

2012 Popular Annual Financial Report



**Fiscal year ended
September 30, 2012**

St. Johns River Water Management District
A Component Unit of the State of Florida

District’s Mission

*“Ensure the sustainable use and protection of water resources for the
benefits of the people of the District and the state of Florida.”*



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St. Johns River Water Management District

Hans G. Tanzler III, Executive Director

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On the Internet at floridaswater.com.

May 2013

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

The St. Johns River Water Management District (District) presents its Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2012. The following pages provide a summary of the District's organizational structure, major initiatives, statistical data, and financial condition.

The financial information presented here is summarized and does not substitute for the Comprehensive Annual Financial Report (CAFR). The CAFR details the District's financial position and operating activities for each fiscal year, in conformity with generally accepted accounting principles (GAAP). This PAFR is not intended to conform to GAAP and associated reporting standards set forth by applicable governing bodies. Both the budget and CAFR have received awards for outstanding financial reporting from the Government Finance Officers Association.

This report is intended to provide a brief overview and better understanding of the District and its financial condition.

Other information regarding the District, including this PAFR, annual budget and CAFR, are available on the District's website at floridaswater.com.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Michael R. Givens'.

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

A handwritten signature in blue ink, appearing to read 'R. Gregory Rockwell'.

R. Gregory Rockwell, CPA
Finance Director

GOVERNING BOARD

Lad Daniels, CHAIRMAN
JACKSONVILLE

John A. Miklos, VICE CHAIRMAN
ORLANDO

Douglas C. Bournique, SECRETARY
VERO BEACH

Maryam H. Ghyabi, TREASURER
ORMOND BEACH

Chuck Drake
ORLANDO

Richard G. Hamann
GAINESVILLE

George W. Robbins
JACKSONVILLE

Fred N. Roberts, Jr.
OCALA

W. Leonard Wood
FERNANDINA BEACH

Overview of the District

The District is one of five regional water management districts (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).

Florida's water management districts are primarily funded with ad valorem taxes. Each district is governed by a Governing Board, whose members are appointed by Florida's governor and confirmed by the Florida Senate. The governor and Legislature have approval authority over the districts' budgets.

Water management 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 all or part of 18 counties in northeast and east-central Florida, covering a total area of 12,283 square miles, approximately 23 percent of the state's land area. An estimated 4.7 million people (25 percent of the state's population) live within the District's boundaries. There are nine major surface water basins within the District. The most prominent river within the District is the St. Johns, which flows north through its upper, middle, and lower basins. At 310 miles, it is the longest river located entirely in Florida. The District contains 96 springs and more than 1,400 lakes.

