

Comprehensive Annual Financial Report



**Fiscal year ended
September 30, 2013**

**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, 2013

Prepared by
Office of Financial Services
R. Gregory Rockwell, CPA, Finance Director

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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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

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

To: The Residents of the St. Johns River Water Management District

Subject: Comprehensive Annual Financial Report — Fiscal Year (FY) 2012–2013

Date: February 24, 2014

The St. Johns River Water Management District (District) presents its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013.

Responsibility for the completeness and accuracy of the data and fairness of its presentation rests with the District. The District believes the basic financial statements conform with Generally Accepted Accounting Principles (GAAP) for governmental entities and 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.

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards which 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' 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. 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 intended 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.

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	Fred N. Roberts, Jr. OCALA
			W. Leonard Wood FERNANDINA BEACH

District Background

The District is one of five regional water management districts (the districts) created by the Florida Legislature with passage of the Florida Water Resources Act of 1972 (Chapter 373, *Florida Statutes*). The act provides the districts with specific authorities and responsibilities to manage the water resources of the state, while giving oversight of the districts to the Florida Department of Environmental Protection (DEP).

Each district is governed by a nine member Governing Board appointed by Florida's governor and confirmed by the Florida Senate. The governor and Legislature have approval authority over the districts' budgets.

District boundaries are based on natural, hydrologic drainage basins to allow for effective and efficient planning and management. The St. Johns District's boundaries encompass approximately 23 percent of the state's land area with all or part of 18 counties in northeast and east-central Florida, covering a total area of 12,283 square miles. 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 are included on page xvii.

Status and Trends

This overview is designed to assist users in assessing the District's current financial condition by providing a discussion of status and trends for economic and demographic factors that impact the District. The District encompasses a large, diverse geographic, demographic and economic area and is influenced both by state wide and local economic trends and conditions. Primary among those factors are the general real estate market, population changes, and tourism. Both local and state wide trends impact the District's availability of financial resources since the District's funding is a combination of local ad valorem taxes and state appropriations funded by statewide general sales taxes and documentary stamp taxes on real estate transactions. A discussion of selected significant trends follows.

Property Values – The District's single largest source of revenue is ad valorem (property) taxes. In FY 2012-2013, over two thirds of the District's total revenues (\$104 million) came from property taxes (\$79.6 million). Due to the construction boom and rapid appreciations in property values after 2000, the District's total assessed values reached a peak of \$361.3 billion in 2007. Between 2007 and 2012, total assessed values within the District declined by almost 33% to \$247.3 billion, impacting cities, counties, authorities, and districts across the state that are dependent on property taxes. Those declines, in combination with lower adopted millage rates, resulted in an approximately 45% reduction in property tax revenues to the District over that 5 year period.

January 2013 taxable values reported within the District indicate that the real estate market is stabilizing. Of the 18 counties within the District, 10 counties showed increased values (averaging 2.21%) while 8 counties reported further decreases (averaging 1.0%). As the

economy recovers, the District's total assessed values are projected by the State Office of Economic and Demographic Research to grow again to \$295 billion by FY 2017–2018 through appreciations of home value and new construction, remaining well under the 2007 peak.

Housing Starts – Because of the robust population growth and low interest rates in the early 2000s, the construction industry within the District remained strong until 2006, when new residential construction in the District declined by 20% due to a combination of increasing interest rates and a large inventory of unsold new and existing homes. In 2007, a further downturn in demand for residential construction resulted in an almost 50% decline in building permits for single-family housing units. The slowdown in residential construction continued through 2009, albeit at a much slower pace. Since 2010, driven by favorable interest rates and a gradual return of house hunters, the total housing starts (1-unit structures) have doubled from fewer than 10,000 in 2010 to a projected 20,000 units in 2013 in the seven Metropolitan Statistical Areas (MSA) within the District's boundaries. Even with this recovery, the permitted single-family housing units in 2013 are only 30% of the total housing units during the peak of a construction boom in 2005.

Unemployment – The region was impacted by the slowdown in construction and tourism-related activities with districtwide unemployment rates rising from 3.3% in 2006 to a high of 12% in 2010. Since then, both the state and districtwide unemployment rates are down to 7.1% and 6.9% respectively (August 2013). In comparison, the national unemployment rate for the same period was 7.3%.

Tourism – The region's economy depends heavily on tourism-related hospitality industries due to such popular tourist destinations as Orlando and Daytona Beach. Similar to other industries, the state's tourism and the associated sales taxes and bed taxes on short-term rentals (available only to cities and counties) experienced a downturn with the number of visitors declining 4.2% over a two-year period between 2007 and 2009. The state slowly returned to historical tourism levels in 2010 and the growth of annual number of visitors has since picked up pace over the last three years. Based on the first three quarters' data, Florida is on track to see 94 million visitors in 2013, setting visitation records for a third consecutive year.

Population – Since 2000, the District's population has grown by 23.1% compared to the state's 20.5%. The District's population experienced an unprecedented negative growth in 2009 (-0.1%) and 2010 (-0.55%) as a result of the economic downturn. District population has been on a gradual upswing since 2011. In 2013, the total District population is estimated to grow by 1%. Projections also show that by 2020, the District's total population will grow from its current 4.8 million to 5.4 million.

Recreation Program Overview

The District owns more than 600,000 acres of conservation land either full or joint fee. Of that, the District is the primary land manager of approximately 420,000 acres. It is on these areas that the District is responsible for managing recreational opportunities.

The primary objective of the District's Recreation Management Program is to facilitate resource-based recreational activities on District-managed lands. An aspect in developing the Program is

not to compete with other local recreational opportunities, but rather complement what they may already have in place by filling an outdoor recreation niche through dispersed recreation opportunities. Dispersed recreation activities generally require large tracts of land with some level of isolation. Recreational opportunities found on District-managed lands include hiking, bicycling, horseback riding, hunting, fishing, paddling, boating, primitive camping, and nature appreciation/wildlife viewing.

A brief summary of recreational opportunities on District-managed lands includes:

- More than 75 trailheads with entrance signs and kiosks
- More than 275 miles of marked multi-use trails
- Almost 40 miles of interpretive/wildlife drives
- More than 60 primitive campsites, 24 of which are reserved through the District's online system
- 10 observation towers
- 16 inclement weather shelters
- 18 picnic shelters
- 10 fishing platforms
- Almost 8,000 feet of boardwalk
- 9 improved and 4 unimproved boat ramps
- 4 canoe/kayak launches
- 4 airboat ramps
- 12 public restrooms

Cooperative Funding Update

Since FY 2003-2004, the District has funded approximately \$250 million of cooperative agreements with more than 100 local agencies in 15 counties for water supply and water quality projects. These projects have resulted in approximately 104 million gallons per day (mgd) of "new" or reclaimed water. A summary of recent cooperatively funded projects, along with the resulting benefit measures, is below.

Partner/Project Summary	SJRWMD Core Mission	Total Project Cost	SJRWMD Contribution	Annual Water Benefit Solids Removal
Clay County Utility Authority: enhanced reuse system	Water quality & Water supply	\$ 24,640,454	\$ 15,041,875	3 mgd
Indian River County: 35 acre regional storm- water park	Water quality	\$ 5,940,000	\$ 1,500,000	61 tons
Marion County/Ocala/FDOT Silver Springs/River storm- water treatment	Water quality	\$ 2,800,769	\$ 722,000	23 tons
Orange County/Orlando/Seminole County: Regional reclaimed transmission and plant improvements	Water supply	\$ 32,990,000	\$ 6,580,000	20 mgd
St Johns County: new water treatment plant to treat brackish water as alternative water source	Water supply & natural systems	\$ 16,350,000	\$ 6,540,000	8 mgd

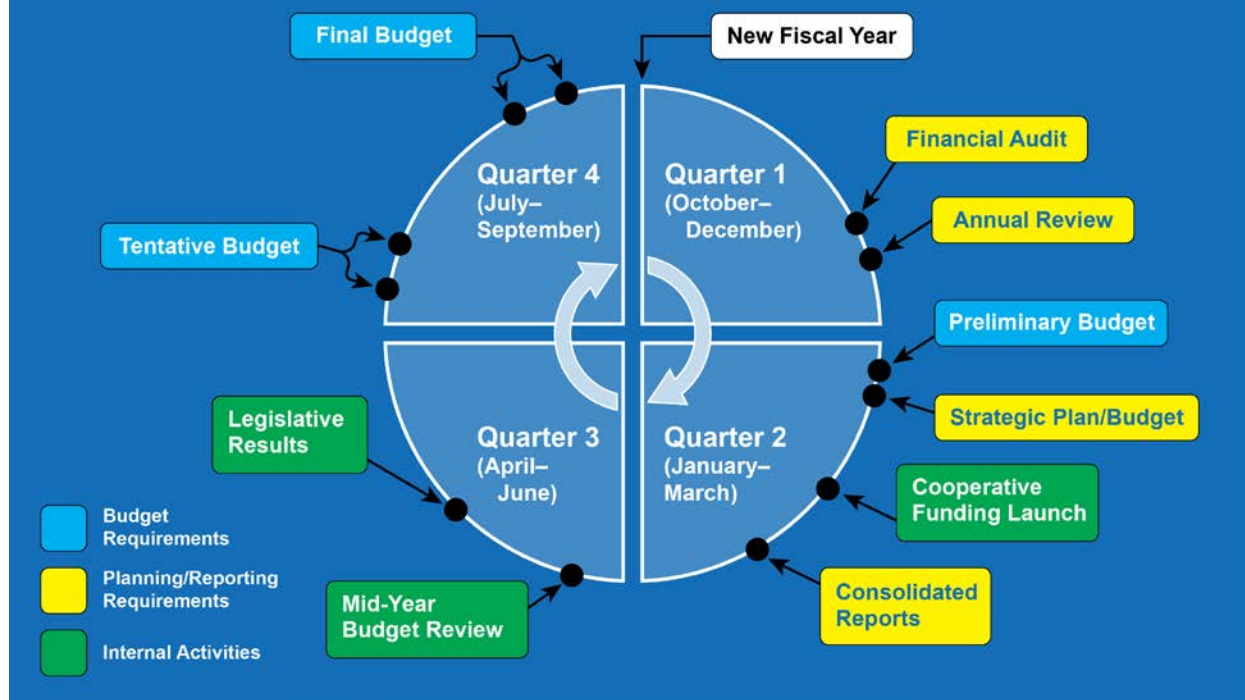
Strategic Planning and Budgeting

The District's primary long-range planning document, the Strategic Plan, is being updated to include a five-year strategic budget comprised of the District's Five-year Operating Projection and Five-year Capital Improvement Plan.

Capital plans for the next three to five years are bolstered by the availability of fund balances that have been committed over our planning horizon by Governing Board resolution for specific purposes and grouped by major initiatives. The District has implemented an enhanced project management system to assist in project tracking, management, and budget planning/reporting. The system enhances budgetary control over capital projects.

The District's planning and budgeting cycle is summarized below.

Annual Strategic Planning and Budgeting Cycle



Financial Policies

The District continues to focus its budget development practices on implementing a sustainable, transparent business model that ensures the adequacy of future service delivery. Key elements of the District's sustainable model include:

1. Current period revenues are sufficient to provide current period services.
2. Operating estimates and assumptions for both revenues and expenses are realistic and conservative based on long-term trends and recent results.
3. District-sourced revenues are adequate to fund operations and contribute to vital capital and cooperative funding programs.

Through various efficiency measures and the planned utilization of committed fund balances, the FY 2012–2013 revenues and appropriated fund balances fully support current year appropriations. The FY 2013–2014 budget focuses on core missions and priority projects.

Awards and acknowledgements

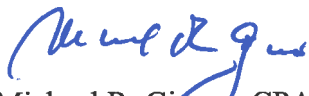
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year that ended September 30, 2012. To be awarded a Certificate of 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 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 2012–2013 budget. It was the sixth consecutive year the District received the award for the budget document, which guides the District's fiscal policy.

The District's Office of Financial Services appreciates the collaborative work of numerous District employees who helped in the preparation of this report.

Respectfully submitted,



Michael R. Givens, CPA
Director, Office of Financial Services



R. Gregory Rockwell, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**St. Johns River
Water Management District
Florida**

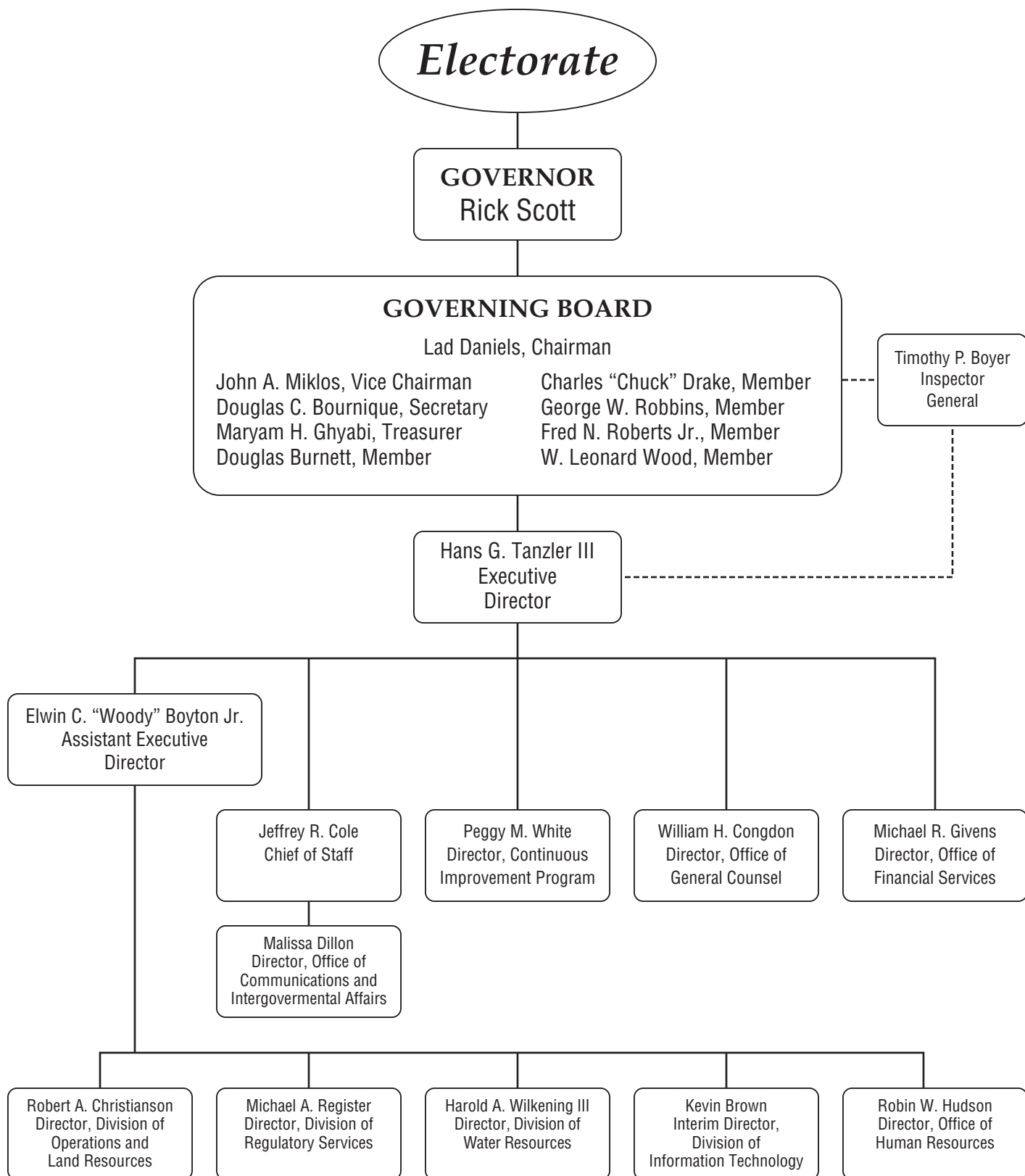
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

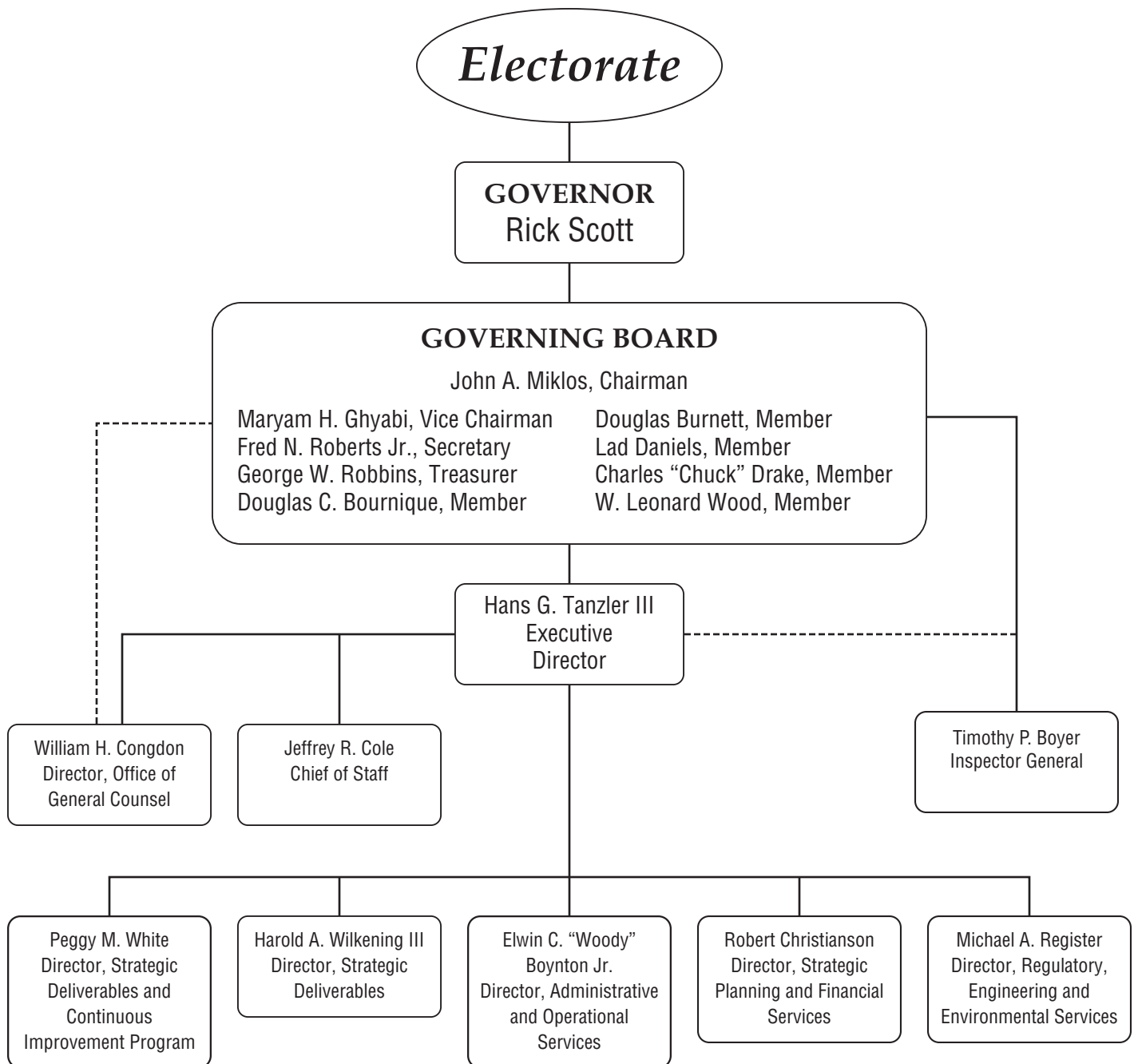
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT ORGANIZATIONAL CHART LISTING PRINCIPAL OFFICIALS

