,908
Upper St. Johns River Basin	1,829,155	1,725,875	1,703,388	22,487

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

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Ocklawaha River Basin	45,257	24,514	17,106	7,408
Upper Ocklawaha River Basin	1,774,220	1,514,485	1,382,057	132,428
Lake Apopka Basin	2,990,143	2,258,401	1,841,305	417,096
Orange Creek Basin	137,165	142,575	139,679	2,896
Northern Coastal Basin	614,522	270,089	305,446	(35,357)
Indian River Lagoon Basin	2,960,656	2,757,994	2,727,033	30,961
Stormwater cost share	969,284	914,078	914,078	-
Facilities construction	1,151,805	1,025,329	931,625	93,704
Other acquisition, capital and cooperative projects	11,305,349	-	-	-
Acquisition, restoration and public works total	54,345,092	24,097,062	22,269,358	1,827,704
Operation and maintenance of lands and works				
Land management	5,957,384	5,047,545	4,665,109	382,436
Works - structures and levees				
operation and maintenance	3,047,684	3,335,508	2,868,382	467,126
Facilities management	4,315,100	4,245,722	3,743,813	501,909
Invasive plant management	2,276,995	2,177,282	1,830,544	346,738
Emergency management	38,312	287,785	287,785	-
Environmental management	257,412	286,635	263,359	23,276
Operations and maintenance support	740,473	1,216,448	1,203,712	12,736
Operation and maintenance of lands and works total	16,633,360	16,596,925	14,862,704	1,734,221
Regulation				
Consumptive use permitting	5,126,292	4,756,122	4,685,797	70,325
Water well construction permitting and contractor licensing	700,000	607,322	588,714	18,608
Environmental resource and surface water permitting	11,234,366	11,808,521	11,330,021	478,500
Resource management regulatory support	589,544	1,378,315	1,366,411	11,904
Regulation total	17,650,202	18,550,280	17,970,943	579,337
Outreach				
Outreach - public information	3,253,943	3,197,583	3,085,655	111,928
Lobbying	100,958	26,580	9,574	17,006
Outreach total	3,354,901	3,224,163	3,095,229	128,934

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

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
District management and administration				
Executive direction	1,611,983	1,995,098	1,868,325	126,773
General counsel	3,536,977	3,439,916	2,726,040	713,876
Inspector general	296,658	304,395	301,186	3,209
Human resources	9,069,167	5,921,815	3,861,911	2,059,904
Communications	1,131,983	1,155,896	1,022,724	133,172
Administrative support	3,856,479	4,058,199	3,804,812	253,387
Fleet services - transportation and equipment management	4,115,783	4,103,733	3,953,664	150,069
IR computer information systems	11,372,206	11,577,480	10,508,685	1,068,795
Reserves and designations	10,000,000	4,736,607	-	4,736,607
Non-operating expenses-inventory	-	-	(5,224)	5,224
Property appraiser and tax collector fees	3,000,000	3,000,000	2,778,819	221,181
District management and administration total	47,991,236	40,293,139	30,820,942	9,472,197
Total expenditures	155,974,151	118,793,752	104,486,182	14,307,570
Excess (deficiency) of revenues over (under) expenditures	(40,311,121)	(3,130,722)	12,193,236	15,323,958
Other financing sources (uses)				
Transfers in	-	8,165,260	8,873,017	707,757
Transfers out	(7,319,745)	(19,039,018)	(18,437,608)	601,410
Sale of capital assets	100,000	100,000	147,085	47,085
Insurance/FEMA /Arbitrage - recovery	-	-	2,199	2,199
Total other financing sources (uses)	(7,219,745)	(10,773,758)	(9,415,307)	1,358,451
Net change in fund balance	(47,530,866)	(13,904,480)	2,777,929	16,682,409
Fund balance, beginning of year	140,649,942	140,649,942	140,649,942	-
Fund balance, end of year	\$ 93,119,076	\$ 126,745,462	\$ 143,427,871	\$ 16,682,409

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

(Concluded)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – ECOSYSTEMS MANAGEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Ecosystems Management Trust Fund	\$ 16,188,962	\$ 12,266,862	\$ 10,052,148	\$ (2,214,714)
Total revenues	16,188,962	12,266,862	10,052,148	(2,214,714)
EXPENDITURES				
Acquisition, restoration and public works				
Lower St. Johns River Basin	9,098,504	5,292,843	3,607,430	1,685,413
Middle St. Johns River Basin	1,844,486	1,259,875	849,166	410,709
Ocklawaha River Basin	518,371	463,516	456,814	6,702
Upper Ocklawaha River Basin	-	30,000	27,446	2,554
Lake Apopka Basin	44,760	47,074	4,314	42,760
Orange Creek Basin	42,000	42,000	42,000	-
Northern Coastal Basin	115,500	131,378	126,338	5,040
Indian River Lagoon Basin	4,525,341	5,000,176	4,938,640	61,536
Acquisition, restoration and public works total	16,188,962	12,266,862	10,052,148	2,214,714
Total expenditures	16,188,962	12,266,862	10,052,148	2,214,714
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 Supplemental Information are an integral part of this schedule.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – MITIGATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Transportation	\$ 1,616,322	\$ 4,587,677	\$ 3,806,612	\$ (781,065)
Total revenues	<u>1,616,322</u>	<u>4,587,677</u>	<u>3,806,612</u>	<u>(781,065)</u>
EXPENDITURES				
Acquisition, restoration, and public works				
Land acquisition	50,000	2,157,445	2,043,556	113,889
Florida Dept. of Transportation mitigation	166,583	587,658	532,487	55,171
Upper St. Johns River Basin	-	13,000	-	13,000
Upper Ocklawaha River Basin	125,000	-	-	-
Lake Apopka Basin	1,132,570	930,264	908,931	21,333
Northern Coastal Basin	-	171,125	66,125	105,000
Indian River Lagoon Basin	142,169	118,538	115,142	3,396
Acquisition, restoration and public works total	<u>1,616,322</u>	<u>3,978,030</u>	<u>3,666,241</u>	<u>311,789</u>
Operation and maintenance of lands and works				
Land management	-	398,787	25,301	373,486
Total expenditures	<u>1,616,322</u>	<u>4,376,817</u>	<u>3,691,542</u>	<u>685,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>210,860</u>	<u>115,070</u>	<u>(95,790)</u>
Other financing sources (uses)				
Transfers in	-	37,500	13,750	(23,750)
Transfers out	-	(250,360)	(874,114)	(623,754)
Total other financing sources (uses)	<u>-</u>	<u>(212,860)</u>	<u>(860,364)</u>	<u>(647,504)</u>
Net change in fund balance	<u>-</u>	<u>(2,000)</u>	<u>(745,294)</u>	<u>(743,294)</u>
Fund balance, beginning of year	<u>745,294</u>	<u>745,294</u>	<u>745,294</u>	<u>-</u>
Fund balance, end of year	<u>\$ 745,294</u>	<u>\$ 743,294</u>	<u>\$ -</u>	<u>\$ (743,294)</u>

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – WATER PROTECTION AND SUSTAINABILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ 26,071,866	\$ 2,375,908	\$ 2,246,904	\$ (129,004)
Total revenues	<u>26,071,866</u>	<u>2,375,908</u>	<u>2,246,904</u>	<u>(129,004)</u>
EXPENDITURES				
Acquisition, restoration and public works				
Water protection and sustainability	41,897,178	4,431,216	4,172,515	258,701
Lower St. Johns River Basin	9,007,746	892,996	892,996	-
Stormwater cost share	530,351	320,601	320,601	-
Acquisition, restoration and public works total	<u>51,435,275</u>	<u>5,644,813</u>	<u>5,386,112</u>	<u>258,701</u>
Total expenditures	<u>51,435,275</u>	<u>5,644,813</u>	<u>5,386,112</u>	<u>258,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,363,409)</u>	<u>(3,268,905)</u>	<u>(3,139,208)</u>	<u>129,697</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(8,162,760)	(8,162,760)	-
Total other financing sources (uses)	<u>-</u>	<u>(8,162,760)</u>	<u>(8,162,760)</u>	<u>-</u>
Net change in fund balance	<u>(25,363,409)</u>	<u>(11,431,665)</u>	<u>(11,301,968)</u>	<u>129,697</u>
Fund balance, beginning of year	<u>26,389,203</u>	<u>26,389,203</u>	<u>26,389,203</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,025,794</u>	<u>\$ 14,957,538</u>	<u>\$ 15,087,235</u>	<u>\$ 129,697</u>

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



Jack Rogers

Notes to Required Supplemental Information

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2011

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 commitments and assignments of fund balances and do not constitute expenditures or liabilities because the commitments or assignments 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, 2011

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>
10/01/2008	\$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%
10/01/2010	\$0	\$8,147,566	\$8,147,566	0.0%	\$46,586,131	17.49%

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>
2009	\$1,053,211	\$214,327	20.35%	\$ 838,884
2010	\$1,030,058	\$170,542	16.56%	\$ 859,516
2011	\$1,088,969	\$201,184	18.47%	\$ 887,785



Kathleen McMullen

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. Johns 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, 2011

	Special Revenue Funds				
	Florida Forever	Water Management Lands Trust	State Grants	Federal Grants	Long-term Maintenance Mitigation
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	1,683,548	-	11,057,425
Accounts and other receivables	-	-	-	-	-
Intergovernmental receivables - billed	61,693	890,244	104,839	-	-
Intergovernmental receivables - unbilled	212,136	95,116	89,459	329,014	-
Total assets	273,829	985,360	1,877,846	329,014	11,057,425
Liabilities and fund balances					
Liabilities					
Accounts payable	201,762	95,116	145,430	197,717	-
Due to other funds	72,067	890,244	107,515	131,297	-
Deferred revenue	-	-	1,624,901	-	-
Due to other governmental units	-	-	-	-	-
Total liabilities	273,829	985,360	1,877,846	329,014	-
Fund balances					
Nonspendable:	-	-	-	-	-
Restricted:	-	-	-	-	11,057,425
Committed:	-	-	-	-	-
Assigned:	-	-	-	-	-
Unassigned:	-	-	-	-	-
Total fund balances	-	-	-	-	11,057,425
Total liabilities and fund balances	\$ 273,829	\$ 985,360	\$ 1,877,846	\$ 329,014	\$ 11,057,425

