

**FINANCE & BUDGET
COMMITTEE MEETING
May 18, 2012**

PRELIMINARY AGENDA

**FLORIDA INLAND NAVIGATION DISTRICT's
Finance and Budget Committee Meeting**

8:15 a.m., Friday, May 18, 2012

**Miami Marriot Biscayne Bay Hotel
1633 North Bayshore Drive
Miami, Miami-Dade County, Florida**

Committee Members

Gail Kavanagh, Chair

Commissioners Tyler Chappell, Donn Colee, Nancy Freeman and Jerry Sansom

Item 1. Call to Order.

Chair Kavanagh will call the meeting to order.

Item 2. Roll Call.

Assistant Executive Director Mark Crosley will call the roll.

Item 3. Financial Statements for March of 2012.

The financial statements for March of 2012 are presented for Board approval.

(see back up pages 3 - 19)

RECOMMEND Approval of a recommendation to the full Board of the
financial statements for March of 2012.

Item 4. March 2012 Expenditure and Project Status Reports.

The Expenditure and Project Status Report for March of 2012 is presented for Board review.

(see back up pages 20 - 26)

Item 5. **Draft Financial Audit for FY 2010 – 2011.**

The District's Auditor has completed and will present a draft of the FY 2010-2011 Financial Audit for Committee review and input.

(see back up pages 28 - 68)

Item 6. **Delegation of Authority Report.**

Staff has prepared a report on Delegation of Authority actions that the Executive Director has made between April 6 and May 11, 2011 is presented for Committee review.

(see back up page 27)

Item 7. **Additional Agenda Items or Staff Comments.**

Item 8. **Additional Commissioners Comments.**

Item 9. **Adjournment.**

FL INLAND NAVIGATION DISTRICT
BALANCE SHEET
At March 31, 2012

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ASSETS

BB&TChecking	\$	8,770,450.07
Petty Cash		300.00
Prepaid ACOE		6,804,080.00
Accrued Interest Receivable		1,793.77
V-26 Land Sale Receivable		1,011,055.74
SBA Fund "A"		76,029.32
ACOE Escrow2		4,048.55
ACOE Escrow 3		23,945.63
T.D. Bank		22,023,927.77
National City PNC		15,365,896.93
Branch Bank & Trust		476,625.97
Suntrust Savings		4,363,548.18
FirstAtlantic CD		3,000,000.00
BB&T Zero Balance		3,921.86
BankUnited CD 7/24/13		15,000,000.00

SUBTOTAL OF ASSETS

76,925,623.79

SBA Fund "B"	202,370.70
Unrealized loss Fund "B"	(35,160.15)

FUND "B" Net of unrealized loss

167,210.55

TOTAL ASSETS

\$ 77,092,834.34

LIABILITIES

Accounts Payable	\$	297,659.68
Retainage Payable - Grants		2,869.09
Retainage Payable - Contracts		19,340.45
Retirement Contributions		1,647.59
Deferred Revenue V-26		1,011,055.74

TOTAL LIABILITY

1,332,572.55

FUND EQUITY

Reserve for ACOE Prepaid	6,804,080.00
Reserv for Sub Yr Expenditure	55,862,707.08
Undesignated Fund Balance	13,093,474.71

TOTAL FUND EQUITY

75,760,261.79

TOTAL LIABILITY & FUND EQUITY

\$ 77,092,834.34

FL INLAND NAVIGATION DISTRICT
STATUS OF FUNDS
March 31, 2012

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GENERAL ACCOUNTS

Petty Cash	\$	300.00	
BB&T Checking		8,770,450.07	
BB&T Zero Balance		<u>3,921.86</u>	
			8,774,671.93

SAVINGS ACCOUNTS

ACOE Escrow2		4,048.55	
National City PNC		15,365,896.93	
ACOE Escrow 3		23,945.63	
T.D. Bank		22,023,927.77	
Branch Bank & Trust		476,625.97	
Suntrust Savings		<u>4,363,548.18</u>	
			42,257,993.03

CERTIFICATES OF DEPOSITS

FirstAtlantic CD		3,000,000.00	
BankUnited CD 7/24/13		<u>15,000,000.00</u>	
			18,000,000.00

STATE BOARD OF ADMINISTRATION

SBA Fund "B"		202,370.70	
Unrealized loss Fund "B"		(35,160.15)	
SBA Fund "A"		<u>76,029.32</u>	
			243,239.87

TOTAL	\$	<u><u>69,275,904.83</u></u>	
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FL INLAND NAVIGATION DISTRICT
Budget vs. Actual Revenues with Variance Amounts
For the 6 Months Ending
March
31, 2012

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ACCT #	ACCOUNT DESCRIPTION	BUDGET ANNUAL	ACTUAL Y-T-D	Amount (Under)/Over
3103	Ad Valorem Taxes - Dade	6,199,311	5,232,608	(966,703)
3102	Ad Valorem Taxes - Broward	4,183,919	3,714,555	(469,364)
3108	Ad Valorem Taxes - Palm Beach	4,103,161	3,731,787	(371,374)
3104	Ad Valorem Taxes - Duval	1,681,628	1,495,434	(186,194)
3101	Ad Valorem Taxes - Brevard	827,196	729,805	(97,391)
3111	Ad Valorem Taxes - Volusia	805,115	725,241	(79,874)
3110	Ad Valorem Taxes - St. Lucie	482,917	416,378	(66,539)
3107	Ad Valorem Taxes - Martin	558,437	522,156	(36,281)
3109	Ad Valorem Taxes - St. Johns	573,041	534,993	(38,048)
3106	Ad Valorem Taxes - Indian Riv.	436,456	391,320	(45,136)
3105	Ad Valorem Taxes - Flagler	219,693	193,709	(25,984)
3112	Ad Valorem Nassau County	218,418	185,969	(32,449)
3642	Sale of Land	359,000	0	(359,000)
3611	Interest Income	230,000	82,419	(147,581)
3699	Other Misc. Revenue	0	16,536	16,536
3414	Reproduction	0	0	0
3415	Due from other govts	0	0	0
3613	Interest from Tax Collectors	0	998	998

TOTALS	20,878,292	17,973,908	(2,904,384)
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Status of FUNDS 03/31/12	69,275,905
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Expected Remaining Rev	2,904,384
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Cash/Funding 11/12	72,180,289
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Less Payables	-321,516
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Status of Funds 03/31/12	71,858,773	71,858,773
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Current Budget	73,959,492
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Current Expenses YTD	-4,880,436
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Remaining Cash Expenses 11/12	69,079,056	69,079,056
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Expected Excess Funding Over Expenses Current Budget	2,779,717
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Total Expected Excess	2,779,717
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FL INLAND NAVIGATION DISTRICT
Interest and Term of FUNDS
March 31, 2012

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Account	Balance	Rate	Estimated Annual Int.	Bauer Rating	Term
Petty Cash	\$300.00	N/A			N/A
ACOE Escrow2	\$4,048.55	0.00%	\$0.00	**	On Demand
ACOE Escrow 3	\$23,945.63	0.00%	\$0.00	**	On Demand
Suntrust Savings	\$4,363,548.18	0.11%	\$4,799.90	***	On Demand
PNC	\$15,365,896.93	0.20%	\$30,731.79	*** 1/2	On Demand
TD Commerce Bank	\$22,023,927.77	0.30%	\$66,071.78	****	On Demand
BBT MMA	\$476,625.97	0.25%	\$1,191.56	****	On Demand
BBT Checking	\$8,770,450.07	0.35%	\$30,696.58	****	On Demand
BBT Zero Balance	\$3,921.86	0.35%	\$13.73	****	On Demand
FirstAtlantic Bank CD	\$3,000,000.00	0.30%	\$9,000.00	*****	1/19/2013
SBA Fund "B"	\$167,210.55	0.00%	\$0.00		Frozen at this time
SBA Fund "A"	\$76,029.32	0.33%	\$250.90		On demand
BankUnited CD	\$15,000,000.00	0.75%	\$112,500.00	*****	7/24/2013
TOTAL Deposits	\$69,275,904.83		\$255,256.24	Est. Annual Interest	