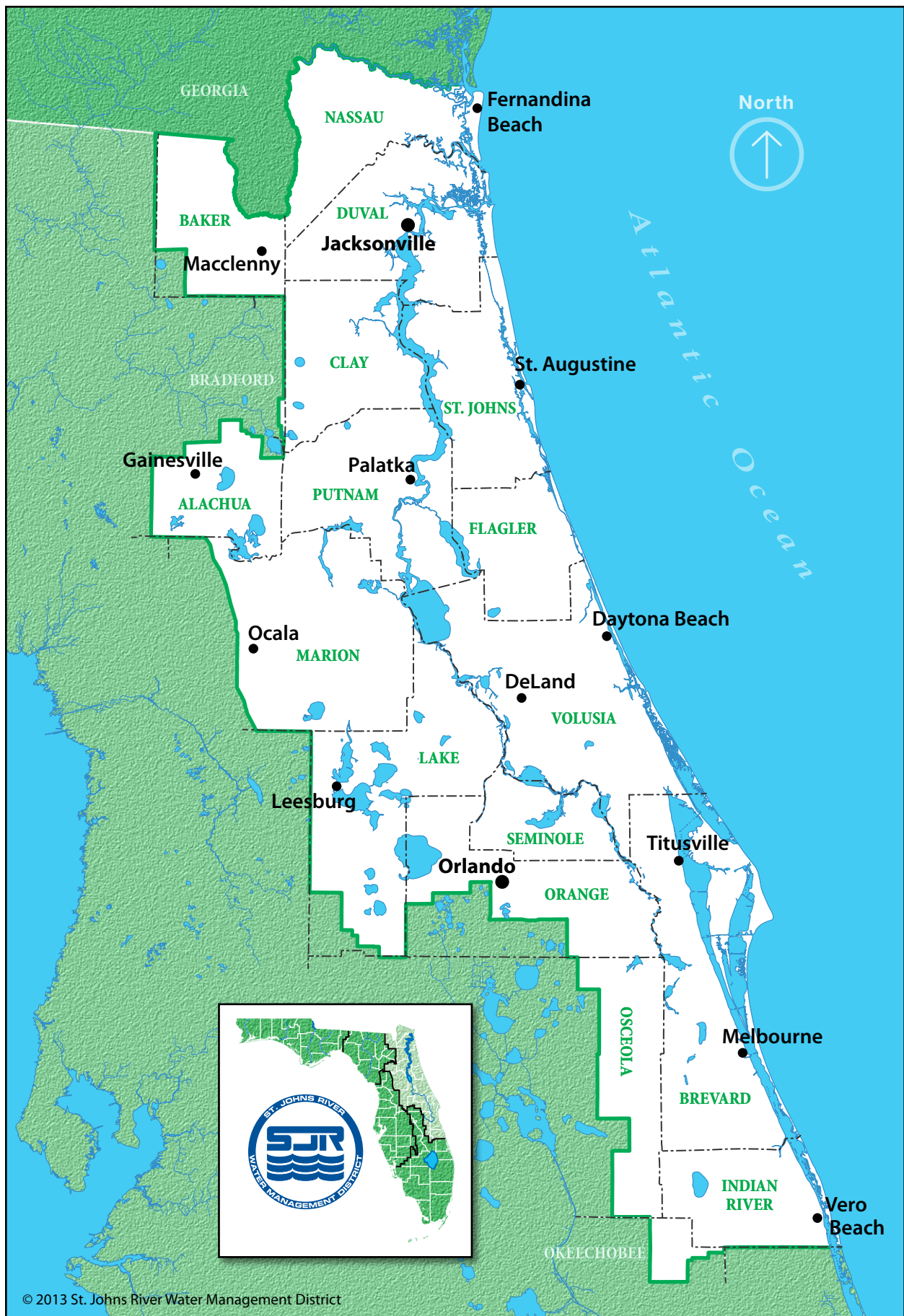
As of September 30, 2013



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

As of November 8, 2013





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Comprehensive Annual Financial Report

Financial Section

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



Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise St. Johns River Water Management District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

St. Johns River Water Management District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Member of AGN International with offices in principal cities worldwide

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 St. Johns River Water Management District, as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the budgetary comparison information on pages 57 through 60, and the schedule of funding progress on page 62, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Johns River Water Management District's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards and state financial assistance, as required by 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 the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2014 on our consideration of 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* in considering St. Johns River Water Management District's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
February 18, 2014



***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, 2013**

Management's Discussion and Analysis (MD&A) is designed to provide insight into the St. Johns River Water Management District's (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 within the MD&A 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 declined. 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 explained in greater detail under subsequent headings in this discussion:

- Total assets exceeded total liabilities by \$1,298,733,010, as of September 30, 2013, primarily the result of significant ownership of non-depreciable assets in the form of land (\$827,387,986) and easements (\$165,206,184) owned by the District. Net position increased \$12,826,346, or 1%, this year compared to a \$20,739,281, or 2%, increase the prior year.
- Total revenues decreased \$13.1 million and total expenses decreased \$5.2 million in FY 2012 – 2013 from FY 2011 – 2012. These decreases in total revenues and total expenses are attributed primarily to an over \$10 million decrease in donated conservation easements and a \$2.9 million decrease in mitigation bank credit purchases and over \$2 million less in cooperative funding outlays, respectively.
- Total fund balance increased \$373,463, or 0.2%, from the previous fiscal year. A further breakdown of fund balance changes by individual funds is discussed in the Financial Analysis of the Government's Funds section.
- Total governmental fund level revenues decreased \$2.4 million in FY 2012–2013 compared to FY 2011-2012. The net decrease was primarily the result of year over year decreases of \$2.5 million in Ad Valorem (property) taxes and \$1 million in earnings on investments, offset by an increase in state revenues of \$1.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

The statement of net position 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 position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining.

The statement of activities presents information to show how the District's net position changed during the most recent fiscal year. All changes in net position 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.

Both of the government wide financial statements present functions of the District (governmental activities) that are primarily supported by property taxes and intergovernmental revenues (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 17–19 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.

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

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

The District maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the special revenue funds for Ecosystems Management Trust, Mitigation and State Grants, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation.

The District adopts annual budgets for all governmental funds. Beginning in FY 2012–2013, annual budgets are adopted for all governmental funds by the District's Governing Board, eliminating the previous project length approvals, resulting in smaller total budgets and increased management control.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

The large budget to actual expenditure variances that the District's has experienced in past fiscal years should also be significantly reduced due to this new budget practice and direction to not budget at maximum levels or ideal spending conditions. The District is in the process of adopting a general operating fund reserve policy that should allow greater flexibility in transferring funding to areas that develop additional needs within the current fiscal year.

Budgetary comparison schedules are provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund and the Ecosystems Management Trust, Mitigation and State Grants special revenue funds to demonstrate compliance with these budgets. The budgetary comparison schedules for the four major funds are being reported as Required Supplemental Information and are presented after the Notes to the Financial Statements beginning on page 55. Budgetary comparison schedules for the other governmental funds are presented as Other Supplemental Information, beginning on page 72.

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 year for reimbursable grants.

The adopted budgets for the General Fund, the Ecosystems Management Trust, Mitigation, Water Protection and Sustainability, State Grants, Federal Grants, and Special Revenue Funds—Other special revenue funds and the Capital Projects fund include re-appropriated encumbrances of unspent balances (\$4.7 million) 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 20-25 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 28-54 of this report.

Additional information — Additional information about the District may be found within the Statistical sections, Other Reports, and the transmittal letter to the citizens that summarizes this report.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Over time, changes in the District's net position serve as one useful measure of the District's financial condition. The following condensed comparisons show how the District's net position changed from the end of the FY 2011–2012. The overall condition of the District improved in fiscal years 2012 and 2013.

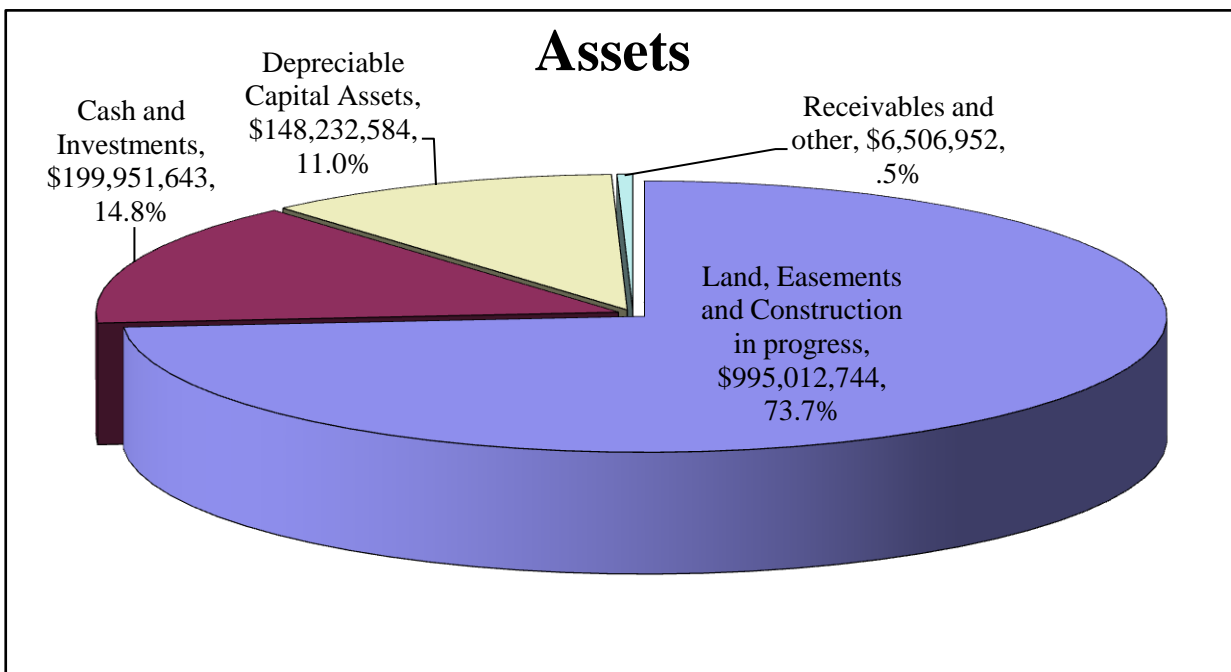
**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S NET POSITION

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 206,458,595	\$ 208,346,388
Capital assets, net	<u>1,143,245,328</u>	<u>1,135,995,216</u>
Total assets	<u>1,349,703,923</u>	<u>1,344,341,604</u>
Long-term liabilities outstanding	30,698,710	36,024,847
Other liabilities	<u>20,272,203</u>	<u>22,410,093</u>
Total liabilities	<u>50,970,913</u>	<u>58,434,940</u>
Net position		
Invested in capital assets, net of related debt	1,125,006,751	1,112,241,722
Restricted	33,148,716	32,804,322
Unrestricted	<u>140, 577,543</u>	<u>140,860,620</u>
Total net position	<u>\$ 1,298,733,010</u>	<u>\$ 1,285,906,664</u>

Total net position increased by \$12,826,346 or 1.0 %, from September 30, 2012. The improvement in net position is in large part attributable to \$3 million of conservation easement donations received by the District through the environmental resource permitting process. The District had a \$2.9 million, 2,390 acre land purchase in Flagler County and a \$1.7 million, 625 acre land purchase in Marion County, both funded with Florida Department of Transportation mitigation appropriations. The District also paid down \$5.6 million of its outstanding long-term debt with Water Management Lands Trust fund revenues, while the following long-term liabilities had small net increases other post-employment benefits of \$.1 million and outstanding compensated absences of \$.3 million.

The \$1.2 million increase in restricted net position is from a donation from the Florida Department of Transportation to pay for the long-term land management costs on the 2,390 acre Plum Creek-Relay property in Flagler County.



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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

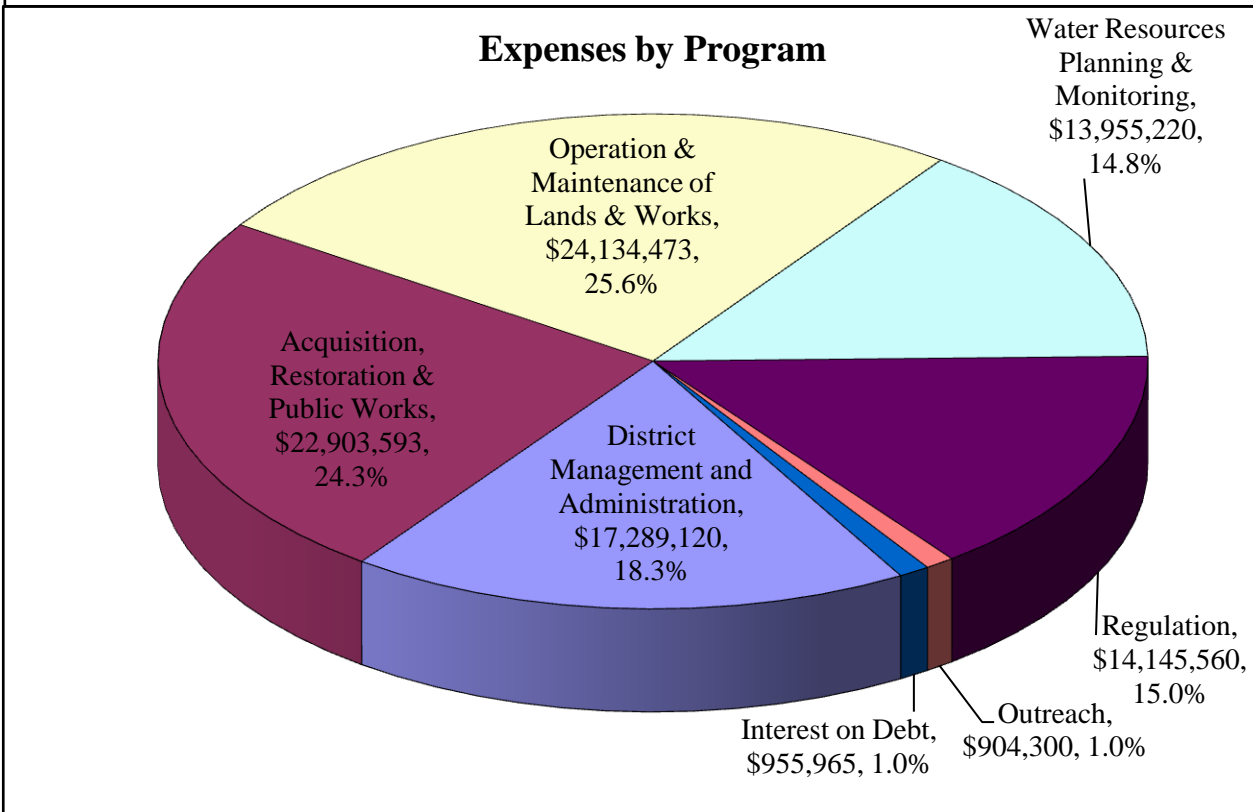
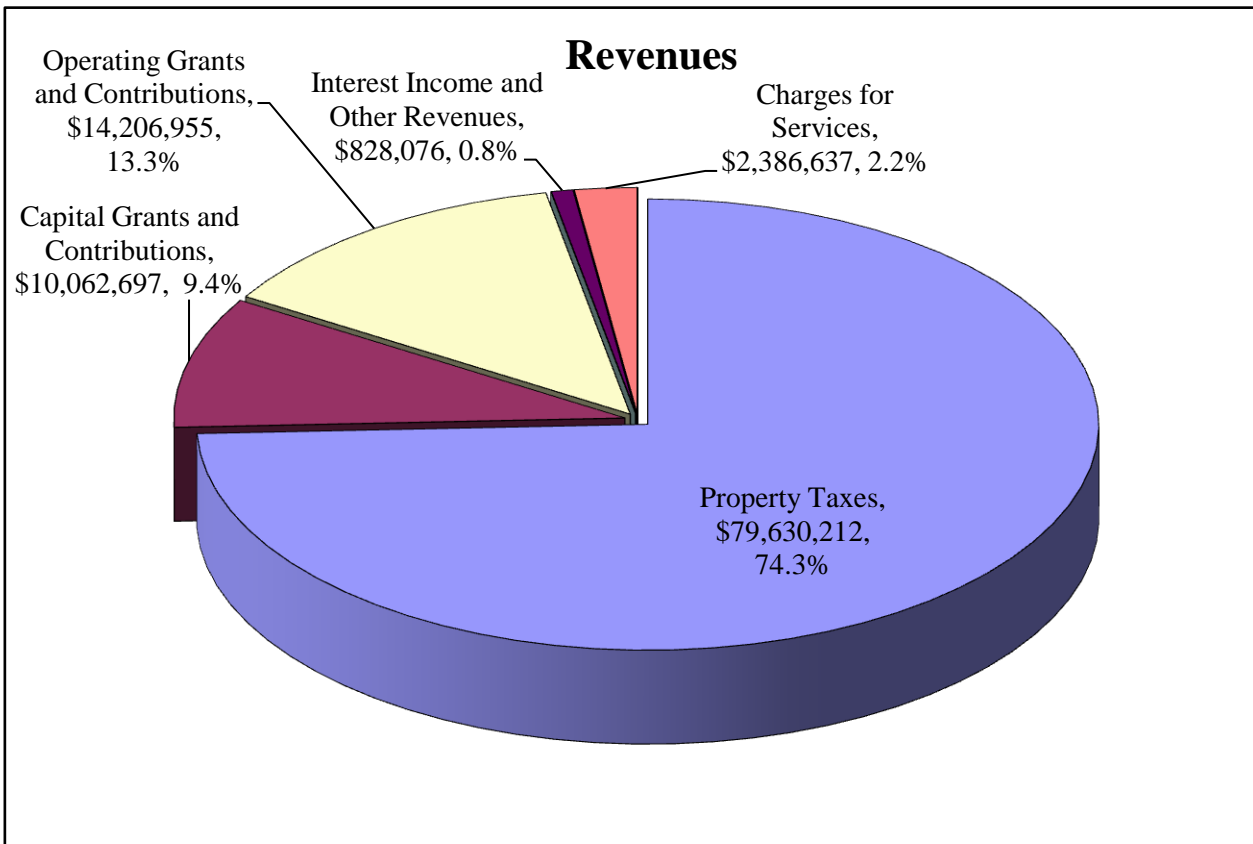
	2013	2012
Revenues		
Program revenues:		
Charges for services	\$ 2,386,637	\$ 2,215,973
Operating grants and contributions	14,206,955	18,106,785
Capital grants and contributions	10,062,697	15,901,918
General revenues:		
Ad valorem property taxes	79,630,212	82,083,164
Unrestricted investment earnings	720,372	1,705,494
Other revenue	107,704	202,814
Total revenues	<u>107,114,577</u>	<u>120,216,148</u>
Expenses		
Water resources planning and monitoring	13,955,220	11,695,698
Acquisition, restoration and public works	22,903,593	27,605,019
Operation and maintenance of lands and works	24,134,473	20,414,644
Regulation	14,145,560	13,391,590
Outreach	904,300	942,373
District management and administration	17,289,120	24,425,597
Interest on long-term debt	955,965	1,001,946
Total expenses	<u>94,288,231</u>	<u>99,476,867</u>
Increase in net position	12,826,346	20,739,281
Net position , beginning of the year	<u>1,285,906,664</u>	<u>1,265,167,383</u>
Net position , end of the year	<u>\$ 1,298,733,010</u>	<u>\$ 1,285,906,664</u>

Total revenues decreased by (10.9%), or (\$13,101,571), from the previous year. The decrease is primarily attributable to the (\$9.7 million) reduction in capital and operating grants and contributions, the (\$2.5 million) reduction in ad valorem tax revenues and nearly (\$1 million) reduction in investment earnings compared to the prior year. Capital grants and contributions primarily decreased due to a over (\$10 million) drop in donated conservation easements received through the District's permitting process year over year. The decrease in ad valorem tax revenues is due to the declines in property values within the District boundaries as the millage rate remained at 0.3313 mills constant year over year. Investment earnings continue to decline due to a lower overall rate of return on investments as long-term securities mature, new security purchases are at lower interest rates.

Total expenses decreased (20.5%), or (\$5,188,636), compared to the previous year. The 17% decrease in Acquisition, Restoration and Public Works (\$4.7 million) is the result of (\$2.9 million) less expenditures in FY 2013 for mitigation bank credits and over (\$2 million) less in cooperative funding expenditures. The (\$7.2 million) reduction in reported expenses for Management and Administration is due in part to management's decision to report fleet services expenses of (\$3.7 million) under Operations and Maintenance of Lands, accounting for the entire increase in that program. Additional reductions were the result of gains in efficiencies and streamlined processes through a realignment of management and staff.

