

Comprehensive Annual Financial Report



Fiscal year ended
September 30, 2020

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, 2020

Prepared by
Office of Financial Services
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Victoria Kroger, Office Director

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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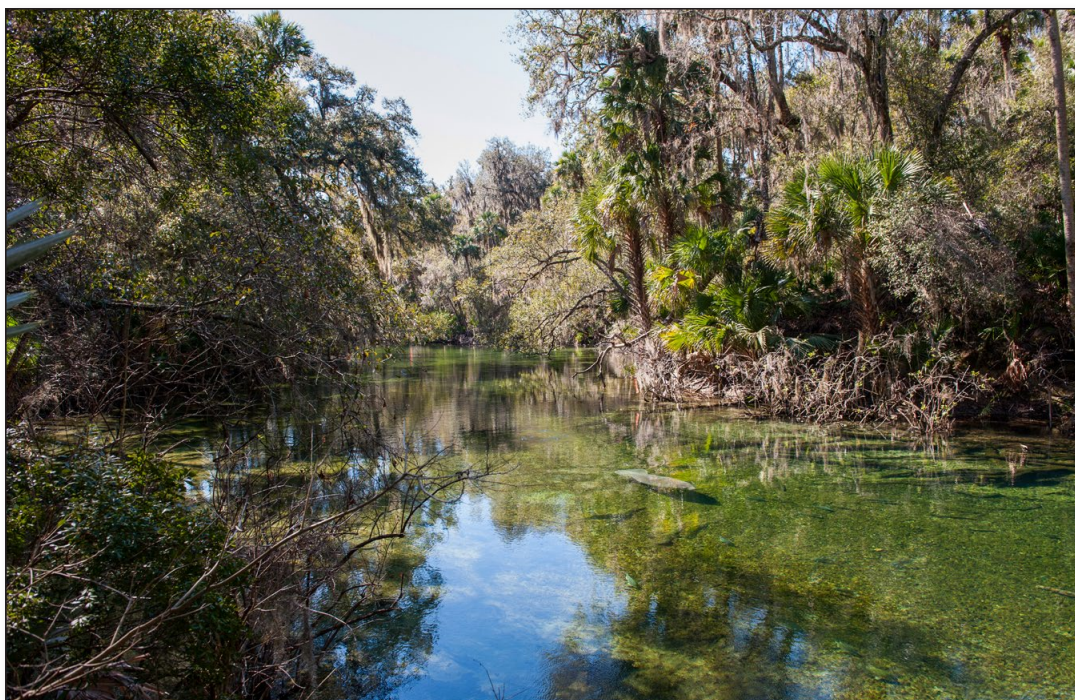
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Comprehensive Annual Financial Report

Introductory Section



West Indian manatee

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 • www.sjrwmd.com

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

Subject: Comprehensive Annual Financial Report — Fiscal Year (FY) 2019–2020

Date: February 22, 2021

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, 2020.

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 unmodified opinion that the District's basic financial statements for the fiscal year ended September 30, 2020, 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

Douglas Burnett, CHAIRMAN
ST. AUGUSTINE

Rob Bradley, VICE CHAIRMAN
FLEMING ISLAND

Susan Dolan, SECRETARY
SANFORD

Ron Howse, TREASURER
COCOA

Doug Bournique
VERO BEACH

Cole Oliver
MERRITT ISLAND

J. Chris Peterson
WINTER PARK

Janet Price
FERNANDINA BEACH

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

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

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

District boundaries are based on natural, hydrologic drainage basins to allow for effective and efficient planning and management. The St. Johns District's boundaries encompass approximately 21 percent of the state's land area with all or part of 18 counties in northeast and east-central Florida, covering a total area of 12,283 square miles. An estimated 5.4 million people (25 percent of the state's population) live within the District's boundaries. There are nine major surface water basins within the District. The most prominent river within the District is the St. Johns, which flows north through its upper, middle, and lower basins. At 310 miles, it is the longest river located entirely in Florida. The District contains 96 documented springs and more than 1,400 lakes. A map showing the geographic boundaries of the District is included on page xvii.

Status and Trends

This overview is designed to assist users in assessing the District's current financial condition by providing a discussion of status and trends for economic and demographic factors that impact the District'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. A discussion of selected significant trends follows.

Property Values — The District’s single largest source of revenue is ad valorem (property) taxes. In FY 2019–2020, a little over half of the District’s total adopted budget (\$158.0 million) were funded by property taxes (\$88.5 million). The District’s total taxable assessed property values were \$496.2 billion. The most recent taxable values (December 2020) reported by the State Office of Economic and Demographic Research (EDR) for counties within the District indicate that the real estate market has stabilized since 2013 and shows an 8.4 percent increase in the total taxable values. All counties within the District showed increased values between 2019 and 2020 (ranging from 3.3 percent in Bradford County to 25.8 percent in Okeechobee County). As the state and regional economy continues to improve, the District’s total taxable values are projected to reach \$533.4 billion by FY 2020–2021 through appreciations of home value and new constructions. It is worth noting that although the total property values have shown an annual average growth rate of 5 percent–8 percent over the last five years, the District’s ad valorem revenues have been limited to around 1.5 percent due to the adoption of rolled back rates.

Housing Starts — Since 2010, driven by favorable interest rates and a gradual return of house hunters, the total housing starts have more than quadrupled from about 11,500 in 2010 to a projected 54,700 units in 2020 in the seven Metropolitan Statistical Areas (MSAs) within the District’s boundaries. Even with this impressive recovery, total housing units permitted in 2020 account for about 63 percent of the total housing units permitted during the peak of a construction boom in 2005 when the total housing starts reached to a little over 87,000 units.

Unemployment — According to the Office of Economic and Demographic Research, Florida’s unemployment rate dropped to 2.8 percent in January and February 2020, which, together with November 2019, became the lowest recorded unemployment rates since the series began in 1976. With the onset of the Coronavirus outbreak, the unemployment rate spiked to 13.8 percent in April 2020, handily surpassing the prior peak rate of 11.3 percent experienced in January 2010 during the Great Recession. The change was breathtaking. Over the space of two months, the unemployment rate shifted from a near 50-year low to a near 50-year high. On average, 2020 saw a rise in unemployment rates which increased to 5.4 percent. In comparison, the state and national unemployment rate for the same period was 6.3 percent and 6.6 percent, respectively.¹

Tourism — According to the Office of Economic and Demographic Research, the onset of the coronavirus and the resulting lockdowns, social distancing and travel restrictions, the decline of tourism has had a profound impact on Florida’s economy. Florida’s tourism-sensitive economy is particularly vulnerable to the longer-term effects of the pandemic. Previous economic studies of disease outbreaks have shown that it can take as much as 12 to 15 months after the outbreak ends for tourism to return to pre-disease levels. The magnitude of this event is greater. The total number of tourists declined -60.3 percent from the prior year in the second quarter of 2020. After that breathtaking decline, tourism in the third quarter managed to recover to 35.4 percent of the prior year’s level, buttressed by the stronger than anticipated number of domestic visitors traveling by car. Several industry groups have already predicted that it will take at least two years to reach recovery from this pandemic. Current expectations are that leisure driving vacations will recover first, and then—in order—business travel, domestic air travel, and international travel.¹

¹ http://edr.state.fl.us/content/presentations/economic/FlEconomic&RevenueUpdate_1-14-21.pdf

Population — According to the Office of Economic and Demographic Research, Florida’s population exhibited strong growth over the past two years. Between April 1, 2018, and 2019 population grew by 368,021 residents (1.77 percent), while between April 1, 2019, and 2020 the state added 387,479 residents (1.83 percent). As a result of the pandemic, population growth is expected to slow to 297,851 new residents (1.38 percent), reflecting both slower net migration and a speed-up in the expected negative natural increase (more deaths than births). Between 2021 and 2025, growth is forecast to average 1.36 percent. The steady population growth has fueled the housing market growth, which in turn provides the only path for ad valorem revenue growth for the District in recent years².

COVID-19 — In response to the Novel Coronavirus Disease 2019 (COVID-19), a severe acute respiratory illness that can spread among humans through respiratory transmission and presents with symptoms similar to those of influenza; Gov. Ron DeSantis issued Executive Order 20-52 declaring a State of Emergency for COVID-19 in March 2020. Governor DeSantis asked state agencies to “maximize remote working and telecommuting.” In October 2020, a transition back to the office took place until full return of staff on November 9, 2020.

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 (\$94.5 million) are committed by Governing Board resolution to future years’ funding of capital and grant awards over the District’s planning horizon.

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 Board 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 proposes to spend \$44.91 million on 44 fixed capital projects during the planning period from FY 2020–2021 through FY 2024–2025. Total planned capital expenditures in FY

² http://edr.state.fl.us/content/presentations/economic/FlEconomic&RevenueUpdate_1-14-21.pdf

2020–2021 are \$19.56 million, which is a 23.7 percent, or \$3.74 million, increase as compared to the adopted CIP budget for FY 2019–2020.

Significant changes in capital expenditures during the planning period are:

- Excluding land acquisitions, the District is planning for 13 multimillion-dollar capital projects. Three of these projects are in activity 2.3, including Lake Apopka Duda Property Water Storage Improvements (\$2.65 million), Lake Apopka Marsh Flow-Way Improvements (\$1.77 million), and Lake Apopka Lake Level Canal Interconnection (\$1.4 million). One project is in activity 2.5 for the Building Fund (\$6.6 million). The remaining nine projects are in activity 3.2, which consist of major and minor water control structure rehabilitation projects in the range of \$1–4 million.
- No significant CIP projects are budgeted under activity 2.3 or 2.5 beyond FY 2021–22.
- The District will primarily rely on District revenues (including fund balances and ad valorem revenues) to fund capital projects.

The District is currently working on multiple Capital Improvement projects. Table 1.1 on page x reports the top eight projects, along with start and end dates, past and future expenditures, and a description of how each project is beneficial to the District’s core missions.

Cooperative Funding

Cooperative grants have a one-to-three-year life cycle that results in an accumulation of a catalog of construction projects in various stages of completion requiring an expanded use of fund balance. With that growing catalog, the District has established controls to ensure that currently available resources are set aside upon award to honor future years’ cooperative funding commitments. Table 1.2 on page xii reports the top 10 cooperative funded projects ranked by total expenditures for FY 2019–2020. Table 1.3 on page xiv reports the top ten cooperative funded projects ranked by total project cost from all contributors along with estimated completion dates for FY 2019–2020.

Debt Management

The District is completely debt free and does not plan to incur any new debt in the foreseeable future.

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.

St. Johns River Water Management District, Florida
Table 1.1 - Top Eight Capital Improvement Projects by Expenditure
For the Year Ended September 30, 2020

| | Project Name | Project Description |
|---|--|--|
| 1 | Fellsmere Water Management Area (FWMA) | FWMA is a multi-function reservoir that serves water supply and flood control purposes, and helps improve the water quality of agricultural and surface water drainage. This reservoir is an internationally famous fishing spot, complementing the adjacent Stick Marsh. |
| 2 | Lake Apopka North Shore Infrastructure Improvements | Infrastructure improvements are needed on the Lake Apopka North Shore to improve the storage and management of water and phosphorus within the North Shore. Benefits include encouraging desirable wetland vegetation and reducing phosphorus-rich discharges of water to Lake Apopka. |
| 3 | S-96C Rehabilitation | S-96C was constructed in 1993 and is the main outlet from Blue Cypress Water Managment Area (BCWMA) into the historic St. Johns River floodplain. The S-96C gate rehabilitation includes dewatering, concrete repairs, and all ancillary items associated with the structure. |
| 4 | Apopka Service Center Building | The District has leased space in the Orlando area since 1986. The location allows District staff to work with local customers and stakeholders on a variety of matters, including Regulatory permitting. It is also used for a variety of agency collaborative meetings, outreach and training events, workshops, and serves as a data disaster recovery center. Owning both the service center's land and building will result in long-term savings for the District. |
| 5 | Lake Apopka Marsh Flow-Way Improvements | To improve hydraulic performance resulting is decreased phosphorus, nitrogen and suspended solids, and improve water storage to better meet lake regulation schedule and reduce phosphorus loads entering the lake. Vegetation has been planted in Lake Apopka which primarily consist of floating leaved species placed in strategic locations. |
| 6 | S-161A Drum and Cable Installation | The District is converting all major water control structure gates in the Upper St. Johns River Basin (USJRB) and the Upper Ocklawaha River Basin (UORB) from a hydraulic lift system to a drum and cable winch system. These gates are frequently used during minor and major storm events. Because of the drifting of the gate hydraulics, constant monitoring is required, and frequent adjustments are necessary to maintain flood control flows. |
| 7 | Coastal Oaks Preserve Wetland and Hydrologic Restoration | This project will implement wetland creation, restoration and enhancement projects on parcels that will be owned by the Indian River Land Trust. The enhancement will improve hydrologic and ecologic conditions of the project areas. This project is necessary to offset FDOT's mitigation needs pursuant to Section 373.4137, Florida Statutes (F.S.). The District plans to use funding from the FDOT Mitigation Program for this project. |
| 8 | Lake Jesup Nutrient Reduction and Flow Enhancement Project | To enhance the current exchange between the St. Johns River and Lake Jesup without creating negative impacts downstream in the St. Johns River, Improve fish and wildlife habitat in the east portion of the Lake, and restoration of potential habitat for submerged aquatic vegetation in the east portion of the Lake. |

| Rank | Total Expended in FY 2019-20 | Total Expended Life to Date | Estimated Total Project Amount | Project Start Date | Estimated Completion Date |
|-------------|---|--|---|-------------------------------|--------------------------------------|
| 1 | \$ 2,081,221 | \$ 54,500,065 | \$ 55,277,694 | Dec 2009 | Sept 2021 |
| 2 | 2,077,462 | 2,267,824 | 2,585,355 | Aug 2018 | Feb 2021 |
| 3 | 1,872,829 | 1,875,981 | 1,875,981 | Feb 2019 | Completed July 2020 |
| 4 | 617,922 | 674,317 | 6,934,446 | Apr 2018 | Sept 2022 |
| 5 | 563,743 | 776,066 | 2,585,078 | May 2017 | Aug 2021 |
| 6 | 443,700 | 443,700 | 443,700 | Nov 2019 | Completed Sept 2020 |
| 7 | 421,390 | 875,173 | 1,040,173 | Sept 2017 | Sept 2024 |
| 8 | 398,581 | 398,581 | 1,099,952 | Sept 2019 | Sept 2021 |
| <hr/> | | | | | |
| | <u><u>\$ 8,476,848</u></u> | <u><u>\$ 61,811,708</u></u> | <u><u>\$ 71,842,379</u></u> | | |

St. Johns River Water Management District, Florida
Table 1.2 - Top Ten Cooperative Funded Project by FY20 Expenditure
For the Year Ended September 30, 2020

| Rank | Project Name | Project Description |
|-------------|--|---|
| 1. | City of Altamonte Springs Regional Water Reclamation Facility Improvements Phase 2 | Construct treatment process improvements to increase flow, reduce nutrient concentrations, and attain Advanced Water Treatment standards. |
| 2 | Marion County Silver Springs Shores Regional Capacity Improvements and Package Plant Removal | Construct infrastructure to increase capacity and upgrade to Advanced Wastewater Treatment standards and to reduce the total nitrogen concentration to Silver Springs Spring Shed. |
| 3 | City of Palatka South Historic District Stormwater Phase II | Construct exfiltration trench and stormwater conveyance over 11 blocks of the southern historic district. |
| 4. | City of Cocoa Beach Water Reclamation Facility Upgrade | Construct upgrades and improvements to the water reclamation facility that will improve wastewater effluent quality; thereby reducing nutrient loading to the Indian River Lagoon. The project is estimated to provide an estimated nutrient load reduction of 3,603 lbs./year total nitrogen and 1,201 lbs./year total phosphorus. |
| 5 | City of Longwood Septic Tank Abatement Program Transmission Main | Construction of a wastewater force main to connect to the City of Altamonte Springs' Regional Wastewater Reclamation Facility, which will provide the needed treatment capacity for the existing and future septic tank connection projects. |
| 6. | Clay County Utility Authority Tynes Reclaimed Water Storage and Booster Station | Construction of a 1.15 million gallons (MG) total storage and distribution facility to provide reclaimed water to 772 new customers in the new developments that include the Linda Lakes and Azalea Ridge subdivision. The project will help alleviate unreliable pressure issues being experienced by existing customers in the service areas within the Two Creeks and Pine Ridge Subdivisions. |
| 7. | City of Ocala Pine Oaks Wetland Recharge | Construct a 33-acre groundwater recharge wetland that will receive advanced treated wastewater from the City's Water Reclamation facilities (WRF) #2, #3, and stormwater from the Old City Yard Drainage Retention Area. |
| 8. | Volusia County Wastewater Infrastructure for Blue Spring | Decommission Del North wastewater treatment plant, construct a master lift station and three (3) miles of force main, and connect to the Southwest Regional water reclamation facility. This project will provide a water quality benefit to Volusia Blue Spring by reducing the nutrient load by 6,390 lbs. total nitrogen and 2,065 lbs. total phosphorus a year. |
| 9. | JEA Gate Parkway – Kerman to T-Line Reclaimed Water Main | Construction of an estimated 15,300 linear feet of reclaimed water pipe from Glen Kerman to T-line reclaimed water main. |
| 10. | City of Ocala Southwood Villas and Southeast Lake Weir Septic Connections | Abandonment of approximately 100 residential and commercial septic tanks and the necessary connection piping and control structures to extend the central waste water collection system. |

| Rank | Total Expended in FY 2019-20 | Total Expended Life to Date | Estimated Total Project Amount | Project Total including all contributors | Project Start Date | Estimated Completion Date |
|-------------|---|--|---|---|-------------------------------|--|
| 1. | \$ 3,233,100 | \$ 4,300,000 | \$ 4,300,000 | \$ 7,400,000 | Mar 2019 | Completed Sept 2020 |
| 2 | 2,467,825 | 2,467,825 | 3,487,038 | 6,232,800 | Oct 2019 | Sept 2021 |
| 3 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | July 2019 | Completed Sept 2020 |
| 4. | 1,370,358 | 1,500,000 | 1,500,000 | 4,950,000 | July 2018 | Completed Sept 2020 |
| 5 | 1,002,311 | 2,163,602 | 2,163,602 | 4,657,412 | Dec 2017 | Completed June 2020 |
| 6. | 997,353 | 997,353 | 997,353 | 4,750,000 | June 2019 | Completed Sept 2020 |
| 7. | 970,152 | 3,858,924 | 3,858,924 | 8,362,766 | May 2018 | Completed July 2020 |
| 8. | 889,344 | 889,344 | 2,925,000 | 6,173,500 | Mar 2020 | Sept 2021 |
| 9. | 796,354 | 1,500,000 | 1,500,000 | 5,424,091 | Mar 2019 | Completed June 2020 |
| 10. | 715,507 | 1,282,976 | 1,282,976 | 2,565,950 | Mar 2012 | Completed Sept 2020 |
| | \$ 13,942,304 | \$ 20,460,024 | \$ 23,514,893 | \$ 52,016,519 | | |

St. Johns River Water Management District, Florida
Table 1.3 - Top Ten Cooperative Projects by Total Project
For the Year Ended September 30, 2020

| Rank | Project Name | Project Description |
|-------------|---|---|
| 1 | Black Creek Water Resource Development Project | The Black Creek Water Resource Development Project will help to replenish the Upper Floridan aquifer in northeast Florida using flow from Black Creek, in Clay County, during high water periods and flood events. |
| 2 | St. Johns County Players Club Reclaimed Water Facility | Construction of a new 2.4 million gallons per day (MGD) advanced water reclamation facility (WRF) at the existing Players Club site in Ponte Vedra. |
| 3 | Eau Gallie River Environmental Muck Dredging | Removal of 625,000 cubic yards of muck soils from the main stem of the 3.9-mile-long Eau Gallie River, as well as the southern branch of the river known as Elbow Creek. |
| 4 | City of Jacksonville McCoys Creek Improvements | This is part of a multi-phased project to restore aspects of the creek's natural systems by enhancing natural creek flow and natural flood plan, removing two bridges, raising two bridges above the 100 year flood stage, and opening the mouth of McCoys Creek. |
| 5 | Dispersed Water Storage / Nutrient Reduction Pilot Project with Fellsmere Joint Venture | The Fellsmere project will create a ~2,000 acre reservoir that should store about 18 MGD on an annual basis. Nutrient reductions should be approximately 24 metric tons (MT) nitrogen and 3 MT phosphorus annually. |
| 6 | City of Deltona Alexander Avenue Water Resources Facility, Phase 4B | Phase 4B Lake Monroe intake structure and 24-inch water transmission pipeline for surface water withdrawal from Lake Monroe up to 12 MGD to Alexander Avenue Water Resource Facility. |
| 7 | City of Titusville Osprey Water Reclamation Nutrient Removal Upgrade | City of Titusville Osprey Water Reclamation Nutrient Removal Upgrade |
| 8 | Crane Creek M-1 Canal Flow Restoration | This project would restore M-1 Canal baseflows and small stormflows west of Evans Road back to the Upper St. Johns River Basin (USJRB) by constructing an operable diversion structure in the M-1 Canal to divert and treat flows prior to discharging to the USJRB. |
| 9 | City of Mount Dora Wastewater Treatment Facility #1 Improvements | The City's existing Wastewater Treatment Facility #1 will undertake several improvements to achieve Advanced Wastewater Treatment (AWT) standards of effluent by reducing total nitrogen (TN) and total phosphorus (TP) to less than or equal to 3 mg/L and 1 mg/L, respectively. |
| 10 | Orange County Wekiwa Springs Septic Tank Retrofit Project Phase 1 | This project is part of a multi-phase program, ultimately consisting of converting 2,057 onsite sewage treatment and disposal systems (OSTDS, commonly referred to as septic tanks) to sewer systems within the Wekiwa Springshed. |

| Rank | Total Expended in FY 2019-20 | Total District Funding | Total State Funding | Total Cooperative Funding | Total Other Funding | Project Total including all contributors | Estimated Completion Date |
|------|---------------------------------|---------------------------|------------------------|---------------------------------|------------------------|--|---------------------------------|
| 1 | \$ 173,930 | \$ 5,000,000 | \$ 43,344,978 | \$ - | \$ - | \$ 48,344,978 | Nov 2024 |
| 2 | - | 2,000,000 | - | 24,400,500 | | 26,400,500 | Completed Mar 2020 |
| 3 | 723,234 | - | 20,000,000 | | 3,750,000 | 23,750,000 | Feb 2021 |
| 4 | - | 1,500,000 | - | 16,002,917 | - | 17,502,917 | Sept 2021 |
| 5 | - | 16,155,000 | - | - | - | 16,155,000 | Sept 2030 |
| 6 | - | 1,500,000 | 3,379,000 | 10,159,652 | - | 15,038,652 | Feb 2022 |
| 7 | - | 675,000 | 675,000 | 10,550,000 | - | 11,900,000 | Dec 2022 |
| 8 | 341,270 | 6,080,127 | 2,450,000 | - | 2,235,294 | 10,765,421 | Sept 2022 |
| 9 | - | 1,500,000 | - | - | 8,378,438 | 9,878,438 | Dec 2022 |
| 10 | - | 1,500,000 | - | 6,320,000 | - | 7,820,000 | Sept 2022 |
| | \$ 1,238,434 | \$ 35,910,127 | \$ 69,848,978 | \$ 67,433,069 | \$ 14,363,732 | \$ 187,555,906 | |

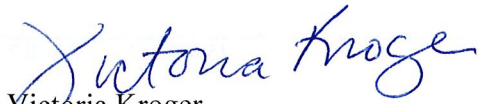
Awards and acknowledgements

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, 2019. 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.