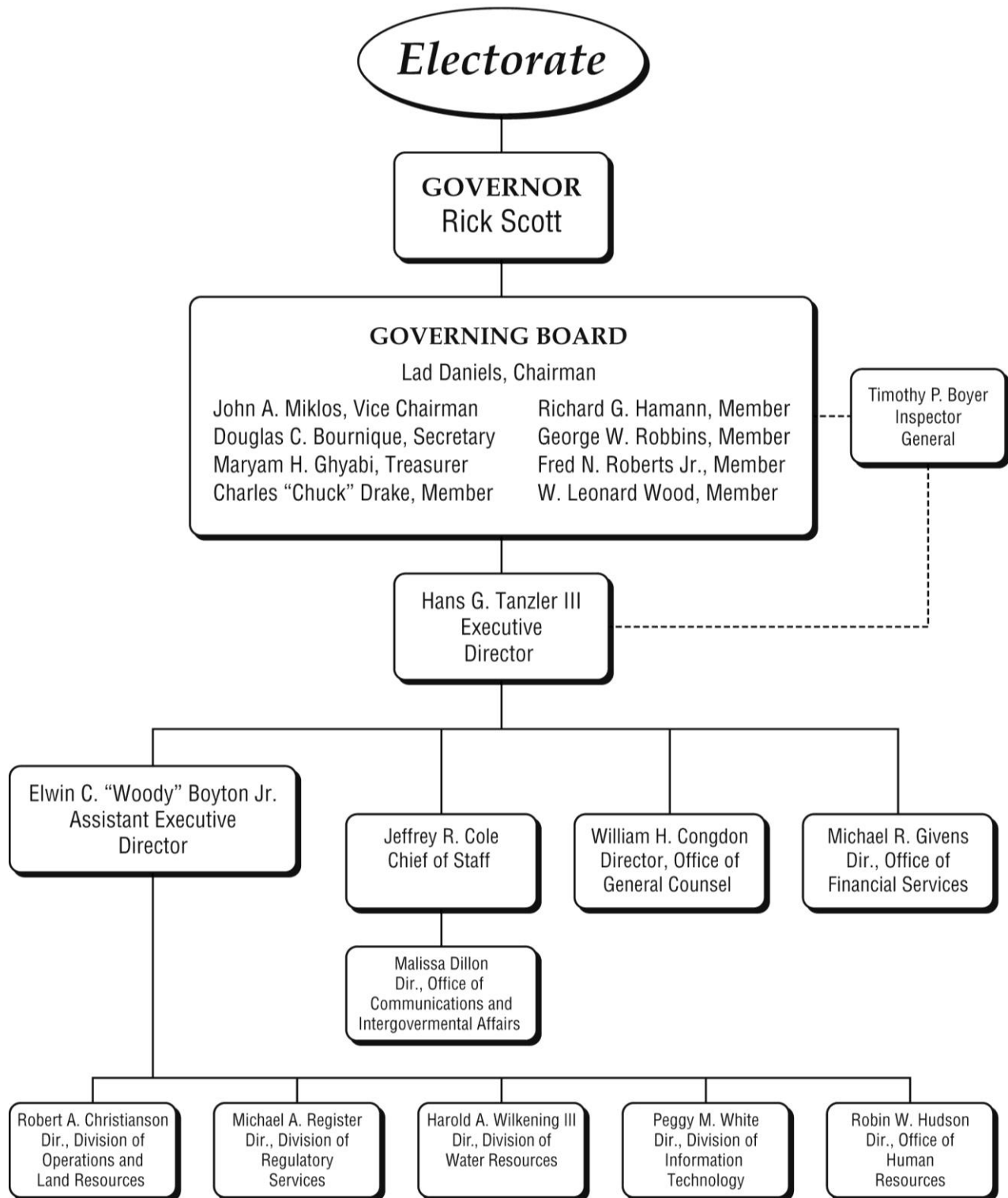
Core missions

- **Water supply** — To implement a regional strategy to provide sufficient water for users and the environment
- **Flood protection** — To prevent increases in flooding and operate and maintain the District's regional flood control projects
- **Water quality and natural systems protection and improvement** — To protect and improve water quality and natural systems of the District



District Organization

As of September 30, 2012



District Governing Board

The District's nine-member Governing Board oversees the agency, establishes policies, hires the executive director, executes regulatory responsibilities and approves contracts. Members meet monthly, are appointed by Florida's governor to four-year terms and serve without pay. The Florida Senate must confirm all appointments to the water management districts' boards. Learn more about these Board members at floridaswater.com/governingboard.



Lad Daniels
Chairman
Jacksonville
At-Large seat
Term: April 2011–
March 2015



John A. Miklos
Vice Chairman
Orlando
At-Large Seat
Term: March
2010–March 2014



Douglas C. Bournique
Secretary
Vero Beach
Area 5
Term: April 2008–
March 2016



Maryam H. Ghyabi
Treasurer
Ormond Beach
At-Large Seat
Term: May 2009–
March 2017



Charles "Chuck" Drake
Orlando
Area 4
Term: April
2011–March 2015



Richard G. Hamann
Gainesville
At-Large Seat
Term: May 2009–
May 2013



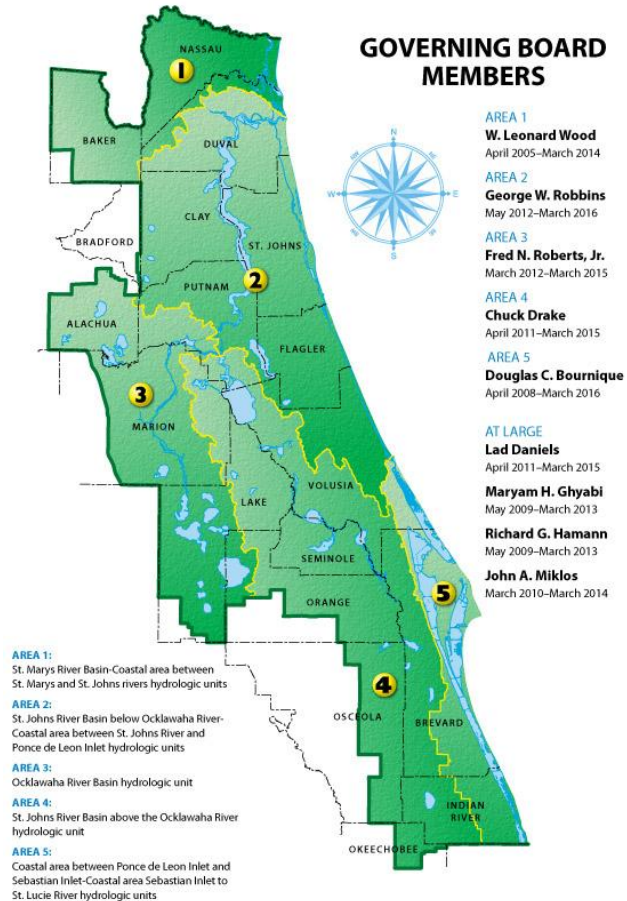
George W. Robbins
Jacksonville
Area 2
Term: May 2012–
March 2016



Fred N. Roberts Jr.
Ocala
Area 3
Term: March 2012–
March 2015



W. Leonard Wood
Fernandina Beach
Area 1
Term: April 2005–
March 2014



Strategic Initiatives

- **Springs protection**

- The objective of this initiative is to formulate and implement science-based projects that will be effective in holistic restoration and protection of major springs. The initial focus will be on Silver Springs and the springs of the Wekiva River.