The 19% or \$2.3 million increase in expenses for Water Resources Planning and Monitoring is the due to a \$.8 million increase in spending in the water supply planning program and an over \$1 million increase in groundwater resource assessment and water resource information. These increases in spending are for additional study and monitoring for the Springs Initiative and Indian River Lagoon projects.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the District. As of September 30, 2013, total fund balance was \$145,943,376, of which \$914,668 was represented by inventory on hand and other non-spendable assets; \$126,500,000 was committed by action of the Governing Board for identified future capital needs; \$16,423,721 was assigned by executive management for specific purposes; and \$2,104,987 was unassigned, compared to \$16,464,398 on September 30, 2012.

The overall fund balance of all of the District's funds increased by \$373,463. Key factors explaining the changes in the General Fund and individual major funds include:

- General Fund balance increased by \$4,059,073 due to gains in efficiencies and streamlined processes to achieve core missions through a realignment of management and staff.
- Long-term Maintenance Mitigation Fund increased by \$1,574,246, as a result of resource flows from the Florida Department of Transportation's roadway mitigation credit program to offset future impacts of transportation projects.
- Capital Projects Fund, Water Protection and Sustainability Fund and the Florida Forever Fund decreased (\$4,575,462, \$315,682 and 304,936), respectively as the result of project spending (Fellsmere Water Management Area and district-wide Alternative Water Supply Projects) using resources set aside from previous fiscal years.
- Total governmental fund level expenditures decreased \$5.9 million in FY 2012–2013 compared to FY 2011–2012. The net decrease was primarily the result of decreases in salaries and benefits (\$840,000), general operating expenses (\$1.7 million), project related capital spending (\$7.6 million), and cooperative funding grant awards (\$2.3 million), offset by increases in contractual services (\$2.5 million) and land acquisition (\$3.2 million).

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's FY 2012–2013 final amended General Fund expenditure budget had an increase of \$0.21 million from the original adopted budget as the result of a focus on right-sizing District operations while focusing on core mission service delivery.

The District spent a total of \$13,697,757 less than budgeted expenditures in all spending categories in FY 2012–2013 as a result of a continued focus by District management on reducing operating expenditures through right-sizing staffing levels and enhancing oversight of contractual services. The acquisition, restoration and public works (\$6,158,213), operation and maintenance of lands and works (\$3,358,193) and District management and administration (\$2,514,254) programs accounted for the largest part of budget to actual expenditure variance.

The historical trend of positive General Fund budget variances continued for the FY 2012–2013, with utilization of 85% of appropriations compared to a historical 83% utilization.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets — The District's investment in capital assets for its governmental activities as of September 30, 2013, amounted to \$1,143,245,326 (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 FY 2012–2013 valued at \$18.7 million with additions to land of \$5,855,292, infrastructure of \$5,461,638 and easements of \$2,263,036 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's capital asset increase in infrastructure is mainly from construction expenditures on the Fellsmere Water Management Area project. Additional information on the District's capital assets can be found in note 4 on page 40 of this report.

Long-term debt — At year end, the District had total bonded debt outstanding of \$18,120,000, of which \$5,675,000 was due within one year and final payment is in 2016. In addition, the District has long-term obligations of \$6,351,981 for vested leave balances earned by employees, \$2,500,000 for claims and judgments owed, and \$3,608,152 for the other post-employment benefits. Additional information on the District's long-term debt can be found in note 9, starting on page 46 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's primary revenue sources are ad valorem (property) taxes and state grants derived from documentary stamp taxes. Economic factors that may influence future budgets are discussed below.

The millage rate for the fiscal year remained at 0.3313 mills in FY 2012–2013, while the FY 2013–2014 millage rate decreased 1% to 0.3283 mills. While taxable values declined again in FY 2012–2013, the rate of decline slowed. Current estimates indicate that taxable values on existing properties in the 18 counties covered by the District have stabilized and are estimated to increase slightly by 1-2% annually. Level or lower millage, when combined with stabilization of existing taxable values and nominal growth in taxable values attributable to new construction, provide a basis for a projected slow recovery in property tax revenues for the District in future periods.

Documentary Stamp Tax collections assessed on real estate transactions statewide are the primary revenue source for the state in providing funding to the District while sales tax collections are secondary. As a result of the slow down in the real estate markets over the last several years, coupled with an overall slowdown in the state economy and tourism, available funding through state grant activity remains at lower levels when compared to prior fiscal periods. In FY 2012–2013, the state provided the District \$5.6 million for St. Johns River Restoration projects. The state continued to appropriate funds from its Water Management Lands Trust Fund to pay the District's FY 2012–2013 and FY 2013–2014 annual debt service obligation.

Residential and commercial construction have shown signs of recovery, along with overall improved economic indicators both statewide and districtwide, bringing with it an expected growth in Ad Valorem Property Tax revenues and Documentary Stamp Tax and Sales Tax collections. The District's outstanding debt annual payments for principal and interest are funded with an allocation from Documentary Stamp Taxes and can be redeemed as early as July, 1 2014.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

The District has accumulated resources over the past fiscal years and plans to spend down those resources to fund or assist in the development of one or more regionally-significant water resource or supply development projects contained in its multi-year capital plan.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Office of Financial Services, St. Johns River Water Management District, 4049 Reid Street, Palatka, FL 32177.



Basic Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 15,321,886
Investments	184,629,757
Accounts and other receivables	968,603
Inventories	415,068
Intergovernmental receivables	4,623,681
Prepaid items	499,600
Non-depreciable capital assets:	
Land	827,387,986
Easements	165,206,184
Construction in progress	2,418,574
Depreciable capital assets:	
Buildings	36,832,093
Machinery and equipment	35,680,708
Infrastructure	167,422,911
Other depreciable assets	4,939,394
Accumulated depreciation	(96,642,522)
Total assets	1,349,703,923
LIABILITIES	
Accounts payable and other current liabilities	9,503,649
Unearned revenue	10,502,916
Due to other governmental units	92,133
Accrued interest payable	173,505
Long-term liabilities:	
Due within one year	8,753,088
Due in more than one year	21,945,622
Total Liabilities	50,970,913
NET POSITION	
Net investment in capital assets	1,125,006,751
Restricted for:	
Debt service	6,281,028
Water protection and sustainability/Alternative water supply	13,395,559
Land Management/Acquisition	13,472,129
Unrestricted	140,577,543
Total net position	\$ 1,298,733,010

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, 2013

Function / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Water resources planning and monitoring	\$ 13,955,220	\$ -	\$ 477,354
Acquisition, restoration, and public works	22,903,593	-	12,254,125
Operation and maintenance of lands and works	24,134,473	1,234,117	1,137,835
Regulation	14,145,560	1,152,520	30,544
Outreach	904,300	-	86,620
District management and administration	17,289,120	-	220,477
Interest on long-term debt	955,965	-	-
Total governmental activities	\$ 94,288,231	\$ 2,386,637	\$ 14,206,955

General Revenues:

Ad valorem property taxes
Miscellaneous revenue
Unrestricted investment earnings
Total general revenues

Increase in net position

Net position, beginning of year

Net position, end of year

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

	Net (Expenses) Revenues and Changes in Net Position
Capital Grants and Contributions	Governmental Activities
\$ -	\$ (13,477,866)
9,701,550	(947,918)
361,147	(21,401,374)
-	(12,962,496)
-	(817,680)
-	(17,068,643)
-	(955,965)
<u>\$ 10,062,697</u>	<u>(67,631,942)</u>

79,630,212
107,704
720,372
<u>80,458,288</u>
12,826,346
<u>1,285,906,664</u>
<u>\$ 1,298,733,010</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
BALANCE SHEET- GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	<u>General Fund</u>	<u>Ecosystems Management Trust</u>
Assets		
Cash and cash equivalents	\$ 14,233,223	\$ -
Investments	133,925,623	6,233,592
Accounts and other receivables	947,190	-
Due from other funds	2,580,144	-
Inventories	415,068	-
Intergovernmental receivables	-	-
Prepaid items	499,600	-
Total assets	<u>152,600,848</u>	<u>6,233,592</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	6,657,210	682,817
Due to other funds	-	15,035
Unearned revenue	-	5,535,740
Due to other governmental units	262	-
Total liabilities	<u>6,657,472</u>	<u>6,233,592</u>
Fund balances		
Nonspendable	914,668	-
Restricted	-	-
Committed	126,500,000	-
Assigned	16,423,721	-
Unassigned	2,104,987	-
Total fund balances	<u>145,943,376</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 152,600,848</u></u>	<u><u>\$ 6,233,592</u></u>

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

Mitigation	State Grants	Non–major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,088,663	\$ 15,321,886
4,032,361	68,205	40,369,976	184,629,757
-	-	21,413	968,603
-	-	-	2,580,144
-	-	-	415,068
381,270	3,143,886	1,098,525	4,623,681
-	-	-	499,600
<u>4,413,631</u>	<u>3,212,091</u>	<u>42,578,577</u>	<u>209,038,739</u>
31,463	996,021	1,136,138	9,503,649
-	2,160,917	404,192	2,580,144
4,382,168	55,153	529,855	10,502,916
-	-	91,871	92,133
<u>4,413,631</u>	<u>3,212,091</u>	<u>2,162,056</u>	<u>22,678,842</u>
-	-	-	914,668
-	-	33,322,221	33,322,221
-	-	6,000,000	132,500,000
-	-	1,094,300	17,518,021
-	-	-	2,104,987
<u>-</u>	<u>-</u>	<u>40,416,521</u>	<u>186,359,897</u>
<u>\$ 4,413,631</u>	<u>\$ 3,212,091</u>	<u>\$ 42,578,577</u>	<u>\$ 209,038,739</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Total fund balances – governmental funds	\$ 186,359,897
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Amounts reported for governmental activities in the statement of net position 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 position is the difference between:

Capital assets, at cost	1,239,887,850	
Accumulated depreciation	(96,642,522)	
		1,143,245,328

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

Bonds payable	(18,120,000)	
Unamortized bond premium	(118,577)	
		(18,238,577)

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

Compensated absences		(6,351,981)
Accrued interest payable		(173,505)
Other post-employment benefit payable		(3,608,152)
Claims and judgments		(2,500,000)

Net position of governmental activities	<u><u>\$ 1,298,733,010</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, 2013

	<u>General Fund</u>	<u>Ecosystems Management Trust</u>
Revenues		
Ad valorem property taxes	\$ 79,630,212	\$ -
State	-	1,510,190
Federal	-	-
Investment earnings	629,901	-
Local mitigation	-	-
Licenses and permits	1,141,451	-
Cities and counties	-	-
Lease and timber sales	1,234,117	-
Fines and penalties	11,069	-
Other	107,704	-
Total revenues	<u>82,754,454</u>	<u>1,510,190</u>
Expenditures		
Current:		
Water resources planning and monitoring	14,165,950	-
Acquisition, restoration, and public works	17,019,890	1,510,190
Operation and maintenance of lands and works	16,747,533	-
Regulation	14,025,880	-
Outreach	896,417	-
District management and administration	16,418,073	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>79,273,743</u>	<u>1,510,190</u>
Excess of revenues over (under) expenditures	<u>3,480,711</u>	<u>-</u>
Other financing sources (uses):		
Transfers in	298,347	-
Transfers out	(53)	-
Sale of capital assets	268,244	-
Insurance/FEMA - loss recovery	11,824	-
Total other financing sources (uses)	<u>578,362</u>	<u>-</u>
Net change in fund balances	4,059,073	-
Fund balances, beginning of year	<u>141,884,303</u>	<u>-</u>
Fund balances, end of year	<u>\$ 145,943,376</u>	<u>\$ -</u>

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

Mitigation	State Grants	Non–major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 79,630,212
5,343,587	4,155,964	8,799,904	19,809,645
-	-	1,071,230	1,071,230
-	-	90,471	720,372
8,750	-	-	8,750
-	-	-	1,141,451
-	-	92,925	92,925
-	-	-	1,234,117
-	-	-	11,069
-	-	223,517	331,221
<u>5,352,337</u>	<u>4,155,964</u>	<u>10,278,047</u>	<u>104,050,992</u>
-	230,792	246,561	14,643,303
4,847,955	3,719,775	7,200,013	34,297,823
369,647	79,804	79,266	17,276,250
-	-	30,544	14,056,424
-	-	-	896,417
-	-	-	16,418,073
-	-	5,645,000	5,645,000
-	-	872,125	872,125
<u>5,217,602</u>	<u>4,030,371</u>	<u>14,073,509</u>	<u>104,105,415</u>
<u>134,735</u>	<u>125,593</u>	<u>(3,795,462)</u>	<u>(54,423)</u>
-	53	8,750	307,150
(134,735)	(125,646)	(46,716)	(307,150)
-	-	147,818	416,062
-	-	-	11,824
<u>(134,735)</u>	<u>(125,593)</u>	<u>109,852</u>	<u>427,886</u>
-	-	(3,685,610)	373,463
-	-	44,102,131	185,986,434
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,416,521</u>	<u>\$ 186,359,897</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, 2013**

Net change in fund balances – total governmental activities \$ 373,463

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, requiring recognition of income not reported in the funds.

Capital assets acquired with financial resources	13,694,545	
Current year depreciation	(9,179,920)	
Contributions of capital assets	<u>3,051,761</u>	
		7,566,386

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. (316,274)

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	(169,609)	
Current year amortization of bond premiums	<u>39,526</u>	
		(130,083)

Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 5,645,000

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	(256,760)	
Accrued interest payable	46,243	
Other post-employment benefit payable	<u>(101,629)</u>	
		<u>(312,146)</u>

Change in net position of governmental activities \$ 12,826,346

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



Notes to the Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(1) Summary of Significant Accounting Policies:

The accounting policies of the St. Johns River Water Management District (the District) conform to accounting principles generally accepted in the United States (GAAP) as applicable to governments. The following is a summary of the more significant policies.

- (a) **Basis of Presentation** — 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).
- (b) **Reporting Entity** — The District is a public corporation created by Chapter 373, *Florida Statutes*, 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. 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; (3) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government; or (4) total outstanding debt, including leases, is expected to be repaid entirely or almost entirely with resources from 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.

The District's financial statements for the fiscal year ending September 30, 2013 will be incorporated in the state's June 30, 2014 financial statements, therefore, the District must adopt all GASB pronouncements in advance of the state of Florida.

- (c) **Basis of Presentation - Government-Wide Financial Statements** — The government-wide financial statements consist of a statement of net position and a statement of activities to report information about the District as a whole. The statement of net position reports all financial and capital resources. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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. Gains on the sale of capital assets are reported as general revenues, losses on the sale of capital assets are reported as function/program expenses.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

- (d) **Basis of Presentation - Fund Financial Statements** — The fund financial statements provide information about the government's funds. 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.

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, pursuant to Section 403.1651, *Florida Statutes*. 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.

The *Mitigation Fund* is a special revenue fund that accounts for both local and Florida Department of Transportation wetland mitigation program revenues, pursuant to Section 373.4137, *Florida Statutes*, 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 *State Grants Fund* accounts for miscellaneous restricted revenues received from the state of Florida and related expenditures. This fund is supported by reimbursable grants from state of Florida agencies other than Water Management Lands Trust, Ecosystems Management Trust, Florida Forever Trust and Florida Department of Transportation mitigation revenues, each of which is accounted for in its own special revenue fund.

During the course of operations the District has activity or transfers of resources between funds for various purposes. In fund financial statements these amounts are reported at gross amounts as transfers in/out. Any residual balances outstanding at year end are reported as due from/to other funds. While these transfer and balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

- (e) **Measurement Focus and Basis of Accounting** — The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 grantor have been met.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

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, which are recognized as revenue when reimbursable expenditures are made. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

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.

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.

The District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. 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. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

- (f) Classification of Expenditures** — The District currently categorizes the 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)(e)4, *Florida Statutes*, are each described as follows:
- **Water Resources Planning and Monitoring** — This program area includes all water management planning, including water supply planning, development of minimum flows and levels, and other water resources planning; research, data collection, analysis, and monitoring; and technical assistance, including local and regional plan and program review.
 - **Acquisition, Restoration, and Public Works** — This program area includes the development and construction of all capital projects (except for those contained in the Operation and Maintenance of Lands and Works program area), including land acquisition, water resource development projects, water supply development assistance, alternative water supply, land restoration, surface water restoration, and facilities construction projects.
 - **Operation and Maintenance of Lands and Works** — This program area includes all operation and maintenance of facilities, flood control and water supply structures, lands, and other works authorized by Chapter 373, *Florida Statutes*.
 - **Regulation** — This program area includes consumptive use permitting, water well permitting and water well contractor licensing, environmental resource and surface water management permitting, permit administration and enforcement, and any delegated regulatory program.
 - **Outreach** — This program area includes all public information and outreach, including websites; social media; coordination and communication with the media, public, schools and stakeholder groups; and production and dissemination of information materials. Outreach is the primary responsibility of the Office of Communications and Intergovernmental Affairs and supports all District divisions and offices.
 - **District Management and Administration** — This program area includes all Governing Board support, executive support, general counsel, human resources, finance, audit, risk management, administrative services, telecommunications, computer information, and tax collector and property appraiser fees.
- (g) Cash, Cash Equivalents 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. The District utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund and the funds individual earnings guidelines. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in loaning fund(s). In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

reports investments at their fair value, with unrealized gains and losses credited to or charged against investments earnings. (See Note 3)

- (h) 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.
- (i) Prepaid Items** — Prepaid items consist of rent payments, software maintenance services, and tax collector and property appraiser fees, 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.
- (j) 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.
- (k) Capital Assets** — A capital asset is real or personal, tangible or intangible property that has a cost equal to or greater than an established capitalization threshold and has an estimated useful life extending beyond one year. The District reports capital assets under the following categories and thresholds:

Land and land improvements	Capitalize all
Easements	Capitalize all
Buildings	\$1,000
Buildings improvements	\$100,000
Infrastructure and infrastructure improvements	\$100,000
Machinery and equipment	\$1,000
Software	\$1,000
Construction in progress	Accumulate all costs and capitalize at the completion of the project or at a major 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 previous fiscal year average 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

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 Position 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

Land and easements have indefinite useful lives and as such are not considered to be depreciable capital assets. Construction in progress is not depreciable until the project is complete or substantially complete and transferred to a depreciable capital asset, such as, buildings, infrastructure, machinery and equipment or other depreciable assets.

- (l) Compensated Absences** — It is the District's policy to permit employees to accumulate earned, but unused annual and sick leave benefits, which will be paid upon separation from the District. Payment of unused annual and sick leave is subject to District policy and employment criteria.

All vacation hours and a portion of the sick leave hours are accrued when incurred in the government-wide financial statements. No expenditure is reported in the governmental funds for these amounts until the payment is made. A liability for these amounts is reported in funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences liability is determined based on current rates of pay, District policy and employment criteria.

- (m) Unearned Revenue** — Both government-wide and governmental funds report unearned revenue in connection with resources that have been received, but not yet earned because all eligibility requirements have not been met.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

- (n) **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 position.
- (o) **Fund Balance** — Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of constraint placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note 15.
- (p) **Property Taxes** — The District is authorized by Section 373.503, *Florida Statutes*, 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 2012-2013 fiscal year was 0.3313 mills. The property assessment and tax collection functions are performed by appropriate officials of county government in each of the 18 counties comprising the District. Commissions are paid to the counties for these appraisal and collection services.

Taxes are billed and collected for the District by the county tax collectors, according to Florida Statutes, 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.

- (q) **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/expenditures 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(3) Cash and Investments:

The District's bank accounts were deposited in state-qualified public depositories. 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 limits.

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. 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.

In fiscal 2012-2013, the District revised its Investment Policy to modify certain maximum asset allocations and minimum ratings limitations, intended to produce a greater diversification and reduced volatility in the portfolio.

How the investment policy manages credit risk, interest rate risk, custodial credit risk, and concentration of credit risk is as follows:

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

Investments in Federal Instrumentalities, U.S. Government 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 Pools (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.