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

Respectfully submitted,



Victoria Kroger,
Office Director, Office of Financial Services



R. Gregory Rockwell, CPA
Accounting 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

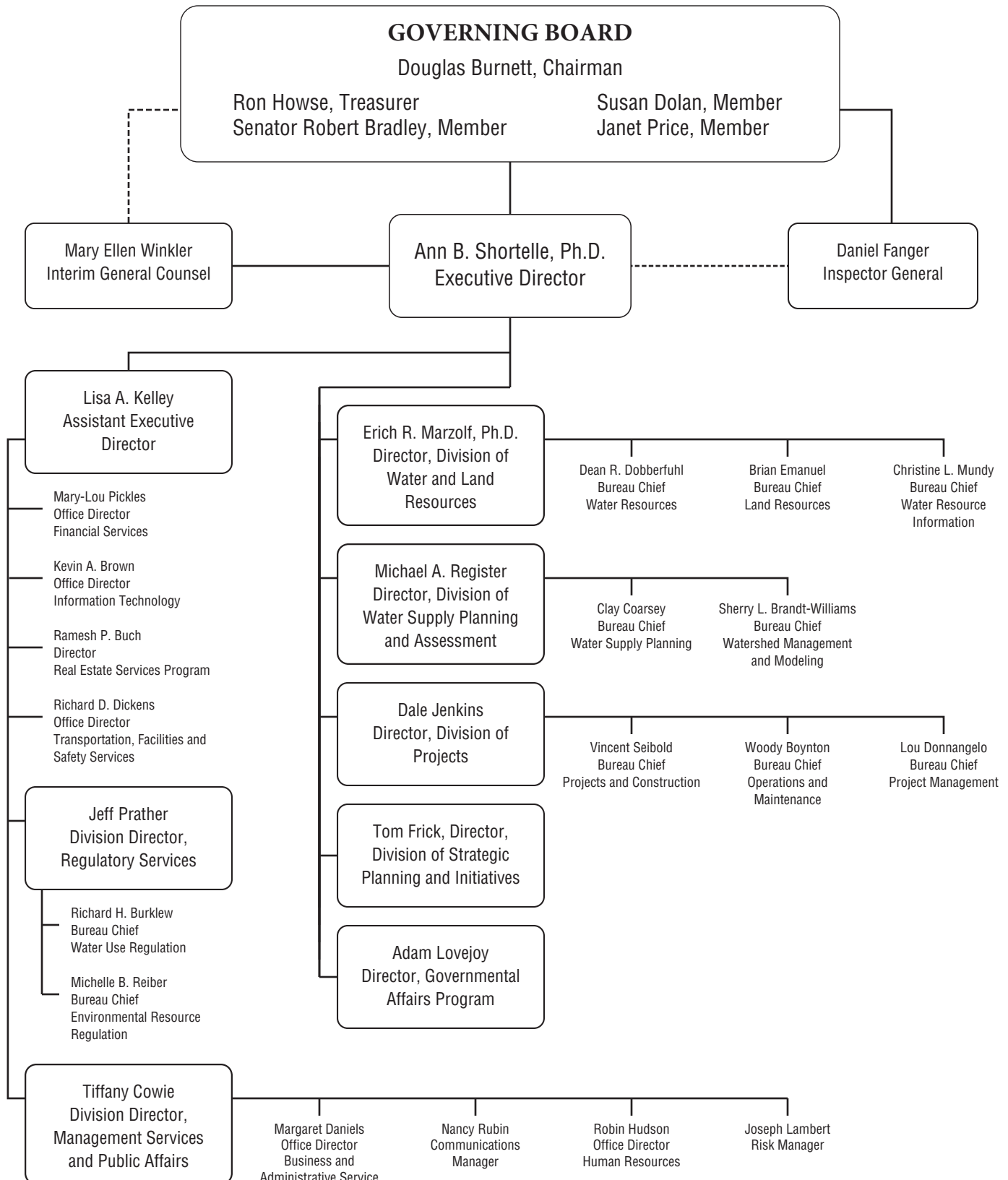
September 30, 2019

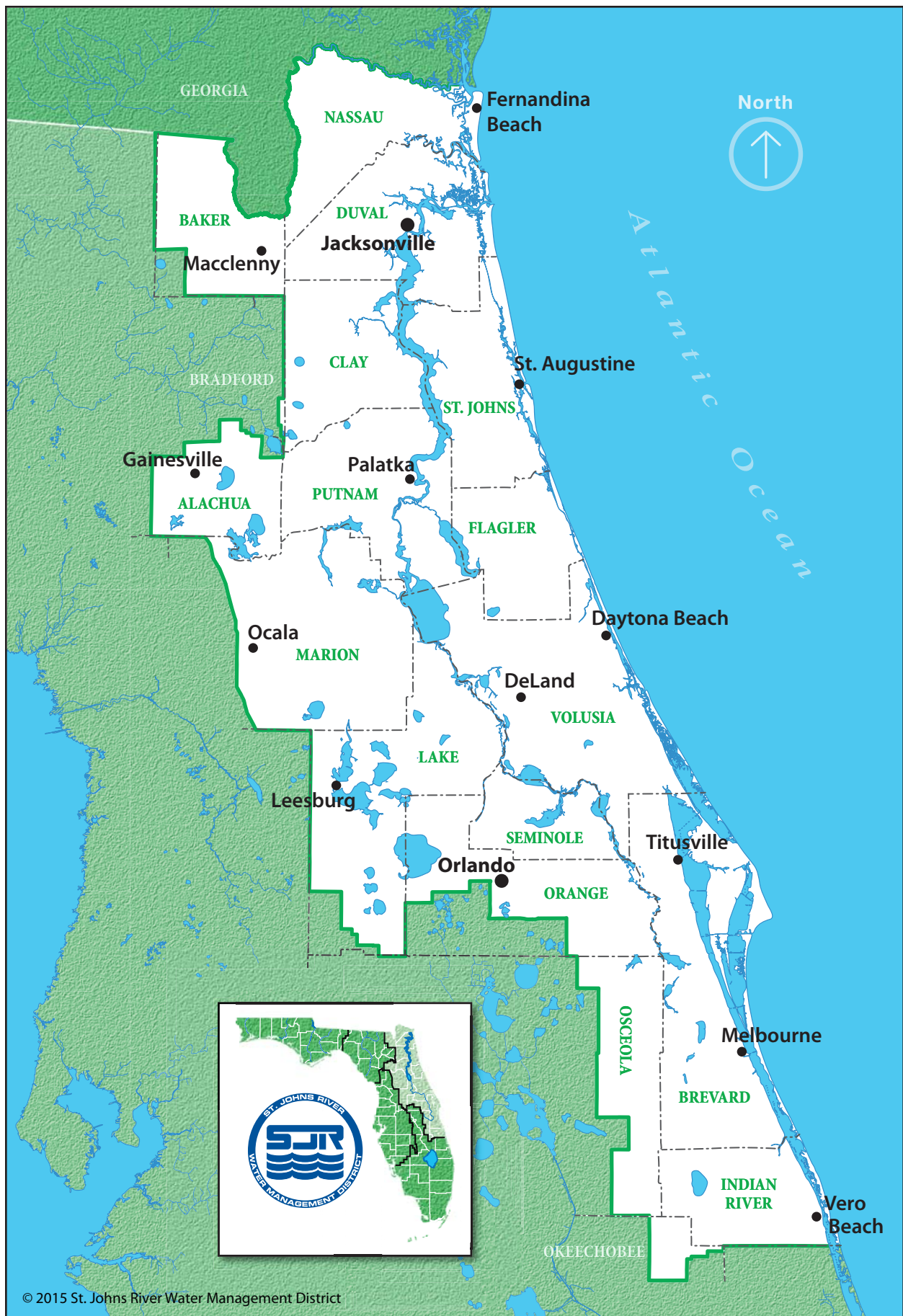
Christopher P. Morill

Executive Director/CEO

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

As of Sept. 30, 2020





Comprehensive Annual Financial Report

Financial Section



American alligator

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



Orange Creek Restoration Area

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the St. Johns River Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

The 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

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of St. Johns River Water Management District as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents 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 the District's basic financial statements. The introductory section, statistical section, other supplementary, and schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Section 215.97, Florida Statutes, *Florida Single Audit Act*; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

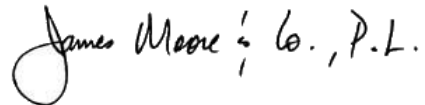
The supplementary information and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Johns River Water Management District's 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 the District's internal control over financial reporting and compliance.

Daytona Beach, Florida
February 22, 2021

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



Buck Lake Conservation Area

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, 2020**

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 \$1.3 billion, as of September 30, 2020, primarily the result of significant ownership of non-depreciable assets in the form of land (\$828.6 million) and easements (\$219.5 million) owned by the District. Net position increased \$7.7 million, or 0.6 percent, this year compared to a \$2.0 million, or -0.2 percent, decrease the prior year.
- Total fund balance increased \$6.5 million, or 5.0 percent, from the previous fiscal year, primarily from substantial unrealized gains in District investments. A further breakdown of fund balance changes by individual funds is discussed in the Financial Analysis of the Government's Funds section.
- The District's cooperative funding/cost-share program expended \$32.2 million to its partners; cities, counties, water utilities, farmers/ranchers and other water quality/conservation entities to maximize efforts in support of the District's mission.
- The District continues to have no bonded debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 17–23 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 three 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 Fund and Capital Projects Fund.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

The District adopts annual budgets for all governmental funds. Budgetary comparison schedules are provided that include the original and final adopted budgets as well as the final actual results of operations for the General Fund and Special Revenue Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for the General Fund and Special Revenue Fund are being reported as Required Supplementary Information and are presented after the Notes to the Financial Statements beginning on page 63. The budgetary comparison schedule for the Capital Projects Fund is presented in the Other Supplementary Section on page 81.

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 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 Fund and the Capital Projects Fund include re-appropriated encumbrances of unspent balances (\$43.3 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 20–24 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 25–64 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 fiscal year FY 2019–2020. The overall condition of the District improved in FY 2019-2020.

The District has accumulated financial resources since the height of the housing bubble which began in FY 2005–2006. The District has had a fund balance spend down plan to utilize those financial resources to fund or assist in the development of regionally significant water resource or supply development projects.

The District's General Fund-Fund Balance increased \$5.1 million in FY 2019–2020 to a total of \$116,055,420, primarily as a result of unexpected additional investment earnings of \$3.2 million, a year-over-year reduction in contractual services and salaries and benefits expenditures of \$1.3 million and \$0.8 million, respectively.

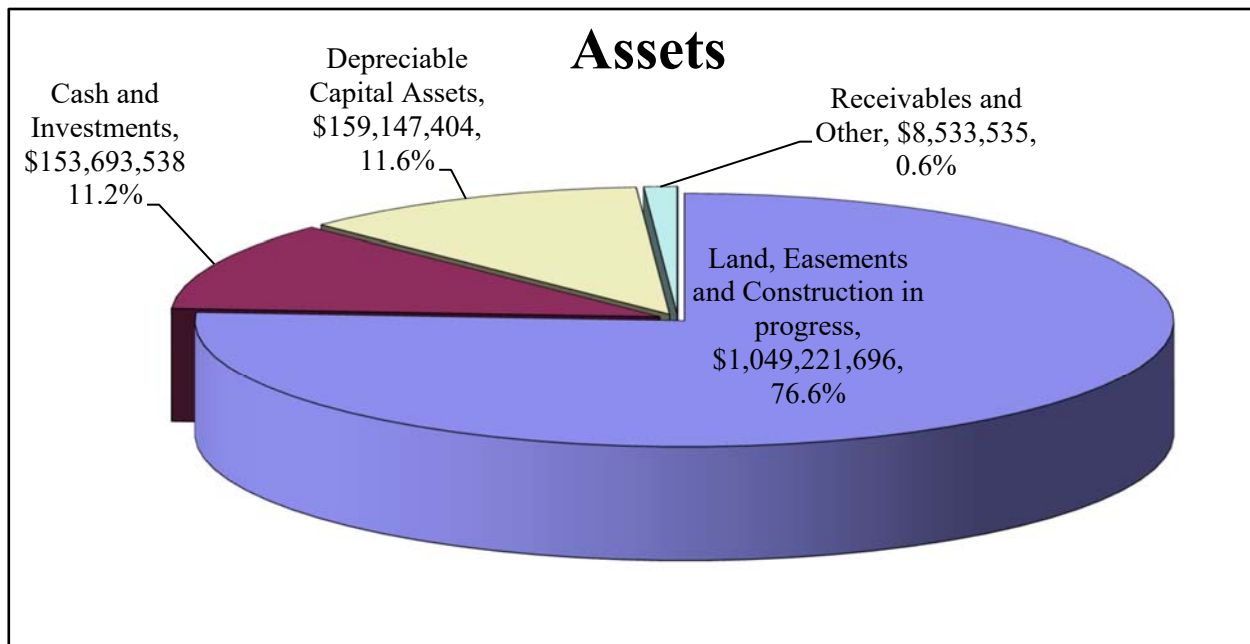
**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

DISTRICT'S NET POSITION

| | 2020 | 2019 |
|--|-------------------------|-------------------------|
| Current and other assets | \$162,227,073 | \$ 154,747,938 |
| Capital assets, net | 1,208,369,100 | 1,203,496,683 |
| Total assets | <u>1,370,596,173</u> | <u>1,358,244,621</u> |
| Deferred outflows | 12,017,774 | 11,496,656 |
| Long-term liabilities outstanding | 51,599,510 | 46,782,149 |
| Other liabilities | 24,441,766 | 23,590,491 |
| Total liabilities | <u>76,041,276</u> | <u>70,372,640</u> |
| Deferred inflows | 5,447,270 | 5,922,331 |
| Net Position: Net investment in capital assets | 1,208,369,100 | 1,203,496,683 |
| Restricted | 14,336,599 | 14,162,621 |
| Unrestricted | 78,419,702 | 75,787,002 |
| Total net position | <u>\$ 1,301,125,401</u> | <u>\$ 1,293,446,306</u> |

The District's total net position increased by \$7.7 million, or 0.6 percent, and the cash and investment position increased \$9.5 million, or 6.6 percent, from September 30, 2019, as a result of investment earnings of \$4.2 million. This can be primarily attributed to a \$2.6 million increase in unearned revenue from additional advanced grants, a \$1.6 million increase in ad valorem property tax revenues, \$1.6 million decrease in intergovernmental receivables from improved invoicing processes and other expenditure reductions as described on the previous page.

Unrestricted net position increased \$2.6 million due to the same above surplus in investment earnings over the estimated budget. Long-term liabilities outstanding increased \$4.8 million due to the year-over-year increase in FRS pension of \$5.0 million. Capital assets increased \$4.9 million from increased infrastructure project capital expenditures as outlined later in the capital asset section.



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

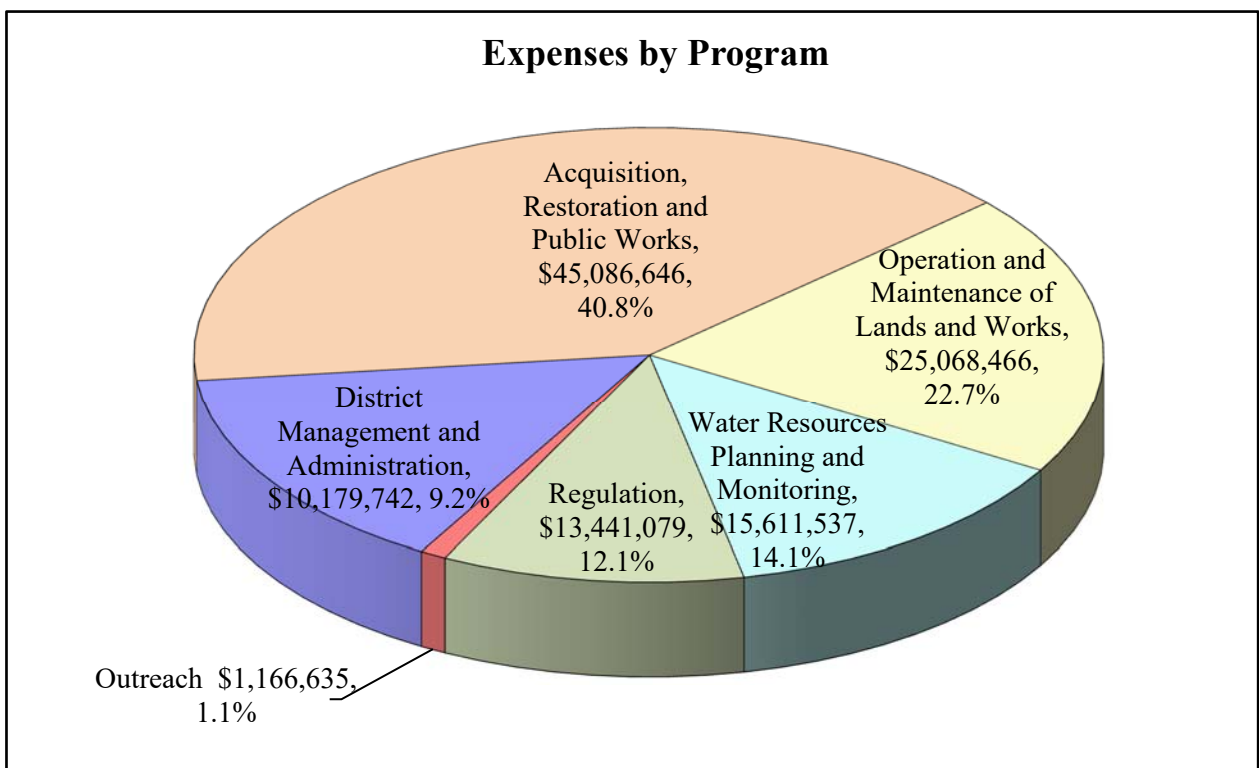
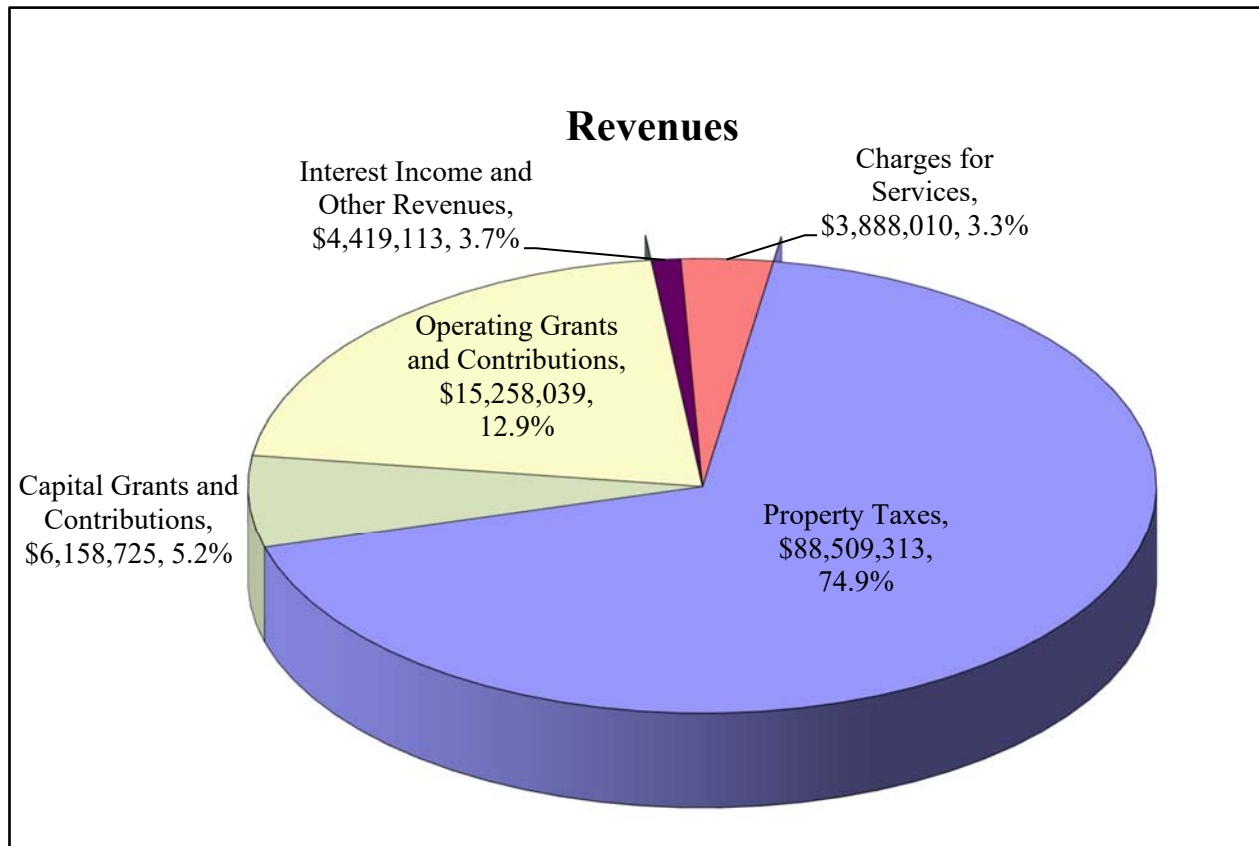
DISTRICT'S CHANGE IN NET POSITION

| | 2020 | 2019 |
|--|-------------------------|-------------------------|
| Revenues | | |
| Program revenues: Charges for services | \$ 3,888,010 | \$ 4,269,139 |
| Operating grants and contributions | 15,258,039 | 22,855,269 |
| Capital grants and contributions | 6,158,725 | 5,488,297 |
| General revenues: | | |
| Ad valorem property taxes | 88,509,313 | 87,187,723 |
| Unrestricted investment earnings | 4,192,008 | 5,980,793 |
| Other revenue | 227,105 | 530,704 |
| Total revenues | <u>118,233,200</u> | <u>126,311,925</u> |
| Expenses | | |
| Water resources planning and monitoring | 15,611,537 | 14,946,389 |
| Acquisition, restoration and public works | 45,086,646 | 59,248,127 |
| Operation and maintenance of lands and works | 25,068,466 | 25,172,793 |
| Regulation | 13,441,079 | 11,215,142 |
| Outreach | 1,166,635 | 923,747 |
| District management and administration | <u>10,179,742</u> | <u>16,781,888</u> |
| Total expenses | <u>110,554,105</u> | <u>128,288,086</u> |
| Increase(decrease) in net position | 7,679,095 | (1,976,161) |
| Net position , beginning of the year | <u>1,293,446,306</u> | <u>1,295,422,467</u> |
| Net position , end of the year | <u>\$ 1,301,125,401</u> | <u>\$ 1,293,446,306</u> |

Total revenues decreased by 6.4 percent, or \$8.0 million, from the previous year. The decrease is primarily attributable to the 33.2 percent, or \$7.6 million, decrease in operating grants and contributions from a \$.5 million reduction in Hurricane Irma relief and a \$8.1 million reduction in state funded cooperative funding projects and a \$.7 million decrease in capital grants and contributions from a decrease in donated conservation easements from the permitting process offset by \$1.3 million increase in ad valorem property taxes.