Fern Hammock Springs

- **North Florida Regional Water Supply Partnership**

- The Suwannee River and St. Johns River water management districts and Florida Department of Environmental Protection are working together to ensure the protection of water resources and related natural systems, and identify sustainable water supplies for all reasonable-beneficial uses in north Florida.

- **Central Florida Water Initiative (CFWI)**

- The objective of this initiative is to ensure sustainable water supplies and protection of water-dependent natural systems in central Florida, with the goal of identifying the level of sustainable groundwater supplies throughout the region.

- **Minimum flows and levels (MFLs) prevention and recovery**

- The objective of this initiative is to ensure that MFLs will be met while providing for sufficient water supplies. This initiative focuses on increased water conservation and efficiencies in water use, development of alternative water supplies, optimization of groundwater withdrawals, and regional water supply development.

- **Flood protection — levee/structure rehabilitation**

- The objective of this initiative is to reduce flooding risk and protect sensitive lands. This initiative will address two issues associated with these flood control systems: major repairs to water control structures due to normal wear and tear; development and implementation of a



C-54 water control structure, upper St. Johns River

System-Wide Improvement Framework to remedy system deficiencies identified in U.S. Army Corps of Engineers inspections.

Strategic Initiatives (Concluded)

- **Upper St. Johns River Basin restoration**
 - The objective of this initiative is to complete construction and undertake ongoing operation of the headwaters restoration project to maximize benefits to the St. Johns River system.
- **Middle and Lower St. Johns River water quality improvement**
 - The objective of this initiative is to restore the water quality in the middle and lower reaches of the St. Johns River by reducing nutrient discharges (primarily phosphorus and nitrogen).
- **Lake Apopka and Upper Ocklawaha River Basin restoration and lake level management**
 - The objective of this initiative is to restore Lake Apopka and the Upper Ocklawaha River Basin by reducing nutrient discharges (specifically phosphorus) and refining lake level management. Revisiting lake level management and setting MFLs are the most important projects to complete in this basin. In addition to water quality and natural systems, this initiative also provides flood control in the basin.
- **Land management enhancement**
 - The objective of this initiative is to manage sensitive lands for protection of ecological value. Focus is on altering the structure or species mix of existing vegetation to either more closely mimic natural conditions or to improve function or habitat characteristics.
- **Indian River Lagoon protection**
 - The objective of this initiative is to restore the water quality and ecological habitat value of the Indian River Lagoon. This initiative will support the additional data collection, analysis, and modeling needed to deduce the fundamental causes of the blooms as a basis for development of an improved management plan.

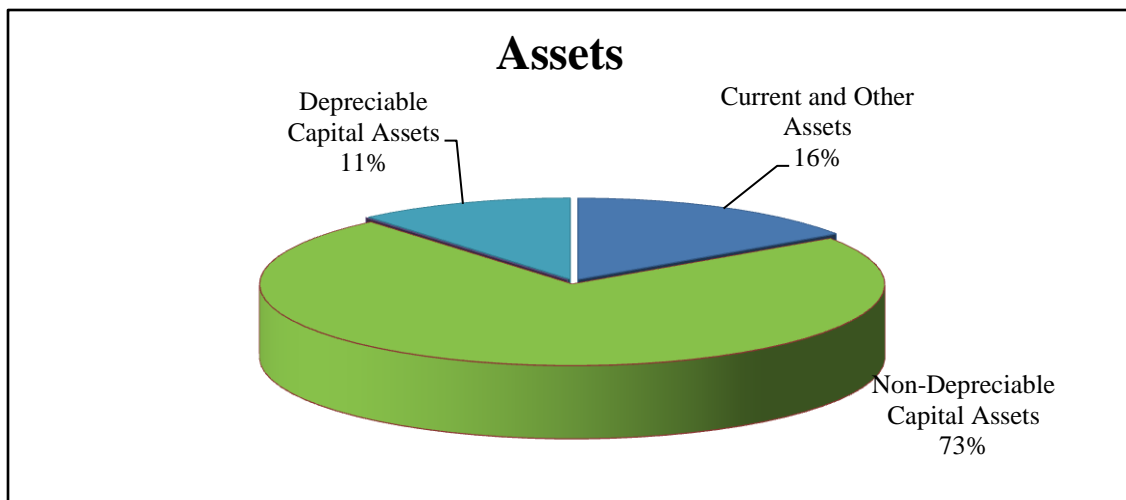


Financial Condition

The District's Statement of Net Position reports assets of \$1.34 billion and liabilities of \$58 million, with the difference of \$1.28 billion reported as Net Position. Changes in Net Position between reporting periods and over time are a good indicator of whether an entity's financial condition or fiscal health is improving. The Condensed Statement of Net Position below, which compares the District's financial condition for its two most recent years of operation, shows modest improvement from the prior year.