As of September 30, 2013, the District had the following investments reported at market-values with S & P ratings, maturity dates and the percentage of each security classification to the total portfolio:

	S & P Rating	Maturity Date	Fair Value	% of Portfolio
Federal Instrumentalities				
Federal National Mortgage Association	AA+	08/07/2015	\$ 1,000,184	
Federal National Mortgage Association	AA+	04/11/2016	1,116,746	

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(3) Cash and Investments (a) (Continued):

	S & P Rating	Maturity Date	Fair Value	% of Portfolio
Federal Instrumentalities (Continued)				
Federal Home Loan Bank Global Notes	AA+	01/29/2014	20,019	
Federal Home Loan Bank Global Notes	AA+	05/28/2014	8,075,722	
Federal Home Loan Bank Global Notes	AA+	08/28/2015	4,999,285	
Fannie Mae Global Notes	AA+	05/27/2015	4,172,355	
Fannie Mae Global Notes	AA+	12/21/2015	4,089,155	
Fannie Mae Global Notes	AA+	03/30/2016	4,129,874	
Freddie Mac Global Notes	AA+	09/22/2014	5,028,370	
Freddie Mac Global Notes	AA+	11/25/2014	10,462,609	
Freddie Mac Global Notes	AA+	04/17/2015	1,796,299	
Freddie Mac Global Notes	AA+	04/29/2015	3,409,816	
Freddie Mac Global Notes	AA+	08/28/2015	5,007,375	
Federal Home Loan Mortgage Corporation	AA+	09/19/2014	3,009,666	
Federal Home Loan Mortgage Corporation	AA+	09/10/2015	4,218,385	
Federal Farm Credit Bank	AA+	03/27/2014	941,092	
			<u>61,476,952</u>	33.30%
U.S. Government Securities				
U.S. Treasury Notes	AA+	05/15/2014	4,243,902	
U.S. Treasury Notes	AA+	08/31/2014	1,426,725	
U.S. Treasury Notes	AA+	09/15/2014	1,006,335	
U.S. Treasury Notes	AA+	10/15/2014	12,738,577	
U.S. Treasury Notes	AA+	12/15/2014	7,307,986	
U.S. Treasury Notes	AA+	01/15/2015	2,212,073	
U.S. Treasury Notes	AA+	02/15/2015	6,915,127	
U.S. Treasury Notes	AA+	03/15/2015	1,373,265	
U.S. Treasury Notes	AA+	03/15/2015	9,161,781	
U.S. Treasury Notes	AA+	06/30/2015	3,422,094	
U.S. Treasury Notes	AA+	09/30/2015	3,462,689	
U.S. Treasury Notes	AA+	01/15/2016	274,828	
U.S. Treasury Notes	AA+	04/30/2016	7,114,902	
U.S. Treasury Notes	AA+	06/30/2016	4,658,721	
U.S. Treasury Notes	AA+	06/30/2016	4,857,308	
U.S. Treasury Notes	AA+	06/30/2016	6,279,612	
U.S. Treasury Notes	AA+	08/31/2016	6,639,806	
			<u>83,095,731</u>	45.00%
Corporate Notes				
General Electric Cap Corp Global Notes	AA+	07/02/2015	7,103,082	
JP Morgan & Chase & Co. Global Notes	A	10/15/2015	5,009,570	
Walt Disney Co. Global Notes	A	12/01/2015	1,064,394	
Bank of New York Mellon	A+	01/15/2016	5,169,565	
John Deere Capital Corp. Global Notes	A	01/22/2016	1,498,840	
Caterpillar Financial SE Notes	A	02/26/2016	1,164,632	
Apple Inc. Global Notes	AA+	05/03/2016	1,876,778	
Toyota Motor Credit Corp.	AA-	05/17/2016	1,798,421	
Wells Fargo & Company (Floating)	A+	07/20/2016	3,613,018	
			<u>28,298,300</u>	15.33%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(3) Cash and Investments (a) (Continued):

	S & P Rating	Maturity Date	Fair Value	% of Portfolio
Municipal Bonds				
Regional Trans Auth, IL Revenue Bonds	AA	06/01/2014	3,374,954	
Univ. of California Taxable Revenue Bonds	AA	05/15/2015	598,956	
Minnesota State Tax-exempt GO Bonds	AA+	08/01/2015	444,624	
Univ. of California Taxable Revenue Bonds	AA	05/15/2016	349,297	
Minnesota State Tax-exempt GO Bonds	AA+	08/01/2016	460,012	
			<u>5,227,843</u>	2.83%
Florida State Board of Administration Pool				
Florida PRIME	AAAm		6,149,472	
Fund B	NR		<u>257,027</u>	
			6,406,499	3.47%
Fixed Income Money Market Fund				
Federated Government Obligations	NR		<u>124,432</u>	0.07%
TOTAL INVESTMENTS			<u>\$ 184,629,757</u>	100.00%

(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, 2013, was 1.72 years. The weighted average days to maturity of the Florida PRIME at September 30, 2013, was 44 days. The next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life of Fund B assets at September 30, 2013, was 4.04 years, however, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

A summary of the maximum allowed duration of each investment type to the District's investment policy follows:

<u>Description of Investment</u>	<u>Maturity Duration</u>
Florida PRIME & Fund B	N/A
U.S. Government Securities	<5 years
U.S. Government Agencies	<5 years
Federal Instrumentalities	<5 years
Interest-Bearing Time Deposit or Savings Accounts (Savings)	<1 year
State/Local Government Taxable/Tax-Exempt Debt (Municipal)	<5 years
Registered Investment Company (Money Market Mutual Funds)	<60 days
Repurchase Agreements	<90 days
Commercial Paper	<270 days
Corporate Notes	<5 years

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

As of September 30, 2013, the District had the following investments and maturities:

	Fair Value	Investment Maturity (in years)		
		Less than 1 year	1–3 year	3–5 years
Federal Instrumentalities	\$61,476,952	\$16,133,777	\$45,343,175	\$ -
U.S. Treasury Securities	83,095,731	6,676,962	76,418,769	-
Corporate Notes	28,298,300	-	28,298,300	-
Municipal Bonds	5,227,843	3,374,954	1,852,889	-
Florida PRIME & Fund B	6,406,499	6,149,472	-	257,027
Money Market Fund	124,432	124,432	-	-
TOTAL INVESTMENTS	\$184,629,757	\$32,459,597	\$151,913,133	\$ 257,027

- (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, 2013.

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 Securities and Exchange Commission (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. Neither the Florida PRIME or Fund B is required to register with the SEC.

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 1.13262284 at September 30, 2013.

- (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%; state and/or local government taxable and/or tax-exempt debt (municipal bond) to 10%; interest-bearing time deposit or savings account and mortgage-backed securities to 15%, U.S. government agencies, registered investment companies (money market mutual funds) and repurchase agreements to 25%; federal instrumentalities to 40%; and limiting the maximum allowable amount invested in each security type as shown in the summary on the following page. The District’s investment strategy is to maintain diversification.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

A Cash and Investments summary of the authorized investments of the District including the year end exposure amount and percentage, the maximum exposure percentage experienced during the fiscal year and the maximum allowed percentage of each security type follows:

<u>Compliance Guideline</u>	<u>Sector Guideline Exposures</u>			
	<u>% of Available Funds</u>			
	<u>Exposure to specific Guideline</u>	<u>Year end Exposure %</u>	<u>Maximum During Year</u>	<u>Policy</u>
U.S. Government Securities	\$ 83,095,731	45.00%	47.10%	100%
U.S. Government Agencies	-0-	N/A	N/A	50%
Federal Instrumentalities	61,476,952	33.30%	40.83%	80%
Savings Accounts	-0-	N/A	N/A	25%
Municipal Bond	5,227,843	2.83%	2.92%	25%
Mortgage-Backed Securities	-0-	N/A	N/A	20%
Money Market Funds	124,432	0.07%	10.16%	50%
Repurchase Agreements	-0-	N/A	N/A	50%
Commercial Paper	-0-	N/A	8.07%	25%*
Corporate Notes	28,298,300	15.33%	15.82%	25%*
Florida PRIME & Fund B	<u>6,406,499</u>	<u>3.47%</u>	4.05%	25%
Subtotal Investments	184,629,757	<u>100.00%</u>		
Cash Checking Accounts	<u>15,321,886</u>			
Total Cash and Investments	<u>\$199,951,643</u>			

*The maximum aggregate amount of corporate notes and commercial paper will not exceed 40%.

- (e) **Portfolio Return** — A five year summary of the District's total annual investment portfolio return, including a three and five year average of the total annual investment return (reported in percentages and gross of Investment Management Fees) and a percentage comparison to the District investment policy benchmark follows:

Investment Portfolio Performance

Fiscal Year 2009 to Fiscal Year 2013

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>3 – Year Average</u>	<u>5 – Year Average</u>
Investment Portfolio—Operating Fund	5.35	2.36	1.21	0.97	0.43	0.87	2.06
Policy Benchmark*	3.46	2.53	1.20	0.56	0.37	0.71	1.67

*(Merrill Lynch 1-3 year US Treasury Note Index)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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(4) Capital Assets:

(a) Capital asset activity for the year ended September 30, 2013, was as follows:

	<u>Balance at Oct. 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 9/30/13</u>
Capital assets, not being depreciated:				
Land	\$ 821,901,267	\$ 5,855,292	\$ (368,573)	\$ 827,387,986
Easements	162,943,148	2,263,036	-	165,206,184
Construction in progress	1,132,641	3,140,771	(1,854,838)	2,418,574
Total capital assets, not being depreciated	<u>985,977,056</u>	<u>11,259,099</u>	<u>(2,223,411)</u>	<u>995,012,744</u>
Capital assets, being depreciated:				
Buildings	36,587,365	244,728	-	36,832,093
Infrastructure	161,961,273	5,461,638	-	167,422,911
Machinery and equipment	35,787,078	1,716,235	(1,822,605)	35,680,708
Other depreciable assets	4,939,394	-	-	4,939,394
Total capital assets, being depreciated	<u>239,275,110</u>	<u>7,422,601</u>	<u>(1,822,605)</u>	<u>244,875,106</u>
Less accumulated depreciation for:				
Buildings	(12,607,492)	(928,454)	-	(13,535,946)
Infrastructure	(43,756,843)	(5,430,709)	-	(49,187,552)
Machinery and equipment	(28,232,176)	(2,552,405)	1,794,348	(28,990,233)
Other depreciable assets	(4,660,439)	(268,352)	-	(4,928,791)
Total accumulated depreciation	(89,256,950)	(9,179,920)	1,794,348	(96,642,522)
Capital assets being depreciated, net	<u>150,018,160</u>	<u>(1,757,319)</u>	<u>(28,257)</u>	<u>148,232,584</u>
Governmental activities capital assets, net	<u>\$1,135,995,216</u>	<u>\$ 9,501,780</u>	<u>\$ (2,251,668)</u>	<u>\$1,143,245,328</u>

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

Operation and maintenance of lands and works	\$ 7,983,114
District management and administration	1,196,806
Total depreciation expense	<u>\$ 9,179,920</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, *Florida Statutes*, that mitigation to offset adverse effects of transportation projects be funded by the Florida Department of Transportation and carried out by the water management districts. To comply with this statute, the District periodically acquires lands through various grant programs such as Florida Forever, Ecosystems Management and Water Management Lands Trust Funds, with the intent of utilizing these lands for future mitigation of transportation projects as identified by the Department of Transportation. This results in the District being reimbursed by the Department of Transportation for land originally purchased with non-mitigation revenue sources. When the District receives mitigation monies for lands originally purchased with non-mitigation revenue sources, the mitigation monies received revert to the original funding source used to purchase the land, and all restrictions associated with the original funding source apply. The District is required to expend these monies within one year of receipt.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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(4) Capital Assets (b) (Concluded):

In fiscal year 2012-2013, the District expended \$464,504 on qualifying restoration activities on the Fellsmere Water Management Area, which was the September 30, 2012 ending fund balance in the Florida Forever fund. The District received funds from local sources for the sale of easements and land on the following properties: Growers Precooler property, \$72,100; Lust Farms property, \$67,900; Inlet Groves property, \$8,750; Moses Creek property, \$5,200; and Union Camp property, \$2,618; leaving an unspent balance of \$156,568 in the Florida Forever Fund.

(5) Commitments:

Encumbrances of Fund Balance — The District has committed and assigned fund balances for obligations that were executed in fiscal year 2012-2013, but will be expended in the next fiscal year. The \$4.7 million in encumbrances below (\$2,130,119 of fund balance and \$2,619,160 of future resources) represent contracts that were expected to be expended in fiscal year 2012-2013, but are now expected to be expended in fiscal year 2013-2014. These encumbrances will be added to the adopted fiscal year 2013-2014 budget, therefore, increasing the \$135.6 million adopted fiscal year 2013-2014 budget by \$4.7 million to a final adopted budget of \$140.3 million.

These commitments and assignments of fund balance are in the form of contracts, agreements, grants to local governments, memorandums of understanding, memorandums of agreement and purchase orders and the totals by fund are as follows:

General Fund	\$ 1,206,270
Capital Projects Fund	836,778
Water Protection and Sustainability Fund	<u>87,071</u>
Total	<u><u>\$ 2,130,119</u></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, memorandums of agreement and purchase orders and the totals by fund are as follows:

	<u>Funding Source</u>		<u>Total</u>
	<u>State</u>	<u>Federal</u>	
Special Revenue Funds			
Ecosystems Management Trust Fund	\$ 632,301	\$ -	\$ 632,301
Water Protection and Sustainability Fund	87,072	-	87,072
State Grants Fund	1,414,056	-	1,414,056
Mitigation Fund	309,061	-	309,061
Special Revenue Funds-Other Fund	4,491	-	4,491
Federal Grants Fund	<u>-</u>	<u>172,179</u>	<u>172,179</u>
Total	<u><u>\$ 2,446,981</u></u>	<u><u>\$ 172,179</u></u>	<u><u>\$ 2,619,160</u></u>

The committed future resources of the Ecosystems Management Trust fund of \$632,301, Mitigation fund of \$309,061 and Special Revenue Funds – Other fund of \$4,491 are from unearned revenues advanced to the District by the Florida Department of Environmental Protection, the Florida Department of transportation and other local sources.

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(6) Unearned Revenue:

The District has unearned revenue in the form of advance payments from various public agencies for which the District has unmet eligibility requirements other than timing. While the measurement focus and basis of accounting are different for the government-wide and governmental fund level statements, the revenue recognition rules for each when applied to these advance payments result in no timing differences regarding revenue recognition. The various components of unearned revenue reported in both the government-wide and governmental funds are as follows:

<u>Fund</u>	<u>Funding Source</u>	<u>Amount</u>
Ecosystems Management Trust	State – Ecosystems Management Trust	\$ 5,535,740
State Grants	State – Resolution 2000-24	55,153
Mitigation	State – FDOT Mitigation	4,382,168
Special Revenue Funds – Other	Local – Counties	175,790
	Local – Water Management Districts	29,167
	Local – Cities	169,790
	Local – Other	155,108
Total		<u>\$ 10,502,916</u>

(7) 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 temporary loans listed below are from the General Fund to the various Special Revenue Funds for expenditures requiring reimbursements from the following grantors: \$2,175,952, Florida Department of Environmental Protection; and \$404,192, Federal Sources. A summary of interfund balances at year-end is as follows:

<u>Receivable Funds</u>	<u>Amount</u>	<u>Payable Funds</u>	<u>Purpose</u>
Major Funds:			
General Fund	\$ 15,035	Ecosystems Management Trust Fund	Temporary Loan
General Fund	2,160,917	State Grants Fund	Temporary Loan
General Fund	404,192	Federal Grants Fund	Temporary Loan
Total All Funds	<u>\$ 2,580,144</u>		

The District makes routine transfers among its funds during the fiscal year. The principle purpose of the transfers are to allocate resources for capital projects and to provide operating subsidies and reimburse the General Fund for indirect costs. These transfers are consistent with the activities of the funds involved.

The \$125,985 transfer from the Mitigation Fund to the General Fund is to reimburse for administration expenses associated with land acquisitions, land management and restoration expenditures associated with Florida Department of Transportation mitigation projects. The \$125,646 transfer from the State Grants Fund to the General Fund is to reimburse for indirect costs associated with State grants. The \$8,750 transfer from the Mitigation Fund to the Florida Forever Fund is to move the funds received for local mitigation to the fund of the original land acquisition. The \$41,748 transfer from the Federal Grants Fund to the General Fund is to reimburse for indirect costs of federal grants. The \$4,968 transfer from Special Revenue Funds – Other Fund to the General Fund was to reimburse for indirect costs of local grants. The \$53 transfer from the General Fund to the State Grants Fund was to correct the state grant expenditures at final invoicing. A summary of interfund transfers is as follows:

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(7) Interfund Balances and Activities (Concluded):

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 125,985	Mitigation Fund
General Fund	125,646	State Grants Fund
General Fund	41,748	Federal Grants Fund
General Fund	4,968	Special Revenue Funds - Other Fund
Total General Fund	<u>298,347</u>	
Non-major Funds:		
Florida Forever Fund	8,750	Mitigation Fund
State Grants Fund	53	General Fund
Total Non-major Funds	<u>8,803</u>	
Total All Funds	<u>\$ 307,150</u>	

(8) 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. This year's OPEB report is a "roll-forward" of the results from the full valuation for the year ending September 30, 2012, as permitted by GASB 45.

(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, 2013, membership consisted of:

Active employees	544
Inactive employees	<u>40</u>
Total	584

(d) Funding Policy: The District contributes one-half the premium for current retired employees between the ages of 62 and 65, but has closed this benefit to new retirees effective October 1, 2012, and the state of Florida's Division of Retirement contributes each month \$5 for each year of service, up to

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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(8) Other Post-Employment Benefits (OPEB) (d) (Continued):

\$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, 2013, retired employees directly contributed \$25,536 to the plan. For retired employees, the District contributed \$103,087 and the state of Florida's Division of Retirement contributed \$209,655 through a pension deduction and the above mentioned Florida Division of Retirement subsidy. For active employees, the District contributed \$6,061,590 and the employees contributed \$1,328,924. The District also contributed \$151,907 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, 2012, 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, 2013. The District's annual OPEB cost (expense) of \$569,486 was reduced by the assumed contributions of \$467,857, which netted an increase of \$101,629 in the net OPEB obligation. The following table shows the calculation of the Annual Required Contribution and Net OPEB Obligation:

	For the Fiscal Year Ending	
	<u>September 30, 2012</u>	<u>September 30, 2013</u>
Determination of Annual Required Contribution:		
Normal cost at year-end	\$ 290,461	\$ 302,079
Amortization of Unfunded Actuarial Liability	<u>340,033</u>	<u>351,606</u>
Annual Required Contribution (ARC)	<u>630,494</u>	<u>653,685</u>
Determination of Net OPEB Obligation:		
ARC	630,494	653,685
Interest on prior year Net OPEB Obligation	135,743	140,261
<i>Adjustment to ARC</i>	<u>(212,327)</u>	<u>(224,460)</u>
Annual OPEB Cost	553,910	569,486
Contributions made	<u>(440,958)</u>	<u>(467,857)</u>
Increase in Net OPEB Obligation	112,952	101,629
Net OPEB Obligation – beginning of year	<u>3,393,571</u>	<u>3,506,523</u>
Net OPEB Obligation – end of year	<u>\$ 3,506,523</u>	<u>\$ 3,608,152</u>

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

<u>Fiscal</u>	<u>Discount</u>	<u>Annual</u>	<u>Percentage of</u>	<u>Net OPEB</u>
<u>Year Ended</u>	<u>Rate</u>	<u>OPEB Cost</u>	<u>OPEB Cost</u>	<u>Obligation</u>
			<u>Contributed</u>	
9/30/2011	4.00%	\$1,088,969	18.5%	\$3,393,571
9/30/2012	4.00%	\$ 553,910	79.6%	\$3,506,523
9/30/2013	4.00%	\$ 569,486	82.2%	\$3,608,152

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(8) Other Post-Employment Benefits (OPEB) (e) (Concluded):

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liabilities AAL	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/2010	\$0	\$8,147,566	\$8,147,566	0.0%	\$46,586,131	17.49%
10/01/2011	\$0	\$5,434,667	\$5,434,667	0.0%	\$49,272,000	11.03%
10/01/2012	\$0	\$5,492,824	\$5,492,824	0.0%	\$37,934,636	14.48%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear, comparative trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. While the District has not established an irrevocable trust fund or equivalent arrangement to accumulate assets to cover the unfunded actuarial accrued liability, it is paying into the state of Florida's Division of Retirement Services (FRS) an amount on a bi-monthly basis established to cover the future FRS contributions and paying one-half the monthly premiums on retirees between the ages of 62 and 65 until fiscal year 2014-2015. 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, 2012, 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 6.1%, decreasing each year until it reaches an ultimate rate of 5.9% in 2019. 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, 2013, was 24 years.

