



St. Johns River Water Management District

Michael A. Register, P.E., Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • 386-329-4500 • www.sjrwmd.com

Sent Via Email

April 13, 2022

Sherrill F. Norman
Florida Auditor General
111 West Madison Street
Tallahassee, FL 32399
flaudgen@aud.state.fl.us

Re: St. Johns River Water Management District Annual Comprehensive Financial Report

Dear Auditor General Norman:

In accordance with Section 373.536(6), *Florida Statutes*, the St. Johns River Water Management District's (District) Annual Comprehensive Financial Report for Fiscal Year 2020–2021 is provided for your review. This report contains the financial audit completed of the District for the fiscal year ending September 30, 2021. This report was approved by the Governing Board at its public meeting on April 12, 2022, and is available online at www.sjrwmd.com/documents/financial/#statements.

Please do not hesitate to contact me if you need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Register', is written over a light blue circular background.

Michael A. Register, P.E.
Executive Director

Attachment: Annual Comprehensive Financial Report

GOVERNING BOARD

Rob Bradley, CHAIR
FLEMING ISLAND

Maryam H. Ghyabi-White, VICE CHAIR
ORMOND BEACH

J. Chris Peterson, SECRETARY
WINTER PARK

Ron Howse, TREASURER
COCOA

Ryan Atwood
MOUNT DORA

Doug Bournique
VERO BEACH

Douglas Burnett
ST. AUGUSTINE

Cole Oliver
MERRITT ISLAND

Janet Price
FERNANDINA BEACH

Annual Comprehensive Financial Report



Fiscal year ended
September 30, 2021

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT



ST. JOHNS RIVER WATER MANAGEMENT DISTRICT

A Component Unit of the State of Florida

Fiscal year ended September 30, 2021

Prepared by
Office of Financial Services
R. Gregory Rockwell, CPA, Accounting Director
Victoria Kroger, Office Director

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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Annual Comprehensive Financial Report

Introductory Section



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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

Michael A. Register, P.E., 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: Annual Comprehensive Financial Report — Fiscal Year (FY) 2020–2021

Date: March 8, 2022

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 Annual Comprehensive Financial Report (ACFR) for the District is hereby issued for the fiscal year ended September 30, 2021.

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, 2021, 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

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Ryan Atwood
MOUNT DORA

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Doug Boumique
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ST. AUGUSTINE

J. Chris Peterson, SECRETARY
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Cole Oliver
MERRITT ISLAND

Ron Howse, TREASURER
COCOA

Janet Price
FERNANDINA BEACH

The independent audit of the District's basic financial statements was part of a broader state mandated "Single Audit" designed to meet the special needs of 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 xix.

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 2020–2021, a little less than a third of the District’s total final budget (\$285.4 million) was funded by property taxes (\$90.9 million). The District’s total taxable assessed property values were \$411.4 billion. The Florida housing market soared during the pandemic with Documentary Stamp Tax collections in FY 2020–2021 topping the FY 2005–2006 peak reached at the height of Florida’s housing boom. This milestone was particularly remarkable considering the prior year (FY 2019–2020) registered only 70.8 percent of that level after steadily increasing for 10 years from a low of 26.6 percent. The market environment supporting this result primarily resulted from record low interest rates resulting from the Federal Reserve’s actions to stem the severity of the pandemic’s economic disruption in the second quarter of 2020¹.

Housing Starts — Single-family building permit activity, an indicator of new construction, remains in positive territory, beginning with strong back-to-back growth in both 2012 and 2013 calendar years (over 30 percent in each year). The final data for the 2014 calendar year revealed significant slowing with only 1.6 percent growth over the prior year. In 2019, activity temporarily slowed again, this time to 2.9 percent but spurred in part by record low interest rates, single family building permit activity in 2020 was 15.4 percent higher than the 2019 level.

From 2013 to 2019, Florida was below its long-run average homeownership rate, although the 2019 calendar year very nearly matched it at 66 percent. During the 2020 calendar year, the state finally moved above the long-run average, posting 68.7 percent for the year. For FY 2020–2021, the quarterly data was: Q1–68.1 percent, Q2–67.0 percent; and Q3–67.1 percent¹.

Unemployment — According to the Office of Economic and Demographic Research, Florida’s unemployment rate had been hovering around 3.3 percent from April 2019 to February 2020. With the onset of the pandemic, the unemployment rate spiked to 14.2 percent in May 2020, handily surpassing the prior peak rate of 10.9 percent experienced in the first four months of 2010 during the Great Recession. Given the short period over which the change from ultra-low to ultra-high occurred, it was stunning¹. The District’s unemployment rate is at 3.4 percent, while Florida’s is at 3.6 percent, both lower than the national average of 3.9 percent.

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. The U.S. economy declined in the first quarter of 2020 by its fastest rate since the Great Recession. During the second quarter the U.S. economy further contracted, but this time at its greatest rate in postwar history. In the third quarter the U.S. economy gained 33.4 percent. In the 10 months that sales tax collections have been reported since Florida’s first two cases were officially confirmed by the Department of Health on March 2, 2020, the tourism category collections have been down cumulatively by -31.5 percent. Even though a significant part of the loss arises from a reduction in the number of out-of-state tourists, this category also includes sales to Florida residents at restaurants, local attractions and other leisure-based activities which have likewise been negatively affected by the pandemic. The total number of tourists declined nearly -70.0 percent from the prior year in the second quarter of 2020. After that dramatic drop, tourism managed to recover 96.0 percent of the last full pre-COVID quarter by the third quarter of 2021 calendar year, buttressed by the increased number of domestic visitors traveling to Florida by air or car. 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. 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

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 334,904 residents (1.61 percent), while between April 1, 2019, and 2020 the state added 348,338 residents (1.64 percent). In the full year of the pandemic, Florida’s strong migration trends continued, increasing population by 360,758 residents (1.67 percent) despite the losses from more deaths than births. This was the strongest annual increase since 2005-2006, immediately prior to the collapse of the housing boom and the beginning of the Great Recession. The future will be different than the past as Florida’s long-term growth rate between 1970 and 1995 was over 3 percent. Between 2021 and 2025, growth is forecast to average 1.41 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 years¹.

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. The COVID pandemic continues to impede projects and full-time staff production across the District.

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 (\$110.7 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

¹ http://edr.state.fl.us/content/presentations/economic/FlEconomic&RevenueUpdate_1-3-22.pdf

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 \$84.97 million on 43 fixed capital projects during the planning period from FY 2021–2022 through FY 2025–2026. Total planned capital expenditures in FY 2021–2022 are \$54.8 million, which is a 180.16 percent, or \$35.24 million, increase as compared to the adopted CIP budget for FY 2020–2021.

Significant changes in capital expenditures during the planning period are:

- Excluding land acquisitions, the District is planning for nine multimillion-dollar capital projects. One project is in subactivity 2.2.1 for the Black Creek Water Resource Development Project (\$52.8 million). One project is in activity 2.5 for the Building Fund (\$4.06 million). The remaining seven projects are in activity 3.2, which consist of major and minor water control structure rehabilitation projects in the range of \$1–4 million.
- With the exception of the Black Creek Water Resource Development Project, which is funded primarily with State revenues, the District will primarily rely on District revenues (including fund balances and ad valorem revenues) to fund capital projects.

Among the activities and subactivities that have capital expenditures, Water Resource Development Projects accounts for 62.1 percent of the total. Works accounts for 24.4 percent of the total while Land Acquisition ranks third at 5 percent. Facilities Construction and Major Renovations accounts for 4.8 percent of the total anticipated expenditures. Surface Water Projects accounts for 1.5 percent of the total expenditures during the planning period, which is just slightly more than the next two activities, including Facilities Management (1.1 percent) and Land Management (1.1 percent).

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 2020–2021. 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 2020–2021.

Debt Management

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

St. Johns River Water Management District, Florida
Table 1.1 - Top Eight Capital Improvement Projects by Expenditure
For the Year Ended September 30, 2021

	Project Name	Project Description
1	Apoka 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. At the end of our current lease we will have worked from leased facilities in the Greater Orlando area for 35 years. Owning both the service center's land and building will result in long-term savings for the District.
2	Lake Apopka Duda Property Water Storage Improvements	The existing vegetation on Lake Apopka's North Shore is dominated by species that have been useful in restricting wildlife access to areas with pesticide residues. As areas are deemed safe, vegetation management actions are initiated to create the mixed marsh habitats that provide safe wetland habitat and reduce phosphorus loading to Lake Apopka. This project will use hydrology management, plantings, herbicides, and ultimately prescribed fire to develop desirable vegetation communities. The improvements also facilitate the ability to retain water, phosphorus, and sediments in the Duda property, reducing loads to Lake Apopka.
3	S-96D Rehabilitation	S-96D was completed in 1993 and is designed to release water from the BCWMA to the SJWMA. The S-96D gate rehabilitation includes dewatering, concrete repairs, and all ancillary items associated with the structure.
4	Lake Apopka Marsh Flow-Way Improvements	To improve hydraulic performance resulting in 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
5	Black Creek Water Resource Development Project	The Black Creek Water Resource Development Project, will help to replenish the Upper Floridan aquifer (UFA) in northeast Florida using flow from the South Fork of Black Creek, in Clay County, during high water periods and flood events. Water will be pumped through a transmission system toward the Keystone Heights area and is expected to contribute to the MFLs recovery in the Lower Santa Fe Basin and may help improve water levels in the lakes in the Alligator Creek system, including lakes Brooklyn and Geneva.
6	Lake Apopka Lake Level Canal Interconnection	Interconnect improvements will help to contain more water and phosphorus on the Lake Apopka North Shore. A study completed by Wood Environment and Infrastructure Solutions, estimated the interconnect improvements between the Duda Area and Unit 1, along with additional improvements around the North Shore, would result in a 57 percent reduction in total discharge and associated total phosphorus loadings to the lake from the North Shore.
7	S-157- Drum and Cable	The District is converting all major water control structure gates in the USJRB and the 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. The District has evaluated replacing the hydraulic cylinders on the existing hoist mechanism, but has determined that a drum and cable system will be more reliable and appropriate for the structure
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 2020-21	Total Expended Life to Date	Estimated Total Project Amount	Project Start Date	Estimated Completion Date
1	\$ 2,911,378	\$ 3,585,695	\$ 7,887,720	Apr 2018	April 2022
2	1,517,727	1,534,268	1,534,268	Dec 2020	July 2021
3	1,482,786	1,483,245	1,483,245	Oct 2020	July 2021
4	1,428,119	2,319,157	2,341,184	May 2017	Feb 2022
5	1,039,132	5,094,552	48,474,236	July 2017	Nov 2024
6	955,249	1,171,164	1,987,594	Nov 2020	Apr 2022
7	659,359	659,675	659,675	March 2021	Sept 2021
8	464,430	863,011	1,200,576	April 2020	Sept 2022
<u>\$ 10,458,180 \$ 16,710,767 \$ 65,568,498</u>					

St. Johns River Water Management District, Florida
Table 1.2 - Top Ten Cooperative Funded Project by FY21 Expenditure
For the Year Ended September 30, 2021

Rank	Project Name	Project Description
1	Volusia County Wastewater Infrastructure for Blue Spring	Construct a master lift stations with approximately 3 miles of 12" force main, and connect to the Southwest Regional water reclamation facility which is an advanced waster treatment facility and deommission the Del North wastewater treatment plant.
2	City of Leesburg Turnpike Wastewater Facility Water Quality Improvements	Upgrades to Wastewater Treatment Facility such as a new sequencing batch reactor treatment basin with internal aeration system and decanters, new waste pumps, new blowers for increased treatment efficiency, and new blower piping. that will result in effluent disposal quality improvements over current treatment levels.
3	City of Altamonte Springs Regional Water Reclamation Facility Improvements Phase 2	Phase 2 involves the conversion of three rectangular clarifiers into secondary anoxic and reaeration tratment basins, and the construction of two 90' diameter circular clarifiers and related appurtenances that will result in a more efficient performance and greater overall treatment.
4	Lake Apopka Innovative Total Phosphorus Removal	Design, materials, labor, testing, and disposal of by-product necessary to remove TP from the Lake Apopka water column.
5	Doctors Lake Advanced Effluent Treatment – Fleming Island Wastewater Treatment Facility	The objective of the project is to select a treatment technology at full scale that will remove an estimated 6,500 lbs/yr of total phosphorus. This project will assist in furthering water quality improvements in the Doctors Lake Basin within the lower St. Johns River Basin.
6	Marion County Silver Springs Shores Regional Capacity Improvements and Package Plant Removal	Update the nutrient removal capabilities to Marion County AWT standards and expand the capacity at the Silver Springs Shores WWTF by 500,000 gallons per day to provide capacity for additional connections.
7	City of DeLand Reclaimed Water System Expansion Phase 4A and Adelle Avenue Project	Construction of approximately 17,300 feet of reclaimed water main extension to support the distribution network in order to serve new customers on Adelle Avenue in the NW service area. This area incorporates the Phase 4A distribution areas.
8	City of DeLand Spring Hill Septic-to-Sewer	Construction of approximately 8,000 LF of gravity sewer, a sewage lift station and provide sanitary services to approximately 180 exsisting properties.
9	City of Apopka West Reuse Storage Facility and Reclaimed Water System Extension	Construction of a 3 MGD reclaimed water storage tank, repump facility, and approximately 7,900 feet of reclaimed water main extension.
10	City of Ocala For Lower Floridan Aquifer Conversion Project	Construction of three, 24-inch diameter production wells, each with a five mgd capacity at Water Treatment Plant #2.

Rank	Total Expended in FY 2020-21	Total Expended Life to Date	Estimated Total Project Amount	Project Total including all contributors	Project Start Date	Estimated Completion Date
1	\$ 1,596,726	\$ 2,486,070	\$ 2,925,000	\$ 5,850,000	Mar 2020	Sept 2021
2	1,400,000.00	1,400,000	1,400,000	6,000,000	Oct 2020	Sept 2021
3	1,210,355	1,726,091	1,726,091.00	3,000,000	Feb 2020	Dec 2021
4	1,063,783	1,063,783	6,475,000	6,475,000	Nov 2021	Sept 2022
5	1,039,720	1,231,389	5,075,000	5,075,000	Jan 2019	Jan 2021
6	1,019,213	3,487,038	3,487,038	10,566,783	Oct 2019	Sept 2021
7	967,601	967,601	2,069,500	4,139,000	Dec 2020	Mar 2022
8	843,708	871,596	871,596	2,641,200	Feb 2020	July 2021
9	794,798	794,798	2,292,075	4,584,150	Oct 2020	Sept 2022
10	694,924	1,007,928	1,445,624	2,411,250	Feb 2019	Dec 2021
	\$ 10,630,828	\$ 13,233,568	\$ 26,321,300	\$ 50,742,383		

St. Johns River Water Management District, Florida
Table 1.3 - Top Ten Cooperative Projects by Total Project
For the Year Ended September 30, 2021

Rank	Project Name	Project Description
1	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.
2	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.
3	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.
4	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.
5	City of Titusville Osprey Water Reclamation Nutrient Removal Upgrade	City of Titusville Osprey Water Reclamation Nutrient Removal Upgrade.
6	Marion County Silver Springs Shores Regional Capacity Improvements and Package Plant Removal	Stormwater project including three retrofit DRAs in the Silver Springs Shores Unit 19 subdivision with bold and gold biosorptiv activated media to promote denitrification.
7	Orange County Wekiwa Springs Septic Tank Retrofit Project Phase 1	Multi-phase program in which phase 1 involves the construction of laterals, sewer connections, septic tank abandonment, sanitary sewer main, and lift stations for the 213 parcels in the Sweetwater West and Wekiva Highlands neighborhoods.
8	JEA Twin Creeks Reclaimed Water Storage and Delivery	Construct above ground reclaimed water storage facility and necessary piping to provide reclaimed water to the Twin Creeks subdivision.
9	City of Altamonte Springs Reclaimed Water Storage and Recharge Optimization Project	The project includes construction of a lined 6 million gallon (MG) storage pond and a 0.5 million gallons per day (MGD) rapid infiltration basin.
10	City of Cocoa Beach Muck Removal Phase 2b	Dredging approximately 150,000 cubic yards of muck from 12 canals, approximately 60-acres. Phase 2B is the final phase of an overall three-phased plan.

