

Comprehensive Annual Financial Report



Fiscal year ended
September 30, 2015

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, 2015

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, 2015**

CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	vii
GFOA CERTIFICATE OF ACHIEVEMENT	xiv
ORGANIZATIONAL CHART LISTING PRINCIPAL OFFICIALS.....	xv
MAP OF THE GEOGRAPHIC BOUNDARIES OF THE DISTRICT.....	xvii

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT.....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)	5
BASIC FINANCIAL STATEMENTS	15
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	26
Notes to Financial Statements.....	27
REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A (UNAUDITED).....	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Schedule – Major Funds (General and Special Revenue)	
General Fund	66
State Grants Fund	68
Special Revenue Funds - Other	69
Debt Service Fund	70
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION.....	71

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

CONTENTS

FINANCIAL SECTION (Continued)

OTHER SUPPLEMENTAL INFORMATION	79
Combining Individual Statements and Schedules Combining Balance Sheet – Nonmajor Governmental Funds.....	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	84
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Schedule – Other Major and Non–major Governmental Funds Special Revenue Funds	
Land Management	86
Federal Grants.....	87
Long-term Maintenance Mitigation	88
Water Protection and Sustainability.....	89
Indian River Lagoon License Tag Fees	90
Ecosystems Management Trust	91
Mitigation.....	92
Capital Projects Funds Capital Projects	93

STATISTICAL SECTION (UNAUDITED)

FINANCIAL TRENDS	97
Net Position by Component, Last Ten Fiscal Years	98
Changes in Net Position, Last Ten Fiscal Years	100
Fund Balances, Governmental Funds, Last Ten Fiscal	102
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	104
REVENUE CAPACITY	107
Taxable Values and Estimated Just Values of Taxable Property, Last Ten Fiscal Years	108
Taxable Property Values and Estimated Just Values of Taxable Property by County, Fiscal Year 2014–2015	110
Principal Taxpayers by County, Fiscal Year 2014–2015.....	111
Property Tax Revenues by County, Last Ten Fiscal Years.....	112

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

CONTENTS

STATISTICAL SECTION (UNAUDITED) (Continued)

DEBT CAPACITY	115
Ratio of Debt to Capital Assets, Debt Per Capita, and Ratio of Bonded Debt to Taxable Property Value, Last Ten Fiscal Years	116
Revenue Bond Coverage, Last Ten Fiscal Years	117
DEMOGRAPHIC AND ECONOMIC INFORMATION	119
Population by County, Last Ten Fiscal Years	120
Number of District Employees Per 100,000 Population, Last Ten Fiscal Years	122
Top Ten Non-Government Employers Within a Single County, Fiscal Year 2014 and 2015	124
Unemployment Rates, Last Ten Fiscal Years	125
OPERATING INFORMATION	127
Acres of Land or Conservation Easement Ownership, Last Ten Fiscal Years	128
Miles of Levees, Last Ten Fiscal Years	129
Permit Applications Received, Last Ten Fiscal Years	130
License and Permit Fees Received, Last Ten Fiscal Years	131

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 <i>Government Auditing Standards</i>	133
Schedule of Expenditures of Federal Awards and State Financial Assistance	135
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, <i>Rules of the State of Florida Office of the Auditor General</i>	141
Schedule of Findings and Questioned Costs for the Fiscal Year ended September 30, 2015	143
Independent Accountants' Examination Report	145

MANAGEMENT LETTER SECTION

Independent Auditors' Management Letter Required by Chapter 10.550, <i>Rules of the State of Florida Office of the Auditor General</i>	147
--	-----

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

Ann B. Shortelle, Ph.D., Executive Director

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

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

Subject: Comprehensive Annual Financial Report — Fiscal Year (FY) 2014–2015

Date: May 2, 2016

Florida Statutes require an external audit of our financial statement be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the St. Johns River Water Management District (District) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, the Comprehensive Annual Financial Report (CAFR) for the District is hereby issued for the fiscal year ended September 30, 2015.

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

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

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended September 30, 2015, are fairly presented in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section (page 2) of this report.

GOVERNING BOARD

John A. Miklos, CHAIRMAN
ORLANDO

Fred N. Roberts Jr., VICE CHAIRMAN
OCALA

Chuck Drake, SECRETARY
ORLANDO

Carla Yetter, TREASURER
FERNANDINA BEACH

Douglas C. Bournique
VERO BEACH

John P. Browning, Jr.
EAST PALATKA

Douglas Burnett
ST. AUGUSTINE

Maryam H. Ghyabi
ORMOND BEACH

Ron Howse
COCOA

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

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The District's MD&A appears on the pages immediately following the independent auditors' report.

District Background

In 1972, the Florida Legislature established five water management districts. Each district has responsibilities in four broad categories: water supply, water quality, natural systems management and flood protection.. A map showing the geographic boundaries of the District is included on page xvii.

Florida's water management districts are primarily funded with ad valorem taxes. Each district is governed by a Governing Board, whose members are appointed by Florida's Governor and confirmed by the Florida Senate. Board members serve for four years as regional or at-large representatives. The Governor and Legislature have approval authority over the districts' budget and there is general oversight at the state level by the Florida Department of Environmental Protection (DEP).

The St. Johns River Water Management District (District) encompasses all or part of 18 counties in northeast and east-central Florida that includes 119 local governments and a total population of 4.87 million (as of 2015). The District operates from its headquarters in Palatka, and service centers in Palm Bay, Maitland and Jacksonville.

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's funding options. The District encompasses a large, diverse geographic, demographic and economic area and is influenced both by statewide and local economic trends and conditions. Primary among those factors are the general real estate market, population changes, and tourism. Both local and statewide trends impact the District's availability of financial resources because 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.

The Florida Water and Land Conservation Initiative, Amendment 1, was approved by the voters of Florida on November 4, 2014. The measure is designed to dedicate a portion of net revenue from existing taxes on document filings to the Land Acquisition Trust Fund. The potential impact on District revenues, if any, cannot be determined at present because potential revenues that the District may receive from both document stamps and Land Acquisition Trust Fund are subject to annual legislative appropriations that could change significantly from one year to another.

A discussion of selected significant trends follows.

Property Values — The District's single largest source of revenue is ad valorem (property) taxes. In FY 2015–2016, a little under half of the District's total adopted budget (\$169.4 million) was funded by property taxes (\$82.8 million). 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 \$247.5 billion, impacting government entities 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 five year period.

Of the 18 counties within the District, 16 counties showed increased property values between 2014 and 2015 (ranging from 1.0% in Bradford County to 17.0% in Orange County) while only Baker and Putnam counties reported small decreases (-0.5%). As the economy recovers, the District's total assessed values are projected to grow again to \$364 billion by FY 2019–2020 through appreciations of home values and new constructions.

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 have almost tripled from about 11,700 in 2010 to a projected 32,800 units in 2015 in the seven Metropolitan Statistical Areas (MSAs) within the District's boundaries. Even with this impressive recovery, total housing units permitted in 2015 only account for about 38% the total housing units permitted during the peak of a construction boom in 2005.

Unemployment — The districtwide unemployment rates rose from 3.3% in 2006 to a high of 12% in 2010. Since then, both the state and districtwide unemployment rates have been declining in five consecutive years to 5.1% and 4.9% respectively in 2015 (as of September 2015). In comparison, the national unemployment rate for the same period was 5.0%.

Tourism — 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 the annual number of visitors has since picked up pace over the last five years. Visitors to the Sunshine State from the first nine months totaled 79.1 million, setting another record in tourism of the highest amount of visitors of any nine months in the state's history.

Population — Since 2000, the District’s population has grown by 24.9% compared to the state’s 24.0%. The District’s population experienced an unprecedented negative growth in 2009 (-0.1%) and 2010 (-0.55%), though the District’s population has been increasing since 2011. In 2015, the total District population is estimated to grow by 1.3%. Districtwide projections show that by 2030, the District’s total population will grow from its current 4.8 million to 5.8 million.

Strategic Planning and Budgeting

The District’s primary long-range planning document, the Strategic Plan, is updated annually to include a five-year strategic budget identifying sources and uses for the District’s operations, capital improvements, and cooperative funding grant program with jurisdictions within the District.

Operating budgets are funded primarily with a combination of ad valorem taxes, other local revenues (permit fees, interest earnings), and state appropriations from general sales taxes and documentary stamp taxes on real estate transactions collected statewide. Current fiscal year resources appropriated for capital spending and cooperative funding grants were bolstered by the availability of significant fund balances accumulated over the period from FY 2004-2005 through FY 2009–2010. These resources are committed by Governing Board resolution to future years’ funding of capital and grant awards over the District’s planning horizon.

In FY 2014–2015 the District saw an increase in cooperative funding expenditures of approximately \$19 million compared to the prior year. These significantly increased spending levels were the primary driver in the District’s \$16 million use of fund balance in FY 2014–2015, which is consistent with the 5-year strategic budget.

As utilization of fund balance continues each year the availability of remaining committed fund balance will decline, ultimately approaching the minimum targets for Economic Stabilization Reserve and Operating Reserve established by policy. At that point, projected to occur in the next three to five years, recurring funding for capital improvements and cooperative funding will necessarily come from non-local resources and operational savings.

Capital Improvements

The District is on track to spend over \$100 million on 46 District-led projects during the planning period from FY 2015–2016 through FY 2019–2020. The figure below shows the projected annual expenditures during the five-year planning period.



Figure. Five-year projected expenditures for capital improvement projects

Cooperative Funding

The District's cooperative funding program provides local governments and other entities an opportunity to receive funding awards for a portion of a locally owned project that aligns with the District's core missions. These cooperative grants have a one-to-three year life cycle that results in multiple construction projects in various stages of construction or completion over the three year period. The District has established project controls to ensure that the currently available funding resources are set aside to ensure future year project completion. The table below reports the total award by recent fiscal year for the cooperative funding program, as well as remaining award balances that have been set aside for project completion:

<u>Fiscal year</u>	<u>Total Awarded</u>	<u>Unexpended balance of awards as of Sept 30, 2015</u>
2013-2014	\$ 19,425,648	\$ 4,330,281
2014-2015	21,762,009	19,404,242
2015-2016	75,081,762	75,081,762
2016-2017	55,796,500	55,796,500

Debt Management

In coordination with the Florida Department of Environmental Protection, the District retired its remaining outstanding Land Acquisition Revenue and Refunding Bonds, Series 2004, realizing more than \$200,000 in net present value interest expense savings. This transaction allowed the District to be debt free as of the end of the fiscal year.

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



Fiscal Sustainability and 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.

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, 2014. 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 2014–2015 budget. It was the seventh consecutive year the District received the award for the budget document, which guides the District's fiscal policy.

This report is the result of the collaborative work of numerous District employees, including the Office of Financial Services, Office of Communications, the Division of Projects, and the Office of Governmental Affairs.

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**

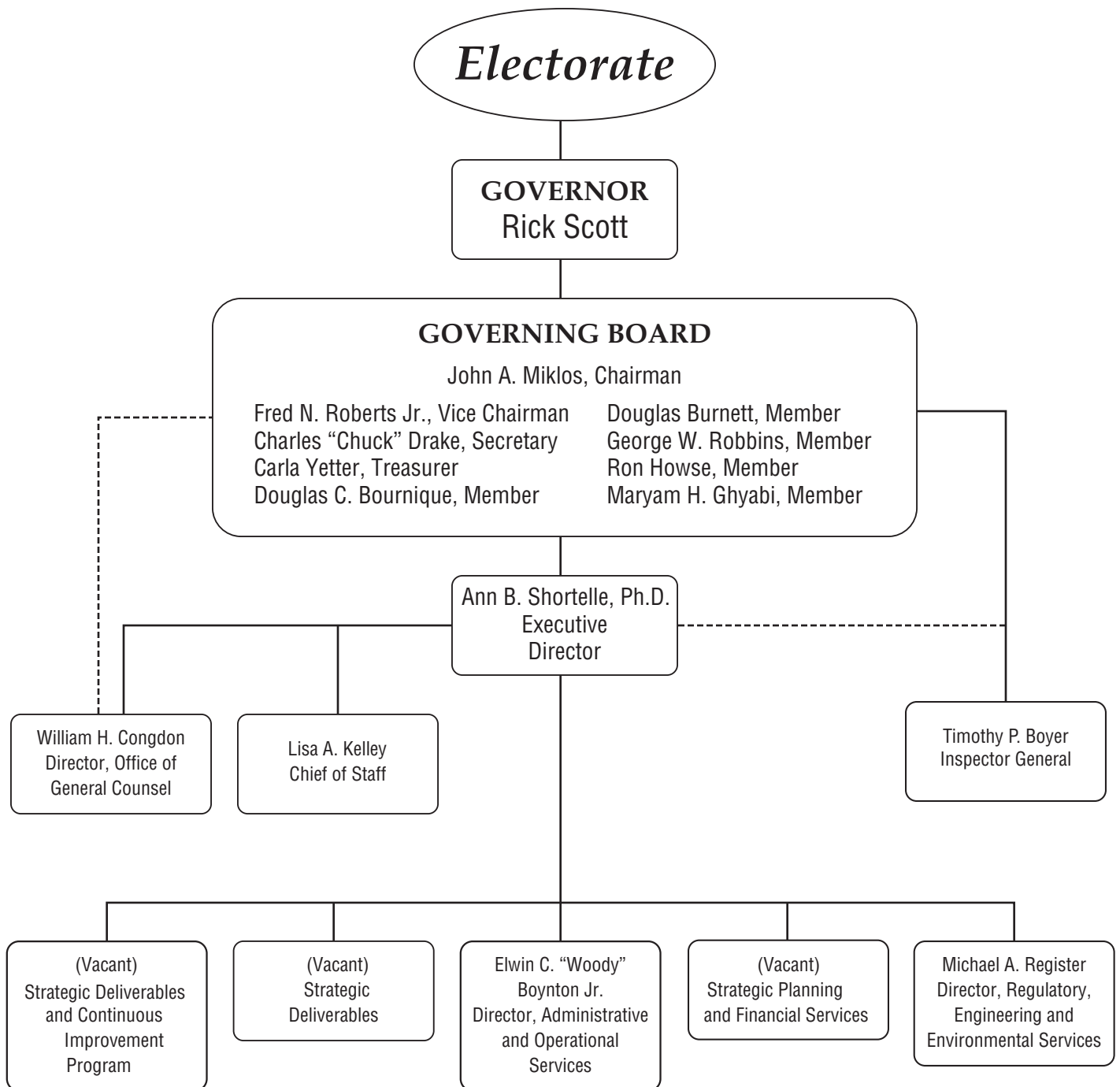
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

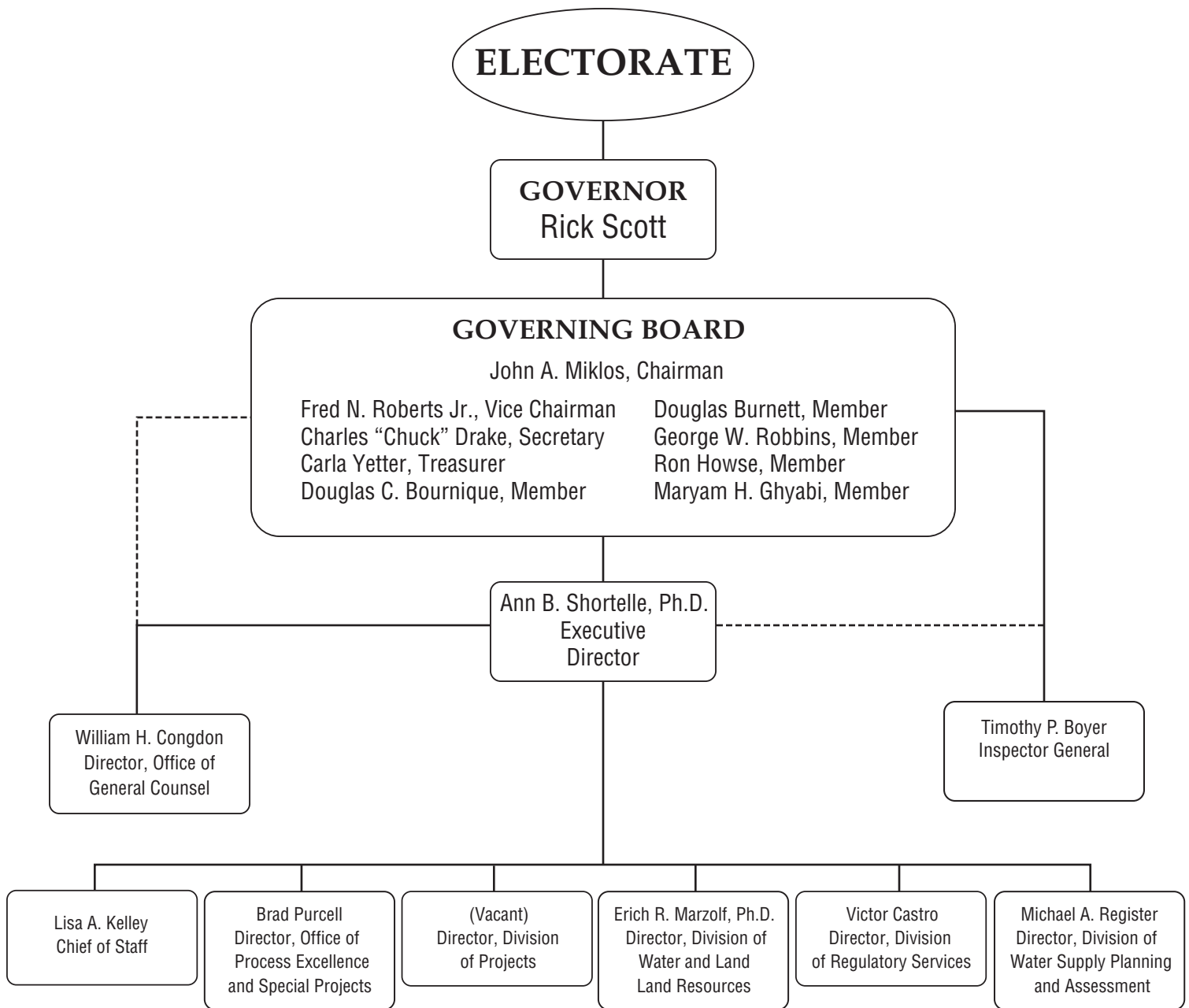
**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
ORGANIZATIONAL CHART LISTING PRINCIPAL OFFICIALS**

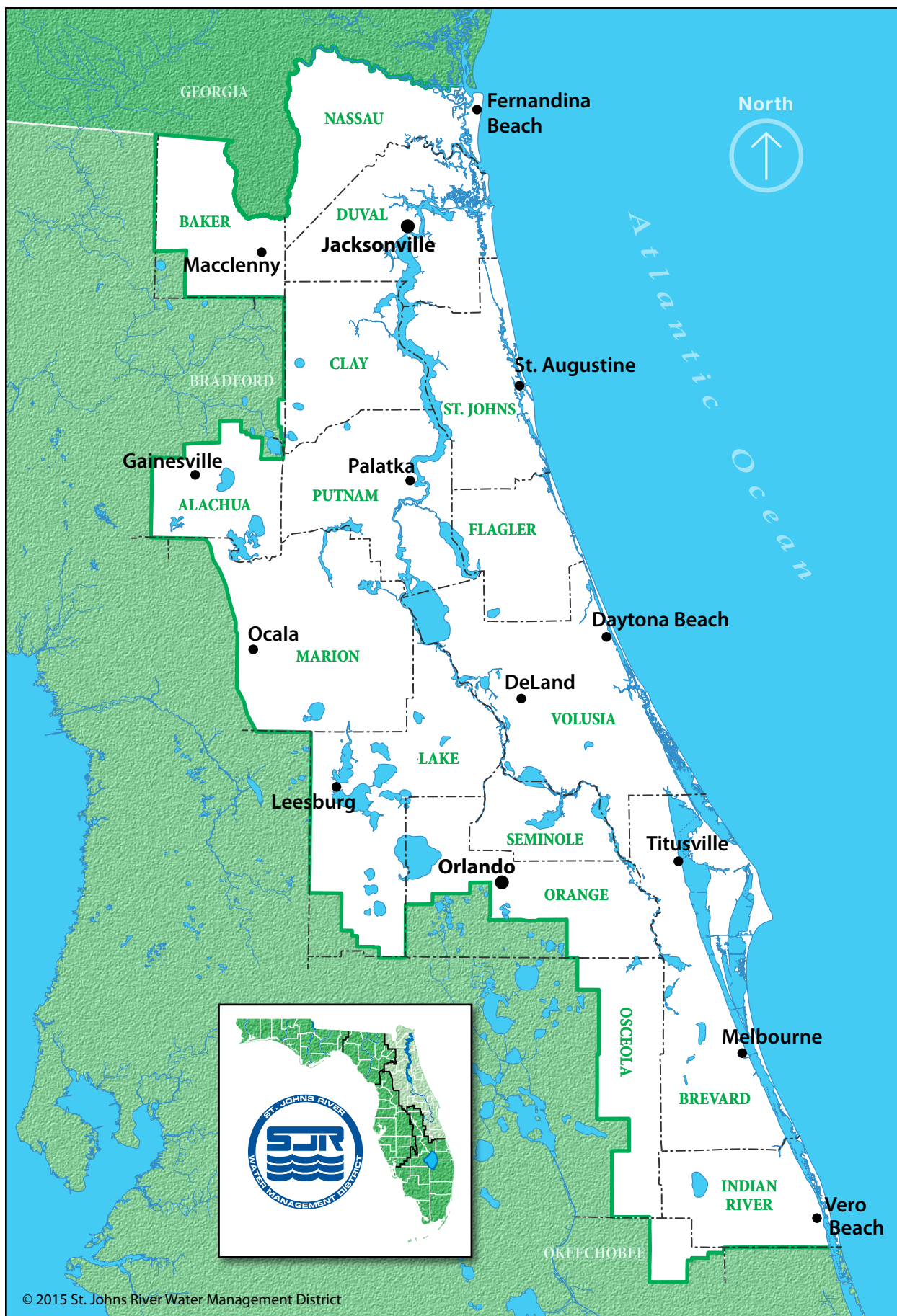
As of Sept. 30, 2015



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

As of Oct. 1, 2015





© 2015 St. Johns River Water Management District

Comprehensive Annual Financial Report

A vertical stem of white flowers with green buds against a blue background. The flowers are in various stages of bloom, with some fully open and others as buds. The stem is green and has some brown, dried-looking parts at the base of the buds.