Estimated Annual Effective Yield **0.37%**
Benchmark S.B.A. 0.33%

SBA Fund "B"	
\$202,370.70	Total in Fund B
-\$35,160.15	Unrealized loss
\$167,210.55	NAV

FL INLAND NAVIGATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - Page 7
For the Six Months Ending March 31, 2012

	Current Month		Year to Date	
REVENUES				
Ad Valorem Taxes - Brevard	1,419.11	0.39	729,804.89	4.06
Ad Valorem Taxes - Broward	93,504.60	25.53	3,714,555.36	20.67
Ad Valorem Taxes - Dade	37,986.90	10.37	5,232,607.80	29.11
Ad Valorem Taxes - Duval	34,241.91	9.35	1,495,433.96	8.32
Ad Valorem Taxes - Flagler	6,044.90	1.65	193,709.39	1.08
Ad Valorem Taxes - Indian R	8,280.40	2.26	391,320.03	2.18
Ad Valorem Taxes - Martin	18,645.98	5.09	522,155.84	2.91
Ad Valorem Taxes - Palm Be	87,347.68	23.85	3,731,787.26	20.76
Ad Valorem Taxes - St. John	16,004.68	4.37	534,993.20	2.98
Ad Valorem Taxes - St. Luci	13,063.67	3.57	416,377.92	2.32
Ad Valorem Taxes - Volusia	31,407.22	8.57	725,241.48	4.03
Ad Valorem Nassau County	6,320.28	1.73	185,968.61	1.03
Interest Income	12,007.54	3.28	82,399.52	0.46
Interest from State Bd of Ad	0.00	0.00	18.55	0.00
Interest from Tax Collectors	0.00	0.00	998.04	0.01
Other Misc. Revenue	0.00	0.00	16,535.63	0.09
TOTAL REVENUES	366,274.87	100.00	17,973,907.48	100.00
EXPENDITURES				
ADMINISTRATION				
Salaries & Wages	54,919.22	14.99	278,590.32	1.55
Compensated Absences	0.00	0.00	3,131.15	0.02
P/R Tax Expense FICA & M	4,201.34	1.15	19,461.66	0.11
Retirement Contribution	0.00	0.00	14,287.77	0.08
Health Insurance	6,433.18	1.76	39,056.16	0.22
Legal Expense	8,370.79	2.29	42,892.73	0.24
Bank Charges	383.23	0.10	1,391.83	0.01
SBA Fund "B"unrealized los	(4,977.17)	(1.36)	(15,218.36)	(0.08)
Travel & Per Diem	9,890.02	2.70	44,478.11	0.25
Utility Service	453.01	0.12	4,383.70	0.02
Insurance and Bonds	4,229.00	1.15	10,333.26	0.06
Repairs & Maintenance Svc.	929.56	0.25	3,917.68	0.02
Office Supplies	780.81	0.21	6,851.75	0.04
Dues & Subscriptions	750.00	0.20	14,283.35	0.08
Govt Relations	8,728.77	2.38	59,865.63	0.33
SJ-14 Legal	0.00	0.00	666.00	0.00
Staff Training	0.00	0.00	2,215.00	0.01
TOTAL ADMINISTRATIO	95,091.76	25.96	530,587.74	2.95
OPERATIONS				
DMMA Mgmt & Maint.	18,656.60	5.09	202,864.00	1.13
Waterway Cleanup	5,000.00	1.37	29,997.94	0.17
ICW Dredging General	2,510,987.50	685.55	2,788,246.63	15.51
Sm Scale Derlct Vessl Rmvl	20,000.00	5.46	74,175.00	0.41
IWW Deepening Broward	4,389.00	1.20	8,479.32	0.05
OWW Dredging	1,823.99	0.50	24,240.20	0.13
Operations Equipment	1,533.44	0.42	4,825.66	0.03
TOTAL OPERATIONS	2,562,390.53	699.58	3,132,828.75	17.43

FL INLAND NAVIGATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE Page 8
For the Six Months Ending March 31, 2012

	Current Month		Year to Date	
CAPITAL OUTLAY				
SJ-14 Restoration	1,820.00	0.50	44,307.57	0.25
DMMA Development	72.00	0.02	18,804.00	0.10
DMMA NA-1 Contruction	3,544.00	0.97	43,441.01	0.24
MSA 614B Mit/Boaters Prk	0.00	0.00	4,645.71	0.03
DMMA O-7 Construction	0.00	0.00	20,182.14	0.11
TOTAL CAPITAL OUTLA	5,436.00	1.48	131,380.43	0.73
WATERWAY STUDIES				
Seagrass Survey	0.00	0.00	35,280.00	0.20
ICW Economic Studies	8,936.82	2.44	8,936.82	0.05
TOTAL WATERWAY STU	8,936.82	2.44	44,216.82	0.25
INTERLOCALS				
Broward Co. ICW/Dania	22,084.56	6.03	77,265.77	0.43
TOTAL INTERLOCALS	22,084.56	6.03	77,265.77	0.43
WATERWAYS ASSISTANCE PROGRAM				
St Johns Co. Alp Groves Pier	0.00	0.00	5,232.20	0.03
Miami Cent. Prk Mooring Bll	0.00	0.00	11,700.00	0.07
Jax Sisters Creek Docks Ph2	0.00	0.00	226,914.57	1.26
Oklnl Park NE 12 Ter Kayak	0.00	0.00	27,324.43	0.15
Hallandale Bch Dockage Ph	0.00	0.00	148,159.62	0.82
Jax Joe Carlucci Boat Rmp P	112,594.13	30.74	112,594.13	0.63
TOTAL WATERWAYS AS	112,594.13	30.74	531,924.95	2.96
COOPERATIVE ASSISTANCE PROGRAMS				
TOTAL COOPERATIVE AS	0.00	0.00	0.00	0.00
MANATEE SIGNS				
TOTAL MANATEE SIGNS	0.00	0.00	0.00	0.00
PUBLIC INFORMATION				
FIND Display Development	0.00	0.00	837.50	0.00
Communications	1,381.72	0.38	10,978.98	0.06
Public Information	405.00	0.11	5,739.15	0.03
Legal Advertising	576.39	0.16	4,265.01	0.02
TOTAL PUBLIC INFORMA	2,363.11	0.65	21,820.64	0.12
DISASTER RELIEF ACCOUNT				

Unaudited - For Management Purposes Only

FL INLAND NAVIGATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE Page 9
For the Six Months Ending March 31, 2012