Rank	Total Expended in FY 2020-21	Total District Funding	Total State Funding	Total Cooperative Funding	Total Other Funding	Project Total including all contributors	Project Start Date	Estimated Completion Date
1	\$ 85,085	\$ 15,116,056	\$ 2,450,000	\$ -	\$ 2,033,944	\$ 19,600,000	Oct 2017	Sept 2021
2	64,098	1,500,000	-	18,000,000	-	19,500,000	Apr 2020	Sept 2021
3	55,264	16,155,000	-	-	-	16,155,000	Sept 2016	Sept 2022
4	-	1,500,000	3,379,000	9,412,525	-	14,291,525	Oct 2020	Mar 2022
5	377,814	675,000	675,000	10,550,000	-	11,900,000	Jan 2021	Dec 2022
6	1,019,213	1,500,000	1,987,038	7,782,506	-	11,269,544	Oct 2019	Sept 2021
7	125,233	1,500,000	4,300,000	4,280,000	-	10,080,000	June 2022	Dec 2023
8	595,137	975,000	450,000	7,526,079	-	8,951,079	July 2019	Sept 2021
9	1,210,355	364,392	3,500,000	3,500,000		7,364,392	Feb 2020	July 2023
10	568,848	1,500,000	-	5,792,650		7,292,650	Aug 2019	Sept 2021
<hr/>								
	\$ 4,101,047	\$ 40,785,448	\$ 16,741,038	\$ 66,843,760	\$ 2,033,944	\$ 102,796,069		

Fiscal Sustainability and Financial Policies

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

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

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year that ended September 30, 2020. 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

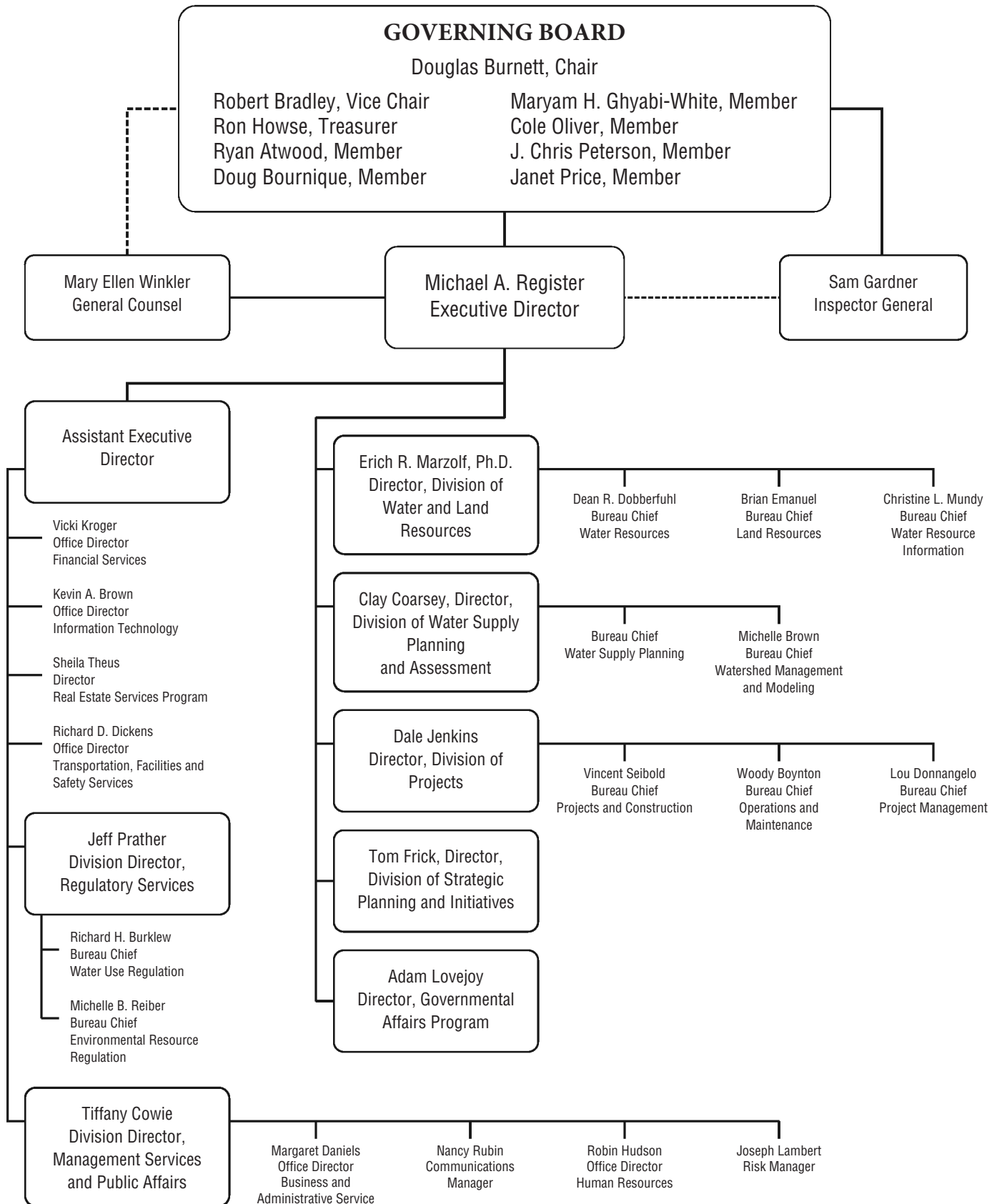
September 30, 2020

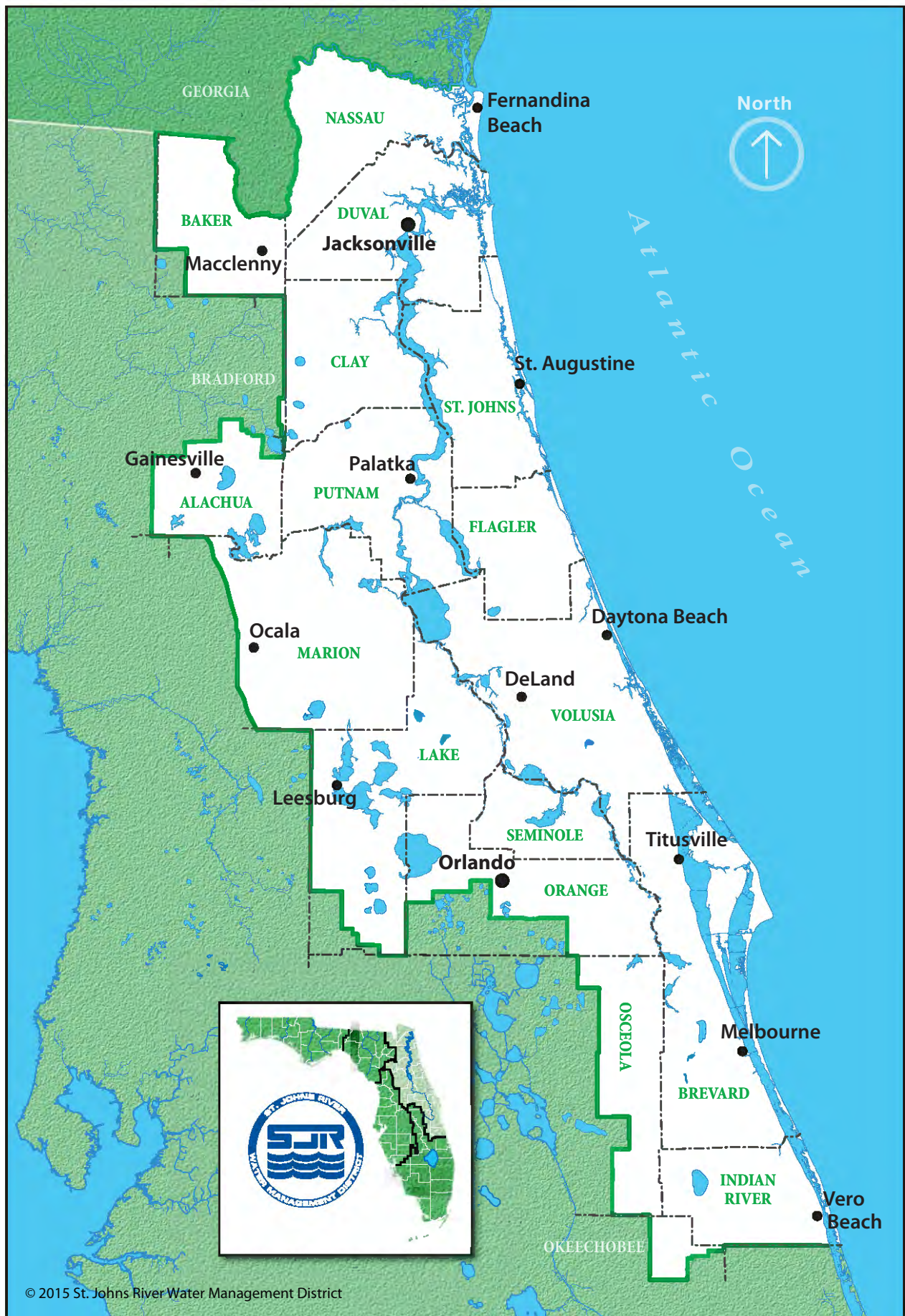
Christopher P. Morrill

Executive Director/CEO

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

As of Sept. 30, 2021





Annual Comprehensive Financial Report

Financial Section



Tricolored heron

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



Blue Cypress Conservation 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, 2021, 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

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.

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, 2021, 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.

Emphasis of Matter – Implementation of New Accounting Standard and Prior Period Adjustment

The District adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, (GASB 87), no restatement of the beginning fund balance or net position was required as a result of the implementation of GASB 87, as described further in Note 5 to the financial statements. As described in Note 1(t) to the financial statements, a prior period adjustment to restricted fund balance/net position of approximately \$4.8 million was recorded. Our opinion is not modified with respect to these matters.

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

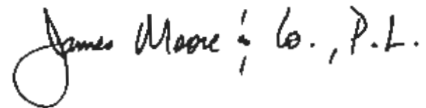
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, statistical section, other supplementary, and schedule of expenditures of federal awards and state financial assistance, 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 March 8, 2022, 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.

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
March 8, 2022



Merritt Island National Wildlife Refuge

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, 2021**

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, 2021, primarily the result of significant ownership of non-depreciable assets in the form of land (\$833.3 million) and easements (\$223.4 million) owned by the District. Net position increased \$22.1 million, or 1.7 percent, this year compared to a \$7.7 million, or 0.6 percent, increase the prior year.
- Total fund balance increased \$9.0 million, or 6.3 percent, from the previous fiscal year, primarily from substantial decreases in general fund expenditures, year over year, in the major expenditure category – acquisition, restoration and public works. 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 \$28.8 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, 2021

The statement of net position presents information on all of the District's assets (both short-term spendable resources and capital assets) and liabilities (including long-term obligations), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining.

The statement of activities presents information to show how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements present functions of the District (governmental activities) that are primarily supported by property taxes and intergovernmental revenues (operating grants and contributions from the state of Florida). The governmental activities of the District include water resources planning and monitoring; acquisition, restoration, and public works; operation and maintenance of lands and works; regulation; outreach; and District management and administration. The government-wide financial statements include only the District. There are no component units for which the District is financially accountable. The government-wide financial statements can be found on pages 17–19 of this report.

Fund financial statements — A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, as with other governmental bodies, uses fund accounting to demonstrate compliance with finance related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison among governmental funds and governmental activities. The District maintained 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, 2021**

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 68. The budgetary comparison schedule for the Capital Projects Fund is presented in the Other Supplementary Section on page 88.

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 (\$149.0 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 20-22 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 26–65 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) 2020–2021. The overall condition of the District improved in FY 2020–2021.

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 COVID pandemic has slowed this spend down plan.

The District's General Fund-Fund Balance increased \$8.9 million in FY 2020–2021 to a total of \$124,908,573, primarily as a result of a \$7.6 million year over year reduction in expenditures in the major expenditure category – acquisition, restoration and public works, a year over year reduction in cooperative funding and salaries and benefits expenditures of \$3.4 million and \$0.7 million, respectively.

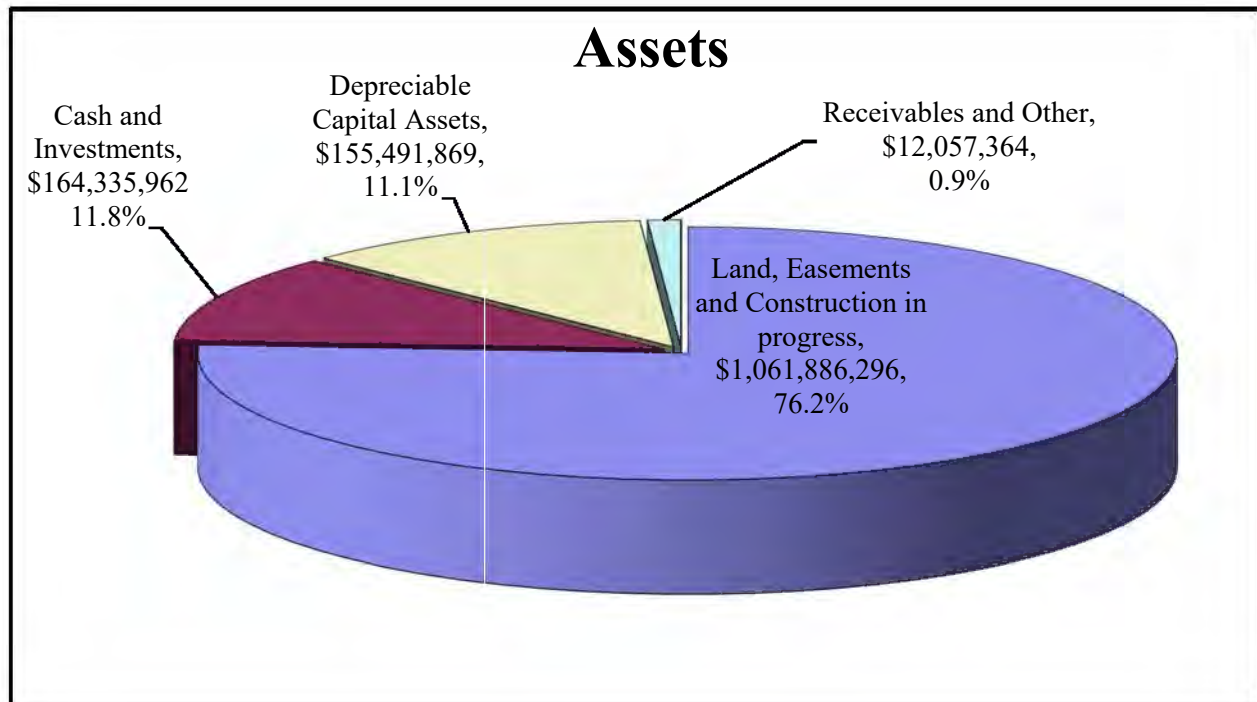
**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

DISTRICT'S NET POSITION

	2021	2020
Current and other assets	\$ 176,393,326	\$ 162,227,073
Capital assets, net	1,217,378,165	1,208,369,100
Total assets	<u>1,393,771,491</u>	<u>1,370,596,173</u>
Deferred outflows	7,679,995	12,047,774
Long-term liabilities outstanding	24,365,662	51,599,510
Other liabilities	22,535,102	24,441,766
Total liabilities	<u>46,900,764</u>	<u>76,041,276</u>
Deferred inflows	26,543,260	5,447,270
Net Position: Net investment in capital assets	1,217,378,165	1,208,369,100
Restricted	17,863,617	14,336,599
Unrestricted	92,765,680	78,449,702
Total net position	<u>\$ 1,328,007,462</u>	<u>\$ 1,301,155,401</u>

The District's total net position increased by \$22.1 million or 1.7 percent and the cash and investment position increased \$10.6 million or 6.9 percent as a result of a large 35 percent, \$7.6 million reduction in cooperative funding expenditures as a result of project delays from the COVID pandemic coupled with a \$2.4 million increase in ad valorem property tax revenues.

Unrestricted net position increased \$14.3 million due to the same above mentioned expenditure decreases and revenue increases. Long-term liabilities outstanding decreased \$27.2 million due to a decrease in the FRS pension liability of \$26.5 million. Capital assets increased \$9.0 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, 2021**

DISTRICT'S CHANGE IN NET POSITION

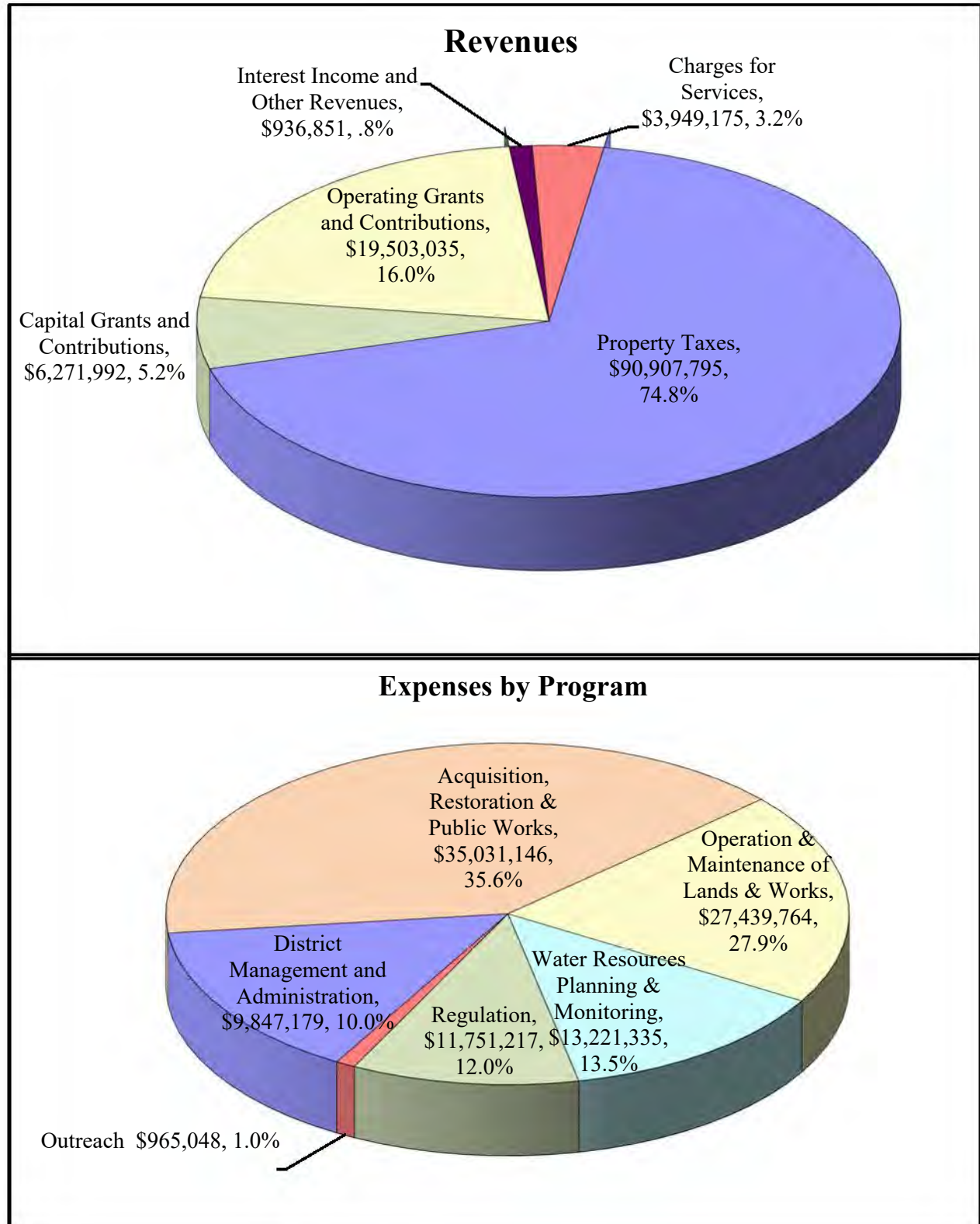
	2021	2020
Revenues		
Program revenues: Charges for services	\$ 3,898,371	\$ 3,888,010
Operating grants and contributions	18,185,275	15,258,039
Capital grants and contributions	6,271,992	6,158,725
General revenues:		
Ad valorem property taxes	90,907,795	88,509,313
Unrestricted investment earnings	140,030	4,192,008
Other revenue	913,672	227,105
Total revenues	<u>120,317,135</u>	<u>118,233,200</u>
Expenses		
Water resources planning and monitoring	13,221,335	15,611,537
Acquisition, restoration and public works	35,031,146	45,086,646
Operation and maintenance of lands and works	27,439,764	25,068,466
Regulation	11,751,217	13,441,079
Outreach	965,048	1,166,635
District management and administration	9,847,179	10,179,742
Total expenses	<u>98,255,689</u>	<u>110,554,105</u>
Increase(decrease) in net position	22,061,446	7,679,095
Net position , beginning of the year	1,301,125,401	1,293,445,306
Prior period adjustment (Note 1 (u))	4,820,615	-
Net position , end of the year	<u>\$ 1,328,007,462</u>	<u>\$ 1,301,125,401</u>

Total revenues increased by 1.8 percent, or \$2.1 million, from the previous year. The increase is primarily attributable to the 19.2 percent, or \$2.9 million, increase in operating grants and contributions from a \$3.7 million increase in state funded cooperative funding projects and a \$4.0 million decrease in unrestricted investment earnings offset by \$2.4 million increase in ad valorem property taxes and a \$.7 million increase in other revenue from a rebate from the District's health care provider.