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, 2015, 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.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gnv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

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, 2015, 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

Change in Accounting Principle

As discussed in Note (1)(r) and Note (17) to the financial statements, in 2015, the entity adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The effects of this standard have also been applied to the financial statements as of September 30, 2014. See Note (11) for additional required disclosures and for the effect of GASB 68 on beginning net position. Our opinion is not modified with respect to this matter.

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 66 through 70, and the schedule of funding progress on page 73, 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.

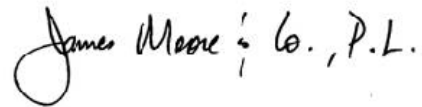
The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records 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 May 2, 2016 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 2, 2016



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, 2015**

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 and deferred outflows exceeded total liabilities and deferred inflows by \$1,307,604,278, as of September 30, 2015, primarily the result of significant ownership of non-depreciable assets in the form of land (\$825,743,487) and easements (\$192,388,313) owned by the District. Net position decreased \$10,708,630, or 0.8%, this year compared to a \$19,579,898, or 1.5%, increase the prior year. The primary reason for the decrease is attributable to the implementation of new accounting standards related to the reporting of pensions. The District provides a defined benefit pension plan for its employees through the Florida Retirement System. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers providing a defined benefit pension plan to report the net pension liability. As a result of implementing this new standard the restatement reduced the District's beginning net position by \$17,031,805 for a restatement of beginning net position of \$1,301,281,103.
- Total fund balance decreased \$16 million, or 9%, 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 increased \$11 million or 10% in FY 2014–2015 compared to FY 2013–2014. The single largest increase was \$6.5 million from the state's Water Management Lands Trust.
- Total governmental fund level expenditures increased \$28 million or 27% in FY 2014–2015 compared to FY 2013–2014, primarily the result of a \$19 million spending increase in the Districts Cost Share Funding Program and an additional debt service payment of \$6.5 million to retire District issued bonds prior to their stated maturity.

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

The statement of net 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 maintained 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. At September 30, 2015, the District combined the residual fund balance of all 10 special revenue funds into a Special Revenue fund.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

The District adopts annual budgets for all governmental funds. 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, State Grants and Special Revenue – Other special revenue funds and the Debt Service fund 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 66. Budgetary comparison schedules for the other governmental funds are presented as Other Supplemental Information, beginning on page 86.

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, Special Revenue Funds–Other fund and the Capital Projects fund include re-appropriated encumbrances of unspent balances (\$20 million) of previously approved appropriations 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 28-63 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.

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 2014–2015. The overall condition of the District declined in fiscal year 2015.

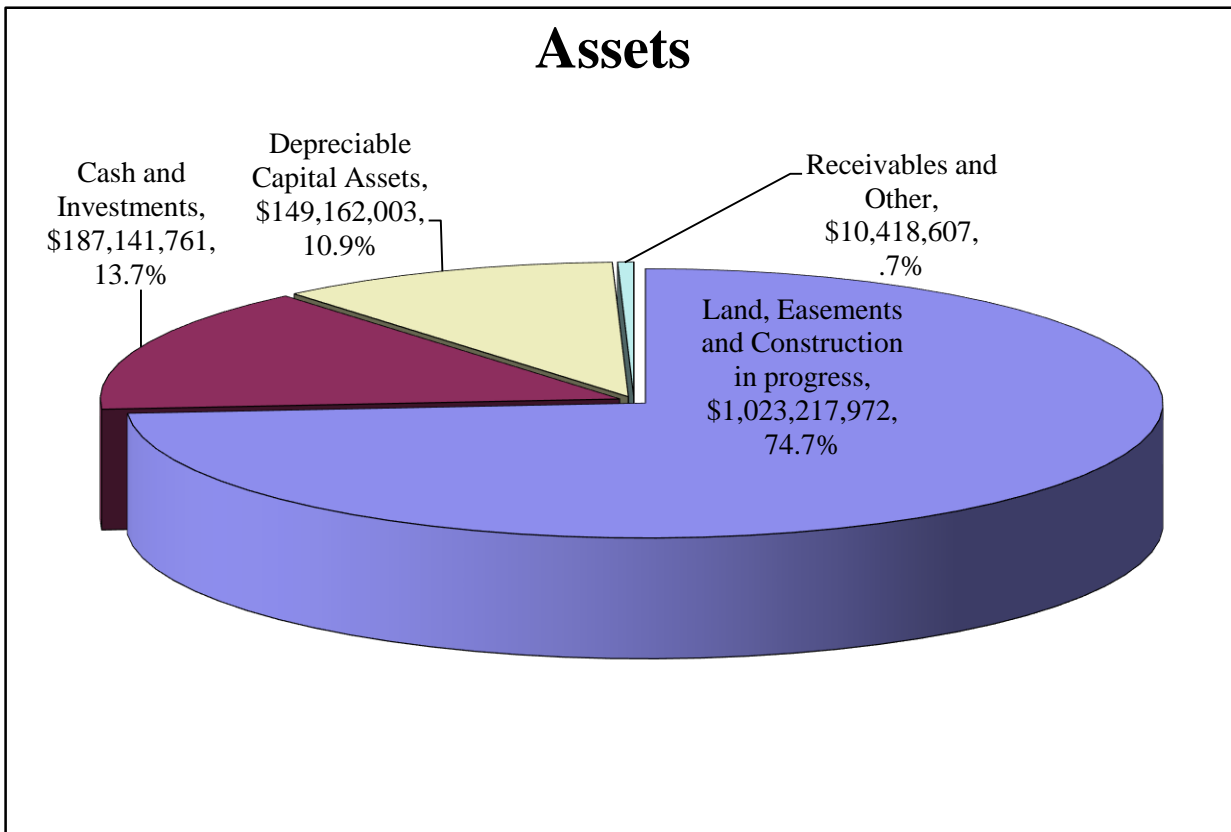
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S NET POSITION

	2015	2014
Current and other assets	\$ 197,560,368	\$ 213,226,455
Capital assets, net	1,172,379,975	1,155,043,216
Total assets	<u>1,369,940,343</u>	<u>1,368,269,671</u>
Deferred outflows	4,620,187	-
Long-term liabilities outstanding	33,435,134	23,752,595
Other liabilities	29,632,861	26,204,168
Total liabilities	<u>63,067,995</u>	<u>49,956,763</u>
Deferred inflows	3,888,257	-
Net Position: Net investment in capital assets	1,172,379,975	1,142,674,165
Restricted	19,334,464	32,435,993
Unrestricted	115,889,657	143,202,750
Total net position	<u>\$ 1,307,604,278</u>	<u>\$ 1,318,312,908</u>

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Total net position decreased by \$10,708,630 or 0.8 %, from September 30, 2014. The primary reason for the decrease is attributable to the implementation of new accounting standards related to the reporting of pensions. The District provides a defined benefit pension plan for its employees through the Florida Retirement System. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers providing a defined benefit pension plan to report the net pension liability. The statement requires the net pension liability be reflected as of the beginning of the current fiscal year, necessitating a restatement of the District's net position as of October 1, 2014. As a result, beginning net position was restated to \$1,301,604,273, a reduction of \$17,031,805. This standard implementation is also the reason the long-term liabilities increased \$10 million since fiscal year 2013-14. The improvement in net position from the restated net position of \$7 million in the current fiscal period is in large part attributable to conservation easement donations received by the District through the environmental resource permitting process. The District's cash and investment position decreased \$20 million from fiscal year 2013 – 2014. This can be primarily attributed to a \$10 million increase in general fund cooperative funding expenditures and a \$6 million increase in capital outlays year over year using District source revenues. The District also had an over \$3 million increase in intergovernmental receivables, which the general fund loans the funds the state and federal grant expenditures until the reimbursements are received. Restricted net position decreased \$13 million due to the early retirement of the District's long-term debt.

The District exchanged the 625 acre fee simple Bear Tract Bay property and paid \$1 million from the land acquisition/management funds for a 625 acre conservation easement on the former Bear Tract Bay property, the 725 acre fee simple Halfmile Creek property and the 321 acre fee simple Ocklawaha property all in Marion County. The District also paid down \$13 million of its outstanding long-term debt with Water Management Lands Trust fund revenues.



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

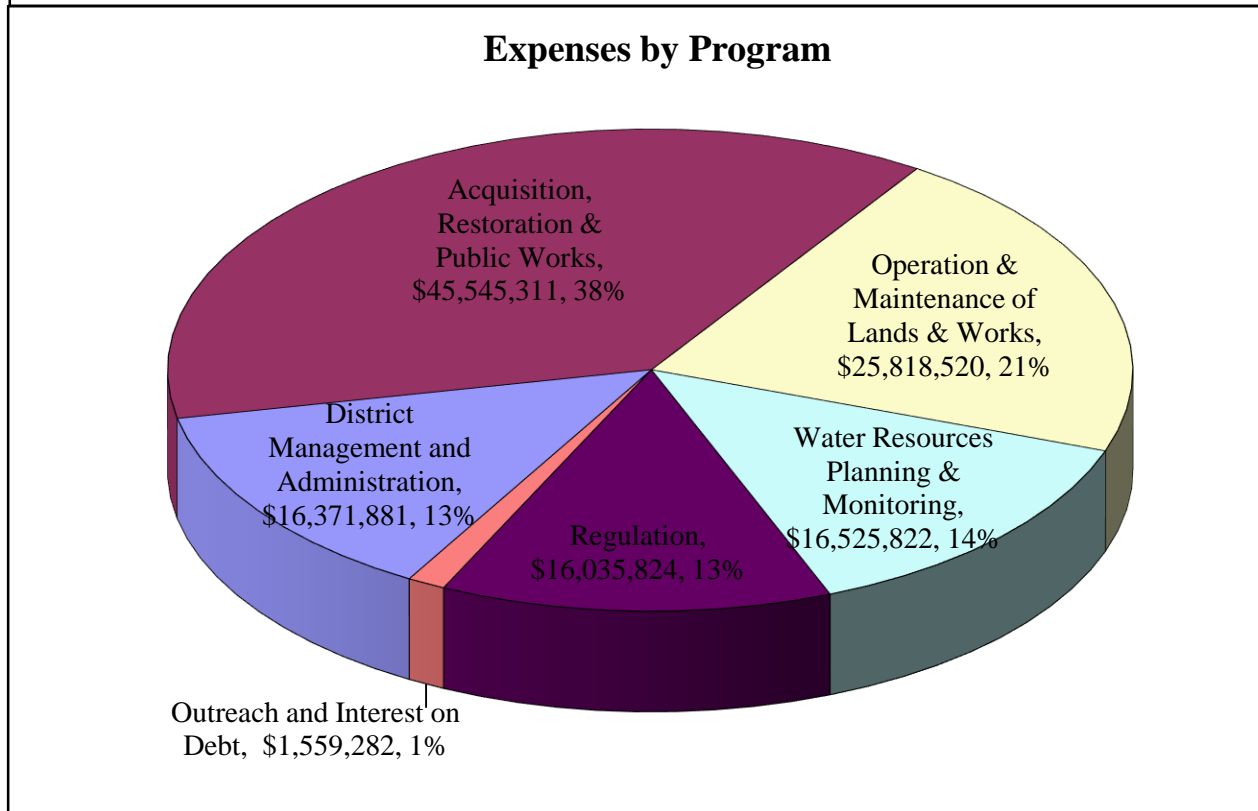
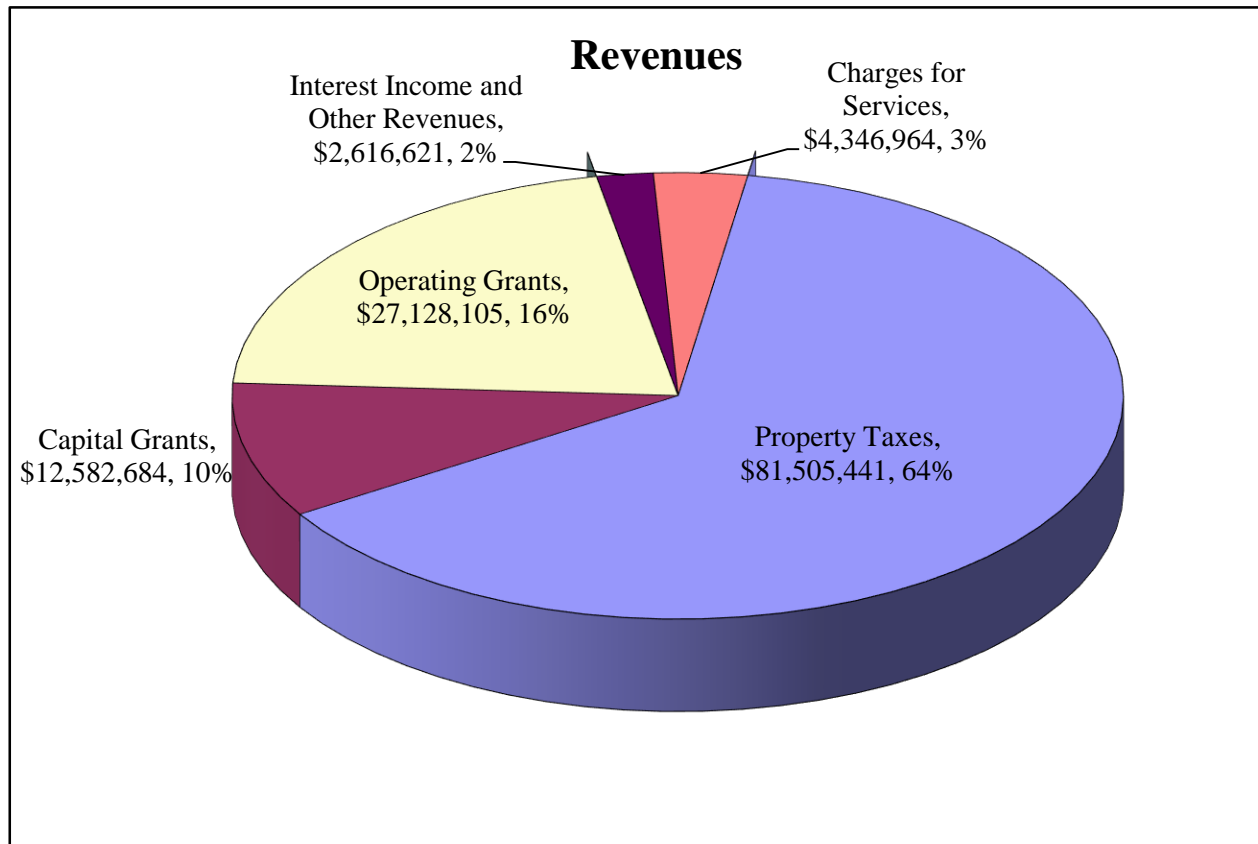
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S CHANGE IN NET POSITION

	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 4,346,964	\$ 3,396,458
Operating grants and contributions	27,128,105	15,072,037
Capital grants and contributions	12,582,684	16,783,189
General revenues:		
Ad valorem property taxes	81,505,441	80,285,876
Unrestricted investment earnings	2,386,129	1,131,270
Other revenue	230,492	432,743
Total revenues	<u>128,179,815</u>	<u>117,101,573</u>
Expenses		
Water resources planning and monitoring	16,525,822	15,048,512
Acquisition, restoration and public works	45,545,311	27,583,602
Operation and maintenance of lands and works	25,818,520	23,901,054
Regulation	16,035,824	13,230,805
Outreach	1,229,915	940,621
District management and administration	16,371,881	16,217,840
Interest on long-term debt	329,367	599,241
Total expenses	<u>121,856,640</u>	<u>97,521,675</u>
Increase in net position	<u>6,323,175</u>	<u>19,579,898</u>
Net position , beginning of the year	1,318,312,908	1,298,733,010
Prior period adjustment	(17,031,805)	-
Net position , end of the year	<u><u>\$ 1,307,604,278</u></u>	<u><u>\$ 1,318,312,908</u></u>

Total revenues increased by 9.5%, or \$11,078,242, from the previous year. The increase is primarily attributable to the 80%, or \$12 million increase in operating grants and contributions received from the Florida Department of Environmental Protection (FDEP). The District received from FDEP an additional \$8.9 million to fund cooperative grants and aids to our local partners and an additional \$6.3 million from Water Management Lands Trust fund in August 2015 to early retire the outstanding debt. The 28%, or \$1 million increase in charges for services is from a gain realized on the sale of land. The 25% , or \$4.2 million decrease in capital grants and contributions can be attributed to a \$4 million reduction in land acquisitions funded with Florida Department of Transportation mitigation revenue. The 1.5%, or \$1.2 increase in ad valorem tax revenues can be attributed to new construction and increases in property values with the District boundaries outpacing the 3.6% millage rate reduction from 0.3283 to 0.3164 mills year over year. Investment earnings increased 111%, or \$1.25 million due to a combination of new investment purchases with higher interest rates and a increase in unrealized gains of \$702,842.

Total expenses increased 25%, or \$24,334,965, compared to the previous year. The 65%, or \$18.0 million increase in Acquisition, Restoration and Public Works is the primarily the result of the above mentioned \$8.9 million increase in cooperative and cost-share grants and aids to local governments and other partners, and the additional \$6.3 million debt service payment. The District also recorded a \$7.5 increase in the net pension liability, which was distributed across all six major expense categories in relation to the number of employees working in each major expense category.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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, 2015, total fund balance was \$134,700,593, of which \$1,581,027 was represented by inventory on hand and other non-spendable assets; \$123,265,302 was committed by action of the Governing Board for identified future capital needs; \$9,854,264 was assigned by executive management for specific purposes; and \$0 was unassigned.

The fund balance of all of the District's funds decreased by \$16,142,961. Key factors explaining the changes in the General Fund and individual major funds include:

- General Fund balance decreased by \$7,645,165 primarily due to an over \$10 million increase in spending for cooperative funding and cost share projects offset by a \$2.5 million increase in District revenues of ad valorem property tax collections, licenses and permit fees and investment earnings.
- Debt service fund balance decreased \$6,471,774 after the outstanding debt was retired ten months early. The remaining fund balance was transferred to the Special Revenue - Other fund to be made available for future conservation land purchases.
- Capital Projects Fund balance decreased \$498,610 due to increased capital spending on the Fellsmere Water Management, Wheeler Storm Water Park and C-1 Rediversion projects.
- The ten Special Revenue Funds have been combined into the Special Revenue – Other Fund. The overall fund balance at September 30, 2014 of \$33,288,129 decreased \$1,557,412 primarily as a result of a \$4,780,421 transfer of District source matching funds to the General Fund from the Water Protection & Sustainability Fund offset by a \$6,498,754 transfer of debt service reserve remaining proceeds stated above. A schedule of all the transfers making up the combination of the Special Revenue funds can be found in note 7 on page 43.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's General Fund spent a total of \$20,353,921 less than budgeted expenditures in all spending categories in FY 2014–2015 as a result of a continued focus by District management on reducing operating expenditures through adjusting staffing levels and enhancing oversight of contractual services. The largest budget variance of \$15,401,126 was in the acquisition, restoration and public works category, second largest of \$2,273,186 was in the water resources planning and monitoring category and third largest of \$1,230,994 was in the operation and maintenance of lands and works category. The nearly \$12 million budget variance in the acquisition, restoration and public works category is primarily the result of unspent grants and aids of \$13 million to local governments (cost-share and cooperative funding) and unspent other personal services of \$1.5 million in the form of contractual/ consultant services, scientific research and analysis and surface water restoration expenditures.