	Current Month		Year to Date	
TOTAL DISASTER RELEIF	<u>0.00</u>	0.00	<u>0.00</u>	0.00
TAX COLLEC. & PROPERTY APPR. COMMISSIONS				
Prop. Appraiser's Commissio	21,943.97	5.99	88,206.14	0.49
Tax Collector's Commissions	<u>8,880.57</u>	2.42	<u>322,201.53</u>	1.79
TOTAL TAX COLLEC. & P	<u>30,824.54</u>	8.42	<u>410,407.67</u>	2.28
TOTAL EXPENDITURES	<u>2,839,721.45</u>	775.30	<u>4,880,432.77</u>	27.15
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES \$	<u>(2,473,446.58)</u>	(675.30)	<u>\$ 13,093,474.71</u>	72.85

CHANGES in FUND BALANCE

Reserv for Sub Yr Expenditure	\$	(55,862,707.08)
		<u>(13,093,474.71)</u>
FUND BALANCE- ENDING		<u>(68,956,181.79)</u>

FL INLAND NAVIGATION DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Month of March 31, 2012

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REVENUE

Interest	12,007.54
Taxes collected:	
Ad Valorem Taxes - Brevard	1,419.11
Ad Valorem Taxes - Broward	93,504.60
Ad Valorem Taxes - Dade	37,986.90
Ad Valorem Taxes - Duval	34,241.91
Ad Valorem Taxes - Flagler	6,044.90
Ad Valorem Taxes - Indian Riv.	8,280.40
Ad Valorem Taxes - Martin	18,645.98
Ad Valorem Taxes - Palm Beach	87,347.68
Ad Valorem Taxes - St. Johns	16,004.68
Ad Valorem Taxes - St. Lucie	13,063.67
Ad Valorem Taxes - Volusia	31,407.22
Ad Valorem Nassau County	6,320.28
TOTAL REVENUE	366,274.87

EXPENDITURES

ADMINISTRATION

Salaries & Wages	54,919.22
P/R Tax Expense FICA & MED	4,201.34
Health Insurance	6,433.18
Legal Expense	8,370.79
Bank Charges	383.23
SBA Fund "B"unrealized loss	(4,977.17)
Travel & Per Diem	9,890.02
Utility Service	453.01
Insurance and Bonds	4,229.00
Repairs & Maintenance Svc.	929.56
Office Supplies	780.81
Dues & Subscriptions	750.00
Govt Relations	8,728.77
TOTAL ADMINISTRATION	95,091.76

OPERATIONS

DMMA Mgmt & Maint.	18,656.60
Waterway Cleanup	5,000.00
ICW Dredging General	2,510,987.50
Sm Scale Derlct Vessl Rmvl	20,000.00
OWW Dredging	1,823.99
IWW Deepening Broward	4,389.00
Operations Equipment	1,533.44
TOTAL OPERATIONS	2,562,390.53

FL INLAND NAVIGATION DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Month of March 31, 2012

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CAPITAL OUTLAY

DMMA Development	72.00
SJ-14 Restoration	1,820.00
DMMA NA-1 Contruction	3,544.00

TOTAL CAPITAL OUTLAY	5,436.00
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WATERWAY STUDY

ICW Economic Studies	8,936.82
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TOTAL WATERWAY STUDY	8,936.82
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INTERLOCALS

Broward Co. ICW/Dania	22,084.56
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TOTAL INTERLOCALS	22,084.56
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WATERWAYS ASSISTANCE PROGRAM

Jax Joe Carlucci Boat Rmp Ph2	112,594.13
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TOTAL WATERWAYS ASSISTANCE PRO	112,594.13
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COOPERATIVE ASSISTANCE PROGRAM

TOTAL COOPERATIVE ASSISTANCE PR	0.00
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MANATEE SIGNS

TOTAL MANATEE SIGN	0.00
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PUBLIC INFORMATION

Communications	1,381.72
Public Information	405.00
Legal Advertising	576.39

TOTAL PUBLIC INFORMATION	2,363.11
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DISASTER RELIEF ACCOUNT

TOTAL DISASTER RELIEF	0.00
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FL INLAND NAVIGATION DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Month of March 31, 2012

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Page: 3

TAX COLLEC. & PROPERTY APPR. COMMISSIONS

Prop. Appraiser's Commissions	21,943.97
Tax Collector's Commissions	8,880.57
TOTAL TAX COLLEC. & PROPERTY APP.	30,824.54

TOTAL DISBURSEMENTS	2,839,721.45
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FL INLAND NAVIGATION DISTRICT

Purchase Journal

For the Period From Mar 1, 2012 to Mar 31, 2012

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by Date. Report is printed in Detail Format.

Date	Account ID Account Description	Invoice/CM	Line Description	Debit Amount	Credit Amount
	2020 Accounts Payable		Scripps Treasure Coast Newspaper		136.49
3/9/12	5490 Legal Advertising 2020 Accounts Payable	2668485	FIND Outreach 2/17/12 Scripps Treasure Coast Newspaper	108.36	108.36
3/9/12	5311 Prop. Appraiser's Commissions 2020 Accounts Payable	3/01/12	Commissions Due Nassau County Property Appraiser	954.06	954.06
3/9/12	5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable	3/05/12	Electric Service BV-11 Florida Power & Light	7.49	7.49
3/9/12	5310 Legal Expense 2020 Accounts Payable	4004	Legal Services General Feb. Breton, Lynch, Eubanks & Suarez PA	5,492.79	5,492.79
3/9/12	5310 Legal Expense 2020 Accounts Payable	4028	SJ-14- March Breton, Lynch, Eubanks & Suarez PA	378.00	378.00
3/9/12	5410 Communications 2020 Accounts Payable	7-805-0546	Courier Services 1-31-2/14/12 Federal Express	67.50	67.50
3/9/12	5510 Office Supplies 2020 Accounts Payable	78867	Color Copies 2/8/12 Delta/Omni Business Solutions	27.61	27.61
3/12/12	5540 Dues & Subscriptions 2020 Accounts Payable	03/02/12	Annual Dues Marine Resources Council	250.00	250.00
3/12/12	5311 Prop. Appraiser's Commissions 2020 Accounts Payable	3/2/12	Commissions Due Palm Beach Cty Prop Appraiser	8,623.50	8,623.50
3/12/12	5460 Repairs & Maintenance Svc. 2020 Accounts Payable	4238	Annual Fire Inspection Royal Fire & Safety Co. Inc.	54.00	54.00
3/14/12	5552.95 ICW Dredging General 2020 Accounts Payable	03/14/12	License Security Deposit Broward County	2,500,000.00	2,500,000.00
3/14/12	5400 Travel & Per Diem 2020 Accounts Payable	3/12/12	Washington Trip John C. Blow	1,890.60	1,890.60

FL INLAND NAVIGATION DISTRICT

Purchase Journal

For the Period From Mar 1, 2012 to Mar 31, 2012

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by Date. Report is printed in Detail Format.