Total expenses decreased 11.1 percent, or \$12.3 million, compared to the previous year. The 22.3 percent, or \$10.1 million, decrease in acquisition, restoration and public works is primarily the result of the decrease of \$2.3 million City of Altamonte Springs Regional Water Reclamation Facility Process Improvements for Advance Wastewater Treatment project, \$1.5 million decrease in City of Palatka South Historic District Stormwater Phase II and \$1.4 million decrease for City of Cocoa Beach Water Reclamation Facility Upgrade. 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 a \$185.2 million original budget in FY 2020–2021 and \$160.7 million budgeted in FY 2021–2022. The total expense decrease is offset by the increase of 9.5 percent, or \$2.4 million, increase in Operations, the decrease of 17.2 percent, or \$0.2 million in Outreach and

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

the decrease of 15.3 percent, or 2.4 million, in Water Resources Planning and Monitoring and the decrease of 3.2 percent, or \$.3 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, 2021**

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, 2021, total fund balance was \$125.0 million, of which \$.6 million was represented by inventory on hand and other non-spendable assets; \$110.7 million was committed by action of the Governing Board for identified future capital needs; \$6.1 million was assigned by executive management for specific purposes.

The fund balance of all of the District's funds increased by \$10.2 million. Key factors explaining the changes in the General Fund and individual major funds include:

- General Fund balance increased by \$8.9 million primarily due to an increase of \$10.5 increase in cash and investments due to an increase of \$2.4 million increase in ad valorem property tax collections and a \$7.5 million decrease in operating expenditures mainly from a decrease in cooperative funding payments to the District's cost-share funding partners.
- The Special Revenue Fund balance decreased \$2.7 million primarily as a result of the District receiving a total of \$1.4 million and expending \$1.9 million for a spend down of land management fund balance, \$1.3 million expended on an alternative water supply project for the City of Altamonte Springs from restricted fund balance and expending a total \$.6 million of committed fund balance for land purchases for the India Lake State Forest Property and restoration.
- The Capital Projects Fund balance increased by \$2.8 million to cover carry over encumbrances of ongoing expenditures of the District's new \$7.6 million Apopka Service Center building.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's General Fund spent a total of \$53.2 million less than budgeted expenditures in all spending categories in FY 2020–2021 primarily due to spending decreases in long-term cooperative funding construction projects. The largest budget variance of \$47.2 million was in the acquisition, restoration and public works category, second largest of \$2.8 million was in the water resources planning and monitoring and third largest of \$1.5 million was in the operation and maintenance of lands and works category.

The \$47.2 million positive budget variance in the acquisition, restoration and public works category is primarily the result of unspent grants and aids of \$39.8 million to local governments (cost-share and cooperative funding) and unspent operating capital outlay of \$1.0 million and

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

unspent fixed capital outlay of \$5.0 million. The unspent budgets of the management and administration and regulation categories are primarily from decreases due to strategic cuts in operating and administrative costs.

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 2020–2021, there was no change in the total adopted budget including carryover encumbrances (\$285.4 million) as compared to the final revised budget.

Total Governmental funds revenues increased \$3.0 million and total expenditures decreased \$0.6 million. State grant revenue increased \$4.9 million primarily due to increased expenditures on grants funding for cooperative funding projects of over \$4.2 million and for fixed capital outlay projects of \$1.5 million. General Fund total revenues decreased \$0.5 million primarily from a \$2.4 million increase in ad valorem revenues associated with new growth from construction offset by a decrease of \$4.0 million in investment earnings due to the interest rate increases that drastically increased the District's unrealized losses on long-term investments and an increase of \$0.4 million in licenses and permits revenues from increased activity in the District's regulatory program for all permits.

The relatively low \$.6 million decrease in total expenditures can be attributed to a year over year \$3.4 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 \$0.8 decrease in operating capital outlay and a \$0.7 million decrease in salaries and benefits from ongoing strategic costs in operating and administrative cuts offset by an increase in fixed capital outlay of \$2.0 million and a \$2.3 million increase in general expenses.

The historical trend of positive General Fund budget variances continued for the FY 2020–2021, with the current year's 58.8 percent utilization of appropriations, which is lower than historical rates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets — The District's investment in capital assets for its governmental activities as of September 30, 2021, 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 2020–2021 valued at \$22.7 million with additions to infrastructure of \$7.9 million, easements of \$4.4 million and land of \$4.9 million and construction in progress of \$4.1 million.

The District's capital asset increase in infrastructure is mainly from construction expenditures on the following projects: Maitland Service Center of \$2.9 million, Lake Apopka Duda Pump Project of \$1.5 million, Structure S-96D of \$1.5 million, Lake Apopka Marsh Flow-Way (NSRA) of \$1.4 million, Black Creek Project of \$1.1 million, Lake Apopka Lake Level Canal Interconnection of

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

\$1.0 million, S-157 Drum and Cable Project of \$0.7 million, Lake Jesup Nutrient Reduction and Flow Enhancement Project of \$0.5 million. The District received \$0.8 million of donated conservation easements through the permitting process. The District purchased the following properties: Indian Lake State Forest property of \$0.5 million. Additional information on the District's capital assets can be found in note 4 on page 41 of this report.

Long-term Obligations — The District 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; \$16.4 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 10, on page 49 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The millage rate for the fiscal year decreased 5.3 percent from 0.2414 mills in FY 2019–2020 to 0.2287 mills in FY 2020–2021. The FY 2021–2022 millage rate decreased 4.3 percent to 0.2189 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 many 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.



Buck Lake Conservation Area

Basic Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,364,905
Investments	160,971,057
Interest, lease and other receivables	3,019,651
Inventories	573,150
Intergovernmental receivables	8,423,276
Prepaid items	41,287
Non-depreciable capital assets:	
Land	833,259,637
Easements	223,406,257
Construction in progress	5,220,402
Depreciable capital assets:	
Buildings	32,896,699
Machinery and equipment	27,197,156
Infrastructure	230,625,445
Software	4,948,154
Accumulated depreciation	(140,175,585)
Total assets	1,393,771,491
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions/ OPEB	7,679,995
LIABILITIES	
Accounts payable and other current liabilities	18,112,626
Unearned revenue	3,855,623
Due to other governmental units	149,306
Long-term liabilities:	
Due within one year	417,547
Due in more than one year	24,365,662
Total liabilities	46,900,764
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions/ OPEB/ leases	26,543,260
NET POSITION	
Net investment in capital assets	1,217,378,165
Restricted for:	
Water protection and sustainability/alternative water supply	3,502,855
Land management/acquisition	14,360,762
Unrestricted	92,765,680
Total net position	\$ 1,328,007,462

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, 2021

Function / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Water resources planning and monitoring	\$ 13,221,335	\$ -	\$ 473,238
Acquisition, restoration, and public works	35,031,146	-	14,284,907
Operation and maintenance of lands and works	27,439,764	1,376,417	3,061,550
Regulation	11,751,217	2,521,954	6,400
Outreach	965,048	-	505
District management and administration	9,847,179	-	358,675
Total governmental activities	\$ 98,255,689	\$ 3,898,371	\$ 18,185,275

General Revenues:

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

Increase in net position

Net position, beginning of year

Prior period adjustment (Note 1(u))

Net position, beginning of year, as restated

Net position, end of year

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

		Net (Expenses) Revenues and Changes in Net Position
	Capital Grants and Contributions	Governmental Activities
	\$ 55,407	\$ (12,692,690)
	6,168,963	(14,577,276)
	47,622	(22,954,175)
	-	(9,222,863)
	-	(964,543)
	-	(9,488,504)
	<u>\$ 6,271,992</u>	<u>(69,900,051)</u>

90,907,795
913,672
140,030
<u>91,961,497</u>
22,061,446
<u>1,301,125,401</u>
4,820,615
<u>1,305,946,016</u>
<u>\$ 1,328,007,462</u>

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
BALANCE SHEET- GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 3,364,905	\$ -	\$ -	\$ 3,364,905
Investments	121,653,105	33,674,239	5,643,713	160,971,057
Accounts and other receivables	636,354	2,383,297	-	3,019,651
Due from other funds	8,188,805	-	-	8,188,805
Inventories	573,150	-	-	573,150
Intergovernmental receivables	234,471	8,188,805	-	8,423,276
Prepaid items	41,287	-	-	41,287
Total assets	<u>134,692,077</u>	<u>44,246,341</u>	<u>5,643,713</u>	<u>184,582,131</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	9,588,776	7,285,836	1,238,014	18,112,626
Due to other funds	-	8,188,805	-	8,188,805
Unearned revenue	-	3,855,623	-	3,855,623
Due to other governmental units	-	149,306	-	149,306
Total liabilities	<u>9,588,776</u>	<u>19,479,570</u>	<u>1,238,014</u>	<u>30,306,360</u>
Deferred inflows of resources				
Unavailable revenue - taxes/ leases	<u>194,728</u>	<u>2,317,250</u>	<u>-</u>	<u>2,511,978</u>
Fund balances				
Nonspendable	614,437	-	-	614,437
Restricted	-	17,863,617	-	17,863,617
Committed	110,710,680	4,585,904	4,396,226	119,692,810
Assigned	6,139,104	-	9,473	6,148,577
Unassigned	7,444,352	-	-	7,444,352
Total fund balances	<u>124,908,573</u>	<u>22,449,521</u>	<u>4,405,699</u>	<u>151,763,793</u>
Total liabilities and fund balances	<u>\$ 134,692,077</u>	<u>\$ 44,246,341</u>	<u>\$ 5,643,713</u>	<u>\$ 184,582,131</u>

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, 2021

Total fund balances – governmental funds	\$ 151,763,793
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The amount included in the statement of net position is the difference between:

Capital assets, at cost	1,357,553,750	
Accumulated depreciation	<u>(140,175,585)</u>	
		1,217,378,165

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.

194,728

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	7,167,981	
Deferred outflow amount on OPEB liabilities	512,014	
Deferred inflow amount on pension liabilities	(23,756,309)	
Deferred inflow amount on OPEB liabilities	<u>(469,701)</u>	
		(16,546,015)

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

Net pension liability	(16,360,186)	
Compensated absences	(3,994,761)	
Total OPEB liability	<u>(4,428,262)</u>	
		<u>(24,783,209)</u>

Net position of governmental activities	<u><u>\$ 1,328,007,462</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Special Revenue	Capital Projects	Total Governmental Funds
Revenues				
Ad valorem property taxes	\$ 90,921,443	\$ -	\$ -	\$ 90,921,443
State	-	22,807,338	-	22,807,338
Federal	-	183,086	-	183,086
Investment earnings	843	139,187	-	140,030
Local mitigation	-	12,303	-	12,303
Licenses and permits	2,403,355	-	-	2,403,355
Cities and counties	-	48,896	-	48,896
Lease and timber sales	-	1,376,417	-	1,376,417
Fines and penalties	118,599	-	-	118,599
Other	913,672	199,867	-	1,113,539
Total revenues	94,357,912	24,767,094	-	119,125,006
Expenditures				
Current:				
Water resources planning and monitoring	14,074,692	561,027	-	14,635,719
Acquisition, restoration, and public works	24,894,805	21,744,668	3,719,696	50,359,169
Operation and maintenance of lands and works	13,704,099	4,799,750	3,765,803	22,269,652
Regulation	12,829,279	21,839	-	12,851,118
Outreach	1,046,294	1,722	-	1,048,016
District management and administration	9,339,207	17,427	-	9,356,634
Total expenditures	75,888,376	27,146,433	7,485,499	110,520,308
Excess of revenues over (under) expenditures	18,469,536	(2,379,339)	(7,485,499)	8,604,698
Other financing sources (uses):				
Transfers in	349,668	3,900	10,325,892	10,679,460
Transfers out	(10,329,792)	(349,668)	-	(10,679,460)
Sale of capital assets	41,166	-	-	41,166
Insurance/ loss recovery	322,575	-	-	322,575
Total other financing sources (uses)	(9,616,383)	(345,768)	10,325,892	363,741
Net change in fund balances	8,853,153	(2,725,107)	2,840,393	8,968,439
Fund balances, beginning of year (as restated)	116,055,420	25,174,628	1,565,306	142,795,354
Fund balances, end of year	\$ 124,908,573	\$ 22,449,521	\$ 4,405,699	\$ 151,763,793

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, 2021**

Net change in fund balances – total governmental activities \$ 8,968,439

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	15,298,905	
Current year depreciation	(11,904,264)	
Contributions of capital assets received	883,202	
Contributions of capital assets given	<u>(4,554)</u>	
		4,273,289

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. 4,735,776

Delinquent taxes are not available to pay for current period expenditures and, therefore, are not reported as deferred inflows of resources in the funds. (13,648)

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	26,968,680	
Change in deferred outflows related to pensions	(4,249,544)	
Change in deferred inflows related to pensions	(18,851,136)	
Change in total OPEB liability	4,829	
Change in deferred outflows related to OPEB	(88,235)	
Change in deferred inflows related to OPEB	<u>72,396</u>	
		3,856,990

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>240,600</u>
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Change in net position of governmental activities	<u><u>\$ 22,061,446</u></u>
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The accompanying notes to financial statements are an integral part of this statement.



Pine Island Conservation Area

Notes to the Financial Statements

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(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, 2021, will be incorporated in the state’s June 30, 2022, Annual Comprehensive 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, 2021

(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, 2021

(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, 2021

(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, 2021

(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 Annual Comprehensive 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 17.

- (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, 2021

(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:

Land and land improvements	Capitalize all
Easements	Capitalize all
Buildings	\$5,000
Building improvements	\$100,000
Infrastructure and infrastructure improvements	\$100,000
Machinery and equipment	\$5,000
Software	\$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, 2021

(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** — In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. It is the deferred amounts related to pensions and OPEB reported in the government-wide statement of net position. The deferred amounts related to pensions and OPEB relate

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports referred amounts related to pensions, leases and OPEB.

- (n) Leases** — Lessor: The District is a lessor for a noncancellable leases of billboards, towers and buildings. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases, which is 4.98 percent.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

- (o) **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.

- (p) **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.

- (q) **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.

- (r) **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 16.

- (s) **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 2020–2021 fiscal year was 0.2287 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, 2021

(1) Summary of Significant Accounting Policies (s) (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 \$194,728 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.

(t) 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.

(u) Restatement of Beginning Fund Balances and Total Net Position — The District determined that three Alternative Water Supply grant agreements received in fiscal year 2020 and reported as unearned revenue (\$4,820,615) should have been recognized as revenue in the year received. Therefore, a prior period adjustment of \$4,820,615 has been made to the District's special revenue fund beginning fund balance and beginning total net position as follows:

	Reported 9/30/20 balance	Prior period adjustment	Restated 9/30/20 balance
Special revenue fund balance	\$ 20,354,013	\$4,820,615	\$ 25,174,628
Total net position	\$1,301,125,401	\$4,820,615	\$1,305,946,016

(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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(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:

- (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, 2020 through September 30, 2021.

As of September 30, 2021, 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:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

	S & P Rating	Maturity Date	Fair Value	% of Portfolio
Federal Instrumentalities				
Federal Home Loan Banks	AA+	10/21/2022	\$1,810,012	
Federal Home Loan Banks	AA+	03/10/2023	3,389,747	
Federal Farm Credit Banks Funding Corp.	AA+	06/08/2023	1,101,100	
Federal National Mortgage Association	AA+	09/12/2023	1,050,669	
Federal Home Loan Mortgage Corp	AA+	11/06/2023	3,997,785	
Federal Farm Credit Banks Funding Corp.	AA+	12/20/2023	1,496,013	
Federal National Mortgage Association	AA+	02/05/2024	1,575,233	
Federal Farm Credit Banks Funding Corp.	AA+	03/04/2024	3,566,737	
Federal Farm Credit Banks Funding Corp.	AA+	07/24/2024	2,669,043	
Federal Home Loan Banks	AA+	09/13/2024	1,603,295	
Federal National Mortgage Association	AA+	04/22/2025	2,494,192	
Federal National Mortgage Association	AA+	06/17/2025	2,976,740	
Federal National Mortgage Association	AA+	11/07/2025	1,524,394	
Total Federal Instrumentalities			29,254,960	18.17%
U.S. Government Securities				
U.S. Treasury Notes	NA	08/31/2022	2,540,820	
U.S. Treasury Notes	NA	09/30/2022	2,060,674	
U.S. Treasury Notes	NA	11/30/2022	3,218,661	
U.S. Treasury Notes	NA	03/31/2023	3,007,177	
U.S. Treasury Notes	NA	04/15/2023	3,011,999	
U.S. Treasury Notes	NA	04/30/2023	1,533,457	
U.S. Treasury Notes	NA	04/30/2023	3,005,885	
U.S. Treasury Notes	NA	06/30/2023	1,019,922	
U.S. Treasury Notes	NA	09/15/2023	3,678,613	
U.S. Treasury Notes	NA	12/31/2023	1,182,173	
U.S. Treasury Notes	NA	09/30/2024	1,697,888	
U.S. Treasury Notes	NA	11/30/2024	2,624,009	
U.S. Treasury Notes	NA	12/31/2024	2,645,227	
U.S. Treasury Notes	NA	03/31/2025	3,519,397	
U.S. Treasury Notes	NA	09/30/2025	3,531,313	
U.S. Treasury Notes	NA	10/31/2025	1,123,272	
U.S. Treasury Notes	NA	11/30/2025	3,539,915	
U.S. Treasury Notes	NA	12/31/2025	1,038,261	
U.S. Treasury Notes	NA	02/28/2026	2,727,087	
U.S. Treasury Notes	NA	03/31/2026	1,563,310	
U.S. Treasury Notes	NA	04/30/2026	2,479,785	
U.S. Treasury Notes	NA	05/31/2026	1,288,574	
U.S. Treasury Notes	NA	07/31/2026	1,042,610	
Total U.S. Government Securities			53,080,029	32.97%

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Corporate Notes

Microsoft Corp. Notes	AAA	02/06/2022	402,240	
Apple Inc. Notes	AA+	09/11/2022	1,521,962	
Apple Inc. Notes	AA+	02/23/2023	515,648	
Exxon Mobil Corp. Notes	AA-	03/01/2023	1,545,300	
3M Company	A+	03/15/2023	513,170	
Apple Inc. Notes	AA+	05/11/2023	579,157	
Amazon.com Inc	AA	05/12/2024	1,297,018	
Walmart Inc.	AA	07/08/2024	1,589,676	
Paccar Financial Corp	A+	08/09/2024	832,662	
Caterpillar Financial Services Corp	A	09/13/2024	1,549,244	
Toyota Motor Credit Corp	A+	09/13/2024	2,399,312	
Total Corporate Notes			<u>12,745,389</u>	7.92%