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(9) Long-Term Obligations:

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

Bonds Payable from Governmental Activities:

	Remaining Interest Rates	Principal
Revenue Refunding Bonds, Series 2004, Original issue \$39,005,000	3.25% to 4%	\$ 18,120,000

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)(k) for a summary of the District's leave policies)	\$ 6,351,981
Claims and judgments	2,500,000
Other post-employment benefits	3,608,152
Unamortized bond premium	118,577
Subtotal	<u>\$ 12,578,710</u>
Total Long-Term Obligations	<u>\$ 30,698,710</u>

(b) Pledged Revenues:

The Land Acquisition Revenue Refunding Bonds issued by the District are to provide for the acquisition of environmentally sensitive lands. Principal and interest on the Land Acquisition Bonds are secured by a lien on documentary stamp excise taxes collected statewide by the State of Florida and allocated to the State's five water management districts through the Water Management Lands Trust Fund. The District accounts for debt service transactions in the Debt Service Fund. A summary of the debt issue and related pledge revenue follows:

	Range of Remaining Term	Approximate future principal and interest	Current year revenue received	Current year principal and interest	Principal and interest as % of revenue
Doc Stamp Taxes:	2014-2016	\$19,550,563	\$6,715,383	\$6,517,125	96.76%

(c) Debt service requirements to maturity:

Debt service requirements to maturity on the District's long-term obligations as of September 30, 2013, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Long-Term Obligations and Interest
2014	\$ 5,830,000	\$ 688,363	\$ 6,518,363
2015	6,025,000	491,600	6,516,600
2016	6,265,000	250,600	6,515,600
Total principal & interest	18,120,000	1,430,563	19,550,563
Less interest to be paid	-	(1,430,563)	(1,430,563)
Total principal	18,120,000	-	18,120,000
Deferred amounts	118,577	-	118,577
Totals	<u>\$ 18,238,577</u>	<u>\$ -</u>	18,238,577
Long-term obligations not included above:			
Accrued compensated absences payable			6,351,981
Other post-employment benefits			3,608,152
Claims and judgments			2,500,000
Total long-term obligations			<u>\$ 30,698,710</u>

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

(d) Long-Term Obligations:

Changes in long-term liabilities for the fiscal year ended September 30, 2013, are summarized as follows:

Governmental Activities:	Balance October 1, 2012	Additions	Reductions	Balance September 30, 2013	Due Within One Year
General long-term obligations:					
Revenue bonds payable	\$23,765,000	\$ -	\$ 5,645,000	\$ 18,120,000	\$5,830,000
Deferred: Issuance premiums	158,103	-	39,526	118,577	-
Total revenue bonds payable	23,923,103	-	5,684,526	18,238,577	5,830,000
Accrued compensated absences	6,095,221	3,995,870	3,739,110	6,351,981	423,088
Other post-employment benefits	3,506,523	101,629	-	3,608,152	-
Claims and judgments	2,500,000	-	-	2,500,000	2,500,000
Total governmental activity long-term obligations	<u>\$36,024,847</u>	<u>\$4,097,499</u>	<u>\$ 9,423,636</u>	<u>\$ 30,698,710</u>	<u>\$8,753,088</u>

Interest expense is \$955,965 in the accompanying Statement of Activities for the year ended September 30, 2013.

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>
2014	\$ 395,764
2015	407,485
2016	419,846
2017	432,420
2018	445,421
2019-2021	1,417,674
Total Lease Payments	<u>\$ 3,518,610</u>

Net other post-employment benefit obligations, claims and judgments, and compensated absences are generally liquidated by the general fund.

(10) 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 management, the resolution of these matters will not have a material adverse effect on the financial condition of the District. A \$2.5 million claims and judgments liability has been accrued at the entity wide level and a \$2.5 million commitment of fund balance has been established at governmental fund level to pay for any claims or judgments that may arise.

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(11) Employee Benefits:

Other Post-Employment Benefits — In 1987, the Florida Legislature established through Chapter 112.363, *Florida Statutes*, 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, 2013, 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, 2013, 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, 2013, is 1.2% of payroll for all active employees covered by the FRS. This contribution was added to the amount submitted for retirement contributions and was deposited in a separate trust fund from which the HIS payments are authorized. If these contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

In addition to the HIS, Chapter 112.0801, *Florida Statutes*, 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, 2013, was \$103,619 for 18 retirees. This post-retirement benefit was closed to new participants beginning October 1, 2012.

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, *Florida Statutes*, 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. Regular members who joined the Pension Plan on or after July 1, 2011 are subject to vesting of benefits after eight years of creditable service and eligible for normal retirement after eight years of service and attaining age 65, or 33 years of service regardless of age.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(11) Employee Benefits (Continued):

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 reached the normal retirement date. If an employee reaches normal retirement 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, *Florida Statutes*, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. Retirement coverage is employee noncontributory. The employer pays all contributions. The rates for the Investment Plan are the same as the Pension Plan.

Funding Policy: From October 1, 2012 through June 30, 2013, the District was required to contribute 5.18% for regular annual covered employee's salary, 6.30% for senior management annual covered employee's salary, and 5.44% for employees participating in the Deferred Retirement Option Program. As of July 1, 2013, the District is required to contribute 6.95% for regular annual covered employee's salary, 18.31% for senior management annual covered employee's salary, and 12.84% 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, 2013, 2012 and 2011.

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, 2013, 2012, and 2011, were \$2,225,606, \$1,894,778, and \$4,350,773, respectively. The employees contributed \$346,247 to FRS from July 1, 2011 to September 30, 2011, \$1,043,437 and \$994,870 for fiscal year 2012 and 2013, respectively.

Deferred Compensation — The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all regular payroll District employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen financial emergency. The District ceased matching contributions to the 401a plan as of September 30, 2011. Participation under the 457 plan is solely at the discretion of the employee.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(11) Employee Benefits (Concluded):

As of September 30, 2013, 551 employees and former employees had \$7,805,468 actively invested in the 401a plan. 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.

(12) State Trust Funds:

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

The Water Management Lands Trust Fund (WMLTF) was established in 1981 pursuant to Chapter 373.59, *Florida Statutes*. Funded primarily from a portion of the documentary stamp taxes collected by the state, the non-lapsing 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) pre-acquisition 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. Since fiscal year 2008-2009, the state appropriated only funds needed for the annual debt service payments.

The Florida Forever Trust Fund was established in 2000 pursuant to Chapter 259.1051, *Florida Statutes*. 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.

The Ecosystem Management and Restoration Trust Fund was established in 1996 pursuant to Section 403.1651, *Florida Statutes*. 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 Alternative Water Supply Program (AWS) was established in 2005 pursuant to Chapter 373.1961, *Florida Statutes*. 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(13) 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.

(14) Mitigation Bank Financial Responsibility Assurances:

The District is authorized by Section 373.4136, *Florida Statutes*, 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 site management, 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 fail 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, 2013, the District estimates the value of the financial assurances provided by the various mitigation banks is \$13.4 million.

(15) 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 Fund Balance – 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 items 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, proceeds from the sale of capital assets originally purchased with state and/or federal grant funds 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 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/programs, long-term cooperative agreements, the District's Economic Stabilization Reserve and Monetary Judgments 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/agreement authorized by the District's executive management that are not otherwise restricted or committed.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(15) Fund Balance Disclosure (Continued):

- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories.

Subsequent to year end, the District's Governing Board (January 2014) adopted a formal General Fund Balance Reserve policy to provide sufficient liquidity for operations pending initial property tax distributions, address unforeseen and unexpected events, emergencies, and to offset unexpected downturns in revenues from budgeted estimates, and constrain resources for specific future purposes, as recommended by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting.

The District designates an Operating Liquidity Reserve within the District's fund balances with a target of 10% to 20% of prior year general fund expenditures. This Liquidity Reserve is designated to ensure the ability to provide core services for the District until the initial property tax revenue distributions are available. The target represents between 60 and 90 days of operating cash, and shall be reported as Assigned Fund Balance within the District's fund level financial statements.

The District designates 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 that is reported as Committed Fund Balance. 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 his/her designee may take necessary action as a time sensitive matter in accordance with District Policy 2013-01; 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 are reported as Assigned Fund Balance and may be utilized for other District purposes, including, without limitation, additional capital or cooperative funding expenditures, sinking funds or other purposes. A schedule of District fund balances at September 30, 2013 follows:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(15) Fund Balance Disclosure (Concluded):

Fund Balances:	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total All Funds
<u>Nonspendable:</u>					
Inventories and Prepaid Expenses	\$ 914,668	\$ -	\$ -	\$ -	\$ 914,668
<u>Spendable:</u>					
<u>Restricted for:</u>					
Mitigation Endowment	-	13,225,407	-	-	13,225,407
Debt Service Reserve	-	-	6,454,533	-	6,454,533
Florida Forever	-	156,568	-	-	156,568
Indian River Lagoon License Tag Fees	-	90,154	-	-	90,154
Water Protection and Sustainability	-	13,395,559	-	-	13,395,559
Total Restricted	-	26,867,688	6,454,533	-	33,322,221
<u>Committed for:</u>					
Economic Stabilization Reserve	4,000,000	-	-	-	4,000,000
Potential Adverse Monetary Judgments	2,500,000	-	-	-	2,500,000
Land Management/Acquisition	7,200,000	-	-	-	7,200,000
Central Florida Water Initiative	7,000,000	-	-	-	7,000,000
Flood Protection–Levee/Structure Reha	3,700,000	-	-	-	3,700,000
Indian River Lagoon Protection	13,600,000	-	-	-	13,600,000
Lake Apopka & UORB Restoration	4,300,000	-	-	400,000	4,700,000
Land Management Enhancement	3,400,000	-	-	-	3,400,000
Middle/Lower SJRB Water Quality Imp	2,200,000	-	-	600,000	2,800,000
Minimum Flows & Levels Prevention	2,800,000	-	-	-	2,800,000
North Florida Water Supply Partnership	31,200,000	-	-	-	31,200,000
Springs Protection	8,300,000	-	-	-	8,300,000
Upper St Johns River Basin Restoration	4,300,000	-	-	5,000,000	9,300,000
Cooperative Projects Funding Program	32,000,000	-	-	-	32,000,000
Total Committed	126,500,000	-	-	6,000,000	132,500,000
<u>Assigned for:</u>					
Operating Liquidity Reserve	15,000,000	-	-	-	15,000,000
Bayard Field Station	-	-	-	31,267	31,267
Chiller Air Handler Replace.- Palm Bay	37,764	-	-	-	37,764
Chiller Replacement–District Headquar	147,533	-	-	-	147,533
Facilities Management	142,793	-	-	-	142,793
Fellsmere Water Management Area	-	-	-	865,033	865,033
Field Equipment for Springs Initiative	52,125	-	-	-	52,125
Laboratory Equipment for Springs Int.	37,035	-	-	-	37,035
Lake Apopka– North Shore Restoration	-	-	-	198,000	198,000
North Central FL Groundwater Model	1,324	-	-	-	1,324
Structures & Levees Operations/Maint.	112,932	-	-	-	112,932
Systems Evaluation Middle SJR Basin	54,622	-	-	-	54,622
Vehicles	574,327	-	-	-	574,327
Water Conservation & Demand Manag	32,582	-	-	-	32,582
Water Quality Restoration – Rose Bay	217,451	-	-	-	217,451
Wetland Rehabilitation–Volusia County	13,233	-	-	-	13,233
Total Assigned	16,423,721	-	-	1,094,300	17,518,021
<u>Unassigned:</u>	2,104,987	-	-	-	2,104,987
Totals All Funds	\$145,943,376	\$26,867,688	\$6,454,533	\$ 7,094,300	\$186,359,897

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(16) Implementation of Accounting Standards

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, effective for the District's fiscal year beginning October 1, 2013. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

As a member of FRS, a cost-sharing multi-employer plan, timing for the implementation of this standard by the District is dependent on the state of Florida's implementation, which is currently expected to be for the fiscal year ending June 30, 2015.



***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, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
Ad valorem property taxes	\$ 80,080,790	\$ 80,080,790	\$ 79,630,212
Investment earnings	834,326	834,326	629,901
Regulatory permits	700,000	700,000	1,141,451
Lease and timber sales	1,200,000	1,200,000	1,234,117
Fines and penalties	-	-	11,069
Other	400,000	400,000	107,704
Total revenues	83,215,116	83,215,116	82,754,454
EXPENDITURES			
Water resources planning and monitoring	14,016,056	14,677,560	14,165,950
Acquisition, restoration and public works	23,476,012	23,178,103	17,019,890
Operation and maintenance of lands and works	20,139,506	20,105,726	16,747,533
Regulation	15,031,696	14,971,775	14,025,880
Outreach	1,106,081	1,106,009	896,417
District management and administration	18,992,149	18,932,327	16,418,073
Total expenditures	92,761,500	92,971,500	79,273,743
Excess of revenues over (under) expenditures	(9,546,384)	(9,756,384)	3,480,711
Other financing sources (uses)			
Transfers in	-	-	298,347
Transfers out	(1,925,000)	(1,775,000)	(53)
Sale of capital assets	-	-	268,244
Insurance/FEMA /Arbitrage - recovery	-	-	11,824
Total other financing sources (uses)	(1,925,000)	(1,775,000)	578,362
Net change in fund balance	(11,471,384)	(11,531,384)	4,059,073
Fund balance, beginning of year	141,884,303	141,884,303	141,884,303
Fund balance, end of year	\$ 130,412,919	\$ 130,352,919	\$ 145,943,376

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 – ECOSYSTEMS MANAGEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Ecosystems Management Trust Fund	\$ 2,426,971	\$ 2,426,971	\$ 1,510,190
Total revenues	<u>2,426,971</u>	<u>2,426,971</u>	<u>1,510,190</u>
EXPENDITURES			
Acquisition, restoration and public works	<u>2,426,971</u>	<u>2,426,971</u>	<u>1,510,190</u>
Total expenditures	<u>2,426,971</u>	<u>2,426,971</u>	<u>1,510,190</u>
Excess of revenues over			
(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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 – MITIGATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Transportation	\$ 549,759	\$ 5,635,667	\$ 5,343,587
Local mitigation	-	-	8,750
Total revenues	549,759	5,635,667	5,352,337
EXPENDITURES			
Acquisition, restoration, and public works	195,100	5,253,674	4,847,955
Operation and maintenance of lands and works	354,660	381,993	369,647
Total expenditures	549,760	5,635,667	5,217,602
Excess of revenues over			
 (under) expenditures	-	-	134,735
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(134,735)
Total other financing sources (uses)	-	-	(134,735)
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 – STATE GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Environmental Protection	\$ 1,749,489	\$ 1,855,889	\$ 1,155,268
Resolution 2000–24	9,319	9,319	9,319
Specific appropriations	3,900,000	3,900,000	1,926,975
Federal through state	678,582	678,582	516,103
Other agencies	2,328,000	2,728,000	548,299
State total	8,665,390	9,171,790	4,155,964
Total revenues	8,665,390	9,171,790	4,155,964
EXPENDITURES			
Water resources planning and monitoring	336,603	336,603	230,792
Acquisition, restoration and public works	8,000,787	8,507,187	3,719,775
Operation and maintenance of lands and works	328,000	328,000	79,804
Total expenditures	8,665,390	9,171,790	4,030,371
Excess of revenues over			
(under) expenditures	-	-	125,593
Other financing sources (uses)			
Transfers in	-	-	53
Transfers out	-	-	(125,646)
Total other financing sources (uses)	-	-	(125,593)
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.



Notes to Required Supplemental Information

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2013

Stewardship, Compliance, and Accountability

Budgetary Information — Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States for all governmental funds and may be amended by the District's 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2013

Stewardship, Compliance, and Accountability (Concluded)

Other Post-Employment Benefits (OPEB) — The employer contributions reported on the Schedule of Funding Progress (see page 44) 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>
10/01/2010	\$0	\$8,147,566	\$8,147,566	0.0%	\$46,586,131	17.49%
10/01/2011	\$0	\$5,434,667	\$5,434,667	0.0%	\$49,272,000	11.03%
10/01/2012	\$0	\$5,492,824	\$5,492,824	0.0%	\$37,934,636	14.48%

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>
2011	\$1,088,969	\$201,184	18.47%	\$ 887,785
2012	\$ 553,910	\$440,958	79.61%	\$ 112,952
2013	\$ 569,486	\$467,857	82.15%	\$ 101,629



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.

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.

Water Protection and Sustainability Fund — This fund 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 FY 2005-2006 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.

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 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. 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 and infrastructure. Land purchases are not covered by this fund. General Fund transfers are made to fund the capital projects appropriations, which would otherwise distort the historical comparisons within the General Fund.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Special Revenue Funds				
	Florida Forever	Water Management Lands Trust	Federal Grants	Long-term Maintenance Mitigation	Water Protection & Sustainability
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	214,075	-	-	13,231,908	13,414,460
Accounts and other receivables	-	-	-	-	-
Intergovernmental receivables	-	-	691,733	-	226,034
Total assets	214,075	-	691,733	13,231,908	13,640,494
Liabilities and fund balances					
Liabilities					
Accounts payable	57,507	-	287,541	6,501	244,935
Due to other funds	-	-	404,192	-	-
Unearned revenue	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Total liabilities	57,507	-	691,733	6,501	244,935
Fund balances					
Restricted:	156,568	-	-	13,225,407	13,395,559
Committed:	-	-	-	-	-
Assigned:	-	-	-	-	-
Unassigned:	-	-	-	-	-
Total fund balances	156,568	-	-	13,225,407	13,395,559
Total liabilities and fund balances	\$ 214,075	\$ -	\$ 691,733	\$ 13,231,908	\$ 13,640,494

Indian River Lagoon License Tag Fees	Special Revenue Funds - Other	Special Revenue Funds Total	Debt Service Fund	Capital Projects	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ 1,088,663	\$ -	\$ 1,088,663
272,495	448,440	27,581,378	5,349,910	7,438,688	40,369,976
4,914	-	4,914	16,499	-	21,413
-	180,758	1,098,525	-	-	1,098,525
277,409	629,198	28,684,817	6,455,072	7,438,688	42,578,577
95,384	99,343	791,211	539	344,388	1,136,138
-	-	404,192	-	-	404,192
-	529,855	529,855	-	-	529,855
91,871	-	91,871	-	-	91,871
187,255	629,198	1,817,129	539	344,388	2,162,056
90,154	-	26,867,688	6,454,533	-	33,322,221
-	-	-	-	6,000,000	6,000,000
-	-	-	-	1,094,300	1,094,300
-	-	-	-	-	-
90,154	-	26,867,688	6,454,533	7,094,300	40,416,521
\$ 277,409	\$ 629,198	\$ 28,684,817	\$ 6,455,072	\$ 7,438,688	\$ 42,578,577

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, 2013

	Special Revenue Funds				
	Florida Forever	Water Management Lands Trust	Federal Grants	Long-term Maintenance Mitigation	Water Protection & Sustainability
Revenues					
State	\$ 110,564	\$ 198,258	\$ -	\$ 1,507,295	\$ 315,682
Federal	-	-	1,071,230	-	-
Investment earnings	-	-	-	73,452	-
Cities and counties	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	110,564	198,258	1,071,230	1,580,747	315,682
Expenditures					
Current:					
Water resources planning and monitoring	-	-	21,415	-	-
Acquisition, restoration, and public works	575,068	193,508	940,052	-	631,364
Operation and maint. of lands and works	-	4,750	68,015	6,501	-
Regulation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	575,068	198,258	1,029,482	6,501	631,364
Excess of revenues over (under) expenditures	(464,504)	-	41,748	1,574,246	(315,682)
Other financing sources (uses):					
Transfers in	8,750	-	-	-	-
Transfers out	-	-	(41,748)	-	-
Sale of capital assets	147,818	-	-	-	-
Total other financing sources (uses)	156,568	-	(41,748)	-	-
Net change in fund balances	(307,936)	-	-	1,574,246	(315,682)
Fund balances, beginning of year	464,504	-	-	11,651,161	13,711,241
Fund balances, end of year	\$ 156,568	\$ -	\$ -	\$ 13,225,407	\$ 13,395,559