Date	Account ID Account Description	Invoice/CM	Line Description	Debit Amount	Credit Amount
3/14/12	5410 Communications 2020 Accounts Payable	3/13/12	Cellular Phone Services 02/20-03/06/12 Sprint	316.87	316.87
3/14/12	5410 Communications 2020 Accounts Payable	3/13/12	laptop air card 02/02-03/01/12 AT&T Mobility	55.63	55.63
3/14/12	5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable	3/14/12	BV-52 Maint. Dave Nielsen, LLC	1,437.90	1,437.90
3/14/12	5400 Travel & Per Diem 2020 Accounts Payable	3/14/12	Washington Trip Aaron Bowman	1,851.70	1,851.70
3/14/12	5553.25 Broward Co. ICW/Dania 2020 Accounts Payable	3496	Soil Sample Dania Cutoff Tierra South Florida, Inc.	6,320.00	6,320.00
3/19/12	5400 Travel & Per Diem 2020 Accounts Payable	03/15/12	Travel Per Diem March Mark Tamblyn	283.00	283.00
3/19/12	5552.94 Waterway Cleanup 2020 Accounts Payable	03/19/12	2012 Waterway Cleanup Keep Nassau Beautiful, Inc.	5,000.00	5,000.00
3/19/12	5400 Travel & Per Diem 2020 Accounts Payable	03/19/12	March Board meeting Jon Netts	361.78	361.78
3/19/12	5480 Public Information 2020 Accounts Payable	03/20/12	FIND storage rental Safeway Storage & Warehouses,	405.00	405.00
3/19/12	5430 Utility Service 2020 Accounts Payable	03/21/12	Electric Service FIND Headquarters 2/17-03/19/12 Florida Power & Light	241.14	241.14
3/19/12	5644 Sm Scale Derlct Vessl Rmvl 2020 Accounts Payable	03/21/12	1st and final payment ICW-BV-12-01 Brevard County Board of Comm.	20,000.00	20,000.00
3/19/12	5400 Travel & Per Diem 2020 Accounts Payable	03/21/12	March Board meeting S. Norman Bray	483.46	483.46
3/19/12	5311	03/22/12	Commissions Due	6,816.75	

FL INLAND NAVIGATION DISTRICT

Purchase Journal

For the Period From Mar 1, 2012 to Mar 31, 2012

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by Date. Report is printed in Detail Format.

Date	Account ID Account Description	Invoice/CM	Line Description	Debit Amount	Credit Amount
	Prop. Appraiser's Commissions 2020 Accounts Payable		Broward County Property Appr		6,816.75
3/19/12	5311 Prop. Appraiser's Commissions 2020 Accounts Payable	03/23/12	Commissions Due St. Johns County Property Appr	2,363.66	2,363.66
3/19/12	5410 Communications 2020 Accounts Payable	031512	Postage meter lease Mail Finance	70.67	70.67
3/19/12	5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable	031612	Flood Insurance FIND Headquarters American Strategic Insurance Corp	3,737.00	3,737.00
3/19/12	5510 Office Supplies 2020 Accounts Payable	1858695	Office Supplies Quill, Corp.	366.44	366.44
3/19/12	5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable	2012-207	Fertilized lawn/Shrubs Artistic Palms Landscaping	80.00	80.00
3/19/12	5319.49 ICW Economic Studies 2022 Retainage Payable - Contracts 2020 Accounts Payable	26580	Economic Update District Waterways Less Ret. Gulf Engineers & Consultants	8,936.82	446.84 8,489.98
3/19/12	5400 Travel & Per Diem 2020 Accounts Payable	3/21/12	March Board Meeting John C. Blow	422.48	422.48
3/19/12	5400 Travel & Per Diem 2020 Accounts Payable	3/25/12	March Board Meeting Gail Kavanagh	165.98	165.98
3/19/12	5310 Legal Expense 2020 Accounts Payable	55034	State Representation-Feb Keefe, Anchors, Gordon & Moyle, P.A.	2,500.00	2,500.00
3/19/12	5460 Repairs & Maintenance Svc. 2020 Accounts Payable	67128887	Security Service FIND Headquarters ADT Security Systems	725.56	725.56
3/19/12	6778 Jax Joe Carlucci Boat Rmp Ph2 2020 Accounts Payable	DU-JA-10-1	1st and final DU-JA-10-115 Joe Carlucci Boat Ramp City of Jacksonville	112,594.13	112,594.13
3/19/12	2022	SOR031212	Statement of retainage	5,207.21	

FL INLAND NAVIGATION DISTRICT

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Date	Account ID Account Description	Invoice/CM	Line Description	Debit Amount	Credit Amount
	Retainage Payable - Contracts 2020 Accounts Payable		Gulf Engineers & Consultants		5,207.21
3/26/12	5430 Utility Service 2020 Accounts Payable	03/13/12	Electric Service Feb09-03/09/12 Florida Power & Light	9.02	9.02
3/26/12	5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable	03/14/12	MSA 617c 02/10-03/12/12 Florida Power & Light	9.21	9.21
3/26/12	5400 Travel & Per Diem 2020 Accounts Payable	03/22/12	November/Jan. Board Meeting David K. Roach	211.00	211.00
3/26/12	5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable	03/22/12	Fence repair DU-8 David Barton	3,640.00	3,640.00
3/26/12	5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable	03/22/12b	Landscape maint. Du-6a David Barton	450.00	450.00
3/26/12	5430 Utility Service 2020 Accounts Payable	03/23/12	Electric Srevice BV-52 02/21-03/21/12 Florida Power & Light	58.60	58.60
3/26/12	5410 Communications 2020 Accounts Payable	03/24/12	Local, Long Distance, DSL 1/27-2/26/12 AT&T	381.48	381.48
3/26/12	3110 Ad Valorem Taxes - St. Lucie 2020 Accounts Payable	03/27/12	Postage for tax notices St. Lucie Tax Collector	60.93	60.93
3/26/12	5230 Health Insurance 2020 Accounts Payable	03/27/12 L	Life insurance-May State of Florida Employees Ins	207.40	207.40
3/26/12	5410 Communications 5400 Travel & Per Diem 2020 Accounts Payable	031512BS	Verio Webhosting Battery pack/Computer-Supplies Bank of America Business Card	163.94 154.32	318.26
3/26/12	5400 Travel & Per Diem 2020 Accounts Payable	031512DR	Washington Trip Bank of America Business Card	1,370.60	1,370.60
3/26/12	5400	031512MC	Washington Trip/FIND Board Meeting	1,968.96	

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	Travel & Per Diem 5641 Operations Equipment 2020 Accounts Payable		Meeting Fuel Supplies Bank of America Business Card	64.00	2,032.96
3/26/12	5400 Travel & Per Diem 5641 Operations Equipment 2020 Accounts Payable	031512MT	Site Inspections Fuel/Supplies Bank of America Business Card	178.00 1,469.44	1,647.44
3/26/12	5230 Health Insurance 2020 Accounts Payable	032712-D	Disability Insurance-May State of Florida Employees Ins	153.78	153.78
3/26/12	5230 Health Insurance 2020 Accounts Payable	032712H	Health Insurance May State of Florida Employees Ins	6,072.00	6,072.00
3/26/12	5552.95 ICW Dredging General 2020 Accounts Payable	13911	General Engineering Services Taylor Engineering	941.00	941.00
3/26/12	5552.9512 IWW Deepening Broward 2022 Retainage Payable - Contracts 2020 Accounts Payable	13914	IWW Canal Deepening Less Ret. Taylor Engineering	4,389.00	219.45 4,169.55
3/26/12	5552.967 DMMA NA-1 Contruction 2022 Retainage Payable - Contracts 2020 Accounts Payable	13915	DMMA NA-1 Final Design Less Ret. Taylor Engineering	3,544.00	177.20 3,366.80
3/26/12	5552.971 OWW Dredging 2022 Retainage Payable - Contracts 2020 Accounts Payable	13917	Okeechobee Waterway Maint. Dredging Less Ret. Taylor Engineering	1,823.99	91.20 1,732.79
3/26/12	5552.95 ICW Dredging General 2022 Retainage Payable - Contracts 2020 Accounts Payable	13920	Preliminary Design Deepening Port of Palm Beach Less Retainage Taylor Engineering	10,046.50	502.33 9,544.17
3/26/12	5552.957 SJ-14 Restoration 2022 Retainage Payable - Contracts 2020 Accounts Payable	13922	Water Level Monitoring SJ-14 Less Retainage Taylor Engineering	1,820.00	91.00 1,729.00