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
\$ -	\$ -	\$ -	\$ 166,239	\$ -	\$ 166,239
485,384	561,371	13,787,728	6,213,926	15,013,753	35,015,407
5,074	-	5,074	26,793	-	31,867
-	293	1,057,069	-	-	1,057,069
-	5,100	730,825	-	-	730,825
490,458	566,764	15,580,696	6,406,958	15,013,753	37,001,407
232,314	151,327	1,023,666	333	1,925,702	2,949,701
-	-	1,201,123	-	-	1,201,123
-	415,437	2,040,338	-	-	2,040,338
73,805	-	73,805	-	-	73,805
306,119	566,764	4,338,932	333	1,925,702	6,264,967
-	-	-	-	-	-
184,339	-	11,241,764	6,406,625	-	17,648,389
-	-	-	-	13,088,051	13,088,051
-	-	-	-	-	-
-	-	-	-	-	-
184,339	-	11,241,764	6,406,625	13,088,051	30,736,440
\$ 490,458	\$ 566,764	\$ 15,580,696	\$ 6,406,958	\$ 15,013,753	\$ 37,001,407

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds				
	Florida Forever	Water Management Lands Trust	State Grants	Federal Grants	Long-term Maintenance Mitigation
Revenues					
State	\$5,064,154	\$ 532,129	\$ 849,075	\$ -	\$ 492,013
Federal	-	-	-	9,507,599	-
Investment earnings	-	-	-	-	103,443
Local mitigation	-	-	-	-	-
Cities and counties	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>5,064,154</u>	<u>532,129</u>	<u>849,075</u>	<u>9,507,599</u>	<u>595,456</u>
Expenditures					
Current:					
Water resources planning and monitoring	-	-	188,796	220,102	-
Acquisition, restoration, and public works	9,840,852	296,074	316,244	9,122,824	-
Operation and maint. of lands and works	-	236,055	127,416	24,673	37,227
Regulation	-	-	-	-	-
Outreach	-	-	-	-	-
District management and administration	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>9,840,852</u>	<u>532,129</u>	<u>632,456</u>	<u>9,367,599</u>	<u>37,227</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,776,698)</u>	<u>-</u>	<u>216,619</u>	<u>140,000</u>	<u>558,229</u>
Other financing sources (uses):					
Transfers in	247,860	-	-	-	276,627
Transfers out	-	-	(216,619)	(140,000)	(13,750)
Sale of capital assets	17,637	-	-	-	-
Total other financing sources (uses)	<u>265,497</u>	<u>-</u>	<u>(216,619)</u>	<u>(140,000)</u>	<u>262,877</u>
Net change in fund balances	<u>(4,511,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>821,106</u>
Fund balances, beginning of year	<u>4,511,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,236,319</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,057,425</u>

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
\$ 179,996	\$ -	\$ 7,117,367	\$ 6,516,000	\$ -	\$ 13,633,367
-	-	9,507,599	-	-	9,507,599
4,712	-	108,155	46,848	-	155,003
-	-	-	-	-	-
-	56,330	56,330	-	-	56,330
-	73,608	73,608	-	-	73,608
184,708	129,938	16,863,059	6,562,848	-	23,425,907
-	-	408,898	-	-	408,898
323,733	59,470	19,959,197	-	6,679,131	26,638,328
-	6,375	431,746	-	-	431,746
-	54,380	54,380	-	-	54,380
-	5,139	5,139	-	-	5,139
-	563	563	-	-	563
-	-	-	5,315,000	-	5,315,000
-	-	-	1,201,000	-	1,201,000
323,733	125,927	20,859,923	6,516,000	6,679,131	34,055,054
(139,025)	4,011	(3,996,864)	46,848	(6,679,131)	(10,629,147)
-	-	524,487	-	18,437,608	18,962,095
-	(4,011)	(374,380)	-	-	(374,380)
-	-	17,637	-	-	17,637
-	(4,011)	167,744	-	18,437,608	18,605,352
(139,025)	-	(3,829,120)	46,848	11,758,477	7,976,205
323,364	-	15,070,884	6,359,777	1,329,574	22,760,235
\$ 184,339	\$ -	\$ 11,241,764	\$ 6,406,625	\$ 13,088,051	\$ 30,736,440

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – FLORIDA FOREVER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ -	\$ 5,220,639	\$ 5,064,154	\$ (156,485)
Total revenues	-	5,220,639	5,064,154	(156,485)
EXPENDITURES				
Acquisition, restoration and public works				
Land acquisition	3,995,528	9,240,649	9,194,728	45,921
Water resource development projects	251,734	530,669	420,105	110,564
Indian River Lagoon Basin	211,669	226,019	226,019	-
Total expenditures	4,458,931	9,997,337	9,840,852	156,485
Excess (deficiency) of revenues over				
(under) expenditures	(4,458,931)	(4,776,698)	(4,776,698)	-
Other financing sources (uses)				
Transfers in	-	247,860	247,860	-
Transfers out	-	-	-	-
Sale of capital assets	-	17,637	17,637	-
Total other financing sources (uses)	-	265,497	265,497	-
Net change in fund balance	(4,458,931)	(4,511,201)	(4,511,201)	-
Fund balance, beginning of year	4,511,201	4,511,201	4,511,201	-
Fund balance, end of year	\$ 52,270	\$ -	\$ -	\$ -

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – WATER MANAGEMENT LANDS TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ 789,434	\$ 558,767	\$ 532,129	\$ (26,638)
Total revenues	789,434	558,767	532,129	(26,638)
EXPENDITURES				
Acquisition, restoration and public works				
Land acquisition	-	13,500	11,600	1,900
Middle St. Johns River Basin	650,000	260,059	260,059	-
Indian River Lagoon Basin	44,403	44,403	24,415	19,988
Acquisition, restoration and public works total	694,403	317,962	296,074	21,888
Operation and maintenance of lands and works				
Land management	95,031	240,805	236,055	4,750
Operation and maintenance of lands and works total	95,031	240,805	236,055	4,750
Total expenditures	789,434	558,767	532,129	26,638
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 BALANCE –
BUDGET AND ACTUAL – STATE GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Department of Environmental Protection	\$ -	\$ 1,475,077	\$ 12,588	\$ (1,462,489)
Resolution 2000–24	91,485	148,981	94,093	(54,888)
Specific appropriations	113,293	69,612	69,529	(83)
Federal through state	571,025	332,797	446,176	113,379
Other agencies	334,230	347,230	226,689	(120,541)
State total	1,110,033	2,373,697	849,075	(1,524,622)
Total revenues	1,110,033	2,373,697	849,075	(1,524,622)
EXPENDITURES				
Water resources planning and monitoring				
Hydrologic data collection	-	26,964	20,138	6,826
Surface water quality monitoring	179,622	168,658	168,658	-
Water resources planning and monitoring total	179,622	195,622	188,796	6,826
Acquisition, restoration and public works				
Lower St. Johns River Basin	34,585	90,870	90,787	83
Middle St. Johns River Basin	170,193	105,616	50,727	54,889
Lake Apopka Basin	-	4,617	4,617	-
Northern Coastal Basin	-	2,595	1,648	947
Indian River Lagoon Basin	390,683	1,631,044	168,465	1,462,579
Acquisition, restoration and public works total	595,461	1,834,742	316,244	1,518,498
Operation and maintenance of lands and works				
Invasive plant management	334,230	334,230	119,033	215,197
Environmental management	-	8,383	8,383	-
Operation and maintenance of lands and works total	334,230	342,613	127,416	215,197
District management and administration				
Communications	720	720	-	720
Total expenditures	1,110,033	2,373,697	632,456	1,741,241

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – STATE GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Excess (deficiency) of revenues over				
(under) expenditures	-	-	216,619	216,619
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(216,619)	(216,619)
Total other financing sources (uses)	-	-	(216,619)	(216,619)
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 BALANCE –
BUDGET AND ACTUAL – FEDERAL GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Federal				
Environmental Protection Agency	\$ 842,647	\$ 694,297	\$ 785,129	\$ 90,832
Natural Resources Conservation Service	-	5,000,000	5,000,000	-
National Oceanic and Atmospheric				
Administration	576,219	684,835	667,756	(17,079)
Other	-	3,055,041	3,054,714	(327)
Federal total	1,418,866	9,434,173	9,507,599	73,426
Total revenues	1,418,866	9,434,173	9,507,599	73,426
EXPENDITURES				
Water resources planning and monitoring				
Groundwater resource assessment	141,159	237,154	220,102	17,052
Acquisition, restoration and public works				
Land acquisition	-	8,030,041	8,030,041	-
Northern Coastal Basin	349,247	361,517	361,515	2
Indian River Lagoon Basin	928,460	780,461	731,268	49,193
Acquisition, restoration and				
public works total	1,277,707	9,172,019	9,122,824	49,195
Operation and maintenance of lands and works				
Land management	-	25,000	24,673	327
Total expenditures	1,418,866	9,434,173	9,367,599	66,574
Excess (deficiency) of revenues over				
(under) expenditures	-	-	140,000	140,000
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(140,000)	(140,000)
Total other financing sources (uses)	-	-	(140,000)	(140,000)
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 BALANCE –
BUDGET AND ACTUAL – LONG-TERM MAINTENANCE MITIGATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<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	\$ -	\$ -	\$ 492,013	\$ 492,013
Investment earnings	45,000	45,000	103,443	58,443
Total revenues	45,000	45,000	595,456	550,456
EXPENDITURES				
Operation and maintenance of lands and works				
Land management	45,000	45,000	37,227	7,773
Total expenditures	45,000	45,000	37,227	7,773
Excess (deficiency) of revenues over				
 (under) expenditures	-	-	558,229	558,229
Other financing sources (uses)				
Transfers in	-	-	276,627	276,627
Transfers out	-	(37,500)	(13,750)	23,750
Total other financing sources (uses)	-	(37,500)	262,877	300,377
Net change in fund balance	-	(37,500)	821,106	858,606
Fund balance, beginning of year	10,236,319	10,236,319	10,236,319	-
Fund balance, end of year	\$ 10,236,319	\$ 10,198,819	\$ 11,057,425	\$ 858,606