Municipal Bonds

Arizona St. Transn Brd Hwy Rev	AA+	07/01/2024	<u>1,244,904</u>	
Total Municipal Bonds			<u>1,244,904</u>	0.77%

Florida State Board of Administration Pool

Florida PRIME	AAAm		64,431,543	40.03%
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Fixed Income Money Market Fund

Federated Government Obligations	NR		<u>214,232</u>	0.13%
TOTAL INVESTMENTS			<u>\$160,971,057</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, 2021, 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, 2021, was 49 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, 2021, is 64 days. A summary of the maximum allowed duration of each investment type within the District's investment policy follows:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

<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

As of September 30, 2021, the District had the following investments and maturities:

	<u>Fair Value</u>	<u>Investment Maturity (in years)</u>		
		<u>Less than 1 year</u>	<u>1–3 years</u>	<u>3–5 years</u>
Federal Instrumentalities	\$ 29,254,960	\$ -	\$ 29,254,960	\$ -
U.S. Treasury Securities	53,080,029	4,601,494	33,675,721	14,802,514
Corporate Notes	12,745,389	1,924,202	10,821,187	-
Municipal Bonds	1,244,904	-	1,244,904	-
Florida PRIME	64,431,543	64,431,543	-	-
Money Market Fund	214,232	214,232	-	-
TOTAL INVESTMENTS	<u>\$160,971,057</u>	<u>\$71,171,471</u>	<u>\$ 74,996,772</u>	<u>\$14,802,814</u>

- (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, 2020, through September 30, 2021.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(3) Cash and Investments (Continued):

- (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:

	Sector Guideline Exposures			
	Exposure to specific Guideline	% of Available Funds		
		Year end Exposure %	Maximum	
<u>Compliance Guideline</u>			<u>During Year</u>	<u>Policy</u>
Federal Instrumentalities	\$ 29,254,960	17.79%	18.08%	80%*
U.S. Government Securities	53,080,029	34.35%	30.17%	100%
Corporate Notes	12,745,389	7.76%	4.82%	25%**
Municipal Bonds	1,244,904	0.76%	0.69%	25%
Florida PRIME	64,431,543	39.21%	45.57%	50%
Money Market Funds	214,232	0.13%	0.67%	50%
Subtotal Investments	160,971,057	<u>100.00%</u>		
Cash Checking Accounts	<u>3,364,905</u>			
Total Cash and Investments	<u>\$164,335,962</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 \$214,232; Level 2 inputs are significant other observable inputs, which the District categorizes its investments in Federal Instrumentalities of \$29,254,960, U.S. Treasury Securities of \$53,080,029, Corporate Notes of \$12,745,389, Municipal Bonds of \$1,244,904; Level 3 inputs are significant unobservable inputs, which the District has none. The District's fair value measurements as of September 30, 2021, 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(3) Cash and Investments (Concluded):

- (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, 2021, 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.

(4) Capital Assets: (a) Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance at Oct. 1, 2020	Additions	Retirements	Balance at Sept. 30, 2021
Capital assets, not being depreciated:				
Land	\$ 828,592,518	\$ 4,855,897	\$ (188,778)	\$ 833,259,637
Easements	219,497,501	4,448,855	(540,099)	223,406,257
Construction in progress	1,131,677	4,121,508	(32,783)	5,220,402
Total capital assets, not being depreciated	<u>1,049,221,696</u>	<u>13,426,260</u>	<u>(761,660)</u>	<u>1,061,886,296</u>
Capital assets, being depreciated:				
Buildings	32,749,067	205,022	(57,390)	32,896,699
Infrastructure	223,131,947	7,860,772	(367,274)	230,625,445
Machinery and equipment	31,024,174	1,237,996	(5,065,014)	27,197,156
Software and Models	4,948,154	-	-	4,948,154
Total capital assets, being depreciated	<u>291,853,342</u>	<u>9,303,790</u>	<u>(5,489,678)</u>	<u>295,667,454</u>
Less accumulated depreciation for:				
Buildings	(17,636,027)	(959,647)	44,196	(18,551,478)
Infrastructure	(82,719,481)	(9,533,603)	82,779	(92,170,305)
Machinery and equipment	(27,382,473)	(1,403,571)	4,045,087	(24,740,957)
Other depreciable assets	(4,967,957)	(7,443)	262,555	(4,712,845)
Total accumulated depreciation	<u>(132,705,938)</u>	<u>(11,904,264)</u>	<u>4,434,617</u>	<u>(140,175,585)</u>
Capital assets being depreciated, net	<u>159,147,404</u>	<u>(2,600,474)</u>	<u>(1,055,061)</u>	<u>155,491,869</u>
Governmental activities capital assets, net	<u>\$1,208,369,100</u>	<u>\$ 10,825,786</u>	<u>\$ (1,816,721)</u>	<u>\$1,217,378,165</u>

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

Operation and maintenance of lands and works	\$ 10,937,174
District management and administration	967,090
Total depreciation expense	<u>\$ 11,904,264</u>

- (b) Land Acquisitions and Sales** — In fiscal year 2020–2021, the District expended \$642,987 from land acquisition fund balance on conservation land purchases including the Indian Lake State Forest property of \$502,380, the Clark Bay tax deed sale property of \$10,104, the Bayard Weyerhaeuser property of \$62,850, the Kohn property of \$59,244, the Stokes Landing property of \$330, the Deep Creek property of \$4,461 and the Herrera property of \$3,618.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(4) Capital Assets (b) (Concluded):

The District also expended \$348,101 to enhance conservation land including our Fellsmere property for \$49,788 and our Orange Creek property for \$298,314.

The District has an unspent fund balance of \$3,396,600 for future purchases of conservation lands.

(5) Long-Term Leases:

The District implemented GASB Statement No. 87, *Leases*, effective for the District's fiscal year beginning October 1, 2020. The District evaluated all lease contracts and identified several land leases in which the District is the lessor that have material future minimum lease cash inflows. The District recognized \$94,938 in lease revenue and \$116,851 in interest revenue during the current fiscal year related to this lease. Present-value calculations of the lease payments were made utilizing a discount rate of 4.98 percent. The total lease receivable and deferred inflow on leases at implementation were \$2,412,188 and total deferred inflows on leases for fiscal year 2020–2021 are \$2,317,250.

	Lease Term		Present Value of Future Lease Payments		FY2021 Payments			
	Start	End	10/1/2020	9/30/2021	Cash	Receivable	Interest	Revenue
Clear Channel - Beck Lake (91)	5/31/1996	8/31/2029	\$ 50,608	\$ 45,279	\$ 7,000	\$ 5,329	\$ 1,671	\$ 5,839
American Tower Asset Sub, LLC Tiger Bay (361)	6/1/1982	12/17/2057	2,187,758	2,192,579	103,831	(4,821)	108,652	59,129
Outfront Media, LLC- Canaveral Marshes Great Outdoors (690)	7/1/2010	6/30/2030	38,179	38,179	3,000	1,578	1,422	3,552
Outfront Media, LLC - Gourd Island- 1170 (719)	9/1/2008	8/31/2024	26,625	20,842	7,000	5,783	1,217	5,415
Outfront Media, LLC - Gourd Island- 1172 (720)	9/1/2008	8/31/2024	26,625	20,842	7,000	5,783	1,217	5,415
Clear Channel - Gourd Island (721)	1/1/2005	12/31/2024	25,747	19,070	7,000	6,677	323	6,058
FWC Office Space at Palm Bay Service Center (1241)	9/1/2021	8/31/2026	42,339	34,713	9,561	7,626	1,935	8,611
IFAS (2180)	5/1/2021	4/30/2036	14,308	13,372	1,349	935	414	918
			<u>\$2,412,188</u>	<u>\$2,384,875</u>	<u>\$145,742</u>	<u>\$ 28,891</u>	<u>\$116,851</u>	<u>\$94,938</u>

(6) Commitments:

Encumbrances of District Sources — The District has restricted, committed and assigned fund balances for obligations that were executed in fiscal year 2020–2021, but will be expended in the next fiscal year. The \$148,978,301 in encumbrances below (\$44,629,257 of District sources and \$104,349,044 of future resources) represent purchase orders and contracts that were expected to be expended in fiscal year 2020–2021, but are now expected to be expended in fiscal year 2021–2022.

These encumbrances will be added to the adopted fiscal year 2021–2022 budget, therefore, increasing the adopted fiscal year 2021–2022 budget of \$147,678,160 by \$148,978,301 to a final

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) Commitments (Concluded):

adopted budget of \$296,656,461. 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	\$ 39,688,647
Special Revenue Fund	534,912
Capital Projects Fund	<u>4,405,698</u>
Total	<u>\$ 44,629,257</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	\$102,339,107	\$2,009,937	\$104,349,044

Of the total encumbrances of future State resources of \$102,339,107, \$51,044 were from unearned revenues advanced to the District by the Florida Department of Transportation.

(7) 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	\$ 3,845,623
SFWMD	Local – IRL Seagrass Mapping	<u>10,000</u>
Total		<u>\$ 3,855,623</u>

(8) 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 \$8,188,805.

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 to

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SEPTEMBER 30, 2021

(8) Interfund Balances and Activities (Concluded):

the General Fund. These transfers are consistent with the activities of the funds involved. The \$349,668 transfer from the Special Revenue Fund to the General Fund were for administrative expenditures associated with federal, state of Florida and local grants. The \$3,900 transfer from the General Fund to the Special Revenue Fund were for administrative expenditures associated with local grants. The \$10,325,892 transfer from the General Fund to the Capital Projects Fund is to fund major capital expenditures with District funding sources.

(9) 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.

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

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

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, 2021.

Period	Plan	Retiree	Retiree + Family
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
January-September 2021	Blue Options – High Deductible	\$878.74	\$1,923.84

Date Relationships and Funded Status

The Valuation Date is October 1, 2020. This is the date as of which the actuarial valuation is performed. The Measurement Date is September 30, 2020. This is the date as of which the total OPEB liability is determined. The reporting date is September 30, 2021. 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, 2020, 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, 2020.

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.

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

Total OPEB Liability	Reporting Date	9/30/2021	9/30/2020
	Measurement Date	9/30/2020	9/30/2019
Total OPEB Liability		\$ 4,428,262	\$ 4,433,091
Covered payroll		\$30,259,682	\$32,626,577
Total OPEB liability as a % of covered payroll		14.6%	13.6%

Changes in Total OPEB Liability

	Amount Recognized Increase (Decrease) Total OPEB Liability
Balance as of September 30, 2020	\$ 4,433,091
Changes for the year:	
Service Cost	139,728
Interest on total OPEB liability	103,346
Effect of plan changes	-
Effect of differences between expected and actual experience	(27,066)
Effects of assumptions changed or inputs	-
Benefits Payments	-
Implicit Rate Subsidy	(220,837)
Balance of September 30, 2021	\$ 4,428,262

As of September 30, 2021, the District's OPEB expense for the reporting period are as follows:

OPEB Expense for Reporting Period	10/1/20 to 9/30/21
Service Cost	\$ 139,728
Interest on total OPEB liability	103,346
Recognition of Deferred Inflows/Outflows of Resources	
-Differences between expected and actual experience	-
-Changes to economic/demographic assumptions or inputs	-
OPEB Expense	\$ 243,073

As of September 30, 2021 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	\$ 291,177	\$ 469,701
Changes of assumptions	-	-
Employer contributions subsequent to measurement date	220,837	-
Total	\$ 512,014	\$ 469,701

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
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(9) 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>
2022	\$ (11,226)
2023	(11,226)
2024	(5,416)
2025	(64,867)
2026	(82,438)
Thereafter	<u>(3,531)</u>
Total	<u>(\$ 178,704)</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, 2021 measurement date was 2.26 percent and the discount rate used for September 30, 2021 year end disclosures will be based on the index as of September 30, 2021, 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, 2021

(9) 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 2.26 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 (1.26 percent) or one percentage higher (3.26 percent) than the current rate.

Discount Rate Sensitivity

	1% Decrease (1.26%)	Current Discount Rate (2.26%)	1% Increase (3.26%)
Total OPEB Liability	\$5,179,508	\$4,428,262	\$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	\$4,428,262	\$5,195,902

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(10) Long-Term Obligations:

Changes in long-term liabilities for the fiscal year ended September 30, 2021, follows:

Governmental Activities:	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
General long-term obligations:					
Accrued compensated absences	\$ 4,235,361	\$ 1,992,730	\$ 2,233,330	\$ 3,994,761	\$ 417,547
Pension (FRS)	32,143,454	-	26,462,389	5,681,065	-
Health Insurance Subsidy (HIS)	11,185,412		506,291	10,679,121	-
OPEB	4,433,091	-	4,829	4,428,262	-
Total governmental activity long-term obligations	<u>\$51,997,318</u>	<u>\$ 1,992,730</u>	<u>\$29,206,839</u>	<u>\$ 24,783,209</u>	<u>\$ 417,547</u>

Compensated absences, pension (FRS), health insurance subsidy (HIS) and other postemployment benefits (OPEB) are generally liquidated by the general fund.

(11) 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 settled the Daniel M. Rooney and Cassa L. Rooney v. St. Johns River Water Management District lawsuit alleging the District negligently maintained culverts which contributed to flooding and property loss. The District paid a settlement of \$399,000 on June 11, 2021, to the Rooneys.

(12) 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, 2021

(12) 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 web site: **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
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(12) 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, 2020 through June 30, 2021, and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—10.00 percent and 10.82 percent; Senior Management Service—27.29 percent and 29.01 percent; and DROP participants—16.98 percent and 18.34 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, 2021, was \$2,839,311.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2021, the District reported a liability of \$5,681,065 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the District's 2020–21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was 0.075207414 percent, which was a increase of 1.4 percent from its share measured as of June 30, 2020.

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
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(12) 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, 2021, was 5.7 years for FRS and 6.4 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended September 30, 2021, are presented below for the FRS Pension Plan.

Service cost	\$ 1,991,845
Interest cost	10,313,317
Effect of plan changes	-
Effect of economic/demographic gains or losses (differences Between expected and actual experience)	536,831
Effect of assumptions changes or inputs	2,013,647
Member contributions	(568,967)
Projected investment earnings	(8,075,635)
Net difference between projected and actual investment earnings	(6,229,224)
Administrative expenses	<u>16,351</u>
Total	(1,834)
Net amortization of employer-specific amounts due to changes in employer proportion	<u>(652,200)</u>
Total employer total pension expense	<u>\$ (654,034)</u>

For the fiscal year ended September 30, 2021, the District recognized pension expense of \$ (654,034). 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	\$ 973,744	\$ -
Change of assumptions	3,887,267	-
Net differences between projected and actual earnings on Pension Plan investments	-	19,819,809
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	269,102	1,592,665
District Pension Plan contributions subsequent to the measurement date	<u>713,379</u>	<u>-</u>
Total	<u>\$ 5,843,492</u>	<u>\$21,412,474</u>

The deferred outflows of resources related to the Pension Plan, totaling \$713,379 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, 2022. 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
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(12) Retirement Plans (Continued):

<u>Year ended September 30</u>	<u>Amount</u>
2022	(\$3,343,357)
2023	(3,343,357)
2024	(3,343,357)
2025	(3,343,357)
2026	(3,343,357)
Thereafter	<u>434,423</u>
Total	<u>(\$16,282,361)</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 2.16 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 2021:

- FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.
- HIS: The municipal rate used to determine total pension liability was decreased from 2.21 percent to 2.16 percent.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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(12) 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 (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 <u>(5.80%)</u>	Current Discount Rate <u>(6.80%)</u>	1% Increase <u>(7.80%)</u>
District's proportionate share of net pension liability(asset)	\$25,406,105	\$5,681,065	\$(10,806,856)

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 Annual Comprehensive Financial Report.

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, 2021, 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, 2021, the HIS contribution rate was 1.66 percent. and the District's contributions totaled \$510,328. 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, 2021, the District reported a liability of \$10,679,121 for its proportionate share of the HIS Plan's net pension liability. The net

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(12) Retirement Plans (Continued):

pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation update as of July 1, 2021.

The District's proportionate share of the net pension liability was based on the District's 2020–21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was 0.087059211 percent, which was a decrease of 5.0 percent from its proportionate share measured as of June 30, 2020.

The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended September 30, 2021, are presented on the following page for the HIS Plan.

Service cost	\$ 244,339
Interest cost	242,675
Effect of economic/demographic gains or losses (differences between expected and actual experience)	73,745
Effect of assumptions changes or inputs	200,643
Projected investment earnings	(7,979)
Member contributions	(48)
Net difference between projected and actual investment earnings	4,416
Administrative expenses	<u>168</u>
Total	757,959
Net amortization of employer-specific amounts due to changes in employer proportion	<u>(550,123)</u>
Total employer total pension expense	<u>\$ 207,836</u>

For the fiscal year ended September 30, 2021, the District recognized pension expense of \$207,836. 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	\$ 357,350	\$ 4,473
Change of assumptions	839,140	440,007
Net differences between projected and actual earnings on HIS Plan investments	11,133	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	-	1,899,355
District HIS Plan contributions subsequent to the measurement date	<u>116,866</u>	<u>-</u>
Total	<u>\$ 1,324,489</u>	<u>\$ 2,343,835</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

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

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>
2020	(\$ 177,046)
2021	(177,046)
2022	(177,046)
2023	(177,046)
2024	(177,046)
Thereafter	<u>(250,982)</u>
Total	<u>(\$1,136,212)</u>

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 2.16 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 (1.16 percent) or one percentage point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
District's proportionate share of net pension liability(asset)	\$12,346,098	\$10,679,121	\$9,313,406

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 Annual Comprehensive 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(12) Retirement Plans (Continued):

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 10.82 percent and Senior Management Service class 29.01 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.

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 \$864,723 for the fiscal year ended September 30, 2021.

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:

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(12) Retirement Plans (Concluded):

	Proportionate Share of Pension Liabilities	Pension Expense	Pension Deferred Outflows of Resources	Pension Deferred Inflows of Resources
FRS Pension Plan	\$ 5,681,065	\$ (654,034)	\$ 5,843,492	\$21,412,474
HIS Plan	10,679,121	207,836	1,324,489	2,343,835
Total	<u>\$ 16,360,186</u>	<u>\$ (446,198)</u>	<u>\$ 7,167,981</u>	<u>\$23,756,309</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, 2021, 358 employees and former employees had \$8,127,429 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.

(13) 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(13) State Trust Funds (Concluded):

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.

(14) 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.