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Date	Account ID Account Description	Invoice/CM	Line Description	Debit Amount	Credit Amount
3/26/12	5553.25 Broward Co. ICW/Dania 2022	13930	Final Plans Dania Canal Cutoff	15,764.56	
	Retainage Payable - Contracts 2020				788.23
	Accounts Payable		Taylor Engineering		14,976.33
3/26/12	5510 Office Supplies 2020	1577605	Office Supplies	34.50	
	Accounts Payable		Quill, Corp.		34.50
3/26/12	5510 Office Supplies 2020	1596694	Office Supplies	310.32	
	Accounts Payable		Quill, Corp.		310.32
3/26/12	5510 Office Supplies 2020	1607663	Office Supplies	33.98	
	Accounts Payable		Quill, Corp.		33.98
3/26/12	5552.951 DMMA Development 2020	163763	Aerial IR-2	72.00	
	Accounts Payable		Aerial Photography, Inc.		72.00
3/26/12	5552.08 DMMA Mgmt & Maint. 2020	2012-151	Landscape Maint FIND headquarters-Feb	125.00	
	Accounts Payable		Artistic Palms Landscaping		125.00
3/26/12	5552.08 DMMA Mgmt & Maint. 2020	2012-152	Landscape Maint. 617C- Feb	200.00	
	Accounts Payable		Artistic Palms Landscaping		200.00
3/26/12	5312 Govt Relations 2020	20533	April Retainer	8,728.77	
	Accounts Payable		Alcalde & Fay		8,728.77
3/26/12	5400 Travel & Per Diem 2020	3/27/12	March Board Meeting	264.29	
	Accounts Payable		Bruce Barkett		264.29
3/26/12	5540 Dues & Subscriptions 2020	4/01/12	Annual Dues	500.00	
	Accounts Payable		Marine Ind. Assoc. South Fla.		500.00
3/26/12	5552.08 DMMA Mgmt & Maint. 2020	4734575	Landscape design O-35	1,907.50	
	Accounts Payable		Kimley-Horn and Associates		1,907.50
3/28/12	5410 Communications 2020	03/28/12	Courier	126.03	
	Accounts Payable		Services02/24-03/24/12 United Parcel Service		126.03

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3/28/12	5311 Prop. Appraiser's Commissions 2020 Accounts Payable	03/28/12	Commissions Due Indian River Cty Property Appr	1,565.00	 1,565.00
3/30/12	5400 Travel & Per Diem 2020 Accounts Payable	04/03/12	March Board Meeting Donn Colee	169.60	 169.60
				<u>2,781,582.40</u>	<u>2,781,582.40</u>

**FLORIDA INLAND NAVIGATION DISTRICT
EXPENDITURES REPORT BY PROGRAM**

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EXPENSE ACCOUNT	BUDGET	CONTRACTED EXPENDITURES TO 3/31/12	EXPENDITURES EXECUTED to 3/31/12	ACTUAL EXPENDITURES THRU 3/31/12
Administration	1,364,991	1,165,600	530,589	530,589
Operations	21,356,323	6,140,095	3,138,812	3,132,829
Capital Programs	18,385,675	311,127	136,309	131,381
Waterway Studies	1,026,235	44,217	44,217	44,217
Interlocals	1,446,258	1,446,258	77,266	77,266
Waterways Assistance Program	28,890,250	29,076,827	11,809,313	531,925
Cooperative Assistance Program	665,394	689,600	478,000	0
Public Information	164,366	30,278	30,278	21,821
Tax Collector and Property Appraiser Commissions	660,000	660,000	410,408	410,408
TOTAL BUDGET	73,959,492	39,564,002	16,655,192	4,880,436

**FLORIDA INLAND NAVIGATION DISTRICT
PROJECT STATUS AND EXPENDITURES REPORT**

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ACCT.#	ACCOUNT	BUDGET	CONTRACTED EXPENDITURES TO 3/31/12	EXPENDITURES EXECUTED TO 3/31/12	ACTUAL EXPENDITURES THRU 3/31/12	PROJECT STATUS through April 30, 2012
ADMINISTRATION						
5120	Salaries	565,005	565,005	278,590	278,590	1.88% average bonuses issued in March
5121	Compensated Absences	4,000	3,131	3,131	3,131	Fin. Dir. Paid for excess leave
5122	Temporary help	4,000	0	0	0	
5210	Social Security & Medicare	40,000	40,000	19,462	19,462	
5220	State Retirement Fund	66,500	66,500	14,288	14,288	
5230	Health Insurance	79,000	79,000	39,056	39,056	
5310	General Legal Expense	95,000	95,000	42,893	42,893	
5312	Governmental Relations	96,000	96,000	59,866	59,866	2012 approps recvd, March DC trip made for 2013 budget
5313	SJ-14 Legal	40,000	666	666	666	Need to file in court for access to insurance companies expense records
5320	Annual Audit	28,000	0	0	0	Draft Audit report completed
5322	Bank Charges	2,000	1,392	1,392	1,392	
5323	SBA Fund B Unrealized Loss	132,443	132,443	-15,218	-15,218	This a projected loss
5400	Travel & Per Diem	121,000	44,478	44,478	44,478	
5430	Utility Service	12,000	4,384	4,384	4,384	
5450	Insurance & Bonds	22,000	10,333	10,333	10,333	
5460	Repair & Maintenance	15,000	3,918	3,918	3,918	
5510	Office Supplies	19,000	6,852	6,852	6,852	
5512	Staff Training	4,851	2,215	2,215	2,215	
5540	Dues & Subscription	19,192	14,283	14,283	14,283	several dues paid
		1,364,991	1,165,600	530,589	530,589	
OPERATIONS						
5551	Waterway Inspection	8,500	0	0	0	
5552.08	DMMA Maintenance & Mgmt.	1,000,000	202,847	202,847	202,864	Buffer maintenance, well monitoring and mowing ongoing on several sites
5552.93	Spoil Isl. Enh. & Rest.	17,502	10,002	6,000	0	3 island enhancement days were conducted on islands in Brevard, Ind. River, and St. Lucie
5552.94	Waterway Cleanup	75,000	29,998	29,998	29,998	0 Counties, Miami Island imp. 10% several completed
5552.950	ICW Dredging General	1,689,368	2,788,247	2,788,247	2,788,247	IWW dredging in the vicinity of St. Aug. to advertise in May, IWW vicinity of So. Lake Worth Inlet in permitting
5552.9512	IWW Deepening Broward	10,363,714	3,000,000	8,479	8,479	Permitting still underway
5552.952	IWW Dredging-St. Lucie Reach 1	300,000	0	0	0	Seagrass survey completed
5552.953	IWW Dredging-IRCO Reach 1	938,765	0	0	0	Seagrass survey completed, sediment sampling being designed
5552.971	OWW Dredging	500,000	30,000	24,240	24,240	Project bid, award in May
5552.972	IWW Sawpit Dredging	4,240,000	0	0	0	FDEP permit being finalized, Corps allocated funds to design
5552.973	IWW PB Reach 2&4 Dredging	1,150,000	0	0	0	Seagrass Survey completed for Reach 2 deepening, permit app being prepared
5641	Operations Equipment	19,000	4,826	4,826	4,826	
5643	Disaster Relief Account	1,000,000	0	0	0	
5644	Sm. Scale Derelict Vessel Rem.	54,474	74,175	74,175	74,175	Brevard Project removed 11 vessels, Martin and Broward projects complete
		21,356,323	6,140,095	3,138,812	3,132,829	