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – INDIAN RIVER LAGOON LICENSE TAG FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Indian River Lagoon license plate	\$ 137,256	\$ 137,256	\$ 179,996	\$ 42,740
Investment earnings	-	-	4,712	4,712
Total revenues	<u>137,256</u>	<u>137,256</u>	<u>184,708</u>	<u>47,452</u>
EXPENDITURES				
Acquisition, restoration and public works				
Indian River Lagoon Basin	<u>399,571</u>	<u>376,967</u>	<u>323,733</u>	<u>53,234</u>
Total expenditures	<u>399,571</u>	<u>376,967</u>	<u>323,733</u>	<u>53,234</u>
Excess (deficiency) of revenues over				
 (under) expenditures	<u>(262,315)</u>	<u>(239,711)</u>	<u>(139,025)</u>	<u>100,686</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(262,315)</u>	<u>(239,711)</u>	<u>(139,025)</u>	<u>100,686</u>
Fund balance, beginning of year	<u>323,364</u>	<u>323,364</u>	<u>323,364</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 61,049</u></u>	<u><u>\$ 83,653</u></u>	<u><u>\$ 184,339</u></u>	<u><u>\$ 100,686</u></u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS – OTHER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Cities and counties				
Cities	\$ 233,414	\$ 15,964	\$ 15,964	\$ -
Counties	255,773	51,491	40,366	(11,125)
Cities and counties total	489,187	67,455	56,330	(11,125)
Other				
Water management districts	-	45,153	48,969	3,816
Other local sources	-	27,339	24,639	(2,700)
Other total	-	72,492	73,608	1,116
Total revenues	489,187	139,947	129,938	(10,009)
EXPENDITURES				
Acquisition, restoration and public works				
Conservation and demand management	-	6,300	5,100	1,200
Middle St. Johns River Basin	54,287	54,287	49,956	4,331
Northern Coastal Basin	434,900	-	-	-
Indian River Lagoon Basin	-	4,414	4,414	-
Acquisition, restoration and				
public works total	489,187	65,001	59,470	5,531
Operation and maintenance of lands and works				
Land management	-	14,668	6,375	8,293
Regulation				
Consumptive use permitting	-	39,255	39,255	-
Environmental resource and surface				
water permitting	-	15,125	15,125	-
Regulation total	-	54,380	54,380	-
Outreach				
Lobbying	-	5,335	5,139	196
District management and administration				
Communications (telecommunications)	-	563	563	-

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS – OTHER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Total expenditures	<u>489,187</u>	<u>139,947</u>	<u>125,927</u>	<u>14,020</u>
Excess (deficiency) of revenues over				
(under) expenditures	<u>-</u>	<u>-</u>	<u>4,011</u>	<u>4,011</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(4,011)	(4,011)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,011)</u>	<u>(4,011)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
State				
Water Management Lands Trust Fund	\$ 6,516,550	\$ 6,516,300	\$ 6,516,000	\$ (300)
Investment earnings	-	-	46,848	46,848
Total revenues	<u>6,516,550</u>	<u>6,516,300</u>	<u>6,562,848</u>	<u>46,548</u>
EXPENDITURES				
Principal	5,315,000	5,315,000	5,315,000	-
Interest and fiscal charges	1,201,000	1,201,000	1,201,000	-
Other debt service costs	550	300	-	300
Total expenditures	<u>6,516,550</u>	<u>6,516,300</u>	<u>6,516,000</u>	<u>300</u>
Excess (deficiency) of revenues over				
(under) expenditures	<u>-</u>	<u>-</u>	<u>46,848</u>	<u>46,848</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	-	-	46,848	46,848
Fund balance, beginning of year	<u>6,359,777</u>	<u>6,359,777</u>	<u>6,359,777</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,359,777</u></u>	<u><u>\$ 6,359,777</u></u>	<u><u>\$ 6,406,625</u></u>	<u><u>\$ 46,848</u></u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	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	-	-	-
Lake Apopka Basin	1,450,000	348,856	228,287	120,569
Indian River Lagoon Basin	6,099,319	6,931,685	6,450,844	480,841
Acquisition, restoration and public works total	8,649,319	7,280,541	6,679,131	601,410
Total expenditures	8,649,319	7,280,541	6,679,131	601,410
Excess (deficiency) of revenues over (under) expenditures	(8,649,319)	(7,280,541)	(6,679,131)	601,410
Other financing sources (uses)				
Transfers in	7,319,745	19,039,018	18,437,608	(601,410)
Transfers out	-	-	-	-
Total other financing sources (uses)	7,319,745	19,039,018	18,437,608	(601,410)
Net change in fund balance	(1,329,574)	11,758,477	11,758,477	-
Fund balance, beginning of year	1,329,574	1,329,574	1,329,574	-
Fund balance, end of year	\$ -	\$ 13,088,051	\$ 13,088,051	\$ -

Comprehensive Annual Financial Report

Statistical Section (Unaudited)



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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

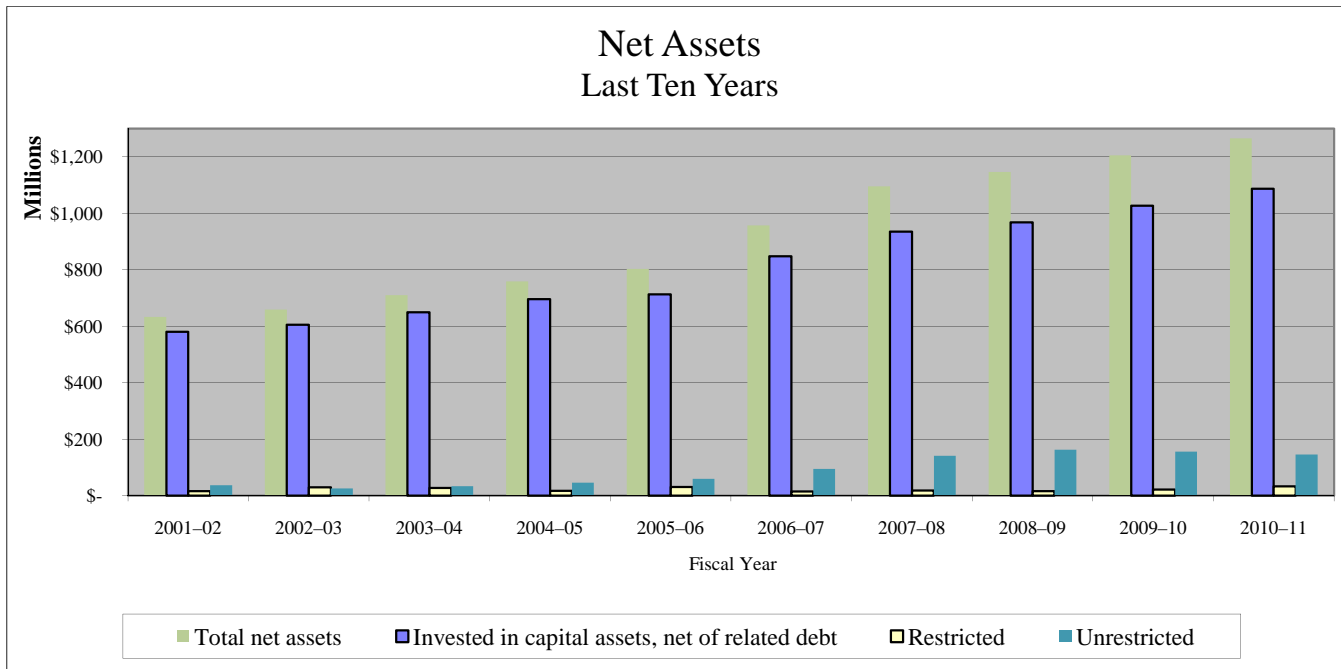


Tim Ebaugh

Financial Trends

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

	2001-02	2002-03	2003-04	2004-05	2005-06
Governmental activities					
Invested in capital assets, net of related debt	\$ 580,296,265	\$ 604,864,217	\$ 649,781,237	\$ 695,485,819	\$ 712,487,535
Restricted	15,704,531	29,378,902	27,609,597	16,876,740	30,706,894
Unrestricted	37,196,794	25,076,705	33,067,721	45,951,583	59,573,371
Total net assets, governmental activities	\$ 633,197,590	\$ 659,319,824	\$ 710,458,555	\$ 758,314,142	\$ 802,767,800



<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
\$ 847,938,851	\$ 935,496,518	\$ 968,109,402	\$ 1,027,438,251	\$ 1,086,938,685
14,432,348	18,621,314	15,588,704	21,531,338	33,005,869
<u>95,094,987</u>	<u>141,530,441</u>	<u>162,317,143</u>	<u>156,160,128</u>	<u>145,222,829</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>	 <u><u>\$ 1,265,167,383</u></u>