(15) Mitigation Bank Financial Responsibility Assurances:

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

If a bond or an irrevocable letter of credit is used, a standby trust fund shall be established in which all payments under the bonds or letters of credit shall be directly deposited. If the mitigation banks fail to comply with the terms and conditions of the permit, the District may draw upon the financial assurance provided by the mitigation bank. As of September 30, 2021, the District estimates the value of the financial assurances provided by the various mitigation banks is \$21,513,668.

(16) 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(16) Fund Balance Disclosure (Continued):

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.
- 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

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(16) Fund Balance Disclosure (Continued):

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.

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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(16) Fund Balance Disclosure (Concluded):

A schedule of District fund balances at September 30, 2021, follows:

Fund Balances:	General Fund	Special Revenue Fund	Capital Projects Fund	Total All Funds
<u>Nonspendable:</u>				
Inventories and Prepaid Costs	\$ 614,437	\$ -	\$ -	\$ 614,437
<u>Spendable:</u>				
<u>Restricted for:</u>				
Lake Apopka Wildlife Drive	-	3,028	-	3,028
Alternative Water Supply	-	3,502,855	-	3,502,855
Mitigation Endowment	-	14,357,734	-	14,357,734
Total Restricted	-	17,863,617	-	17,863,617
<u>Committed for:</u>				
Lake Apopka & UORB Restoration	465,083	-	-	465,083
Indian River Lagoon Protection	946,637	-	1,350	947,987
Building Fund	305,301	-	4,057,311	4,362,612
Land Management/Acquisition	-	4,585,904	-	4,585,904
St Johns River Basin Restoration	10,596,787	-	337,565	10,934,352
Economic Stabilization Reserve	10,951,918	-	-	10,951,918
Springs Prevention/Recovery Strategy	15,000,000	-	-	15,000,000
Alternative Water Supply	16,500,000	-	-	16,500,000
Cooperative Projects Funding Program	55,944,954	-	-	55,944,954
Total Committed	110,710,680	4,585,904	4,396,226	119,692,810
<u>Assigned for:</u>				
Information Technology	4,570	-	-	4,570
Infrastructure Improvements	-	-	9,473	9,473
Legal Services	18,410	-	-	18,410
Resiliency	29,500	-	-	29,500
Vegetation Management/Planting Services	40,225	-	-	40,225
Central Springs East Coast	75,993	-	-	75,993
Minimum Flows and Levels	111,267	-	-	111,267
Water Resources Information	365,514	-	-	365,514
Field, Facilities and Fleet	493,625	-	-	493,625
Taylor Creek Reservoir	5,000,000	-	-	5,000,000
Total Assigned	6,139,104	-	9,473	6,148,577
<u>Unassigned:</u>	7,444,352	-	-	7,444,352
Totals All Funds	\$ 124,908,573	\$ 22,449,521	\$ 4,405,699	\$151,763,793

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

The state of Florida uses the following expenditure categories in their Annual Comprehensive 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	\$49,467,885	\$49,467,885	\$45,359,459	\$ 4,108,426
Expenses	26,229,131	27,159,999	21,050,165	6,109,834
Grants and aids	185,152,968	140,927,524	28,811,781	112,115,743
Operating capital outlay	2,738,500	3,093,187	1,418,903	1,674,284
Fixed capital outlay	<u>21,802,099</u>	<u>64,741,988</u>	<u>13,880,000</u>	<u>50,861,988</u>
Total expenditures	<u>\$285,390,583</u>	<u>\$285,390,583</u>	<u>\$110,520,308</u>	<u>\$174,870,275</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*.

(18) Implementation of Accounting Standards:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for the District’s fiscal year beginning October 1, 2021. 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. 90 will have on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the District’s fiscal year beginning October 1, 2021. The objective of Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). This Statement achieves that objective by: (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment; (2) clarifying the hedge accounting termination process when a hedged item is amended to replace the reference rate; (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable;

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(18) Implementation of Accounting Standards (Continued):

(4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) identifying a Secured Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The District is currently evaluating the effect that Statement No. 93 will have on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the District's fiscal year beginning October 1, 2022. The objective of Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The District is currently evaluating the effect that Statement No. 94 will have on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the District's fiscal year beginning October 1, 2022. The requirements of Statement No. 94 will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITA's. The District is currently evaluating the effect that Statement No. 94 will have on its financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, effective for the District's fiscal year beginning October 1, 2021. The primary objectives of Statement No. 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(18) Implementation of Accounting Standards (Concluded):

does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefits (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. District is currently evaluating the effect that Statement No. 97 will have on its financial statements.

(19) Subsequent Events:

On May 11, 2021, the Governing Board adopted new minimum flows and levels (MFLs) for Lakes Brooklyn and Geneva and determined that these MFLs were not being met. The Governing Board also approved a recovery strategy called B&G Recovery Strategy to address the deficits through the construction, operation and maintenance of the Black Creek Water Resource Development Project (Black Creek WRD) which will directly augment Lakes Brooklyn and Geneva and also recharge the Floridan Aquifer in the vicinity of the lakes to sufficiently enable these lakes to meet the MFLs. The B&G Recovery Strategy allows entities holding CUPs whose authorized water withdrawals contribute to the deficit for the Lakes Brooklyn and Geneva MFLs to participate financially in the construction, operation and maintenance of the Black Creek WRD as a means of addressing their proportional share of the required recovery of the MFLs for Lakes Brooklyn and Geneva and to ensure their future water use complies with the Lakes Brooklyn and Geneva MFL criteria.

The following entities have executed cost participation agreements for the construction, operation and maintenance of the Black Creek WRD and paid lump sum amounts by November 1, 2021 representing one-half of their total proportional share of the Black Creek WRD to the Florida Department of Financial Services as Escrow Agent:

JEA	\$ 3,686,653
Clay County Utility Authority	3,632,438
Gainesville Regional Utilities	1,355,387
St. Johns County	<u>921,663</u>
Total Escrow Deposit	<u>\$ 9,596,141</u>



Camp Blanding

*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, 2021

	Budgeted			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem property taxes	\$ 90,783,700	\$ 90,783,700	\$ 90,921,443	\$ 137,743
Investment earnings	1,290,000	1,290,000	843	(1,289,157)
Licenses and permits	2,125,000	2,125,000	2,403,355	278,355
Fines and penalties	-	-	118,599	118,599
Other	118,600	118,600	913,672	795,072
Total revenues	94,317,300	94,317,300	94,357,912	40,612
EXPENDITURES				
Water resources planning and monitoring				
Salaries and benefits	11,812,095	11,775,366	10,224,999	1,550,367
Contracted services	3,263,011	3,294,915	2,378,401	916,514
Expenses	1,223,641	1,324,983	1,118,039	206,944
Operating capital outlay	515,547	442,991	342,626	100,365
Fixed capital outlay	-	10,627	10,627	-
Total water resources planning and monitoring	16,814,294	16,848,882	14,074,692	2,774,190
Acquisition, restoration and public works				
Salaries and benefits	9,914,263	9,925,966	9,086,565	839,401
Contracted services	1,606,169	1,679,868	1,203,041	476,827
Expenses	423,392	458,142	365,373	92,769
Operating capital outlay	1,042,039	1,031,667	31,666	1,000,001
Fixed capital outlay	-	5,015,000	15,000	5,000,000
Grants and aids	59,949,845	53,981,924	14,193,160	39,788,764
Total acquisition, restoration and public works	72,935,708	72,092,567	24,894,805	47,197,762
Operation and maintenance of lands and works				
Salaries and benefits	7,853,515	7,796,465	7,390,210	406,255
Contracted services	1,610,366	1,677,191	1,586,462	90,729
Expenses	4,294,711	4,378,856	3,858,052	520,804
Operating capital outlay	1,002,377	1,143,060	741,018	402,042
Fixed capital outlay	90,000	169,474	128,357	41,117
Total operation and maintenance of lands and works	14,850,969	15,165,046	13,704,099	1,460,947

(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, 2021

	Budgeted			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Regulation				
Salaries and benefits	12,686,164	12,663,974	11,716,312	947,662
Contracted services	427,515	638,175	554,456	83,719
Expenses	539,479	600,247	515,341	84,906
Operating capital outlay	57,330	43,170	43,170	-
Total regulation	13,710,488	13,945,566	12,829,279	1,116,287
Outreach				
Salaries and benefits	1,082,244	1,095,754	919,618	176,136
Contracted services	40,384	64,855	45,084	19,771
Expenses	123,166	106,826	78,184	28,642
Operating capital outlay	4,520	3,408	3,408	-
Total outreach	1,250,314	1,270,843	1,046,294	224,549
Management and administration				
Salaries and benefits	5,675,563	5,766,319	5,729,678	36,641
Contracted services	526,471	648,454	576,746	71,708
Expenses	3,325,736	3,363,153	2,998,330	364,823
Operating capital outlay	45,739	34,453	34,453	-
Total management and administration	9,573,509	9,812,379	9,339,207	473,172
Total expenditures	129,135,282	129,135,283	75,888,376	53,246,907
Excess of revenues over (under) expenditures	(34,817,982)	(34,817,983)	18,469,536	53,287,519
Other financing sources (uses)				
Transfers in	-	-	349,668	349,668
Transfers out	(10,937,481)	(10,937,481)	(10,329,792)	607,689
Sale of capital assets	125,000	125,000	41,166	(83,834)
Insurance/ loss recovery	-	-	322,575	322,575
Total other financing sources (uses)	(10,812,481)	(10,812,481)	(9,616,383)	1,196,098
Net change in fund balance	(45,630,463)	(45,630,464)	8,853,153	54,483,617
Fund balance, beginning of year	116,055,420	116,055,420	116,055,420	-
Fund balance, end of year	\$ 70,424,957	\$ 70,424,956	\$ 124,908,573	\$ 54,483,617

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, 2021

	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State				
Dept. of Environmental Protection	\$ 133,637,636	\$ 134,178,577	\$ 21,349,854	\$ (112,828,723)
Fish & Wildlife Conservation Commission	290,000	290,000	69,973	(220,027)
Dept. of Transportation	1,991,232	1,991,232	1,241,127	(750,105)
Dept. of Highway Safety & Motor Vehicles	150,000	150,000	139,989	(10,011)
Dept. of Emergency Management	-	-	6,395	6,395
Total State	136,068,868	136,609,809	22,807,338	(113,802,471)
Federal				
Federal Emergency Management Agency	-	-	115,103	115,103
United States Fish and Wildlife Service	16,706	16,706	12,850	(3,856)
Environmental Protection Agency	93,204	93,204	34,541	(58,663)
United States Geological Survey	27,000	27,000	20,592	(6,408)
Total Federal	136,910	136,910	183,086	46,176
Investment earnings	-	-	139,187	139,187
Local mitigation	-	-	12,303	12,303
Cities and counties	1,973,944	1,982,840	48,896	(1,933,944)
Lease and timber sales	2,400,000	2,400,000	1,376,417	(1,023,583)
Other				
Florida Inland Navigation District	15,000	15,000	400	(14,600)
Water management districts	887,870	302,020	199,467	(102,553)
Total Other	902,870	317,020	199,867	(117,153)
Total revenues	141,482,592	141,446,579	24,767,094	(116,679,485)
EXPENDITURES				
Water resources planning and monitoring				
Salaries and benefits	221,486	221,486	110,827	110,659
Contracted services	2,272,630	2,197,518	325,009	1,872,509
Expenses	89,318	101,648	69,784	31,864
Operating capital outlay	55,407	55,407	55,407	-
Total water resources planning and monitoring	2,638,841	2,576,059	561,027	2,015,032

(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, 2021

	Budgeted			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Acquisition, restoration and public works				
Salaries and benefits	222,555	222,555	181,251	41,304
Contracted services	792,826	1,186,631	893,156	293,475
Expenses	15,854	11,793	8,808	2,985
Fixed capital outlay	8,892,147	46,734,957	6,042,832	40,692,125
Grants and aids	125,203,123	86,945,600	14,618,621	72,326,979
Total acquisition, restoration and public works	135,126,505	135,101,536	21,744,668	113,356,868
Operation and maintenance of lands and works				
Contracted services	3,286,266	3,170,494	2,769,570	400,924
Expenses	2,320,776	2,197,475	1,665,341	532,134
Operating capital outlay	15,541	339,032	167,155	171,877
Fixed capital outlay	317,165	309,143	197,684	111,459
Total operation and maintenance of lands and works	5,939,748	6,016,144	4,799,750	1,216,394
Regulation				
Contracted services	22,059	24,088	14,727	9,361
Expenses	3,210	7,231	7,112	119
Total regulation	25,269	31,319	21,839	9,480
Outreach				
Contracted services	1,739	1,899	1,161	738
Expenses	253	570	561	9
Total outreach	1,992	2,469	1,722	747
Management and administration				
Contracted services	17,597	19,216	11,751	7,465
Expenses	2,561	5,770	5,676	94
Total management and administration	20,158	24,986	17,427	7,559
Total expenditures	143,752,513	143,752,513	27,146,433	116,605,214
Excess of revenues over (under) expenditures	(2,269,921)	(2,305,934)	(2,379,339)	(73,405)
Other financing sources (uses)				
Transfers in	-	-	3,900	3,900
Transfers out	-	-	(349,668)	(349,668)
Total other financing sources (uses)	-	-	(345,768)	(345,768)
Net change in fund balance	(2,269,921)	(2,305,934)	(2,725,107)	(419,173)
Fund balance, beginning of year (as restated)	20,354,013	20,354,013	25,174,628	4,820,615.00
Fund balance, end of year	\$ 18,084,092	\$ 18,048,079	\$ 22,449,521	\$ 4,401,442

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

(Concluded)



Merritt Island National Wildlife Refuge

Notes to Budgetary Comparison Schedules

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2021

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, (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)

	2021	2020	2019	2018	2017
Total OPEB Liability-Beginning Balance	\$4,433,091	\$5,033,228	\$4,369,253	\$4,379,223	\$3,932,725
Service Cost	139,728	111,672	159,127	121,964	105,467
Interest on total OPEB liability	103,346	110,975	192,003	163,393	161,528
Effect of differences between expected and actual experience	(27,066)	(601,947)	552,884	(52,288)	289,909
Implicit Rate Subsidy	(220,837)	(220,837)	(243,039)	(243,039)	(210,406)
Net Change in total OPEB liability	(4,829)	(600,137)	663,975	(9,970)	446,498
Total OPEB liability-Ending Balance	4,428,262	4,433,091	5,033,228	4,369,253	4,379,223
Annual Covered Payroll	30,259,682	32,626,577	32,494,407	33,304,110	33,845,129
Total OPEB liability as a % of covered payroll	14.6%	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, 2021
(unaudited)

Florida Retirement System (FRS) Pension Plan and Health Insurance Subsidy (HIS) Program

The FRS Actuarial Assumption 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 Pensions 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 the 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 2.16 percent was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Index). Mortality assumptions for both the FRS Pension Plan and HIS Program were based on the PUB-2010 base table (refer to the valuation reports for more information as stated below).

The following changes in actuarial assumptions occurred in 2021:

- FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 2.21 percent to 2.16 percent.

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.

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 percent.

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>2021</u>	<u>2020</u>
St. Johns River Water Management District's proportion of the net pension liability (asset)	0.075207414%	0.074163269%
St. Johns River Water Management District's proportionate share of the net pension liability (asset)	\$ 5,681,065	\$ 32,143,454
St. Johns River Water Management District's covered payroll	30,847,956	31,798,698
St. Johns River Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.42%	101.08%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%

*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.

2019	2018	2017	2016	2015
0.079128032%	0.081667525%	0.087082390%	0.088007698%	0.098383092%
\$ 27,250,593	\$ 24,598,682	\$ 25,758,387	\$ 22,222,013	\$ 12,707,496
33,060,536	33,903,289	35,691,411	36,080,549	37,304,382
82.43%	72.56%	72.17%	61.59%	34.06%
82.61%	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>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,865,078	\$ 2,464,117
Contributions in relation to the contractually required contribution	<u>(2,865,078)</u>	<u>(2,464,117)</u>
Contribution deficiency (excess)	-	-
St. Johns River Water Management District's covered payroll	<u>30,763,566</u>	<u>31,518,685</u>
Contributions as a percentage of covered payroll	9.31%	7.82%

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,453,540	\$ 2,327,459	\$ 2,266,969	\$ 2,146,208	\$ 2,398,663	\$ 2,194,839
<u>(2,453,540)</u>	<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>32,790,543</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>
7.48%	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>2021</u>	<u>2020</u>
St. Johns River Water Management District's proportion of the net pension liability (asset)	0.087059211%	0.091609836%
St. Johns River Water Management District's proportionate share of the net pension liability (asset)	\$ 10,679,121	\$ 11,185,412
St. Johns River Water Management District's covered payroll	30,847,956	31,798,698
St. Johns River Water Management District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.62%	35.18%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%

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

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

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

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

2019	2018	2017	2016	2015
0.098852719%	0.103801405%	0.111921289%	0.116868817%	0.122961734%
\$ 11,060,630	\$ 10,986,457	\$ 11,967,141	\$ 13,620,577	\$ 12,540,163
33,060,536	33,903,289	35,691,411	36,080,549	37,304,382
33.46%	32.41%	33.53%	37.75%	33.62%
2.63%	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>2021</u>	<u>2020</u>
Contractually required contribution	\$ 511,735	\$ 527,905
Contributions in relation to the contractually required contribution	<u>(511,735)</u>	<u>(527,905)</u>
Contribution deficiency (excess)	-	-
St. Johns River Water Management District's covered payroll	<u>30,763,566</u>	<u>31,518,685</u>
Contributions as a percentage of covered payroll	1.66%	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.

2019	2018	2017	2016	2015	2014
\$ 548,920	\$ 562,918	\$ 592,320	\$ 599,027	\$ 470,036	\$ 428,042
<u>(548,920)</u>	<u>(562,918)</u>	<u>(592,320)</u>	<u>(599,027)</u>	<u>(470,036)</u>	<u>(428,042)</u>
-	-	-	-	-	-
<u>32,790,543</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%	1.67%	1.74%	1.69%	1.26%	1.15%



Newnans Lake 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, 2021

	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Acquisition, restoration and public works				
Fixed capital outlay	8,401,723	8,513,568	3,719,696	4,793,872
Total acquisition, restoration and public works	8,401,723	8,513,568	3,719,696	4,793,872
Operation and maintenance of lands and works				
Fixed capital outlay	4,101,064	3,989,219	3,765,803	223,416
Total operation and maintenance of lands and works	4,101,064	3,989,219	3,765,803	223,416
Total expenditures	12,502,787	12,502,787	7,485,499	5,017,288
Excess of revenues over (under) expenditures	(12,502,787)	(12,502,787)	(7,485,499)	5,017,288
Other financing sources (uses)				
Transfers in	10,937,481	10,937,481	10,325,892	(611,589)
Transfers out	-	-	-	-
Total other financing sources (uses)	10,937,481	10,937,481	10,325,892	(611,589)
Net change in fund balance	(1,565,306)	(1,565,306)	2,840,393	4,405,699
Fund balance, beginning of year	1,565,306	1,565,306	1,565,306	-
Fund balance, end of year	\$ -	\$ -	\$ 4,405,699	\$ 4,405,699

Annual Comprehensive Financial Report

Statistical Section (Unaudited)



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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 annual comprehensive 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.