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ACCT.#	ACCOUNT	BUDGET	CONTRACTED EXPENDITURES TO 2/29/12	EXPENDITURES EXECUTED to 2/29/12	ACTUAL EXPENDITURES THRU 2/29/12	PROJECT STATUS through March 29, 2012
CAPITAL PROGRAMS						
5552.951	DMMA Development	2,115,724	23,378	23,378	18,804	DU-2 shoreline stabilization out to bid
5552.957	SJ-14 Restoration	776,344	44,308	44,308	44,308	Ditch overflow structures installed, pipeline outfall area repaired, culvert removed
5552.965	MSA 614B Mitigation/Boaters Park	773,492	50,000	5,000	4,646	Project completed, monitoring & maintenance underway
5552.967	DMMA NA-1 Construction	2,063,166	43,441	43,441	43,441	Permits issued, plans and specs being finalized, eagle permit mod submitted
5552.968	DMMA O-7 Construction	1,801,580	150,000	20,182	20,182	Final plans and specs underway
5552.969	MSA 690 Construction	1,823,553	0	0	0	Permitting underway
5610.00	Land-General	9,030,316	0	0	0	LT-13 site investigation underway
5640.01	Fixed Assets Non-Capital Exp.	1,500	0	0	0	
		18,385,675	311,127	136,309	131,381	
WATERWAY STUDIES						
5313	GIS Project	26,235	0	0	0	Need to advertise for new GIS consultant
5313.49	ICW Economic Studies	0	8,937	8,937	8,937	Comprehensive update completed
5319.59	ICW Ch Survey Monroe Co.	250,000	0	0	0	Need to prepare Work Order
5319.65	Channel Surveys	250,000	0	0	0	3 Work Orders being negotiated
5319.66	Seagrass Surveys	200,000	35,280	35,280	35,280	Several completed
5319.64	Waterway Plans	300,000	0	0	0	Miami-Dade and Martin/St. Lucie plans may move forward
		1,026,235	44,217	44,217	44,217	
INTERLOCAL AGREEMENTS						
5553.25	Broward Co. ICW/Dania Deepening	1,446,258	1,446,258	77,266	77,266	Project underway, DMMA under construction, channel obstruction issues being addressed
		1,446,258	1,446,258	77,266	77,266	

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ACCT.#	ACCOUNT	BUDGET	CONTRACTED EXPENDITURES TO 3/31/12	EXPENDITURES EXECUTED to 3/31/12	ACTUAL EXPENDITURES THRU 3/31/12	PROJECT STATUS through April 30, 2012
WATERWAYS ASSISTANCE PROGRAM						
6682	SJCO Alpines Grove PH2	0	5,232	5,232	5,232	Project Complete
6711	Hallandale Bch. Dockage PH 2	0	420,495	148,100	148,160	Project Complete
6712	Miami Musuem Park Mooring Bollards	0	11,700	11,700	11,700	Project Complete
6720	Fernandina Bch Boat Ramp Phase I	100,000	100,000	0	0	Project withdrawn
6723	JAX Arlington River Dredge - Phase I	75,000	75,000	0	0	Design costs too high
6724	Jax Zoo Dock Extension - Phase I	90,000	90,000	90,000	0	Design at 100%
6727	JAX Port Auth. Mile Point Phase I	300,000	300,000	150,000	0	Corps eng. Design phase to begin
6731	Flagler Co. Bings Landing Addition	80,310	80,310	48,000	0	60% complete, Project extension executed
6732	Flagler Co. Bings Landing Dredging	93,750	93,750	93,750	0	100% complete
6733	Palm Coast Long's Landing Ph I	75,000	75,000	10,000	0	Pre-Design complete
6734	Daytona Halifax Harbor Ret. Rep	263,750	263,750	250,000	0	Project 98% complete
6735	New Smyrna Riverside Seawall Ph I	85,880	85,880	85,880	0	Project complete
6736	Port Orange Russell Pk Launch Ph II	100,000	100,000	15,000	0	Project underway, 15% complete
6738	Brevard Co. Marina Park Boat Facility	330,145	330,145	330,145	0	Project complete
6741	Melbourne Crane Crk Promenade	350,250	350,250	350,250	0	Project complete
6744	Vero Bch. Marina Dry Stack Re-rack	41,000	41,000	0	0	Only bid rejected, project won't move forward
6748	Martin Co. Spoil Isl Stab Ph I	75,000	75,000	75,000	0	Project complete
6749	Martin Co. St. Lucie Inlet	339,035	339,035	280,000	0	Bid awarded
6750	Stuart Shepard Pk Ramp Recon.	17,500	80,000	70,000	0	Project nearing completion
6751	Belle Glade OWW Marina Imp.	328,770	328,770	150,000	0	work underway
6753	Jupiter Riverwalk at Harborside	827,505	827,505	827,505	0	Project completed
6755	Palm Bch Sand Transfer Plant Ren	300,000	300,000	300,000	0	Project complete
6756	Palm Bch. Co. DuBois Marina	987,000	987,000	987,000	0	Project at 100%
6757	Riviera Beach Marina Ph I	475,000	475,000	50,000	0	Eng. complete for seawall and 35% for docks
6758	WPB Waterfront Park Ph V-2	150,000	150,000	60,000	0	Approved sign package, 35% complete
6760	Broward Co. Deerfield Isl Dock Ph II	200,000	200,000	190,000	0	95% complete
6762	Ft. Lauderdale S.E. 15th Street Ph II	980,988	980,988	0	0	Project will begin 2/2012
6763	Miami Bicen. Park Bollards Ph II	513,255	513,255	513,255	0	Project complete
6764	Miami Coconut Grove Pier Dev Ph I	144,000	144,000	0	0	project cancelled
6765	Miami James Knight Ctr Seawall Ph I	30,000	30,000	0	0	Agreement executed
6766	Miami Kennedy Park Dock, Ph I	35,000	35,000	30,000	0	Design at 98%
6767	Miami Kennedy Park Stab Ph I	40,000	40,000	35,000	0	Design at 95%
6768	Miami Stadium Seawall Rep Ph I	17,500	17,500	15,000	0	Permits received
6769	Miami Bch. Pine Tree Shoreline Imp	74,766	74,766	0	0	Project design complete
6770	Miami-Dade Crandon Marina Seawall	597,663	597,663	597,663	0	Project complete
6772	Miami-Dade Matheson Shoreline Stat	550,000	550,000	0	0	Project to initiate in 2012
6776	Atl. Bch. Tide Views Dock Phase II	96,790	96,790	96,790	0	Project complete