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

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

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 16,867,083	\$ 17,168,733	\$ 16,684,663	\$ 19,442,113	\$ 17,531,746	\$ 15,524,373
55,406,698	71,247,250	81,613,153	80,833,949	63,183,862	33,110,658
19,895,374	21,677,617	24,104,108	23,325,492	24,064,175	23,241,335
14,900,042	16,969,140	17,516,548	18,347,155	17,548,909	17,629,095
4,145,257	5,347,966	5,066,235	4,972,162	3,594,555	2,988,580
29,335,082	40,943,492	22,004,507	30,986,501	31,514,536	31,156,428
2,455,190	2,090,959	1,903,361	1,747,117	1,577,063	1,408,335
143,004,726	175,445,157	168,892,575	179,654,489	159,014,846	125,058,804
4,627,038	3,914,456	3,106,679	1,742,275	1,461,708	1,700,317
2,975,175	1,391,832	1,796,712	1,719,299	1,162,611	1,593,119
34,326,985	42,960,577	43,129,040	55,036,822	38,166,419	19,002,122
23,078,231	105,772,582	99,792,164	25,116,714	47,631,576	49,169,451
65,007,429	154,039,447	147,824,595	83,615,110	88,422,314	71,465,009
(77,997,297)	(21,405,710)	(21,067,980)	(96,039,379)	(70,592,532)	(53,593,795)
115,864,922	143,018,871	145,122,797	138,108,192	124,930,368	111,317,677
5,116,150	8,558,259	6,208,108	7,708,352	4,214,405	2,041,261
1,190,419	24,424,763	7,742,637	256,274	74,105	90,476
279,464	102,203	176,525	333,537	488,122	182,047
122,450,955	176,104,096	159,250,067	146,406,355	129,707,000	113,631,461
\$ 44,453,658	\$ 154,698,386	\$ 138,182,087	\$ 50,366,976	\$ 59,114,468	\$ 60,037,666

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

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
General fund				
Nonspendable	\$ 521,044	\$ 370,400	\$ 457,197	\$ 474,335
Restricted	16,381,364	9,150,047	7,051,233	770,942
Unrestricted	12,784,903	21,076,116	25,558,487	18,989,975
Total general fund	<u>29,687,311</u>	<u>30,596,563</u>	<u>33,066,917</u>	<u>20,235,252</u>
All other governmental funds				
Restricted	15,183,487	29,968,288	30,839,312	24,184,221
Unrestricted reported in:				
Special revenue funds	466,060	1,936,258	-	19,558,538
Capital projects funds	<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>28,205,306</u>	<u>32,165,249</u>	<u>36,705,174</u>	<u>50,845,667</u>
Total fund balances	<u><u>\$ 57,892,617</u></u>	<u><u>\$ 62,761,812</u></u>	<u><u>\$ 69,772,091</u></u>	<u><u>\$ 71,080,919</u></u>

<u>2005–06</u>	<u>2006–07</u>	<u>2007–08</u>	<u>2008–09</u>	<u>2009–10</u>	<u>2010–11</u>
\$ 594,045	\$ 631,760	\$ 518,193	\$ 510,034	\$ 632,775	\$ 532,773
612,752	26,865,233	24,219,517	15,845,713	13,981,517	-
28,519,409	45,017,651	85,194,922	125,627,031	126,035,650	142,895,098
<u>29,726,206</u>	<u>72,514,644</u>	<u>109,932,632</u>	<u>141,982,778</u>	<u>140,649,942</u>	<u>143,427,871</u>
40,201,172	35,108,520	44,961,335	34,933,173	38,572,082	32,735,624
30,489,419	23,756,026	16,214,737	13,545,394	11,322,650	-
241,953	-	-	-	-	13,088,051
<u>70,932,544</u>	<u>58,864,546</u>	<u>61,176,072</u>	<u>48,478,567</u>	<u>49,894,732</u>	<u>45,823,675</u>
<u><u>\$ 100,658,750</u></u>	<u><u>\$ 131,379,190</u></u>	<u><u>\$ 171,108,704</u></u>	<u><u>\$ 190,461,345</u></u>	<u><u>\$ 190,544,674</u></u>	<u><u>\$ 189,251,546</u></u>

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

	2001-02	2002-03	2003-04	2004-05
Revenues:				
Taxes	\$ 74,344,747	\$ 80,657,242	\$ 88,478,126	\$ 99,042,154
State	61,135,618	46,313,000	33,176,714	52,883,314
Federal	1,133,930	1,780,554	4,504,605	929,488
Investment earnings	2,136,272	1,455,291	1,170,863	2,291,984
Local mitigation	4,188,616	2,659,850	497,593	295,989
Licenses and permits	2,387,050	2,919,747	2,909,628	3,491,770
Cities and counties	1,009,006	498,360	683,113	974,475
Other local	784,323	552,931	707,709	1,044,282
Land management	1,292,754	1,041,764	981,939	1,452,750
Miscellaneous revenue	313,611	827,117	220,106	410,149
Total revenues	<u>148,725,927</u>	<u>138,705,856</u>	<u>133,330,396</u>	<u>162,816,355</u>
Expenditures:				
Executive	11,519,380	13,393,063	-	-
Administration	5,759,207	3,089,636	-	-
Resource management	18,570,631	19,651,667	-	-
Water resources	39,032,878	39,142,822	-	-
Operations and land resources	61,806,564	46,976,056	-	-
Information resources	9,732,783	9,917,454	-	-
Water resources planning and monitoring	-	-	15,086,163	15,260,660
Acquisition, restoration and public works	-	-	53,818,033	82,093,251
Operation and maintenance of land and works	-	-	13,704,035	15,065,380
Regulation	-	-	11,746,695	13,153,780
Outreach	-	-	4,228,978	4,589,650
District management and administration	-	-	26,144,218	28,049,668
Debt service:				
Principal retirement	3,325,000	3,495,000	3,670,000	4,505,000
Interest and fiscal charges	3,670,563	3,504,312	3,329,563	1,681,517
Other - cost of issuance	-	-	-	675,663
Total expenditures	<u>153,417,006</u>	<u>139,170,010</u>	<u>131,727,685</u>	<u>165,074,569</u>
Excess of revenues over(under) expenditures	(4,691,079)	(464,154)	1,602,711	(2,258,214)
Other financing sources (uses):				
Transfers in	11,269,310	10,062,965	7,199,094	55,306,725
Transfers out	(11,269,310)	(10,062,965)	(7,199,094)	(55,306,725)
Long term debt issued	-	-	-	58,740,000
Premium on revenue bonds issued	-	-	-	800,945
Payment to escrow agent-refunded bonds	-	-	-	(59,637,345)
Sale of capital assets	2,987,707	5,303,300	5,407,568	507,521
Insurance/ FEMA - loss recovery	-	30,050	-	753,428
Total other financing sources (uses)	<u>2,987,707</u>	<u>5,333,350</u>	<u>5,407,568</u>	<u>1,164,549</u>
Net change in fund balances	<u>\$ (1,703,372)</u>	<u>\$ 4,869,196</u>	<u>\$ 7,010,279</u>	<u>\$ (1,093,665)</u>
Debt service as a percentage of noncapital expenditures	6.52%	6.47%	6.10%	5.21%

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192	\$ 124,930,368	\$ 111,317,677
49,051,089	137,975,154	132,949,884	67,187,487	61,237,748	29,739,031
1,459,893	3,661,398	4,706,562	3,496,518	3,070,006	9,507,599
5,116,150	8,558,259	6,208,108	7,708,353	4,214,405	2,041,261
54,718	2,185,364	1,064,233	92,034	89,453	-
3,593,279	3,357,891	2,322,017	1,539,179	1,254,133	1,571,181
685,815	842,572	821,525	756,858	834,729	56,330
980,507	1,303,390	3,296,423	1,467,655	375,602	73,608
2,975,175	1,391,832	1,796,712	1,742,275	1,162,611	1,593,119
1,313,223	658,768	961,187	513,658	695,697	311,183
181,094,771	302,953,499	299,249,448	222,612,209	197,864,752	156,210,989
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,966,367	17,338,510	17,004,052	19,573,417	17,831,132	15,875,904
65,735,659	186,009,297	179,840,632	103,383,143	105,468,801	68,012,187
15,891,333	15,613,635	17,602,973	16,575,241	16,492,021	15,319,751
14,779,607	16,608,017	17,352,936	17,949,435	17,452,002	18,025,323
4,130,964	5,299,861	5,055,126	4,917,846	3,647,805	3,100,368
31,073,113	33,953,085	35,263,176	34,910,348	34,071,764	30,821,505
4,355,000	4,525,000	4,725,000	4,880,000	5,045,000	5,315,000
2,064,450	1,893,750	1,694,125	1,542,213	1,372,843	1,201,000
-	-	-	-	-	-
154,996,493	281,241,155	278,538,020	203,731,643	201,381,368	157,671,038
26,098,278	21,712,344	20,711,428	18,880,566	(3,516,616)	(1,460,049)
77,017,913	39,170,977	12,802,535	3,455,254	5,876,998	27,848,862
(77,017,913)	(39,170,977)	(12,802,535)	(3,455,254)	(5,876,998)	(27,848,862)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,231,569	8,749,956	18,943,514	383,885	3,463,807	164,722
1,247,984	258,140	74,572	88,189	136,138	2,199
3,479,553	9,008,096	19,018,086	472,074	3,599,945	166,921
\$ 29,577,831	\$ 30,720,440	\$ 39,729,514	\$ 19,352,640	\$ 83,329	\$ (1,293,128)
4.70%	4.12%	3.65%	3.68%	4.17%	5.39%



Jack Rogers

Revenue Capacity

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

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Assessed Property Value (Millions) ¹	\$ 167,067	\$ 180,855	\$ 198,408	\$ 220,529	\$ 259,406
Estimated Just Value (Millions) ²	244,521	266,478	292,321	326,099	388,827
Assessed Value as a Percentage of Just Value	68.3%	67.9%	67.9%	67.6%	66.7%
Millage Levy	0.4620	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>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
\$ 321,225	\$ 361,315	\$ 345,827	\$ 309,478	\$ 257,587
489,352	543,164	546,049	475,693	393,990
65.6%	66.5%	63.3%	65.1%	65.4%
0.4620	0.4158	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 2010–2011