Condensed Statement of Net Position as of September 30

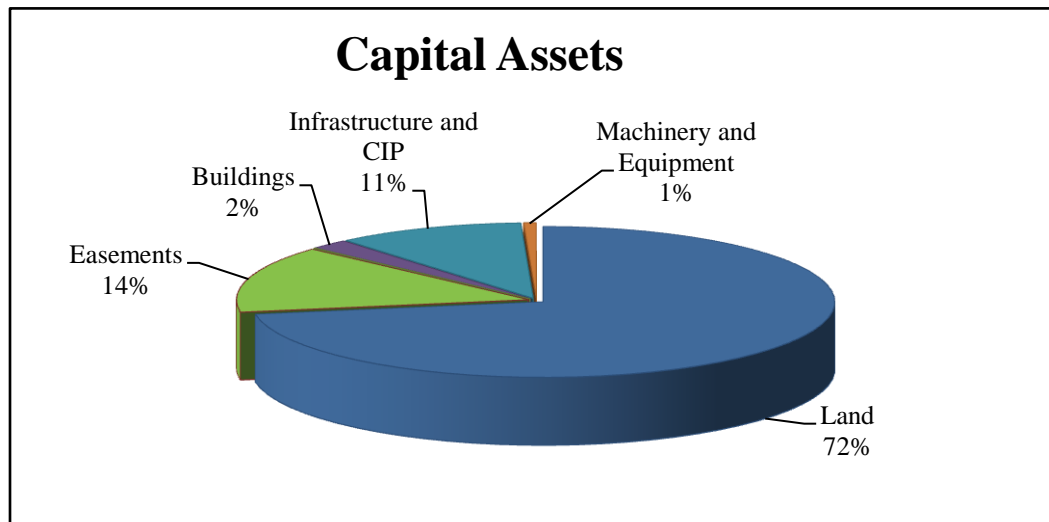
	2012	2011	%Change
Assets			
Current and other assets	\$ 208,346,388	\$ 216,227,376	-4%
Non-Depreciable Capital Assets	985,977,056	970,670,818	2%
Depreciable Capital Assets	150,018,160	145,493,485	3%
Total Assets	1,344,341,604	1,332,391,679	1%
Liabilities			
Current Liabilities	22,410,093	27,026,347	-17%
Current Portion Long-Term Obligations	8,584,170	7,392,993	16%
Non-Current Obligations Net of Current Portion	27,440,677	32,804,956	-16%
Total Liabilities	58,434,940	67,224,296	-13%
Net Assets			
Net Investment in Capital Assets	1,112,241,722	1,086,938,685	2%
Restricted	32,804,322	33,005,869	-1%
Unrestricted	140,860,620	145,222,829	-3%
Total Net Position	\$ 1,285,906,664	\$ 1,265,167,383	2%



Financial Condition

(Continued)

The largest reported category of District assets by far, are capital assets. Capital assets are assets that are expected to remain useful over multiple years, such as land, land easements (these are reported as non-depreciable assets), buildings, machinery, and other equipment such as computers and vehicles (these are reported as depreciable assets). Accounting rules require that these assets be reported at their original cost. The statement of net position reports capital assets as approximately 85% of all District assets while the chart below shows that land represents 72% of the capital assets group. The following shows the amounts for each of the categories of capital assets.



Ownership of land and active land management are fundamental to the District's core missions of water supply, flood protection, water quality, and natural systems protection as reflected in the composition of the District's assets. Throughout its 18 county service area, the District owns and/or actively manages approximately 700,000 acres, owns and maintains more than 300 miles of levees, and owns and operates 15 dams and other major water control structures. Virtually all District land is open to the public for recreational activities that are compatible with conservation.