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6777	Jax Harborview Restroom Ph II	175,000	175,000	170,000	0	Project at 99%
6778	Jax Joe Carlucci Boat Ramp Ph II	225,000	225,000	225,000	112,594	Construction complete
6779	Jax Mayport Boat Ramp Ph I	60,000	60,000	60,000	0	Design at 100%
6780	Jax Sisters Creek Docks Ph II	270,000	270,000	270,000	226,915	Project complete
6782	St. Aug. Barge Terminal Nav Ch PH I	40,000	40,000	40,000	0	Design & permitting complete
6785	Marineland Marina	12,468	12,468	12,468	0	Project complete
6786	Daytona Bch. Harbor Dredging	150,000	150,000	45,000	0	Project 100% complete
6787	Smyrna Bch. Calorie Dredging Ph I	15,000	15,000	14,000	0	Project at 95%
6788	So. Daytona Veteran's Park Pier Ext.	50,000	50,000	50,000	0	Work complete
6789	Vo. Co. Ed Stone Park Seawall Ph II	100,000	100,000	0	0	Bid docs being finalized federal and state funding being coordinated
6790	Volusia Co. So. Jetty Ext.	386,825	386,825	0	0	Construction complete
6792	Titusville Mooring Field Installation	185,000	185,000	175,000	0	Construction at 98%
6793	IRCO Lagoon Greenway	17,845	17,845	15,000	0	Project complete
6794	Seb. Inlet Coconut Pointe Stab Ph I	36,000	36,000	36,000	0	Project complete
6796	Vero Bch. MacWilliam Boat Ramp	15,000	15,000	15,000	0	Project complete
7000	Martin Co. Manatee Pocket Dredging	200,000	200,000	40,000	0	Project completion 80%
7001	Martin Co. Man. Pocket Dock Ph. I	12,000	12,000	9,600	0	Project at 40%
7002	Delray Bch. Mang. Prk Boat Ramp	85,740	85,740	34,000	0	Construction complete
7003	Jupiter Riverwalk at Harborside - Ph E	700,000	700,000	700,000	0	Permitting underway
7004	PBCO Burt Reynolds Dock Extension	75,000	75,000	40,000	0	Project underway 10% complete
7005	PBCO Jupiter Ridge Shoreline Rest	500,000	500,000	50,000	0	Project completion at 65%
7006	PBCO So Cove Restoration & Brdwlk	1,000,000	1,000,000	650,000	0	Permitting underway, 90% complete
7007	PBCO Waterway Park Phase I	100,000	100,000	90,000	0	Bids received for docks, 50% complete
7008	Riviera Bch. Marina Construction	850,000	850,000	425,000	0	Project 35% complete
7009	WPB Kayak/Paddle Boat Lnch PH I	30,000	30,000	11,000	0	Project underway
7010	Broward Co. Dania Cut-Off Dredging	2,686,000	2,686,000	0	0	Project underway, 12% complete
7011	Broward co. Secret Woods Dock Ph I	60,000	60,000	7,200	0	Project underway, at 15%
7012	Broward Co. Ch. Markers Ph I	30,000	30,000	4,500	0	Bid process started
7013	Dania Bch. I.T. Parker Dock Rep	24,400	24,400	0	0	Bathymetric & seagrass surveys complete
7014	Ft. Lauderdale Bahia Mar Drdging Ph	200,000	200,000	40,000	0	Bathymetric & seagrass surveys complete
7015	Ft. Lauderdale Las Olas Drdging PH-I	150,000	150,000	75,000	0	Construction completed
7016	Oakland Pk. NE 12 Terr Kayak Lnch	75,000	75,000	75,000	27,324	Project withdrawn
7017	Oakland Pk. NW 39th St Kayak Lnch	175,000	175,000	0	0	Construction complete
7018	Pompano Bch. Hillsboro Inlet Seawall	51,775	51,775	51,775	0	Project complete
7019	Miami Citywide Derelict Vessel Rem	20,000	20,000	0	0	Design 15% complete
7020	Miami Marine Stadium Phase I	175,000	175,000	25,000	0	Project at 7% completion
7021	Miami Woman's Club Baywalk Ph I	46,500	46,500	3,000	0	Design complete, permitting underway
7022	Miami Spoil Island Rest. Ph I	15,000	15,000	8,000	0	Project underway
7023	MDCO Crandon Seawall #2 Rep	1,342,932	1,342,932	1,000,000	0	90% plans received
7024	MDCO Pelican Harbor Marina Ph I	56,000	56,000	47,000	0	50% complete
7025	No. Bay Village Paul Vogel Park Ph I	55,000	55,000	28,000	0	Project 75% complete
7027	Fernandina Bch Marina Dredging	174,735	174,735	120,000	0	Agreement executed
7028	Jax Ortega River Mooring Field, Ph I	100,000	100,000	0	0	Agreement executed
7029	Jax Trout River Pier Ph II	323,000	323,000	0	0	Plans and specs at 100%
7030	St. Augustine Marina Dredging	200,000	200,000	0	0	

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ACCT.#	ACCOUNT	BUDGET	CONTRACTED EXPENDITURES TO 3/31/12	EXPENDITURES EXECUTED to 3/31/12	ACTUAL EXPENDITURES THRU 3/31/12	PROJECT STATUS through April 30, 2012
7031	St. Aug Barge Terminal Dredging PH I	98,430	98,430	0	0	Agreement executed
7032	St. Johns Co. Vilano Dock PH II	160,000	160,000	30,000	0	Bid awarded
7033	N Smyrna Bch Riverside Ph II	325,000	325,000	65,000	0	Construction at 20%
7034	N Smyrna Bch Swoope Ramp PH I	82,800	82,800	0	0	Agreement executed
7035	Volusia Co Mariner's Cover Ramp Ph	15,000	15,000	0	0	Agreement executed
7036	Brevard Co Blue Crab Cove Ph I	56,250	56,250	0	0	Engineer has been selected
7037	Brevard Co Kelly Prk Dock & Seawall	148,750	148,750	0	0	Bid docs being finalized
7038	Cocoa Bch Spoil Site Dev Ph I	100,000	100,000	5,000	0	Surveys underway
7039	Seb Inlet Dist Coconut Point Stab	120,000	120,000	0	0	Project bid & awarded
7040	Titusville Ch Maintenance Dredging	52,500	52,500	0	0	Agreement sent
7041	Vero Bch MacWilliam Ramp Recon	175,000	175,000	0	0	Finalizing plans & specs
7042	Ft. Pierce Marina Cleaning Station	16,420	16,420	0	0	Design completed
7043	Martin Co Bird Isl Shoreline Stab Ph II	150,000	150,000	150,000	0	Project complete
7044	Stuart Floating Docks Fire Protection	25,000	25,000	0	0	Preparing for bid
7045	Palm Bch Co Bert Winters Ramp Ph I	90,000	90,000	0	0	Consultant to be hired
7046	Palm Beach Co Bryant Park	255,000	0	0	0	Agreement sent
7047	Palm Bch Co John's Isl Oyster Reef	406,250	406,250	20,000	0	Agreement executed Agreement being pursued with City of Boca
7048	Palm Bch Co Lake Wyman Restoratio	372,868	372,868	0	0	Agreement sent
7049	Pahokee Route 2 Channel Markers	20,850	0	0	0	Agreement sent
7050	Pahokee Marina Wave Attenuator	37,500	0	0	0	Agreement sent Bids received for docks, 50% complete
7051	Riviera Bch Marina Construction	1,500,000	1,500,000	750,000	0	Plans are 100%, Bid pac 70%
7052	Deerfield Bch Pioneer Boat Ramp	193,500	193,500	40,000	0	Bidding underway
7053	Golden Bch Strand Park Boat Dock	29,735	29,735	0	0	Agreement executed
7054	Miami Baywalk at Bicentennial Park	1,143,000	1,143,000	0	0	Bid docs at 5%
7055	Miami Kennedy Park Dock	60,000	60,000	0	0	Bid docs at 5%
7056	Miami Kennedy Park Shoreline Stab	75,000	75,000	0	0	Property purchased
7057	Miami Little River Waterfront Park	117,500	117,500	117,500	0	Consultant being selected
7058	Miami Marine Stadium Marina Ph I	800,000	800,000	0	0	Seeking additional funds
7059	Miami Wagner Crk Dredging	1,000,000	1,000,000	0	0	Bidding underway
7060	Miami Bch 10th Street Park & Seawall	472,820	472,820	0	0	Bidding underway
7061	Dade Co Dinner Key Isl Stabilization	300,000	300,000	45,000	0	Bidding underway
7062	Miami Dade Marine Stadium Shoreline	400,000	400,000	60,000	0	Bidding underway
7063	Miami Dade Vizcaya Shoreline Stab	75,000	75,000	0	0	Consultant selected
		28,890,250	29,076,827	11,809,313	531,925	
COOPERATIVE ASSISTANCE PROGRAM						
6773	FDEP Florida Clean Marina Program	100,000	100,000	96,000	0	Project 96% complete 19 pumpouts have been awarded funding, project 85%
6774	FDEP Florida Clean Vessel Act Prog	175,794	200,000	170,000	0	complete
7026	FDEP No. Pen. State Park Enh.	39,600	39,600	12,000	0	Project 30% complete
7064	FDEP John U Lloyd Jetty Rehab	350,000	350,000	200,000	0	Project completion at 65%
		665,394	689,600	478,000	0	