Indian River Lagoon License Tag Fees	Special Revenue Funds - Other	Special Revenue Funds Total	Debt Service Fund	Capital Projects	Total Non-major Governmental Funds
\$ 150,980	\$ -	\$ 2,282,779	\$ 6,517,125	\$ -	\$ 8,799,904
-	-	1,071,230	-	-	1,071,230
1,632	-	75,084	15,387	-	90,471
-	92,925	92,925	-	-	92,925
-	223,517	223,517	-	-	223,517
152,612	316,442	3,745,535	6,532,512	-	10,278,047
-	225,146	246,561	-	-	246,561
228,775	55,784	2,624,551	-	4,575,462	7,200,013
-	-	79,266	-	-	79,266
-	30,544	30,544	-	-	30,544
-	-	-	5,645,000	-	5,645,000
-	-	-	872,125	-	872,125
228,775	311,474	2,980,922	6,517,125	4,575,462	14,073,509
(76,163)	4,968	764,613	15,387	(4,575,462)	(3,795,462)
-	-	8,750	-	-	8,750
-	(4,968)	(46,716)	-	-	(46,716)
-	-	147,818	-	-	147,818
-	(4,968)	109,852	-	-	109,852
(76,163)	-	874,465	15,387	(4,575,462)	(3,685,610)
166,317	-	25,993,223	6,439,146	11,669,762	44,102,131
\$ 90,154	\$ -	\$ 26,867,688	\$ 6,454,533	\$ 7,094,300	\$ 40,416,521

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, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Environmental Protection	\$ 110,565	\$ 110,565	\$ 110,564
Total revenues	110,565	110,565	110,564
EXPENDITURES			
Acquisition, restoration and public works	575,069	575,069	575,068
Total expenditures	575,069	575,069	575,068
Excess of revenues over			
(under) expenditures	(464,504)	(464,504)	(464,504)
Other financing sources (uses)			
Transfers in	-	-	8,750
Transfers out	-	-	-
Sale of capital assets	-	-	147,818
Total other financing sources (uses)	-	-	156,568
Net change in fund balance	(464,504)	(464,504)	(307,936)
Fund balance, beginning of year	464,504	464,504	464,504
Fund balance, end of year	\$ -	\$ -	\$ 156,568

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, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Environmental Protection	\$ -	\$ 198,258	\$ 198,258
Total revenues	-	198,258	198,258
EXPENDITURES			
Acquisition, restoration and public works	-	193,508	193,508
Operation and maintenance of lands and works	-	4,750	4,750
Total expenditures	-	198,258	198,258
Excess 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 – FEDERAL GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
Federal			
Environmental Protection Agency	\$ 1,352,397	\$ 1,352,397	\$ 989,056
Natural Resources Conservation Service	-	117,650	59,150
Other	25,000	25,000	23,024
Federal total	1,377,397	1,495,047	1,071,230
Total revenues	1,377,397	1,495,047	1,071,230
EXPENDITURES			
Water resources planning and monitoring	168,576	168,576	21,415
Acquisition, restoration and public works	1,183,821	1,183,821	940,052
Operation and maintenance of lands and works	25,000	142,650	68,015
Total expenditures	1,377,397	1,495,047	1,029,482
Excess of revenues over			
 (under) expenditures	-	-	41,748
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(41,748)
Total other financing sources (uses)	-	-	(41,748)
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, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Transportation	\$ -	\$ -	\$ 1,507,295
Investment earnings	10,000	10,000	73,452
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>1,580,747</u>
EXPENDITURES			
Operation and maintenance of lands and works	10,000	10,000	6,501
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>6,501</u>
Excess of revenues over			
 (under) expenditures	<u>-</u>	<u>-</u>	<u>1,574,246</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	1,574,246
Fund balance, beginning of year	<u>11,651,161</u>	<u>11,651,161</u>	<u>11,651,161</u>
Fund balance, end of year	<u><u>\$ 11,651,161</u></u>	<u><u>\$ 11,651,161</u></u>	<u><u>\$ 13,225,407</u></u>

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, 2013

	Budgeted		Actual
	Original	Final	
REVENUES			
State			
Department of Environmental Protection	\$ 422,586	\$ 422,586	\$ 315,682
Total revenues	<u>422,586</u>	<u>422,586</u>	<u>315,682</u>
EXPENDITURES			
Acquisition, restoration and public works	845,172	845,172	631,364
Total expenditures	<u>845,172</u>	<u>845,172</u>	<u>631,364</u>
Excess of revenues over (under) expenditures	<u>(422,586)</u>	<u>(422,586)</u>	<u>(315,682)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(422,586)	(422,586)	(315,682)
Fund balance, beginning of year	<u>13,711,241</u>	<u>13,711,241</u>	<u>13,711,241</u>
Fund balance, end of year	<u><u>\$ 13,288,655</u></u>	<u><u>\$ 13,288,655</u></u>	<u><u>\$ 13,395,559</u></u>

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, 2013

	Budgeted		Actual
	Original	Final	
REVENUES			
State			
Indian River Lagoon license plate	\$ 171,472	\$ 171,472	\$ 150,980
Investment earnings	-	-	1,632
Total revenues	<u>171,472</u>	<u>171,472</u>	<u>152,612</u>
EXPENDITURES			
Acquisition, restoration and public works	<u>272,139</u>	<u>272,139</u>	<u>228,775</u>
Total expenditures	<u>272,139</u>	<u>272,139</u>	<u>228,775</u>
Excess of revenues over (under) expenditures	<u>(100,667)</u>	<u>(100,667)</u>	<u>(76,163)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(100,667)	(100,667)	(76,163)
Fund balance, beginning of year	<u>166,317</u>	<u>166,317</u>	<u>166,317</u>
Fund balance, end of year	<u>\$ 65,650</u>	<u>\$ 65,650</u>	<u>\$ 90,154</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, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
Cities and counties			
Cities	\$ 50,000	\$ 55,784	\$ 55,784
Counties	6,000	43,500	37,141
Cities and counties total	56,000	99,284	92,925
Other			
Water management districts	55,000	156,342	155,832
Other local sources	177,340	209,056	67,685
Other total	232,340	365,398	223,517
Total revenues	288,340	464,682	316,442
EXPENDITURES			
Water resources planning and monitoring	50,000	238,842	225,146
Acquisition, restoration and public works	206,000	175,626	55,784
Regulation	27,340	45,214	30,544
District management and administration	5,000	5,000	-
Total expenditures	288,340	464,682	311,474
Excess of revenues over			
 (under) expenditures	-	-	4,968
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(4,968)
Total other financing sources (uses)	-	-	(4,968)
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 – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Water Management Lands Trust Fund	\$ 6,517,126	\$ 6,517,126	\$ 6,517,125
Investment earnings	-	-	15,387
Total revenues	6,517,126	6,517,126	6,532,512
EXPENDITURES			
Principal	5,645,000	5,645,000	5,645,000
Interest and fiscal charges	871,826	871,826	871,825
Other debt service costs	300	300	300
Total expenditures	6,517,126	6,517,126	6,517,125
Excess of revenues over			
(under) expenditures	-	-	15,387
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	-	15,387
Fund balance, beginning of year	6,439,146	6,439,146	6,439,146
Fund balance, end of year	\$ 6,439,146	\$ 6,439,146	\$ 6,454,533

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, 2013

	Budgeted		
	Original	Final	Actual
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Acquisition, restoration and public works	10,324,964	10,174,964	4,575,462
Total expenditures	10,324,964	10,174,964	4,575,462
Excess of revenues over (under) expenditures	(10,324,964)	(10,174,964)	(4,575,462)
Other financing sources (uses)			
Transfers in	1,925,000	1,775,000	-
Transfers out	-	-	-
Total other financing sources (uses)	1,925,000	1,775,000	-
Net change in fund balance	(8,399,964)	(8,399,964)	(4,575,462)
Fund balance, beginning of year	11,669,762	11,669,762	11,669,762
Fund balance, end of year	\$ 3,269,798	\$ 3,269,798	\$ 7,094,300



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 District's comprehensive annual financial report presents detailed information to provide context to understand what the information presented in the financial statements, note disclosures, and required supplemental information says about the District's overall financial health.

Contents

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

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

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

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

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

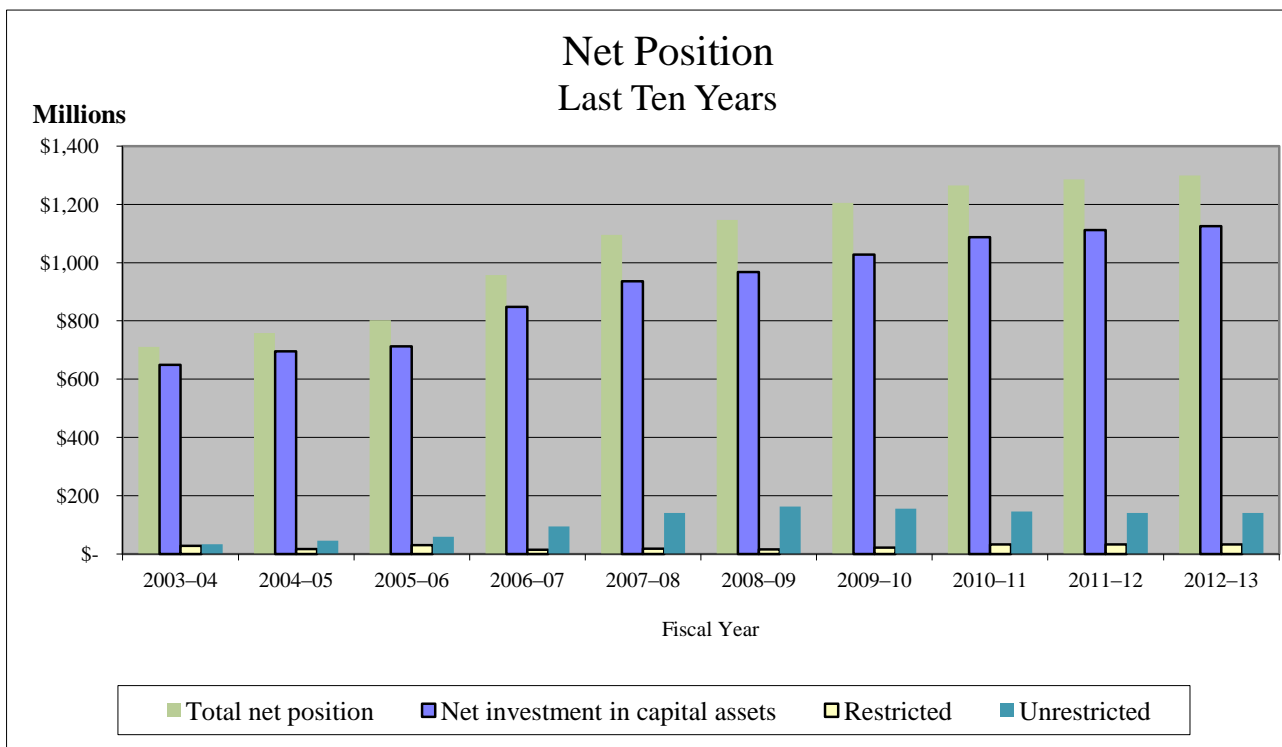
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.



Financial Trends

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

	2003-04	2004-05	2005-06	2006-07	2007-08
Governmental activities					
Net investment in capital assets	\$ 649,781,237	\$ 695,485,819	\$ 712,487,535	\$ 847,938,851	\$ 935,496,518
Restricted	27,609,597	16,876,740	30,706,894	14,432,348	18,621,314
Unrestricted	33,067,721	45,951,583	59,573,371	95,094,987	141,530,441
Total net position, governmental activities	\$ 710,458,555	\$ 758,314,142	\$ 802,767,800	\$ 957,466,186	\$ 1,095,648,273



<u>2008–09</u>	<u>2009–10</u>	<u>2010–11</u>	<u>2011–12</u>	<u>2012–13</u>
\$ 968,109,402	\$ 1,027,438,251	\$ 1,086,938,685	\$ 1,112,241,722	\$ 1,125,006,751
15,588,704	21,531,338	33,005,869	32,804,322	33,148,716
<u>162,317,143</u>	<u>156,160,128</u>	<u>145,222,829</u>	<u>140,860,620</u>	<u>140,577,543</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>	<u><u>\$ 1,285,906,664</u></u>	<u><u>\$ 1,298,733,010</u></u>

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

	2003-04	2004-05	2005-06	2006-07
Expenses:				
Water resources planning and monitoring	\$ 14,937,632	\$ 14,859,673	\$ 16,867,083	\$ 17,168,733
Acquisition, restoration and public works	38,741,724	39,741,922	55,406,698	71,247,250
Operation and maintenance of land and works	17,735,027	18,969,285	19,895,374	21,677,617
Regulation	11,835,126	13,305,074	14,900,042	16,969,140
Outreach	4,219,761	4,610,782	4,145,257	5,347,966
District management and administration	24,773,664	26,626,913	29,335,082	40,943,492
Interest on long-term debt	4,122,543	1,403,866	2,455,190	2,090,959
Total expenses	116,365,477	119,517,515	143,004,726	175,445,157
Program revenues:				
Charges for services:				
Regulatory permitting	2,909,628	3,491,770	4,627,038	3,914,456
Operations and land management	-	1,452,750	2,975,175	1,391,832
Operating grants and contributions	23,538,750	16,337,336	34,326,985	42,960,577
Capital grants and contributions	17,570,886	40,240,212	23,078,231	105,772,582
Total program revenues	44,019,264	61,522,068	65,007,429	154,039,447
Net (expense)/ revenue	(72,346,213)	(57,995,447)	(77,997,297)	(21,405,710)
General revenues and other changes in net position				
Taxes	88,478,126	99,042,154	115,864,922	143,018,871
Unrestricted earnings on investments	1,170,862	2,291,984	5,116,150	8,558,259
Gain(loss) on sale of capital assets	40,205	950,826	1,190,419	24,424,763
Miscellaneous	300,015	1,163,577	279,464	102,203
Total general revenues and other changes in net position	89,989,208	103,448,541	122,450,955	176,104,096
Change in net position	\$ 17,642,995	\$ 45,453,094	\$ 44,453,658	\$ 154,698,386

2007–08	2008–09	2009–10	2010–11	2011–12	2012–13
\$ 16,684,663	\$ 19,442,113	\$ 17,531,746	\$ 15,524,373	\$ 11,695,698	\$ 13,955,220
81,613,153	80,833,949	63,183,862	33,110,658	27,605,019	22,903,593
24,104,108	23,325,492	24,064,175	23,241,335	20,414,644	24,134,473
17,516,548	18,347,155	17,548,909	17,629,095	13,391,590	14,145,560
5,066,235	4,972,162	3,594,555	2,988,580	942,373	904,300
22,004,507	30,986,501	31,514,536	31,156,428	24,425,597	17,289,120
1,903,361	1,747,117	1,577,063	1,408,335	1,001,946	955,965
168,892,575	179,654,489	159,014,846	125,058,804	99,476,867	94,288,231
3,106,679	1,742,275	1,461,708	1,700,317	1,155,765	1,152,520
1,796,712	1,719,299	1,162,611	1,593,119	1,060,208	1,234,117
43,129,040	55,036,822	38,166,419	19,002,122	18,106,785	14,206,955
99,792,164	25,116,714	47,631,576	49,169,451	15,901,918	10,062,697
147,824,595	83,615,110	88,422,314	71,465,009	36,224,676	26,656,289
(21,067,980)	(96,039,379)	(70,592,532)	(53,593,795)	(63,252,191)	(67,631,942)
145,122,797	138,108,192	124,930,368	111,317,677	82,083,164	79,630,212
6,208,108	7,708,352	4,214,405	2,041,261	1,705,494	720,372
7,742,637	256,274	74,105	90,476	-	-
176,525	333,537	488,122	182,047	202,814	107,704
159,250,067	146,406,355	129,707,000	113,631,461	83,991,472	80,458,288
\$ 138,182,087	\$ 50,366,976	\$ 59,114,468	\$ 60,037,666	\$ 20,739,281	\$ 12,826,346

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

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
General fund				
Nonspendable	\$ 457,197	\$ 474,335	\$ 594,045	\$ 631,760
Restricted	-	-	-	-
Committed	22,661,218	18,323,875	28,213,176	65,515,700
Assigned	344,334	296,607	347,886	535,620
Unassigned	9,604,169	1,140,435	571,099	5,831,564
Total general fund	<u>33,066,918</u>	<u>20,235,252</u>	<u>29,726,206</u>	<u>72,514,644</u>
All other governmental funds				
Restricted:				
Special revenue funds	6,622,761	36,433,974	48,585,636	49,763,604
Debt service fund	6,999,563	6,427,530	6,538,829	6,598,759
Committed:				
Capital projects fund	20,923,530	7,609,699	14,141,466	-
Assigned:				
Capital projects fund	<u>2,159,319</u>	<u>374,464</u>	<u>1,666,613</u>	<u>2,502,183</u>
Total all other governmental funds	<u>36,705,173</u>	<u>50,845,667</u>	<u>70,932,544</u>	<u>58,864,546</u>
Total fund balances	<u><u>\$ 69,772,091</u></u>	<u><u>\$ 71,080,919</u></u>	<u><u>\$ 100,658,750</u></u>	<u><u>\$ 131,379,190</u></u>

<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
\$ 518,193	\$ 510,034	\$ 632,775	\$ 532,773	\$ 591,701	\$ 914,668
-	-	-	-	-	-
95,958,588	111,196,633	123,630,887	128,147,398	124,302,980	126,500,000
306,647	1,030,388	796,787	2,124,416	525,224	16,423,721
13,149,204	29,245,723	15,589,493	12,623,284	16,464,398	2,104,987
<u>109,932,632</u>	<u>141,982,778</u>	<u>140,649,942</u>	<u>143,427,871</u>	<u>141,884,303</u>	<u>145,943,376</u>
52,055,973	41,071,427	42,205,381	26,328,999	25,993,223	26,867,688
6,306,030	6,307,140	6,359,777	6,406,625	6,439,146	6,454,533
-	-	-	13,088,051	11,508,890	6,000,000
<u>2,814,069</u>	<u>1,100,000</u>	<u>1,329,574</u>	<u>-</u>	<u>160,872</u>	<u>1,094,300</u>
<u>61,176,072</u>	<u>48,478,567</u>	<u>49,894,732</u>	<u>45,823,675</u>	<u>44,102,131</u>	<u>40,416,521</u>
<u>\$ 171,108,704</u>	<u>\$ 190,461,345</u>	<u>\$ 190,544,674</u>	<u>\$ 189,251,546</u>	<u>\$ 185,986,434</u>	<u>\$ 186,359,897</u>