Total expenses decreased 13.8 percent, or \$17.7 million, compared to the previous year. The 23.9 percent, or \$14.2 million, decrease in acquisition, restoration and public works is primarily the result of the decrease of \$2.0 million Doctors Lake-Nelson Point Property purchase and \$5.2 million decrease in Eau Gallie River Environmental Muck Dredging. The District's cooperative/cost-share funding program assists local governments, agricultural interests and other entities in creating sustainable water resources, provide flood protection and enhance water conservation efforts. These projects benefit one or more of the four District core mission areas; water supply, water quality, natural systems and flood protection. The cooperative funding expenditure category is the largest budget category with \$88.5 million budgeted in FY 2019-2020 and \$98.9 million budgeted in FY 2020-2021. The total expense decrease is offset by the increase of 19.8 percent, or \$2.2 million, increase in regulation, the increase of 20.8 percent, or \$0.2 million in outreach and the increase of 4.4 percent, or \$.7 million, in water resources planning and monitoring and the decrease of 39.3 percent, or \$6.6 million, in District management and administration can be attributed to the cross-charging of administrative expenditures to their respective direct program.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**



**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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, 2020, total fund balance was \$116.0 million, of which \$.8 million was represented by inventory on hand and other non-spendable assets; \$114.6 million was committed by action of the Governing Board for identified future capital needs; \$0.6 million was assigned by executive management for specific purposes.

The fund balance of all of the District's funds increased by \$6.5 million. Key factors explaining the changes in the General Fund and individual major funds include:

- General Fund balance increased by \$5.1 million primarily due to an increase of \$5.1 million in cash and cash equivalents and a \$1.3 million increase in ad valorem property tax collections offset by a decrease in investment earnings of \$1.6 million.
- The Special Revenue Fund balance increased \$0.4 million primarily as a result of the District receiving a total of \$1.3 million for the sale of lands and expending \$.6 million of the funds for land purchases.
- The Capital Projects Fund balance increased by \$1.0 million to cover carry over encumbrances of ongoing long-term project expenditures on Lake Apopka North Shore Levee Improvements, S96B Rehab and the Fellsmere Water Management Area.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's General Fund spent a total of \$35.0 million less than budgeted expenditures in all spending categories in FY 2019–2020 primarily due to spending decreases in long-term cooperative funding construction projects. The largest budget variance of \$30.1 million was in the acquisition, restoration and public works category, second largest of \$1.9 million was in the water resources planning and monitoring and third largest of \$1.2 million was in the operation and maintenance of lands and works category.

The \$30.1 million positive budget variance in the acquisition, restoration and public works category is primarily the result of unspent grants and aids of \$26.7 million to local governments (cost-share and cooperative funding) and unspent operating capital outlay of \$1.6 million for two nutrient reduction pilot programs that were delayed. The unspent budgets of the management and administration and regulation categories are primarily from decreases due to strategic cuts in operating and administrative costs.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

In accordance with *Florida Statutes* 373.536(4)(c), the budget of the District may be amended after the adoption of the final budget, following review and approval by the Executive Office of the Governor. During FY 2019–2020, there were two amendments to the budget for the special revenue fund totaling \$6.4 million attributed to projects for Harmful Algal Blooms in Florida's waterways.

Total Governmental funds revenues decreased \$6.0 million and total expenditures decreased \$5.4 million. General Fund total revenues decreased \$0.5 million primarily from a \$1.4 million increase in ad valorem revenues associated with new growth from construction offset by a decrease of \$1.6 million in investment earnings due to the interest rate market bottoming out and a decrease of \$0.2 million in fines and penalties. Total expenditures decreased \$5.4 million primarily from a \$8.1 million decrease in cooperative funding/cost-share (grants and aids) expenditures due to a slow-down in construction projects caused by the COVID-19 pandemic, a \$1.2 million decrease in general expenses and a \$1.4 million decrease in salaries and benefits from ongoing strategic cuts in operating and administrative costs offset by an increase in fixed capital outlay of \$4.5 million and increase in operating capital outlay of \$.7 million.

The historical trend of positive General Fund budget variances continued for the FY 2019–2020, with the current year's 73 percent utilization of appropriations consistent with historical rates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets — The District's investment in capital assets for its governmental activities as of September 30, 2020, amounted to \$1.2 billion (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 2019–2020 valued at \$22.9 million with additions to infrastructure of \$10.2 million, easements of \$8.8 million and land of \$1.5 million.

The District's capital asset increase in infrastructure is mainly from construction expenditures on the following projects: Fellsmere Water Management Area of \$2.1 million, Lake Apopka North Shore Levee Improvements of \$2.1 million, S96C Rehabilitation of \$1.9 million, Apopka Service Center of \$.1 million, S161A Drum and Cable Installation of \$.4 million, Coastal Oaks Preserve Wetland and Hydrologic Restoration of \$.4 million, Lake Jesup Nutrient Reduction and Flow Enhancement Project of \$.4 million. The District received \$1.4 million of donated conservation easements through the permitting process. The District purchased the following properties: Buck Lake Conservation and Dike Ventures in Brevard County for \$.4 million. Additional information on the District's capital assets can be found in note 4 on page 40 of this report.

Long-term Obligations — The District no longer has any outstanding debt and has no capacity to issue more as the state of Florida must approve and fund the annual payment of any new debt. The District's remaining long-term obligations include; \$43.3 million in net pension liabilities, \$4.2 million in compensated absences for vested leave balances earned by employees, and \$4.4 million for other post-employment benefits. Additional information on the District's long-term obligations can be found in note 9, on page 46 of this report.

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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 5.8 percent from 0.2562 mills in FY 2018–2019 to 0.2414 mills in FY 2019–2020. The FY 2020–2021 millage rate decreased 5.3 percent to 0.2287 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 percent annually. Level or lower millage rates, when combined with the 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 slow recovery in property tax revenues for the District in future periods.

Documentary stamp tax collections assessed on real estate transactions statewide are the primary revenue source for the state in providing funding to the District while sales tax collections are secondary.

Residential and commercial construction have recovered, 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 the past fiscal years and plans to spend down those resources to fund or assist in the development of regionally significant water resource or supply development projects 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 Accounting Director, Office of Financial Services, St. Johns River Water Management District, 4049 Reid Street, Palatka, FL 32177.



Princess Place Preserve

Basic Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

| | Governmental Activities |
|--|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 6,213,713 |
| Investments | 147,479,825 |
| Interest and other receivables | 861,696 |
| Inventories | 689,122 |
| Intergovernmental receivables | 6,864,230 |
| Prepaid items | 118,487 |
| Non-depreciable capital assets: | |
| Land | 828,592,518 |
| Easements | 219,497,501 |
| Construction in progress | 1,131,677 |
| Depreciable capital assets: | |
| Buildings | 32,749,067 |
| Machinery and equipment | 31,024,174 |
| Infrastructure | 223,131,947 |
| Software | 4,948,154 |
| Accumulated depreciation | (132,705,938) |
| Total assets | 1,370,596,173 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred amounts related to pensions/ OPEB | 12,017,774 |
| LIABILITIES | |
| Accounts payable and other current liabilities | 15,224,982 |
| Unearned revenue | 8,686,295 |
| Due to other governmental units | 132,681 |
| Long-term liabilities: | |
| Due within one year | 397,808 |
| Due in more than one year | 51,599,510 |
| Total liabilities | 76,041,276 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred amounts related to pensions/ OPEB | 5,447,270 |
| NET POSITION | |
| Net investment in capital assets | 1,208,369,100 |
| Restricted for: | |
| Land management/acquisition | 14,336,599 |
| Unrestricted | 78,419,702 |
| Total net position | \$ 1,301,125,401 |

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, 2020

| Function / Programs | Expenses | Program Revenues | |
|---|----------------|----------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions |
| Governmental activities | | | |
| Water resources planning and monitoring | \$ 15,611,537 | \$ - | \$ 468,492 |
| Acquisition, restoration, and public works | 45,086,646 | - | 10,777,067 |
| Operation and maintenance of lands and work | 25,068,466 | 1,782,198 | 3,974,488 |
| Regulation | 13,441,079 | 2,105,812 | 36,587 |
| Outreach | 1,166,635 | - | 124 |
| District management and administration | 10,179,742 | - | 1,281 |
| Total governmental activities | \$ 110,554,105 | \$ 3,888,010 | \$ 15,258,039 |

General Revenues:

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

Increase in net position

Net position, beginning of year

Net position, end of year

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

| | Net (Expenses) Revenues and Changes in Net Position |
|---|--|
| <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> |
| \$ 408,698 | \$ (14,734,347) |
| 5,728,607 | (28,580,972) |
| 21,420 | (19,290,360) |
| - | (11,298,680) |
| - | (1,166,511) |
| - | (10,178,461) |
| <u>\$ 6,158,725</u> | <u>(85,249,331)</u> |

| |
|-------------------------|
| 88,509,313 |
| 227,105 |
| 4,192,008 |
| <u>92,928,426</u> |
| 7,679,095 |
| <u>1,293,446,306</u> |
| <u>\$ 1,301,125,401</u> |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
BALANCE SHEET- GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

| | General Fund | Special Revenue | Capital Projects | Total Governmental Funds |
|--|-----------------------|------------------------|-------------------------|---------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 6,213,713 | \$ - | \$ - | \$ 6,213,713 |
| Investments | 111,109,142 | 33,793,947 | 2,576,736 | 147,479,825 |
| Accounts and other receivables | 861,696 | - | - | 861,696 |
| Due from other funds | 6,613,390 | - | - | 6,613,390 |
| Inventories | 689,122 | - | - | 689,122 |
| Intergovernmental receivables | 250,840 | 6,613,390 | - | 6,864,230 |
| Prepaid items | 118,487 | - | - | 118,487 |
| Total assets | 125,856,390 | 40,407,337 | 2,576,736 | 168,840,463 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable | 9,592,594 | 4,620,958 | 1,011,430 | 15,224,982 |
| Due to other funds | - | 6,613,390 | - | 6,613,390 |
| Unearned revenue | - | 8,686,295 | - | 8,686,295 |
| Due to other governmental units | - | 132,681 | - | 132,681 |
| Total liabilities | 9,592,594 | 20,053,324 | 1,011,430 | 30,657,348 |
| Deferred inflows of resources | | | | |
| Unavailable revenue-property taxes | 208,376 | - | - | 208,376 |
| Fund balances | | | | |
| Nonspendable | 807,609 | - | - | 807,609 |
| Restricted | - | 14,336,599 | - | 14,336,599 |
| Committed | 114,627,674 | 6,017,414 | 1,484,242 | 122,129,330 |
| Assigned | 620,137 | - | 81,064 | 701,201 |
| Unassigned | - | - | - | - |
| Total fund balances | 116,055,420 | 20,354,013 | 1,565,306 | 137,974,739 |
| Total liabilities and fund balances | \$ 125,856,390 | \$ 40,407,337 | \$ 2,576,736 | \$ 168,840,463 |

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total fund balances – governmental funds \$ 137,974,739

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 | 1,341,075,038 | |
| Accumulated depreciation | <u>(132,705,938)</u> | |
| | | 1,208,369,100 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The net effect of delinquent taxes resulted in a net increase to net position. 208,376

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 | 11,417,525 | |
| Deferred outflow amount on OPEB liabilities | 600,249 | |
| Deferred inflow amount on pension liabilities | (4,905,173) | |
| Deferred inflow amount on OPEB liabilities | <u>(542,097)</u> | |
| | | 6,570,504 |

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

| | | |
|-----------------------|--------------------|---------------------|
| Net pension liability | (43,328,866) | |
| Compensated absences | (4,235,361) | |
| Total OPEB liability | <u>(4,433,091)</u> | |
| | | <u>(51,997,318)</u> |

Net position of governmental activities \$ 1,301,125,401

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, 2020

| | <u>General Fund</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Governmental Funds</u> |
|---|-----------------------|----------------------------|-----------------------------|---|
| Revenues | | | | |
| Ad valorem property taxes | \$ 88,543,660 | \$ - | \$ - | \$ 88,543,660 |
| State | - | 17,877,691 | - | 17,877,691 |
| Federal | - | 1,053,777 | - | 1,053,777 |
| Investment earnings | 4,023,594 | 168,414 | - | 4,192,008 |
| Local mitigation | - | 86,510 | - | 86,510 |
| Licenses and permits | 2,045,357 | - | - | 2,045,357 |
| Cities and counties | - | 53,956 | - | 53,956 |
| Lease and timber sales | - | 1,782,198 | - | 1,782,198 |
| Fines and penalties | 60,455 | - | - | 60,455 |
| Other | 227,105 | 206,853 | - | 433,958 |
| Total revenues | <u>94,900,171</u> | <u>21,229,399</u> | <u>-</u> | <u>116,129,570</u> |
| Expenditures | | | | |
| Current: | | | | |
| Water resources planning and monitoring | 14,659,529 | 895,973 | - | 15,555,502 |
| Acquisition, restoration, and public works | 32,458,089 | 15,231,210 | 4,628,356 | 52,317,655 |
| Operation and maintenance of lands and works | 13,833,369 | 4,827,696 | 2,093,121 | 20,754,186 |
| Regulation | 12,532,859 | 46,023 | - | 12,578,882 |
| Outreach | 1,100,791 | 862 | - | 1,101,653 |
| District management and administration | 8,852,966 | 8,903 | - | 8,861,869 |
| Total expenditures | <u>83,437,603</u> | <u>21,010,667</u> | <u>6,721,477</u> | <u>111,169,747</u> |
| Excess of revenues over (under) expenditures | <u>11,462,568</u> | <u>218,732</u> | <u>(6,721,477)</u> | <u>4,959,823</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 1,235,551 | - | 7,733,065 | 8,968,616 |
| Transfers out | (7,733,065) | (1,235,551) | - | (8,968,616) |
| Sale of capital assets | 4,450 | 1,429,133 | - | 1,433,583 |
| Insurance/ loss recovery | 152,352 | - | - | 152,352 |
| Total other financing sources (uses) | <u>(6,340,712)</u> | <u>193,582</u> | <u>7,733,065</u> | <u>1,585,935</u> |
| Net change in fund balances | <u>5,121,856</u> | <u>412,314</u> | <u>1,011,588</u> | <u>6,545,758</u> |
| Fund balances, beginning of year | <u>110,933,564</u> | <u>19,941,699</u> | <u>553,718</u> | <u>131,428,981</u> |
| Fund balances, end of year | <u>\$ 116,055,420</u> | <u>\$ 20,354,013</u> | <u>\$ 1,565,306</u> | <u>\$ 137,974,739</u> |

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

**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, 2020**

Net change in fund balances – total governmental activities \$ 6,545,758

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 | 14,132,424 | |
| Current year depreciation | (8,487,383) | |
| Contributions of capital assets received | 1,985,625 | |
| Contributions of capital assets given | <u>(5,975)</u> | |
| | | 7,624,691 |

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 position 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. (2,752,274)

Delinquent taxes are not available to pay for current period expenditures and, therefore, are not reported as deferred inflows of resources in the funds. (34,347)

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

| | | |
|---|------------------|-------------|
| Change in net pension liability | (5,017,643) | |
| Change in deferred outflows related to pensions | 631,556 | |
| Change in deferred inflows related to pensions | 981,470 | |
| Change in total OPEB liability | 600,137 | |
| Change in deferred outflows related to OPEB | (110,438) | |
| Change in deferred inflows related to OPEB | <u>(506,409)</u> | |
| | | (3,421,327) |

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 | | <u>(283,406)</u> |
|------------------------------|--|------------------|

| | | |
|---|--|----------------------------|
| Change in net position of governmental activities | | <u><u>\$ 7,679,095</u></u> |
|---|--|----------------------------|

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



Three Forks Conservation Area

Notes to the Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies:

The accounting policies of the St. Johns River Water Management District (District) conform to accounting principles generally accepted in the United States 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 discretely presented component unit of the state of Florida, which is considered a primary government. The District does not have any component units. The District's financial statements for the fiscal year ending September 30, 2020, will be incorporated in the state's June 30, 2021, Comprehensive Annual Financial Report.
- (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 program revenues — charges for services — acquisition, restoration, and public works and losses are reported as function/program expenses — acquisition, restoration, and public works.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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 that are accounted for in another fund.

The *Special Revenue Fund* accounts for restricted revenues received from federal, state of Florida and local sources, such as cities, counties, and water management districts, as well as other private and public institutions and related expenditures. This fund is supported by reimbursable and advanced grants and appropriations from federal and state of Florida agencies. District source grant matching funds are at times transferred to and the associated expenditures are made from this fund. The District's long-term land management temporarily restricted endowment trust fund is accounted for within this fund, also land management revenues, such as timber sales and leases of District assets and the related land management or land acquisition expenditures are accounted for in this fund.

The *Capital Projects 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.

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the year for which they are levied by the District. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported by using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is federal and state grants collected on a reimbursement basis, which are recognized as revenue when reimbursable expenditures are made and collection is within one year.

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 property 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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.

(f) Classification of Expenditures — The District currently categorizes the expenditures and budget data it submits to the Governor's Office, the Florida 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

- 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 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 its Comprehensive Annual Financial Report that groups the adopted and final budgets and expenditures under the following categories: Salaries and Benefits, Expenses, Grants and Aids, Operating Capital Outlay and Fixed Capital Outlay. For a Districtwide adopted and final budget and actual expenditure detail using the state of Florida model, see note 16.

- (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*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, 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 costs that are applicable to future accounting periods using the consumption method. These amounts do not constitute available spendable resources even though they are a component of currents assets.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

- (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, see change in accounting policy below:

| | <u>Before 9/30/20</u> | <u>After 9/30/20</u> |
|--|--|----------------------|
| Land and land improvements | Capitalize all | Capitalize all |
| Easements | Capitalize all | Capitalize all |
| Buildings | \$1,000 | \$5,000 |
| Building improvements | \$100,000 | \$100,000 |
| Infrastructure and infrastructure improvements | \$100,000 | \$100,000 |
| Machinery and equipment | \$1,000 | \$5,000 |
| Software | \$1,000 | \$5,000 |
| 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 acquisition value at the date of donation.

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

Costs related to the development of computer software are expensed as incurred until: (a) the District has completed the preliminary project stage (i.e., the conceptual formulation and evaluation of alternatives, determination of the existence of needed technologies, and final selection of software development alternatives); and (b) management has implicitly and 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

associated with data conversion are also expensed if such activities are not necessary for internally developed software to become operational.

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

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

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

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

- (l) Pensions** — For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- (m) Deferred Outflow/Inflow of Resources** — A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period.

A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

- (n) **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.

- (o) **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.

- (p) **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.

- (q) **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.

- (r) **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 2019–2020 fiscal year was 0.2414 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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: | March 1 |
| Delinquency date: | April 1 |

A 4 percent discount is allowed if the taxes are paid in November, with the discount declining by 1 percent 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.

Delinquent ad valorem property taxes of \$208,376 are recorded as a deferred inflow of resources along with an increase in accounts receivable at the governmental fund level. This amount is recognized as ad valorem property tax revenue at the government-wide level.

- (s) **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.

(2) Budgetary Information:

The District has elected to report budgetary comparisons as Required Supplementary Information. The District's policies for adopting and monitoring its budget are included in the Required Supplementary Information 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. 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, 2020

(3) Cash and Investments (Continued):

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

Investments in Federal Instrumentalities, U.S. Government Securities and Mortgage-Backed Securities are backed by the full faith and credit of the U.S. federal government. Investments in the State Board of Administration (SBA) are invested in the Florida PRIME and rated AAAm by Standard and Poors (S&P). 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, 2019, through September 30, 2020.

As of September 30, 2020, the District had the following investments reported at fair-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+ | 12/28/2020 | 1,004,048 | |
| Federal National Mortgage Association | AA+ | 02/26/2021 | 1,004,996 | |
| Federal National Mortgage Association | AA+ | 05/06/2021 | 684,478 | |
| Federal National Mortgage Association | AA+ | 08/17/2021 | 1,009,815 | |
| Federal National Mortgage Association | AA+ | 04/05/2022 | 1,026,334 | |
| Federal National Mortgage Association | AA+ | 09/12/2023 | 1,077,793 | |
| Federal National Mortgage Association | AA+ | 02/05/2024 | 1,612,564 | |
| Federal National Mortgage Association | AA+ | 04/22/2025 | 2,533,870 | |
| Federal Home Loan Banks | AA+ | 03/10/2023 | 3,455,785 | |
| Federal Home Loan Banks | AA+ | 09/13/2024 | 1,658,382 | |
| Federal Farm Credit Banks Funding Corp. | AA+ | 04/08/2022 | 2,006,265 | |
| Federal Farm Credit Banks Funding Corp. | AA+ | 06/08/2023 | 1,102,432 | |
| Federal Farm Credit Banks Funding Corp. | AA+ | 12/20/2023 | 1,546,087 | |
| Federal Farm Credit Banks Funding Corp. | AA+ | 03/04/2024 | 3,615,947 | |
| Federal Farm Credit Banks Funding Corp. | AA+ | 07/24/2024 | 2,753,317 | |
| Total Federal Instrumentalities | | | 26,092,113 | 17.69% |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

| | S & P Rating | Maturity Date | Fair Value | % of Portfolio |
|---|-----------------------------|--------------------------|-------------------|---------------------------|
| U.S. Government Securities | | | | |
| U.S. Treasury Notes | NA | 10/31/2020 | 1,502,016 | |
| U.S. Treasury Notes | NA | 12/31/2020 | 1,004,028 | |
| U.S. Treasury Notes | NA | 01/31/2021 | 2,013,282 | |
| U.S. Treasury Notes | NA | 02/28/2021 | 1,739,922 | |
| U.S. Treasury Notes | NA | 03/31/2021 | 1,461,525 | |
| U.S. Treasury Notes | NA | 04/30/2021 | 3,027,266 | |
| U.S. Treasury Notes | NA | 05/31/2021 | 1,063,125 | |
| U.S. Treasury Notes | NA | 06/30/2021 | 2,783,750 | |
| U.S. Treasury Notes | NA | 08/15/2021 | 2,975,959 | |
| U.S. Treasury Notes | NA | 08/31/2021 | 1,017,070 | |
| U.S. Treasury Notes | NA | 09/30/2021 | 2,529,213 | |
| U.S. Treasury Notes | NA | 10/31/2021 | 1,598,654 | |
| U.S. Treasury Notes | NA | 11/30/2021 | 611,297 | |
| U.S. Treasury Notes | NA | 02/15/2022 | 871,881 | |
| U.S. Treasury Notes | NA | 02/28/2022 | 3,658,592 | |
| U.S. Treasury Notes | NA | 03/31/2022 | 4,078,879 | |
| U.S. Treasury Notes | NA | 04/30/2022 | 2,568,945 | |
| U.S. Treasury Notes | NA | 05/15/2022 | 872,312 | |
| U.S. Treasury Notes | NA | 05/31/2022 | 2,058,124 | |
| U.S. Treasury Notes | NA | 06/30/2022 | 5,419,432 | |
| U.S. Treasury Notes | NA | 07/31/2022 | 2,068,360 | |
| U.S. Treasury Notes | NA | 08/31/2022 | 2,583,300 | |
| U.S. Treasury Notes | NA | 09/30/2022 | 2,095,480 | |
| U.S. Treasury Notes | NA | 11/30/2022 | 3,277,109 | |
| U.S. Treasury Notes | NA | 04/30/2023 | 1,557,305 | |
| U.S. Treasury Notes | NA | 06/30/2023 | 1,033,828 | |
| U.S. Treasury Notes | NA | 12/31/2023 | 1,619,004 | |
| U.S. Treasury Notes | NA | 10/31/2024 | 2,104,218 | |
| Total U.S. Government Securities | | | 59,193,876 | 40.14% |
| Corporate Notes | | | | |
| Microsoft Corp. Notes | AAA | 11/03/2020 | 1,000,050 | |
| Johnson & Johnson | AAA | 11/10/2020 | 355,684 | |
| Microsoft Corp. Notes | AAA | 02/06/2022 | 411,094 | |
| Apple Inc. Notes | AA+ | 09/11/2022 | 1,540,626 | |
| Apple Inc. Notes | AA+ | 02/23/2023 | 527,660 | |
| Exxon Mobil Corp. Notes | AA | 03/01/2023 | 1,577,507 | |
| 3M Company | A+ | 03/15/2023 | 522,862 | |
| Apple Inc. Notes | AA+ | 05/11/2023 | 580,866 | |
| Walmart Inc. | AA | 07/08/2024 | 1,629,796 | |
| Total Corporate Notes | | | 8,146,145 | 5.52% |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

| | S & P Rating | Maturity Date | Fair Value | % of Portfolio |
|---|-----------------------------|--------------------------|----------------------|---------------------------|
| Municipal Bonds | | | | |
| Arizona St. Transn Brd Hwy Rev | AA+ | 07/01/2024 | 1,252,452 | |
| Total Municipal Bonds | | | 1,252,452 | 0.85% |
| Florida State Board of Administration Pool | | | | |
| Florida PRIME | AAAm | | 50,680,324 | 34.36% |
| Fixed Income Money Market Fund | | | | |
| Federated Government Obligations | NR | | 2,114,915 | 1.43% |
| TOTAL INVESTMENTS | | | <u>\$147,479,825</u> | 100.00% |

(b) Interest Rate Risk — In accordance with the District’s investment policy, the District manages its exposure to declines in fair values of its investments by limiting the allowable length to maturity to a maximum of five years from the date of purchase, structuring the investment portfolio so that securities mature to meet ongoing operating cash requirements and investing operating funds primarily in shorter-term securities, SBA – Florida PRIME, fixed income money market funds and interest bearing time deposit accounts.

