

ST JOE CO  
Form 11-K  
August 09, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 11-K  
FOR ANNUAL REPORTS OF EMPLOYEE STOCK  
REPURCHASE, SAVINGS AND SIMILAR PLANS  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**(Mark One)**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the fiscal year ended December 31, 2004**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the transition period from to**

**Commission File No. 1-10466**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**THE ST. JOE COMPANY 401(k) PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**The St. Joe Company  
245 Riverside Avenue, Suite 500  
Jacksonville, Florida 32202**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The St. Joe Company 401(k) Plan  
Jacksonville, Florida

We have audited the accompanying statements of net assets available for benefits of The St. Joe Company 401(k) Plan (the Plan) as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2004 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Vestal & Wiler

Certified Public Accountants

April 14, 2005

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**THE ST. JOE COMPANY 401(k) PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
December 31, 2004 and 2003

	2004	2003
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,452	\$ 8,984
Investments, at fair value (Note 3):		
Collective trust funds:		
Merrill Lynch Equity Index Trust	10,990,439	9,532,707
Merrill Lynch Retirement Preservation Trust	7,988,676	6,632,643
Mutual funds:		
Davis New York Venture Fund, Class A	4,627,915	3,580,954
PIMCO Total Return Fund, Class A	4,159,197	3,567,416
State Street Research Aurora Fund, Class A	3,595,475	2,465,682
Dreyfus Premier International Fund, Class A	3,211,364	
ABN AMRO Growth Fund, Class N	1,046,172	666,271
PIMCO High Yield Fund, Class A	926,524	610,807
Fidelity Advisor Diversified International Fund		2,329,464
Common stock:		
The St. Joe Company	6,472,358	3,285,910
Florida East Coast Industries, Inc.	665,647	552,789
Self-directed brokerage accounts	334,570	133,094
Participant loans	514,139	561,932
 Total investments	 44,532,476	 33,919,669
Receivables:		
Employee contributions	140,638	129,890
Employer contributions	68,908	62,461
 Total receivables	 209,546	 192,351
 Accrued interest	 7,176	 7,013
 Net assets available for benefits	 \$44,756,650	 \$34,128,017

See notes to financial statements.

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**THE ST. JOE COMPANY 401(k) PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
 For the Year Ended December 31, 2004

	2004
<b>ADDITIONS TO NET ASSETS ATTRIBUTED TO:</b>	
Interest and dividends	\$ 1,002,369
Employer contributions	2,090,789
Employee contributions	6,328,748
Net appreciation in fair value of investments (Note 3)	4,892,207
<b>TOTAL ADDITIONS</b>	<b>14,314,113</b>
<b>DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:</b>	
Benefits paid to participants	3,678,396
Administrative expenses	7,084
<b>TOTAL DEDUCTIONS</b>	<b>3,685,480</b>
<b>NET INCREASE</b>	<b>10,628,633</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	
Beginning of year	34,128,017
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	
End of year	<b>\$44,756,650</b>

See notes to financial statements.

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**THE ST. JOE COMPANY 401(k) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2004

NOTE 1 DESCRIPTION OF PLAN

The following description of The St. Joe Company 401(k) Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

**General** - The St. Joe Company 401(k) Plan (the Plan) is a profit sharing plan and trust established in January 1989 in recognition of the employees' contribution to The St. Joe Company's (the Company and Plan Administrator) successful operation. The Plan is for the exclusive benefit of the Company's employees. Once employees meet minimum age and service requirements they become eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Contributions and Vesting** - The Plan is contributory and participants can elect to contribute a percentage of their annual eligible compensation. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. For participants electing to contribute, the Company also contributes 50% of the amount contributed annually by each employee up to 6% of the employee's eligible annual compensation, as defined in the Plan. Contributions are subject to certain limitations as prescribed by law.

Company and employee contributions are 100% vested upon contribution.