Fiscal year 2014–2015 total expenditures for the General Fund increased \$13,895,174 or 17.5% over fiscal year 2013–2014, primarily due to a \$10,306,252 or 293% increase in cost-share and cooperative funding in the form of grants and aids to our local partners.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

The historical trend of positive General Fund budget variances continued for the FY 2014–2015, with the current year's 82% utilization of appropriations consistent with historical utilization.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets — The District's investment in capital assets for its governmental activities as of September 30, 2015, amounted to \$1,172,379,975 (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 2014–2015 valued at \$38.2 million with additions to easements of \$20,287,058, infrastructure of \$6,929,270 and land of \$2,767,624 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, Wheeler Storm Water Park and C-1 Rediversion projects. Additional information on the District's capital assets can be found in note 4 on page 41 of this report.

Long-term Obligations — The District retired the bonded debt outstanding of \$12,290,000 in August 2015 ahead of the July 1, 2016 scheduled maturity. The District's remaining long-term obligations include; \$25,247,659 net pension liability, \$ 5,334,629 for vested leave balances earned by employees, \$2,500,000 for claims and judgments owed, and \$3,428,575 for the other post-employment benefits. Additional information on the District's long-term obligations 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 decreased 4% from 0.3283 mills in FY 2013–2014 to 0.3164 mills in FY 2014–2015, while the 2015-2016 millage rate decreased 5% to 0.3023 mills. 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 and assessed property appreciation, provide a basis for a projected increase 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. In FY 2014–2015 and FY 2015-2016, the state provided the District over \$20 million to dredge the Eau Gallie River, which is still in the design phase with dredging scheduled to start in the summer of 2016. In November of 2014, the voters passed Amendment 1, which allocates future Documentary Stamp Tax collection dollars to fund land acquisition for conservation purposes. The District's first land acquisition using these Amendment 1 funds was the December 2015 purchase of the 4,900-acre Silver Springs Forest property in Marion County.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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 has accumulated resources over previous fiscal years. It is the intent of the Governing Board to spend down those resources to fund or assist in the development of one or more regionally-significant water resource or supply development projects. These projects are contained in its multi-year capital and cooperative funding 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, Division of Chief of Staff, 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, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,431,090
Investments	184,710,671
Accounts and other receivables	912,623
Inventories	886,325
Intergovernmental receivables	7,865,611
Prepaid items	754,048
Non-depreciable capital assets:	
Land	825,743,487
Easements	192,388,313
Construction in progress	5,086,172
Depreciable capital assets:	
Buildings	35,682,189
Machinery and equipment	37,233,076
Infrastructure	178,449,964
Models and software	7,513,965
Accumulated depreciation	(109,717,191)
Total assets	1,369,940,343
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	4,620,187
LIABILITIES	
Accounts payable and other current liabilities	17,644,546
Unearned revenue	8,821,160
Due to other governmental units	91,426
Long-term liabilities:	
Due within one year	3,075,729
Due in more than one year	33,435,134
Total liabilities	63,067,995
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	3,888,257
NET POSITION	
Net investment in capital assets	1,172,379,975
Restricted for:	
Water protection and sustainability/alternative water supply	6,492,005
Land management/acquisition	12,842,641
Unrestricted	115,889,657
Total net position	\$ 1,307,604,278

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, 2015

Function / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Water resources planning and monitoring	\$ 16,525,822	\$ -	\$ 403,356
Acquisition, restoration, and public works	45,545,311	1,231,071	25,513,813
Operation and maintenance of lands and works	25,818,520	1,387,381	336,265
Regulation	16,035,824	1,728,512	70,000
Outreach	1,229,915	-	-
District management and administration	16,371,881	-	804,671
Interest on long-term debt	329,367	-	-
Total governmental activities	\$ 121,856,640	\$ 4,346,964	\$ 27,128,105

General Revenues:

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

Increase in net position

Net position, beginning of year

Prior period adjustment (Note 1(r))

Net position, beginning of year, as restated

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
\$ 229,466	\$ (15,893,000)
12,353,218	(6,447,209)
-	(24,094,874)
-	(14,237,312)
-	(1,229,915)
-	(15,567,210)
-	(329,367)
<u>\$ 12,582,684</u>	<u>(77,798,887)</u>

81,505,441
230,492
2,386,129
<u>84,122,062</u>
6,323,175
<u>1,318,312,908</u>
(17,031,805)
<u>1,301,281,103</u>
<u>\$ 1,307,604,278</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
BALANCE SHEET- GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>General Fund</u>	<u>State Grants</u>
Assets		
Cash and cash equivalents	\$ 2,431,090	\$ -
Investments	137,538,855	1,364,124
Accounts and other receivables	908,655	-
Due from other funds	4,347,398	-
Inventories	886,325	-
Intergovernmental receivables	-	4,809,164
Prepaid items	694,702	-
Total assets	<u>146,807,025</u>	<u>6,173,288</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	11,952,276	1,173,383
Due to other funds	154,156	3,635,781
Unearned revenue	-	1,360,497
Due to other governmental units	-	3,627
Total liabilities	<u>12,106,432</u>	<u>6,173,288</u>
Fund balances		
Nonspendable	1,581,027	-
Restricted	-	-
Committed	123,265,302	-
Assigned	9,854,264	-
Unassigned	-	-
Total fund balances	<u>134,700,593</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 146,807,025</u></u>	<u><u>\$ 6,173,288</u></u>

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

Special Revenue - Other	Debt Service	Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,431,090
37,194,489	-	8,613,203	184,710,671
-	-	3,968	912,623
-	-	154,156	4,501,554
-	-	-	886,325
2,326,434	-	730,013	7,865,611
59,346	-	-	754,048
<u>39,580,269</u>	<u>-</u>	<u>9,501,340</u>	<u>202,061,922</u>
147,272	-	4,371,615	17,644,546
711,617	-	-	4,501,554
6,960,663	-	500,000	8,821,160
-	-	87,799	91,426
<u>7,819,552</u>	<u>-</u>	<u>4,959,414</u>	<u>31,058,686</u>
-	-	-	1,581,027
19,334,646	-	-	19,334,646
12,426,071	-	4,477,398	140,168,771
-	-	64,528	9,918,792
-	-	-	-
<u>31,760,717</u>	<u>-</u>	<u>4,541,926</u>	<u>171,003,236</u>
<u>\$ 39,580,269</u>	<u>\$ -</u>	<u>\$ 9,501,340</u>	<u>\$ 202,061,922</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances – governmental funds	\$ 171,003,236
--	----------------

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	1,282,097,166	
Accumulated depreciation	<u>(109,717,191)</u>	
		1,172,379,975

Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:

Deferred outflow amount on pension liabilities	4,620,187	
Deferred inflow amount on pension liabilities	<u>(3,888,257)</u>	
		731,930

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

Net pension liability	(25,247,659)	
Compensated absences	(5,334,629)	
Other post-employment benefit payable	(3,428,575)	
Claims and judgments	<u>(2,500,000)</u>	

Net position of governmental activities	<u><u>\$ 1,307,604,278</u></u>
---	--------------------------------

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, 2015

	<u>General Fund</u>	<u>State Grants</u>
Revenues		
Ad valorem property taxes	\$ 81,505,441	\$ -
State	-	7,820,649
Federal	-	-
Investment earnings	2,251,029	-
Local mitigation	-	-
Licenses and permits	1,721,156	-
Cities and counties	-	-
Lease and timber sales	-	-
Fines and penalties	7,356	-
Other	230,492	-
Total revenues	<u>85,715,474</u>	<u>7,820,649</u>
Expenditures		
Current:		
Water resources planning and monitoring	18,219,070	186,171
Acquisition, restoration, and public works	29,019,309	7,477,929
Operation and maintenance of lands and works	16,637,885	75,412
Regulation	13,951,045	-
Outreach	1,092,884	-
District management and administration	14,601,996	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>93,522,189</u>	<u>7,739,512</u>
Excess of revenues over (under) expenditures	<u>(7,806,715)</u>	<u>81,137</u>
Other financing sources (uses):		
Transfers in	5,430,645	-
Transfers out	(5,710,920)	(81,137)
Sale of capital assets	437,830	-
Insurance/ loss recovery	3,995	-
Total other financing sources (uses)	<u>161,550</u>	<u>(81,137)</u>
Net change in fund balances	(7,645,165)	-
Fund balances, beginning of year	<u>142,345,758</u>	<u>-</u>
Fund balances, end of year	<u>\$ 134,700,593</u>	<u>\$ -</u>

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

Special Revenue - Other	Debt Service	Non–major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 81,505,441
-	12,822,328	5,366,206	26,009,183
-	-	2,428,612	2,428,612
-	26,400	108,700	2,386,129
-	-	646	646
-	-	-	1,721,156
400,268	-	-	400,268
-	-	1,387,381	1,387,381
-	-	-	7,356
1,031,639	-	-	1,262,131
<u>1,431,907</u>	<u>12,848,728</u>	<u>9,291,545</u>	<u>117,108,303</u>
269,802	-	176,849	18,851,892
887,973	-	14,690,906	52,076,117
-	-	3,512,640	20,225,937
70,000	-	-	14,021,045
-	-	-	1,092,884
-	-	890	14,602,886
-	12,290,000	-	12,290,000
-	532,328	-	532,328
<u>1,227,775</u>	<u>12,822,328</u>	<u>18,381,285</u>	<u>133,693,089</u>
<u>204,132</u>	<u>26,400</u>	<u>(9,089,740)</u>	<u>(16,584,786)</u>
31,760,717	-	11,035,104	48,226,466
(204,132)	(6,498,174)	(35,732,103)	(48,226,466)
-	-	-	437,830
-	-	-	3,995
<u>31,556,585</u>	<u>(6,498,174)</u>	<u>(24,696,999)</u>	<u>441,825</u>
31,760,717	(6,471,774)	(33,786,739)	(16,142,961)
-	6,471,774	38,328,665	187,146,197
<u>\$ 31,760,717</u>	<u>\$ -</u>	<u>\$ 4,541,926</u>	<u>\$ 171,003,236</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, 2015**

Net change in fund balances – total governmental activities \$ (16,142,961)

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	12,519,494	
Current year depreciation	(7,061,172)	
Contributions of capital assets	11,085,196	
		16,543,518

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. 793,241

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 premiums	79,051
--	--------

Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 12,290,000

The net change in net pension liability and deferred outflows and inflows are reported in the statement of activities, but not in the governmental funds.

Change in net pension liability	(8,215,854)	
Change in deferred outflows related to pensions	4,620,187	
Change in deferred inflows related to pensions	(3,888,257)	
		(7,483,924)

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	198,856	
Accrued interest payable	123,910	
Other post-employment benefit payable	(78,516)	
		244,250

Change in net position of governmental activities	\$ 6,323,175
---	--------------

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, 2015

(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 meeting all of the above 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, 2015 will be incorporated in the state's June 30, 2016 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, 2015

(1) Summary of Significant Accounting Policies (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 *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.

The *Special Revenue — Other Fund* is a special revenue fund that 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. As of September 30, 2015, this fund will be the only special revenue fund and will combine all of the previous 10 special revenue funds.

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, principal and interest on the St. Johns River Water Management District Land Acquisition Revenue Refunding Bonds, Series 2004. The fund is supported by interest income and revenue from the Water Management Lands Trust Fund. With the retirement of its Revenue Refunding Bonds, Series 2004 in August 2015 the District will no longer present this 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, 2015

(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, 2015

(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 the Office of Governmental 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.

The State of Florida uses a different expenditure category model in their Comprehensive Annual Financial Report that groups the adopted and final budgets and expenditures under the following categories: Salaries and Benefits, Other Personal Services, Expenses, Grants and Aids, Operating Capital Outlay, Fixed Capital Outlay and Debt Service: Principal Retirement and Interest and Fiscal Charges. For a Districtwide adopted and final budget and actual expenditure detail using the State of Florida model, see note 16.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

- (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 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 currents 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
Building improvements	\$100,000
Infrastructure and infrastructure improvements	\$100,000
Machinery and equipment	\$1,000
Software	\$1,000
Ground water and surface water models	\$1,000,000
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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

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 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.

Ground water and surface water models developed and enhanced by the District are capitalized when the costs exceed \$1 million. The costs are accumulated in construction in progress until the model is in a functioning state available for use by the District and other governmental units/ utilities or firms. These models are depreciated over their estimated useful lives of ten to fifty years. All costs to develop, enhance or maintain these models are capitalized except for peer review services.

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/ models/ intangibles	3–50

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

- (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.

- (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 2014-2015 fiscal year was 0.3164 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

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

- (q) **Use of Estimates** — The preparation of financial statements in conformity with U.S. GAAP 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.
- (r) **Restatement of Beginning Net Position** — Effective October 1, 2014, the District implemented GASB Statement 68 and 71, *Accounting And Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and Pension Transition For Contributions Made Subsequent To The Measurement Date – An Amendment of GASB No. 68*, respectively. The State of Florida's Division of Retirement reported to the District its June 30, 2014 share of the Cost-Sharing Multiple Employer Defined Benefit Pension Plan – Net Pension Liability as \$6,113,768 less deferred outflows for contributions subsequent to the prior measurement date of \$639,827 for the Florida Retirement System and as \$11,683,264 less \$125,400 for the Retiree Health Insurance Subsidy Program, for a total Net Pension Liability and deferred outflows of \$17,797,032 and \$765,227, which total \$17,031,805. The beginning net position balance of \$1,318,312,908 will be reduced by \$17,031,805 for a restated October 1, 2014 beginning net position balance of \$1,301,281,805. See Note 11.

(2) Budgetary Information:

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

(3) 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.

During the fiscal year, the State Board of Administration (SBA) transferred all remaining reserves of the former Fund B into the appropriate District Florida PRIME accounts. This reserve amount was recorded as investment earnings as the former Fund B accounts did not transfer any interest earning since December 2007. The former Fund B accounts are officially closed. How the investment policy manages credit risk, interest rate risk, custodial credit risk, and concentration of credit risk is as follows:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

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

Investments in Federal Instrumentalities, U.S. Government Securities, and Mortgage-Backed Securities are backed by the full faith and credit of the U.S. federal government. Investments in the SBA are invested in the Florida PRIME. The Florida PRIME is rated AAAM by Standard and Poors. 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 Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2014 through September 30, 2015.

As of September 30, 2015, 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+	04/11/2016	\$ 1,081,934	
Federal National Mortgage Association	AA+	04/27/2017	176,468	
Federal National Mortgage Association	AA+	09/27/2017	2,205,187	
Federal National Mortgage Association	AA+	09/18/2018	1,025,850	
Federal National Mortgage Association	AA+	10/19/2018	753,465	
Federal National Mortgage Association	AA+	02/19/2019	2,046,940	
Federal National Mortgage Association	AA+	06/20/2019	2,040,340	
Federal National Mortgage Association	AA+	09/12/2019	2,036,660	
Federal National Mortgage Association	AA+	11/26/2019	2,036,680	
Federal National Mortgage Association	AA+	01/21/2020	1,516,410	
Federal Home Loan Bank	AA+	06/24/2016	2,547,555	
Federal Home Loan Bank	AA+	09/28/2016	3,547,963	
Federal Home Loan Bank	AA+	03/24/2017	2,005,410	
Federal Home Loan Bank	AA+	03/30/2017	2,001,820	
Federal Home Loan Bank	AA+	06/08/2018	1,510,245	
Federal Home Loan Mortgage Corporation	AA+	10/14/2016	3,163,505	
Federal Home Loan Mortgage Corporation	AA+	01/27/2017	3,626,307	
Federal Home Loan Mortgage Corporation	AA+	07/28/2017	3,287,078	
Federal Home Loan Mortgage Corporation	AA+	01/12/2018	1,998,780	
Federal Home Loan Mortgage Corporation	AA+	05/30/2019	1,020,320	
Federal Home Loan Mortgage Corporation	AA+	08/01/2019	1,998,840	
Federal Home Loan Mortgage Corporation	AA+	10/02/2019	1,746,448	
Total Federal Instrumentalities			43,374,205	23.48%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

	S & P Rating	Maturity Date	Fair Value	% of Portfolio
U.S. Government Securities				
U.S. Treasury Notes	AA+	06/30/2016	2,779,930	
U.S. Treasury Notes	AA+	08/31/2016	6,157,203	
U.S. Treasury Notes	AA+	12/31/2016	2,814,214	
U.S. Treasury Notes	AA+	01/31/2017	6,607,333	
U.S. Treasury Notes	AA+	03/31/2017	4,477,631	
U.S. Treasury Notes	AA+	04/30/2017	12,563,395	
U.S. Treasury Notes	AA+	08/31/2017	10,860,223	
U.S. Treasury Notes	AA+	10/31/2017	3,194,992	
U.S. Treasury Notes	AA+	11/30/2017	4,517,097	
U.S. Treasury Notes	AA+	01/31/2018	3,198,775	
U.S. Treasury Notes	AA+	03/31/2018	11,952,859	
U.S. Treasury Notes	AA+	04/15/2018	1,997,020	
U.S. Treasury Notes	AA+	05/15/2018	2,008,300	
U.S. Treasury Notes	AA+	07/31/2018	3,486,244	
U.S. Treasury Notes	AA+	10/31/2018	1,513,125	
U.S. Treasury Notes	AA+	01/31/2019	1,510,185	
U.S. Treasury Notes	AA+	03/31/2020	1,736,263	
U.S. Treasury Notes	AA+	04/30/2020	2,005,600	
U.S. Treasury Notes	AA+	05/31/2020	2,017,700	
Total U.S. Government Securities			85,398,089	46.23%
Mortgage-Backed Securities				
Federal National Mortgage Association	AA+	04/01/2018	463,861	0.25%
Corporate Notes				
Bank of New York Mellon Notes	A+	01/15/2016	1,005,919	
Toyota Motor Credit Corp. Notes	AA-	05/17/2016	901,998	
Wells Fargo and Company Notes	A+	07/20/2016	1,804,482	
American Honda Finance Global Notes	A+	10/07/2016	1,454,874	
Coca-Cola Co. Global Notes	AA	11/01/2016	950,607	
JP Morgan & Chase & Co. Notes	A	02/15/2017	4,280,558	
Cisco Systems Inc Global Notes	AA-	03/03/2017	2,131,993	
Apple Inc. Corp. Notes	AA+	05/05/2017	3,488,380	
General Electric Corp. Notes (Callable)	AA+	05/15/2017	2,010,900	
American Express Corp. Notes	A-	06/05/2017	3,631,498	
John Deere Capital Corp. Notes	A	06/12/2017	2,673,530	
HSBC USA Inc. Notes	A	06/23/2017	1,422,521	
Caterpillar Financial SE Notes	A	08/18/2017	946,862	
Boeing Company (Floating) Notes	A	10/30/2017	2,072,387	
HSBC USA Inc. Notes	A	11/13/2017	4,170,214	
Toyota Motor Credit Corp. Notes	AA-	01/12/2018	525,613	
IBM Corp. Notes	AA-	02/06/2018	1,795,644	
Berkshire Hathaway Inc. Notes	AA	02/09/2018	1,008,120	
Exxon Mobil Corp. Notes	AAA	03/06/2018	2,104,956	

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

	S & P Rating	Maturity Date	Fair Value	% of Portfolio
American Honda Finance Corp. Notes	A+	03/13/2018	559,028	
Coca-Cola Co. Global Notes	AA	04/01/2018	499,550	
Conocophillips Company Corp. Notes	A	05/15/2018	359,668	
Bank of New York Mellon Corp. Notes	A+	05/22/2018	1,996,026	
Cisco Systems Inc. Corp. Notes	AA-	06/15/2018	866,265	
Toyota Motor Credit Corp. Notes	AA-	07/13/2018	1,044,736	
Microsoft Corp. Notes	AAA	06/01/2019	1,092,680	
Total Corporate Notes			<u>44,799,009</u>	24.25%
Commercial Paper				
Bank of Tokyo Mitsubishi	A-1	10/29/2015	2,149,673	
JP Morgan Securities LLC	A-1	03/04/2016	1,597,448	
Bank National of Paris Paribas NY Branch	A-1	05/16/2016	2,192,065	
Total Commercial Paper			<u>5,939,186</u>	3.22%
Municipal Bonds				
Univ. of California Taxable Revenue Bonds	AA	05/15/2016	175,530	
California State Taxable GO Bonds	AA-	11/01/2016	1,154,727	
Oregon St. Lottery Taxable Revenue Bonds	AAA	04/01/2018	251,915	
Total Municipal Bonds			<u>1,582,172</u>	0.86%
Florida State Board of Administration Pool				
Florida PRIME	AAAm		<u>3,003,773</u>	1.63%
Fixed Income Money Market Fund				
Federated Government Obligations	NR		<u>150,377</u>	0.08%
TOTAL INVESTMENTS			<u><u>\$ 184,710,672</u></u>	<u>100.00%</u>

- (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, SBA – 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, 2015, was approximately 2 years. The maximum duration allowed by the District's Investment Policy is 3 years. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2015, was 29 days. The next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

<u>Description of Investment</u>	<u>Maturity Duration</u>
Florida PRIME	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

As of September 30, 2015, the District had the following investments and maturities:

	<u>Fair Value</u>	<u>Investment Maturity (in years)</u>		
		<u>Less than 1 year</u>	<u>1–3 year</u>	<u>3–5 years</u>
Federal Instrumentalities	\$43,374,205	\$ 7,177,452	\$ 21,000,650	\$15,196,103
U.S. Treasury Securities	85,398,089	8,937,133	67,678,083	8,782,873
Mortgage-Backed Sec.	463,861	-	463,861	-
Corporate Notes	44,799,009	3,712,399	39,993,930	1,092,680
Commercial Paper	5,939,186	5,939,186	-	-
Municipal Bonds	1,582,172	175,530	1,406,642	-
Florida PRIME	3,003,773	3,003,773	-	-
Money Market Fund	150,377	150,377	-	-
TOTAL INVESTMENTS	<u>\$184,710,672</u>	<u>\$29,095,850</u>	<u>\$130,543,166</u>	<u>\$25,071,656</u>

(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 District owns shares of the SBA—Florida PRIME, which is a “2a-7” like fund, and not the underlying securities. The Florida PRIME did not participate in a securities lending program during the period from October 1, 2014 through September 30, 2015.