<u>County</u>	<u>Estimated Just Value¹</u>	<u>Taxable Value²</u>	<u>Taxable as Percentage of Just Value</u>
Alachua*	\$16,558,446,898	\$8,397,129,179	50.7%
Baker*	\$1,638,105,627	769,331,465	47.0%
Bradford*	\$142,514,344	60,099,510	42.2%
Brevard	44,736,938,019	25,186,120,520	56.3%
Clay	13,005,010,007	8,167,361,893	62.8%
Duval	83,513,014,599	51,116,311,418	61.2%
Flagler	9,413,916,800	6,684,699,359	71.0%
Indian River	18,262,910,967	13,276,949,749	72.7%
Lake*	22,083,370,007	15,674,043,506	71.0%
Marion*	17,283,196,307	9,817,900,686	56.8%
Nassau	9,096,477,210	6,653,561,608	73.1%
Okeechobee*	140,773,410	74,968,272	53.3%
Orange*	56,958,648,291	41,874,168,999	73.5%
Osceola*	162,125,180	103,441,134	63.8%
Polk ³	-	-	0.0%
Putnam*	6,920,281,595	3,496,878,439	50.5%
St. Johns	24,355,601,555	17,533,528,788	72.0%
Seminole	33,253,499,245	24,234,174,103	72.9%
Volusia	36,465,102,648	24,466,169,480	67.1%
Total	\$ 393,989,932,709	\$ 257,586,838,108	65.4%
Florida Total	\$1,938,501,292,428	\$1,345,093,391,219	69.4%

Source: Florida Department of Revenue. 2011 DR-420 Reports and 2010 Florida Property and Tax Data book; Internet site <http://dor.myflorida.com/dor/property/resources/data.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 2010–2011

<u>County</u>	<u>Property Tax Collections</u>	<u>Percentage of Collections</u>
Alachua	\$ 3,497,940	3.14%
Baker	340,025	0.31%
Bradford	24,792	0.02%
Brevard	11,810,565	10.61%
Clay	3,483,868	3.13%
Duval	21,647,534	19.45%
Flagler	3,130,542	2.81%
Indian River	5,718,818	5.14%
Lake	6,909,378	6.21%
Marion	4,269,650	3.84%
Nassau	2,842,640	2.55%
Okeechobee	34,702	0.03%
Orange	17,625,396	15.83%
Osceola	43,555	0.04%
Polk ¹	-	0.00%
Putnam	1,512,976	1.36%
St. Johns	7,397,412	6.65%
Seminole	10,314,040	9.27%
Volusia	10,713,844	9.62%
Total	\$ 111,317,677	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

	2001-02	2002-03	2003-04	2004-05
Millage Levy	0.4620	0.4620	0.4620	0.4620
Alachua	\$ 2,210,429	\$ 2,411,448	\$ 2,620,026	\$ 2,826,858
Baker	163,046	171,435	200,253	224,108
Bradford	15,158	16,450	17,502	18,712
Brevard	8,108,561	8,843,913	9,892,887	11,309,894
Clay	2,132,946	2,308,547	2,549,041	2,879,023
Duval	14,530,957	15,179,872	16,479,185	17,976,450
Flagler	1,454,825	1,670,415	2,032,921	2,601,920
Indian River	3,771,745	4,268,222	4,848,349	5,445,494
Lake	3,740,576	4,147,934	4,574,389	5,375,081
Marion	2,456,327	2,685,968	3,051,042	3,482,322
Nassau	1,579,530	1,803,315	1,946,076	2,185,732
Okeechobee	23,303	24,892	25,433	31,334
Orange	13,086,699	13,891,014	14,828,812	16,244,689
Osceola	35,705	36,358	38,608	43,836
Polk ¹	351,367	440,070	476	-
Putnam	1,043,721	1,085,379	1,132,349	1,321,573
St. Johns	4,277,471	4,870,248	5,633,173	6,388,655
Seminole	7,528,299	8,225,937	8,851,546	9,526,601
Volusia	7,834,082	8,575,825	9,756,059	11,159,872
Total	\$ 74,344,747	\$ 80,657,242	\$ 88,478,127	\$ 99,042,154
Percentage increase of property tax revenues	7.627%	8.491%	9.696%	11.940%

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.

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
0.4620	0.4620	0.4158	0.4158	0.4158	0.4158
\$ 3,170,486	\$ 3,698,891	\$ 3,764,454	\$ 3,691,898	\$ 3,656,160	\$ 3,497,940
258,440	312,027	332,478	335,454	343,421	340,025
21,211	25,504	27,246	24,980	24,836	24,792
13,851,248	17,522,812	16,462,415	15,278,575	13,575,140	11,810,565
3,339,041	4,105,037	4,322,683	4,003,031	3,804,185	3,483,868
20,465,028	23,311,064	24,580,575	24,424,441	23,274,026	21,647,534
3,548,985	4,890,528	4,960,294	4,522,956	3,827,635	3,130,542
6,372,774	7,977,562	7,328,800	7,191,682	6,384,914	5,718,818
6,359,023	8,470,737	8,923,002	8,406,518	7,765,521	6,909,378
3,886,312	4,990,267	5,618,860	5,194,509	4,750,603	4,269,650
2,673,425	3,195,766	3,303,262	3,257,302	3,129,703	2,842,640
43,383	51,552	54,072	48,457	40,030	34,702
18,480,069	22,598,990	23,827,053	23,216,222	20,626,141	17,625,396
47,426	54,037	51,061	48,835	47,018	43,555
-	-	-	-	-	-
1,414,610	1,829,688	1,677,396	1,613,157	1,596,445	1,512,976
7,786,803	9,886,993	9,800,861	9,488,809	8,329,791	7,397,412
10,744,094	13,305,181	13,534,562	12,828,954	11,384,313	10,314,040
13,402,564	16,792,235	16,553,723	14,532,412	12,370,486	10,713,844
\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192	\$ 124,930,368	\$ 111,317,677
16.985%	23.436%	1.471%	-4.834%	-9.542%	-10.896%

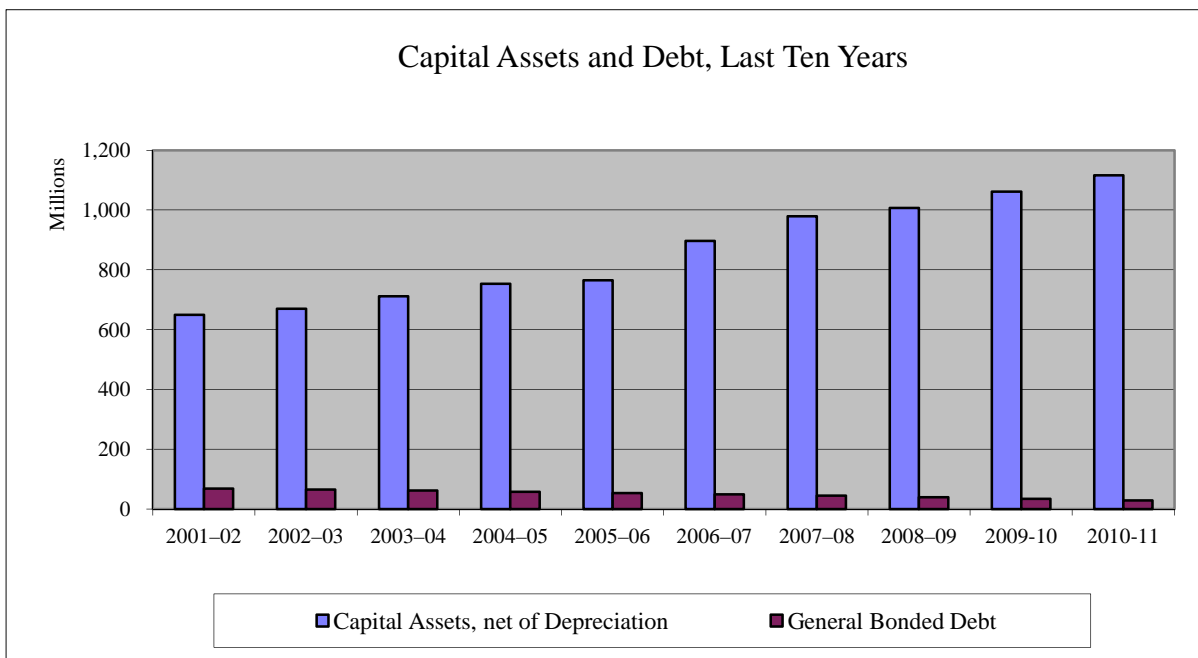


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Debt Capacity

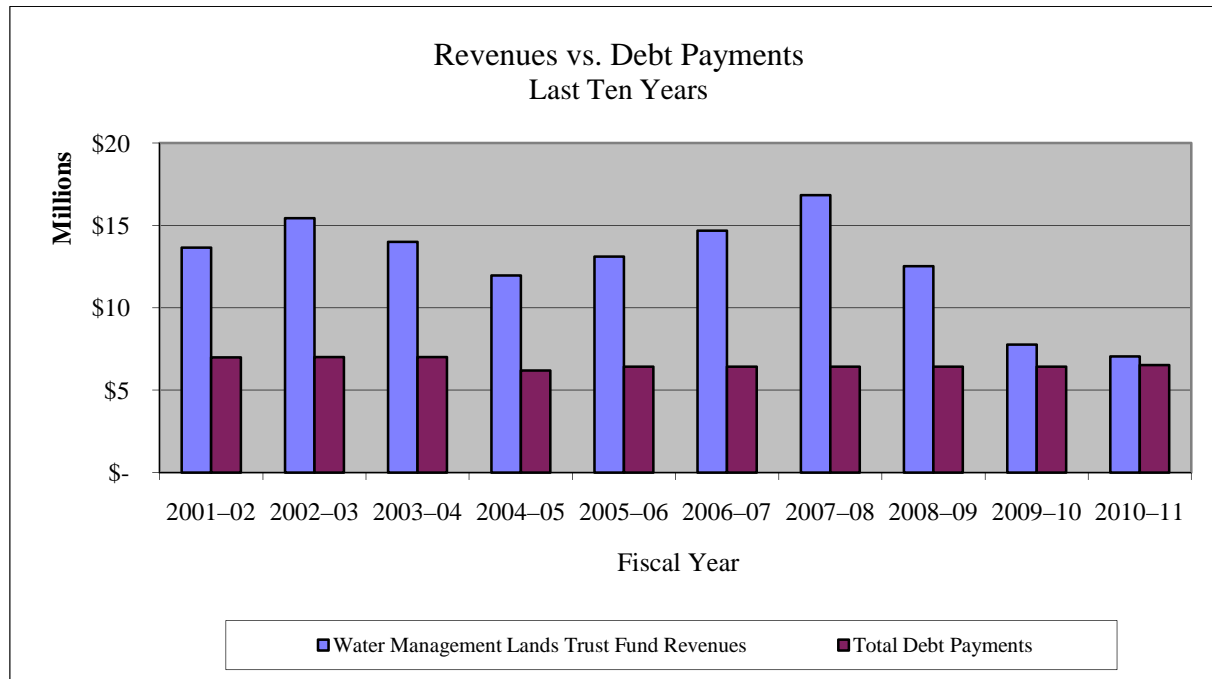
ST. JOHNS RIVER MANAGEMENT DISTRICT, FLORIDA
RATIO OF DEBT TO CAPITAL ASSETS, DEBT PER CAPITA, AND
RATIO OF BONDED DEBT TO TAXABLE PROPERTY VALUE
LAST TEN FISCAL YEARS