**Allocation of Contributions and Earnings** - Individual accounts are established for each participant and are updated for amounts equal to their elective contributions plus the Company's matching contribution. Earnings or losses are allocated in the same proportion that each participant's account in a fund bears to the total of all participants' accounts in that fund.

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**THE ST. JOE COMPANY 401(k) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2004

NOTE 1 DESCRIPTION OF PLAN Continued

***Distributions*** - Upon reaching age 59 1/2, retirement, permanent disability, termination, or death, benefits can be received in a lump sum payment. Alternatively, based on the employees' election, the Plan can establish a monthly payment schedule to distribute the benefits to an employee over a period of time. Hardship withdrawals are available if the participant meets certain criteria. Benefits are recorded when paid.

***Investments*** - All of the Plan's assets are held and invested by Merrill Lynch Trust Company (Merrill Lynch and the Trustee) based on the participants' elections. At December 31, 2004 and 2003, these alternative investment options included Merrill Lynch's Equity Index Trust and Retirement Preservation Trust, Davis New York Venture Fund Class A, PIMCO Total Return Fund Class A, State Street Research Aurora Fund Class A, Dreyfus Premier International Fund Class A, ABN AMRO Growth Fund Class N, PIMCO High Yield Fund Class A, common stock of The St. Joe Company, and a self-directed brokerage option. These alternatives also included the Dreyfus Premier International Fund Class A and the Fidelity Advisor Diversified International Fund at December 31, 2004 and 2003, respectively. Common stock of Florida East Coast Industries, Inc., which is also included in investments held by the Plan, was available as an investment option for participants in prior periods.

***Loans*** - The Plan Administrator may authorize the Trustee to make a loan to any participant provided that the aggregate of all loans outstanding to such participant does not exceed the lesser of \$50,000 or one-half of the participant's account. Loans are amortized on a substantially level basis over a period no longer than the lesser of five years or the date when distribution of the participant's plan benefit may commence. Loans bear interest at the prime rate plus 1%.



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**THE ST. JOE COMPANY 401(k) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2004

NOTE 1 DESCRIPTION OF PLAN Continued

***Plan Termination*** - The Company has established the Plan with the intent to maintain it indefinitely, but does retain the right, at any time, to discontinue contributions and terminate the Plan.

Upon termination of the Plan, any unallocated amounts shall be allocated to the accounts of all participants. Upon such termination, the trustee may direct the Plan Administrator to either distribute the full amount of benefits credited to each participant's account or continue the trust and distribute the benefits in such manner as though the Plan had not been terminated.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Presentation*** - The Plan's financial statements have been prepared on the accrual basis of accounting.

***Investment Valuation and Income Recognition*** - All of the assets and investments of the Plan are participant directed.

Investments are stated at fair value. Shares of collective trust funds and mutual funds are valued at the net asset value of shares held by the Plan. Shares of common stock are valued at the last sale price on the principal exchange or market on which they are traded. Participant loans are valued at their outstanding balances, which approximates fair value.

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date and interest income is recognized on the accrual basis.

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**THE ST. JOE COMPANY 401(k) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued

The Plan's investments include funds which invest in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Plan's financial statements and supplemental schedule.

*Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets during the reporting period. Actual results could differ from those estimates.

NOTE 3 INVESTMENTS

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	2004
Collective Trust Funds	\$1,076,069
Mutual Funds	1,059,103
Common Stock:	
The St. Joe Company	2,575,698
Florida East Coast Industries, Inc.	181,337
	\$4,892,207

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**THE ST. JOE COMPANY 401(k) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2004

## NOTE 3 INVESTMENTS Continued

As of December 31, 2004, the following investments represented more than 5% of Plan net assets:

Investment	Units	Fair Value
Merrill Lynch Equity Index Trust	123,627	\$10,990,439
Merrill Lynch Retirement Preservation Trust	7,988,677	7,988,676
Davis New York Venture Fund, Class A	150,796	4,627,915
PIMCO Total Return Fund, Class A	389,803	4,159,197
State Street Research Aurora Fund, Class A	88,821	3,595,475
Dreyfus Premier International Fund, Class A	163,678	3,211,364
Common stock of The St. Joe Company	100,816	6,472,358

As of December 31, 2003, the following investments represented more than 5% of Plan net assets:

Investment	Units	Fair Value
Merrill Lynch Equity Index Trust	118,596	\$9,532,707
Merrill Lynch Retirement Preservation Trust	6,632,643	6,632,643
Davis New York Venture Fund, Class A	130,122	3,580,954
PIMCO Total Return Fund, Class A	333,092	3,567,416
State Street Research Aurora Fund, Class A	63,861	2,465,682
Fidelity Advisor Diversified International Fund	148,279	2,329,464
Common stock of The St. Joe Company	88,118	3,285,910

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**THE ST. JOE COMPANY 401(k) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2004

**NOTE 4 INCOME TAX STATUS**

The Plan obtained its latest determination letter from the Internal Revenue Service on June 29, 2001, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

**NOTE 5 RELATED PARTY TRANSACTIONS AND ADMINISTRATIVE EXPENSES**

Investments in collective trust funds are managed by Merrill Lynch, who is the trustee as defined by the Plan. Therefore, transactions related to these investments qualify as permitted party-in-interest transactions.

Administrative expenses of the Plan were paid by the Plan Administrator. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

**NOTE 6 RECONCILIATION OF FINANCIAL STATEMENTS TO 5500**

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2004 and 2003 to Form 5500:

	2004	2003
Net assets available for benefits per the financial statements	\$44,756,650	\$34,128,017
Amounts allocated to withdrawing participants	(6,878)	(7,794)
Net assets available for benefits per Form 5500	\$44,749,772	\$34,120,223

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**THE ST. JOE COMPANY 401(k) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2004

NOTE 6 RECONCILIATION OF FINANCIAL STATEMENTS TO 5500 Continued

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2004 to Form 5500:

	2004
Benefits paid to participants per the financial statements	\$3,678,396
Plus: Amounts allocated to withdrawing participants at December 31	6,878
Less: Amounts allocated to withdrawing participants at January 1	(7,794)
Benefits paid to participants per Form 5500	\$3,677,480

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

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**THE ST. JOE COMPANY 401(k) PLAN**  
 SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 December 31, 2004

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost	Current Value
*	Merrill Lynch Equity Index Trust	Collective trust funds		\$10,990,439
*	Merrill Lynch Retirement Preservation Trust	Collective trust funds		7,988,676
	Davis New York Venture Fund, Class A	Mutual fund		4,627,915
	PIMCO Total Return Fund, Class A	Mutual fund		4,159,197
	State Street Research Aurora Fund	Mutual fund		3,595,475
	Fidelity Advisor Diversified International Fund	Mutual fund		3,211,364
	ABN AMRO Growth Fund, Class N	Mutual fund		1,046,172
	PIMCO High Yield Fund, Class A	Mutual fund		926,524
*	The St. Joe Company	Common stock, 100,816 shares		6,472,358
	Florida East Coast Industries, Inc.	Common stock, 14,750 shares		665,647
*	Self-directed brokerage accounts	Various		334,570
*	Participant loans	5.00% - 10.50%		514,139

\* Denotes party-in-interest

THE ST. JOE COMPANY  
 401(k)PLAN  
 EIN 59-0432511 Plan 080  
 Attachment to 2004 Form 5500

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**SIGNATURES**

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**The St. Joe Company 401(k) Plan**

By: The St. Joe Company

By: /s/ Michael N. Regan  
Michael N. Regan  
Senior Vice President

Date: August 9, 2005

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**EXHIBIT INDEX**

Exhibit No.	Description
23.1	Consent of Vestal & Wiler, CPAs, independent registered public accounting firm.