The District’s average, effective duration for the Investment Portfolio as of September 30, 2020, was approximately 1.83 years. The maximum duration allowed by the District’s Investment Policy is three years. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2020, was 48 days. The next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2020, is 63 days. A summary of the maximum allowed duration of each investment type within the District’s investment policy follows:

| <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 |
| Mortgage-Backed Securities | <5 years |
| Interest-Bearing Time Deposit or Savings Accounts (Savings) | <1 year |
| State/Local Government Taxable/Tax-Exempt Debt (Municipal) | <5 years |
| Registered Investment Company (Money Market Mutual Funds) | <60 days |
| Repurchase Agreements | <90 days |
| Commercial Paper | <270 days |
| Corporate Notes | <5 years |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

As of September 30, 2020, the District had the following investments and maturities:

| | Fair Value | Investment Maturity (in years) | | |
|---------------------------|----------------------|---------------------------------------|----------------------|---------------------|
| | | Less than 1 year | 1–3 years | 3–5 years |
| Federal Instrumentalities | \$ 26,092,113 | \$3,703,337 | \$ 19,854,906 | \$ 2,533,870 |
| U.S. Treasury Securities | 59,193,876 | 21,117,156 | 35,972,502 | \$ 2,104,218 |
| Corporate Notes | 8,146,145 | 1,355,734 | 6,790,411 | - |
| Municipal Bonds | 1,252,452 | - | 1,252,452 | - |
| Florida PRIME | 50,680,324 | 50,680,324 | - | - |
| Money Market Fund | 2,114,915 | 2,114,915 | - | - |
| TOTAL INVESTMENTS | \$147,479,825 | \$78,971,466 | \$ 63,870,271 | \$ 4,638,088 |

- (c) Custodial Credit Risk** — Investments are subject to custodial credit risk if the securities are uninsured, not the registered in the District’s name, and are held by the party that either sells to our buys for the District. All of the District securities are held by the District’s custodian in the District’s name; therefore, no investments held at year-end were subject to custodial credit risk.

The custodian provides the District with safekeeping receipts that provide detail information on the securities held by the custodian. If security transactions between a broker/dealer and the custodian involve the purchase or sale of securities by transfer of money or securities on a “delivery vs. payment” basis, then the security or money must be in hand to ensure that the custodian has the security or money at the conclusion of the transaction. Securities held as collateral are held free and clear of any liens.

The District owns shares of the SBA—Florida PRIME, and not the underlying securities.

The Florida PRIME did not participate in a securities lending program during the period from October 1, 2019, through September 30, 2020.

- (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 percent 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, 2020

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

| <u>Compliance Guideline</u> | <u>Sector Guideline Exposures</u> | | | |
|-----------------------------|---------------------------------------|-----------------------------|----------------------------|---------------|
| | <u>Exposure to specific Guideline</u> | <u>% of Available Funds</u> | | |
| | | <u>Year end Exposure %</u> | <u>Maximum During Year</u> | <u>Policy</u> |
| Federal Instrumentalities | \$ 26,092,113 | 21.03% | 10.34% | 80%* |
| U.S. Government Securities | 59,193,876 | 38.51% | 44.98% | 100% |
| Corporate Notes | 8,146,145 | 5.30% | 5.14% | 25%** |
| Municipal Bonds | 1,252,452 | 0.81% | 0.20% | 25% |
| Florida PRIME | 50,680,324 | 32.97% | 38.64% | 50% |
| Money Market Funds | <u>2,114,915</u> | <u>1.38%</u> | 0.70% | 50% |
| Subtotal Investments | 147,479,825 | <u>100.00%</u> | | |
| Cash Checking Accounts | <u>6,213,713</u> | | | |
| Total Cash and Investments | <u>\$153,693,538</u> | | | |

*The maximum aggregate amount of Federal Instrumentalities will not exceed 80 percent.

**The maximum aggregate amount of Corporate Notes and Commercial Paper will not exceed 40 percent.

(e) Fair Value Measurement — The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, which the District categorizes its Money Market Funds of \$2,114,915; Level 2 inputs are significant other observable inputs, which the District categorizes its investments in Federal Instrumentalities of \$26,092,113, U.S. Treasury Securities of \$59,193,876, Corporate Notes of \$8,146,145, Municipal Bonds of \$1,252,452; Level 3 inputs are significant unobservable inputs, which the District has none. The District's fair value measurements as of September 30, 2020, for Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The SBA's interpretation is that the Florida PRIME investments are exempt from the GASB 72 fair value hierarchy disclosures.

(f) Investments Reported at Amortized Cost — Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the District's account balance is considered the fair value of our investment. With regard to liquidity fees, *Florida Statute* 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the District's daily access to 100 percent of our account value.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(4) Capital Assets: (a) Capital asset activity for the year ended September 30, 2020, was as follows:

| | Balance at Oct. 1, 2019 | Additions | Retirements | Balance at Sept. 30, 2020 |
|---|------------------------------------|----------------------|-----------------------|--------------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 836,207,273 | \$ 1,185,461 | \$ (8,800,216) | \$ 828,592,518 |
| Easements | 210,897,501 | 8,782,872 | (182,872) | 219,497,501 |
| Construction in progress | 834,469 | 300,545 | (3,337) | 1,131,677 |
| Total capital assets, not being depreciated | <u>1,047,939,243</u> | <u>10,268,878</u> | <u>(8,986,425)</u> | <u>1,049,221,696</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 32,477,777 | 400,538 | (129,248) | 32,749,067 |
| Infrastructure | 212,982,800 | 10,243,435 | (94,288) | 223,131,947 |
| Machinery and equipment | 33,394,432 | 2,017,650 | (4,387,908) | 31,024,174 |
| Software and Models | 4,939,394 | 8,760 | - | 4,948,154 |
| Total capital assets, being depreciated | <u>283,794,403</u> | <u>12,670,383</u> | <u>(4,611,444)</u> | <u>291,853,342</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (16,782,208) | (972,811) | 118,992 | (17,636,027) |
| Infrastructure | (76,854,251) | (5,867,779) | 2,549 | (82,719,481) |
| Machinery and equipment | (29,640,667) | (1,638,673) | 3,896,867 | (27,382,473) |
| Other depreciable assets | (4,959,837) | (8,120) | - | (4,967,957) |
| Total accumulated depreciation | <u>(128,236,963)</u> | <u>(8,487,383)</u> | <u>4,018,408</u> | <u>(132,705,938)</u> |
| Capital assets being depreciated, net | <u>155,557,440</u> | <u>4,183,000</u> | <u>(593,036)</u> | <u>159,147,404</u> |
| Governmental activities capital assets, net | <u>\$1,203,496,683</u> | <u>\$ 14,451,878</u> | <u>\$ (9,579,461)</u> | <u>\$1,208,369,100</u> |

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

| | |
|--|---------------------|
| Operation and maintenance of lands and works | \$ 7,506,452 |
| District management and administration | 980,931 |
| Total depreciation expense | <u>\$ 8,487,383</u> |

(b) Land Acquisitions and Sales — In FY 2019–2020, the District expended \$605,333 from land acquisition fund balance on conservation land purchases including the First Coast Expressway property of \$37,676, the Buck Lake property of \$187,255, the Rideout Point property of \$179,052 and the Dike Ventures property of \$201,350.

The District received a total of \$1,282,158 from the sale of lands that will be included in land acquisition fund balance from the sale of the following properties: Bayard South \$101,111, Ocklawaha Prairie Conservation Area (Refuge) \$797,510, Gourd Island \$5,450 and Orange County Expressway Authority (Pine Street) \$378,087.

Thus, leaving an unspent fund balance of \$4,387,688 for future purchases of conservation lands.

(c) Change of Accounting Policy — Following the state of Florida, the District changed the threshold for capitalizing tangible assets, such as equipment, buildings and purchased software from \$1,000 to \$5,000. This resulted in 1,709 capitalized assets costing \$3,537,049 being removed from the accounting records in FY 2019–2020. See Note 1 (k).

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(5) Commitments:

Encumbrances of District Sources — The District has restricted, committed and assigned fund balances for obligations that were executed in FY 2019–2020, but will be expended in the next fiscal year. The \$43,352,583 in encumbrances below (\$22,538,025 of District sources and \$20,814,558 of future resources) represent purchase orders and contracts that were expected to be expended in FY 2019–2020, but are now expected to be expended in FY 2020–2021.

These encumbrances will be added to the adopted FY 2020–2021 budget, therefore, increasing the adopted FY 2020–2021 budget of \$242,038,000 by \$43,352,583 to a final adopted budget of \$285,390,583. These encumbrances are in the form of contracts, agreements, grants to local governments and purchase orders. The totals by fund are as follows:

| | |
|-----------------------|-----------------------------|
| General Fund | \$ 20,889,452 |
| Special Revenue Fund | 83,267 |
| Capital Projects Fund | <u>1,565,306</u> |
| Total | <u>\$ 22,538,025</u> |

Encumbrances of Future Resources — The District has committed future resources related to local, state, and federal grants and contributions for which revenues will not be recognized until expenditures are incurred in the following fiscal year. These commitments, which are not included on the balance sheet, are in the form of contracts, agreements, grants to local governments, memorandums of understanding, memorandums of agreement and purchase orders and the totals by fund source are as follows:

| | <u>Federal</u> | <u>State</u> | <u>Local</u> | <u>Total</u> |
|----------------------|----------------|--------------|--------------|--------------|
| Special Revenue Fund | \$0 | \$20,753,538 | \$61,020 | \$20,814,558 |

Of the total encumbrances of future State resources of \$20,753,538, \$5,019,215 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> |
|---------------|---------------------------------------|----------------------------|
| FDOT | State – FDOT Mitigation | \$ 3,808,172 |
| FDEP | State – Alternative Water Supply | 4,820,615 |
| | State – Water Quality Enhancement and | |
| FDEP | Accountability | <u>57,508</u> |
| Total | | <u>\$ 8,686,295</u> |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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 from the General Fund to the Special Revenue Fund are classified as due to/from other funds total \$6,613,390.

The District makes routine transfers among its funds during the fiscal year. The principal 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 \$1,235,551 transfer from the Special Revenue Fund to the General Fund was to reimburse for indirect costs of federal, state of Florida and local grants. The \$7,733,065 transfer from the General Fund to the Capital Projects Fund is to fund major capital expenditures with District funding sources.

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

Plan Description

The District administers a single-employer healthcare plan that provides medical and dental benefits utilizing Florida Blue, respectively, as well as a voluntary vision plan to eligible retired employees. Coverage is extended to qualifying dependents of retirees. If the retiree predeceases the spouse, coverage for the surviving spouse and qualifying dependents continues. A participant is eligible to receive benefits from the District's plan upon retirement under the Florida Retirement System plan provisions.

Employees enrolled in FRS prior to July 1, 2011 - *Unreduced Retirement under FRS*: Age 62 with 6 years of service, or any age with 30 years of service. *Early Retirement under FRS*: Any age and 6 years of service.

Employees enrolled in FRS on or after July 1, 2011 - *Unreduced Retirement under FRS*: Age 65 with 8 years of service, or any age with 33 years of service. *Early Retirement under FRS*: Any age and 8 years of service.

To be eligible for retiree medical and dental benefits, the participant must have been covered under the medical plan as an active employee immediately prior to retirement. Also, participants not eligible for retirement at the time of their termination are not eligible for immediate future benefits from the plan. Eligible retirees and beneficiaries receive a monthly Health Insurance Subsidy (HIS Plan) payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, *Florida Statutes*. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of health insurance coverage, which may include Medicare. The District accounts for this plan in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75). The plan does not issue a separate financial report.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

As of October 1, 2019, there were 26 retirees and spouses of retirees (inactive employees) and 448 active employees covered by the benefit terms.

Participants qualifying for retirement are eligible to elect to enter a deferred retirement option (DROP) feature of the FRS for a period of up to 60 months. For this valuation, medical claims incurred while a retiree is in the DROP are not considered a liability under GASB Statement No. 75.

The contribution requirement of plan members are established and may be amended by the District's Governing Board. The District, in accordance with Section 112.0801, *Florida Statutes*, makes the health and dental benefits available for retired employees at a premium cost of no more than applicable to active employees. However, the retirees pay 100 percent of their premium costs. To determine the health care plan costs, the District is required to commingle the claims experience of the retiree group with that of the active employees. The table listed below summarizes monthly retiree contributions for the measurement period ending September 30, 2020.

| Period | Plan | Retiree | Retiree + Family |
|------------------------|--------------------------------|----------|------------------|
| January-December 2017 | Blue Options – High Deductible | \$766.70 | \$1,695.89 |
| January-December 2018 | Blue Options – High Deductible | \$839.64 | \$1,855.59 |
| January-December 2019 | Blue Options - High Deductible | \$792.59 | \$1,752.59 |
| January-September 2020 | Blue Options – High Deductible | \$886.68 | \$1,956.84 |

Date Relationships and Funded Status

The Valuation Date is October 1, 2019. This is the date as of which the actuarial valuation is performed. The Measurement Date is September 30, 2019. This is the date as of which the total OPEB liability is determined. The reporting date is September 30, 2020. This is the plan's and/ or District's fiscal year ending date. There is a two-year lag between the measurement date and the roll forward reporting date, as allowed by GASB 75.

As of October 1, 2019, the most recent actuarial valuation date, the OPEB plan is funded on a pay-as-you-go basis with no accumulated net assets. The actuarial total OPEB liability was determined by an actuarial valuation as of October 1, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Total OPEB Liability - The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 75.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

| | | | |
|--|------------------|--------------|--------------|
| Total OPEB Liability | Reporting Date | 9/30/2020 | 9/30/2019 |
| | Measurement Date | 9/30/2019 | 9/30/2018 |
| Total OPEB Liability | | \$ 4,433,091 | \$ 5,033,228 |
| Covered payroll | | \$32,626,577 | \$32,494,407 |
| Total OPEB liability as a % of covered payroll | | 13.6% | 15.5% |

Changes in Total OPEB Liability

| | Amount Recognized Increase (Decrease) Total OPEB Liability |
|--|---|
| Balance as of September 30, 2019 | \$ 5,033,228 |
| Changes for the year: | |
| Service Cost | 111,672 |
| Interest on total OPEB liability | 110,975 |
| Effect of plan changes | - |
| Effect of differences between expected and actual experience | (601,947) |
| Effects of assumptions changed or inputs | - |
| Benefits Payments | - |
| Implicit Rate Subsidy | (220,837) |
| Balance of September 30, 2020 | \$ 4,433,091 |

As of September 30, 2020, the District's OPEB expense for the reporting period are as follows:

| | |
|--|--------------------|
| OPEB Expense for Reporting Period | 10/1/19 to 9/30/20 |
| Service Cost | \$ 111,672 |
| Interest on total OPEB liability | 110,975 |
| Recognition of Deferred Inflows/Outflows of Resources | |
| -Differences between expected and actual experience | - |
| -Changes to economic/demographic assumptions or inputs | - |
| OPEB Expense | \$ 222,647 |

As of September 30, 2020 the deferred inflows and outflows of resources are as follows:

| Deferred Inflows/Outflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 379,412 | \$ 542,097 |
| Changes of assumptions | - | - |
| Employer contributions subsequent to measurement date | 220,837 | - |
| Total | \$ 600,249 | \$ 542,097 |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The deferred outflows of resources related to OPEB, totaling \$220,837 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the total liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense, amortized over a closed period equal to the average of the expected remaining service lives of all employees that are proved with benefits through the OPEB plan beginning in the current period are as follows:

| <u>Year ended September 30</u> | <u>Amount</u> |
|--------------------------------|---------------------|
| 2021 | (\$ 7,303) |
| 2022 | (7,303) |
| 2023 | (7,303) |
| 2024 | (1,493) |
| 2025 | (60,768) |
| Thereafter | <u>(78,515)</u> |
| Total | <u>(\$ 162,685)</u> |

Actuary valuations and assumptions — Actuary valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Discount Rate — The discount rate was based on the Bond Buyer's 20-Bond GO Index. The discount rate used for the September 30, 2019 measurement date was 2.66 percent and the discount rate used for September 30, 2020 year end disclosures will be based on the index as of September 30, 2020, which is 2.21 percent per annum.

Other Key Actuarial Assumptions — Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used includes techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The provisions of the Plan were assumed to remain in place in future years. No improvements to post-retirement benefits in future years were assumed. 2019 PPA Mortality Table (RP-2014, base year 2006, adjusted to 2019 with Mortality Improvement Scale MP-2017). Sample rates of mortality per 1000 lives are as follows:

| <u>Age</u> | <u>Males</u> | <u>Females</u> |
|------------|--------------|----------------|
| 35 | 0.4 | 0.2 |
| 45 | 0.7 | 0.5 |
| 55 | 2.5 | 1.6 |
| 65 | 9.2 | 6.4 |
| 75 | 24.6 | 18.6 |
| 85 | 76.5 | 61.3 |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The above rates give consideration to future mortality improvements.

The trend assumptions for medical and pharmacy costs are summarized below:

| <u>Year</u> | <u>Percentage Trend</u> |
|-------------|-------------------------|
| 2019 | 5.5% |
| 2020 | 4.5% |
| 2021 | 4.5% |

The ultimate healthcare trend rate is 4.5 percent. Salary increases assumed at 2.5 percent.

Election of Coverage — It is assumed that 50 percent of retirees elect medical coverage. It is further assumed that no retirees continue coverage after Medicare eligibility. Currently, only one retiree has declined Medicare coverage, and this retiree is assumed to continue to decline Medicare coverage at a 50 percent rate.

It is also assumed that 30 percent of retirees elect spousal coverage. It is assumed that retirees do not choose dependent coverage other than for their spouse.

Sensitivity Analysis — The following presents the total OPEB liability of the District, calculated using the discount rate of 2.21 percent, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21 percent) or one percentage higher (3.21 percent) than the current rate.

Discount Rate Sensitivity

| | 1% Decrease (1.21%) | Current Discount Rate (2.21%) | 1% Increase (3.21%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$5,179,508 | \$4,433,091 | \$3,854,677 |

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

Health Trend Rate Sensitivity

| | 1% Decrease (3.5%) | Current Trend Rate (4.5%) | 1% Increase (5.5%) |
|----------------------|-----------------------|---------------------------------|-----------------------|
| Total OPEB Liability | \$3,839,668 | \$4,433,091 | \$5,195,902 |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(9) Long-Term Obligations:

Changes in long-term liabilities for the fiscal year ended September 30, 2020, follows:

| Governmental Activities: | Balance October 1, 2019 | Additions | Reductions | Balance September 30, 2020 | Due Within One Year |
|---|-------------------------------|---------------------|---------------------|----------------------------------|---------------------------|
| General long-term obligations: | | | | | |
| Accrued compensated absences | \$ 3,951,955 | \$ 2,834,544 | \$ 2,551,138 | \$ 4,235,361 | \$ 397,808 |
| Pension (FRS) | 38,311,223 | 5,017,643 | - | 43,328,866 | - |
| OPEB (Note 1(t)) | <u>5,033,228</u> | <u>-</u> | <u>600,137</u> | <u>4,433,091</u> | <u>-</u> |
| Total governmental activity long-term obligations | <u>\$47,296,406</u> | <u>\$ 7,852,187</u> | <u>\$ 3,151,275</u> | <u>\$ 51,997,318</u> | <u>\$ 397,808</u> |

The District is committed under a 10-year non-cancelable operating lease for office space at its Maitland Service Center. Future minimum lease payments for this lease is as follows:

| <u>Year-Ending September 30</u> | <u>Total</u> |
|---------------------------------|--------------|
| 2021 | \$ 486,553 |

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. There are no material contingent liabilities outstanding at this time.

The District received \$160,579 in December 2019 and \$130,948 in March 2020 as a settlement pertaining to an antitrust case alleging a price-fixing conspiracy among certain manufacturers of liquid aluminum sulfate.

(11) Retirement Plans:

Florida Retirement System (FRS):

General Information — All of the District's employees participate in the 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(11) Retirement Plans (Continued):

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, FL 32315-9000, or from the website: **www.dms.myflorida.com**.

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 percent 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 percent 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.

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 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 an 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(11) Retirement Plans (Continued):

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, 2019, through June 30, 2020, and from July 1, 2020, through September 30, 2020, respectively, were as follows: Regular—8.47 percent and 10.00 percent; Senior Management Service—25.41 percent and 27.29 percent; and DROP participants—14.60 percent and 16.98 percent. These employer contribution rates include a 1.66 percent HIS Plan subsidy and a 0.06 percent administrative/educational fee.

The District's contribution to the FRS for the fiscal year ended September 30, 2020, was \$2,611,202.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2020, the District reported a liability of \$32,143,454 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019–2020 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.074163269 percent, which was a decrease of 6.3 percent from its share measured as of June 30, 2019.