(d) Concentration of Credit Risk — The District’s investment strategy is to maintain diversification. 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 and limiting the maximum amount invested in any single issuer. The District further diversified its investment portfolio by splitting the management of the portfolio between two investment management companies.

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:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(3) Cash and Investments (Concluded):

<u>Compliance Guideline</u>	<u>Exposure to specific Guideline</u>	<u>Sector Guideline Exposures</u>		
		<u>% of Available Funds</u>		
		<u>Year end Exposure %</u>	<u>Maximum</u>	
			<u>During Year</u>	<u>Policy</u>
U.S. Government Securities	\$ 85,398,089	46.23%	56.43%	100%
Federal Instrumentalities	43,374,205	23.48%	23.48%	80% *
Mortgage-Backed Securities	463,861	0.25%	0.25%	20% *
Municipal Bonds	1,582,172	0.86%	2.00%	25%
Money Market Funds	150,377	0.08%	1.28%	50%
Commercial Paper	5,939,186	3.22%	5.98%	25% **
Corporate Notes	44,799,009	24.25%	24.59%	25% **
Florida PRIME	<u>3,003,773</u>	<u>1.63%</u>	4.52%	25%
Subtotal Investments	184,710,672	<u>100.00%</u>		
Cash Checking Accounts	<u>2,431,090</u>			
Total Cash and Investments	<u>\$187,141,762</u>			

*The maximum aggregate amount of Federal Instrumentalities and Mortgage-Backed Securities will not exceed 80%.

**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 including relative effective durations follows (Note: the District created a additional investment portfolio with a new investment manager on February 11, 2015 with a longer duration):

Investment Portfolio Performance

Fiscal Year 2011 to Fiscal Year 2015

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>3 – Year Average</u>	<u>5 – Year Average</u>
Investment Portfolio—Operating Fund	1.21	0.97	0.43	0.65	1.11	0.73	0.87
Policy Benchmark*	1.20	0.56	0.56	0.50	1.16	0.74	0.76
Effective Duration—Operating Fund at September 30, 2015					1.58		
Policy Benchmark*					1.79		
New Investment Manager/Portfolio	N/A	N/A	N/A	N/A	1.10	N/A	N/A
Policy Benchmark**	N/A	N/A	N/A	N/A	0.63	N/A	N/A
Effective Duration—New Investment Manager/Portfolio at September 30, 2015					2.27		
Policy Benchmark**					2.64		

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

***(Merrill Lynch 1-5 year US Treasury Note Index for the period of February 1, 2015 to September 30, 2015)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(4) Capital Assets:

(a) Capital asset activity for the year ended September 30, 2015, was as follows:

	Balance at Oct. 1, 2014	Additions	Retirements	Balance at Sept. 30, 2015
Capital assets, not being depreciated:				
Land	\$ 826,131,382	\$ 2,767,624	\$ (3,155,519)	\$ 825,743,487
Easements	179,779,783	12,608,530	-	192,388,313
Construction in progress	3,602,633	10,676,073	(9,192,534)	5,086,172
Total capital assets, not being depreciated	<u>1,009,513,798</u>	<u>26,052,227</u>	<u>(12,348,053)</u>	<u>1,023,217,972</u>
Capital assets, being depreciated:				
Buildings	36,324,024	8,177	(650,012)	35,682,189
Infrastructure	171,521,432	6,928,532	-	178,449,964
Machinery and equipment	36,127,663	2,509,837	(1,404,424)	37,233,076
Software and Models	4,939,394	2,574,571	-	7,513,965
Total capital assets, being depreciated	<u>248,912,513</u>	<u>12,021,117</u>	<u>(2,054,436)</u>	<u>258,879,194</u>
Less accumulated depreciation for:				
Buildings	(14,265,316)	(917,989)	209,008	(14,974,297)
Infrastructure	(54,556,479)	(4,318,522)	-	(58,875,001)
Machinery and equipment	(29,621,971)	(1,822,123)	518,068	(30,926,026)
Other depreciable assets	(4,939,329)	(2,538)	-	(4,941,867)
Total accumulated depreciation	<u>(103,383,095)</u>	<u>(7,061,172)</u>	<u>727,076</u>	<u>(109,717,191)</u>
Capital assets being depreciated, net	<u>145,529,418</u>	<u>4,959,945</u>	<u>(1,327,360)</u>	<u>149,162,003</u>
Governmental activities capital assets, net	<u>\$1,155,043,216</u>	<u>\$ 31,012,172</u>	<u>\$ (13,675,413)</u>	<u>\$1,172,379,975</u>

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

Operation and maintenance of lands and works	\$ 6,140,645
District management and administration	920,527
Total depreciation expense	<u>\$ 7,061,172</u>

In fiscal year 2014-2015, the District sold the following easements and land: Bud Henry property for \$1,200,000, Carey property for \$200,000, Grinnell property for \$48,750 and McMillan property for \$2,700.

(5) Commitments:

Encumbrances of Fund Balance — The District has restricted, committed and assigned fund balances for obligations that were executed in fiscal year 2014-2015, but will be expended in the next fiscal year. The \$19.6 million in encumbrances below (\$12,517,254 of fund balance and \$7,067,376 of future resources) represent purchase orders and contracts that were expected to be expended in fiscal year 2014-2015, but are now expected to be expended in fiscal year 2015-2016. These encumbrances will be added to the adopted fiscal year 2015-2016 budget, therefore, increasing the \$171.0 million adopted fiscal year 2015-2016 budget by \$19.6 million to a final adopted budget of \$190.6 million. These commitments and assignments of fund balance are in the form of contracts, agreements, grants to local governments, and purchase orders. The totals by fund are as follows:

General Fund	\$ 8,596,392
Capital Projects Fund	3,674,126
Special Revenue Fund	<u>246,736</u>
Total	<u>\$ 12,517,254</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(5) Commitments (Concluded):

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 source are as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Special Revenue Fund	\$239,245	\$6,726,191	\$101,940	\$7,067,376

The committed future resources of the Special Revenue Fund - State grants of \$1,195,025 were from unearned revenues advanced to the District by the Florida Department of Environmental Protection and the Florida Department of Transportation.

(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>Entity</u>	<u>Funding Source</u>	<u>Amount</u>
Department of Defense	Federal - Other	\$ 500,000
FDOT	State – FDOT Mitigation	4,188,372
FDEP	State – Ecosystems Management Trust	1,036,483
FDEP	State – Florida Forever Trust	1,327,499
FDEP	State – Springs Initiative	1,305,609
FDEP	State – Resolution 2000-24	54,888
Lake County	Local – Counties	6,000
Volusia County	Local – Counties	169,790
City of Port Orange	Local – Cities	169,790
Southern Homes	Local – Other	62,729
Total		<u>\$ 8,821,160</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 grantors. 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>
General Fund	\$ 3,635,781	State Grants Fund	Temporary Loan
General Fund	711,617	Special Revenue – Other Fund	Temporary Loan
Federal Grants Fund	154,156	General Fund	Temporary Loan
Total	<u>\$ 4,501,554</u>		

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(7) Interfund Balances and Activities (Concluded):

The District makes routine transfers among its funds during the fiscal year. The principle purpose of the transfers is 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 \$12,668,774, \$6,498,174, \$6,492,005, \$4,773,327, \$1,174,570 and \$153,867 from the Long-term Maintenance Mitigation Fund, Mitigation Fund, Water Protection & Sustainability Fund, Land Management Fund, General Fund and Indian River Lagoon License Tag Fees Fund were all the residual fund balances transferred into the combined Special Revenue – Other Fund. The Special Revenue – Other Fund will be the only District special revenue fund, therefore, the previous 10 special revenue funds will now be only the Special Revenue – Other Fund.

The \$4,780,421 transfer from the Water Protection & Sustainability Fund to the General Fund is for an overmatch that existed after the state of Florida eliminated a portion of its original appropriation. The \$204,132 transfer from Special Revenue – Other Fund to the General Fund was to reimburse for indirect costs of local grants. The \$198,269 from the Federal Grants Fund to the General Fund is to reimburse for indirect costs of federal grants. The \$81,137 transfer from the State Grants Fund to the General Fund is to reimburse for indirect costs associated with State grants. The \$35,352 transfer from the Ecosystems Management Trust Fund to the General Fund is to reimburse for indirect costs. The \$6,498,174 transfer from the Debt Service Fund to the Mitigation Fund was to make available debt service reserve proceeds after the retirement of the debt for future conservation land acquisition. The \$4,536,350 transfer from the General Fund to the Capital Projects Fund is to fund major capital expenditures with District funding sources. The \$580 transfer from the Mitigation Fund to the Land Management Fund is to move the funds received for local mitigation to the fund that will expend monies for land management and restoration expenditures. A summary of interfund transfers is as follows:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>
Major Funds:		
Special Revenue - Other Fund	\$ 12,668,774	Long-term Maintenance Mitigation Fund
Special Revenue - Other Fund	6,498,174	Mitigation Fund
Special Revenue - Other Fund	6,492,005	Water Protection & Sustainability Fund
Special Revenue - Other Fund	4,773,327	Land Management Fund
Special Revenue - Other Fund	1,174,570	General Fund
Special Revenue - Other Fund	153,867	Indian River Lagoon License Tag Fees Fund
General Fund	4,780,421	Water Protection & Sustainability Fund
General Fund	204,132	Special Revenue – Other Fund
General Fund	198,269	Federal Grants Fund
General Fund	131,334	Mitigation Fund
General Fund	81,137	State Grants Fund
General Fund	35,352	Ecosystems Management Trust Fund
Total Major Funds	37,191,362	
Non-major Funds:		
Mitigation Fund	6,498,174	Debt Service Fund
Capital Projects Fund	4,536,350	General Fund
Land Management Fund	580	Mitigation Fund
Total Non-major Funds	11,035,104	
Total All Funds	<u>\$ 48,226,466</u>	

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(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.

(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, 2015, membership consisted of:

Active employees	502
Inactive employees	<u>38</u>
Total	540

(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 benefit ended on September 30, 2015. The state of Florida's Division of Retirement contributes each month \$5 for each year of service, up to \$150 per month. The District's Blue Cross Blue Shield contract establishes the individual premium to be paid by the retired employees. The state of Florida prohibits the District from separately rating retired employees and active employees. As a result, the District's premium charges to retired employees can be no more than the premium cost applicable to active employees. Generally Accepted Accounting Principles, however, require that the actuarial information presented below be calculated using age-adjusted premiums approximating claims costs for retirees separate from the active employees.

The use of age-adjusted premiums, results in the addition of an implicit rate subsidy into the actuarial accrued liability. For the fiscal year ending September 30, 2015, retired employees directly contributed \$65,314 to the plan. For retired employees, the District contributed \$30,219 and the state of Florida's Division of Retirement Services contributed \$269,915 through a pension deduction and the above mentioned Florida's Division of Retirement subsidy.

For active employees, the District contributed \$5,642,967 and the employees contributed \$1,241,102. The District also contributed \$1,055,415 to the accounts of employees with a High Deductible Savings and Flexible Spending Accounts.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

(e) Annual OPEB Costs, Net OPEB Obligation, and Funding Progress: The District's actuarial valuation was performed for the plan as of October 1, 2014, 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, 2015. The District's annual OPEB cost (expense) increase of \$303,648 was decreased by the assumed contributions of (\$225,132), which netted a increase of \$78,516 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	
	September 30, 2014	September 30, 2015
Determination of Annual Required Contribution:		
Normal cost at year-end	\$ 163,435	\$ 169,972
Amortization of Unfunded Actuarial Liability	<u>214,464</u>	<u>225,163</u>
Annual Required Contribution (ARC)	<u>377,899</u>	<u>395,135</u>
Determination of Net OPEB Obligation:		
ARC	377,899	395,135
Interest on prior year Net OPEB Obligation	144,326	134,002
One time adjustment to ARC	(329,580)	-
<i>Adjustment to ARC</i>	<u>(236,648)</u>	<u>(225,489)</u>
Annual OPEB Cost	(44,003)	303,648
Contributions made	<u>(214,090)</u>	<u>(225,132)</u>
Increase in Net OPEB Obligation	(258,093)	78,516
Net OPEB Obligation – beginning of year	<u>3,608,152</u>	<u>3,350,059</u>
Net OPEB Obligation – end of year	<u>\$ 3,350,059</u>	<u>\$ 3,428,575</u>

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

Fiscal	Discount	Annual	Percentage of	Net OPEB
Year Ended	Rate	OPEB Cost	OPEB Cost	Obligation
			Contributed	
9/30/2013	4.00%	\$ 569,486	82.2%	\$3,608,152
9/30/2014	4.00%	(\$ 44,003)	N/A	\$3,350,059
9/30/2015	4.00%	\$ 303,648	74.1%	\$3,428,575

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

Actuarial	Actuarial	Actuarial	Unfunded	Funded	Covered	UAAL as a
Valuation	Value	Liabilities	Actuarial	Ratio	Payroll	Percentage
Date	of Assets	AAL	Liabilities			of Covered
			(UAAL)			Payroll
10/01/2012	\$0	\$5,492,824	\$5,492,824	0.0%	\$37,934,636	14.48%
10/01/2013	\$0	\$3,269,922	\$3,269,922	0.0%	\$36,913,883	8.86%
10/01/2014	\$0	\$3,345,217	\$3,345,217	0.0%	\$37,495,587	8.92%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

Actuarial valuations of an ongoing plan involves 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 (FRS) an amount on a bi-monthly basis established to cover the future FRS contributions. 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 includes 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, 2014 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 5.6% in 2024. 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 available. 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, 2015, was 22 years.

(9) Long-Term Obligations:

(a) Compensated Absences, Pension, OPEB, and Claims and Judgments:

Vested portion of accrued vacation and sick pay (see note (1)(l) for a summary of the District's leave policies)	\$ 5,334,629
Pension (FRS), (See Note 1(r))	25,247,659
Claims and judgments	2,500,000
Other post-employment benefits	3,428,575
Total Long-Term Obligations	<u>\$ 36,510,863</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(9) Long-Term Obligations (Concluded):

(b) Long-Term Obligations: Changes in long-term liabilities for the fiscal year ended September 30, 2015, are summarized as follows:

Governmental Activities:	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015	Due Within One Year
General long-term obligations:					
Revenue bonds payable	\$12,290,000	\$ -	\$12,290,000	\$ -	\$ -
Deferred: Issuance premiums	79,051	-	79,051	-	-
Total revenue bonds payable	12,369,051	-	12,369,051	-	-
Accrued compensated absences	5,533,485	3,348,346	3,547,202	5,334,629	575,729
Pension (FRS), (See Note 1(r))	17,797,032	7,450,627	-	25,247,659	-
Other post-employment benefits	3,350,059	78,516	-	3,428,575	-
Claims and judgments	2,500,000	-	-	2,500,000	2,500,000
Total governmental activity long-term obligations	<u>\$41,549,627</u>	<u>\$10,877,489</u>	<u>\$15,916,253</u>	<u>\$ 36,510,863</u>	<u>\$3,075,729</u>

Interest expense is \$329,367 in the Statement of Activities for the year ended September 30, 2015.

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>
2016	\$ 419,846
2017	432,420
2018	445,421
2019	458,634
2020	472,487
2021	486,553
Total Lease Payments	<u>\$ 2,715,361</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 the governmental fund level to pay for any claims or judgments that may arise. See Note 18 for discussion of Subsequent Events relating to Contingent Liabilities.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans:

Florida Retirement System:

General Information — All of the District's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description — The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided — Benefits under the Pension Plan are computed on the basis of age, average final compensation and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans (Continued):

credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of the three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions — Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular—7.37% and 7.26%; Senior Management Service—21.14% and 21.43%; and DROP participants—12.28% and 12.88%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

The District's liability for participation is limited to the payment of the required contribution rates and frequencies established by law on future payrolls of the District. The District contributed 100% of the required contribution to FRS in fiscal years ended September 30, 2015, 2014 and 2013.

The District's contributions to the FRS for the years ended September 30, 2015, 2014, and 2013, were \$3,119,327, \$2,990,038 and \$2,225,606, respectively. The employees contribution to the FRS for fiscal year ended September 2015, 2014 and 2013, were \$988,162, \$995,620 and \$994,870, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2015, the District reported a liability of \$12,707,496 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.098383092%, which was a decrease of 2% from its proportionate share measured as of June 30, 2014.

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans (Continued):

- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense, however, employee contributions are used to reduce pension expense. The District's FRS Pension Plan pension contributions totaled \$2,192,263 for the fiscal year ended September 30, 2015. The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2015, was 6.3 years for FRS and 7.2 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2015, are presented below for the FRS Pension Plan.

Service cost	\$ 2,079,865
Interest cost	11,532,036
Effect of economic/demographic gains or losses (differences Between expected and actual experience)	183,031
Effect of assumptions changes or inputs	196,148
Member contributions	(687,013)
Projected investment earnings	(11,028,896)
Net difference between projected and actual investment earnings	(1,384,440)
Administrative expenses	<u>17,782</u>
Total	908,513
Net amortization of employer-specific amounts due to changes in employer proportion	<u>112,467</u>
Total employer total pension expense	\$ 1,020,980

For the fiscal year ended September 30, 2015, the District recognized pension expense of \$1,020,980. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,341,535	\$ 301,383
Change of assumptions	843,439	-
Net difference between projected and actual earnings on Pension Plan investments	-	3,034,337
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	677,240	238,661
District Pension Plan contributions subsequent to the measurement date	<u>598,625</u>	<u>-</u>
Total	<u>\$ 3,460,839</u>	<u>\$ 3,574,381</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans (Continued):

The deferred outflows of resources related to the Pension Plan, totaling \$3,460,839 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2016	\$ (1,005,261)
2017	(1,005,261)
2018	(1,005,261)
2019	1,498,162
2020	290,938
Thereafter	75,936

Actuarial Methods and Assumptions — Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2015:

- FRS: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%
- HIS: The municipal rate used to determine total pension liability was decreased from 4.29% to 3.80%.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans (Continued):

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate — The following represents the District's proportionate share of the net pension liability calculated using the discount rate of (7.65%), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease <u>(6.65%)</u>	Current Discount Rate <u>(7.65%)</u>	1% Increase <u>(8.65%)</u>
District's proportionate share of net pension liability(asset)	\$32,927,996	\$12,707,496	\$(4,119,281)

Pension Plan Fiduciary Net Position — Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan — At September 30, 2015, the District reported a payable in the amount of \$157,169 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

HIS Plan

Plan Description — The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided — For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions — The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.20% and 1.26%, respectively. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$510,574 for the fiscal year ended September 30, 2015.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans (Continued):

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2015, the District reported a liability of \$12,540,163 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation update as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.122961734%, which was a decrease of 2% from its proportionate share measured as of June 30, 2014.

The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2015, are presented below for the HIS Plan.