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

	2003-04	2004-05	2005-06	2006-07
Revenues:				
Taxes	\$ 88,478,126	\$ 99,042,154	\$ 115,864,922	\$ 143,018,871
State	33,176,714	52,883,314	49,051,089	137,975,154
Federal	4,504,605	929,488	1,459,893	3,661,398
Investment earnings	1,170,863	2,291,984	5,116,150	8,558,259
Local mitigation	497,593	295,989	54,718	2,185,364
Licenses and permits	2,909,628	3,491,770	3,593,279	3,357,891
Cities and counties	683,113	974,475	685,815	842,572
Other local	707,709	1,044,282	980,507	1,303,390
Land management	981,939	1,452,750	2,975,175	1,391,832
Miscellaneous revenue	220,106	410,149	1,313,223	658,768
Total revenues	<u>133,330,396</u>	<u>162,816,355</u>	<u>181,094,771</u>	<u>302,953,499</u>
Expenditures:				
Water resources planning and monitoring	15,086,163	15,260,660	16,966,367	17,338,510
Acquisition, restoration and public works	53,818,033	82,093,251	65,735,659	186,009,297
Operation and maintenance of land and works	13,704,035	15,065,380	15,891,333	15,613,635
Regulation	11,746,695	13,153,780	14,779,607	16,608,017
Outreach	4,228,978	4,589,650	4,130,964	5,299,861
District management and administration	26,144,218	28,049,668	31,073,113	33,953,085
Debt service:				
Principal retirement	3,670,000	4,505,000	4,355,000	4,525,000
Interest and fiscal charges	3,329,563	1,681,517	2,064,450	1,893,750
Other - cost of issuance	-	675,663	-	-
Total expenditures	<u>131,727,685</u>	<u>165,074,569</u>	<u>154,996,493</u>	<u>281,241,155</u>
Excess of revenues over(under) expenditures	1,602,711	(2,258,214)	26,098,278	21,712,344
Other financing sources (uses):				
Transfers in	7,199,094	55,306,725	77,017,913	39,170,977
Transfers out	(7,199,094)	(55,306,725)	(77,017,913)	(39,170,977)
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	5,407,568	507,521	2,231,569	8,749,956
Insurance/ FEMA - loss recovery	-	753,428	1,247,984	258,140
Total other financing sources (uses)	<u>5,407,568</u>	<u>1,164,549</u>	<u>3,479,553</u>	<u>9,008,096</u>
Net change in fund balances	<u>\$ 7,010,279</u>	<u>\$ (1,093,665)</u>	<u>\$ 29,577,831</u>	<u>\$ 30,720,440</u>
Debt service as a percentage of noncapital expenditures	6.10%	5.21%	4.70%	4.12%

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
\$ 145,122,797	\$ 138,108,192	\$ 124,930,368	\$ 111,317,677	\$ 82,083,164	\$ 79,630,212
132,949,884	67,187,487	61,237,748	29,739,031	18,358,377	19,809,645
4,706,562	3,496,518	3,070,006	9,507,599	1,813,621	1,071,230
6,208,108	7,708,353	4,214,405	2,041,261	1,705,494	720,372
1,064,233	92,034	89,453	-	58	8,750
2,322,017	1,539,179	1,254,133	1,571,181	1,150,280	1,141,451
821,525	756,858	834,729	56,330	-	92,925
3,296,423	1,467,655	375,602	73,608	94,707	223,517
1,796,712	1,742,275	1,162,611	1,593,119	1,060,208	1,234,117
961,187	513,658	695,697	311,183	208,299	118,773
299,249,448	222,612,209	197,864,752	156,210,989	106,474,208	104,050,992
17,004,052	19,573,417	17,831,132	15,875,904	11,870,469	14,643,303
179,840,632	103,383,143	105,468,801	68,012,187	42,959,409	34,297,823
17,602,973	16,575,241	16,492,021	15,319,751	12,955,727	17,276,250
17,352,936	17,949,435	17,452,002	18,025,323	13,311,975	14,056,424
5,055,126	4,917,846	3,647,805	3,100,368	935,412	896,417
35,263,176	34,910,348	34,071,764	30,821,505	21,460,015	16,418,073
4,725,000	4,880,000	5,045,000	5,315,000	5,475,000	5,645,000
1,694,125	1,542,213	1,372,843	1,201,000	1,041,850	872,125
-	-	-	-	-	-
278,538,020	203,731,643	201,381,368	157,671,038	110,009,857	104,105,415
20,711,428	18,880,566	(3,516,616)	(1,460,049)	(3,535,649)	(54,423)
12,802,535	3,455,254	5,876,998	27,848,862	12,825,762	307,150
(12,802,535)	(3,455,254)	(5,876,998)	(27,848,862)	(12,825,762)	(307,150)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,943,514	383,885	3,463,807	164,722	207,307	416,062
74,572	88,189	136,138	2,199	63,230	11,824
19,018,086	472,074	3,599,945	166,921	270,537	427,886
\$ 39,729,514	\$ 19,352,640	\$ 83,329	\$ (1,293,128)	\$ (3,265,112)	\$ 373,463
3.65%	3.68%	4.17%	5.39%	7.04%	7.21%



Revenue Capacity

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

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Assessed Property Value (Millions) ¹	\$ 198,408	\$ 220,529	\$ 259,406	\$ 321,225	\$ 361,315
Estimated Just Value (Millions) ²	292,321	326,099	388,827	489,352	543,164
Assessed Value as a Percentage of Just Value	67.9%	67.6%	66.7%	65.6%	66.5%
Millage Levy	0.4620	0.4620	0.4620	0.4620	0.4158

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>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
\$ 345,827	\$ 309,478	\$ 257,787	\$ 257,587	\$ 247,474
546,049	475,693	393,990	380,765	376,856
63.3%	65.1%	65.4%	67.6%	65.7%
0.4158	0.4158	0.4158	0.4158	0.3313

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TAXABLE PROPERTY VALUES AND ESTIMATED
JUST VALUES OF TAXABLE PROPERTY BY COUNTY
FISCAL YEAR 2012–2013

County	<u>Estimated Just Value¹</u>	<u>Taxable Value²</u>	<u>Taxable as Percentage of Just Value</u>
Alachua*	\$16,424,849,530	\$8,056,706,051	49.1%
Baker*	1,545,600,205	730,204,569	47.2%
Bradford*	122,398,659	56,979,626	46.6%
Brevard	43,002,295,084	24,626,876,502	57.3%
Clay	12,423,346,985	7,939,080,171	63.9%
Duval	79,014,360,589	48,085,091,497	60.9%
Flagler	8,967,256,546	6,154,947,640	68.6%
Indian River	17,199,280,006	12,701,808,624	73.9%
Lake*	20,966,758,369	14,757,678,141	70.4%
Marion*	15,226,820,537	9,194,761,114	60.4%
Nassau	8,623,991,989	6,218,151,341	72.1%
Okeechobee*	118,627,828	71,052,212	59.9%
Orange*	56,250,428,295	41,156,593,031	73.2%
Osceola*	163,729,218	103,073,846	63.0%
Putnam*	6,708,145,435	3,321,827,644	49.5%
St. Johns	23,282,795,351	17,009,601,627	73.1%
Seminole	31,635,992,733	23,667,673,779	74.8%
Volusia	35,179,088,848	23,621,987,999	67.1%
Total	<u>\$ 376,855,766,207</u>	<u>\$ 247,474,095,414</u>	<u>65.7%</u>
Florida Total	<u>\$ 1,822,429,900,783</u>	<u>\$ 1,274,129,214,427</u>	<u>69.9%</u>

Source: Florida Department of Revenue. 2013 DR-420 Reports and 2012 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 County taxable value

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
PRINCIPAL TAXPAYERS BY COUNTY
FISCAL YEAR 2012–2013

<u>County</u>	<u>Property Tax Collections</u>	<u>Percentage of Collections</u>
Alachua	\$ 2,577,902	3.24%
Baker	251,296	0.32%
Bradford	18,293	0.02%
Brevard	7,968,861	10.01%
Clay	2,563,141	3.22%
Duval	15,353,964	19.28%
Flagler	2,030,623	2.55%
Indian River	4,082,189	5.13%
Lake	4,750,592	5.97%
Marion	2,942,777	3.70%
Nassau	1,989,635	2.50%
Okeechobee	23,934	0.03%
Orange	13,164,264	16.53%
Osceola	34,601	0.04%
Putnam	1,071,860	1.35%
St. Johns	5,479,842	6.88%
Seminole	7,631,408	9.58%
Volusia	7,695,030	9.66%
Total	\$ 79,630,212	100.00%

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

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Millage Levy	0.4620	0.4620	0.4620	0.4620
Alachua	\$ 2,620,026	\$ 2,826,858	\$ 3,170,486	\$ 3,698,891
Baker	200,253	224,108	258,440	312,027
Bradford	17,502	18,712	21,211	25,504
Brevard	9,892,887	11,309,894	13,851,248	17,522,812
Clay	2,549,041	2,879,023	3,339,041	4,105,037
Duval	16,479,185	17,976,450	20,465,028	23,311,064
Flagler	2,032,921	2,601,920	3,548,985	4,890,528
Indian River	4,848,349	5,445,494	6,372,774	7,977,562
Lake	4,574,389	5,375,081	6,359,023	8,470,737
Marion	3,051,042	3,482,322	3,886,312	4,990,267
Nassau	1,946,076	2,185,732	2,673,425	3,195,766
Okeechobee	25,433	31,334	43,383	51,552
Orange	14,828,812	16,244,689	18,480,069	22,598,990
Osceola	38,608	43,836	47,426	54,037
Polk ¹	476	-	-	-
Putnam	1,132,349	1,321,573	1,414,610	1,829,688
St. Johns	5,633,173	6,388,655	7,786,803	9,886,993
Seminole	8,851,546	9,526,601	10,744,094	13,305,181
Volusia	9,756,059	11,159,872	13,402,564	16,792,235
Total	<u>\$ 88,478,127</u>	<u>\$ 99,042,154</u>	<u>\$ 115,864,922</u>	<u>\$ 143,018,871</u>
Percentage increase of property tax revenues	9.7%	11.9%	17.0%	23.4%

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.

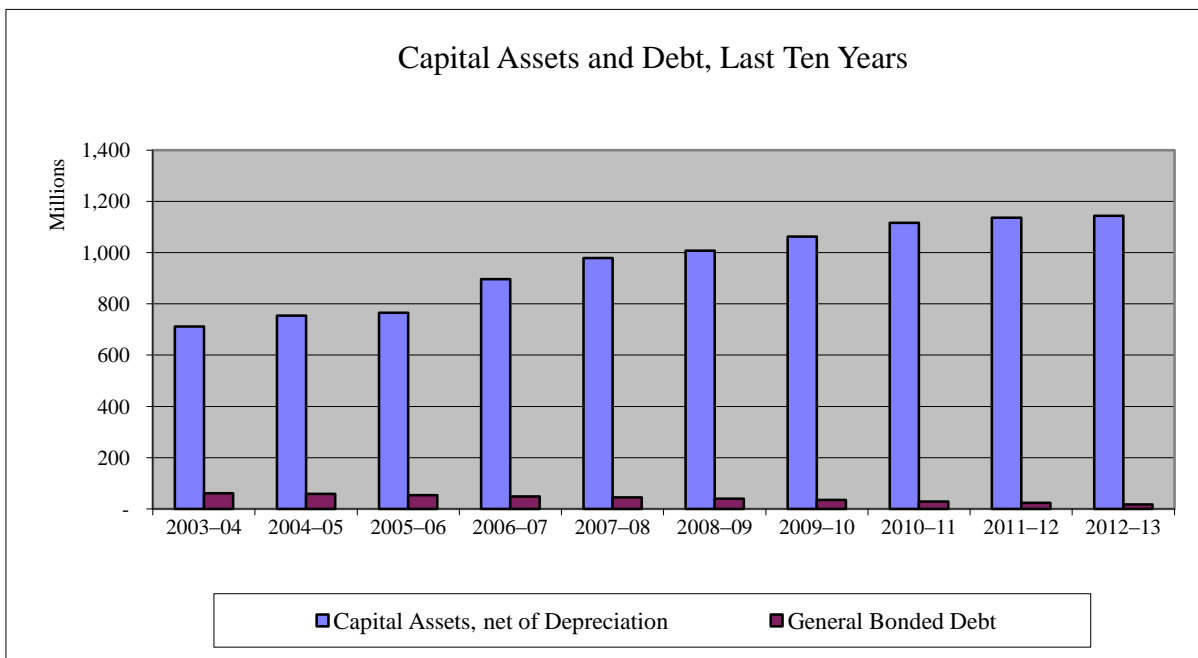
2007-08	2008-09	2009-10	2010-11	2011-2012	2012-2013
0.4158	0.4158	0.4158	0.4158	0.3313	0.3313
\$ 3,764,454	\$ 3,691,898	\$ 3,656,160	\$ 3,497,940	\$ 2,675,170	\$ 2,577,902
332,478	335,454	343,421	340,025	261,829	251,296
27,246	24,980	24,836	24,792	19,178	18,293
16,462,415	15,278,575	13,575,140	11,810,565	8,066,680	7,968,861
4,322,683	4,003,031	3,804,185	3,483,868	2,617,584	2,563,141
24,580,575	24,424,441	23,274,026	21,647,534	16,002,679	15,353,964
4,960,294	4,522,956	3,827,635	3,130,542	2,151,730	2,030,623
7,328,800	7,191,682	6,384,914	5,718,818	4,247,784	4,082,189
8,923,002	8,406,518	7,765,521	6,909,378	5,048,775	4,750,592
5,618,860	5,194,509	4,750,603	4,269,650	3,142,319	2,942,777
3,303,262	3,257,302	3,129,703	2,842,640	2,097,930	1,989,635
54,072	48,457	40,030	34,702	24,052	23,934
23,827,053	23,216,222	20,626,141	17,625,396	13,377,083	13,164,264
51,061	48,835	47,018	43,555	33,031	34,601
-	-	-	-		
1,677,396	1,613,157	1,596,445	1,512,976	1,122,965	1,071,860
9,800,861	9,488,809	8,329,791	7,397,412	5,659,490	5,479,842
13,534,562	12,828,954	11,384,313	10,314,040	7,745,493	7,631,408
16,553,723	14,532,412	12,370,486	10,713,844	7,789,392	7,695,030
\$ 145,122,797	\$ 138,108,192	\$ 124,930,368	\$ 111,317,677	\$ 82,083,164	\$ 79,630,212
1.5%	-4.8%	-9.5%	-10.9%	-26.3%	-3.0%



Debt Capacity

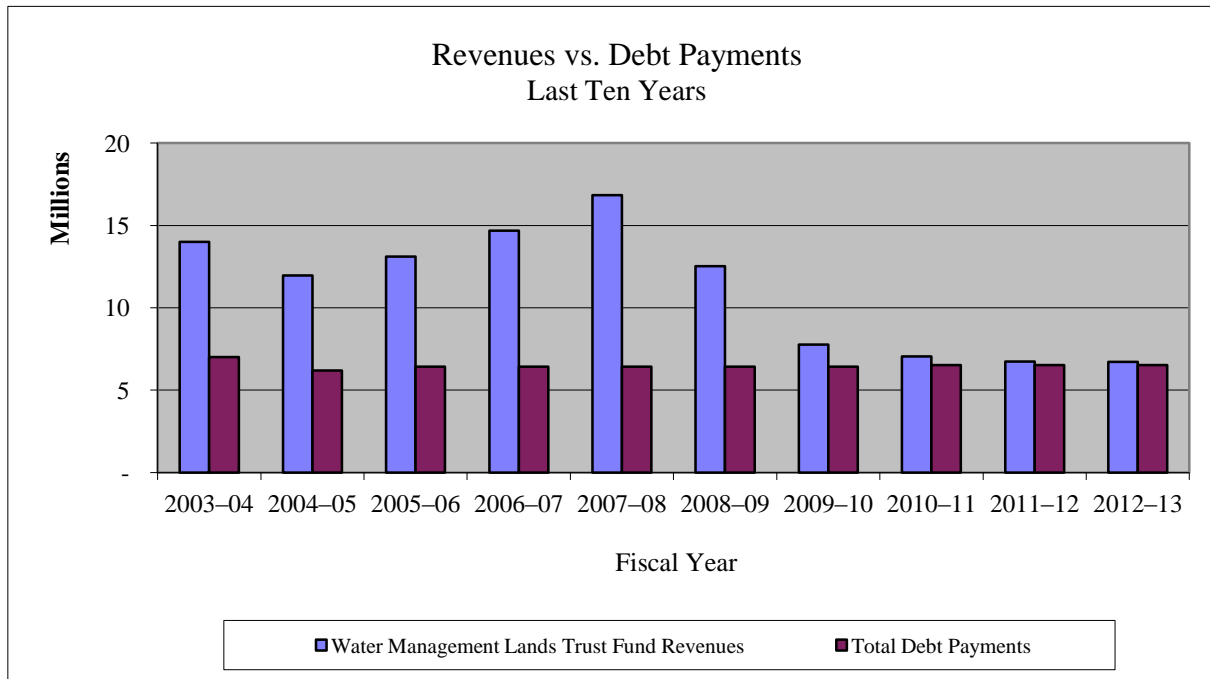
ST. JOHNS RIVER MANAGEMENT DISTRICT, FLORIDA
RATIO OF DEBT TO CAPITAL ASSETS, DEBT PER CAPITA, AND
RATIO OF BONDED DEBT TO TAXABLE PROPERTY VALUE
LAST TEN FISCAL YEARS

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
2003-04	61,615,000	711,396,237	8.66%	4,354,110	14.15
2004-05	58,085,000	753,570,819	7.71%	4,460,763	13.02
2005-06	53,730,000	764,965,524	7.02%	4,594,008	11.70
2006-07	49,205,000	896,139,366	5.49%	4,688,033	10.50
2007-08	44,480,000	979,219,559	4.54%	4,733,256	9.40
2008-09	39,600,000	1,007,199,969	3.93%	4,726,827	8.38
2009-10	34,555,000	1,061,731,344	3.25%	4,702,123	7.35
2010-11	29,240,000	1,116,164,303	2.62%	4,721,223	6.19
2011-12	23,765,000	1,135,995,216	2.09%	4,776,073	4.98
2012-13	18,120,000	1,143,245,328	1.58%	4,800,498	3.77



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
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
2011-12	6,735,207	5,475,000	1,041,850	6,516,850	1.03
2012-13	6,715,383	5,645,000	872,125	6,517,125	1.03





Demographic and Economic Information

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

	2004	2005	2006	2007	2008
Alachua*	181,382	185,292	187,610	196,900	200,740
Baker*	22,262	22,262	23,238	25,134	25,396
Bradford*	1,304	1,406	1,427	1,233	1,233
Brevard	521,422	531,970	543,050	552,109	556,213
Clay	163,461	169,623	176,901	184,643	185,168
Duval	840,474	861,150	879,235	897,597	904,971
Flagler	69,683	78,617	89,075	93,568	95,512
Indian River	126,829	130,043	135,262	139,757	141,667
Lake*	250,619	261,649	275,353	285,780	287,656
Marion*	212,655	220,218	227,560	226,761	229,827
Nassau	65,016	65,759	68,188	69,569	71,915
Okeechobee*	760	770	789	732	750
Orange*	785,801	792,217	819,543	823,178	837,921
Osceola*	2,258	2,352	2,559	928	955
Putnam*	73,226	73,764	74,416	74,799	74,989
St. Johns	149,336	157,278	165,291	173,935	181,180
Seminole	403,361	411,744	420,667	425,698	426,413
Volusia	484,261	494,649	503,844	508,015	510,750
SJRWMD Total	<u>4,354,110</u>	<u>4,460,763</u>	<u>4,594,008</u>	<u>4,680,336</u>	<u>4,733,256</u>
Annual Percentage Increase	3.1%	2.4%	3.0%	1.9%	1.1%

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.