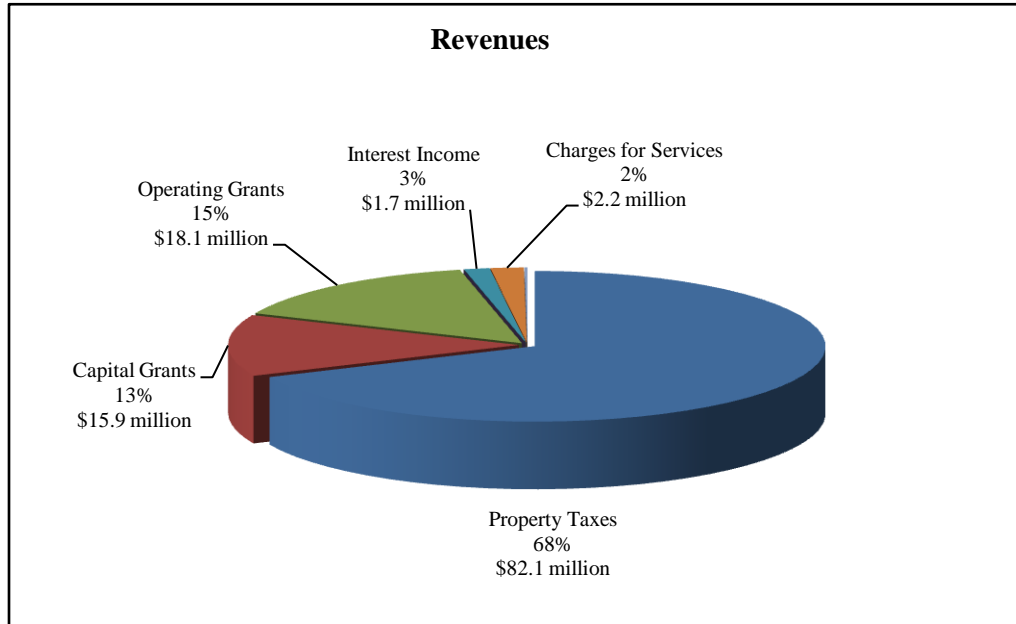
The District spent the last year evaluating every parcel of land it owns to determine its continued contribution to the District's conservation and water resources protection goals. Soon after the end of FY 2011–2012, the Governing Board approved the following recommendations from that process:

1. Retain 569,779 acres, which represents 92 percent of District-owned lands.
2. Donate 25,091 acres to local governments and retain conservation easements on those lands.
3. Sell 6,574 acres and retain easements to protect the lands' conservation values.
4. Surplus to sell/exchange 3,591 acres of land that have lower conservation value, have land management issues, or are no longer needed for the original purpose of the acquisition.
5. Convert 13,388 acres to alternative uses, such as leases allowing for forestry activities or peat removal.

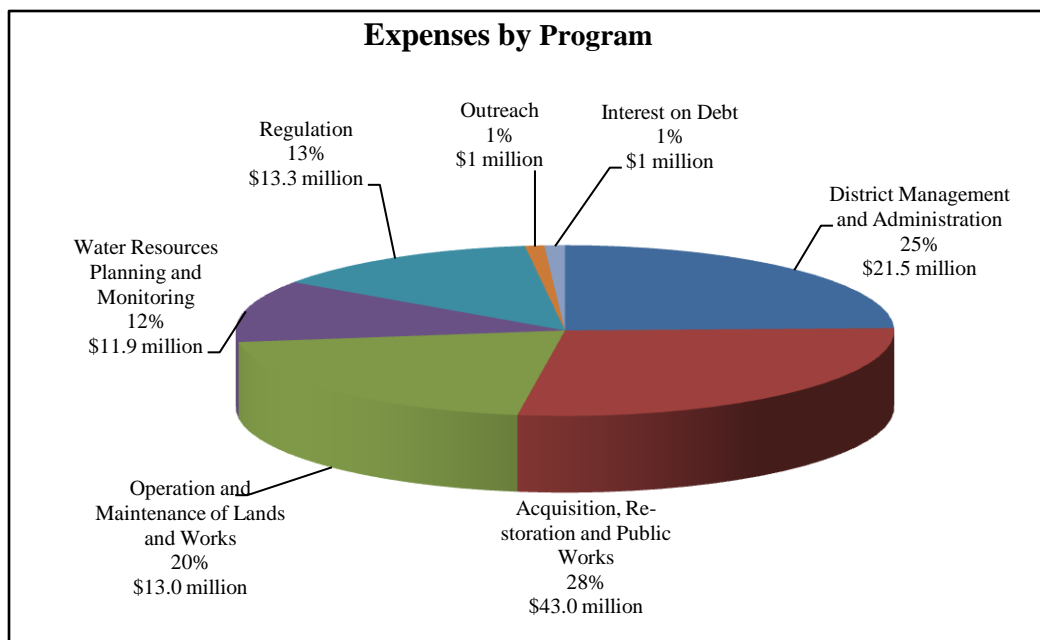
Financial Condition

(Continued)

The chart below shows the District receives most of its resources from property taxes. Various grants from federal and state agencies and charges for services (permit fees, etc.) are also used to support operations and capital programs.