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)
- 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(11) Retirement Plans (Continued):

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 average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2020, was 5.9 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 September 30, 2020, are presented below for the FRS Pension Plan.

| | |
|---|---------------------|
| Service cost | \$ 1,963,440 |
| Interest cost | 9,981,582 |
| Effect of plan changes | - |
| Effect of economic/demographic gains or losses (differences between expected and actual experience) | 601,583 |
| Effect of assumptions changes or inputs | 2,030,049 |
| Member contributions | (555,079) |
| Projected investment earnings | (8,185,720) |
| Net difference between projected and actual investment earnings | 898,567 |
| Administrative expenses | <u>15,987</u> |
| Total | 6,750,408 |
| Net amortization of employer-specific amounts due to changes in employer proportion | <u>(693,728)</u> |
| Total employer total pension expense | <u>\$ 6,056,681</u> |

For the fiscal year ended September 30, 2020, the District recognized pension expense of \$6,056,681. 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 | \$ 1,230,195 | \$ - |
| Change of assumptions | 5,818,988 | - |
| Net differences between projected and actual earnings on Pension Plan investments | 1,913,852 | - |
| Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions | - | 2,302,121 |
| District Pension Plan contributions subsequent to the measurement date | <u>666,952</u> | <u>-</u> |
| Total | <u>\$ 9,629,987</u> | <u>\$ 2,302,121</u> |

The deferred outflows of resources related to the Pension Plan, totaling \$666,952 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, 2021. 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:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(11) Retirement Plans (Continued):

| <u>Year ended September 30</u> | <u>Amount</u> |
|--------------------------------|---------------------|
| 2021 | \$ 1,137,609 |
| 2022 | 2,317,761 |
| 2023 | 1,991,031 |
| 2024 | 1,107,071 |
| 2025 | 107,442 |
| Thereafter | - |
| Total | <u>\$ 6,660,914</u> |

Actuarial Methods and Assumptions — The FRS Actuarial Assumptions Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), *Florida Statutes*. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is 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 2019 for the period July 1, 2013, through June 30, 2018. 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 2.40 percent. Payroll growth, including inflation, for both plans is assumed at 3.25 percent. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80 percent. 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 2.21 percent was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table, (refer to the FRS CAFR for more information – see Note 5). The following changes in actuarial assumptions occurred in 2020:

- FRS: The long-term expected rate of return was decreased from 6.90 percent to 6.80 percent.
- HIS: The municipal rate used to determine total pension liability was decreased from 3.50 percent to 2.21 percent and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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(11) Retirement Plans (Continued):

The long-term expected investment rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.80 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| Asset Class | Target Allocation | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|--------------------------|-------------------|--------------------------|------------------------------------|--------------------|
| Cash | 1.0% | 2.2% | 2.2% | 1.2% |
| Fixed income | 19.0% | 3.0% | 2.9% | 3.5% |
| Global equity | 54.2% | 8.0% | 6.7% | 17.1% |
| Real estate | 10.3% | 6.4% | 5.8% | 11.7% |
| Private equity | 11.1% | 10.8% | 8.1% | 25.7% |
| Strategic investments | 4.4% | 5.5% | 5.3% | 6.9% |
| Total | <u>100.0%</u> | | | |
| Assumed Inflation – Mean | | | 2.4% | 1.7% |

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 (6.80 percent), 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 (5.80 percent) or one percentage point higher (7.80 percent) than the current rate:

| | 1% Decrease (5.80%) | Current Discount Rate (6.80%) | 1% Increase (7.80%) |
|--|------------------------|----------------------------------|------------------------|
| District's proportionate share of net pension liability(asset) | \$51,327,694 | \$32,143,454 | \$16,120,693 |

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(11) Retirement Plans (Continued):

HIS Plan

Plan Description — The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

Benefits Provided — For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, *Florida Statutes*. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems 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, 2020, the HIS contribution rate was 1.66 percent. and the District's contributions totaled \$523,158.

The District contributed 100 percent 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2020, the District reported a liability of \$11,185,412 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation update as of July 1, 2020.

The District's proportionate share of the net pension liability was based on the District's 2019–2020 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.091609836 percent, which was a decrease of 7.3 percent from its proportionate share measured as of June 30, 2019.

The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended September 30, 2020, are presented on the following page for the HIS Plan.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(11) Retirement Plans (Continued):

| | |
|--|-------------------|
| Service cost | \$ 243,243 |
| Interest cost | 368,921 |
| Effect of economic/demographic gains or losses (differences between expected and actual experience) | 77,600 |
| Effect of assumptions changes or inputs | 238,153 |
| Projected investment earnings | (10,811) |
| Member contributions | (339) |
| Net difference between projected and actual investment earnings | 3,626 |
| Administrative expenses | <u>158</u> |
| Total | 920,550 |
| Net amortization of employer-specific amounts due to changes in employer proportion | <u>(495,678)</u> |
| Total employer total pension expense | <u>\$ 424,872</u> |

For the fiscal year ended September 30, 2020, the District recognized pension expense of \$424,872. 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 | \$ 457,551 | \$ 8,629 |
| Change of assumptions | 1,202,750 | 650,388 |
| Net differences between projected and actual earnings on HIS Plan investments | 8,931 | - |
| Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions | - | 1,944,035 |
| District HIS Plan contributions subsequent to the measurement date | <u>118,306</u> | <u>-</u> |
| Total | <u>\$ 1,787,538</u> | <u>\$ 2,603,052</u> |

The deferred outflows of resources related to the HIS Plan, totaling \$118,306 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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:

| <u>Year ended September 30</u> | <u>Amount</u> |
|--------------------------------|---------------------|
| 2021 | (\$ 191,563) |
| 2022 | (237,700) |
| 2023 | (319,864) |
| 2024 | (174,922) |
| 2025 | (22,399) |
| Thereafter | <u>12,628</u> |
| Total | <u>(\$ 933,820)</u> |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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 2.21 percent, 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 (1.21 percent) or one percentage point higher (3.21 percent) than the current rate:

| | 1% Decrease (1.21%) | Current Discount Rate (2.21%) | 1% Increase (3.21%) |
|--|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of net pension liability(asset) | \$12,929,837 | \$11,185,412 | \$9,757,605 |

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 0.06 percent of payroll and by forfeited benefits of plan members. As established by Section 121.72, *Florida Statutes*, fiscal year 2020 contributions are based on a percentage of gross compensation, by class, as follows: Regular class 10.00 percent and Senior Management Service class 27.29 percent for the employer contribution and 3 percent for all employee contributions.

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(11) Retirement Plans (Concluded):

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, 2020, 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 \$742,840 for the fiscal year ended September 30, 2020.

Aggregate Financial Pension Disclosure — Below are the aggregate pension liabilities, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense for the period associated with net pension liabilities:

| | Proportionate Share of Pension Liabilities | Pension Expense | Pension Deferred Outflows of Resources | Pension Deferred Inflows of Resources |
|------------------|---|---------------------|---|--|
| FRS Pension Plan | \$ 32,143,454 | \$ 6,690,914 | \$ 9,629,987 | \$ 2,302,121 |
| HIS Plan | <u>11,185,412</u> | <u>424,872</u> | <u>1,787,538</u> | <u>2,603,052</u> |
| Total | <u>\$ 43,328,866</u> | <u>\$ 7,115,786</u> | <u>\$11,417,525</u> | <u>\$ 4,905,173</u> |

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, 2020, 378 employees and former employees had \$7,300,804 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, 2020

(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 special revenue fund until the eligibility requirements are met, then they are recognized as state revenue.

The Alternative Water Supply Program 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 and expenditures made from the trust fund are accounted for in the special revenue fund.

The Land Acquisition Trust Fund was established in 2015 pursuant to Chapter 20.106, *Florida Statutes*. The program is funded through a distribution of a portion of revenues received by the trust fund from documentary stamp taxes collected by the state. The trust fund was established with the primary purpose of maintaining and enhancing the habitat value for fish and wildlife. Other uses may be allowed that are not contrary to this purpose. Revenues received and expenditures made from the trust fund are accounted for in the 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. For road vehicles, the District only insures for auto liability. All personal property (contents) are insured regardless of value at each insured location specifically listed on the property schedule. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

(14) Mitigation Bank Financial Responsibility Assurances:

The District is authorized by Section 373.4136, *Florida Statutes*, to permit the establishment of mitigation banks. A permit applicant proposing the establishment of a mitigation bank is required to demonstrate the financial ability to conduct the mitigation activities, any necessary site management, monitoring of the mitigation, and any necessary corrective action indicated by the monitoring. The mitigation banks can provide the demonstrated financial assurance by obtaining a surety bond, performance bond, irrevocable letter of credit, or establishing a trust fund.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(14) Mitigation Bank Financial Responsibility Assurances (Concluded):

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, 2020, the District estimates the value of the financial assurances provided by the various mitigation banks is \$23,242,685.

(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 (a) not in spendable form such as inventory assets and prepaid items, such as leases, software licenses, insurances, advanced employee Health Savings Account contributions and tax collector and property appraiser commissions or (b) legally or contractually required to be maintained intact such as a permanent endowment fund.

Spendable Fund Balance —

- Restricted – includes fund balance amounts that are restricted to specific purposes. The restrictions placed on the use of resources that identify and describe circumstances under which a need for funds arise must either be (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specific use by taking the same type of action it employed to previously commit those amounts. Fund balance may be committed for such purposes including, but not limited to: (a) future major maintenance and repair projects; (b) meeting future obligations resulting from a disaster; (c) accumulating resources pursuant to stabilization arrangements; and/or (d) for setting aside amounts for specific projects.

Commitment of fund balance may be made from time-to-time by resolution of the Governing Board. Commitments may be changed or lifted only by the Governing Board taking the same formal action that imposed the constraint originally (i.e., by resolution).

- Assigned — includes fund balance amounts that executive management intends for specific purposes that do not meet the accounting standards definition of restricted or committed under the authority of Governing Board Policy 310 – Fund Balance and Reserves.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(15) Fund Balance Disclosure (Continued):

- Unassigned — includes the residual classification for the General Fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The District's General Fund Balance and Reserves Policy is to set aside reserves to provide sufficient liquidity for operations pending initial property tax distributions, address unforeseen and unexpected events, emergencies, and to offset unexpected downturns in revenues from budgeted estimates, and constrain resources for specific future purposes. The District will maintain Fund Balance, as defined herein, in accordance with Governmental Accounting Standards Board (GASB) Standard Number 54 and as recommended by the Government Finance Officers Association.

The District reduces restricted fund balance amounts first when both restricted and unrestricted fund balances including committed, assigned and unassigned are available, and when expenditures are incurred for the purposes for which amounts in the restricted fund balance could be used 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. Regarding unrestricted fund balance, committed amounts would be reduced first, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The District designates an Economic Stabilization Reserve within the District's General Fund balance equal to two months (16.7 percent) of operating expenditures (excludes fixed capital outlay and cooperative funding) of the General Fund based on the subsequent year's approved budget. The Economic Stabilization Reserve shall be reported as Committed Fund Balance and established annually for the next fiscal year prior to the end of the current fiscal year by inclusion in the Governing Board resolution establishing Committed Fund Balance amounts. 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 120; or
- (3) when anticipated or realized revenues from ad valorem sources within a specific fiscal period are at least 10 percent less than the revenue realized over the prior year.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(15) Fund Balance Disclosure (Concluded):

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.

A schedule of District fund balances at September 30, 2020, follows:

| Fund Balances: | General Fund | Special Revenue Fund | Capital Projects Fund | Total All Funds |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------|
| <u>Nonspendable:</u> | | | | |
| Inventories and Prepaid Costs | \$ 807,609 | \$ - | \$ - | \$ 807,609 |
| <u>Spendable:</u> | | | | |
| <u>Restricted for:</u> | | | | |
| Mitigation Endowment | - | 14,336,599 | - | 14,336,599 |
| <u>Committed for:</u> | | | | |
| Cooperative Projects Funding Program | 51,425,377 | - | - | 51,425,377 |
| Alternative Water Supply | 16,500,000 | - | - | 16,500,000 |
| Springs Prevention/Recovery Strategy | 15,000,000 | - | - | 15,000,000 |
| St Johns River Basin Restoration | 10,967,906 | - | 810,252 | 11,778,158 |
| Economic Stabilization Reserve | 11,240,955 | - | - | 11,240,955 |
| Building Fund | 6,600,000 | - | 673,990 | 7,273,990 |
| Land Management/Acquisition | - | 6,017,414 | - | 6,017,414 |
| Lake Apopka and UORB Restoration | 1,319,899 | - | - | 1,319,899 |
| Indian River Lagoon Protection | 1,170,909 | - | - | 1,170,909 |
| Flood Protection—Levee/Structure Rehab | 402,628 | - | - | 402,628 |
| Total Committed | 114,627,674 | 6,017,414 | 1,484,242 | 122,129,330 |
| <u>Assigned for:</u> | | | | |
| Springs Assessment Project | 1,614 | - | - | 1,614 |
| Training Services | 2,000 | - | - | 2,000 |
| Laboratory Equipment | 9,173 | - | - | 9,173 |
| Surface Water Assessments | 10,000 | - | - | 10,000 |
| Central Springs East Coast Groundwater M | 11,020 | - | - | 11,020 |
| Groundwater Resource Assessment | 26,925 | - | - | 26,925 |
| Rehab. Of Sawgrass North Pump Station | - | - | 35,864 | 35,864 |
| Gopher Tortoise Relocation | - | - | 45,200 | 45,200 |
| Adaptive Management of Wetland Areas | 54,164 | - | - | 54,164 |
| Water Well Construction Services | 96,971 | - | - | 96,971 |
| General Program/ Initiative Costs | 160,960 | - | - | 160,960 |
| Minimum Flows and Levels | 247,310 | - | - | 247,310 |
| Total Assigned | 620,137 | - | 81,064 | 701,201 |
| <u>Unassigned:</u> | - | - | - | - |
| Totals All Funds | \$ 116,055,420 | \$ 20,354,013 | \$ 1,565,306 | \$137,974,739 |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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:

| | Original <u>Budget</u> | Final <u>Budget</u> | <u>Actual</u> | Variance with <u>Final Budget</u> |
|--------------------------|---------------------------|------------------------|----------------------|--------------------------------------|
| Salaries and benefits | \$49,193,482 | \$49,193,482 | \$46,074,729 | \$ 3,118,753 |
| Expenses | 23,497,956 | 25,581,781 | 18,719,832 | 6,861,949 |
| Grants and aids | 95,826,878 | 98,907,382 | 32,242,762 | 66,664,620 |
| Operating capital outlay | 3,381,622 | 4,121,829 | 2,304,745 | 1,817,084 |
| Fixed capital outlay | <u>18,294,805</u> | <u>18,261,159</u> | <u>11,827,679</u> | <u>6,433,480</u> |
| Total expenditures | <u>\$190,194,743</u> | <u>\$196,065,633</u> | <u>\$111,169,747</u> | <u>\$ 84,895,886</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 June 2017, the GASB issued Statement No. 87, *Leases*, effective for the District’s fiscal year beginning October 1, 2020. The objective of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The District is currently evaluating the effect that Statement No. 87 will have on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for the District’s fiscal year beginning October 1, 2020. The primary objectives of Statement No. 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related debt disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is currently evaluating the effect that Statement No. 91 will have on its financial statements.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(17) Implementation of Accounting Standards (Concluded):

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, providing guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

(18) Contingencies:

During the year ended September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the District as of September 30, 2020, management believes that a material impact on the District's financial position and results of future operations is reasonably possible



Lochloosa Wildlife Conservation Area

*Required Supplementary 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, 2020

| | Budgeted | | | Variance with Final Budget Positive (Negative) |
|---|---------------|---------------|---------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Ad valorem property taxes | \$ 88,661,362 | \$ 88,661,362 | \$ 88,543,660 | \$ (117,702) |
| Investment earnings | 1,000,000 | 1,000,000 | 4,023,594 | 3,023,594 |
| Regulatory permits | 2,180,000 | 2,180,000 | 2,045,357 | (134,643) |
| Fines and penalties | - | - | 60,455 | 60,455 |
| Other | 340,000 | 340,000 | 227,105 | (112,895) |
| Total revenues | 92,181,362 | 92,181,362 | 94,900,171 | 2,718,809 |
| EXPENDITURES | | | | |
| Water resources planning and monitoring | | | | |
| Salaries and benefits | 11,624,532 | 11,725,438 | 11,038,525 | 686,913 |
| Contracted services | 3,077,430 | 3,144,321 | 2,248,675 | 895,646 |
| Expenses | 1,215,102 | 1,176,189 | 927,881 | 248,308 |
| Operating capital outlay | 517,690 | 520,966 | 444,270 | 76,696 |
| Fixed capital outlay | - | 178 | 178 | - |
| Total water resources planning and monitoring | 16,434,754 | 16,567,092 | 14,659,529 | 1,907,563 |
| Acquisition, restoration and public works | | | | |
| Salaries and benefits | 9,987,989 | 10,080,237 | 9,218,952 | 861,285 |
| Contracted services | 1,887,377 | 1,784,304 | 1,015,884 | 768,420 |
| Expenses | 368,627 | 362,788 | 271,892 | 90,896 |
| Operating capital outlay | 1,654,121 | 1,667,985 | 64,857 | 1,603,128 |
| Fixed capital outlay | 50,496 | 50,496 | 50,496 | - |
| Grants and aids | 48,557,559 | 48,577,854 | 21,836,008 | 26,741,846 |
| Total acquisition, restoration and public works | 62,506,169 | 62,523,664 | 32,458,089 | 30,065,575 |
| Operation and maintenance of lands and works | | | | |
| Salaries and benefits | 7,783,679 | 7,764,234 | 7,205,619 | 558,615 |
| Contracted services | 1,560,804 | 1,681,245 | 1,564,922 | 116,323 |
| Expenses | 4,178,609 | 4,032,247 | 3,595,323 | 436,924 |
| Operating capital outlay | 1,070,942 | 1,143,722 | 1,083,900 | 59,822 |
| Fixed capital outlay | 400,000 | 388,865 | 383,605 | 5,260 |
| Total operation and maintenance of lands and works | 14,994,034 | 15,010,313 | 13,833,369 | 1,176,944 |

(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, 2020

| | Budgeted | | | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|-----------------------|---|
| | Original | Final | Actual | |
| Regulation | | | | |
| Salaries and benefits | 12,685,448 | 12,470,361 | 11,745,157 | 725,204 |
| Contracted services | 454,903 | 453,391 | 338,833 | 114,558 |
| Expenses | 459,664 | 441,045 | 360,623 | 80,422 |
| Operating capital outlay | 73,638 | 91,103 | 88,246 | 2,857 |
| Total regulation | <u>13,673,653</u> | <u>13,455,900</u> | <u>12,532,859</u> | <u>923,041</u> |
| Outreach | | | | |
| Salaries and benefits | 1,044,532 | 1,043,771 | 978,176 | 65,595 |
| Contracted services | 42,721 | 42,859 | 20,320 | 22,539 |
| Expenses | 117,958 | 116,786 | 95,394 | 21,392 |
| Operating capital outlay | 5,759 | 7,039 | 6,901 | 138 |
| Total outreach | <u>1,210,970</u> | <u>1,210,455</u> | <u>1,100,791</u> | <u>109,664</u> |
| Management and administration | | | | |
| Salaries and benefits | 5,751,578 | 5,793,717 | 5,653,441 | 140,276 |
| Contracted services | 521,073 | 522,484 | 409,052 | 113,432 |
| Expenses | 3,263,338 | 3,258,728 | 2,719,203 | 539,525 |
| Operating capital outlay | 59,472 | 72,688 | 71,270 | 1,418 |
| Total management and administration | <u>9,595,461</u> | <u>9,647,617</u> | <u>8,852,966</u> | <u>794,651</u> |
| Total expenditures | <u>118,415,041</u> | <u>118,415,041</u> | <u>83,437,603</u> | <u>34,977,438</u> |
| Excess of revenues over (under) expenditures | <u>(26,233,679)</u> | <u>(26,233,679)</u> | <u>11,462,568</u> | <u>37,696,247</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 1,235,551 | 1,235,551 |
| Transfers out | (10,278,000) | (10,278,000) | (7,733,065) | 2,544,935 |
| Sale of capital assets | 125,000 | 125,000 | 4,450 | (120,550) |
| Insurance/ loss recovery | - | - | 152,352 | 152,352 |
| Total other financing sources (uses) | <u>(10,153,000)</u> | <u>(10,153,000)</u> | <u>(6,340,712)</u> | <u>3,812,288</u> |
| Net change in fund balance | <u>(36,386,679)</u> | <u>(36,386,679)</u> | <u>5,121,856</u> | <u>41,508,535</u> |
| Fund balance, beginning of year | <u>110,933,564</u> | <u>110,933,564</u> | <u>110,933,564</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 74,546,885</u> | <u>\$ 74,546,885</u> | <u>\$ 116,055,420</u> | <u>\$ 41,508,535</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 – SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted | | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------|---------------|---------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| State | | | | |
| Dept. of Environmental Protection | \$ 51,349,181 | \$ 57,220,071 | \$ 15,685,184 | \$ (41,534,887) |
| Fish & Wildlife Conservation Commission | 1,185,133 | 1,185,133 | 1,004,971 | (180,162) |
| Dept. of Transportation | 1,673,668 | 1,673,668 | 1,017,240 | (656,428) |
| Dept. of Highway Safety & Motor Vehicles | 160,000 | 160,000 | 125,696 | (34,304) |
| Dept. of Emergency Management | - | - | 44,600 | 44,600 |
| Total State | 54,367,982 | 60,238,872 | 17,877,691 | (42,361,181) |
| Federal | | | | |
| Federal Emergency Management Agency | - | - | 929,647 | 929,647 |
| United States Fish and Wildlife Service | - | - | 13,361 | 13,361 |
| Environmental Protection Agency | 226,152 | 226,152 | 110,769 | (115,383) |
| Total Federal | 226,152 | 226,152 | 1,053,777 | 827,625 |
| Investment earnings | - | - | 168,414 | 168,414 |
| Local mitigation | 42,307 | 42,307 | 86,510 | 44,203 |
| Cities and counties | 1,297,500 | 1,308,956 | 53,956 | (1,255,000) |
| Lease and timber sales | 2,524,000 | 2,524,000 | 1,782,198 | (741,802) |
| Other | | | | |
| Florida Inland Navigation District | 41,200 | 29,744 | 600 | (29,144) |
| Water management districts | 292,440 | 292,440 | 206,253 | (86,187) |
| Total Other | 333,640 | 322,184 | 206,853 | (115,331) |
| Total revenues | 58,791,581 | 64,662,471 | 21,229,399 | (43,433,072) |
| EXPENDITURES | | | | |
| Water resources planning and monitoring | | | | |
| Salaries and benefits | 217,079 | 217,079 | 136,278 | 80,801 |
| Contracted services | 406,323 | 2,456,955 | 289,181 | 2,167,774 |
| Expenses | 76,853 | 116,221 | 61,816 | 54,405 |
| Operating capital outlay | - | 466,205 | 408,698 | 57,507 |
| Total water resources planning and monitoring | 700,255 | 3,256,460 | 895,973 | 2,360,487 |

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted | | | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | Actual | |
| Acquisition, restoration and public works | | | | |
| Salaries and benefits | 98,645 | 98,645 | 98,579 | 66 |
| Contracted services | 689,589 | 689,339 | 231,821 | 457,518 |
| Expenses | 18,668 | 13,918 | 5,560 | 8,358 |
| Fixed capital outlay | 6,606,359 | 6,740,836 | 4,488,495 | 2,252,341 |
| Grants and aids | 47,269,320 | 50,329,528 | 10,406,755 | 39,922,773 |
| Total acquisition, restoration and public works | 54,682,581 | 57,872,266 | 15,231,210 | 42,641,056 |
| Operation and maintenance of lands and works | | | | |
| Contracted services | 2,731,997 | 3,004,422 | 2,564,236 | 440,186 |
| Expenses | 2,391,745 | 2,214,364 | 1,943,428 | 270,936 |
| Operating capital outlay | - | 152,122 | 136,604 | 15,518 |
| Fixed capital outlay | 406,232 | 249,066 | 183,428 | 65,638 |
| Total operation and maintenance of lands and works | 5,529,974 | 5,619,974 | 4,827,696 | 792,278 |
| Regulation | | | | |
| Contracted services | 18,423 | 18,423 | 10,878 | 7,545 |
| Expenses | 229 | 35,229 | 35,145 | 84 |
| Total regulation | 18,652 | 53,652 | 46,023 | 7,629 |
| Outreach | | | | |
| Contracted services | 1,441 | 1,441 | 851 | 590 |
| Expenses | 18 | 18 | 11 | 7 |
| Total outreach | 1,459 | 1,459 | 862 | 597 |
| Management and administration | | | | |
| Contracted services | 14,879 | 14,879 | 8,786 | 6,093 |
| Expenses | 185 | 185 | 117 | 68 |
| Total management and administration | 15,064 | 15,064 | 8,903 | 6,161 |
| Total expenditures | 60,947,985 | 66,818,875 | 21,010,667 | 45,807,527 |
| Excess of revenues over (under) expenditures | (2,156,404) | (2,156,404) | 218,732 | 2,375,136 |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | (1,235,551) | (1,235,551) |
| Sale of capital assets | 72,869 | 72,869 | 1,429,133 | 1,356,264 |
| Total other financing sources (uses) | 72,869 | 72,869 | 193,582 | 120,713 |
| Net change in fund balance | (2,083,535) | (2,083,535) | 412,314 | 2,495,849 |
| Fund balance, beginning of year | 19,941,699 | 19,941,699 | 19,941,699 | - |
| Fund balance, end of year | <u>\$ 17,858,164</u> | <u>\$ 17,858,164</u> | <u>\$ 20,354,013</u> | <u>\$ 2,495,849</u> |

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

(Concluded)



Moses Creek Conservation Area

Notes to Budgetary Comparison Schedules

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2020

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(f) 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, *Florida Statutes* (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 #330, 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
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
(unaudited)

| | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|
| Total OPEB Liability-Beginning Balance | \$5,033,228 | \$4,369,253 | \$4,379,223 | \$3,932,725 |
| Service Cost | 111,672 | 159,127 | 121,964 | 105,467 |
| Interest on total OPEB liability | 110,975 | 192,003 | 163,393 | 161,528 |
| Effect of differences between expected and actual experience | (601,947) | 552,884 | (52,288) | 289,909 |
| Implicit Rate Subsidy | (220,837) | (243,039) | (243,039) | (210,406) |
| Net Change in total OPEB liability | (600,137) | 663,975 | (9,970) | 446,498 |
| Total OPEB liability-Ending Balance | 4,433,091 | 5,033,228 | 4,369,253 | 4,379,223 |
| Annual Covered Payroll | 32,626,577 | 32,494,407 | 33,304,110 | 33,845,129 |
| Total OPEB liability as a % of covered payroll | 13.6% | 15.5% | 13.1% | 12.9% |

The amounts presented for each fiscal year were determined as of the measurement date.