Service cost	\$ 267,465
Interest cost	498,537
Effect of assumptions changes or inputs	169,770
Projected investment earnings	(3,804)
Net difference between projected and actual investment earnings	2,042
Administrative expenses	<u>231</u>
Total	934,241
Net amortization of employer-specific amounts due to changes in employer proportion	<u>(55,571)</u>
Total employer total pension expense	\$ 878,670

For the fiscal year ended September 30, 2015, the District recognized pension expense of \$878,670. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Change of assumptions	986,583	-
Net difference between projected and actual earnings on HIS Plan investments	6,788	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	-	313,876
District HIS Plan contributions subsequent to the measurement date	<u>165,977</u>	<u>-</u>
Total	<u>\$ 1,159,348</u>	<u>\$ 313,876</u>

The deferred outflows of resources related to the HIS Plan, totaling \$1,159,348 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans (Continued):

<u>Year ended September 30</u>	<u>Amount</u>
2016	\$ 171,811
2017	171,811
2018	171,811
2019	170,432
2020	169,769
Thereafter	137,737

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate — The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.80% , as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
District's proportionate share of net pension liability(asset)	\$14,288,932	\$12,540,163	\$11,081,952

Payables to the Pension Plan — At September 30, 2015, the District reported a payable in the amount of \$46,725 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2015.

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, 2015, was \$30,219 for 8 retirees. This post-retirement benefit was closed to new participants beginning October 1, 2012 and ended September 30, 2015.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class and Senior Management), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(11) Retirement Plans (Concluded):

benefits of plan members. Allocations to the investment member's accounts during the 2014-15 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The District's Investment Plan pension contributions totaled \$416,490 for the fiscal year ended September 30, 2015.

Restatement of Net Position — GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, in June 2012, which replaces requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and therefore was implemented this year. The impact on the governmental activities September 30, 2014, unrestricted net position was a decrease of \$17,031,805.

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.

As of September 30, 2015, 496 employees and former employees had \$7,356,079 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(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. Some state trust fund monies are advanced to the District before all eligibility requirements are met. These monies are classified as unearned revenue in the appropriate special revenue fund until the eligibility requirements are met, then they are recognized as state revenue.

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 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.

(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. The District is self insured on tangible personal property – equipment that had an original cost of less than \$100,000. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(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, 2015, the District estimates the value of the financial assurances provided by the various mitigation banks is \$16.0 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, such as leases, software licenses, tax collector and property appraiser commissions 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. State of Florida Specialty Licenses Tag donation 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.
- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(15) Fund Balance Disclosure:

The District's General Fund Balance Reserve policy provides 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 uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this or perpetual land management/acquisition endowments, which the District would prefer to preserve into the future, therefore, using other available revenues to fund these ongoing expenditures. Additionally, the District first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made, with the exception of the Economic Stabilization Reserve.

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(15) Fund Balance Disclosure (Concluded):

limitation, additional capital or cooperative funding expenditures, sinking funds or other purposes. A schedule of District fund balances at September 30, 2015 follows:

Fund Balances:	General Fund	Special Revenue Funds	Capital Projects Fund	Total All Funds
<u>Nonspendable:</u>				
Inventories and Prepaid Expenses	\$ 1,581,027	\$ -	\$ -	\$ 1,581,027
<u>Spendable:</u>				
<u>Restricted for:</u>				
Mitigation Endowment	-	12,688,774	-	12,688,774
Indian River Lagoon License Tag Fees	-	153,867	-	153,867
Water Protection and Sustainability	-	6,492,005	-	6,492,005
Total Restricted	-	19,334,646	-	19,334,646
<u>Committed for:</u>				
Economic Stabilization Reserve	4,070,000	-	-	4,070,000
Potential Adverse Monetary Judgments	2,500,000	-	-	2,500,000
Land Management/Acquisition	-	12,426,071	-	12,426,071
North Florida Water Supply Partnership	2,402,470	-	-	2,402,470
Central Florida Water Initiative	3,050,000	-	-	3,050,000
Flood Protection–Levee/Structure Rehab	5,045,000	-	-	5,045,000
Indian River Lagoon Protection	11,031,000	-	-	11,031,000
Lake Apopka & UORB Restoration	1,770,576	-	163,244	1,933,820
Land Management Enhancement	274,430	-	-	274,430
Middle/Lower SJRB Water Quality Imp	1,164,920	-	520,450	1,685,370
Springs Protection	4,670,950	-	-	4,670,950
Upper St Johns River Basin Restoration	5,700,176	-	3,793,704	9,493,880
Lower Floridan Monitoring Network	7,982,110	-	-	7,982,110
Cooperative Projects Funding Program	73,603,670	-	-	73,603,670
Total Committed	123,265,302	12,426,071	4,477,398	140,168,771
<u>Assigned for:</u>				
Operating Liquidity Reserve	9,466,397	-	-	9,466,397
Legal Services	1,027	-	-	1,027
Chiller Plant Transfer Switch	59,654	-	-	59,654
Boardwalk Replacement at Fort Drum	-	-	64,528	64,528
Water Well Construction Services	109,735	-	-	109,735
Water Quality Restoration – Rose Bay	217,451	-	-	217,451
Total Assigned	9,854,264	-	64,528	9,918,792
<u>Unassigned:</u>	-	-	-	-
Totals All Funds	\$ 134,700,593	\$ 31,760,717	\$ 4,541,926	\$171,003,236

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(16) Classification of Expenditures by State of Florida Categories:

The State of Florida uses the following expenditure categories in their Comprehensive Annual Financial Report – Other Required Supplementary Information and Combining and Individual Fund Statements and Schedules – Nonmajor Funds sections, Budgetary Comparison Schedules, below is a schedule of the District’s budget and expenditures classified by these categories:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Salaries and benefits	\$51,958,764	\$51,938,764	\$51,221,156	\$ 717,608
Expenses	34,783,222	34,282,274	27,708,138	6,574,136
Grants and aids	50,308,434	53,351,302	27,912,127	25,439,175
Operating capital outlay	5,515,969	7,069,324	5,108,662	1,960,662
Fixed capital outlay	16,404,932	18,985,865	8,920,678	10,065,187
Debt service:				
Principal retirement	6,025,000	12,290,000	12,290,000	-
Interest and fiscal charges	<u>492,350</u>	<u>743,700</u>	<u>532,328</u>	<u>211,372</u>
Total expenditures	<u>\$165,488,671</u>	<u>\$178,661,229</u>	<u>\$133,693,089</u>	<u>\$44,968,140</u>

A further breakdown using the state of Florida model detailed by fund is presented in the Required Supplemental Information Other Than MD&A and Combining and Other Supplemental Information sections in the Budget and Actual schedules presented as set forth in Section under 373.536(5)(e)4, *Florida Statutes*.

(17) Implementation of Accounting Standards:

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement And Application*, effective for the District’s fiscal year beginning October 1, 2015. The objective of Statement No. 72 is to address accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently evaluating the effect that Statement No. 72 will have on its financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting And Financial Reporting For Pensions And Related Assets That Are Not Within The Scope Of GASB 68, And Amendments To Certain Provisions Of GASB Statements 67 And 68*, effective for the District’s fiscal year beginning October 1, 2016. The objective of Statement No. 73 is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The District is currently evaluating the effect that Statement No. 72 will have on its financial statements.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(17) Implementation of Accounting Standards (Concluded):

In June 2015, the GASB issued both Statement No. 74, *Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75, *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*, effective for the District's fiscal year beginning October 1, 2016. The objective of Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The District is currently evaluating the effect that Statement No. 74 and 75 will have on its financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy Of Generally Accepted Accounting Principles For State And Local Governments*, effective for the District's fiscal year beginning October 1, 2015. The objective of Statement No. 76 is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The District is currently evaluating the effect that Statement No. 76 will have on its financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for the District's fiscal year beginning October 1, 2016. The objective of Statement No. 77 is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District is currently evaluating the effect that Statement No. 77 will have on its financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for the District's fiscal year beginning October 1, 2016. The objective of Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(17) Implementation of Accounting Standards (Concluded):

plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes the requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The District is currently evaluating the effect that Statement No. 78 will have on its financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, effective for the District's fiscal year beginning October 1, 2016. The objective of Statement No. 79 is to address accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The District is currently evaluating the effect that Statement No. 79 will have on its financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements For Certain Component Units-An Amendment of GASB Statement No. 14*, effective for the District's fiscal year beginning October 1, 2016. The objective of Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The District is currently evaluating the effect that Statement No. 80 will have on its financial statements.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for the District's fiscal year beginning October 1, 2017. The objective of Statement No. 81 is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the government. The District is currently evaluating the effect that Statement No. 81 will have on its financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for the District's fiscal year beginning October 1, 2016. The objective of Statement No. 82 is the address certain issues that have been raised with respect to Statements No. 67, No. 68 and No. 73. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The District is currently evaluating the effect that Statement No. 77 will have on its financial statements.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

(18) Subsequent Events:

The District was notified that the Florida Supreme Court will not accept jurisdiction in the case of Coy A. Koontz v. St. Johns River Water Management District. As a result, the District is liable for the trial court's award of \$327,500 as just compensation for inversely condemning Mr. Koontz's property, plus \$48,654 in interest through 2/21/2006, plus statutory interest of \$226,836 from 2/21/2006 to 3/21/2016, plus costs and attorney's fees in an amount not yet determined. This estimated liability was included in the District's entity wide financial statements as well as committed fund balance on the fund level statements.



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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
Ad valorem property taxes	\$ 81,806,654	\$ 81,806,654	\$ 81,505,441
Investment earnings	1,139,000	1,139,000	2,251,029
Regulatory permits	1,242,000	1,242,000	1,721,156
Fines and penalties	-	-	7,356
Other	-	-	230,492
Total revenues	84,187,654	84,187,654	85,715,474
EXPENDITURES			
Water resources planning and monitoring			
Salaries and benefits	9,166,766	10,233,868	10,250,925
Other personal services	6,653,010	6,972,677	4,913,005
Expenses	1,086,340	1,106,340	989,111
Operating capital outlay	771,900	992,871	886,977
Grants and aids	1,110,000	1,186,500	1,179,052
Total water resources planning and monitoring	18,788,016	20,492,256	18,219,070
Acquisition, restoration and public works			
Salaries and benefits	10,691,836	10,624,859	9,937,255
Other personal services	8,308,323	7,221,238	5,756,926
Expenses	384,250	341,670	252,878
Operating capital outlay	132,237	366,737	342,480
Fixed capital outlay	200,000	260,000	102,551
Grants and aids	26,073,948	25,605,931	12,627,219
Total acquisition, restoration and public works	45,790,594	44,420,435	29,019,309
Operation and maintenance of lands and works			
Salaries and benefits	7,270,198	8,011,578	8,010,319
Other personal services	2,167,719	2,166,771	2,004,666
Expenses	5,758,300	5,758,016	4,946,305
Operating capital outlay	472,214	539,514	536,364
Fixed capital outlay	1,400,000	1,350,000	1,120,231
Grants and aids	43,000	43,000	20,000
Total operation and maintenance of lands and works	17,111,431	17,868,879	16,637,885

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted		
	Original	Final	Actual
Regulation			
Salaries and benefits	13,787,081	12,967,081	12,965,674
Other personal services	1,182,621	795,173	438,018
Expenses	615,145	635,645	522,353
Operating capital outlay	-	25,000	25,000
Grants and aids	-	164,826	-
Total regulation	<u>15,584,847</u>	<u>14,587,725</u>	<u>13,951,045</u>
Outreach			
Salaries and benefits	916,966	1,007,545	1,007,317
Other personal services	68,712	69,212	43,478
Expenses	<u>46,130</u>	<u>46,130</u>	<u>42,089</u>
Total outreach	<u>1,031,808</u>	<u>1,122,887</u>	<u>1,092,884</u>
Management and administration			
Salaries and benefits	9,926,456	8,894,372	8,888,409
Other personal services	1,767,182	1,825,660	1,462,425
Expenses	4,438,864	4,473,413	4,040,749
Operating capital outlay	<u>216,914</u>	<u>220,483</u>	<u>210,413</u>
Total management and administration	<u>16,349,416</u>	<u>15,413,928</u>	<u>14,601,996</u>
Total expenditures	<u>114,656,112</u>	<u>113,906,110</u>	<u>93,522,189</u>
Excess of revenues over			
(under) expenditures	<u>(30,468,458)</u>	<u>(29,718,456)</u>	<u>(7,806,715)</u>
Other financing sources (uses)			
Transfers in	-	4,780,421	5,430,645
Transfers out	(10,310,000)	(10,310,000)	(5,710,920)
Sale of capital assets	-	-	437,830
Insurance/ loss recovery	-	-	3,995
Total other financing sources (uses)	<u>(10,310,000)</u>	<u>(5,529,579)</u>	<u>161,550</u>
Net change in fund balance	<u>(40,778,458)</u>	<u>(35,248,035)</u>	<u>(7,645,165)</u>
Fund balance, beginning of year	<u>142,345,758</u>	<u>142,345,758</u>	<u>142,345,758</u>
Fund balance, end of year	<u><u>\$ 101,567,300</u></u>	<u><u>\$ 107,097,723</u></u>	<u><u>\$ 134,700,593</u></u>

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

(Concluded)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – STATE GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Environmental Protection	\$ 8,788,172	\$ 10,624,514	\$ 3,443,235
State through local	-	416,354	416,354
Specific appropriations	6,856,354	6,856,354	3,659,905
Other agencies	515,179	592,231	301,155
State total	16,159,705	18,489,453	7,820,649
Total revenues	16,159,705	18,489,453	7,820,649
EXPENDITURES			
Water resources planning and monitoring			
Other personal services	-	419,000	185,045
Expenses	-	926	-
Operating capital outlay	-	1,126	1,126
Total water resources planning and monitoring	-	421,052	186,171
Acquisition, restoration and public works			
Other personal services	1,427,291	1,940,508	1,278,444
Fixed capital outlay	949,225	1,468,040	445,115
Grants and aids	13,456,189	14,332,853	5,754,370
Total acquisition, restoration and public works	15,832,705	17,741,401	7,477,929
Operation and maintenance of lands and works			
Expenses	327,000	327,000	75,412
Total operation and maintenance of lands and works	327,000	327,000	75,412
Total expenditures	16,159,705	18,489,453	7,739,512
Excess of revenues over (under) expenditures	-	-	81,137
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(81,137)
Total other financing sources (uses)	-	-	(81,137)
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 – SPECIAL REVENUE FUNDS – OTHER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
Cities and counties			
Counties	\$ 165,917	\$ 400,926	\$ 400,268
Other			
Water management districts	198,500	456,000	353,867
State through local	104,558	-	-
Other local sources	-	900,000	677,772
Other total	303,058	1,356,000	1,031,639
Total revenues	468,975	1,756,926	1,431,907
EXPENDITURES			
Water resources planning and monitoring			
Other personal services	171,000	428,500	242,302
Expenses	27,500	27,500	27,500
Total water resources			
planning and monitoring	198,500	456,000	269,802
Acquisition, restoration and public works			
Fixed capital outlay	270,475	400,926	400,268
Grants and aids	-	830,000	487,705
Total acquisition,			
restoration and public works	270,475	1,230,926	887,973
Regulation			
Expenses	-	70,000	70,000
Total regulation	-	70,000	70,000
Total expenditures	468,975	1,756,926	1,227,775
Excess of revenues over			
(under) expenditures	-	-	204,132
Other financing sources (uses)			
Transfers in	-	-	31,760,717
Transfers out	-	-	(204,132)
Total other financing sources (uses)	-	-	31,556,585
Net change in fund balance	-	-	31,760,717
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 31,760,717

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 – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Water Management Lands Trust Fund	\$ 6,517,350	\$ 13,033,700	\$ 12,822,328
Investment earnings	-	-	26,400
Total revenues	6,517,350	13,033,700	12,848,728
EXPENDITURES			
Debt service			
Principal	6,025,000	12,290,000	12,290,000
Interest and fiscal charges	492,350	743,700	532,328
Total debt service	6,517,350	13,033,700	12,822,328
Total expenditures	6,517,350	13,033,700	12,822,328
Excess of revenues over			
 (under) expenditures	-	-	26,400
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	(6,496,190)	(6,498,174)
Total other financing sources (uses)	-	(6,496,190)	(6,498,174)
Net change in fund balance	-	(6,496,190)	(6,471,774)
Fund balance, beginning of year	-	6,496,190	6,471,774
Fund balance, end of year	\$ -	\$ -	\$ -



Notes to Required Supplemental Information

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2015

I. 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 and added to the adopted budget. 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.

In accordance with Florida Statute 373.536, the Governing Board is authorized to amend the adopted budget for the receipt of unanticipated revenues, following the review and approval by the Executive Office of the Governor. Governing Board authorization to transfer budgeted amounts within each fund is delegated to the executive director between programs, major expenditure categories, object codes and/or projects within certain limits as specified within the District's Internal Budget Transfer Policy #91-04, The Governing Board must approve any transfers that exceed the policy thresholds.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2015

II. 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>
10/01/2012	\$0	\$5,492,824	\$5,492,824	0.0%	\$37,934,636	14.48%
10/01/2013	\$0	\$3,269,922	\$3,269,922	0.0%	\$36,913,883	8.86%
10/01/2014	\$0	\$3,345,217	\$3,345,217	0.0%	\$37,495,587	8.92%

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>Increase (decrease) in Net OPEB Obligation</u>
2013	\$ 569,486	\$467,857	82.15%	\$ 101,629
2014	(\$ 44,003)	\$214,090	N/A	(\$258,093)
2015	\$ 303,648	\$225,132	74.14%	\$ 78,516

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	<u>2015</u>
St. Johns River Water Management District's proportion of the net pension liability (asset)	0.098383092%
St. Johns River Water Management District's proportionate share of the net pension liability (asset)	\$ 12,707,496
St. Johns River Water Management District's covered-employee payroll	37,495,587
St. Johns River Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.89%
Plan fiduciary net position as a percentage of the total pension liability	92.00%

*The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Florida Retirement System's Comprehensive Annual Financial Report.

Note 3: Refer to GASB 68, paragraph 81a - the information in this schedule should be determined as of the measurement date of the collective net pension liability.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,398,663	\$ 2,194,839
Contributions in relation to the contractually required contribution	<u>(2,398,663)</u>	<u>(2,194,839)</u>
Contribution deficiency (excess)	-	-
St. Johns River Water Management District's covered-employee payroll	<u>37,495,587</u>	<u>36,913,883</u>
Contributions as a percentage of covered-employee payroll	6.40%	5.95%

*The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Note 2: Refer to GASB 68, paragraph 81a - the information in this schedule should be determined as of the employer's most recent fiscal year.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	<u>2015</u>
St. Johns River Water Management District's proportion of the net pension liability (asset)	0.122961734%
St. Johns River Water Management District's proportionate share of the net pension liability (asset)	\$ 12,540,163
St. Johns River Water Management District's covered-employee payroll	37,495,587
St. Johns River Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.44%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

*The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Florida Retirement System's Comprehensive Annual Financial Report.

Note 3: Refer to GASB 68, paragraph 81a - the information in this schedule should be determined as of the measurement date of the collective net pension liability.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 470,036	\$ 428,042
Contributions in relation to the contractually required contribution	<u>(470,036)</u>	<u>(428,042)</u>
Contribution deficiency (excess)	-	-
St. Johns River Water Management District's covered-employee payroll	<u>37,495,587</u>	<u>36,913,883</u>
Contributions as a percentage of covered-employee payroll	1.25%	1.16%

*The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Note 2: Refer to GASB 68, paragraph 81a - the information in this schedule should be determined as of the employer's most recent fiscal year.



Other Supplemental Information

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.

Land Management Fund — This fund accounts for restricted revenues received from the many leases of District lands and appropriated for land management and maintenance, capital improvements of land titled to the water management districts, and surface water restoration projects.

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.

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.

Ecosystems Management Trust Fund — This fund 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 Management Program (SWIM).

Mitigation Fund — This fund 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.