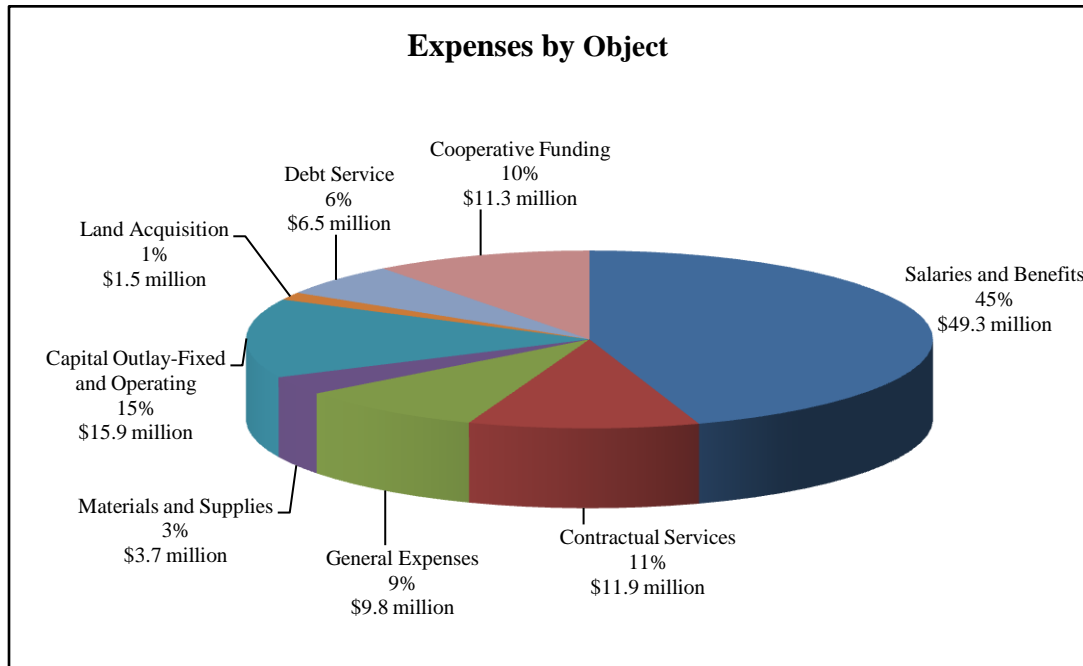
The following charts provide different views of District spending. The first chart shows District spending grouped by functional programs, with spending on land management reflected in the combined program costs of Acquisition/Restoration and Operation and Maintenance of Land. The District did not make any significant land acquisitions during the most recent fiscal year.



Financial Condition

(Concluded)

This second chart groups the same spending amounts for the year by recognizable types common to most businesses.



Looking forward, the District remains focused on the implementation of a sustainable business model that:

1. Relies on current period revenues to provide current period services
2. Contains realistic assumptions for both revenue and expenses that are based on long-term trends and recent results
3. Provides resources adequate for operations, maintenance of capital assets, acquisitions of high conservation value lands, and cooperative funding of member agency capital programs

The District is committed to protecting and enhancing its assets to ensure the greatest benefit to the public.

Demographic Statistics

**St. Johns River Water Management District
Demographic Statistics — Population by County, District Full-Time Employees,
Number of District Employees Per 100,000 Population and Unemployment Rates
Last Five Fiscal Years**