Schedule is intended to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported. Additional years will be displayed as they become available.

The discount rate used for the September 30, 2017, measurement date was 3.63 percent and the discount rate used for September 30, 2018 was 4.24 percent per annum. The discount rate for the September 30, 2019 measurement date was 2.66 percent and the discount rate used for the September 30, 2020, year-end disclosures will be based on the index as of September 30, 2020, which is 2.21 percent per annum.

See accompanying notes to required supplementary information.

See accompanying Independent Auditors Report

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
Notes to Required Supplementary Information
For the years Ended September 30, 2020
(unaudited)

Florida Retirement System (FRS) Pension Plan

Changes in assumptions-Amounts reported in 2020 reflect an adjustment to the discount rate used for the Florida Retirement System (FRS) Pension Plan. The discount rate used to measure the total pension liability decreased from 6.9 percent to 6.8 percent as of June 30, 2020. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The 6.8 percent rate of return assumption was based on the actuarial assumptions used in the Pension Plan valuation in the 2019 Experience Study report, published December 20, 2019. For the Pension Plan GASB calculations, in addition to the demographic assumption changes detailed in the 2019 Experience Study report the investment return assumption was decreased from 7.0 percent as of June 30, 2018 to 6.8 percent as of June 30, 2020, the inflation assumption was decreased from 2.6 percent as of June 30, 2018 to 2.4 percent as of June 30, 2020, and annual salary increase assumptions for individual members were also decreased by 0.2 percent.

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The active member mortality assumption was updated.

Florida Retirement System (FRS) Pension Plan Contribution Rates

For information on the actuarial methods and assumptions used in the July 1, 2020 funding valuation, refer to the valuation report dated December 1, 2020, located on the Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Health Insurance Subsidy (HIS) Program

Changes in assumptions-Amounts reported in 2020 reflect an adjustment to the discount rate used for the Health Insurance Subsidy. The discount rate used to measure the total pension liability was decreased from 3.50 percent to 2.21 percent as of June 2020 and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

Health Insurance Subsidy (HIS) Program Contribution Rates

The HIS essentially uses "pay-as-you-go" funding structure. As of June 30, 2020, accumulated HIS assets constituted approximately nine months of projected benefit payments. The ability of the current statutory contribution rate of 1.66 percent of applicable payroll to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

Other Postemployment Benefits (OPEB)

Actuarial Valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employments, mortality, and the healthcare cost trend. The OPEB plan is funded on a pay-as-you-go basis; there are no assets accumulated in a trust to pay related benefits. Liability for retiree dental and vision benefits are reflected as 0 in the valuation. The estimated impact of including dental and vision benefits is less than 1.0%.

See accompanying Independent Auditor's Report.

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>2020</u> | <u>2019</u> |
|---|---------------|---------------|
| St. Johns River Water Management District's proportion of the net pension liability (asset) | 0.074163269% | 0.079128032% |
| St. Johns River Water Management District's proportionate share of the net pension liability (asset) | \$ 32,143,454 | \$ 27,250,593 |
| St. Johns River Water Management District's covered payroll | 31,798,698 | 33,060,536 |
| St. Johns River Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 101.08% | 82.43% |
| Plan fiduciary net position as a percentage of the total pension liability | 78.85% | 82.61% |

*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.

| 2018 | 2017 | 2016 | 2015 |
|---------------|---------------|---------------|---------------|
| 0.081667525% | 0.087082390% | 0.088007698% | 0.098383092% |
| \$ 24,598,682 | \$ 25,758,387 | \$ 22,222,013 | \$ 12,707,496 |
| 33,903,289 | 35,691,411 | 36,080,549 | 37,304,382 |
| 72.56% | 72.17% | 61.59% | 34.06% |
| 84.26% | 83.89% | 84.88% | 92.00% |

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

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|--------------------|
| Contractually required contribution | \$ 2,464,117 | \$ 2,453,540 |
| Contributions in relation to the contractually required contribution | <u>(2,464,117)</u> | <u>(2,453,540)</u> |
| Contribution deficiency (excess) | - | - |
| St. Johns River Water Management District's covered payroll | <u>31,518,685</u> | <u>32,790,543</u> |
| Contributions as a percentage of covered payroll | 7.82% | 7.48% |

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 81 - the information in this schedule should be determined as of the employer's most recent fiscal year.

| <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 2,327,459 | \$ 2,266,969 | \$ 2,146,208 | \$ 2,398,663 | \$ 2,194,839 |
| <u>(2,327,459)</u> | <u>(2,266,969)</u> | <u>(2,146,208)</u> | <u>(2,398,663)</u> | <u>(2,194,839)</u> |
| - | - | - | - | - |
| <u>33,794,563</u> | <u>34,080,781</u> | <u>35,484,176</u> | <u>37,348,315</u> | <u>37,207,322</u> |
| 6.89% | 6.65% | 6.05% | 6.42% | 5.90% |

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>2020</u> | <u>2019</u> |
|---|---------------|---------------|
| St. Johns River Water Management District's proportion of the net pension liability (asset) | 0.091609836% | 0.098852719% |
| St. Johns River Water Management District's proportionate share of the net pension liability (asset) | \$ 11,185,412 | \$ 11,060,630 |
| St. Johns River Water Management District's covered payroll | 31,798,698 | 33,060,536 |
| St. Johns River Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 35.18% | 33.46% |
| Plan fiduciary net position as a percentage of the total pension liability | 3.00% | 2.63% |

*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.

| 2018 | 2017 | 2016 | 2015 |
|---------------|---------------|---------------|---------------|
| 0.103801405% | 0.111921289% | 0.116868817% | 0.122961734% |
| \$ 10,986,457 | \$ 11,967,141 | \$ 13,620,577 | \$ 12,540,163 |
| 33,903,289 | 35,691,411 | 36,080,549 | 37,304,382 |
| 32.41% | 33.53% | 37.75% | 33.62% |
| 2.15% | 1.64% | 0.97% | 0.50% |

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

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Contractually required contribution | \$ 527,905 | \$ 548,920 |
| Contributions in relation to the contractually required contributio | <u>(527,905)</u> | <u>(548,920)</u> |
| Contribution deficiency (excess) | - | - |
| St. Johns River Water Management District's covered payroll | <u>31,518,685</u> | <u>32,790,543</u> |
| Contributions as a percentage of covered payroll | 1.67% | 1.67% |

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 81 - the information in this schedule should be determined as of the employer's most recent fiscal year.

| <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 562,918 | \$ 592,320 | \$ 599,027 | \$ 470,036 | \$ 428,042 |
| <u>(562,918)</u> | <u>(592,320)</u> | <u>(599,027)</u> | <u>(470,036)</u> | <u>(428,042)</u> |
| - | - | - | - | - |
| <u>33,794,563</u> | <u>34,080,781</u> | <u>35,484,176</u> | <u>37,348,315</u> | <u>37,207,322</u> |
| 1.67% | 1.74% | 1.69% | 1.26% | 1.15% |



Emeralda Marsh Conservation Area

Other Supplementary Information

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, 2020

| | Budgeted | | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|--------------|---------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Acquisition, restoration and public works | | | | |
| Fixed capital outlay | 8,589,558 | 8,612,619 | 4,628,356 | 3,984,263 |
| Total acquisition, restoration and public works | 8,589,558 | 8,612,619 | 4,628,356 | 3,984,263 |
| Operation and maintenance of lands and works | | | | |
| Fixed capital outlay | 2,242,160 | 2,219,099 | 2,093,121 | 125,978 |
| Total operation and maintenance of lands and works | 2,242,160 | 2,219,099 | 2,093,121 | 125,978 |
| Total expenditures | 10,831,718 | 10,831,718 | 6,721,477 | 4,110,241 |
| Excess of revenues over (under) expenditures | (10,831,718) | (10,831,718) | (6,721,477) | 4,110,241 |
| Other financing sources (uses) | | | | |
| Transfers in | 10,278,000 | 10,278,000 | 7,733,065 | (2,544,935) |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 10,278,000 | 10,278,000 | 7,733,065 | (2,544,935) |
| Net change in fund balance | (553,718) | (553,718) | 1,011,588 | 1,565,306 |
| Fund balance, beginning of year | 553,718 | 553,718 | 553,718 | - |
| Fund balance, end of year | \$ - | \$ - | \$ 1,565,306 | \$ 1,565,306 |

Comprehensive Annual Financial Report

Statistical Section (Unaudited)



River otter

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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA

STATISTICAL SECTION

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

Contents

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

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

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

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

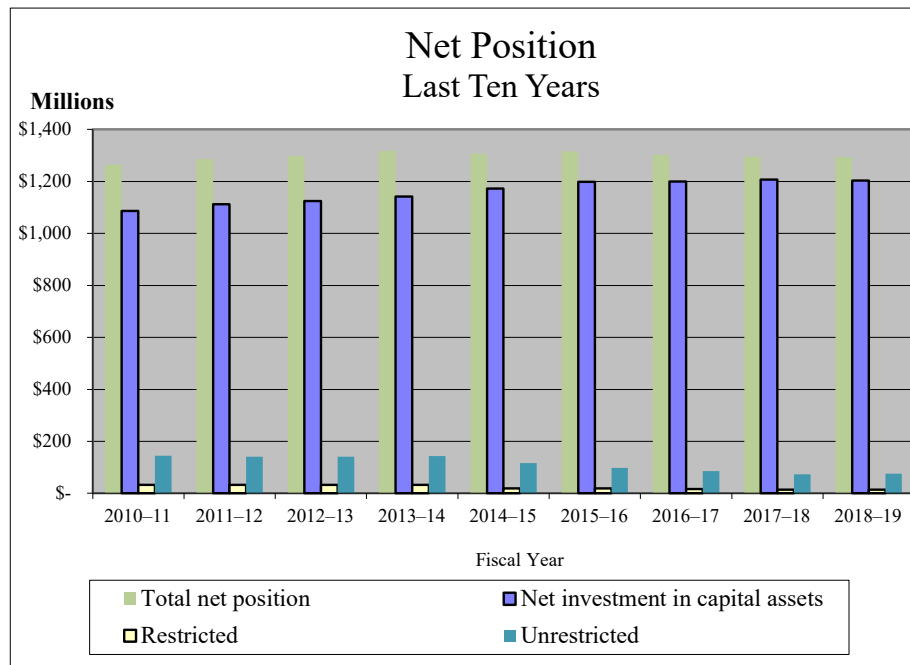


Seminole Ranch Conservation Area

Financial Trends

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

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



| 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 1,199,234,566 | \$ 1,200,386,597 | \$ 1,207,622,764 | \$ 1,203,496,683 | \$ 1,208,369,100 |
| 18,648,086 | 16,364,766 | 14,357,026 | 14,162,621 | 14,336,599 |
| 98,291,727 | 85,959,027 | 73,442,677 | 75,787,002 | 78,419,702 |
| \$ 1,316,174,379 | \$ 1,302,710,390 | \$ 1,295,422,467 | \$ 1,293,446,306 | \$ 1,301,125,401 |

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

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Expenses: | | | | |
| Water resources planning and monitoring | \$ 15,524,373 | \$ 11,695,698 | \$ 13,955,220 | \$ 15,048,512 |
| Acquisition, restoration and public works | 33,110,658 | 27,605,019 | 22,903,593 | 27,583,602 |
| Operation and maintenance of land and works | 23,241,335 | 20,414,644 | 24,134,473 | 23,901,054 |
| Regulation | 17,629,095 | 13,391,590 | 14,145,560 | 13,230,805 |
| Outreach | 2,988,580 | 942,373 | 904,300 | 940,621 |
| District management and administration | 31,156,428 | 24,425,597 | 17,289,120 | 16,217,840 |
| Interest on long-term debt | 1,408,335 | 1,001,946 | 955,965 | 599,241 |
| Total expenses | <u>125,058,804</u> | <u>99,476,867</u> | <u>94,288,231</u> | <u>97,521,675</u> |
| Program revenues: | | | | |
| Charges for services: | | | | |
| Gain on disposal of land | - | - | - | - |
| Regulatory permitting | 1,700,317 | 1,155,765 | 1,152,520 | 1,510,633 |
| Operations and land management | 1,593,119 | 1,060,208 | 1,234,117 | 1,885,825 |
| Operating grants and contributions | 19,002,122 | 18,106,785 | 14,206,955 | 15,072,037 |
| Capital grants and contributions | 49,169,451 | 15,901,918 | 10,062,697 | 16,783,189 |
| Total program revenues | <u>71,465,009</u> | <u>36,224,676</u> | <u>26,656,289</u> | <u>35,251,684</u> |
| Net (expense)/ revenue | (53,593,795) | (63,252,191) | (67,631,942) | (62,269,991) |
| General revenues and other changes in net position | | | | |
| Ad valorem property taxes | 111,317,677 | 82,083,164 | 79,630,212 | 80,285,876 |
| Unrestricted earnings on investments | 2,041,261 | 1,705,494 | 720,372 | 1,131,270 |
| Gain(loss) on sale of capital assets | 90,476 | - | - | - |
| Miscellaneous | 182,047 | 202,814 | 107,704 | 432,743 |
| Total general revenues and other changes in net position | <u>113,631,461</u> | <u>83,991,472</u> | <u>80,458,288</u> | <u>81,849,889</u> |
| Change in net position | <u>\$ 60,037,666</u> | <u>\$ 20,739,281</u> | <u>\$ 12,826,346</u> | <u>\$ 19,579,898</u> |

| 2014–15 | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---------------------|---------------------|------------------------|-----------------------|-----------------------|---------------------|
| \$ 16,525,822 | \$ 14,941,578 | \$ 15,857,328 | \$ 14,335,314 | \$ 14,946,389 | \$ 15,611,537 |
| 45,545,311 | 45,556,251 | 67,405,308 | 76,409,655 | 59,248,127 | 45,086,646 |
| 25,818,520 | 22,949,525 | 24,220,770 | 23,916,602 | 25,172,793 | 25,068,466 |
| 16,035,824 | 12,183,780 | 11,950,330 | 10,869,409 | 11,215,142 | 13,441,079 |
| 1,229,915 | 1,056,451 | 1,035,590 | 952,170 | 923,747 | 1,166,635 |
| 16,371,881 | 16,881,745 | 16,642,647 | 16,799,405 | 16,781,888 | 10,179,742 |
| 329,367 | - | - | - | - | - |
| 121,856,640 | 113,569,330 | 137,111,973 | 143,282,555 | 128,288,086 | 110,554,105 |
| 1,231,071 | 1,613,492 | - | 1,124,821 | - | - |
| 1,728,512 | 2,082,799 | 2,120,253 | 2,298,812 | 2,327,093 | 2,105,812 |
| 1,387,381 | 1,778,961 | 1,909,607 | 1,610,489 | 1,942,046 | 1,782,198 |
| 27,128,105 | 17,912,774 | 26,169,214 | 37,852,367 | 22,855,269 | 15,258,039 |
| 12,582,684 | 13,742,293 | 8,060,160 | 7,534,233 | 5,488,297 | 6,158,725 |
| 44,057,753 | 37,130,319 | 38,259,234 | 50,420,722 | 32,612,705 | 25,304,774 |
| (77,798,887) | (76,439,011) | (98,852,739) | (92,861,833) | (95,675,381) | (85,249,331) |
| 81,505,441 | 82,873,945 | 84,103,364 | 85,496,445 | 87,187,723 | 88,509,313 |
| 2,386,129 | 1,941,294 | 848,612 | 172,979 | 5,980,793 | 4,192,008 |
| - | - | - | - | - | - |
| 230,492 | 193,873 | 436,774 | 442,493 | 530,704 | 227,105 |
| 84,122,062 | 85,009,112 | 85,388,750 | 86,111,917 | 93,699,220 | 92,928,426 |
| \$ 6,323,175 | \$ 8,570,101 | \$ (13,463,989) | \$ (6,749,916) | \$ (1,976,161) | \$ 7,679,095 |

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

| | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| General fund | | | | |
| Nonspendable | \$ 532,773 | \$ 591,701 | \$ 914,668 | \$ 1,030,023 |
| Restricted | - | - | - | - |
| Committed | 128,147,398 | 124,302,980 | 126,500,000 | 125,260,000 |
| Assigned | 2,124,416 | 525,224 | 16,423,721 | 16,013,221 |
| Unassigned | 12,623,284 | 16,464,398 | 2,104,987 | 42,514 |
| Total general fund | <u>143,427,871</u> | <u>141,884,303</u> | <u>145,943,376</u> | <u>142,345,758</u> |
| All other governmental funds | | | | |
| Restricted: | | | | |
| Special revenue funds | 26,328,999 | 25,993,223 | 26,867,688 | 26,088,129 |
| Debt service fund | 6,406,625 | 6,439,146 | 6,454,533 | 6,471,774 |
| Committed: | | | | |
| Special revenue funds | - | - | - | 7,200,000 |
| Capital projects fund | 13,088,051 | 11,508,890 | 6,000,000 | 5,040,000 |
| Assigned: | | | | |
| Capital projects fund | <u>-</u> | <u>160,872</u> | <u>1,094,300</u> | <u>536</u> |
| Total all other governmental funds | <u>45,823,675</u> | <u>44,102,131</u> | <u>40,416,521</u> | <u>44,800,439</u> |
| Total fund balances | <u>\$ 189,251,546</u> | <u>\$ 185,986,434</u> | <u>\$ 186,359,897</u> | <u>\$ 187,146,197</u> |

| 2014–15 | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 1,581,027 | \$ 2,059,241 | \$ 1,551,238 | \$ 1,322,613 | \$ 1,187,026 | \$ 807,609 |
| - | - | 160,120 | - | - | - |
| 123,265,302 | 111,136,700 | 99,368,966 | 81,686,819 | 93,549,548 | 114,627,674 |
| 9,854,264 | 13,036,517 | 4,480,110 | 11,943,340 | 1,156,939 | 620,137 |
| - | - | 9,909,180 | 9,008,187 | 15,040,051 | - |
| 134,700,593 | 126,232,458 | 115,469,614 | 103,960,959 | 110,933,564 | 116,055,420 |
| 19,334,646 | 18,648,086 | 16,204,646 | 14,357,026 | 14,162,621 | 14,336,599 |
| - | - | - | - | - | - |
| 12,426,071 | 8,067,297 | 7,517,467 | 6,095,032 | 5,779,078 | 6,017,414 |
| 4,477,398 | 1,200,115 | 1,095,396 | 877,202 | 488,518 | 1,484,242 |
| 64,528 | - | - | 338,782 | 65,200 | 81,064 |
| 36,302,643 | 27,915,498 | 24,817,509 | 21,668,042 | 20,495,417 | 21,919,319 |
| \$ 171,003,236 | \$ 154,147,956 | \$ 140,287,123 | \$ 125,629,001 | \$ 131,428,981 | \$ 137,974,739 |