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, 2015

Special Revenue Funds					
	Land Management	Florida Forever	Federal Grants	Long-term Maintenance Mitigation	Water Protection & Sustainability
Assets					
Investments	\$ 271,650	\$ 57,507	\$ -	\$ 37,519	\$ 1,069,509
Accounts and other receivables	-	-	-	-	-
Due from other funds	-	-	154,156	-	-
Intergovernmental receivables	-	-	730,013	-	-
Total assets	271,650	57,507	884,169	37,519	1,069,509
Liabilities and fund balances					
Liabilities					
Accounts payable	271,650	57,507	384,169	37,519	1,069,509
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	500,000	-	-
Due to other governmental units	-	-	-	-	-
Total liabilities	271,650	57,507	884,169	37,519	1,069,509
Fund balances					
Restricted:	-	-	-	-	-
Committed:	-	-	-	-	-
Assigned:	-	-	-	-	-
Unassigned:	-	-	-	-	-
Total fund balances	-	-	-	-	-
Total liabilities and fund balances	\$ 271,650	\$ 57,507	\$ 884,169	\$ 37,519	\$ 1,069,509

Indian River Lagoon License Tag Fees	Ecosystems Management Trust	Mitigation	Special Revenue Funds Total	Capital Projects	Total Non–major Governmental Funds
\$ 89,806	\$ 498,007	\$ 92,405	\$ 2,116,403	\$ 6,496,800	\$ 8,613,203
3,968	-	-	3,968	-	3,968
-	-	-	154,156	-	154,156
-	-	-	730,013	-	730,013
93,774	498,007	92,405	3,004,540	6,496,800	9,501,340
5,975	498,007	92,405	2,416,741	1,954,874	4,371,615
-	-	-	-	-	-
-	-	-	500,000	-	500,000
87,799	-	-	87,799	-	87,799
93,774	498,007	92,405	3,004,540	1,954,874	4,959,414
-	-	-	-	-	-
-	-	-	-	4,477,398	4,477,398
-	-	-	-	64,528	64,528
-	-	-	-	-	-
-	-	-	-	4,541,926	4,541,926
\$ 93,774	\$ 498,007	\$ 92,405	\$ 3,004,540	\$ 6,496,800	\$ 9,501,340

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, 2015

	Special Revenue Funds				
	Land Management	Florida Forever	Federal Grants	Long-term Maintenance Mitigation	Water Protection & Sustainability
Revenues					
State	\$ -	\$ -	\$ -	\$ 42,500	\$ 1,645,956
Federal	-	-	2,428,612	-	-
Investment earnings	-	-	-	107,271	-
Local mitigation	-	-	-	66	-
Cities and counties	-	-	-	-	-
Lease and timber sales	1,387,381	-	-	-	-
Other	-	-	-	-	-
Total revenues	1,387,381	-	2,428,612	149,837	1,645,956
Expenditures					
Current:					
Water resources planning and monitoring	-	-	172,190	-	-
Acquisition, restoration, and public works	1,067,181	-	1,942,187	-	3,474,377
Operation and maint. of lands and works	2,746,563	-	115,966	421,917	-
Regulation	-	-	-	-	-
District management and administration	890	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	3,814,634	-	2,230,343	421,917	3,474,377
Excess of revenues over (under) expenditures	(2,427,253)	-	198,269	(272,080)	(1,828,421)
Other financing sources (uses):					
Transfers in	580	-	-	-	-
Transfers out	(4,773,327)	-	(198,269)	(12,668,774)	(11,272,426)
Transfer out - refund to state	-	-	-	-	-
Total other financing sources (uses)	(4,772,747)	-	(198,269)	(12,668,774)	(11,272,426)
Net change in fund balances	(7,200,000)	-	-	(12,940,854)	(13,100,847)
Fund balances, beginning of year	7,200,000	-	-	12,940,854	13,100,847
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

Indian River Lagoon License Tag Fees	Ecosystems Management Trust	Mitigation	Special Revenue Funds Total	Capital Projects	Total Non–major Governmental Funds
\$ 155,909	\$ 2,812,628	\$ 709,213	\$ 5,366,206	\$ -	\$ 5,366,206
-	-	-	2,428,612	-	2,428,612
1,429	-	-	108,700	-	108,700
-	-	580	646	-	646
-	-	-	-	-	-
-	-	-	1,387,381	-	1,387,381
-	-	-	-	-	-
157,338	2,812,628	709,793	9,291,545	-	9,291,545
-	4,659	-	176,849	-	176,849
49,899	2,772,617	436,987	9,743,248	4,947,658	14,690,906
-	-	140,892	3,425,338	87,302	3,512,640
-	-	-	-	-	-
-	-	-	890	-	890
-	-	-	-	-	-
-	-	-	-	-	-
49,899	2,777,276	577,879	13,346,325	5,034,960	18,381,285
107,439	35,352	131,914	(4,054,780)	(5,034,960)	(9,089,740)
-	-	6,498,174	6,498,754	4,536,350	11,035,104
(153,867)	(35,352)	(6,630,088)	(35,732,103)	-	(35,732,103)
-	-	-	-	-	-
(153,867)	(35,352)	(131,914)	(29,233,349)	4,536,350	(24,696,999)
(46,428)	-	-	(33,288,129)	(498,610)	(33,786,739)
46,428	-	-	33,288,129	5,040,536	38,328,665
\$ -	\$ -	\$ -	\$ -	\$ 4,541,926	\$ 4,541,926

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – LAND MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
Lease and timber sales	\$ 1,247,000	\$ 1,247,000	\$ 1,387,381
Total revenues	<u>1,247,000</u>	<u>1,247,000</u>	<u>1,387,381</u>
EXPENDITURES			
Acquisition, restoration and public works			
Fixed capital outlay	<u>500,000</u>	<u>1,600,000</u>	<u>1,067,181</u>
Total acquisition, restoration and public works	<u>500,000</u>	<u>1,600,000</u>	<u>1,067,181</u>
Operation and maintenance of lands and works			
Other personal services	1,719,530	1,719,530	1,474,383
Expenses	1,288,300	1,204,950	1,130,214
Operating capital outlay	-	83,350	83,317
Fixed capital outlay	<u>65,822</u>	<u>465,822</u>	<u>58,649</u>
Total operation and maintenance of lands and works	<u>3,073,652</u>	<u>3,473,652</u>	<u>2,746,563</u>
Management and administration			
Expenses	<u>1,000</u>	<u>1,000</u>	<u>890</u>
Total management and administration	<u>1,000</u>	<u>1,000</u>	<u>890</u>
Total expenditures	<u>3,574,652</u>	<u>5,074,652</u>	<u>3,814,634</u>
Excess of revenues over (under) expenditures	<u>(2,327,652)</u>	<u>(3,827,652)</u>	<u>(2,427,253)</u>
Other financing sources (uses)			
Transfers in	-	-	580
Transfers out	<u>-</u>	<u>-</u>	<u>(4,773,327)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,772,747)</u>
Net change in fund balance	<u>(2,327,652)</u>	<u>(3,827,652)</u>	<u>(7,200,000)</u>
Fund balance, beginning of year	<u>7,200,000</u>	<u>7,200,000</u>	<u>7,200,000</u>
Fund balance, end of year	<u>\$ 4,872,348</u>	<u>\$ 3,372,348</u>	<u>\$ -</u>

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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
Federal			
Environmental Protection Agency	\$ 593,901	\$ 597,684	\$ 419,789
Natural Resources Conservation Service	719,900	719,900	120,992
Federal through State	730,796	1,392,014	1,050,657
Federal through local	-	111,834	111,834
Other	963,175	963,175	725,340
Federal total	3,007,772	3,784,607	2,428,612
Total revenues	3,007,772	3,784,607	2,428,612
EXPENDITURES			
Water resources planning and monitoring			
Salaries and benefits	178,856	178,856	161,258
Expenses	203,791	203,791	10,932
Total water resources planning and monitoring	382,647	382,647	172,190
Acquisition, restoration and public works			
Other personal services	120,000	120,000	119,771
Expenses	17,725	17,725	9,939
Fixed capital outlay	325,000	436,835	111,834
Grants and aids	1,760,707	2,425,707	1,700,643
Total acquisition, restoration and public works	2,223,432	3,000,267	1,942,187
Operation and maintenance of lands and works			
Other personal services	401,693	401,693	115,966
Total expenditures	3,007,772	3,784,607	2,230,343
Excess of revenues over (under) expenditures	-	-	198,269
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(198,269)
Total other financing sources (uses)	-	-	(198,269)
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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
FDOT mitigation	\$ -	\$ -	\$ 42,500
Investment earnings	-	-	107,271
Local mitigation	-	-	66
Total revenues	-	-	149,837
EXPENDITURES			
Operation and maintenance of lands and works			
Other personal services	360,000	360,000	336,013
Expenses	140,000	140,000	85,904
Total operation and maintenance of lands and works	500,000	500,000	421,917
Total expenditures	500,000	500,000	421,917
Excess of revenues over (under) expenditures	(500,000)	(500,000)	(272,080)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(12,668,774)
Total other financing sources (uses)	-	-	(12,668,774)
Net change in fund balance	(500,000)	(500,000)	(12,940,854)
Fund balance, beginning of year	12,940,854	12,940,854	12,940,854
Fund balance, end of year	\$ 12,440,854	\$ 12,440,854	\$ -

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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Environmental Protection	\$ 2,861,522	\$ 2,861,522	\$ 1,645,956
Total revenues	2,861,522	2,861,522	1,645,956
EXPENDITURES			
Acquisition, restoration and public works			
Grants and aids	5,723,043	5,723,043	3,474,377
Total acquisition,			
restoration and public works	5,723,043	5,723,043	3,474,377
Total expenditures	5,723,043	5,723,043	3,474,377
Excess of revenues over			
 (under) expenditures	(2,861,521)	(2,861,521)	(1,828,421)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	(4,780,421)	(11,272,426)
Total other financing sources (uses)	-	(4,780,421)	(11,272,426)
Net change in fund balance	(2,861,521)	(7,641,942)	(13,100,847)
Fund balance, beginning of year	13,100,847	13,100,847	13,100,847
Fund balance, end of year	\$ 10,239,326	\$ 5,458,905	\$ -

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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Indian River Lagoon license plate	\$ 65,307	\$ 65,307	\$ 155,909
Investment earnings	-	-	1,429
Total revenues	65,307	65,307	157,338
EXPENDITURES			
Acquisition, restoration and public works			
Expenses	11,500	11,500	9,737
Grants and aids	53,807	53,807	40,162
Total expenditures	65,307	65,307	49,899
Excess of revenues over			
 (under) expenditures	-	-	107,439
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(153,867)
Total other financing sources (uses)	-	-	(153,867)
Net change in fund balance	-	-	(46,428)
Fund balance, beginning of year	46,428	46,428	46,428
Fund balance, end of year	\$ 46,428	\$ 46,428	\$ -

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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Ecosystems Management Trust Fund	\$ 2,087,741	\$ 3,175,244	\$ 2,812,628
Total revenues	<u>2,087,741</u>	<u>3,175,244</u>	<u>2,812,628</u>
EXPENDITURES			
Water resources planning and monitoring			
Other personal services	-	4,659	4,659
Total water resources			
planning and monitoring	-	4,659	4,659
Acquisition, restoration and public works			
Fixed capital outlay	-	184,950	144,019
Grants and aids	2,087,741	2,985,635	2,628,598
Total acquisition,			
restoration and public works	2,087,741	3,170,585	2,772,617
Total expenditures	<u>2,087,741</u>	<u>3,175,244</u>	<u>2,777,276</u>
Excess of revenues over			
(under) expenditures	-	-	35,352
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(35,352)
Total other financing sources (uses)	-	-	(35,352)
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
State			
Department of Transportation	\$ 416,931	\$ 841,103	\$ 709,213
Local mitigation	-	-	580
Total revenues	416,931	841,103	709,793
EXPENDITURES			
Acquisition, restoration and public works			
Salaries and benefits	20,605	20,605	-
Expenses	-	1,117	1,117
Fixed capital outlay	383,326	508,209	435,870
Total acquisition, restoration and public works	403,931	529,931	436,987
Operation and maintenance of lands and works			
Other personal services	13,000	220,838	114,450
Expenses	-	90,334	26,442
Total operation and maintenance of lands and works	13,000	311,172	140,892
Total expenditures	416,931	841,103	577,879
Excess of revenues over (under) expenditures	-	-	131,914
Other financing sources (uses)			
Transfers in	-	6,496,190	6,498,174
Transfers out	-	-	(6,630,088)
Total other financing sources (uses)	-	6,496,190	(131,914)
Net change in fund balance	-	6,496,190	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ 6,496,190	\$ -

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, 2015

	Budgeted		
	Original	Final	Actual
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Acquisition, restoration and public works			
Fixed capital outlay	12,311,083	12,159,253	4,947,658
Total acquisition, restoration and public works	12,311,083	12,159,253	4,947,658
Operation and maintenance of lands and works			
Fixed capital outlay	-	151,830	87,302
Total operation and maintenance of lands and works	-	151,830	87,302
Total expenditures	12,311,083	12,311,083	5,034,960
Excess of revenues over (under) expenditures	(12,311,083)	(12,311,083)	(5,034,960)
Other financing sources (uses)			
Transfers in	10,310,000	10,310,000	4,536,350
Transfers out	-	-	-
Total other financing sources (uses)	10,310,000	10,310,000	4,536,350
Net change in fund balance	(2,001,083)	(2,001,083)	(498,610)
Fund balance, beginning of year	5,040,536	5,040,536	5,040,536
Fund balance, end of year	\$ 3,039,453	\$ 3,039,453	\$ 4,541,926



Comprehensive Annual Financial Report

Statistical Section (Unaudited)

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

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.

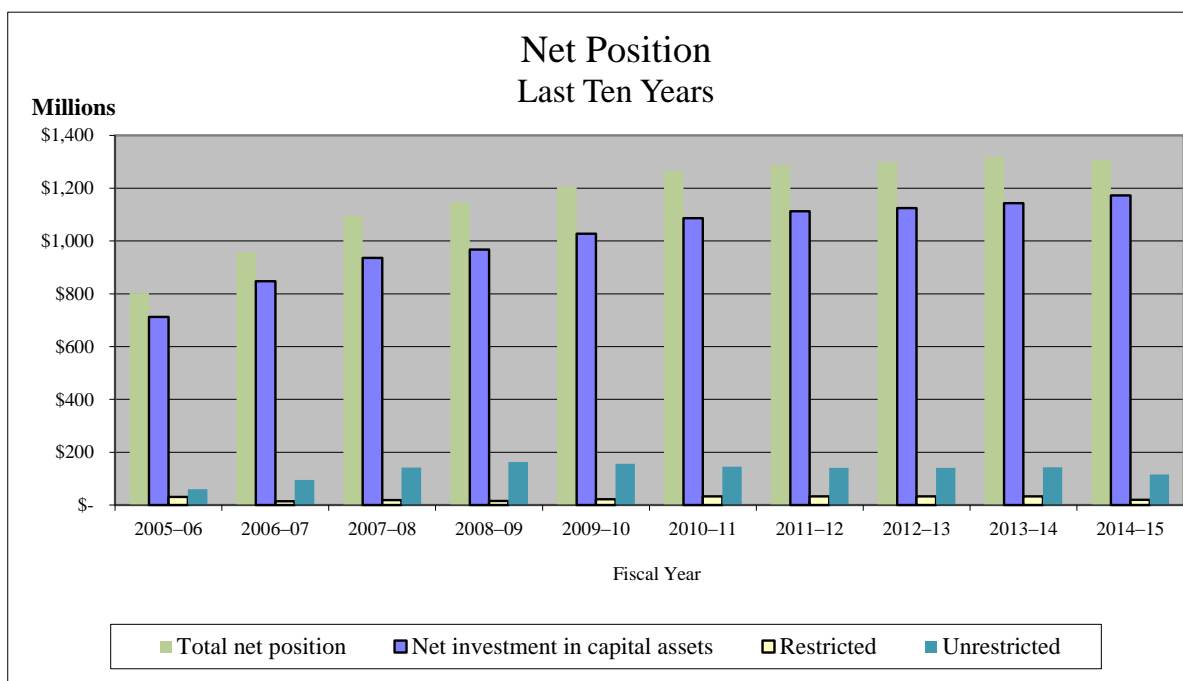
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.



Financial Trends

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

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



2010–11	2011–12	2012–13	2013–14	2014–15
\$ 1,086,938,685	\$ 1,112,241,722	\$ 1,125,006,751	\$ 1,142,674,165	\$ 1,172,379,975
33,005,869	32,804,322	33,148,716	32,435,993	19,334,646
145,222,829	140,860,620	140,577,543	143,202,750	115,889,657
\$ 1,265,167,383	\$ 1,285,906,664	\$ 1,298,733,010	\$ 1,318,312,908	\$ 1,307,604,278

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

	2005-06	2006-07	2007-08	2008-09
Expenses:				
Water resources planning and monitoring	\$ 16,867,083	\$ 17,168,733	\$ 16,684,663	\$ 19,442,113
Acquisition, restoration and public works	55,406,698	71,247,250	81,613,153	80,833,949
Operation and maintenance of land and works	19,895,374	21,677,617	24,104,108	23,325,492
Regulation	14,900,042	16,969,140	17,516,548	18,347,155
Outreach	4,145,257	5,347,966	5,066,235	4,972,162
District management and administration	29,335,082	40,943,492	22,004,507	30,986,501
Interest on long-term debt	2,455,190	2,090,959	1,903,361	1,747,117
Total expenses	143,004,726	175,445,157	168,892,575	179,654,489
Program revenues:				
Charges for services:				
Gain on disposal of land	-	-	-	-
Regulatory permitting	4,627,038	3,914,456	3,106,679	1,742,275
Operations and land management	2,975,175	1,391,832	1,796,712	1,719,299
Operating grants and contributions	34,326,985	42,960,577	43,129,040	55,036,822
Capital grants and contributions	23,078,231	105,772,582	99,792,164	25,116,714
Total program revenues	65,007,429	154,039,447	147,824,595	83,615,110
Net (expense)/ revenue	(77,997,297)	(21,405,710)	(21,067,980)	(96,039,379)
General revenues and other changes in net position				
Taxes	115,864,922	143,018,871	145,122,797	138,108,192
Unrestricted earnings on investments	5,116,150	8,558,259	6,208,108	7,708,352
Gain(loss) on sale of capital assets	1,190,419	24,424,763	7,742,637	256,274
Miscellaneous	279,464	102,203	176,525	333,537
Total general revenues and other changes in net position	122,450,955	176,104,096	159,250,067	146,406,355
Change in net position	\$ 44,453,658	\$ 154,698,386	\$ 138,182,087	\$ 50,366,976

2009–10	2010–11	2011–12	2012–13	2013–14	2014–15
\$ 17,531,746	\$ 15,524,373	\$ 11,695,698	\$ 13,955,220	\$ 15,048,512	\$ 16,525,822
63,183,862	33,110,658	27,605,019	22,903,593	27,583,602	45,545,311
24,064,175	23,241,335	20,414,644	24,134,473	23,901,054	25,818,520
17,548,909	17,629,095	13,391,590	14,145,560	13,230,805	16,035,824
3,594,555	2,988,580	942,373	904,300	940,621	1,229,915
31,514,536	31,156,428	24,425,597	17,289,120	16,217,840	16,371,881
1,577,063	1,408,335	1,001,946	955,965	599,241	329,367
159,014,846	125,058,804	99,476,867	94,288,231	97,521,675	121,856,640
-	-	-	-	-	1,231,071
1,461,708	1,700,317	1,155,765	1,152,520	1,510,633	1,728,512
1,162,611	1,593,119	1,060,208	1,234,117	1,885,825	1,387,381
38,166,419	19,002,122	18,106,785	14,206,955	15,072,037	27,128,105
47,631,576	49,169,451	15,901,918	10,062,697	16,783,189	12,582,684
88,422,314	71,465,009	36,224,676	26,656,289	35,251,684	44,057,753
(70,592,532)	(53,593,795)	(63,252,191)	(67,631,942)	(62,269,991)	(77,798,887)
124,930,368	111,317,677	82,083,164	79,630,212	80,285,876	81,505,441
4,214,405	2,041,261	1,705,494	720,372	1,131,270	2,386,129
74,105	90,476	-	-	-	-
488,122	182,047	202,814	107,704	432,743	230,492
129,707,000	113,631,461	83,991,472	80,458,288	81,849,889	84,122,062
\$ 59,114,468	\$ 60,037,666	\$ 20,739,281	\$ 12,826,346	\$ 19,579,898	\$ 6,323,175

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
General fund				
Nonspendable	\$ 594,045	\$ 631,760	\$ 518,193	\$ 510,034
Restricted	-	-	-	-
Committed	28,213,176	65,515,700	95,958,588	111,196,633
Assigned	347,886	535,620	306,647	1,030,388
Unassigned	571,099	5,831,564	13,149,204	29,245,723
Total general fund	<u>29,726,206</u>	<u>72,514,644</u>	<u>109,932,632</u>	<u>141,982,778</u>
All other governmental funds				
Restricted:				
Special revenue funds	48,585,636	49,763,604	52,055,973	41,071,427
Debt service fund	6,538,829	6,598,759	6,306,030	6,307,140
Committed:				
Special revenue funds	-	-	-	-
Capital projects fund	14,141,466	-	-	-
Assigned:				
Capital projects fund	<u>1,666,613</u>	<u>2,502,183</u>	<u>2,814,069</u>	<u>1,100,000</u>
Total all other governmental funds	<u>70,932,544</u>	<u>58,864,546</u>	<u>61,176,072</u>	<u>48,478,567</u>
Total fund balances	<u>\$ 100,658,750</u>	<u>\$ 131,379,190</u>	<u>\$ 171,108,704</u>	<u>\$ 190,461,345</u>