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
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%	4,712,335	7.33
2010-11	29,240,000	1,116,164,303	2.62%	4,731,564	6.18



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
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
2010-11	7,048,129	5,315,000	1,201,000	6,516,000	1.08





Lola Lawrence

Demographic and Economic Information

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Alachua*	175,748	177,815	181,565	185,094	187,412
Baker*	21,371	21,735	22,274	22,265	23,242
Bradford*	1,254	1,276	1,312	1,330	1,351
Brevard	494,102	507,810	521,422	531,970	543,050
Clay	149,901	156,011	163,461	169,623	176,901
Duval	809,394	826,279	840,474	861,150	879,235
Flagler	56,785	61,541	69,683	78,617	89,075
Indian River	118,149	121,174	126,829	130,043	135,262
Lake*	229,836	239,429	250,531	261,610	275,303
Marion*	196,880	204,774	213,017	221,448	228,818
Nassau	61,094	63,062	65,016	65,759	68,188
Okeechobee*	746	760	776	771	789
Orange*	724,695	745,393	768,723	791,089	818,448
Osceola*	1,934	2,104	2,258	2,352	2,559
Polk ¹	13,586	13,844	-	-	-
Putnam*	71,329	71,971	73,226	73,764	74,416
St. Johns	133,953	139,849	149,336	157,278	165,291
Seminole	387,626	394,900	403,361	411,744	420,667
Volusia	459,737	470,770	484,261	494,649	503,844
SJRWMD Total	<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	2.6%	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	2011
190,319	194,030	196,987	190,146	190,147
23,817	24,065	24,073	25,204	25,029
1,374	1,375	1,376	1,349	1,356
552,109	556,213	555,657	543,376	545,184
184,644	185,158	185,208	190,865	191,143
897,597	904,971	900,518	864,263	864,601
93,568	95,512	94,901	95,696	96,241
139,757	141,667	141,634	138,028	138,694
284,967	286,837	290,431	295,463	296,670
236,043	239,235	239,977	240,600	240,925
69,569	71,915	72,588	73,314	73,684
797	817	810	816	814
838,220	845,329	840,706	868,814	877,446
2,661	2,737	2,728	2,687	2,739
-	-	-	-	-
74,799	74,989	74,608	74,364	74,052
173,935	181,180	183,572	190,039	192,852
425,698	426,413	423,759	422,718	424,587
508,014	510,750	507,105	494,593	495,400
4,697,888	4,743,193	4,736,638	4,712,335	4,731,564
2.3%	1.0%	-0.1%	-0.5%	0.4%

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of Employees ¹	693	691	691	691	691	715
District Population ²	4,108,120	4,220,497	4,337,525	4,460,556	4,593,851	4,697,888
Employees Per 100,000 Population	16.9	16.4	15.9	15.5	15.0	15.2

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

²St. Johns River Water Management District estimates

2008	2009	2010	2011
717	717	717	717
4,743,193	4,736,638	4,712,335	4,731,564
15.1	15.1	15.2	15.2

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TOP TEN NON-GOVERNMENT EMPLOYERS WITHIN A SINGLE COUNTY
FISCAL YEAR 2010 and 2001

<u>Employer</u>	2010			2001		
	<u>Number of Employees</u>	<u>Rank</u>	<u>County</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>County</u>
Walt Disney World	58,000	1	Orange	55,000	1	Orange
Adventist Health System	16,700	2	Orange	11,180	3	Orange
Orlando Regional Healthcare System*	14,000	3	Orange	-	-	-
Universal Studios	13,000	4	Orange	13,000	2	Orange
Lockheed Martin	13000	4	Orange	3,600	-	Orange
Shands Hospital	12,588	6	Alachua	7,500	4	Alachua
Baptist Health*	8,276	7	Duval	-	-	-
SeaWorld Orlando	7,000	8	Orange	4,000	10	Orange
Health First	6,300	9	Brevard	5,456	7	Brevard
Harris Corporation	6,300	9	Brevard	5,000	8	Brevard
Winn-Dixie Stores, Inc	-	-	-	6,625	5	Orange
United Space Alliance	-	-	-	6,300	6	Brevard
Darden Restaurants, Inc	-	-	-	4,675	9	Orange

* 2001 information not available

Source: 2010 county and city CAFRs within the District's boundaries

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Alachua	3.9%	3.6%	3.4%	3.0%	2.6%	3.0%	4.2%	6.9%	8.2%	7.9%
Baker	5.0%	5.1%	4.4%	3.5%	2.9%	3.6%	5.7%	10.3%	10.9%	10.3%
Bradford	5.0%	4.6%	4.3%	3.7%	2.8%	3.4%	4.7%	8.0%	9.6%	8.7%
Brevard	5.6%	5.1%	4.4%	3.6%	3.3%	4.4%	6.5%	10.8%	11.5%	11.1%
Clay	4.9%	4.5%	4.3%	3.4%	3.0%	3.5%	5.3%	9.4%	10.5%	8.9%
Duval	5.7%	5.5%	5.2%	4.2%	3.5%	4.1%	6.1%	10.7%	11.7%	9.9%
Flagler	5.4%	5.0%	4.6%	3.5%	4.2%	6.5%	9.6%	15.5%	15.5%	14.0%
Indian River	7.0%	6.6%	6.6%	4.6%	4.2%	5.8%	8.1%	13.6%	14.0%	11.9%
Lake	5.6%	5.0%	4.5%	3.6%	3.3%	4.2%	6.4%	11.4%	12.0%	10.2%
Marion	5.7%	5.2%	4.6%	3.6%	3.4%	4.6%	7.7%	12.8%	13.8%	11.8%
Nassau	4.9%	4.9%	4.2%	3.4%	2.9%	3.4%	5.4%	9.8%	10.9%	9.2%
Okeechobee	7.0%	6.8%	6.3%	5.0%	4.1%	5.3%	8.0%	12.1%	12.7%	11.8%
Orange	5.7%	5.2%	4.6%	3.6%	3.1%	3.8%	5.8%	10.7%	11.4%	9.6%
Osceola	5.7%	5.2%	4.8%	3.6%	3.4%	4.3%	6.4%	11.7%	12.4%	10.8%
Polk ¹	5.8%	5.6%	-	-	-	-	-	-	-	-
Putnam	6.6%	5.7%	5.5%	4.5%	3.7%	4.7%	7.2%	11.9%	12.6%	11.5%
St. Johns	4.4%	4.1%	3.7%	2.9%	2.7%	3.3%	5.1%	8.7%	9.5%	8.5%
Seminole	5.5%	5.1%	4.3%	3.3%	2.9%	3.5%	5.6%	10.0%	10.7%	8.9%
Volusia	5.4%	5.1%	4.6%	3.6%	3.3%	4.2%	6.6%	11.2%	12.0%	10.3%
SJRWMD	5.5%	5.2%	4.7%	3.7%	3.3%	4.0%	6.0%	11.0%	12.0%	10.0%
Florida	5.7%	5.3%	4.7%	3.8%	3.3%	4.1%	6.3%	10.2%	12.0%	10.0%
U.S.	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.6%

Source: Local Area Unemployment Statistics at <http://fred.labormarketinfo.com>. Retrieved 12/21/2011

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.



Ursula Dubrick

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Full Fee:</u>										
Acquired	20,918	15,345	-4,076	15,156	1,499	14,647	14,346	2,778	4,883	2,604
Cumulative	537,346	552,691	548,615	563,771	565,270	579,917	594,263	597,041	601,924	604,528
<u>Conservation Easement :</u>										
Acquired	11,720	5,415	7,625	15,404	575	2,895	(3,357)	990	1,635	1,265
Cumulative	66,829	72,244	79,869	95,273	95,848	98,743	95,386	96,376	98,011	99,276
Total Acres	604,175	624,935	628,484	659,044	661,118	678,660	689,649	693,417	699,935	703,804