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

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|--|-----------------------|-----------------------|--------------------|--------------------|
| Revenues: | | | | |
| Taxes | \$ 111,317,677 | \$ 82,083,164 | \$ 79,630,212 | \$ 80,285,876 |
| State | 29,739,031 | 18,358,377 | 19,809,645 | 19,165,372 |
| Federal | 9,507,599 | 1,813,621 | 1,071,230 | 1,630,939 |
| Investment earnings | 2,041,261 | 1,705,494 | 720,372 | 1,131,270 |
| Local mitigation | - | 58 | 8,750 | 25,477 |
| Licenses and permits | 1,571,181 | 1,150,280 | 1,141,451 | 1,504,706 |
| Cities and counties | 56,330 | - | 92,925 | 358 |
| Other local | 73,608 | 94,707 | 223,517 | 205,770 |
| Land management | 1,593,119 | 1,060,208 | 1,234,117 | 1,885,825 |
| Miscellaneous revenue | 311,183 | 208,299 | 118,773 | 438,670 |
| Total revenues | <u>156,210,989</u> | <u>106,474,208</u> | <u>104,050,992</u> | <u>106,274,263</u> |
| Expenditures: | | | | |
| Water resources planning and monitoring | 15,875,904 | 11,870,469 | 14,643,303 | 15,647,669 |
| Acquisition, restoration and public works | 68,012,187 | 42,959,409 | 34,297,823 | 33,986,990 |
| Operation and maintenance of land and works | 15,319,751 | 12,955,727 | 17,276,250 | 19,049,507 |
| Regulation | 18,025,323 | 13,311,975 | 14,056,424 | 13,511,073 |
| Outreach | 3,100,368 | 935,412 | 896,417 | 963,860 |
| District management and administration | 30,821,505 | 21,460,015 | 16,418,073 | 15,748,277 |
| Debt service: | | | | |
| Principal retirement | 5,315,000 | 5,475,000 | 5,645,000 | 5,830,000 |
| Interest and fiscal charges | 1,201,000 | 1,041,850 | 872,125 | 688,362 |
| Total expenditures | <u>157,671,038</u> | <u>110,009,857</u> | <u>104,105,415</u> | <u>105,425,738</u> |
| Excess of revenues over(under) expenditures | (1,460,049) | (3,535,649) | (54,423) | 848,525 |
| Other financing sources (uses): | | | | |
| Transfers in | 27,848,862 | 12,825,762 | 307,150 | 7,988,246 |
| Transfers out | (27,848,862) | (12,825,762) | (307,150) | (7,988,246) |
| Sale of capital assets | 164,722 | 207,307 | 416,062 | 94,343 |
| Transfer out - refund to state | - | - | - | (156,568) |
| Insurance - loss recovery | 2,199 | 63,230 | 11,824 | - |
| Total other financing sources (uses) | <u>166,921</u> | <u>270,537</u> | <u>427,886</u> | <u>(62,225)</u> |
| Net change in fund balances | \$ (1,293,128) | \$ (3,265,112) | \$ 373,463 | \$ 786,300 |
| Debt service as a percentage of noncapital expenditures | 5.39% | 7.04% | 7.21% | 6.95% |

| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|------------------------|------------------------|------------------------|------------------------|---------------------|---------------------|
| \$ 81,505,441 | \$ 82,873,945 | \$ 84,103,364 | \$ 85,496,445 | \$ 86,945,000 | \$ 88,543,660 |
| 26,009,183 | 18,633,171 | 26,944,590 | 23,088,283 | 22,109,984 | 17,877,691 |
| 2,428,612 | 4,792,762 | 1,559,917 | 14,722,233 | 1,574,918 | 1,053,777 |
| 2,386,129 | 1,941,294 | 848,612 | 172,979 | 5,980,793 | 4,192,008 |
| 646 | 69,829 | 807 | 70,859 | 323,681 | 86,510 |
| 1,721,156 | 2,076,949 | 1,897,307 | 1,968,953 | 2,084,226 | 2,045,357 |
| 400,268 | 20,493 | 67,798 | 496,034 | 111,326 | 53,956 |
| 1,031,639 | 1,952,128 | 818,867 | 1,721,109 | 297,251 | 206,853 |
| 1,387,381 | 1,778,961 | 2,120,253 | 1,610,489 | 1,942,046 | 1,782,198 |
| 237,848 | 199,723 | 449,074 | 772,352 | 773,571 | 287,560 |
| 117,108,303 | 114,339,255 | 118,810,589 | 130,119,736 | 122,142,796 | 116,129,570 |
| 18,851,892 | 17,276,381 | 16,388,650 | 14,956,611 | 14,526,979 | 15,555,502 |
| 52,076,117 | 66,315,200 | 65,132,072 | 80,716,522 | 55,063,632 | 52,317,655 |
| 20,225,937 | 20,025,471 | 21,938,325 | 21,526,894 | 20,291,041 | 20,754,186 |
| 14,021,045 | 11,840,656 | 11,483,652 | 10,730,509 | 10,185,895 | 12,578,882 |
| 1,092,884 | 1,027,234 | 994,787 | 949,000 | 854,629 | 1,101,653 |
| 14,602,886 | 16,113,130 | 17,042,243 | 17,357,032 | 15,701,195 | 8,861,869 |
| 12,290,000 | - | - | - | - | - |
| 532,328 | - | - | - | - | - |
| 133,693,089 | 132,598,072 | 132,979,729 | 146,236,568 | 116,623,371 | 111,169,747 |
| (16,584,786) | (18,258,817) | (14,169,140) | (16,116,832) | 5,519,425 | 4,959,823 |
| 48,226,466 | 4,222,565 | 3,672,135 | 3,730,986 | 6,703,492 | 8,968,616 |
| (48,226,466) | (4,222,565) | (3,672,135) | (3,730,986) | (6,703,492) | (8,968,616) |
| 437,830 | 1,401,001 | 307,543 | 1,230,496 | 117,144 | 1,433,583 |
| - | - | - | - | - | - |
| 3,995 | 2,536 | 764 | 228,214 | 163,411 | 152,352 |
| 441,825 | 1,403,537 | 308,307 | 1,458,710 | 280,555 | 1,585,935 |
| \$ (16,142,961) | \$ (16,855,280) | \$ (13,860,833) | \$ (14,658,122) | \$ 5,799,980 | \$ 6,545,758 |
| 10.58% | N/A | N/A | N/A | N/A | N/A |



River Lakes Conservation Area

Revenue Capacity

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

| | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> |
|--|----------------|----------------|----------------|----------------|
| Assessed Property Value (Millions) ¹ | \$ 277,754 | \$ 257,587 | \$ 249,187 | \$ 253,093 |
| Estimated Just Value (Millions) ² | 425,392 | 393,127 | 376,267 | 377,799 |
| Assessed Value as a Percentage of Just Value | 65.3% | 65.5% | 66.2% | 67.0% |
| Millage Levy | 0.4158 | 0.3313 | 0.3313 | 0.3283 |

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>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 266,509 | \$ 283,964 | \$ 301,971 | \$ 325,455 | \$ 352,181 | \$ 380,129 |
| 412,989 | 445,836 | 473,945 | 508,680 | 552,921 | 593,787 |
| 64.5% | 63.7% | 63.6% | 64.0% | 63.7% | 64.0% |
| 0.3164 | 0.3023 | 0.2885 | 0.2627 | 0.2562 | 0.2414 |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TAXABLE PROPERTY VALUES AND ESTIMATED
JUST VALUES OF TAXABLE PROPERTY BY COUNTY
FISCAL YEAR 2019–2020

| <u>County</u> | <u>Estimated Just Value¹</u> | <u>Taxable Value²</u> | <u>Taxable as Percentage of Just Value</u> |
|----------------------|--|---|---|
| Alachua* | \$21,502,361,149 | \$10,953,043,610 | 50.9% |
| Baker* | 1,866,722,680 | 920,025,517 | 49.3% |
| Bradford* | 118,243,517 | 65,723,606 | 55.6% |
| Brevard | 73,934,215,396 | 41,194,988,141 | 55.7% |
| Clay | 18,543,452,114 | 11,475,386,935 | 61.9% |
| Duval | 109,279,479,830 | 68,654,487,295 | 62.8% |
| Flagler | 14,239,166,683 | 9,392,796,687 | 66.0% |
| Indian River | 27,659,639,813 | 18,617,517,712 | 67.3% |
| Lake* | 34,540,817,512 | 22,547,336,699 | 65.3% |
| Marion* | 20,195,108,554 | 12,073,914,330 | 59.8% |
| Nassau | 14,255,119,166 | 9,379,749,289 | 65.8% |
| Okeechobee* | 324,256,445 | 171,200,330 | 52.8% |
| Orange* | 99,906,914,523 | 68,792,426,106 | 68.9% |
| Osceola* | 176,649,999 | 115,634,946 | 65.5% |
| Putnam | 7,368,715,582 | 3,949,177,223 | 53.6% |
| St. Johns | 39,783,761,398 | 28,658,549,108 | 72.0% |
| Seminole | 50,735,460,401 | 35,958,218,831 | 70.9% |
| Volusia | 59,357,161,877 | 37,208,324,860 | 62.7% |
| Total | \$ 593,787,246,640 | \$ 380,128,501,225 | 64.0% |
| Florida Total | \$ 2,595,610,707,350 | \$ 1,854,829,137,409 | 71.5% |

Source: Florida Department of Revenue. 2019 DR–420 Reports and 2019 Florida Property and Tax Data book; Internet site

Internet site <http://floridarevenue.com/property/Pages/DataPortal.aspx>

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

¹ 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

² County taxable value reported to District in DR–420 forms

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
PRINCIPAL TAXPAYERS BY COUNTY
FISCAL YEAR 2019–2020

| <u>County</u> | <u>Property Tax Collections</u> | <u>Percentage of Collections</u> |
|---------------|-------------------------------------|--------------------------------------|
| Alachua | \$ 2,528,083 | 2.86% |
| Baker | 224,154 | 0.25% |
| Bradford | 17,551 | 0.02% |
| Brevard | 9,641,038 | 10.89% |
| Clay | 2,670,704 | 3.02% |
| Duval | 16,032,509 | 18.11% |
| Flagler | 2,189,849 | 2.47% |
| Indian River | 4,341,247 | 4.90% |
| Lake | 5,251,075 | 5.93% |
| Marion | 2,810,051 | 3.17% |
| Nassau | 2,181,012 | 2.46% |
| Okeechobee | 157,923 | 0.18% |
| Orange | 15,854,565 | 17.91% |
| Osceola | 13,131 | 0.01% |
| Putnam | 926,920 | 1.05% |
| St. Johns | 8,354,949 | 9.44% |
| Seminole | 6,669,886 | 7.53% |
| Volusia | 8,679,013 | 9.80% |
| Total | \$ 88,543,660 | 100.00% |

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

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|-----------------------|----------------------|----------------------|----------------------|
| Millage Levy | 0.4158 | 0.3313 | 0.3313 | 0.3283 |
| Alachua | \$ 3,497,940 | \$ 2,675,170 | \$ 2,577,902 | \$ 2,526,907 |
| Baker | 340,025 | 261,829 | 251,296 | 230,868 |
| Bradford | 24,792 | 19,178 | 18,293 | 17,762 |
| Brevard | 11,810,565 | 8,066,680 | 7,968,861 | 8,261,567 |
| Clay | 3,483,868 | 2,617,584 | 2,563,141 | 2,587,480 |
| Duval | 21,647,534 | 16,002,679 | 15,353,964 | 15,093,496 |
| Flagler | 3,130,542 | 2,151,730 | 2,030,623 | 2,015,491 |
| Indian River | 5,718,818 | 4,247,784 | 4,082,189 | 4,114,964 |
| Lake | 6,909,378 | 5,048,775 | 4,750,592 | 4,746,674 |
| Marion | 4,269,650 | 3,142,319 | 2,942,777 | 2,919,095 |
| Nassau | 2,842,640 | 2,097,930 | 1,989,635 | 1,972,362 |
| Okeechobee | 34,702 | 24,052 | 23,934 | 22,543 |
| Orange | 17,625,396 | 13,377,083 | 13,164,264 | 13,429,265 |
| Osceola | 43,555 | 33,031 | 34,601 | 34,379 |
| Putnam | 1,512,976 | 1,122,965 | 1,071,860 | 1,083,026 |
| St. Johns | 7,397,412 | 5,659,490 | 5,479,842 | 5,582,815 |
| Seminole | 10,314,040 | 7,745,493 | 7,631,408 | 7,787,506 |
| Volusia | 10,713,844 | 7,789,392 | 7,695,030 | 7,859,676 |
| Total | \$ 111,317,677 | \$ 82,083,164 | \$ 79,630,212 | \$ 80,285,876 |
| Percentage increase of property tax revenues | -10.9% | -26.3% | -3.0% | 0.8% |

| 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 0.3164 | 0.3023 | 0.2885 | 0.2627 | 0.2562 | 0.2414 |
| \$ 2,504,523 | \$ 2,461,229 | \$ 2,444,567 | \$ 2,504,168 | \$ 2,536,425 | \$ 2,528,083 |
| 228,881 | 214,861 | 211,945 | 209,831 | 219,615 | 224,154 |
| 17,647 | 17,360 | 16,698 | 16,578 | 15,962 | 17,551 |
| 8,658,663 | 8,763,008 | 9,020,609 | 9,251,550 | 9,474,595 | 9,641,038 |
| 2,598,482 | 2,591,210 | 2,607,299 | 2,629,108 | 2,644,778 | 2,670,704 |
| 15,221,818 | 15,418,596 | 15,467,620 | 15,589,052 | 15,810,694 | 16,032,509 |
| 2,044,842 | 2,085,126 | 2,106,712 | 2,114,667 | 2,141,994 | 2,189,849 |
| 4,121,433 | 4,202,249 | 4,252,387 | 4,284,650 | 4,309,117 | 4,341,247 |
| 4,783,007 | 4,804,644 | 4,856,147 | 4,986,929 | 5,138,672 | 5,251,075 |
| 2,914,399 | 2,916,170 | 2,891,986 | 2,869,307 | 2,875,233 | 2,810,051 |
| 1,989,852 | 2,001,801 | 2,015,448 | 2,061,623 | 2,113,000 | 2,181,012 |
| 21,456 | 21,170 | 23,001 | 301,211 | 37,991 | 157,923 |
| 13,738,249 | 14,387,847 | 14,795,934 | 14,934,355 | 15,485,306 | 15,854,565 |
| 34,254 | 32,296 | 30,468 | 62,257 | 27,365 | 13,131 |
| 1,027,046 | 970,997 | 943,839 | 922,858 | 939,178 | 926,920 |
| 5,707,498 | 5,947,220 | 6,181,467 | 8,107,415 | 6,452,098 | 8,354,949 |
| 7,905,846 | 7,976,463 | 8,018,485 | 6,543,937 | 8,216,120 | 6,669,886 |
| 7,987,545 | 8,061,698 | 8,218,753 | 8,106,949 | 8,506,858 | 8,679,013 |
| \$ 81,505,441 | \$ 82,873,945 | \$ 84,103,364 | \$ 85,496,445 | \$ 86,945,000 | \$ 88,543,660 |
| 1.5% | 1.7% | 1.5% | 1.7% | 1.7% | 1.8% |

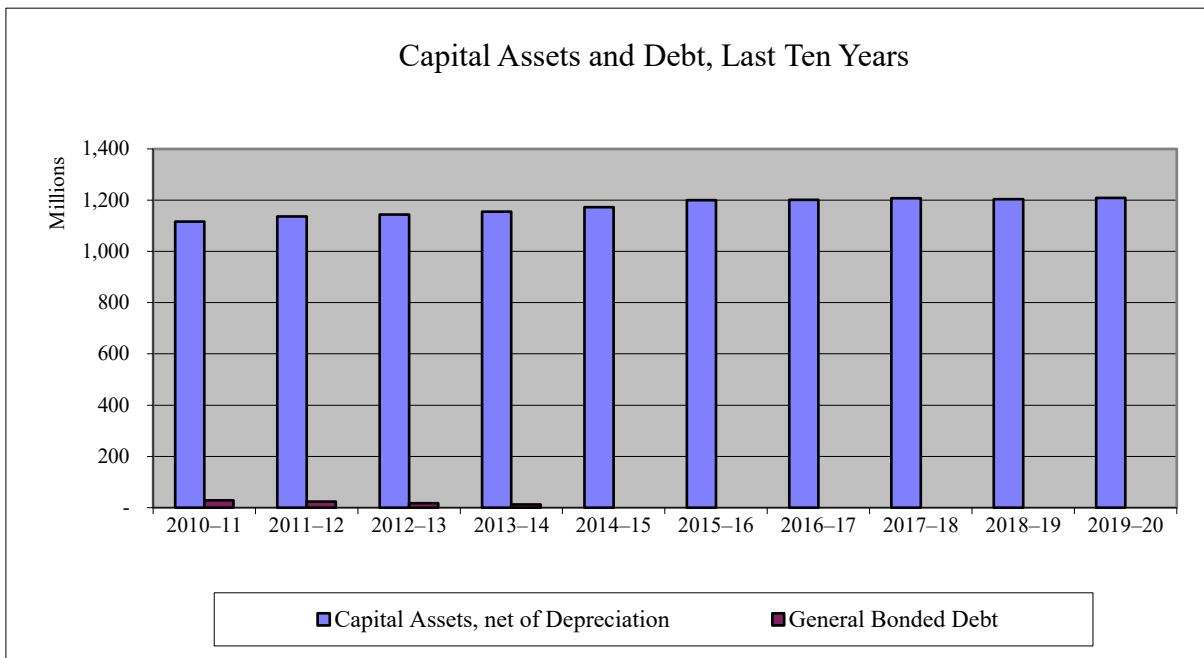


Canaveral Marshes Conservation Area

Debt Capacity

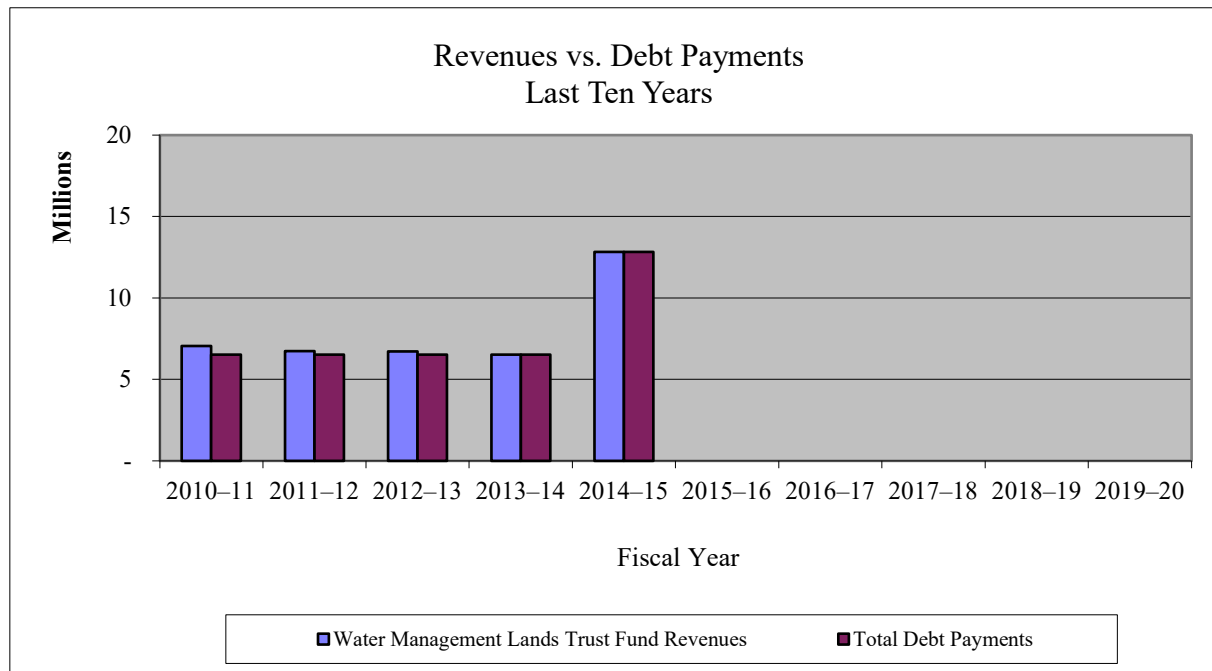
ST. JOHNS RIVER MANAGEMENT DISTRICT, FLORIDA
RATIO OF GENERAL BONDED DEBT TO CAPITAL ASSETS, NET OF
DEPRECIATION AND GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

| 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 |
|-------------|---------------------|-------------------------------------|----------------------------------|---------------------------------|--------------------------------|
| 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 | - | 1,172,379,975 | 0.00% | 4,867,285 | - |
| 2015–16 | - | 1,199,234,566 | 0.00% | 4,954,159 | - |
| 2016–17 | - | 1,200,386,597 | 0.00% | 5,022,469 | - |
| 2017–18 | - | 1,207,636,839 | 0.00% | 5,125,012 | - |
| 2018–19 | - | 1,203,496,683 | 0.00% | 5,252,872 | - |
| 2019–20 | - | 1,208,369,100 | 0.00% | 5,356,402 | - |



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 |
|-------------|--|------------|-----------------------------|------------|----------|
| 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 |
| 2015–16 | - | - | - | - | - |
| 2016–17 | - | - | - | - | - |
| 2017–18 | - | - | - | - | - |
| 2018–19 | - | - | - | - | - |
| 2019–20 | - | - | - | - | - |





River Lakes Conservation Area

Demographic and Economic Information

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Alachua* | 196,732 | 196,281 | 197,261 | 206,852 | 198,585 | 200,251 |
| Baker* | 26,413 | 26,423 | 26,368 | 26,397 | 26,423 | 26,372 |
| Bradford* | 1,215 | 1,155 | 1,154 | 5,557 | 5,544 | 5,570 |
| Brevard | 545,184 | 545,625 | 548,424 | 552,427 | 561,714 | 568,919 |
| Clay | 191,143 | 192,071 | 192,843 | 197,403 | 201,277 | 205,321 |
| Duval | 864,601 | 869,729 | 876,075 | 890,066 | 905,574 | 923,647 |
| Flagler | 96,241 | 97,160 | 97,843 | 99,121 | 101,353 | 103,095 |
| Indian River | 138,694 | 139,446 | 139,586 | 140,955 | 143,326 | 146,410 |
| Lake* | 297,519 | 298,928 | 302,559 | 309,117 | 315,936 | 323,337 |
| Marion* | 231,458 | 232,326 | 233,735 | 210,572 | 218,965 | 221,971 |
| Nassau | 73,684 | 73,745 | 74,661 | 75,321 | 76,536 | 77,841 |
| Okeechobee* | 746 | 744 | 744 | 1,434 | 1,442 | 1,469 |
| Orange* | 869,743 | 883,720 | 904,038 | 875,560 | 870,632 | 889,869 |
| Osceola* | 959 | 983 | 1,009 | 296 | 259 | 323 |
| Putnam* | 74,052 | 73,158 | 72,605 | 72,523 | 72,756 | 72,972 |
| St. Johns | 192,852 | 196,071 | 201,541 | 207,443 | 213,566 | 220,257 |
| Seminole | 424,587 | 428,104 | 431,074 | 437,086 | 442,903 | 449,124 |
| Volusia | 495,400 | 497,145 | 498,978 | 503,851 | 510,494 | 517,411 |
| SJRWMD Total | 4,721,223 | 4,752,814 | 4,800,498 | 4,811,981 | 4,867,285 | 4,954,159 |
| Annual Percentage Increase | 0.4% | 0.7% | 1.0% | 0.2% | 1.1% | 1.8% |

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.

| 2017 | 2018 | 2019 | 2020 |
|------------------|------------------|------------------|------------------|
| 193,338 | 195,783 | 206,360 | 209,665 |
| 26,606 | 27,057 | 27,712 | 28,075 |
| 2,438 | 2,475 | 5,794 | 5,790 |
| 575,211 | 583,563 | 594,469 | 606,671 |
| 208,549 | 212,034 | 215,246 | 219,575 |
| 936,811 | 952,861 | 970,672 | 982,080 |
| 105,157 | 107,511 | 110,635 | 114,173 |
| 148,962 | 151,825 | 154,939 | 158,834 |
| 331,027 | 342,196 | 356,175 | 365,641 |
| 217,489 | 220,373 | 238,599 | 243,705 |
| 80,456 | 82,748 | 85,070 | 89,258 |
| 1,460 | 1,459 | 1,589 | 1,601 |
| 912,358 | 937,160 | 946,693 | 966,622 |
| 1,553 | 1,621 | 741 | 774 |
| 73,176 | 72,981 | 73,268 | 73,723 |
| 229,715 | 238,742 | 254,412 | 261,900 |
| 454,757 | 463,560 | 471,735 | 476,727 |
| 523,405 | 531,062 | 538,763 | 551,588 |
| 5,022,469 | 5,125,012 | 5,252,872 | 5,356,402 |
| 1.4% | 2.0% | 2.5% | 2.0% |

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Number of Employees ¹ | 718 | 591 | 591 | 588 | 591 |
| District Population ² | 4,752,814 | 4,800,498 | 4,811,981 | 4,867,285 | 4,954,159 |
| Employees Per 100,000 Population | 15.1 | 12.3 | 12.3 | 12.1 | 11.9 |