<u>2009–10</u>	<u>2010–11</u>	<u>2011–12</u>	<u>2012–13</u>	<u>2013–14</u>	<u>2014–15</u>
\$ 632,775	\$ 532,773	\$ 591,701	\$ 914,668	\$ 1,030,023	\$ 1,581,027
-	-	-	-	-	-
123,630,887	128,147,398	124,302,980	126,500,000	125,260,000	123,265,302
796,787	2,124,416	525,224	16,423,721	16,013,221	9,854,264
15,589,493	12,623,284	16,464,398	2,104,987	42,514	-
<u>140,649,942</u>	<u>143,427,871</u>	<u>141,884,303</u>	<u>145,943,376</u>	<u>142,345,758</u>	<u>134,700,593</u>
42,205,381	26,328,999	25,993,223	26,867,688	26,088,129	19,334,646
6,359,777	6,406,625	6,439,146	6,454,533	6,471,774	-
-	-	-	-	7,200,000	12,426,071
-	13,088,051	11,508,890	6,000,000	5,040,000	4,477,398
<u>1,329,574</u>	<u>-</u>	<u>160,872</u>	<u>1,094,300</u>	<u>536</u>	<u>64,528</u>
<u>49,894,732</u>	<u>45,823,675</u>	<u>44,102,131</u>	<u>40,416,521</u>	<u>44,800,439</u>	<u>36,302,643</u>
<u>\$ 190,544,674</u>	<u>\$ 189,251,546</u>	<u>\$ 185,986,434</u>	<u>\$ 186,359,897</u>	<u>\$ 187,146,197</u>	<u>\$ 171,003,236</u>

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

	2005-06	2006-07	2007-08	2008-09
Revenues:				
Taxes	\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192
State	49,051,089	137,975,154	132,949,884	67,187,487
Federal	1,459,893	3,661,398	4,706,562	3,496,518
Investment earnings	5,116,150	8,558,259	6,208,108	7,708,353
Local mitigation	54,718	2,185,364	1,064,233	92,034
Licenses and permits	3,593,279	3,357,891	2,322,017	1,539,179
Cities and counties	685,815	842,572	821,525	756,858
Other local	980,507	1,303,390	3,296,423	1,467,655
Land management	2,975,175	1,391,832	1,796,712	1,742,275
Miscellaneous revenue	1,313,223	658,768	961,187	513,658
Total revenues	<u>181,094,771</u>	<u>302,953,499</u>	<u>299,249,448</u>	<u>222,612,209</u>
Expenditures:				
Water resources planning and monitoring	16,966,367	17,338,510	17,004,052	19,573,417
Acquisition, restoration and public works	65,735,659	186,009,297	179,840,632	103,383,143
Operation and maintenance of land and works	15,891,333	15,613,635	17,602,973	16,575,241
Regulation	14,779,607	16,608,017	17,352,936	17,949,435
Outreach	4,130,964	5,299,861	5,055,126	4,917,846
District management and administration	31,073,113	33,953,085	35,263,176	34,910,348
Debt service:				
Principal retirement	4,355,000	4,525,000	4,725,000	4,880,000
Interest and fiscal charges	2,064,450	1,893,750	1,694,125	1,542,213
Total expenditures	<u>154,996,493</u>	<u>281,241,155</u>	<u>278,538,020</u>	<u>203,731,643</u>
Excess of revenues over(under) expenditures	26,098,278	21,712,344	20,711,428	18,880,566
Other financing sources (uses):				
Transfers in	77,017,913	39,170,977	12,802,535	3,455,254
Transfers out	(77,017,913)	(39,170,977)	(12,802,535)	(3,455,254)
Sale of capital assets	2,231,569	8,749,956	18,943,514	383,885
Transfer out - refund to state	-	-	-	-
Insurance - loss recovery	1,247,984	258,140	74,572	88,189
Total other financing sources (uses)	<u>3,479,553</u>	<u>9,008,096</u>	<u>19,018,086</u>	<u>472,074</u>
Net change in fund balances	\$ 29,577,831	\$ 30,720,440	\$ 39,729,514	\$ 19,352,640
Debt service as a percentage of noncapital expenditures	4.70%	4.12%	3.65%	3.68%

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$ 124,930,368	\$ 111,317,677	\$ 82,083,164	\$ 79,630,212	\$ 80,285,876	\$ 81,505,441
61,237,748	29,739,031	18,358,377	19,809,645	19,165,372	26,009,183
3,070,006	9,507,599	1,813,621	1,071,230	1,630,939	2,428,612
4,214,405	2,041,261	1,705,494	720,372	1,131,270	2,386,129
89,453	-	58	8,750	25,477	646
1,254,133	1,571,181	1,150,280	1,141,451	1,504,706	1,721,156
834,729	56,330	-	92,925	358	400,268
375,602	73,608	94,707	223,517	205,770	1,031,639
1,162,611	1,593,119	1,060,208	1,234,117	1,885,825	1,387,381
695,697	311,183	208,299	118,773	438,670	237,848
197,864,752	156,210,989	106,474,208	104,050,992	106,274,263	117,108,303
17,831,132	15,875,904	11,870,469	14,643,303	15,647,669	18,851,892
105,468,801	68,012,187	42,959,409	34,297,823	33,986,990	52,076,117
16,492,021	15,319,751	12,955,727	17,276,250	19,049,507	20,225,937
17,452,002	18,025,323	13,311,975	14,056,424	13,511,073	14,021,045
3,647,805	3,100,368	935,412	896,417	963,860	1,092,884
34,071,764	30,821,505	21,460,015	16,418,073	15,748,277	14,602,886
5,045,000	5,315,000	5,475,000	5,645,000	5,830,000	12,290,000
1,372,843	1,201,000	1,041,850	872,125	688,362	532,328
201,381,368	157,671,038	110,009,857	104,105,415	105,425,738	133,693,089
(3,516,616)	(1,460,049)	(3,535,649)	(54,423)	848,525	(16,584,786)
5,876,998	27,848,862	12,825,762	307,150	7,988,246	48,226,466
(5,876,998)	(27,848,862)	(12,825,762)	(307,150)	(7,988,246)	(48,226,466)
3,463,807	164,722	207,307	416,062	94,343	437,830
-	-	-	-	(156,568)	-
136,138	2,199	63,230	11,824	-	3,995.00
3,599,945	166,921	270,537	427,886	(62,225)	441,825
\$ 83,329	\$ (1,293,128)	\$ (3,265,112)	\$ 373,463	\$ 786,300	\$ (16,142,961)
4.17%	5.39%	7.04%	7.21%	6.95%	10.50%



Revenue Capacity

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

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Assessed Property Value (Millions) ¹	\$ 259,406	\$ 321,225	\$ 361,315	\$ 345,827
Estimated Just Value (Millions) ²	388,827	489,352	543,164	546,049
Assessed Value as a Percentage of Just Value	66.7%	65.6%	66.5%	63.3%
Millage Levy	0.4620	0.4620	0.4158	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>2009–10</u>	<u>2010–11</u>	<u>2011–12</u>	<u>2012–13</u>	<u>2013–14</u>	<u>2014–15</u>
\$ 309,478	\$ 277,754	\$ 257,587	\$ 247,474	\$ 266,509	\$ 283,964
475,693	425,392	380,765	376,856	410,081	446,153
65.1%	65.3%	67.6%	65.7%	65.0%	63.6%
0.4158	0.4158	0.4158	0.3313	0.3283	0.3164

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TAXABLE PROPERTY VALUES AND ESTIMATED
JUST VALUES OF TAXABLE PROPERTY BY COUNTY
FISCAL YEAR 2014–2015

<u>County</u>	<u>Estimated Just Value¹</u>	<u>Taxable Value²</u>	<u>Taxable as Percentage of Just Value</u>
Alachua*	\$17,029,605,415	\$8,450,949,735	49.6%
Baker*	\$1,589,352,741	767,330,535	48.3%
Bradford*	\$108,873,395	58,612,501	53.8%
Brevard	53,424,677,382	29,977,254,057	56.1%
Clay	13,994,695,156	8,890,681,091	63.5%
Duval	89,233,938,568	52,761,634,399	59.1%
Flagler	10,615,189,321	7,146,111,833	67.3%
Indian River	20,640,095,535	14,386,015,821	69.7%
Lake*	\$24,007,188,553	16,477,341,641	68.6%
Marion*	\$16,279,613,838	9,951,339,466	61.1%
Nassau	10,412,477,923	6,862,623,588	65.9%
Okeechobee*	\$134,063,710	71,834,824	53.6%
Orange*	\$72,349,123,792	49,423,207,941	68.3%
Osceola*	\$175,598,108	110,934,526	63.2%
Putnam	6,487,257,152	3,388,507,337	51.8%
St. Johns	28,825,087,418	20,356,989,723	70.6%
Seminole	38,196,480,828	27,369,700,968	71.7%
Volusia	42,649,689,871	27,512,599,218	64.5%
Total	<u>\$ 446,153,008,706</u>	<u>\$ 283,963,669,204</u>	<u>63.6%</u>
Florida Total	<u>\$2,048,944,322,725</u>	<u>\$1,495,400,306,053</u>	<u>73.0%</u>

Source: Florida Department of Revenue. 2015 DR-420 Reports and 2014 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 reported to District in DR 420 forms

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
PRINCIPAL TAXPAYERS BY COUNTY
FISCAL YEAR 2014–2015

<u>County</u>	<u>Property Tax Collections</u>	<u>Percentage of Collections</u>
Alachua	\$ 2,504,523	3.07%
Baker	228,881	0.28%
Bradford	17,647	0.02%
Brevard	8,658,663	10.62%
Clay	2,598,482	3.19%
Duval	15,221,818	18.68%
Flagler	2,044,842	2.51%
Indian River	4,121,433	5.06%
Lake	4,783,007	5.87%
Marion	2,914,399	3.58%
Nassau	1,989,852	2.44%
Okeechobee	21,456	0.03%
Orange	13,738,249	16.86%
Osceola	34,254	0.04%
Putnam	1,027,046	1.26%
St. Johns	5,707,498	7.00%
Seminole	7,905,846	9.70%
Volusia	7,987,545	9.80%
Total	\$ 81,505,441	100.00%

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

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

	2005-06	2006-07	2007-08	2008-09
Millage Levy	0.4620	0.4620	0.4158	0.4158
Alachua	\$ 3,170,486	\$ 3,698,891	\$ 3,764,454	\$ 3,691,898
Baker	258,440	312,027	332,478	335,454
Bradford	21,211	25,504	27,246	24,980
Brevard	13,851,248	17,522,812	16,462,415	15,278,575
Clay	3,339,041	4,105,037	4,322,683	4,003,031
Duval	20,465,028	23,311,064	24,580,575	24,424,441
Flagler	3,548,985	4,890,528	4,960,294	4,522,956
Indian River	6,372,774	7,977,562	7,328,800	7,191,682
Lake	6,359,023	8,470,737	8,923,002	8,406,518
Marion	3,886,312	4,990,267	5,618,860	5,194,509
Nassau	2,673,425	3,195,766	3,303,262	3,257,302
Okeechobee	43,383	51,552	54,072	48,457
Orange	18,480,069	22,598,990	23,827,053	23,216,222
Osceola	47,426	54,037	51,061	48,835
Putnam	1,414,610	1,829,688	1,677,396	1,613,157
St. Johns	7,786,803	9,886,993	9,800,861	9,488,809
Seminole	10,744,094	13,305,181	13,534,562	12,828,954
Volusia	13,402,564	16,792,235	16,553,723	14,532,412
Total	\$ 115,864,922	\$ 143,018,871	\$ 145,122,797	\$ 138,108,192
Percentage increase of property tax revenues	17.0%	23.4%	1.5%	-4.8%

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.

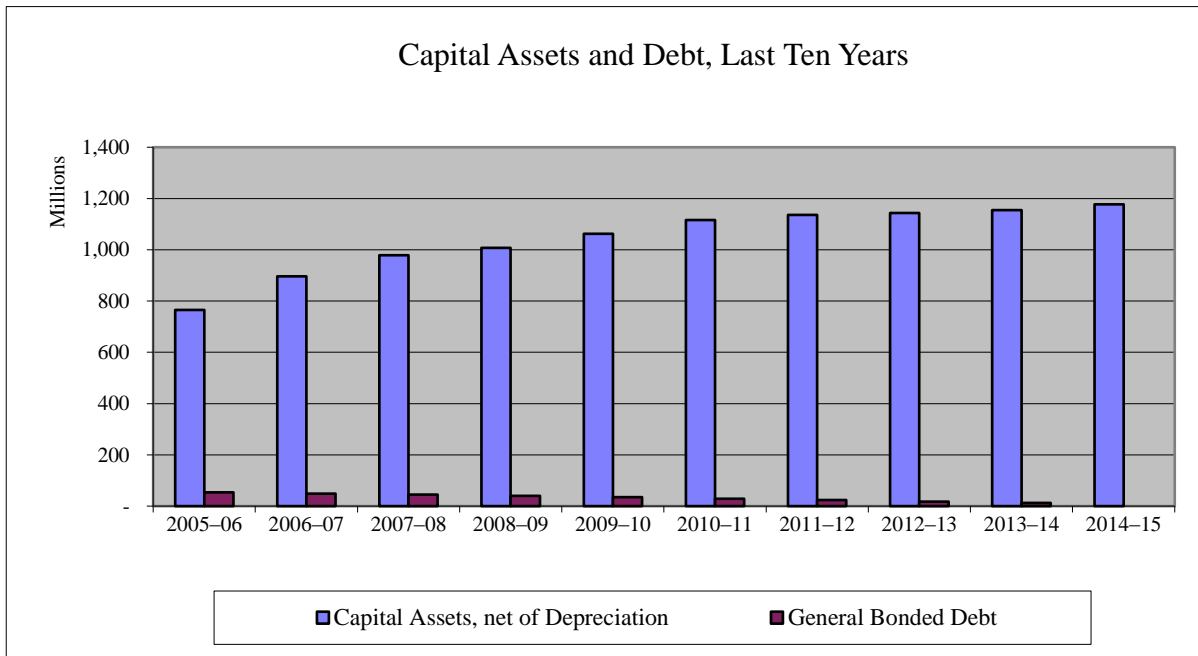
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
0.4158	0.4158	0.3313	0.3313	0.3283	0.3164
\$ 3,656,160	\$ 3,497,940	\$ 2,675,170	\$ 2,577,902	\$ 2,526,907	\$ 2,504,523
343,421	340,025	261,829	251,296	230,868	228,881
24,836	24,792	19,178	18,293	17,762	17,647
13,575,140	11,810,565	8,066,680	7,968,861	8,261,567	8,658,663
3,804,185	3,483,868	2,617,584	2,563,141	2,587,480	2,598,482
23,274,026	21,647,534	16,002,679	15,353,964	15,093,496	15,221,818
3,827,635	3,130,542	2,151,730	2,030,623	2,015,491	2,044,842
6,384,914	5,718,818	4,247,784	4,082,189	4,114,964	4,121,433
7,765,521	6,909,378	5,048,775	4,750,592	4,746,674	4,783,007
4,750,603	4,269,650	3,142,319	2,942,777	2,919,095	2,914,399
3,129,703	2,842,640	2,097,930	1,989,635	1,972,362	1,989,852
40,030	34,702	24,052	23,934	22,543	21,456
20,626,141	17,625,396	13,377,083	13,164,264	13,429,265	13,738,249
47,018	43,555	33,031	34,601	34,379	34,254
1,596,445	1,512,976	1,122,965	1,071,860	1,083,026	1,027,046
8,329,791	7,397,412	5,659,490	5,479,842	5,582,815	5,707,498
11,384,313	10,314,040	7,745,493	7,631,408	7,787,506	7,905,846
12,370,486	10,713,844	7,789,392	7,695,030	7,859,676	7,987,545
\$ 124,930,368	\$ 111,317,677	\$ 82,083,164	\$ 79,630,212	\$ 80,285,876	\$ 81,505,441
-9.5%	-10.9%	-26.3%	-3.0%	0.8%	1.5%



Debt Capacity

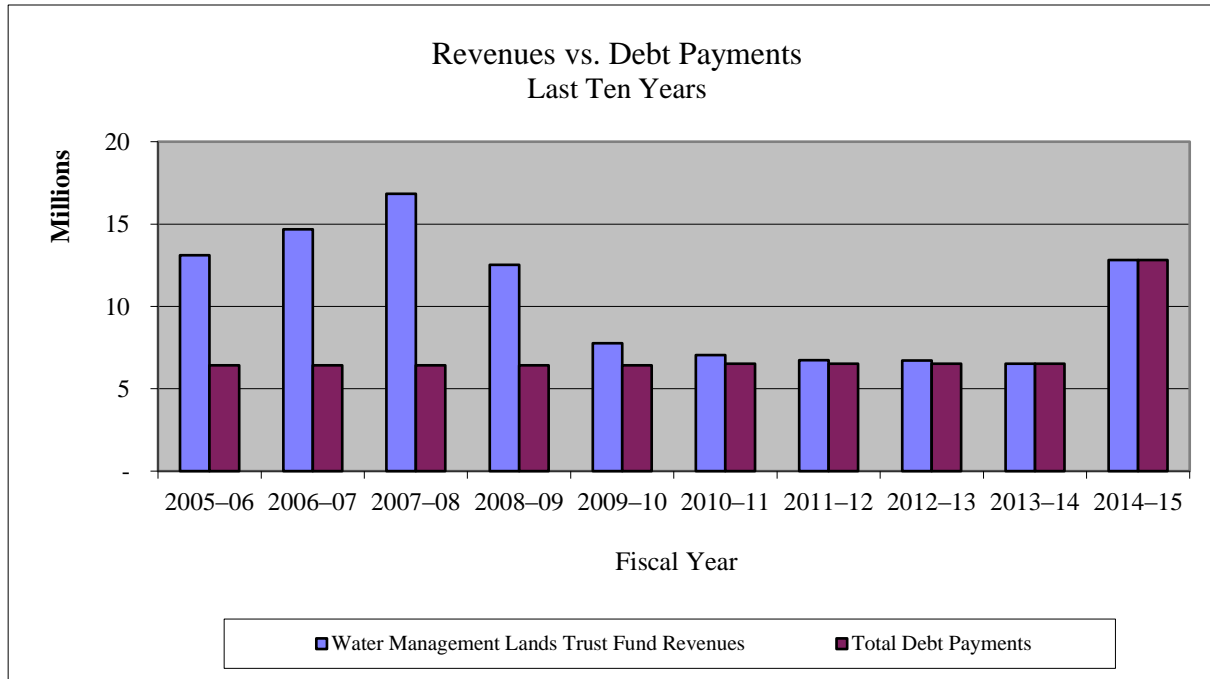
ST. JOHNS RIVER MANAGEMENT DISTRICT, FLORIDA
RATIO OF DEBT TO CAPITAL ASSETS, DEBT PER CAPITA, AND
RATIO OF BONDED DEBT TO TAXABLE PROPERTY VALUE
LAST TEN FISCAL YEARS

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
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
2013–14	12,290,000	1,155,043,216	1.06%	4,811,981	2.55
2014–15	-	1,177,484,668	0.00%	4,825,000	-



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
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
2013–14	6,518,363	5,830,000	688,362	6,518,362	1.00
2014–15	12,822,328	12,290,000	532,328	12,822,328	1.00





Demographic and Economic Information

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

	2006	2007	2008	2009	2010	2011
Alachua*	187,610	196,900	200,740	203,807	196,731	196,732
Baker*	23,238	25,134	25,396	25,404	26,597	26,413
Bradford*	1,427	1,233	1,233	1,233	1,209	1,215
Brevard	543,050	552,109	556,213	555,657	543,376	545,184
Clay	176,901	184,643	185,168	185,208	190,865	191,143
Duval	879,235	897,597	904,971	900,518	864,263	864,601
Flagler	89,075	93,568	95,512	94,901	95,696	96,241
Indian River	135,262	139,757	141,667	141,634	138,028	138,694
Lake*	275,353	285,780	287,656	291,263	296,309	297,519
Marion*	227,560	226,761	229,827	230,548	231,147	231,458
Nassau	68,188	69,569	71,915	72,588	73,314	73,684
Okeechobee*	789	732	750	742	748	746
Orange*	819,543	823,178	837,921	833,325	861,186	869,743
Osceola*	2,559	928	955	955	940	959
Putnam*	74,416	74,799	74,989	74,608	74,364	74,052
St. Johns	165,291	173,935	181,180	183,572	190,039	192,852
Seminole	420,667	425,698	426,413	423,759	422,718	424,587
Volusia	503,844	508,015	510,750	507,105	494,593	495,400
SJRWMD Total	<u>4,594,008</u>	<u>4,680,336</u>	<u>4,733,256</u>	<u>4,726,827</u>	<u>4,702,123</u>	<u>4,721,223</u>
Annual Percentage Increas	3.0%	1.9%	1.1%	-0.1%	-0.5%	0.4%

Source: University of Florida Bureau of Economic and Business Research & SJRWMD Annual Water Use Projections