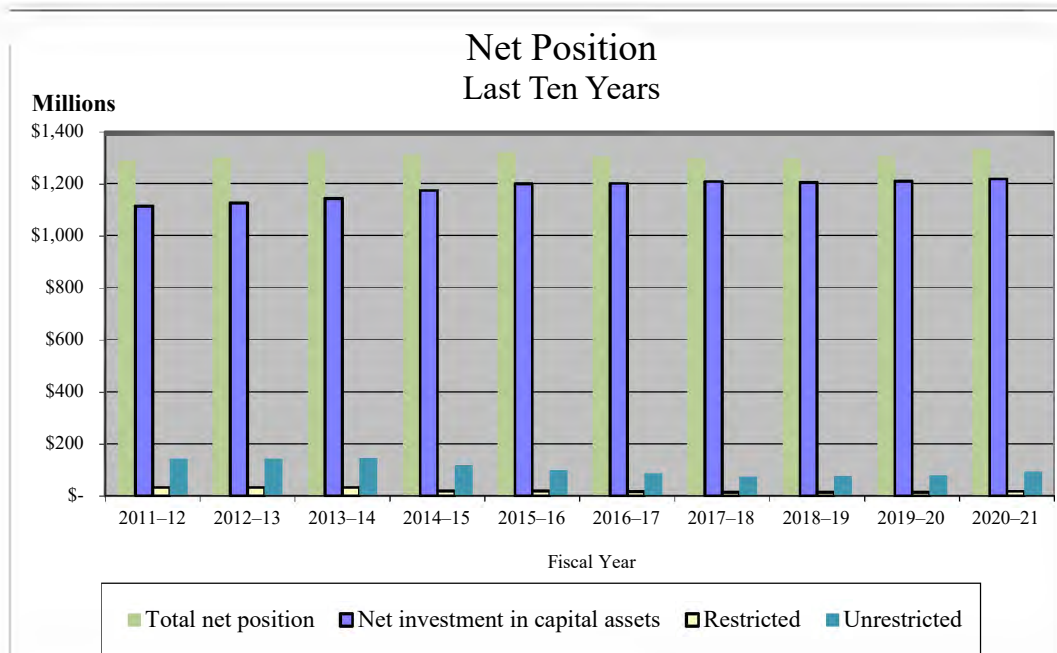


Moses Creek Conservation Area

Financial Trends

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

	2011-12	2012-13	2013-14	2014-15	2015-16
Governmental activities					
Net investment in capital assets	\$ 1,112,241,722	\$ 1,125,006,751	\$ 1,142,674,165	\$ 1,172,379,975	\$ 1,199,234,566
Restricted	32,804,322	33,148,716	32,435,993	19,334,646	18,648,086
Unrestricted	140,860,620	140,577,543	143,202,750	115,889,657	98,291,727
Total net position, governmental activities	\$ 1,285,906,664	\$ 1,298,733,010	\$ 1,318,312,908	\$ 1,307,604,278	\$ 1,316,174,379



2016–17	2017–18	2018–19	2019–20	2020–21
\$ 1,200,386,597	\$ 1,207,622,764	\$ 1,203,496,683	\$ 1,208,369,100	\$ 1,217,378,165
16,364,766	14,357,026	14,162,621	14,336,599	17,863,617
85,959,027	73,442,677	75,787,002	78,419,702	92,765,680
\$ 1,302,710,390	\$ 1,295,422,467	\$ 1,293,446,306	\$ 1,301,125,401	\$ 1,328,007,462

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

	2011-12	2012-13	2013-14	2014-15
Expenses:				
Water resources planning and monitoring	\$ 11,695,698	\$ 13,955,220	\$ 15,048,512	\$ 16,525,822
Acquisition, restoration and public works	27,605,019	22,903,593	27,583,602	45,545,311
Operation and maintenance of land and works	20,414,644	24,134,473	23,901,054	25,818,520
Regulation	13,391,590	14,145,560	13,230,805	16,035,824
Outreach	942,373	904,300	940,621	1,229,915
District management and administration	24,425,597	17,289,120	16,217,840	16,371,881
Interest on long-term debt	1,001,946	955,965	599,241	329,367
Total expenses	<u>99,476,867</u>	<u>94,288,231</u>	<u>97,521,675</u>	<u>121,856,640</u>
Program revenues:				
Charges for services:				
Gain on disposal of land	-	-	-	1,231,071
Regulatory permitting	1,155,765	1,152,520	1,510,633	1,728,512
Operations and land management	1,060,208	1,234,117	1,885,825	1,387,381
Operating grants and contributions	18,106,785	14,206,955	15,072,037	27,128,105
Capital grants and contributions	15,901,918	10,062,697	16,783,189	12,582,684
Total program revenues	<u>36,224,676</u>	<u>26,656,289</u>	<u>35,251,684</u>	<u>44,057,753</u>
Net (expense)/ revenue	(63,252,191)	(67,631,942)	(62,269,991)	(77,798,887)
General revenues and other changes in net position				
Ad valorem property taxes	82,083,164	79,630,212	80,285,876	81,505,441
Unrestricted earnings on investments	1,705,494	720,372	1,131,270	2,386,129
Miscellaneous	202,814	107,704	432,743	230,492
Total general revenues and other changes in net position	<u>83,991,472</u>	<u>80,458,288</u>	<u>81,849,889</u>	<u>84,122,062</u>
Change in net position	<u>\$ 20,739,281</u>	<u>\$ 12,826,346</u>	<u>\$ 19,579,898</u>	<u>\$ 6,323,175</u>

2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
\$ 14,941,578	\$ 15,857,328	\$ 14,335,314	\$ 14,946,389	\$ 15,611,537	\$ 13,221,335
45,556,251	67,405,308	76,409,655	59,248,127	45,086,646	35,031,146
22,949,525	24,220,770	23,916,602	25,172,793	25,068,466	27,439,764
12,183,780	11,950,330	10,869,409	11,215,142	13,441,079	11,751,217
1,056,451	1,035,590	952,170	923,747	1,166,635	965,048
16,881,745	16,642,647	16,799,405	16,781,888	10,179,742	9,847,179
-	-	-	-	-	-
113,569,330	137,111,973	143,282,555	128,288,086	110,554,105	98,255,689
1,613,492	-	1,124,821	-	-	-
2,082,799	2,120,253	2,298,812	2,327,093	2,105,812	2,521,954
1,778,961	1,909,607	1,610,489	1,942,046	1,782,198	1,376,417
17,912,774	26,169,214	37,852,367	22,855,269	15,258,039	18,185,275
13,742,293	8,060,160	7,534,233	5,488,297	6,158,725	6,271,992
37,130,319	38,259,234	50,420,722	32,612,705	25,304,774	28,355,638
(76,439,011)	(98,852,739)	(92,861,833)	(95,675,381)	(85,249,331)	(69,900,051)
82,873,945	84,103,364	85,496,445	87,187,723	88,509,313	90,907,795
1,941,294	848,612	172,979	5,980,793	4,192,008	913,672
193,873	436,774	442,493	530,704	227,105	140,030
85,009,112	85,388,750	86,111,917	93,699,220	92,928,426	91,961,497
\$ 8,570,101	\$ (13,463,989)	\$ (6,749,916)	\$ (1,976,161)	\$ 7,679,095	\$ 22,061,446

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
General fund				
Nonspendable	\$ 591,701	\$ 914,668	\$ 1,030,023	\$ 1,581,027
Restricted	-	-	-	-
Committed	124,302,980	126,500,000	125,260,000	123,265,302
Assigned	525,224	16,423,721	16,013,221	9,854,264
Unassigned	16,464,398	2,104,987	42,514	-
Total general fund	<u>141,884,303</u>	<u>145,943,376</u>	<u>142,345,758</u>	<u>134,700,593</u>
All other governmental funds				
Restricted:				
Special revenue funds	25,993,223	26,867,688	26,088,129	19,334,646
Debt service fund	6,439,146	6,454,533	6,471,774	-
Committed:				
Special revenue funds	-	-	7,200,000	12,426,071
Capital projects fund	11,508,890	6,000,000	5,040,000	4,477,398
Assigned:				
Capital projects fund	<u>160,872</u>	<u>1,094,300</u>	<u>536</u>	<u>64,528</u>
Total all other governmental funds	<u>44,102,131</u>	<u>40,416,521</u>	<u>44,800,439</u>	<u>36,302,643</u>
Total fund balances	<u>\$ 185,986,434</u>	<u>\$ 186,359,897</u>	<u>\$ 187,146,197</u>	<u>\$ 171,003,236</u>

2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
\$ 2,059,241	\$ 1,551,238	\$ 1,322,613	\$ 1,187,026	\$ 807,609	\$ 614,437
-	160,120	-	-	-	-
111,136,700	99,368,966	81,686,819	93,549,548	114,627,674	110,710,680
13,036,517	4,480,110	11,943,340	1,156,939	620,137	6,139,104
-	9,909,180	9,008,187	15,040,051	-	7,444,352
126,232,458	115,469,614	103,960,959	110,933,564	116,055,420	124,908,573
18,648,086	16,204,646	14,357,026	14,162,621	14,336,599	17,863,617
-	-	-	-	-	-
8,067,297	7,517,467	6,095,032	5,779,078	6,017,414	4,585,904
1,200,115	1,095,396	877,202	488,518	1,484,242	4,396,226
-	-	338,782	65,200	81,064	9,473
27,915,498	24,817,509	21,668,042	20,495,417	21,919,319	26,855,220
\$ 154,147,956	\$ 140,287,123	\$ 125,629,001	\$ 131,428,981	\$ 137,974,739	\$ 151,763,793

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

	2011-12	2012-13	2013-14	2014-15
Revenues:				
Taxes	\$ 82,083,164	\$ 79,630,212	\$ 80,285,876	\$ 81,505,441
State	18,358,377	19,809,645	19,165,372	26,009,183
Federal	1,813,621	1,071,230	1,630,939	2,428,612
Investment earnings	1,705,494	720,372	1,131,270	2,386,129
Local mitigation	58	8,750	25,477	646
Licenses and permits	1,150,280	1,141,451	1,504,706	1,721,156
Cities and counties	-	92,925	358	400,268
Other local	94,707	223,517	205,770	1,031,639
Land management	1,060,208	1,234,117	1,885,825	1,387,381
Miscellaneous revenue	208,299	118,773	438,670	237,848
Total revenues	<u>106,474,208</u>	<u>104,050,992</u>	<u>106,274,263</u>	<u>117,108,303</u>
Expenditures:				
Water resources planning and monitoring	11,870,469	14,643,303	15,647,669	18,851,892
Acquisition, restoration and public works	42,959,409	34,297,823	33,986,990	52,076,117
Operation and maintenance of land and works	12,955,727	17,276,250	19,049,507	20,225,937
Regulation	13,311,975	14,056,424	13,511,073	14,021,045
Outreach	935,412	896,417	963,860	1,092,884
District management and administration	21,460,015	16,418,073	15,748,277	14,602,886
Debt service:				
Principal retirement	5,475,000	5,645,000	5,830,000	12,290,000
Interest and fiscal charges	1,041,850	872,125	688,362	532,328
Total expenditures	<u>110,009,857</u>	<u>104,105,415</u>	<u>105,425,738</u>	<u>133,693,089</u>
Excess of revenues over(under) expenditures	(3,535,649)	(54,423)	848,525	(16,584,786)
Other financing sources (uses):				
Transfers in	12,825,762	307,150	7,988,246	48,226,466
Transfers out	(12,825,762)	(307,150)	(7,988,246)	(48,226,466)
Sale of capital assets	207,307	416,062	94,343	437,830
Transfer out - refund to state	-	-	(156,568)	-
Insurance - loss recovery	63,230	11,824	-	3,995
Total other financing sources (uses)	<u>270,537</u>	<u>427,886</u>	<u>(62,225)</u>	<u>441,825</u>
Net change in fund balances	<u>\$ (3,265,112)</u>	<u>\$ 373,463</u>	<u>\$ 786,300</u>	<u>\$ (16,142,961)</u>
Debt service as a percentage of noncapital expenditures	7.04%	7.21%	6.95%	10.58%

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
\$ 82,873,945	\$ 84,103,364	\$ 85,496,445	\$ 86,945,000	\$ 88,543,660	\$ 90,921,443
18,633,171	26,944,590	23,088,283	22,109,984	17,877,691	22,807,338
4,792,762	1,559,917	14,722,233	1,574,918	1,053,777	183,086
1,941,294	848,612	172,979	5,980,793	4,192,008	140,030
69,829	807	70,859	323,681	86,510	12,303
2,076,949	1,897,307	1,968,953	2,084,226	2,045,357	2,403,355
20,493	67,798	496,034	111,326	53,956	48,896
1,952,128	818,867	1,721,109	297,251	206,853	199,867
1,778,961	2,120,253	1,610,489	1,942,046	1,782,198	1,376,417
199,723	449,074	772,352	773,571	287,560	1,032,271
114,339,255	118,810,589	130,119,736	122,142,796	116,129,570	119,125,006
17,276,381	16,388,650	14,956,611	14,526,979	15,555,502	14,635,719
66,315,200	65,132,072	80,716,522	55,063,632	52,317,655	50,359,169
20,025,471	21,938,325	21,526,894	20,291,041	20,754,186	22,269,652
11,840,656	11,483,652	10,730,509	10,185,895	12,578,882	12,851,118
1,027,234	994,787	949,000	854,629	1,101,653	1,048,016
16,113,130	17,042,243	17,357,032	15,701,195	8,861,869	9,356,634
-	-	-	-	-	-
-	-	-	-	-	-
132,598,072	132,979,729	146,236,568	116,623,371	111,169,747	110,520,308
(18,258,817)	(14,169,140)	(16,116,832)	5,519,425	4,959,823	8,604,698
4,222,565	3,672,135	3,730,986	6,703,492	8,968,616	10,679,460
(4,222,565)	(3,672,135)	(3,730,986)	(6,703,492)	(8,968,616)	(10,679,460)
1,401,001	307,543	1,230,496	117,144	1,433,583	41,166
-	-	-	-	-	-
2,536	764	228,214	163,411	152,352	322,575
1,403,537	308,307	1,458,710	280,555	1,585,935	363,741
\$ (16,855,280)	\$ (13,860,833)	\$ (14,658,122)	\$ 5,799,980	\$ 6,545,758	\$ 8,968,439
N/A	N/A	N/A	N/A	N/A	N/A



Deep Creek 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Assessed Property Value (Millions) ¹	\$ 257,587	\$ 249,187	\$ 253,093
Estimated Just Value (Millions) ²	393,127	376,267	377,799
Assessed Value as a Percentage of Just Value	65.5%	66.2%	67.0%
Millage Levy	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>	<u>2020-21</u>
\$ 266,509	\$ 283,964	\$ 301,971	\$ 325,455	\$ 352,181	\$ 380,129	\$ 411,352
412,989	445,836	473,945	508,680	552,921	593,787	676,929
64.5%	63.7%	63.6%	64.0%	63.7%	64.0%	61.0%
0.3164	0.3023	0.2885	0.2627	0.2562	0.2414	0.2287

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TAXABLE PROPERTY VALUES AND ESTIMATED
JUST VALUES OF TAXABLE PROPERTY BY COUNTY
FISCAL YEAR 2020–2021

<u>County</u>	<u>Estimated Just Value¹</u>	<u>Taxable Value²</u>	<u>Taxable as Percentage of Just Value</u>
Alachua*	\$23,742,022,562	\$11,647,839,843	49.1%
Baker*	2,166,743,293	994,051,344	45.9%
Bradford*	129,865,788	68,112,602	52.4%
Brevard	83,120,802,549	44,252,586,388	53.2%
Clay	21,198,286,499	12,301,045,280	58.0%
Duval	122,786,732,472	73,778,631,249	60.1%
Flagler	16,558,356,483	10,015,499,909	60.5%
Indian River	30,181,799,751	19,593,812,093	64.9%
Lake*	40,426,495,048	24,694,030,187	61.1%
Marion*	23,708,313,697	12,788,087,585	53.9%
Nassau	17,367,510,663	10,247,352,929	59.0%
Okeechobee*	2,793,454,688	1,118,437,332	40.0%
Orange*	109,470,644,925	74,607,448,994	68.2%
Osceola*	196,548,439	121,829,655	62.0%
Putnam	8,875,488,826	4,571,122,375	51.5%
St. Johns	48,601,782,000	31,779,477,151	65.4%
Seminole	56,968,954,961	38,387,073,387	67.4%
Volusia	68,635,005,004	40,386,305,800	58.8%
Total	\$ 676,928,807,648	\$ 411,352,744,103	60.8%
Florida Total	\$ 3,319,265,539,652	\$ 2,120,877,139,351	63.9%

Source: Florida Department of Revenue. 2020 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 2020–2021

<u>County</u>	<u>Property Tax Collections</u>	<u>Percentage of Collections</u>
Alachua	\$ 2,542,145	2.80%
Baker	227,120	0.25%
Bradford	15,338	0.02%
Brevard	9,809,122	10.79%
Clay	2,710,324	2.98%
Duval	16,348,243	17.98%
Flagler	2,209,040	2.43%
Indian River	4,328,836	4.76%
Lake	5,448,371	5.99%
Marion	2,821,013	3.10%
Nassau	2,247,543	2.47%
Okeechobee	250,702	0.28%
Orange	16,494,536	18.14%
Osceola	26,910	0.03%
Putnam	1,029,153	1.13%
St. Johns	7,030,536	7.73%
Seminole	8,447,895	9.29%
Volusia	8,934,616	9.83%
Total	\$ 90,921,443	100.00%

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

	2011-12	2012-13	2013-14	2014-15
Millage Levy	0.3313	0.3313	0.3283	0.3164
Alachua	\$ 2,675,170	\$ 2,577,902	\$ 2,526,907	\$ 2,504,523
Baker	261,829	251,296	230,868	228,881
Bradford	19,178	18,293	17,762	17,647
Brevard	8,066,680	7,968,861	8,261,567	8,658,663
Clay	2,617,584	2,563,141	2,587,480	2,598,482
Duval	16,002,679	15,353,964	15,093,496	15,221,818
Flagler	2,151,730	2,030,623	2,015,491	2,044,842
Indian River	4,247,784	4,082,189	4,114,964	4,121,433
Lake	5,048,775	4,750,592	4,746,674	4,783,007
Marion	3,142,319	2,942,777	2,919,095	2,914,399
Nassau	2,097,930	1,989,635	1,972,362	1,989,852
Okeechobee	24,052	23,934	22,543	21,456
Orange	13,377,083	13,164,264	13,429,265	13,738,249
Osceola	33,031	34,601	34,379	34,254
Putnam	1,122,965	1,071,860	1,083,026	1,027,046
St. Johns	5,659,490	5,479,842	5,582,815	5,707,498
Seminole	7,745,493	7,631,408	7,787,506	7,905,846
Volusia	7,789,392	7,695,030	7,859,676	7,987,545
Total	\$ 82,083,164	\$ 79,630,212	\$ 80,285,876	\$ 81,505,441
Percentage increase of property tax revenues	-26.3%	-3.0%	0.8%	1.5%