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
PERMIT APPLICATIONS RECEIVED
LAST TEN FISCAL YEARS

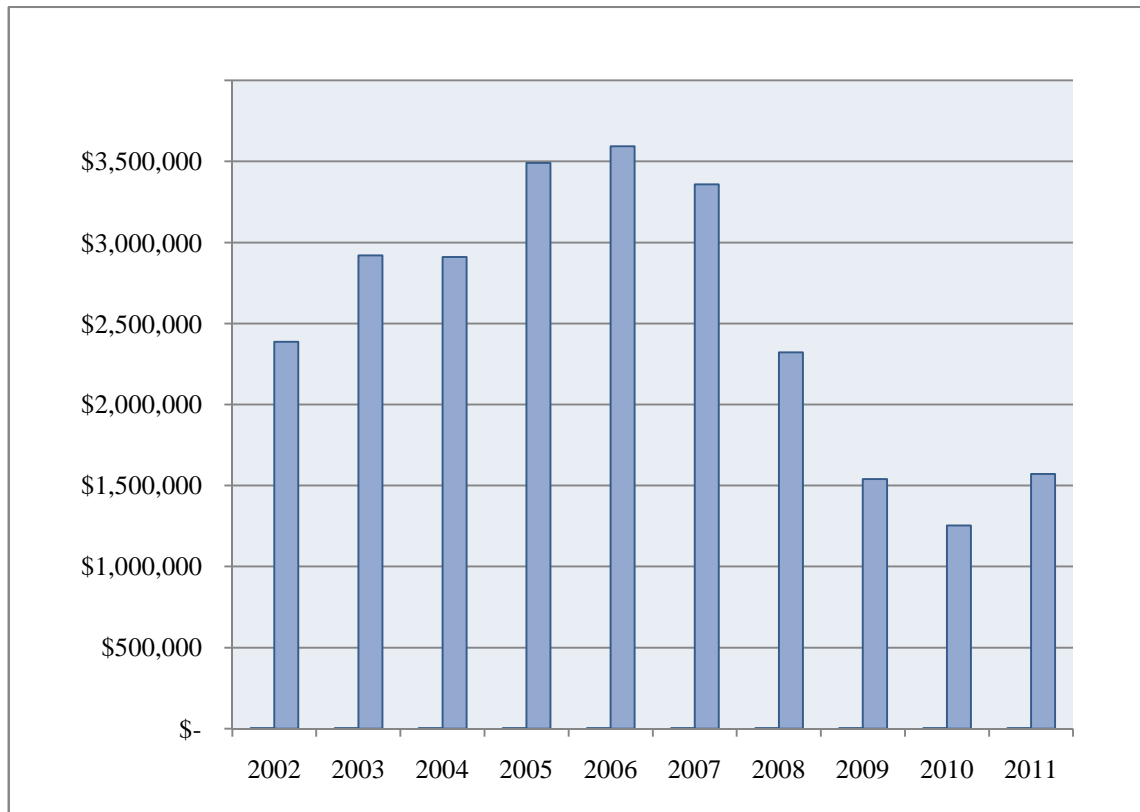
Permit Category	Number of Permits									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Environmental Resource	2,621	2,750	3,021	3,534	3,792	3,497	2,671	1,844	1,593	1,395
Consumptive Use	556	362	265	297	371	395	331	249	348	229
Water Well Construction	<u>403</u>	<u>463</u>	<u>448</u>	<u>529</u>	<u>622</u>	<u>474</u>	<u>393</u>	<u>244</u>	<u>263</u>	<u>275</u>
Total Applications	<u>3,580</u>	<u>3,575</u>	<u>3,734</u>	<u>4,360</u>	<u>4,785</u>	<u>4,366</u>	<u>3,395</u>	<u>2,337</u>	<u>2,204</u>	<u>1,899</u>

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

2002	2003	2004	2005	2006
\$ 2,387,050	\$ 2,919,747	\$ 2,909,628	\$ 3,491,770	\$ 3,593,279
2007	2008	2009	2010*	2011**
\$ 3,357,891	\$ 2,322,017	\$ 1,539,179	\$ 1,254,133	\$ 1,571,181

* \$4,523 of this amount was collected for C-1 Rediversion Permit Fees

** \$430,258 of this amount was collected for C-1 Rediversion Permit Fees



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

Construction Type of Levee	Miles of Levees									
	<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>	<u>2011</u>
USACE & Flood Control	117.30	117.30	117.30	117.30	117.30	117.30	117.30	118.70	159.00	165.00
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>147.00</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>304.03</u>	<u>306.00</u>	<u>312.00</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 St. Johns River Water Management District, as of and for the year ended September 30, 2011, which collectively comprise St. Johns River Water Management District's basic financial statements and have issued our report thereon dated February 15, 2012. 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 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 St. Johns River Water Management District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 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 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 report is intended solely for the information and use of St. Johns River Water Management District's management, the Board of Governors, others within the entity, the State of Florida Office of the 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 15, 2012

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Agriculture			
Direct Programs			
Farm and Ranch Lands Protection Program			
BJ Bar Ranch Project	10.913	BJBAR	<u>\$ 5,000,000</u>
U.S. Department of Defense			
Pass through Florida Department of Environmental Protection			
National Guard Military Operation and Maintenance Projects			
Land Acquisition - 301 Land Compatible Use Buffer Area	12.401	301LAND	<u>3,030,041</u>
U.S. Environmental Protection Agency			
Direct Programs			
National Estuary Program			
Indian River Comprehensive Conservation Plan	66.456	SK441XA	<u>645,129</u>
Pass through Florida Department of Environmental Protection			
ARRA: Water Quality Management Planning			
Silver Springs Nutrient Pathway Project	66.454	ARRA-25452	<u>220,102</u>
Congressionally Mandated Projects			
Development of East-Central Florida Project	66.202	SJ318XA	<u>140,000</u>
Water Pollution Control State, Interstate and Tribal Program Support			
Water Sampling in SJRWMD Area	66.419	25083	181,450
Water Sampling for Temporal Variability Monitoring Network	66.419	25164	108,904
Water Sampling for Integrated Water Resources Monitoring	66.419	27141	<u>19,540</u>
			<u>309,894</u>
Total U.S. Environmental Protection Agency			<u>1,315,125</u>
Department of the Interior			
Direct Programs			
State Wildlife Grants			
Restore Dragline Ditched Coastal Wetlands	15.634	25410	133,770
Partners for Fish and Wildlife			
Astatula Scrub Restoration Project	15.631	26702	<u>24,673</u>
Total Department of the Interior			<u>158,443</u>
Department of Commerce			
Direct Programs			
ARRA: Habitat Conservation			
North Peninsula and Merritt Island Projects	11.463	ARRA-25440	<u>447,654</u>
Pass through Florida Department of Environmental Protection			
Coastal Zone Management Administration Awards			
Guana Tolomato Matanzas NERR Monitoring	11.419	26926	1,648
Indian River Lagoon Seagrass Maps	11.419	27160	<u>865</u>
			<u>2,513</u>
Total Department of Commerce			<u>450,167</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>9,953,776</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, 2011

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			
Water Management Districts - Land Acquisition			
Debt Service - Land Acquisition Bonds	37.022	DEBTSER	6,516,000
Land Acquisition - BJ Bar Ranch Property	37.022	2010-14	2,724,007
Land Acquisition - Kemcho Property	37.022	2011-06	1,600,405
Water Resource Development - Aquifer Storage and Recovery	37.022	2009-03	420,105
Restoration Activities - District Wide	37.022	2007-01	284,473
Invasive Plant Management Program	37.022	2010-07	236,055
Restoration Activities - Indian River Lagoon	37.022	2009-06	226,020
Land Acquisition - Legal Services	37.022	2010-04	93,617
Land Acquisition - Legal Services	37.022	2011-03	11,600
			<u>12,112,282</u>
Statewide Surface Water Restoration and Wastewater Projects			
Indian River Lagoon - Initiative Plan Projects	37.039	2007-05	4,697,756
Lower St. Johns River Basin - Initiative Plan Projects	37.039	2009-12	2,518,081
Lower St. Johns River Basin - Initiative Plan Projects	37.039	2007-06	605,521
Upper Ocklawaha River Basin - Initiative Plan Projects	37.039	2009-15	499,874
Lower St. Johns River Basin - Initiative Plan Projects	37.039	2008-01	391,997
Middle St. Johns River Basin - Initiative Plan Projects	37.039	2009-13	294,669
Middle St. Johns River Basin - Initiative Plan Projects	37.039	2008-02	269,959
Indian River Lagoon - Initiative Plan Projects	37.039	2009-14	230,885
Lake Griffin Hydrilla Control	37.039	SG607XA	213,689
Middle St. Johns River Basin Surface Water Restoration Projects	37.039	2002-31	209,537
Surface Water Restoration Activities	37.039	2007-11	160,301
Northern Coastal Basin - Initiative Plan Projects	37.039	2007-08	110,500
District Wide Surface Water Restoration Projects	37.039	2000-24	94,093
Middle St. Johns River Basin - Initiative Plan Projects	37.039	2001-35	75,000
Lower St. Johns River Basin Surface Water Restoration Projects	37.039	2005-02	52,466
District Wide Surface Water Restoration Projects	37.039	2002-32	49,365
Cassel Creek Stormwater Project	37.039	SI492XA	35,027
Tri-County Agricultural Water Quality Projects	37.039	SD125AA	34,502
Ocklawaha River Basin - Initiative Plan Projects	37.039	2006-03	30,699
Northern Coastal Basin - Initiative Plan Projects	37.039	2006-06	15,838
Upper Ocklawaha River Basin - Initiative Plan Projects	37.039	25290	12,588
			<u>10,602,347</u>
Water Protection and Sustainability Program			
Alternative Water Supply Projects	37.066	WPSP	<u>2,086,603</u>
Total Florida Department of Environmental Protection			<u>24,801,232</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, 2011

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
Florida Department of Transportation			
Direct Projects			
Mitigation - Water Management Districts			
Lake Apopka North Shore Property	55.031	SJ58-01	908,931
Kemcho Property	55.031	SJ53-02	855,000
Sutton Property	55.031	SJ41-03	472,292
Lewis Property	55.031	SJ58-02	353,026
Mitigation Bank Credit Purchase Project	55.031	SJ52-07	263,927
Strawn Property	55.031	SJ56-01	258,620
Mitigation Plan Preparation District Wide	55.031	FDOTMIT	197,520
Herndon Swamp and Wheeler Properties	55.031	SJ51-01	106,040
Longleaf Mitigation Bank Credits	55.031	SJ55-02	92,000
Cape Atlantic Estates Small Lots Properties	55.031	SJ46-02	90,240
Nordstrom Property	55.031	SJ52-03	77,769
Basin 17 Projects	55.031	SJ52-06	66,125
Peters Property	55.031	SJ46-03	64,620
Nine Mile Swamp Property	55.031	SJ27-01	60,000
Dan Paul Property	55.031	SJ52-04	56,657
Lake Louisa Mitigation Bank Credits	55.031	SJ58-03	10,000
Sebastian River Preserve State Park Project	55.031	STSEBAST	9,925
Fellsmere Property	55.031	SJ48-01	9,102
McDonald Property	55.031	SJ52-05	3,192
Basin 13 Projects	55.031	SJ41-02	1,165
Total Florida Department of Transportation			<u>3,956,151</u>
Florida Department of Highway Safety and Motor Vehicles			
Direct Projects			
Indian River Lagoon License Plate			
Indian River Lagoon Projects	76.010	IRLTAG	<u>323,733</u>
Florida Fish and Wildlife Conservation Commission			
Direct Projects			
Aquatic Habitat Conservation and Restoration Projects			
Risk Assessment Lake Apopka North Shore Restoration Area	77.016	27155	<u>13,000</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>29,094,116</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u><u>\$ 39,047,892</u></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, 2011**