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

2012	2013	2014	2015
196,281	197,261	206,852	200,856
26,423	26,368	26,397	26,423
1,155	1,154	5,557	5,544
545,625	548,424	552,427	561,714
192,071	192,843	197,403	201,277
869,729	876,075	890,066	905,574
97,160	97,843	99,121	101,353
139,446	139,586	140,955	143,326
298,928	302,559	309,117	315,936
232,326	233,735	210,572	221,101
73,745	74,661	75,321	76,536
744	744	1,434	1,442
883,720	904,038	875,560	871,668
983	1,009	296	308
73,158	72,605	72,523	72,756
196,071	201,541	207,443	213,566
428,104	431,074	437,086	442,903
497,145	498,978	503,851	510,494
4,752,814	4,800,498	4,811,981	4,872,776
0.7%	1.0%	0.2%	1.3%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Number of Employees ¹	691	715	717	717	717	717
District Population ²	4,593,851	4,697,888	4,733,256	4,726,827	4,702,123	4,721,223
Employees Per 100,000 Population	15.0	15.2	15.1	15.2	15.2	15.2

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

2012	2013	2014	2015
591	591	588	591
4,752,814	4,800,498	4,811,981	4,872,776
12.4	12.3	12.2	12.1

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TOP TEN NON-GOVERNMENT EMPLOYERS WITHIN A SINGLE COUNTY
FISCAL YEAR 2014–2015

<u>Employer</u>	2014			2005		
	<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	70,000	1	Orange	57,000	1	Orange
Universal Orlando Resort	19,000	2	Orange	13,000	3	Orange
Florida Hospital/Adventist Health	18,668	3	Orange	14,667	2	Orange
Baptist Health*	8,270	4	Duval	-	-	-
Bank of America Merrill Lynch*	8,000	5	Duval	-	-	-
Health First	7,800	6	Brevard	6,100	9	Brevard
Lockheed Martin	7,000	7	Orange	7,300	6	Orange
Florida Blue*	6,500	8	Duval	-	-	-
Darden Restaurants, Inc.*	6,419	9	Orange	-	-	-
Harris Corporartion	6,005	10	Brevard	6,500	7	Brevard
Orlando Health^	-	-	-	12,000	4	Orange
Westgate Resorts^	-	-	-	8,300	5	Orange
United Space Alliance^	-	-	-	6,500	8	Brevard
Halifax Community Health System	4,090	-	Volusia	4,998	10	Volusia

* 2005 information not available

^ 2014 information not available

Source: 2014 county and city CAFRs within the District's boundaries

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Alachua	2.6%	3.0%	4.2%	6.9%	8.2%	7.7%	6.6%	5.4%	5.2%	4.2%
Baker	2.9%	3.6%	5.7%	10.3%	10.9%	9.9%	7.8%	6.7%	6.3%	4.9%
Bradford	2.8%	3.4%	4.7%	8.0%	9.6%	8.8%	7.2%	5.7%	5.6%	5.0%
Brevard	3.3%	4.4%	6.5%	10.8%	11.5%	11.1%	9.2%	7.9%	6.9%	5.4%
Clay	3.0%	3.5%	5.3%	9.4%	10.5%	9.3%	7.6%	6.3%	5.7%	4.5%
Duval	3.5%	4.1%	6.1%	10.7%	11.7%	10.6%	8.8%	7.4%	6.7%	5.2%
Flagler	4.2%	6.5%	9.6%	15.5%	15.5%	14.1%	11.6%	10.2%	7.5%	5.9%
Indian River	4.2%	5.8%	8.1%	13.6%	14.0%	12.6%	10.6%	9.1%	7.8%	6.7%
Lake	3.3%	4.2%	6.4%	11.4%	12.0%	11.2%	9.0%	7.5%	6.4%	5.0%
Marion	3.4%	4.6%	7.7%	12.8%	13.8%	12.3%	10.0%	8.3%	7.3%	5.9%
Nassau	2.9%	3.4%	5.4%	9.8%	10.9%	9.6%	7.7%	6.2%	5.8%	4.6%
Okeechobee	4.1%	5.3%	8.0%	12.1%	12.7%	11.7%	10.2%	8.7%	7.3%	6.0%
Orange	3.1%	3.8%	5.8%	10.7%	11.4%	10.3%	8.3%	6.8%	5.8%	4.5%
Osceola	3.4%	4.3%	6.4%	11.7%	12.4%	11.6%	9.3%	7.5%	6.7%	5.3%
Putnam	3.7%	4.7%	7.2%	11.9%	12.6%	11.9%	11.2%	9.4%	8.7%	6.9%
St. Johns	2.7%	3.3%	5.1%	8.7%	9.5%	8.5%	6.9%	5.6%	4.7%	3.6%
Seminole	2.9%	3.5%	5.6%	10.0%	10.7%	9.7%	7.8%	6.4%	5.6%	4.4%
Volusia	3.3%	4.2%	6.6%	11.2%	12.0%	10.8%	8.8%	7.3%	6.7%	5.3%
SJRWMD	3.3%	4.0%	6.0%	11.0%	12.0%	10.5%	8.6%	7.1%	6.3%	4.9%
Florida	3.3%	4.1%	6.3%	10.2%	12.0%	10.5%	8.6%	7.2%	6.3%	5.1%
U.S.	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.0%

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

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

* Data for October 2015. Not seasonally adjusted.



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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Full Fee:										
Acquired	1,490	14,035	13,115	2,778	4,883	5,374	4	3,679	-735	-997
Cumulative	564,482	578,517	591,632	594,410	599,292	604,666	604,670	608,349	607,614	606,617
Conservation Easement :										
Acquired	572	2,895	(3,391)	990	1,635	5,086	1,178	4,800	3,520	15,424
Cumulative	92,071	94,966	91,574	92,564	94,199	99,285	100,463	105,263	108,783	124,207
Total Acres	656,553	673,482	683,206	686,974	693,491	703,951	705,133	713,612	716,397	730,824

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

Construction Type of Levee	Miles of Levees									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
USACE & Flood Control	117.30	117.30	117.30	118.70	159.00	165.00	170.10	170.10	121.08	121.08
Farm	<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>	<u>196.02</u>	<u>196.02</u>
Total Miles of Levees	<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>	<u>317.10</u>	<u>317.10</u>

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

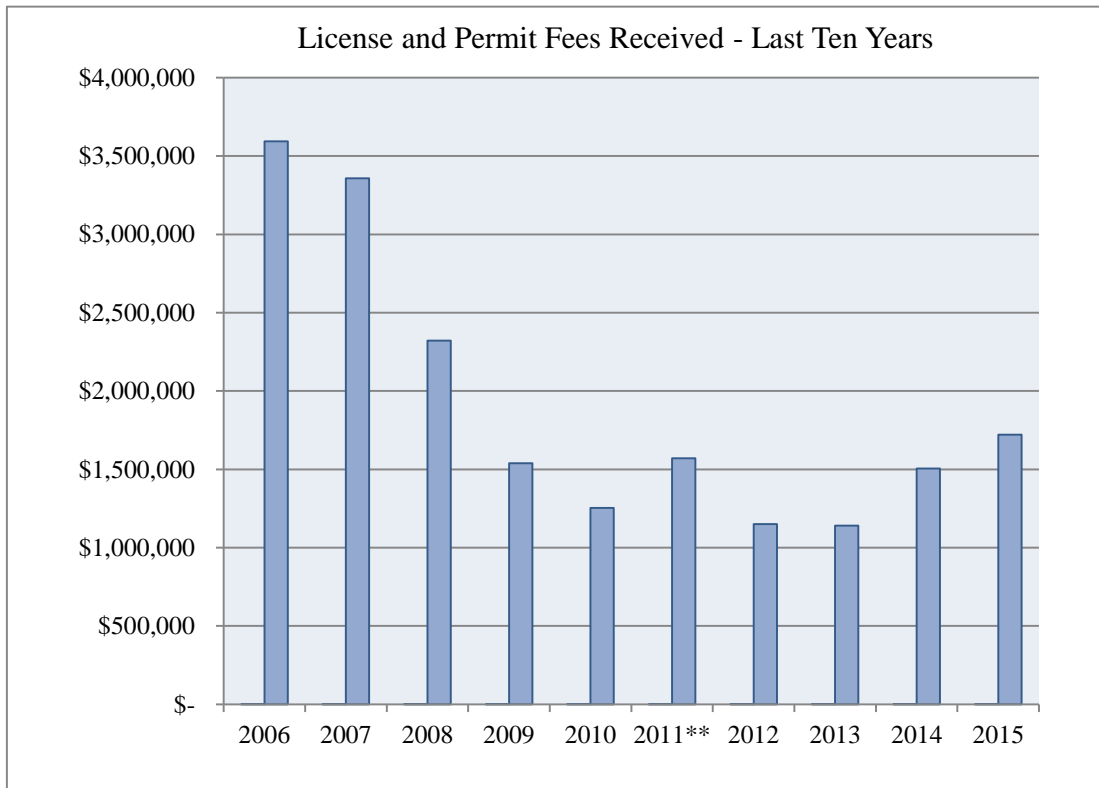
Permit Category	Number of Permits									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Environmental Resource	3,792	3,497	2,671	1,844	1,593	1,395	908	1,315	2,114	2,518
Consumptive Use	371	395	331	249	348	229	328	241	218	155
Water Well Construction	<u>622</u>	<u>474</u>	<u>393</u>	<u>244</u>	<u>263</u>	<u>275</u>	<u>232</u>	<u>297</u>	<u>519</u>	<u>324</u>
Total Applications	<u><u>4,785</u></u>	<u><u>4,366</u></u>	<u><u>3,395</u></u>	<u><u>2,337</u></u>	<u><u>2,204</u></u>	<u><u>1,899</u></u>	<u><u>1,468</u></u>	<u><u>1,853</u></u>	<u><u>2,851</u></u>	<u><u>2,997</u></u>

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

2006	2007	2008	2009	2010
\$ 3,593,279	\$ 3,357,891	\$ 2,322,017	\$ 1,539,179	\$ 1,254,133
2011**	2012	2013	2014	2015
\$ 1,571,181	\$ 1,150,280	\$ 1,141,451	\$ 1,504,706	\$ 1,721,156

* \$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



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, 2015, 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 May 2, 2016.

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.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gnv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

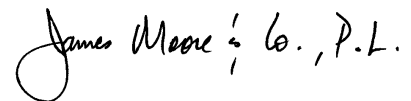
Member of AGN International with offices in principal cities worldwide

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

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
May 2, 2016

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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	101,906
Areal Herbicide Treatment Orange Creek	10.072	27505	11,086
Mowing Moccasin Island	10.072	27503	8,000
Total U.S. Department of Agriculture			<u>120,992</u>
U.S. Department of Commerce			
Pass through Florida NOAA			
Habitat Conservation			
Florida Estuarine Habitat Restoration	11.463	27775	<u>718,547</u>
U.S. Environmental Protection Agency			
Direct Programs			
Congressionally Mandated Projects			
West Volusia Water Suppliers Reclaimed Water System	66.202	27506	<u>3,782</u>
National Estuary Program			
Indian River Comprehensive Conservation Plan	66.456	27194	<u>416,006</u>
Pass through Florida Department of Environmental Protection			
Passed through Brevard County Board of County Commissioners			
Nonpoint Source Implementation Grants			
Fleming Road Wet Detention Pond	66.460	27904-F	<u>111,834</u>
Performance Partnership Grants			
Surface & Ground Water Sampling	66.605	27703	166,523
Surface Water Sampling for the Status and GWTV Network	66.605	28312	<u>91,480</u>
			<u>258,003</u>
Water Quality Management Planning			
Water Sampling for Temporal Variability Monitoring Network	66.454	27845	<u>100,515</u>
Total U.S. Environmental Protection Agency			<u>890,141</u>
U. S. Department of the Interior			
Direct Programs			
Coastal Wetlands Planning, Protection and Restoration Program			
Restore Dragline Ditched Coastal Wetlands	15.614	27448	31,983
Partners for Fish and Wildlife			
Astatula Scrub Restoration Project	15.631	26702	<u>6,793</u>
Total U.S. Department of the Interior			<u>38,776</u>
U.S. Department of Transportation			
Pass through Florida Department of Transportation			
Highway Planning and Construction			
Federal-Aid Highway Program	20.205	SJ65-01	<u>660,156</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>2,428,612</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, 2015

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 and Improvement			
Debt Service - Land Acquisition Bonds	37.022	DEBTSER	12,822,328
Restoration Activities - St. Johns River	37.022	2013-10	2,862,425
Restoration Activities - St. Johns River	37.022	2012-10	797,480
			<u>16,482,233</u>
Water Protection and Sustainability Program			
City of Apopka - North Shore Reuse Augmentation Facility	37.066	07-12-048/25373	1,645,956
Total Florida Department of Environmental Protection			<u>24,956,954</u>
Florida Department of Transportation			
Direct Projects			
Mitigation Water Management Districts			
Wheeler Groves Property	55.031	SJ57-02	324,024
Mitigation Plan Preparation District Wide	55.031	FDOTMIT	131,335
Basin 1,2 or 3 Projects	55.031	SJ34-02	114,170
Basin 17 - Clark Bay Property	55.031	SJ52-08	69,655
Basin 15 Projects	55.031	SJ41-02	25,806
Basin 20 Projects	55.031	SJ48-03	24,773
Basin 11 - Habitat Enhancement Projects	55.031	SJ29-05	19,450
Total Florida Department of Transportation			<u>709,213</u>
Florida Fish and Wildlife Conservation Commission			
Direct Projects			
Lake Apopka Restoration			
Lake Apopka Water Quality and Ecology Improvements	77.030	27876	95,943
Florida Department of Highway Safety and Motor Vehicles			
Direct Projects			
Indian River Lagoon License Plate			
Community Outreach and Restoration of Intertidal Oyster Reefs in			
Mosquito Lagoon	76.010	28062/IRLTAG	24,640
Indian River Lagoon Promotional Materials	76.010	S007906/IRLTAG	9,737
Canaveral Inlet Lionfish Battle Plan	76.010	27807/IRLTAG	9,549
Indian River Lagoon Restoration Project	76.010	28060/IRLTAG	5,974
			<u>49,900</u>
Florida Department of Agriculture and Consumer Services			
Direct Projects			
Agricultural Nonpoint Source Best Management Practices Implementation			
St. Johns River Water Management District-2015 AG Layer Update	42.017	28072	48,664
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>25,860,673</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>28,289,286</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, 2015**

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	\$ 472,231
Florida Estuarine Habitat Restoration	27775	129,505
Restore Dragline Ditched Coastal Wetlands	27448	95,453
TOTAL FEDERAL AWARDS		<u>697,189</u>
STATE FINANCIAL ASSISTANCE		
Spring Initiative Projects	27788	2,787,444
Alternative Water Supply Projects:		
City of Apopka - North Shore Reuse Augmentation Facility	07-12-048/25373	1,645,956
Taylor Creek Reservoir Improvement Project	07-12-049/25555	182,466
Lower St. Johns River Basin - Initiative Plan Projects	2007-06	14,616
Wheeler Property Sebastian River Project	25290	9,105
Springs Quality and Quantiy Monitoring	28120	3,891
TOTAL STATE FINANCIAL ASSISTANCE		<u>4,643,477</u>
TOTAL MATCHING		<u>\$ 5,340,666</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, 2015**

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			
Habitat Conservation	27775	11.463	\$ 684,770
National Estuary Program	27194	66.456	281,664
Congressionally Mandated Projects	27506	66.202	3,782
			<u>970,216</u>
U.S. Department of the Interior			
Coastal Wetlands Planning, Protection and Restoration Program	27448	15.614	31,983
Florida Department of Environmental Protection			
Lower St. Johns River Basin - State Initiative Plan Projects	2008-01	37.039	688,715
Lower St. Johns River Basin - Initiative Plan Projects	2007-06	37.039	650,704
MSJRB-Solary Canal/PLRG Development	2009-13	37.039	546,176
MSJRB- Lake Jessup Pay for Performance Plan	2007-07	37.039	308,955
MSJRB-PLRG Development	2002-31	37.039	255,240
MSJRB-Little Wekiva River Watershed Mgmt Plan	2001-35	37.039	120,000
Wheeler Property Sebastian River Improvements	2008-02	37.039	58,808
TriCounty Agricultural Area Best Management Practices Program	27871	37.039	15,152
			<u>2,643,750</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, 2015

Federal Grantor/Pass-Through Grantor/State Grantor Subrecipient Program	Grant Number	CFDA/ CSFA Number	Amount Provided To Subrecipients
Statewide Direct Projects			
Restoration Activities - St. Johns River	2013-10	37.022	1,912,670
Restoration Activities - St. Johns River	2012-10	37.022	597,795
			<u>2,510,465</u>
Florida Springs Grant Program			
Spring Initiative Projects	27788	37.052	2,265,967
Water Protection and Sustainability Program			
Water Protection and Sustainability Program	2007-12	37.066	1,645,956
Total Florida Department of Environmental Protection			<u>9,066,138</u>
Indian River Lagoon License Plate			
Indian River Lagoon License Plate	IRLTAG	76.010	40,163
Total Awards			<u><u>\$ 10,108,500</u></u>
Subrecipients are the following:			
City of Apopka	27788,2007-12		2,346,660
City of Altamonte Springs	Multiple		1,289,179
City of DeLand	27506,2013-10		1,196,647
City of Ocala	27788		1,014,358
City of Jacksonville	2008-01		688,715
Clay County Utility	2007-06		650,704
Floridan Resource Conservation & Development	27775,27871		619,922
St Johns County	2012-10		597,795
Volusia County	27448,2013-10		567,427
Marion County	27788		550,905
City of Deltona	2013-10		104,441
City of Sanford	2013-10		79,920
East Coast Zoological Society	27194,IRLTAG		65,675
Brevard County	27775		65,000
Town of Indian River Shores	27194		61,051
Florida Institute of Technology	27194		44,195
Marine Resources Council	27194		42,236
Florida Department of Environmental Protection	27194,IRLTAG		41,884
Florida Atlantic University	27194		18,421
Smithsonian Institution	27194		15,510
Balmoral Institute	27194		15,500
Wildlife Foundation of Florida	27775		15,000
Canaveral Port Authority	IRLTAG		9,549
Martin County School Board	27194		6,606
Indian River Lagoon Envirothon Inc.	27194		1,200
Total Awards			<u><u>\$ 10,108,500</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, 2015. 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.

Auditors' 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.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gmv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

Member of AGN International with offices in principal cities worldwide

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 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, 2015.


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.

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 Moore & Co., P.L.

Gainesville, Florida
May 2, 2016

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major Federal programs:

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

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

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

Identification of major Federal programs: CFDA No. 20.205, Highway Planning and Construction

CFDA No. 11.463, Habitat Conservation

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

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

State Financial Assistance

Internal control over major state financial assistance projects:

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(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 and Improvement

CSFA No. 37.039, Statewide Surface Water Restoration and Wastewater Projects

Dollar threshold used to distinguish between type A and type B state financial assistance projects:

\$775,820

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, 2014.

Section VI. State Financial Assistance Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended September 30, 2014.

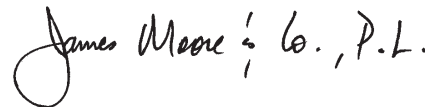
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board of the
St. Johns River Water Management District:

We have examined the St. Johns River Water Management District's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2015. Management is responsible for the St. Johns River Water Management District's compliance with those requirements. Our responsibility is to express an opinion on the St. Johns River Water Management District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the St. Johns River Water Management District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the St. Johns River Water Management District's compliance with specified requirements.

In our opinion, the St. Johns River Water Management District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.



Gainesville, Florida
May 2, 2016

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gnv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

Member of AGN International with offices in principal cities worldwide

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:

Report on the Financial Statements

We have audited the financial statements of the St. Johns River Water Management District, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 2, 2016.

Auditors' Responsibility

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*; Section 215.97, Florida Statutes, Florida Single Audit Act; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

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 for Each Major Federal Program and State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 2, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., 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.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gmv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

Member of AGN International with offices in principal cities worldwide

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we report the results of our determination 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the St. Johns River Water Management District for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

Monthly Financial Statements

Section 10.554(1)(i)6.a. and 10.556(9), Rules of the Auditor General, require that we report the results of our determination as to whether or not the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its Web site. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its Web site.

Transparency

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the District provided a link on its Web site to the Florida Department of Financial Service's Web site to view the District's annual financial report submitted to the Department. In connection with our audit, we determined that the District did provide a link on its Web site to the Florida Department of Financial Service's Web site and therefore did comply with this requirement.

Section 10.554(1)(i)6.c., Rules of the Auditor General, requires that we report the results of our determination as to whether the District posted its tentative and final budgets on its Web site. In connection with our audit, we determined that the District posted its tentative and final budgets on its Web site.

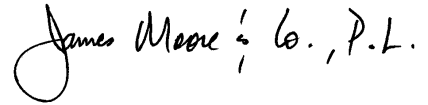
Other Matters

Section 10.554(1)(i)2., 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)3, 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.

Purpose of this Letter

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, the Board of Governors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style, with the first letter of "James" being a large, prominent capital "J".

Gainesville, Florida
May 2, 2016



St. Johns River Water Management District
Office of Financial Services
4049 Reid Street
Palatka, FL 32177
www.sjrwmd.com