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
0.3023	0.2885	0.2627	0.2562	0.2414	0.2287
\$ 2,461,229	\$ 2,444,567	\$ 2,504,168	\$ 2,536,425	\$ 2,528,083	\$ 2,542,145
214,861	211,945	209,831	219,615	224,154	227,120
17,360	16,698	16,578	15,962	17,551	15,338
8,763,008	9,020,609	9,251,550	9,474,595	9,641,038	9,809,122
2,591,210	2,607,299	2,629,108	2,644,778	2,670,704	2,710,324
15,418,596	15,467,620	15,589,052	15,810,694	16,032,509	16,348,243
2,085,126	2,106,712	2,114,667	2,141,994	2,189,849	2,209,040
4,202,249	4,252,387	4,284,650	4,309,117	4,341,247	4,328,836
4,804,644	4,856,147	4,986,929	5,138,672	5,251,075	5,448,371
2,916,170	2,891,986	2,869,307	2,875,233	2,810,051	2,821,013
2,001,801	2,015,448	2,061,623	2,113,000	2,181,012	2,247,543
21,170	23,001	301,211	37,991	157,923	250,702
14,387,847	14,795,934	14,934,355	15,485,306	15,854,565	16,494,536
32,296	30,468	62,257	27,365	13,131	26,910
970,997	943,839	922,858	939,178	926,920	1,029,153
5,947,220	6,181,467	8,107,415	6,452,098	8,354,949	7,030,536
7,976,463	8,018,485	6,543,937	8,216,120	6,669,886	8,447,895
8,061,698	8,218,753	8,106,949	8,506,858	8,679,013	8,934,616
\$ 82,873,945	\$ 84,103,364	\$ 85,496,445	\$ 86,945,000	\$ 88,543,660	\$ 90,921,443
1.7%	1.5%	1.7%	1.7%	1.8%	2.7%

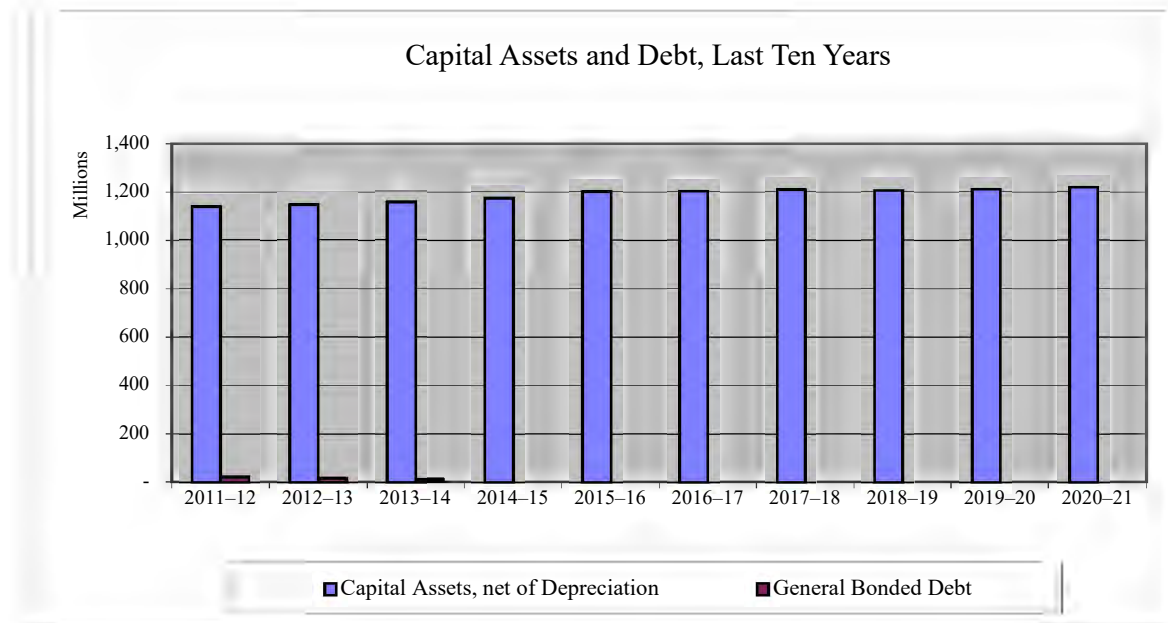


Lake Norris Conservation Area

Debt Capacity

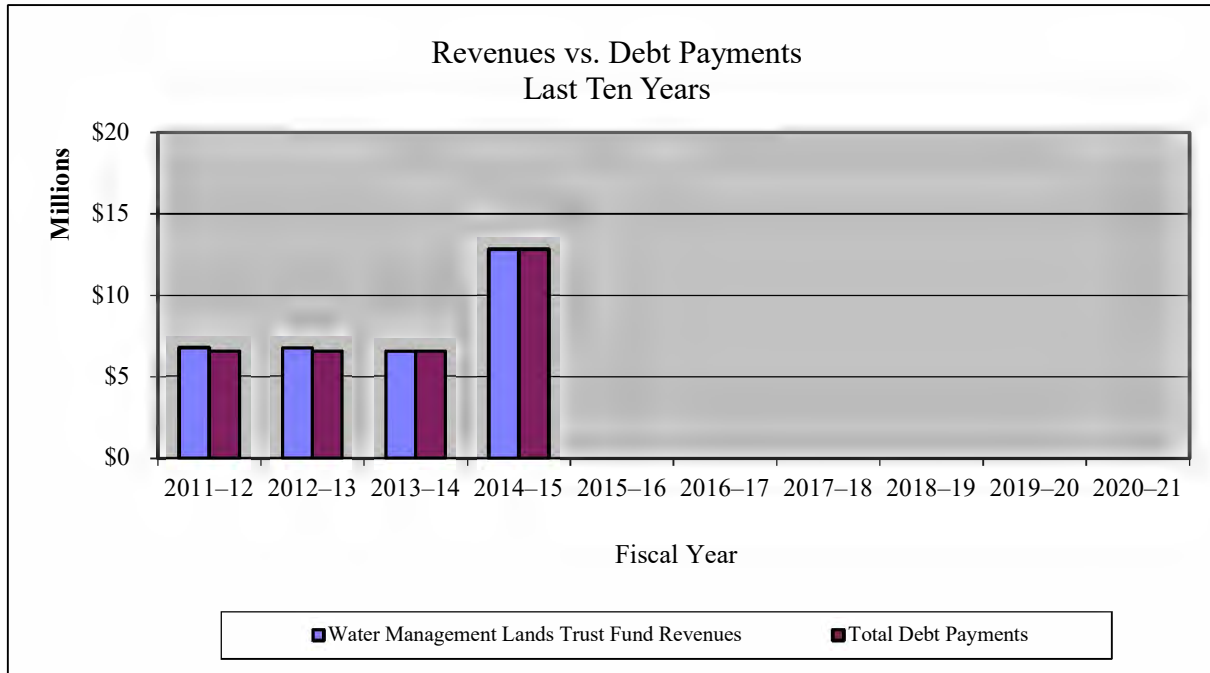
ST. JOHNS RIVER MANAGEMENT DISTRICT, FLORIDA
RATIO OF GENERAL BONDED DEBT TO CAPITAL ASSETS, NET OF
DEPRECIATION AND GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

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	-
2020–21	-	1,217,378,165	0.00%	5,656,395	-



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
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	-	-	-	-	-
2020–21	-	-	-	-	-





Fort Drum Marsh Conservation Area

Demographic and Economic Information

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

	2012	2013	2014	2015	2016	2017
Alachua*	196,281	197,261	206,852	198,585	200,251	193,338
Baker*	26,423	26,368	26,397	26,423	26,372	26,606
Bradford*	1,155	1,154	5,557	5,544	5,570	2,438
Brevard	545,625	548,424	552,427	561,714	568,919	575,211
Clay	192,071	192,843	197,403	201,277	205,321	208,549
Duval	869,729	876,075	890,066	905,574	923,647	936,811
Flagler	97,160	97,843	99,121	101,353	103,095	105,157
Indian River	139,446	139,586	140,955	143,326	146,410	148,962
Lake*	298,928	302,559	309,117	315,936	323,337	331,027
Marion*	232,326	233,735	210,572	218,965	221,971	217,489
Nassau	73,745	74,661	75,321	76,536	77,841	80,456
Okeechobee*	744	744	1,434	1,442	1,469	1,460
Orange*	883,720	904,038	875,560	870,632	889,869	912,358
Osceola*	983	1,009	296	259	323	1,553
Putnam*	73,158	72,605	72,523	72,756	72,972	73,176
St. Johns	196,071	201,541	207,443	213,566	220,257	229,715
Seminole	428,104	431,074	437,086	442,903	449,124	454,757
Volusia	497,145	498,978	503,851	510,494	517,411	523,405
SJRWMD Total	4,752,814	4,800,498	4,811,981	4,867,285	4,954,159	5,022,469

Annual

Percentage Increase	0.7%	1.0%	0.2%	1.1%	1.8%	1.4%
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Source: University of Florida Bureau of Economic and Business Research

¹ *2020 Report of Annual Water Use for SJRWMD, Figures are estimates.*

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

2018	2019	2020	2021¹
195,783	206,360	209,665	209,136
27,057	27,712	28,075	28,047
2,475	5,794	5,790	5,677
583,563	594,469	606,671	622,623
212,034	215,246	219,575	219,572
952,861	970,672	982,080	982,081
107,511	110,635	114,173	119,244
151,825	154,939	158,834	173,845
342,196	356,175	365,641	374,645
220,373	238,599	243,705	245,809
82,748	85,070	89,258	95,977
1,459	1,589	1,601	1,611
937,160	946,693	966,622	1,122,638
1,621	741	774	1,309
72,981	73,268	73,723	73,308
238,742	254,412	261,900	261,899
463,560	471,735	476,727	499,558
531,062	538,763	551,588	619,416
<u>5,125,012</u>	<u>5,252,872</u>	<u>5,356,402</u>	<u>5,656,395</u>

2.0%	2.5%	2.0%	5.6%
------	------	------	------

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Number of Employees ¹	591	591	588	591	582
District Population ²	4,800,498	4,811,981	4,867,285	4,954,159	4,954,159
Employees Per 100,000 Population	12.3	12.3	12.1	11.9	11.7

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

²St. Johns River Water Management District estimates

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
574	565	550	536	531
5,022,469	5,125,012	5,252,872	5,356,402	5,656,395
11.4	11.0	10.5	10.0	9.4

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
TOP TEN NON-GOVERNMENT EMPLOYERS WITHIN A SINGLE COUNTY
FISCAL YEAR 2020-2021

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<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	62,000	1	Orange
Florida Hospital/Adventist Health	36,000	2	Orange	16,771	2	Orange
Universal Orlando Resort	24,500	3	Orange	16,000	3	Orange
Orlando Health	20,400	4	Orange	13,666	4	Orange
UF Health Shands System	12,959	5	Alachua	12,588	5	Alachua
University of Central Florida*	12,555	6	Orange	10,346	6	-
Baptist Health	10,650	7	Duval	8,270	7	Duval
Health First	8,500	8	Brevard	6,400	8	Brevard
Bank of America Merrill Lynch*	7,700	9	Duval	-	-	-
Harris Corporation	7,500	10	Brevard	6,100	9	Brevard

* 2011 information not available

Source: 2020 county and city CAFRs within the District's boundaries

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021*
Alachua	6.6%	5.4%	5.2%	4.2%	4.3%	3.0%	2.7%	2.7%	4.3%	3.1%
Baker	7.8%	6.7%	6.3%	4.9%	4.9%	3.2%	2.9%	2.7%	4.3%	3.2%
Bradford	7.2%	5.7%	5.6%	5.0%	4.3%	3.0%	2.7%	2.7%	4.6%	3.8%
Brevard	9.2%	7.9%	6.9%	5.4%	5.2%	3.5%	3.0%	2.9%	5.0%	3.4%
Clay	7.6%	6.3%	5.7%	4.5%	4.5%	3.1%	2.8%	2.8%	3.9%	3.0%
Duval	8.8%	7.4%	6.7%	5.2%	5.0%	3.5%	3.0%	2.9%	5.5%	3.6%
Flagler	11.6%	10.2%	7.5%	5.9%	5.5%	3.8%	3.5%	3.3%	5.5%	4.1%
Indian River	10.6%	9.1%	7.8%	6.7%	6.2%	4.3%	3.7%	3.4%	3.4%	3.9%
Lake	9.0%	7.5%	6.4%	5.0%	4.9%	3.4%	2.9%	2.9%	6.4%	3.9%
Marion	10.0%	8.3%	7.3%	5.9%	5.8%	4.0%	3.6%	3.4%	5.4%	4.2%
Nassau	7.7%	6.2%	5.8%	4.6%	4.6%	3.2%	2.7%	2.7%	3.9%	2.9%
Okeechobee	10.2%	8.7%	7.3%	6.0%	5.4%	3.8%	3.1%	3.1%	4.4%	3.8%
Orange	8.3%	6.8%	5.8%	4.5%	4.4%	3.1%	2.6%	2.6%	8.3%	3.9%
Osceola	9.3%	7.5%	6.7%	5.3%	5.0%	3.6%	3.0%	3.0%	10.1%	4.8%
Putnam	11.2%	9.4%	8.7%	6.9%	6.3%	4.4%	4.1%	3.7%	7.1%	5.4%
St. Johns	6.9%	5.6%	4.7%	3.6%	3.7%	2.7%	2.6%	2.3%	3.6%	2.6%
Seminole	7.8%	6.4%	5.6%	4.4%	4.3%	3.0%	2.5%	2.6%	5.5%	3.4%
Volusia	8.8%	7.3%	6.7%	5.3%	5.1%	3.6%	3.2%	3.1%	5.7%	3.9%
SJRWMD	8.6%	7.1%	5.9%	4.9%	4.8%	3.3%	2.9%	2.9%	5.4%	3.4%
Florida	8.6%	7.2%	6.1%	5.4%	4.9%	3.6%	3.0%	2.9%	6.3%	3.6%
U.S.	8.1%	7.4%	5.7%	5.3%	4.9%	3.9%	3.5%	3.3%	6.6%	3.9%

**Source: <http://www.floridajobs.org/workforce-statistics/workforce-statistics-data-releases/monthly-data-releases> 12/17/21*

** Data for November 2021. Not seasonally adjusted.*



Moses Creek Conservation Area

Operating Information

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

Type of Ownership	<u>Acres of Land or Conservation Easement Ownership</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Full Fee:</u>					
Acquired	3.61	3,678.92	-402.46	-1,587.71	4,748.01
Cumulative	609,849.52	613,528.44	613,125.98	611,538.27	616,286.28
<u>Conservation Easement :</u>					
Acquired	1,178.00	4,800.32	3,519.91	15,424.10	1,065.62
Cumulative	102,195.90	106,996.22	110,516.13	125,940.23	127,005.85
Total Acres	<u>712,045.42</u>	<u>720,524.66</u>	<u>723,642.11</u>	<u>737,478.50</u>	<u>743,292.13</u>

Type of Ownership	<u>Acres of Land or Conservation Easement Ownership</u>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Full Fee:</u>					
Acquired	-152.65	430.38	308.52	434.91	-4,495.68
Cumulative	616,133.63	616,564.01	616,872.53	617,307.44	612,811.76
<u>Conservation Easement :</u>					
Acquired	979.20	-210.22	0.00	-576.90	-2,130.00
Cumulative	127,985.05	127,774.83	127,774.83	127,197.93	125,067.93
Total Acres	<u>744,118.68</u>	<u>744,338.84</u>	<u>744,647.36</u>	<u>744,505.37</u>	<u>737,879.69</u>

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

Construction										
Type of Levee	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
USACE & Flood										
Control	170.10	170.10	121.08	121.08	121.08	121.08	121.08	115.00	115.00	115.00
Farm	147.00	147.00	196.02	196.02	196.02	196.02	196.02	175.00	175.00	175.00
Total Miles of Levees	317.10	317.10	317.10	317.10	317.10	317.10	317.10	290.00	290.00	290.00

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

Permit Category	<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>	<u>2021</u>
Environmental Resource	1,338	1,731	2,113	2,271	2,571	2,645	1,932	2,748	3,380	3,590
Consumptive Use	275	205	171	108	118	141	327	332	349	402
Water Well Construction	<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>248</u>	<u>258</u>
Total Applications	<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>3,977</u>	<u>4,250</u>

*Data is by calendar year

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

2012*	2013*	2014*	2015*	2016*
\$ 1,150,280	\$ 1,141,451	\$ 1,504,706	\$ 1,721,156	\$ 2,076,949
2017*	2018*	2019*	2020*	2021*
\$ 1,897,307	\$ 1,968,953	\$ 2,084,226	\$ 2,045,357	\$ 2,403,355

* *this amount includes amounts collected for C-1 Rediversion Permit Fees*



Annual Comprehensive Financial Report

Other Reports Section



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**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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 8, 2022.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

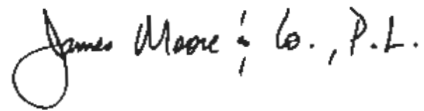
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Management's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying management's response to findings as listed in the table of contents. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
March 8, 2022