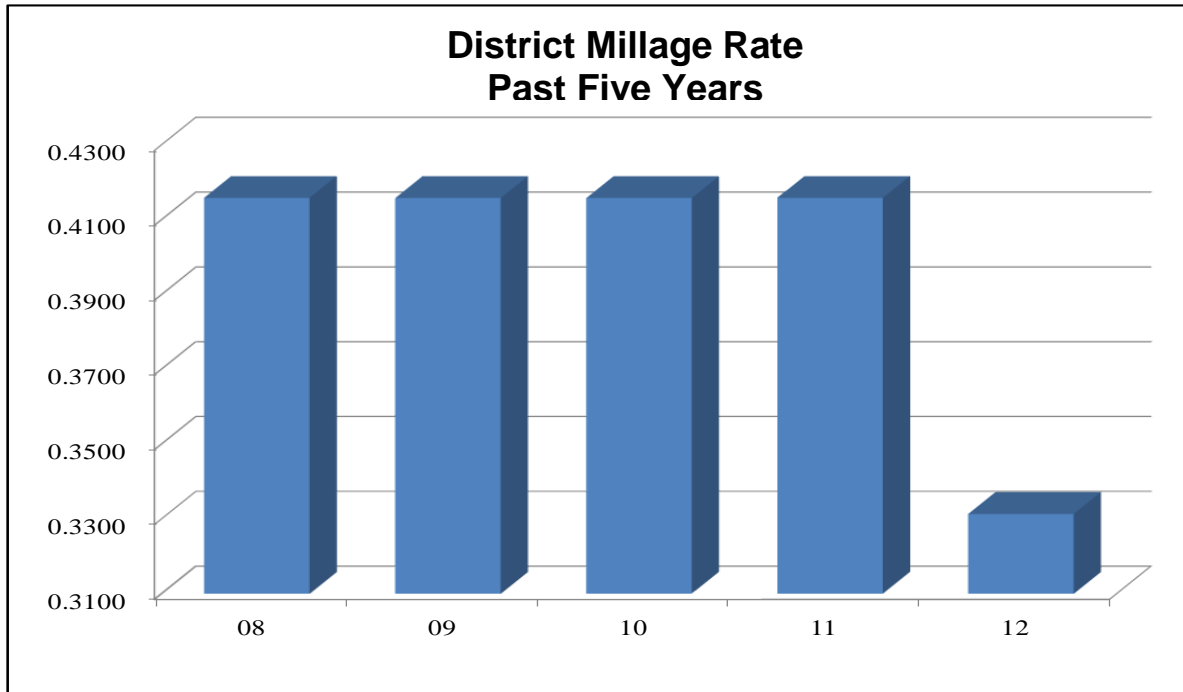
	2008	2009	2010	2011	2012
Alachua*	200,740	203,807	196,731	196,732	198,335
Baker*	25,396	25,404	26,597	26,413	26,847
Bradford*	1,233	1,233	1,209	1,215	1,215
Brevard	556,213	555,657	543,376	545,184	549,188
Clay	185,168	185,208	190,865	191,143	194,557
Duval	904,971	900,518	864,263	864,601	870,251
Flagler	95,512	94,901	95,696	96,241	99,306
Indian River	141,667	141,634	138,028	138,694	140,421
Lake*	287,656	291,263	296,309	297,519	303,239
Marion*	229,827	230,548	231,147	231,458	234,957
Nassau	71,915	72,588	73,314	73,684	74,913
Okeechobee*	750	742	748	746	750
Orange*	837,921	833,325	861,186	869,743	882,792
Osceola*	955	955	940	959	984
Putnam*	74,989	74,608	74,364	74,052	74,189
St. Johns	181,180	183,572	190,039	192,852	198,114
Seminole	426,413	423,759	422,718	424,587	427,965
Volusia	510,750	507,105	494,593	495,400	498,050
Total	4,733,256	4,726,827	4,702,123	4,721,223	4,776,073
Annual					
Increases	1.0%	-0.1%	-0.5%	0.4%	1.2%
District Full-Time					
Employees	717	717	717	717	591
Employees per 100,000					
Population	15.1	15.2	15.2	15.2	12.4
<u>Unemployment Rates</u>					
District	6.0%	11.0%	12.0%	10.5%	8.1%
Florida	6.3%	10.2%	12.0%	10.5%	8.2%
U.S.	5.8%	9.3%	9.6%	8.9%	7.8%

Sources: University of Florida Bureau of Economic and Business Research. Local Area Unemployment Statistics

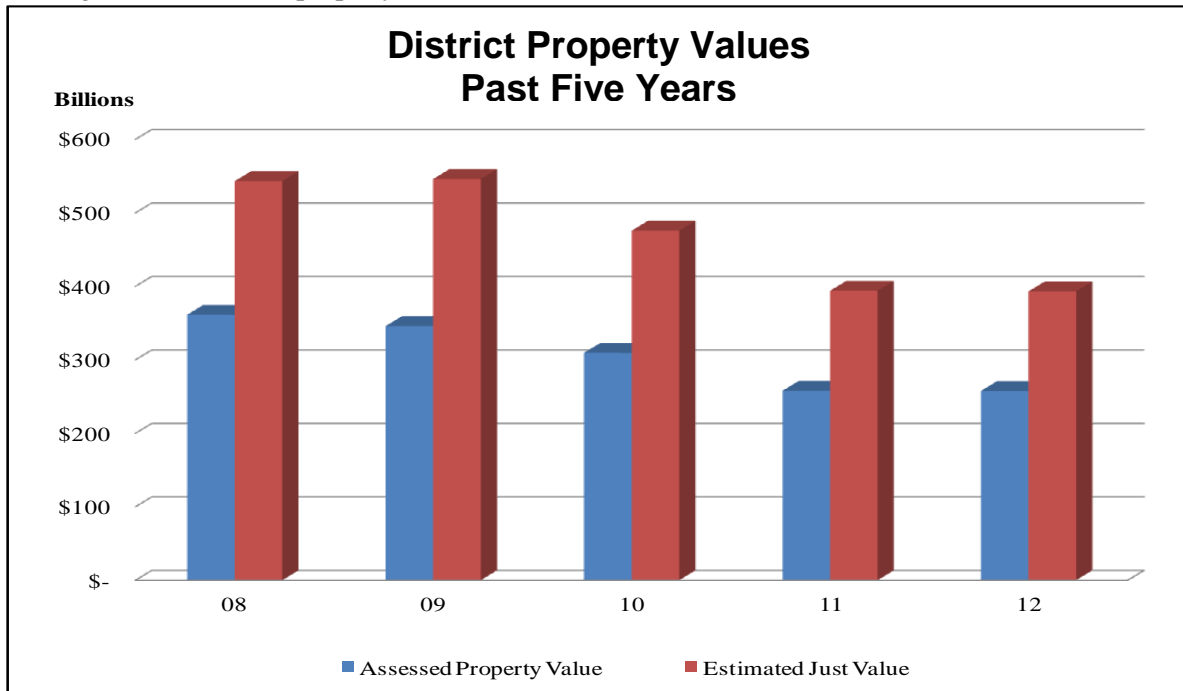
*St. Johns River Water Management District estimated county population based on geographic boundaries that lie within the District.