Federal Grantor/Pass-Through Grantor/State Grantor/Matching Program Title	Grantor's Contract Number	Program Award/ Matching Amount
FEDERAL AWARDS		
Indian River Comprehensive Conservation and Management Plan	SK441XA	\$ 645,129
Restore Dragline Ditched Coastal Wetlands	25410	215,000
Development of East-Central Florida Project	SJ318XA	157,872
Recovery Act: North Peninsula and Merritt Island Projects	25440-ARRA	90,000
TOTAL FEDERAL AWARDS		<u>1,108,001</u>
STATE FINANCIAL ASSISTANCE		
Indian River Lagoon - Initiative Plan Projects	2007-05	4,697,756
Alternative Water Supply Projects	Multiple	2,086,603
Lower St. Johns River Basin - Initiative Plan Projects	2007-06	605,521
Surface Water Restoration Activities	2007-11	160,301
Middle St. Johns River Basin - Initiative Plan Projects	2007-08	110,500
TOTAL STATE FINANCIAL ASSISTANCE		<u>7,660,681</u>
TOTAL MATCHING		<u><u>\$ 8,768,682</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, 2011

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	Grant Number	CFDA/ CSFA Number	Amount Provided To Subrecipients
U.S. Environmental Protection Agency			
National Estuary Program	SK441XA	66.456	\$ 105,132
Department of Commerce			
Recovery Act: Habitat Conservation	25440-ARRA	11.463	356,515
Department of the Interior			
State Wildlife Grants	25410	15.634	133,770
Statewide Surface Water Restoration and Wastewater Projects			
Lower St. Johns River Basin - State Initiative Plan Projects	2009-12	37.039	2,386,057
Lower St. Johns River Basin - State Initiative Plan Projects	2007-06	37.039	605,521
Lower St. Johns River Basin - State Initiative Plan Projects	2008-01	37.039	391,997
Middle St. Johns River Basin - State Initiative Plan Projects	2008-02	37.039	229,800
Surface Water Restoration Activities - Priority Water Bodies	2007-11	37.039	160,301
Surface Water Restoration Activities	2002-32	37.039	10,000
Northern Coastal Basin - State Initiative Plan Projects	2006-06	37.039	7,238
			<u>3,790,914</u>
Water Management Districts - Land Acquisition			
District Wide Restoration Projects	2007-01	37.022	15,056
			<u>15,056</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, 2011

Federal Grantor/Pass-Through Grantor/State Grantor Subrecipient Program	Grant Number	CFDA/ CSFA Number	Amount Provided To Subrecipients
Water Protection and Sustainability Program			
Alternative Water Supply Program	2006-22, 2007-12, 2008-05	37.066	2,076,402
Indian River Lagoon License Plate			
Indian River Lagoon Projects	IRLTAG	76.010	256,986
Total Awards			<u><u>\$ 6,734,775</u></u>
Subrecipients are the following:			
City of Jacksonville Beach	2007-06, 2009-12		\$ 1,223,921
City of Atlantic Beach	2009-12		1,000,000
Seminole County	2007-12		843,592
City of Neptune Beach	2009-12		664,000
City of Apopka	20007-12		540,366
City of Winter Springs	2008-02, 2008-05		392,992
City of Jacksonville	2008-01		391,997
Floridan Resource Conservation & Conservation Council	25440-ARRA		356,515
City of Melbourne	2006-22		278,396
Volusia County	IRLTAG, 2006-06, 25410		181,480
Marion County	2007-11		160,301
City of Orlando	2006-22		154,606
Town of Melbourne Beach	IRLTAG, 2007-01		131,202
Jacksonville Electric Authority	2007-06		103,657
City of Tavares	2006-22		96,250
The Nature Conservancy	IRLTAG, SK441XA		68,723
Hubbs - Seaworld Research Institute	IRLTAG		40,000
Indian River County	SK441XA		27,815
City of Palm Bay	SK441XA		20,000
School Board of Martin County	SK441XA		16,000
Brevard County	IRLTAG, 2002-32		14,412
City of Cocoa Beach	IRLTAG		10,000
City of Edgewater	2007-01		10,000
Marine Resources Council	IRLTAG, SK441XA		8,550
Total Awards			<u><u>\$ 6,734,775</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 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 could have a direct and material effect on each of St. Johns River Water Management District's major federal programs and major state projects for the year ended September 30, 2011. 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 St. Johns River Water Management District's management. Our responsibility is to express an opinion on 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 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 St. Johns River Water Management District's compliance with those requirements.

In our opinion, 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, 2011.

Internal Control Over Compliance

Management of 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 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 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 report is intended solely for the information and use of St. Johns River Water Management District's management, the Board of Governors, others within the entity, the State of Florida Office of the 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 Murre + Co., P.L.

Gainesville, Florida
February 15, 2012

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X 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 OMB Circular A-133? Yes X No

Identification of major Federal awards programs: CFDA No. 10.913, Farm and Ranch Lands Protection Program

CFDA No. 11.463, Recovery Act: Habitat Restoration

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

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

State Financial Assistance

Internal control over major state financial assistance projects:

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(Continued)

Section I. Summary of Auditors' Results: (Continued)

State Financial Assistance (Continued)

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 projects: CSFA No. 37.022, Water Management Districts - Land Acquisition

CSFA No. 55.031, Mitigation - Water Management Districts

Dollar threshold used to distinguish between type A and type B state financial assistance projects: \$872,823

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. Federal Award Summary Schedule of Prior Year Findings: There were no audit findings for the year ended September 30, 2010.

Section VI. State Financial Assistance Summary Schedule of Prior Year Findings: There were no audit findings for the year ended September 30, 2010.

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 St. Johns River Water Management District, as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated February 15, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and Major 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 15, 2012, 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. There were no 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 St. Johns River Water Management District complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our audit disclosed the following matters required to be disclosed by the Rules of the Auditor General (Section 10.554(1)(i)3.):
 - **Appraisals of Land Purchases**—During our engagement we noted two instances where an appraisal was performed on a tract of land the District intended to purchase and the actual purchase was for a smaller tract. However, there was no appraisal performed for the specific land the District actually purchased. Large parcels of land generally contain acreage of differing values based on the condition and location of the property. Therefore, the price per acre of a portion of the tract may be significantly different from the per acre value of the entire

parcel of land. We recommend the District review its land appraisal policies to ensure the appraisals are specific to property purchased by the District.

- **Acquisitions of Land Containing Other Items of Value**—During our audit, we noted the District, upon procuring land, does not allocate the purchase price between the various elements obtained in the acquisition. Many of the District's lands contain tangible items of value such as timber. Upon the purchase of the property, the District should consider recording the fair value of the timber and other tangible items of value separately from the land.
- 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) 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. 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 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 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 St. Johns River Water Management District for the fiscal year ended September 30, 2011, 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, 2011. 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 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 Section 215.985(12), Florida Statutes, and Section 10.554(1)(i)9, the District provided monthly financial statement(s) to its governing board and made such monthly statement(s) available for public access on its Web site (by September 1, 2011).

St. Johns River Water Management District's responses to the findings identified in our audit are described in the accompanying management's response to audit findings. We did not audit St. Johns River Water Management District's response and, accordingly, we express no opinion on it.

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 report is intended solely for the information and use of St. Johns River Water Management District's management, the Board of Governors and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Gainesville, Florida
February 15, 2012



St. Johns River Water Management District

Hans G. Tanzler 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.

February 22, 2012

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

Response to the management letter comments for fiscal year 2010-2011 are shown below:

Appraisals of Land Purchases:

Observation: During our engagement, we noted two instances where an appraisal was performed on a tract of land the District intended to purchase and the actual purchase was for a smaller tract. However, there was no appraisal performed for the specific land the District actually purchased. Large parcels of land generally contain acreage of differing values based on the condition and location of the property. Therefore, the price per acre of a portion of the tract may be significantly different from the per acre value of the entire parcel of land.

Recommendation: We recommend the District review its land appraisal policies to ensure the appraisals are specific to property purchased by the District.

Management Response: The District concurs with the recommendations. The District will review its land acquisition policies and procedures to ensure appraisal information is used appropriately for each specific property purchased by the District.

Acquisitions of Land Containing Other Items of Value:

Observation: During our audit, we noted the District, upon procuring land, does not allocate the purchase price between the various elements obtained in the acquisition. Many of the District's lands contain tangible items of value such as timber.

Recommendation: Upon the purchase of the property, the District should consider recording the fair value of the timber and other tangible items of value separately from the land.

Management Response: The District concurs with the recommendations. The District will review its land acquisition policies and procedures for effectiveness and adequacy. The District will consider which tangible items for which to record value separately from the land.

GOVERNING BOARD

Lad Daniels, CHAIRMAN
JACKSONVILLE

John A. Miklos, VICE CHAIRMAN
ORLANDO

Douglas C. Bournique, SECRETARY
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GAINESVILLE

140 George W. Robbins
JACKSONVILLE

W. Leonard Wood
FERNANDINA BEACH

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Robert A. Christianson', with a long horizontal flourish extending to the right.

Robert A. Christianson

Director, Division of Operations and Land Resources



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