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

Federal/State Agency, Pass-through Entity Federal Program/State Project	ALN/ CSFA Number	Contract/ Grant Number	Total Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS				
U.S. Department of the Interior				
Direct through Fish and Wildlife Service				
Partners for Fish and Wildlife				
Coastal Habitat Restoration Along Florida's East Coast	15.631	33735/F18AC00620	\$ 12,850	\$ -
Total Fish and Wildlife Service			<u>12,850</u>	<u>-</u>
United States Geological Survey				
National Ground-Water Monitoring Network	15.980	35948/G20AC00174	20,592	-
Total United States Geological Survey			<u>20,592</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	36387/MN020	34,542	-
Total Florida Department of Environmental Protection			<u>34,542</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	121,497	-
Total Florida Department of Environmental Protection			<u>121,497</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 189,481</u>	<u>\$ -</u>
STATE FINANCIAL ASSISTANCE				
Florida Department of Environmental Protection				
Direct Projects				
Water Management Districts - Land Acquisition and Improvement				
Land Sale - Bayard South	37.022	FF-7	\$ 101,111	\$ -
Land Sale - Ocklawaha Prairie Conservation Area/The Refuge	37.022	FF-8	541,876	-
Restoration Activities - Land Management	37.022	2020-11	2,250,000	-
			<u>2,892,987</u>	<u>-</u>
Statewide Surface Water Restoration and Wastewater Projects				
Surface Water Sampling for the Status and GWTV Network	37.039	31873/MN005	171,029	-
Tri County Agricultural Area Water Management Partnership	37.039	34943/MN012	3,452	-
In-Lake Treatments to Reduce Water Column Phosphorus in Lake Jesup	37.039	35309/MN014	9,463	-
Biosolids Discharge Measurements to Support BMAPS	37.039	35683/MN017	204,910	-
Surface Water Sampling for the Status and GWTV Network	37.039	37007/MN025	26,063	-
Land Acquisition/Water Quality Assurance for Lake Apopka	37.039	2017-03/MOU16	4,631,153	-
St. Johns River and/or Keystone Heights Lake Region Restoration	37.039	2017-06/MOU20	1,024,132	-
Lake Apopka Restoration Project	37.039	2017-07/MOU17	207,468	-
Lake Apopka Restoration Project	37.039	2017-08/MOU19	724,234	-
St. Johns River and/or Keystone Heights Lake Restoration	37.039	2018-03/MOU20	1,039,720	-
Indian River Lagoon Water Quality Improvement Projects	37.039	2020-05/MOU21	1,508,481	-
			<u>9,550,106</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, 2021

Federal/State Agency, Pass-through Entity Federal Program/State Project	ALN/ CSFA Number	Contract/ Grant Number	Total Expenditures	Expenditures to Subrecipients
Florida Springs Grant Program				
Outstanding Florida Springs-Replacement of Septic Tanks	37.052	32410/LP4211I	92,810	92,810
Agricultural Best Management Practices	37.052	32411/LP42119	49,343	49,343
Ocala Wyomina Drainage Retention Area-Retrofit	37.052	34686/LP4211Q	142,121	142,121
Ocala Lower Aquifer LFA Conversion Phase 1	37.052	34687/LP4211R	347,462	347,462
Deland Spring Hill Septic to Sewer Conversion	37.052	35302/LPS0023	843,708	843,708
Ocoee Hammocks Reclaimed Water Retrofit	37.052	35319/LPS0035	123,315	123,315
Marion County Silver Springs Shores Regional Capacity Improvements and Package Plant Removal	37.052	35333/LPS0018	580,784	580,784
Volusia County Wastewater Infrastructure for Blue Spring	37.052	35342/LPS0017	818,834	818,834
Marion County US 441 Sewer Force Main	37.052	35411/LPS0039	431,573	431,573
Wekiwa Springs Septic Tank Retrofit, Phase 1	37.052	36558/LPS0065	92,845	92,845
Oakland Hull Avenue Septic to Sewer	37.052	36686/LPS0062	81,140	81,140
Deland Reclaimed Water System Expansion Phase 4A	37.052	36754/LPS0057	483,800	483,800
OCU Water Wise Neighborhood Irrigation	37.052	36774/LPS0058	8,190	8,190
Apopka West Reuse Storage Facility and Reclaimed Water	37.052	36776/LPS0060	397,399	397,399
			<u>4,493,324</u>	<u>4,493,324</u>
Alternative Water Supply				
AWS Clay County Utility Authority (CCUA)	37.100	35261/WS008	266,145	266,145
City of Altamonte Springs, Regional Water Reclamation Facility Improvements	37.100	35263/WS009	1,051,615	1,051,615
Florida Water Protection and Sustainability Program	37.100	2021-01/WP004	450,000	450,000
Alternative Water Supply and Water Resource Development	37.100	2021-02/WP004	612,015	612,015
			<u>2,379,775</u>	<u>2,379,775</u>
Innovative Technologies				
Lake Minneola Harmful Algal Bloom Management	37.103	35759/INV009	3,351,650	-
Intact Cellular Algae Harvesting in Lake Jesup	37.103	35747/INV002	554,000	-
			<u>3,905,650</u>	<u>-</u>
Water Quality Enhancement and Accountability				
Expanded and Enhanced Water Quality Monitoring	37.105	35567/AT001	57,508	-
			<u>57,508</u>	<u>-</u>
Total Florida Department of Environmental Protection			<u>23,279,350</u>	<u>6,873,099</u>
Florida Department of Environmental Protection				
Pass through South Florida Water Management District				
Central Florida Water Initiative Water Conservation	37.100	36215/4600004303	37,466	-
Total Florida Department of Environmental Protection			<u>37,466</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	139,989	139,989
			<u>139,989</u>	<u>139,989</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>23,456,804</u>	<u>7,013,088</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 23,646,285</u>	<u>\$ 7,013,088</u>

(Concluded)

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, 2021

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, 2021 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 minimus* indirect cost rate as outlined in the Uniform Guidance.

Annual Comprehensive Financial Report

Management Letter Section



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON COMPLIANCE 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 Compliance for Each Major State Project

We have audited St. Johns River Water Management District's (the District) compliance with the types of compliance 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 State projects for the year ended September 30, 2021. The District's major 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 State statutes, regulations, and the terms and conditions of its State projects applicable to its State projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Chapter 10.550, Rules of the Auditor General. Those standards 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 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 State project. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major State Project

In our opinion, St. Johns River Water Management District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2021.

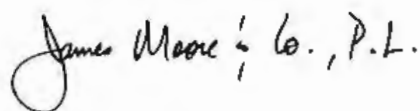
Report on Internal Control Over Compliance

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 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 State project and to test and report on internal control over compliance in accordance with 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 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 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 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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report 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, slightly stylized font.

Daytona Beach, Florida
March 8, 2022

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 ☒ no

Significant deficiency(ies) identified? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

State Financial Assistance Awards:

Internal control over major State projects:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(ies) identified? ☐ yes ☒ none reported

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 ☒ 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>Program Name</u>
37.039	Statewide Surface Water Restoration and Wastewater
37.100	Alternative Water Supply
37.103	Innovative Technologies

II. Financial Statement Findings:

2021-001 Prior Period Adjustment

Criteria: Internal controls over financial reporting should include review of grant agreement terms and conditions when the grant is awarded and executed, in order to properly and consistently recognize revenues in the appropriate period in accordance with accounting principles generally accepted in the United States of America (GAAP).

**ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Continued)**

Condition and Context: During testing of unearned revenue and grant revenue, we noted approximately \$4.8 million of grant funds were reported as unearned revenue when the cash was received as of September 30, 2020, and were fully recognized as revenue during the year ended September 30, 2021. However, there were only related eligible expenditures of approximately \$1.8 million related to the grant agreements through September 30, 2021. On most grants, revenue is recognized as related eligible expenditures are incurred. During the year, management reviewed the three associated grant agreements and had discussions with the grantor, Florida Department of Environmental Protection (FDEP), to determine the proper treatment of revenue recognition based on the deliverables included in the grant agreements. In addition, FDEP recognized grant expenditures at the time of the District's compliance with the first deliverable and the resulting cash disbursement to the District. Subsequent to the initial incorrect recognition as an unearned revenue liability in 2020, the District initially recognized all \$4.8 million of revenue for these three grants in 2021, resulting in inconsistencies in revenue recognition with GAAP, without recording a prior period adjustment to beginning restricted fund balance/net position. Upon our recommendation, the District requested a Technical Inquiry from an expert at the Governmental Accounting Standards Board (GASB) to properly record the above grant revenue. The GASB gave the District its guidance and the District immediately recorded the proper accounting transaction, which was to record the grant revenue to the prior accounting period – September 30, 2020.

Cause: For the year ended September 30, 2021, the District properly determined the revenue of three FDEP grant agreements received in the prior year was not properly recognized per the terms and conditions of the grant agreements. The District's change in revenue recognition for these three grants was due to the District's reexamination of the agreement terms, along with conferring with the State for when its recognition of related expenditures occurred and with the GASB to properly record the grant revenue. However, in 2021, the change should have been recorded as a prior period adjustment to increase beginning restricted fund balance/net position instead of recognizing grant revenue, which the District did after receiving its guidance from the GASB.

Effect: Financial statements for the year ended September 30, 2021, would have been materially misstated if the prior period adjustments we proposed were not made for \$4.8 million by understating beginning restricted special revenue fund balance and restricted net position and overstating grant revenues for the year ended September 30, 2021. However, the proper adjustments to the beginning restricted special revenue fund balance, beginning restricted net position, and grant revenue were properly recorded by the District. Therefore, the financial statements are not materially misstated for the year ended September 30, 2021.

Recommendation: We recommend management design and implement more rigorous internal controls related to verifying the conditions of grant agreements when received and executed in order to properly and consistently recognize revenues in the correct accounting period.

III. State Financial Assistance Projects Findings and Questioned Costs: None

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

V. Corrective Action Plan: See Management's Response to Finding, as listed in the table of contents.

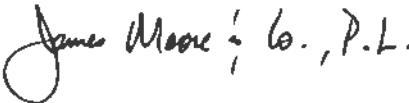
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2021. 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, 2021, 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, 2021.



Daytona Beach, Florida
March 8, 2022

**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, 2021, and have issued our report thereon dated March 8, 2022.

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, and the audit requirements of 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 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 March 8, 2022, 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.

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.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Special District Specific Information

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 472
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 14
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$45,355,138
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$1,322,536
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 1. S-96 Rehabilitation - \$2,933,073
 2. City of Sanford Brackish Reverse Osmosis Water Treatment Plant Pilot - \$1,941,043
 3. City of Sebastian Roseland Road Septic-to-Sewer - \$900,338

4. Orlando Utilities Commission High Efficiency Toilet and Irrigation Controller Rebates - \$67,175
5. Ocean Research and Conservation Association Satellite Algae Bloom and Nutrient Source Tracking - \$291,000
6. Tomoka River Riparian Habitat Protection Zone - \$577,701
7. City of Sanford North Water Reclamation Facility Reclaimed Water Pump Station and Storage Improvements - \$6,838,364
8. JEA Low-Income Water Efficient Toilet Exchange Phase 2 - \$150,000
9. City of Ocoee Lake Prima Vista Sediment Nutrient Inactivation - \$121,650
10. Long and Scott Farms Irrigation System Relocation and Conversion - \$87,196
11. Walker Farms Fertilizer Spreader and Hoop Boom Applicator - \$76,649
12. Cherrylake Irrigation System Installation and Weather Station - \$90,197
13. Environmental Learning Center (ELC) Septic-to-Sewer - \$159,479
14. City of Cocoa Beach Convair Cove Low Impact Development (LID) and Living Shoreline - \$87,672
15. City of Jacksonville McCoys Creek Improvements - \$19,500,000
16. Alachua County Little Hatchet Creek Permeable Reactive Weir - \$177,900
17. Tater Farms Precision Fertilizer - \$281,616
18. City of Debary Woodbound Lake to Lake Charles Outfall Improvements - \$851,558
19. Wild Goose Farms Sprayers, Weather Station, and Products Applicator - \$105,862
20. City of Titusville High School Baffle Box - \$470,000
21. City of St. Augustine Beach Mizell Road Stormwater Pump Station and Outfall Improvements - \$2,528,281
22. Town of Indian Harbor Beach Big Muddy Baffle Box - \$211,170
23. City of Orange City Alternative Water Supply Conveyance System - Monastery Road - \$340,866
24. Orange County Wekiwa Springs Septic Tank Retrofit Project Phase 1 - \$9,600,000
25. City of Apopka Individual Distributed Wastewater Treatment Systems Conversion Project - \$392,500
26. L-76 Levee Stabilization - \$144,313
27. Sun Ag Water Conversion and Weather Station Installation - \$192,435
28. Lake Apopka Pump Station Unit 2 Pump Basin Isolation - \$144,846
29. City of Satellite Beach Stormwater Improvement Projects - \$520,487
30. Total Ag Care Precision Fertilizer Equipment and Irrigation Retrofit - \$208,859
31. Tom Lawton Road Resurfacing - \$159,750
32. Boardwalk Farms Irrigation Conversion - \$213,450
33. City of Oakland Hull Avenue Septic-to-Sewer - \$1,289,400
34. City of West Melbourne Ray Bullard Water Resources Facility Stormwater Management Area - \$1,604,890
35. Hammond Groves, Inc. Surface Water Pump Station - \$231,893
36. Town of Penney Farms Stormwater Management - \$964,690
37. C.P. and Wesley Smith Irrigation Drain Tile Conversion Phase 8 - \$362,711
38. Greene's Farms Pond Construction - \$400,809
39. Brevard Zoo Clam Restoration - \$1,031,021
40. Yu An Farms Irrigation Conversion - \$335,586
41. Volusia County Gabordy Canal and 10th Street Stormwater Treatment Project - \$1,911,784
42. City of Ocala Lake Wyomina Drainage Retention Area (DRA) Retrofit - \$568,483
43. City of Green Cove Springs Harbor Road Water Reclamation Facility Phase 2 - \$5,890,000
44. Town of Ponce Inlet Septic-to-Sewer - \$807,206
45. Clay County Utility Authority Wastewater Treatability Study - \$3,300,000
46. Orange County Environmental Protection Division Lake Pineloch Water Quality

- Improvement: Nutrient Separating Baffle Box – Upflow Filter and Alum Treatment - \$1,000,835
47. City of Titusville Osprey Water Reclamation Nutrient Removal Upgrade - \$11,900,000
 48. Marion County US 441 Sewer Force Main - \$2,484,920
 49. City of Palatka Potable Water Improvements Phases 4 and 7 - Rural Economic Development Initiative / Innovative Program - \$2,817,831
 50. City of Hawthorne Water System Replacement - Phase 3 - Rural Economic Development Initiative / Innovative Program - \$448,190
 51. City of Flagler Beach Sewer Slip Lining Rehabilitation - Phase 2 - Rural Economic Development Initiative / Innovative Program - \$500,000
 52. City of DeLand North West Reclaimed Water Ground Storage Tank and Pump Station - \$3,691,664
 53. City of Umatilla Wastewater Interconnection Pipeline — Rural Economic Development Initiative / Innovative Program - \$5,913,824
 54. City of Longwood East Longdale Septic-to-Sewer Conversion - \$5,791,825
 55. South Florida Water Management District Harmful Algal Blooms - \$759,950
 56. City of Apopka West Reuse Storage Facility and Reclaimed Water System Extension - \$4,584,150
 57. Innovative Algal Bloom Pilot Treatments - \$945,000
 58. City of DeLand Reclaimed Water System Expansion, Phase 4A - \$4,139,000
 59. City of Leesburg Turnpike Wastewater Facility Water Quality Improvements - \$6,093,809
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: The District's original budget totaled \$285,390,583 and was amended by the total amount of \$0, for final budgeted expenditures of \$285,390,583.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported the following unaudited data:

- a) The millage rate or rates imposed by the district: 0.2287
- b) The total amount of ad valorem taxes collected by or on behalf of the district: \$90,921,443
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds: No outstanding debt.

Monthly Financial Statements

Sections 10.554(1)(i)9.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)9.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.

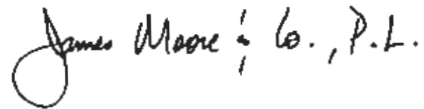
Section 10.554(1)(i)9.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its Web site. In connection with our audit, we determined that the District 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.

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
March 8, 2022



St. Johns River

Water Management District

Michael A. Register, P.E., Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • 386-329-4500 • www.sjrwmd.com

Financial Statement Finding:

2021-001 Prior Period Adjustment

Criteria: Internal controls over financial reporting should include review of grant agreement terms and conditions when the grant is awarded and executed, in order to properly and consistently recognize revenues in the appropriate period in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition and Context: During testing of unearned revenue and grant revenue, we noted approximately \$4.8 million of grant funds were reported as unearned revenue when the cash was received as of September 30, 2020, and were fully recognized as revenue during the year ended September 30, 2021. However, there were only related eligible expenditures of approximately \$1.8 million related to the grant agreements through September 30, 2021. On most grants, revenue is recognized as related eligible expenditures are incurred. During the year, management reviewed the three associated grant agreements and had discussions with the grantor, Florida Department of Environmental Protection (FDEP), to determine the proper treatment of revenue recognition based on the deliverables included in the grant agreements. In addition, FDEP recognized grant expenditures at the time of the District's compliance with the first deliverable and the resulting cash disbursement to the District. Subsequent to the initial incorrect recognition as an unearned revenue liability in 2020, the District initially recognized all \$4.8 million of revenue for these three grants in 2021, resulting in inconsistencies in revenue recognition with GAAP, without recording a prior period adjustment to beginning restricted fund balance/net position. Upon our recommendation, the District requested a Technical Inquiry from an expert at the Governmental Accounting Standards Board (GASB) to properly record the above grant revenue. The GASB gave the District its guidance and the District immediately recorded the proper accounting transaction, which was to record the grant revenue to the prior accounting period – September 30, 2020.

Cause: For the year ended September 30, 2021, the District properly determined the revenue of three FDEP grant agreements received in the prior year was not properly recognized per the terms and conditions of the grant agreements. The District's change in revenue recognition for these three grants was due to the District's reexamination of the agreement terms, along with conferring with the State for when its recognition of related expenditures occurred and with the GASB to properly record the grant revenue. However, in 2021, the change should have been recorded as a prior period adjustment to increase beginning restricted fund balance/net position instead of recognizing grant revenue, which the District did after receiving its guidance from the GASB.

GOVERNING BOARD

Rob Bradley, CHAIR
FLEMING ISLAND

Ryan Atwood
MOUNT DORA

Maryam H. Ghyabi-White, VICE CHAIR
ORMOND BEACH

Doug Boumique
VERO BEACH

J. Chris Peterson, SECRETARY
WINTER PARK

Douglas Burnett
ST AUGUSTINE

Ron Howse, TREASURER
COCOA

Janet Price
FERNANDINA BEACH

Cole Oliver
MERRITT ISLAND

Effect: Financial statements for the year ended September 30, 2021, would have been materially misstated if the prior period adjustments we proposed were not made for \$4.8 million by understating beginning restricted special revenue fund balance and restricted net position and overstating grant revenues for the year ended September 30, 2021. However, the proper adjustments to the beginning restricted special revenue fund balance, beginning restricted net position, and grant revenue were properly recorded by the District. Therefore, the financial statements are not materially misstated for the year ended September 30, 2021.

Recommendation: We recommend management design and implement more rigorous internal controls related to verifying the conditions of grant agreements when received and executed in order to properly and consistently recognize revenues in the correct accounting period.

Management Response: The District concurs with the recommendation. The District is currently enhancing its internal controls and training its grants compliance staff to verify the eligibility requirements of all grant agreements to properly record the revenue in the correct accounting period.



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