Demographic and Economic Statistics

The District's ad valorem tax rate has decreased from 0.4158 mills in 2008 to 0.3313 mills in 2012, an overall decrease of 20.32%.

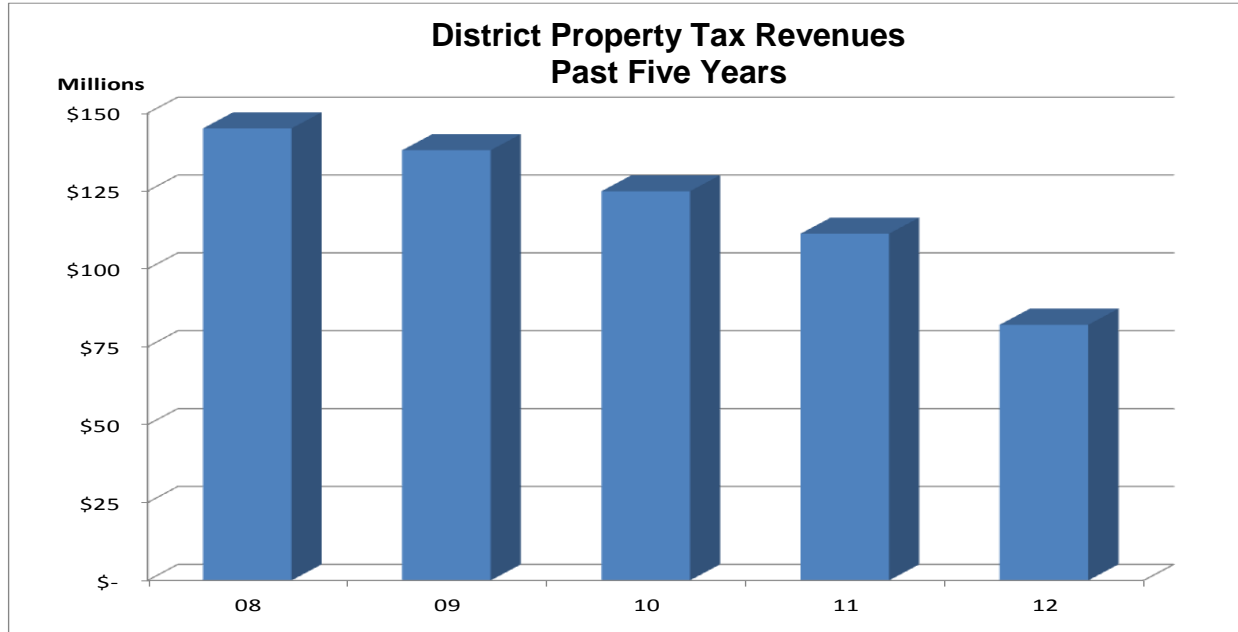


Starting in 2009, Florida property values have declined.



Demographic and Economic Statistics (Continued)

The District's property tax revenues were \$82.1 million in 2012.



Contact Information

District Headquarters Switchboard operator	(386) 329-4500 or (800) 451-7106
Executive Office	(386) 329-4101
Chief of Staff.....	(386) 329-4435
District Clerk.....	(386) 329-4127
Inspector General	(386) 329-4105
Office of Financial Services.....	(386) 329-4500
Office of General Counsel	(386) 329-4496
Office of Human Resources.....	(386) 329-4131
Division of Regulatory Services	(386) 329-4500
Division of Information Technology	(386) 329-4176
Division of Operations and Land Resources.....	(386) 329-4470
Division of Water Resources	(386) 329-4240
Permitting, general information	(386) 329-4400
Permitting, environmental resource permits	(386) 329-4266
Permitting, consumptive use permits	(386) 329-4266



For a complete listing of employees and contacts by topic, please see the District's website at floridaswater.com/contactus.



Triple N Ranch Wildlife Management Area

St. Johns River Water Management District
Office of Financial Services
4049 Reid Street
P.O. Box 1429
Palatka, FL 32177

floridaswater.com