2009	2010	2011	2012	2013
203,807	196,731	196,732	196,281	197,261
25,404	26,597	26,413	26,423	26,368
1,233	1,209	1,215	1,155	1,154
555,657	543,376	545,184	545,625	548,424
185,208	190,865	191,143	192,071	192,843
900,518	864,263	864,601	869,729	876,075
94,901	95,696	96,241	97,160	97,843
141,634	138,028	138,694	139,446	139,586
291,263	296,309	297,519	298,928	302,559
230,548	231,147	231,458	232,326	233,735
72,588	73,314	73,684	73,745	74,661
742	748	746	744	744
833,325	861,186	869,743	883,720	904,038
955	940	959	983	1,009
74,608	74,364	74,052	73,158	72,605
183,572	190,039	192,852	196,071	201,541
423,759	422,718	424,587	428,104	431,074
507,105	494,593	495,400	497,145	498,978
4,726,827	4,702,123	4,721,223	4,752,814	4,800,498
-0.1%	-0.5%	0.4%	0.7%	1.0%

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Number of Employees ¹	691	691	691	715	717	717
District Population ²	4,337,525	4,460,556	4,593,851	4,697,888	4,733,256	4,726,827
Employees Per 100,000 Population	15.9	15.5	15.0	15.2	15.1	15.2

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

²St. Johns River Water Management District estimates

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
717	717	591	591
4,702,123	4,721,223	4,752,814	4,800,498
15.2	15.2	12.4	12.3

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TOP TEN NON-GOVERNMENT EMPLOYERS WITHIN A SINGLE COUNTY
FISCAL YEAR 2012–2013**

<u>Employer</u>	2012			2003		
	<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	64,000	1	Orange	53,000	1	Orange
Adventist Health System	17,600	2	Orange	18,175	2	Orange
Universal Studios	16,000	3	Orange	12,000	4	Orange
Orlando Regional Healthcare System	14,310	4	Orange	12,754	3	Orange
Shands Hospital	12,588	5	Alachua	7,508	5	Alachua
Health First	9,700	6	Brevard	6,000	9	Brevard
Baptist Health*	8,270	7	Duval	-	-	-
Bank of America Merrill Lynch*	8,000	8	Duval	-	-	-
SeaWorld Orlando*	7,000	9	Orange	-	-	-
Lockheed Martin	7,000	10	Orange	7,350	6	Orange
United Space Alliance^	-	-	-	6,300	7	Brevard
Central Florida Investments^	-	-	-	6,200	8	Orange
Harris Corporation^	-	-	-	5,600	10	Brevard

* 2003 information not available

^ 2012 information not available

Source: 2012 county and city CAFRs within the District's boundaries

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Alachua	3.4%	3.0%	2.6%	3.0%	4.2%	6.9%	8.2%	7.7%	6.6%	5.4%
Baker	4.4%	3.5%	2.9%	3.6%	5.7%	10.3%	10.9%	9.9%	7.8%	6.2%
Bradford	4.3%	3.7%	2.8%	3.4%	4.7%	8.0%	9.6%	8.8%	7.2%	5.6%
Brevard	4.4%	3.6%	3.3%	4.4%	6.5%	10.8%	11.5%	11.1%	9.2%	7.5%
Clay	4.3%	3.4%	3.0%	3.5%	5.3%	9.4%	10.5%	9.3%	7.6%	5.9%
Duval	5.2%	4.2%	3.5%	4.1%	6.1%	10.7%	11.7%	10.6%	8.8%	7.4%
Flagler	4.6%	3.5%	4.2%	6.5%	9.6%	15.5%	15.5%	14.1%	11.6%	10.1%
Indian River	6.6%	4.6%	4.2%	5.8%	8.1%	13.6%	14.0%	12.6%	10.6%	9.4%
Lake	4.5%	3.6%	3.3%	4.2%	6.4%	11.4%	12.0%	11.2%	9.0%	7.3%
Marion	4.6%	3.6%	3.4%	4.6%	7.7%	12.8%	13.8%	12.3%	10.0%	7.9%
Nassau	4.2%	3.4%	2.9%	3.4%	5.4%	9.8%	10.9%	9.6%	7.7%	5.6%
Okeechobee	6.3%	5.0%	4.1%	5.3%	8.0%	12.1%	12.7%	11.7%	10.2%	9.3%
Orange	4.6%	3.6%	3.1%	3.8%	5.8%	10.7%	11.4%	10.3%	8.3%	6.5%
Osceola	4.8%	3.6%	3.4%	4.3%	6.4%	11.7%	12.4%	11.6%	9.3%	7.3%
Putnam	5.5%	4.5%	3.7%	4.7%	7.2%	11.9%	12.6%	11.9%	11.2%	9.4%
St. Johns	3.7%	2.9%	2.7%	3.3%	5.1%	8.7%	9.5%	8.5%	6.9%	5.2%
Seminole	4.3%	3.3%	2.9%	3.5%	5.6%	10.0%	10.7%	9.7%	7.8%	6.0%
Volusia	4.6%	3.6%	3.3%	4.2%	6.6%	11.2%	12.0%	10.8%	8.8%	7.1%
SJRWMD	4.7%	3.7%	3.3%	4.0%	6.0%	11.0%	12.0%	10.5%	8.6%	6.9%
Florida	4.7%	3.8%	3.3%	4.1%	6.3%	10.2%	12.0%	10.5%	8.6%	7.1%
U.S.	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.3%

Source: <http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/local-area-unemployment-statistics> Retrieved 11/04/2013

* Data for August 2013. Seasonally unadjusted.



Operating Information

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

Type of Ownership	Acres of Land or Conservation Easement Ownership									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Full Fee:</u>										
Acquired	-4,057	15,122	1,490	14,035	13,114	2,778	4,883	5,374	4	3,698
Cumulative	547,849	562,971	564,461	578,496	591,610	594,388	599,271	604,645	604,649	608,347
<u>Conservation Easement :</u>										
Acquired	7,625	15,409	572	2,895	(3,391)	990	1,635	1,305	1,178	18,507
Cumulative	79,862	95,271	95,843	98,738	95,347	96,337	97,971	99,276	100,454	118,961
Total Acres	<u>627,711</u>	<u>658,242</u>	<u>660,304</u>	<u>677,234</u>	<u>686,957</u>	<u>690,725</u>	<u>697,242</u>	<u>703,921</u>	<u>705,103</u>	<u>727,308</u>

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

Permit Category	Number of Permits									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Environmental Resource	3,021	3,534	3,792	3,497	2,671	1,844	1,593	1,395	908	1,315
Consumptive Use	265	297	371	395	331	249	348	229	328	241
Water Well Construction	<u>448</u>	<u>529</u>	<u>622</u>	<u>474</u>	<u>393</u>	<u>244</u>	<u>263</u>	<u>275</u>	<u>232</u>	<u>297</u>
Total Applications	<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>	<u>1,468</u>	<u>1,853</u>

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

2004	2005	2006	2007	2008
\$ 2,909,628	\$ 3,491,770	\$ 3,593,279	\$ 3,357,891	\$ 2,322,017
2009	2010*	2011**	2012	2013
\$ 1,539,179	\$ 1,254,133	\$ 1,571,181	\$ 1,150,280	\$ 1,141,451

* \$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
MILES OF LEVEES
LAST TEN FISCAL YEARS

Construction Type of Levee	Miles of Levees									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
USACE & Flood Control	117.30	117.30	117.30	117.30	117.30	118.70	159.00	165.00	170.10	170.10
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>147.00</u>	<u>147.00</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>304.03</u>	<u>306.00</u>	<u>312.00</u>	<u>317.10</u>	<u>317.10</u>

Comprehensive Annual Financial Report

Other Reports Section



**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, 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, 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, 2013, and the related notes to the financial statements, which collectively comprise St. Johns River Water Management District's basic financial statements, and have issued our report thereon dated February 18, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Johns River Water Management District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of St. Johns River Water Management District's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Johns River Water Management District's financial statements are free from 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*.

Purpose of this Report

Pursuant to Chapter 119, Florida Statutes, this report is a public record and its distribution is not limited. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Marc + Co., P.L.

Gainesville, Florida
February 18, 2014

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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			
Wetlands Reserve Programs			
Areal Herbicide Treatment Ocklawaha River	10.072	27504	\$ 35,750
Areal Herbicide Treatment Orange Creek	10.072	27505	23,400
Total U.S. Department of Agriculture			<u>59,150</u>
U.S. Environmental Protection Agency			
Direct Programs			
Congressionally Mandated Projects			
Development of East-Central Florida Project	66.202	SJ318XA	157,998
West Volusia Water Suppliers Reclaimed Water System	66.202	27506	236,071
			<u>394,069</u>
National Estuary Program			
Indian River Comprehensive Conservation Plan	66.456	27194	548,226
Indian River Comprehensive Conservation Plan	66.456	SK441XA	46,761
			<u>594,987</u>
Pass through Florida Department of Environmental Protection			
Water Pollution Control State, Interstate and Tribal Program Support			
Water Sampling for Integrated Water Resources Monitoring	66.419	27141	93,035
Performance Partnership Grants			
Surface & Ground Water Sampling	66.605	27703	68,583
Water Quality Management Planning			
Water Sampling for Temporal Variability Monitoring Network	66.454	27217	116,950
Total U.S. Environmental Protection Agency			<u>1,267,624</u>
Department of the Interior			
Direct Programs			
Coastal Wetlands Planning, Protection and Restoration Act			
Restore Dragline Ditched Coastal Wetlands	15.614	27448	160,819
State Wildlife Grants			
Restore Dragline Ditched Coastal Wetlands	15.634	25410	52,081
Partners for Fish and Wildlife			
Astatula Scrub Restoration Project	15.631	26702	23,025
Total Department of the Interior			<u>235,925</u>
Department of Commerce			
Pass through Florida Department of Environmental Protection			
Coastal Zone Management Administration Awards			
Florida Estuarine Habitat Restoration	11.419	27596	24,635
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,587,334</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, 2013

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	6,517,125
Restoration Activities - St Johns River	37.022	2012-10	1,926,975
Restoration Activities - District Wide	37.022	2007-01	191,609
Fellsmere Water Management Area Project	37.022	2012-19	110,564
Mgmt, Maint & Capital Improvement on District Land	37.022	2010-07	4,750
Pre-Acquisition Costs related to Land Acquisition	37.022	2011-03	1,900
			<u>8,752,923</u>
Statewide Surface Water Restoration and Wastewater Projects			
Lower St. Johns River Basin - Initiative Plan Projects	37.039	2008-01	1,094,094
Wheeler Property Sebastian River Improvements	37.039	25290	961,090
Northern Coastal Basin - Initiative Plan Projects	37.039	2006-04	185,555
Aquatic Plant Control Program	37.039	27387	157,675
Lincoln Villas Service Area 2 Project	37.039	27266	104,535
Aerial Survey of the IRL	37.039	27570	89,642
Northern Coastal Basin - Initiative Plan Projects	37.039	2007-08	55,382
Upper Ocklawaha River Basin - Initiative Plan Projects	37.039	2009-15	52,084
Lower St. Johns River Basin - Initiative Plan Projects	37.039	2009-12	31,818
District Wide Surface Water Restoration Projects	37.039	2002-32	27,428
Middle St. Johns River Basin - Initiative Plan Projects	37.039	2009-13	22,955
Lower St. Johns River Basin Surface Water Restoration Projects	37.039	2005-02	22,839
District Wide Surface Water Restoration Projects	37.039	2000-24	9,319
Upper Ocklawaha River Basin - Initiative Plan Projects	37.039	2007-10	8,374
Middle St. Johns River Basin - Initiative Plan Projects	37.039	2008-02	5,549
Middle St. Johns River Basin Surface Water Restoration Projects	37.039	2002-31	2,192
Indian River Lagoon - Initiative Plan Projects	37.039	2009-14	1,920
			<u>2,832,451</u>
Water Protection and Sustainability Program			
Alternative Water Supply Projects	37.066	WPSP	<u>315,682</u>
Total Florida Department of Environmental Protection			<u>11,901,056</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, 2013

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			
Basin 17 Projects	55.031	SJ52-06	2,952,311
	55.031	SJ64-01	1,672,322
State Road 415 Project	55.031	27341	361,147
Mitigation Plan Preparation District Wide	55.031	FDOTMIT	182,882
Wheeler Parcel or Basin 22	55.031	SJ51-01	112,957
	55.031	27441	27,000
Basin 20 Projects	55.031	SJ48-03	12,173
	55.031	SJ23-03	8,500
Basin 23 - Florida Southern Property	55.031	SJ47-02	7,768
	55.031	SJ57-02	6,527
Total Florida Department of Transportation			<u>5,343,587</u>
Florida Department of Highway Safety and Motor Vehicles			
Direct Projects			
Indian River Lagoon License Plate			
Indian River Lagoon Projects	76.010	IRLTAG	<u>228,775</u>
Florida Fish and Wildlife Conservation Commission			
Direct Projects			
Aquatic Habitat Conservation and Restoration Projects			
FWMA Fisheries and Wildlife Habitat Enhancement	77.016	27611	<u>390,677</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>17,864,095</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u><u>\$ 19,451,429</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, 2013**

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	27194	\$ 360,615
Development of East-Central Florida Project	SJ318XA	111,744
Restore Dragline Ditched Coastal Wetlands	27448	96,858
Restore Dragline Ditched Coastal Wetlands	25410	23,142
TOTAL FEDERAL AWARDS		<u>592,359</u>
STATE FINANCIAL ASSISTANCE		
Alternative Water Supply Projects	Multiple	315,682
Wheeler Property Sebastian River Project	25290	64,289
TOTAL STATE FINANCIAL ASSISTANCE		<u>379,971</u>
TOTAL MATCHING		<u>\$ 972,330</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, 2013

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			
Congressionally Mandated Projects	27506	66.202	\$ 236,071
National Estuary Program	SK441XA, 27194	66.456	89,552
			<u>325,623</u>
Department of the Interior			
Coastal Wetlands Planning, Protection and Restoration Act	27448	15.614	160,819
State Wildlife Grants	25410	15.634	52,081
			<u>212,900</u>
Florida Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects	2008-01	37.039	1,094,094
Statewide Surface Water Restoration and Wastewater Projects	27266	37.039	104,535
Statewide Surface Water Restoration and Wastewater Projects	2008-02	37.039	5,550
			<u>1,204,179</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, 2013**

Federal Grantor/Pass-Through Grantor/State Grantor Subrecipient Program	Grant Number	CFDA/ CSFA Number	Amount Provided To Subrecipients
Water Management Districts - Land Acquisitions	2012-10	37.022	1,035,278
Water Protection and Sustainability Program	2006-22, 2007-12, 2008-	37.066	315,682
Total Florida Department of Environmental Protection			2,555,139
Indian River Lagoon License Plate	IRLTAG	76.010	124,617
Total Awards			<u><u>\$ 3,218,279</u></u>

Subrecipients are the following:

City of Jacksonville	2008-01, 27266	\$ 1,198,629
St Johns County	2012-10	1,035,278
City of Deland	27506	236,071
Volusia County	25410, 27448	212,900
City of Tavares	2006-22	189,963
East Coast Zoological Society	IRLTAG	80,171
City of Winter Springs	2008-02, 2008-05	75,914
Indian River County BOCC	IRLTAG, 27194	55,795
City of Apopka	2007-12, 2008-05	55,355
Balmoral Institute	27194	20,000
Town of Sewall's Point	SK441XA	15,000
Marine Discovery Center	27194	42,250
Martin County	SK441XA	953
Total Awards		<u><u>\$ 3,218,279</u></u>

(Concluded)

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND REPORT 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:

Report on Compliance for Each Major Federal Program and Major State Project

We have audited St. Johns River Water Management District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the State of Florida State Projects Compliance Supplement that 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, 2013. St. Johns River Water Management District's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of St. Johns River Water Management District's major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. 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, Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the State of Florida Office of the Auditor General 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.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of St. Johns River Water Management District's compliance.

Opinion on Each Major Federal Program and Major State Project

In our opinion, St. Johns River Water Management District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2013.

Report on Internal Control over Compliance

Management of St. Johns River Water Management District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered St. Johns River Water Management District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or major state project as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report 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, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Pursuant to Chapter 119, Florida Statutes, this report is a public record and its distribution is not limited. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, Section 215.97, Florida Statutes and Chapter 10.550, Rules of the State of Florida Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Mann + Co., P.L.

Gainesville, Florida
February 18, 2014

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unmodified

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: Unmodified

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 programs: CFDA No. 66.456, National Estuary Program
 CFDA No. 66.202, Congressionally Mandated Projects

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, 2013
(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: Unmodified

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

Identification of major state financial assistance CSFA No. 37.022, Water Management Districts - Land Acquisition
CSFA No. 37.066, Water Protection and Sustainability Program

Dollar threshold used to distinguish between type A and type B state financial assistance projects: \$535,923

Section II. Financial Statement Findings: None.

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

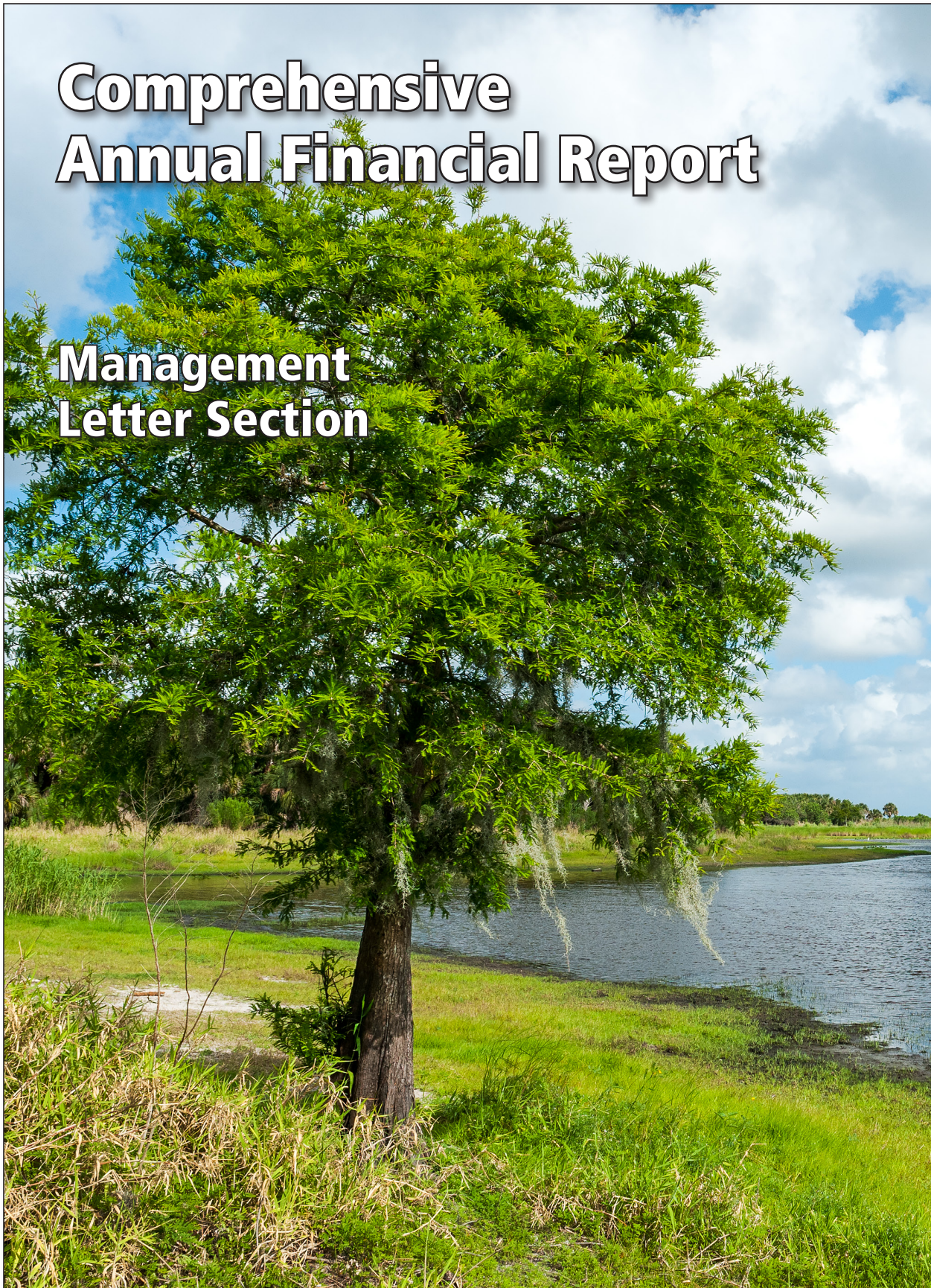
Section IV. State Financial Assistance Findings and Questioned Costs: None.

Section V. Federal Award Summary Schedule of Prior Year Findings: There were no audit findings for the year ended September 30, 2012.

Section VI. State Financial Assistance Summary Schedule of Prior Year Findings: There were no audit findings for the year ended September 30, 2012.

Comprehensive Annual Financial Report

Management Letter Section



**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, 2013, and have issued our report thereon dated February 18, 2014.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's 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 and Chapter 10.550 Rules of the Florida Auditor General and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 18, 2014, 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 the St. Johns River Water Management District complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

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- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The St. Johns River Water Management District was established by Chapter 373 of the Florida Statutes, known as the Florida Water Resources Act of 1972. There are no component units of 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)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the St. Johns River Water Management District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the St. Johns River Water Management District for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the St. Johns River Water Management District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
- Pursuant to Section 215.985(11), Florida Statutes, and Section 10.554(1)(i)8, the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its Web site.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

James Marx + Co., P.L.

Gainesville, Florida
February 18, 2014



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