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

²St. Johns River Water Management District estimates

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| 582 | 574 | 565 | 550 | 536 |
| 4,954,159 | 5,022,469 | 5,125,012 | 5,252,872 | 5,356,402 |
| 11.7 | 11.4 | 11.0 | 10.5 | 10.0 |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TOP TEN NON-GOVERNMENT EMPLOYERS WITHIN A SINGLE COUNTY
FISCAL YEAR 2019-2020

| <u>Employer</u> | 2019 | | | 2010 | | |
|-----------------------------------|-----------------------------------|--------------------|----------------------|-----------------------------------|--------------------|----------------------|
| | <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 Co. | 75,000 | 1 | Orange | 58,000 | 1 | Orange |
| Florida Hospital/Adventist Health | 34,627 | 2 | Orange | 16,700 | 2 | Orange |
| Universal Orlando Resort | 27,000 | 3 | Orange | 13,000 | 4 | Orange |
| Orlando Health | 20,258 | 4 | Orange | 14,000 | 3 | Orange |
| University of Central Florida* | 13,483 | 5 | Orange | - | - | - |
| Baptist Health | 11,000 | 6 | Duval | 8,276 | 7 | Duval |
| UF Health Shands System | 10,324 | 7 | Alachua | 12,588 | 6 | Alachua |
| Health First | 8,500 | 8 | Brevard | 6,300 | 9 | Brevard |
| Lockheed Martin | 8,000 | 9 | Orange | 13,000 | 4 | Orange |
| Bank of America Merrill Lynch* | 7,700 | 10 | Duval | - | - | - |
| Harris Corporation | 7,500 | - | Brevard | 6,300 | 9 | Brevard |

* 2010 local government CAFR information is no longer available for University of Central Florida and Bank of America Merrill Lynch

Source: 2019 county and city CAFRs within the District's boundaries
2020 local government CAFR information is not yet available

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020* |
|----------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Alachua | 7.7% | 6.6% | 5.4% | 5.2% | 4.2% | 4.3% | 3.0% | 2.7% | 2.7% | 4.3% |
| Baker | 9.9% | 7.8% | 6.7% | 6.3% | 4.9% | 4.9% | 3.2% | 2.9% | 2.7% | 4.3% |
| Bradford | 8.8% | 7.2% | 5.7% | 5.6% | 5.0% | 4.3% | 3.0% | 2.7% | 2.7% | 4.6% |
| Brevard | 11.1% | 9.2% | 7.9% | 6.9% | 5.4% | 5.2% | 3.5% | 3.0% | 2.9% | 5.0% |
| Clay | 9.3% | 7.6% | 6.3% | 5.7% | 4.5% | 4.5% | 3.1% | 2.8% | 2.8% | 3.9% |
| Duval | 10.6% | 8.8% | 7.4% | 6.7% | 5.2% | 5.0% | 3.5% | 3.0% | 2.9% | 5.5% |
| Flagler | 14.1% | 11.6% | 10.2% | 7.5% | 5.9% | 5.5% | 3.8% | 3.5% | 3.3% | 5.5% |
| Indian River | 12.6% | 10.6% | 9.1% | 7.8% | 6.7% | 6.2% | 4.3% | 3.7% | 3.4% | 3.4% |
| Lake | 11.2% | 9.0% | 7.5% | 6.4% | 5.0% | 4.9% | 3.4% | 2.9% | 2.9% | 6.4% |
| Marion | 12.3% | 10.0% | 8.3% | 7.3% | 5.9% | 5.8% | 4.0% | 3.6% | 3.4% | 5.4% |
| Nassau | 9.6% | 7.7% | 6.2% | 5.8% | 4.6% | 4.6% | 3.2% | 2.7% | 2.7% | 3.9% |
| Okeechobee | 11.7% | 10.2% | 8.7% | 7.3% | 6.0% | 5.4% | 3.8% | 3.1% | 3.1% | 4.4% |
| Orange | 10.3% | 8.3% | 6.8% | 5.8% | 4.5% | 4.4% | 3.1% | 2.6% | 2.6% | 8.3% |
| Osceola | 11.6% | 9.3% | 7.5% | 6.7% | 5.3% | 5.0% | 3.6% | 3.0% | 3.0% | 10.1% |
| Putnam | 11.9% | 11.2% | 9.4% | 8.7% | 6.9% | 6.3% | 4.4% | 4.1% | 3.7% | 7.1% |
| St. Johns | 8.5% | 6.9% | 5.6% | 4.7% | 3.6% | 3.7% | 2.7% | 2.6% | 2.3% | 3.6% |
| Seminole | 9.7% | 7.8% | 6.4% | 5.6% | 4.4% | 4.3% | 3.0% | 2.5% | 2.6% | 5.5% |
| Volusia | 10.8% | 8.8% | 7.3% | 6.7% | 5.3% | 5.1% | 3.6% | 3.2% | 3.1% | 5.7% |
| SJRWMD | 10.5% | 8.6% | 7.1% | 5.9% | 4.9% | 4.8% | 3.3% | 2.9% | 2.9% | 5.4% |
| Florida | 10.5% | 8.6% | 7.2% | 6.1% | 5.4% | 4.9% | 3.6% | 3.0% | 2.9% | 6.3% |
| U.S. | 8.9% | 8.1% | 7.4% | 5.7% | 5.3% | 4.9% | 3.9% | 3.5% | 3.3% | 6.6% |

**Source: <http://www.floridajobs.org/workforce-statistics/workforce-statistics-data-releases/monthly-data-releases> 12/18/20*

** Data for October 2020. Not seasonally adjusted.*



Lake Monroe Conservation Area

Operating Information

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

| <u>Type of Ownership</u> | <u>Acres of Land or Conservation Easement Ownership</u> | | | | |
|---------------------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
| <u>Full Fee:</u> | | | | | |
| Acquired | 5,374 | 4 | 3,679 | -735 | -997 |
| Cumulative | 604,666 | 604,670 | 608,349 | 607,614 | 606,617 |
| <u>Conservation Easement :</u> | | | | | |
| Acquired | 5,086 | 1,178 | 4,800 | 3,520 | 15,424 |
| Cumulative | 99,285 | 100,463 | 105,263 | 108,783 | 124,207 |
| Total Acres | <u>703,951</u> | <u>705,133</u> | <u>713,612</u> | <u>716,397</u> | <u>730,824</u> |

| <u>Type of Ownership</u> | <u>Acres of Land or Conservation Easement Ownership</u> | | | | |
|---------------------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| <u>Full Fee:</u> | | | | | |
| Acquired | 4,756 | -155 | -90 | 309 | 714 |
| Cumulative | 598,169 | 598,014 | 597,924 | 598,233 | 598,947 |
| <u>Conservation Easement :</u> | | | | | |
| Acquired | 1,172 | 979 | -33 | 30 | 590 |
| Cumulative | 109,160 | 110,139 | 110,106 | 110,136 | 110,726 |
| Total Acres | <u>707,329</u> | <u>708,153</u> | <u>708,030</u> | <u>708,369</u> | <u>709,673</u> |

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

| Construction | | | | | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Type of Levee | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| USACE & Flood | | | | | | | | | | |
| Control | 165.00 | 170.10 | 170.10 | 121.08 | 121.08 | 121.08 | 121.08 | 121.08 | 115.00 | 115.00 |
| Farm | <u>147.00</u> | <u>147.00</u> | <u>147.00</u> | <u>196.02</u> | <u>196.02</u> | <u>196.02</u> | <u>196.02</u> | <u>196.02</u> | <u>175.00</u> | <u>175.00</u> |
| Total Miles | | | | | | | | | | |
| of Levees | <u>312.00</u> | <u>317.10</u> | <u>317.10</u> | <u>317.10</u> | <u>317.10</u> | <u>317.10</u> | <u>317.10</u> | <u>317.10</u> | <u>290.00</u> | <u>290.00</u> |

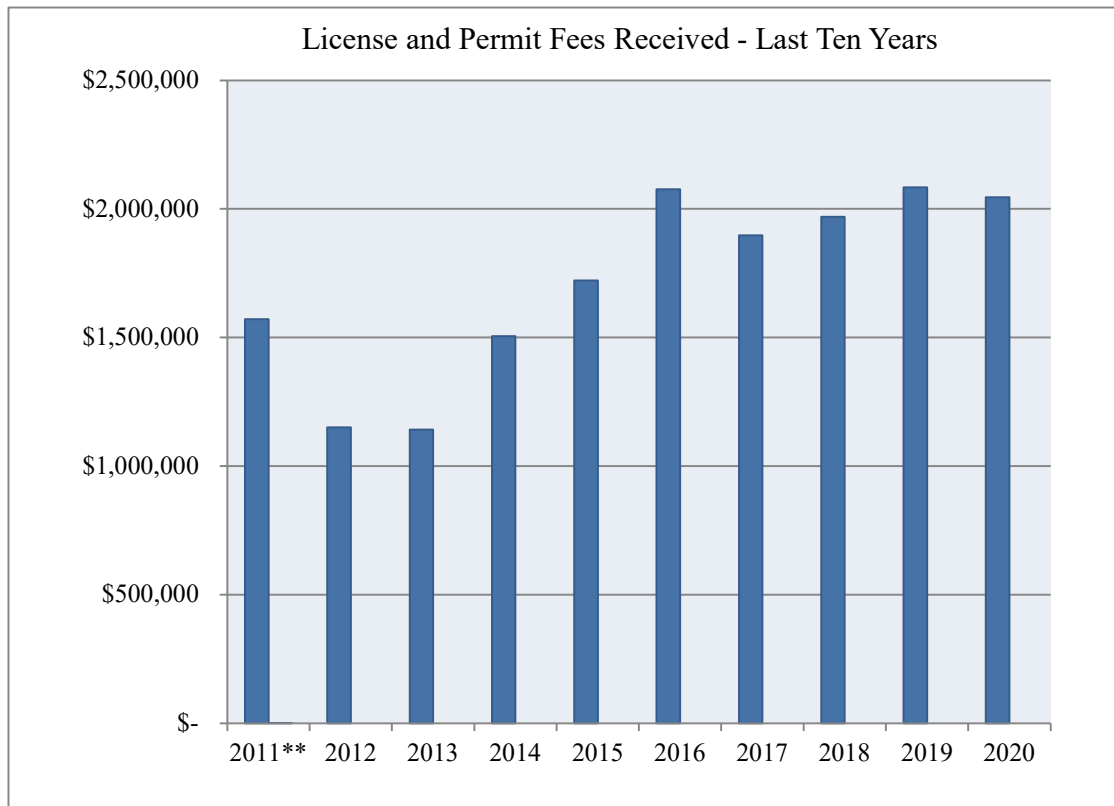
**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
PERMIT APPLICATIONS RECEIVED
LAST TEN FISCAL YEARS**

| Permit Category | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Environmental Resource | 1,387 | 1,338 | 1,731 | 2,113 | 2,271 | 2,571 | 2,645 | 1,932 | 2,748 | 2,089 |
| Consumptive Use | 225 | 275 | 205 | 171 | 108 | 118 | 141 | 327 | 332 | 270 |
| Water Well Construction | <u>631</u> | <u>442</u> | <u>480</u> | <u>529</u> | <u>324</u> | <u>267</u> | <u>247</u> | <u>237</u> | <u>202</u> | <u>142</u> |
| Total Applications | <u>2,243</u> | <u>2,055</u> | <u>2,416</u> | <u>2,813</u> | <u>2,703</u> | <u>2,956</u> | <u>3,033</u> | <u>2,496</u> | <u>3,282</u> | <u>2,501</u> |

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

| 2011** | 2012 | 2013 | 2014 | 2015 |
|---------------|--------------|--------------|--------------|--------------|
| \$ 1,571,181 | \$ 1,150,280 | \$ 1,141,451 | \$ 1,504,706 | \$ 1,721,156 |
| 2016 | 2017 | 2018 | 2019 | 2020 |
| \$ 2,076,949 | \$ 1,897,307 | \$ 1,968,953 | \$ 2,084,226 | \$ 2,045,357 |

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



Comprehensive Annual Financial Report

Other Reports Section



Great blue heron

**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 of
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 and each major fund of the St. Johns River Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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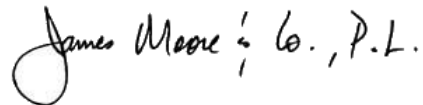
Website: www.jmco.com | Email: info@jmco.com | Member of AGN International with offices in principal cities worldwide

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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.

Daytona Beach, Florida
February 22, 2021

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

| Federal/State Agency, Pass-through Entity Federal Program/State Project | CFDA/ CSFA Number | Contract/ Grant Number | Total Expenditures | Expenditures to Subrecipients |
|--|----------------------------------|---------------------------------------|-------------------------------|--|
| FEDERAL AWARDS | | | | |
| U.S. Department of the Interior | | | | |
| Direct through Fish and Wildlife Service | | | | |
| Sportfishing and Boating Safety Act | | | | |
| Coastal Habitat Restoration Along Florida's East Coast | 15.622 | 33622 | \$ 45,139 | \$ - |
| Partners for Fish and Wildlife | | | | |
| Coastal Habitat Restoration Along Florida's East Coast | 15.631 | 33735 | 13,361 | - |
| Total Fish and Wildlife Service | | | <u>58,499</u> | <u>-</u> |
| U.S. Environmental Protection Agency | | | | |
| Pass through Florida Department of Environmental Protection | | | | |
| Water Quality Management Planning | | | | |
| Water Sampling for Temporal Variability Monitoring Network | 66.454 | 32568 | 65,630 | - |
| Total Florida Department of Environmental Protection | | | <u>65,630</u> | <u>-</u> |
| U.S. Department of Homeland Security | | | | |
| Pass through Florida Division of Emergency Management | | | | |
| Disaster Grants - Public Assistance - Hurricane Irma Relief | 97.036 | IRMA | 974,248 | - |
| Total Florida Department of Environmental Protection | | | <u>974,248</u> | <u>-</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 1,098,377</u> | <u>\$ -</u> |
| 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 | \$ 580,063 | \$ - |
| Land Sale - First Coast Expressway 5/1/18 | 37.022 | FF-6 | 37,676 | - |
| Restoration Activities - Land Management | 37.022 | 2019-12 | 2,250,000 | - |
| | | | <u>2,867,738</u> | <u>-</u> |
| Statewide Surface Water Restoration and Wastewater Projects | | | | |
| Eau Gallie River Muck Dredging | 37.039 | 27974 | 723,234 | - |
| Surface Water Sampling for the Status and GWTV Network | 37.039 | 31873 | 137,092 | - |
| Indian River Lagoon 2019 Seagrass Mapping | 37.039 | 35166 | 110,000 | - |
| St. Johns River and/or Keystone Heights Lake Region Restoration | 37.039 | 2017-06 | 173,930 | - |
| Lake Apopka Restoration Project | 37.039 | 2017-08 | 2,800,360 | - |
| St. Johns River and/or Keystone Heights Lake Region Restoration | 37.039 | 2018-03 | 224,118 | - |
| | | | <u>4,168,734</u> | <u>-</u> |

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

| Federal/State Agency, Pass-through Entity Federal Program/State Project | CFDA/ CSFA Number | Contract/ Grant Number | Total Expenditures | Expenditures to Subrecipients |
|--|----------------------------------|---------------------------------------|-------------------------------|--|
| Florida Springs Grant Program | | | | |
| Spring Initiative Projects | 37.052 | 27788 | 8,170 | 8,170 |
| Longwood Transmission Main for Septic Tank Abatement Program | 37.052 | 32294 | 501,156 | 501,156 |
| Ocala Wetland Groundwater Recharge Park | 37.052 | 32296 | 485,076 | 485,076 |
| Orange County Utilities Water Wise Program | 37.052 | 32385 | 24,979 | 24,979 |
| Agricultural Best Management Practices | 37.052 | 32411 | 45,590 | 45,590 |
| Volusia Blue Wetland Recharge Project | 37.052 | 34217 | 349,897 | - |
| Marion County SE 108 Water Main Interconnect | 37.052 | 34684 | 327,214 | 327,214 |
| Ocala Lower Aquifer LFA Conversion | 37.052 | 34687 | 156,502 | 156,502 |
| Ocala Southwood Villas & East Lake Weir Septic Tank Connections | 37.052 | 34688 | 357,754 | 357,754 |
| Altamonte Springs Regional Water Reclamation Facility | 37.052 | 34690 | 2,287,026 | 2,287,026 |
| Volusia County Water Conservation | 37.052 | 34814 | 12,606 | 12,606 |
| Deltona West Volusia Water Suppliers (WVWS) Aquifer Recharge Phase 1 | 37.052 | 35105 | 267,609 | 267,609 |
| Deltona Reclaimed Water (RCW) Retrofits | 37.052 | 35114 | 434,780 | 434,780 |
| DeLand Spring Hill Septic to Sewer Conversion | 37.052 | 35302 | 27,888 | 27,888 |
| Field Evaluation of In-Lake Treatments to Reduce Water Column Phosphorus in Lake Jesup | 37.052 | 35309 | 10,537 | 10,537 |
| Ocoee Hammocks Reclaimed Water Retrofit | 37.052 | 35319 | 7,922 | 7,922 |
| Marion County Silver Springs Shores Regional Capacity Improvements and Package Plant Removal | 37.052 | 35333 | 1,406,254 | 1,406,254 |
| Volusia County Wastewater Infrastructure for Blue Spring | 37.052 | 35342 | 456,074 | 456,074 |
| FGUA Mount Plymouth Wastewater Treatment Plant Nutrient Reduction Improvements Project | 37.052 | 35356 | 257,850 | 257,850 |
| | | | <u>7,424,884</u> | <u>7,074,987</u> |
| Water Quality Best Management Practices Program | 37.080 | 34943 | <u>438,084</u> | <u>-</u> |
| Alternative Water Supply | | | | |
| WPSP Clay County Utility Authority Tynes Reclaimed Project | 37.100 | 35698 | 250,000 | 250,000 |
| City of Altamonte Springs, Regional Water Reclamation Facility Improvements | 37.100 | 35263 | 448,385 | 448,385 |
| | | | <u>698,385</u> | <u>698,385</u> |
| Innovative Technologies | | | | |
| Lake Minneola Harmful Algal Bloom Management | 37.103 | 35759 | 4,000 | - |
| Intact Cellular Algae Harvesting in Lake Jesup | 37.103 | 35747 | 212,400 | - |
| | | | <u>216,400</u> | <u>-</u> |

(Continued)

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

| Federal/State Agency, Pass-through Entity Federal Program/State Project | CFDA/ CSFA Number | Contract/ Grant Number | Total Expenditures | Expenditures to Subrecipients |
|--|----------------------------------|---------------------------------------|-------------------------------|--|
| Water Quality Enhancement and Accountability Expanded and Enhanced Water Quality Monitoring | 37.105 | 35567 | 463,698 463,698 | - - |
| Total Florida Department of Environmental Protection | | | <u>16,277,922</u> | <u>7,773,372</u> |
| Florida Fish and Wildlife Conservation Commission | | | | |
| Direct Projects | | | | |
| Lake Apopka Restoration Lake Apopka Water Quality and Ecology Improvements | 77.030 | 27876 | 460,667 | - |
| Florida Boating Improvement Program Fellsmere Water Management Area Boat Ramp | 77.006 | 34995 | 406,465 | - |
| Total Florida Fish and Wildlife Conservation Commission | | | <u>867,132</u> | <u>-</u> |
| Florida Department of Highway Safety and Motor Vehicles | | | | |
| Direct Projects | | | | |
| Revenue Transfer Agreement for Indian River Lagoon License Plate | 76.010 | IRLTAG | 125,696 125,696 | 125,696 125,696 |
| TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE | | | <u>17,270,751</u> | <u>7,899,068</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE | | | <u>\$ 18,369,127</u> | <u>\$ 7,899,068</u> |

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

Basis of Presentation

The Schedule of Expenditures of Federal Awards and State Financial Assistance is prepared on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Encumbrances are used during the year for budgetary control purposes. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Reporting Entity

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

Pass-Through Awards

Pass-through entity identifying numbers are presented where available. Amounts passed through by the District to its subrecipients during the fiscal year ended September 30, 2020 are reported on the Schedule in a separate column.

Administrative Cost Allowance

The St. Johns River Water Management District has elected not to use the 10% de minimis indirect cost rate as outlined in the Uniform Guidance.

Comprehensive Annual Financial Report

Management Letter Section



Freshwater turtles

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND MAJOR STATE PROJECT AND REPORT ON
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, SECTION 215.97,
FLORIDA STATUTES, AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major Federal Program and State Project

We have audited St. Johns River Water Management District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the District's major Federal programs and State projects for the year ended September 30, 2020. The District's major Federal programs and State projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its Federal awards and State projects applicable to its Federal programs and State projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs and 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules 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 State project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination of the District's compliance.

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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 State projects for the year ended September 30, 2020.

Report on Internal Control Over Compliance

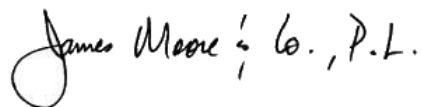
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules 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 the 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 as combination of deficiencies, in internal control over compliance with the 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. Given these limitations, during out audit 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 results of that testing based on the requirements of the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Daytona Beach, Florida
February 22, 2021

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

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X none reported

Auditee qualified as a low-risk auditee? X yes _____ no

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Identification of major Federal programs:

| <u>CFDA Number</u> | <u>Program Name</u> |
|--------------------|---|
| 97.036 | Disaster Grants – Public Assistance – Hurricane Irma Relief |

State Financial Assistance:

Internal control over major State projects:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)**

Type of auditor's report issued on compliance for major
State projects:

Unmodified

Any audit findings disclosed that are required to be
reported for state financial assistance projects in
accordance with Chapter 10.550?

_____ yes X none reported

Dollar threshold used to distinguish between type A and
type B programs:

\$750,000

Identification of major State projects:

| <u>CSFA Number</u> | <u>Project Name</u> |
|--------------------|--|
| 37.022 | Water Management Districts – Land Acquisition and Improvement |
| 37.052 | Florida Springs Grant Program |

II. **Financial Statement Findings:** None

III. **Federal Awards Programs Findings and Questioned Costs:** None

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

V. **Prior Audit Findings:** Not applicable as no prior year findings have been reported.

VI. **Corrective Action Plan:** Not applicable as no current year findings have been reported.

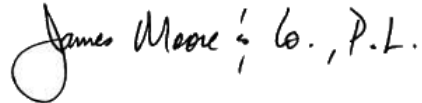
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the St. Johns River Water Management District's (the District) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. The District's management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020, in all material respects. An examination involves performing procedures to obtain evidence about the District's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, St. Johns River Water Management District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.



Daytona Beach, Florida
February 22, 2021

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

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

Report on the Financial Statements

We have audited the financial statements of St. Johns River Water Management District's (the District) as of and for the year ended September 30, 2020, and have issued our report thereon dated February 22, 2021.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Section 215.97, Florida Statutes, Florida Single Audit Act; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 22, 2021, 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 financial audit report. The District has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

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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. St. Johns River Water Management District was established by Chapter 373 of the Florida Statutes, known as the Florida Water Resources Act of 1972. There are no component units of the District to be disclosed as required by accounting principles generally accepted in the United State of America.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Monthly Financial Statements

Sections 10.554(1)(i)6.a. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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 provided a link on its Web site to the Florida Department of Financial Service's Web site.

Section 10.554(1)(i)6.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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.

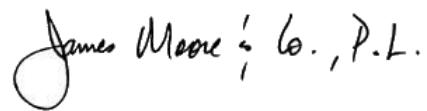
Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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.

Daytona Beach, Florida
February 22, 2021

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".



St. Johns River Water Management District
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