**FLORIDA INLAND NAVIGATION DISTRICT
PROJECT STATUS AND EXPENDITURES REPORT**

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ACCT.#	ACCOUNT	BUDGET	CONTRACTED EXPENDITURES TO 3/31/12	EXPENDITURES EXECUTED to 3/31/12	ACTUAL EXPENDITURES THRU 3/31/12	PROJECT STATUS through April 30, 2012
PUBLIC INFORMATION						
5410	Communications	33,000	10,979	10,979	10,979	
5319.63	FIND Display Development	58,687	9,295	9,295	838	Display completed will debut at the Volvo Ocean Race
5480	Public Information	12,000	5,739	5,739	5,739	
5490	Legal Advertising	27,000	4,265	4,265	4,265	
5554.13	Manatee Zone Brochures	15,000	0	0	0	Ordered reprints
5560.01	Boaters Guides	7,441	0	0	0	Ordered reprints
5642	Records Management	11,238	0	0	0	
		164,366	30,278	30,278	21,821	
TAX COLLECTOR AND PROPERTY APPRAISER COMMISSIONS						
5311	Property Appraisers Comm	160,000	160,000	88,206	88,206	
5321	Tax Collectors Comm.	500,000	500,000	322,202	322,202	
		660,000	660,000	410,408	410,408	
	TOTALS	73,959,492	39,564,002	16,655,192	4,880,436	

**EXECUTIVE DIRECTOR'S
DELEGATION OF AUTHORITY**

Actions from March 28, 2012 through May 3, 2012

1. Execution of an agreement with Business Resources of South Florida for the printing of the Indian River Boating Manatee Speed Zone Brochure in the amount of \$981.00.
2. Execution of an agreement with JKG for the printing of the Miami-Dade Boating Manatee Speed Zone Brochure in the amount of \$4,000.00.
3. Execution of several individual agreements with Barton Fence and Wall, LLC as follows:
 - Removal and stacking of DMMA DU-9 weir boards in the amount of \$1,650.00.
 - Fence repair at DMMA DU-8 in the amount of \$1,840.00
 - Fence repair at MSA 640 in the amount of \$400.00
 - Fence repair at DMMA O-23 in the amount of \$2,775.00
 - Fence repair at DMMA DU-2 in the amount of \$1,840.00
 - Additional fencing at DMMA SL-2 in the amount of \$650.00
4. Execution of an agreement with JKG for the printing of Movable Bridge Guides in the amount of \$900.00.

Florida Inland Navigation District

ANNUAL FINANCIAL REPORT

September 30, 2011

Florida Inland Navigation District

ANNUAL FINANCIAL REPORT

September 30, 2011

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Independent Auditors Report

To the Board of Commissioners
Florida Inland Navigation District
Jupiter, Florida

We have audited the accompanying basic financial statements of Florida Inland Navigation District (the "District") as of and for the year ended September 30, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2011, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May XX, 2012 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 and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

To the Board of Commissioners
Florida Inland Navigation District

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May XX, 2012

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

Management's discussion and analysis of Florida Inland Navigation District's (the "District") financial performance provides an analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the District include three components; 1) *Government-wide financial statements*, 2) *Fund financial statements* and 3) *Notes to the financial statements*.

Government-wide financial statements provide readers with an overview of the District's financial activities for the year. They can be found on pages 11 and 12 of this report.

These statements include; a **Statement of Net Assets** which presents information on all of the District's assets and liabilities and shows the net assets and a **Statement of Activities** which presents information showing how the District's net assets changed during the most recent fiscal year.

All of the District's programs are considered to be governmental activities and are all related to the maintenance and management of the Atlantic Intracoastal and Okeechobee Waterways. The District's primary source of funds for these activities is ad valorem tax revenues from the twelve member counties, Nassau through Miami-Dade. The District does not have any business-type activities that are intended to recover any or all of these costs through user fees and charges.

Fund financial statements focus on the near term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the District's near term financing needs. These statements group related accounts so as to maintain control over resources that have been segregated for specific activities or objectives. The District uses a General Fund for this purpose, which is classified as a governmental fund.

Fund financial statements include a **Balance Sheet** and a **Statement of Revenues, Expenditures and Changes in Fund Balance** for the General Fund. A **Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual** is provided for the District's General Fund to demonstrate compliance. *Fund financial statements* provide more detailed information about the District's activities, and can be found on pages 13, 15 and 17 of this report.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land, infrastructure and improvements and all liabilities, including accrued compensation are reported in the **Statement of Net Assets**. The **Statement of Activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the General Fund of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities, such as accrued compensation, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

Explanations of the reconciling items between the governmental fund and the governmental activities can be found in Note B on pages 27 through 29.

Notes to the financial statements 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 18-35 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget to actual results for the General Fund for the current year. This required supplementary information can be found on page 17 of this report.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2011.

- The District's total net assets at the end of the fiscal year totaled \$168,291,086. Of this amount, \$36.7 million is contracted or obligated funds that will be utilized to complete Assistance Program projects, Interlocal Agreement projects and Intracoastal Waterway (ICW) maintenance dredging. The investment in capital assets currently totals approximately \$104.7 million.
- The District's total fund balance at the end of the fiscal year totaled \$62,666,788. Of this amount, \$52.1 million has been assigned for land acquisition, dredging projects, dredged material management area (DMMA) development, waterway studies and disaster relief as well as assistance projects, interlocal agreement projects and contracts.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

- Total revenues exceeded expenses by \$2,109,192. Ad valorem revenues collected from the District's 12 counties totaled \$21.1 million. The District also collected approximately \$337,000 from the previous sale of property to the City of Edgewater.
- The District's only long-term debt consists of a liability for compensated absences to employees in the amount of \$77,503.
- The District had a total of \$6,804,080 in prepaid funds on account with the U.S. Army Corps of Engineers (the "Corps") for ICW maintenance dredging.
- Thirty-six Waterway Assistance Program projects with local governments were completed during the year totaling \$7.5 million and with the local government's financial contribution to these projects, over \$15 million in public waterway infrastructure was created.
- Two Cooperative Assistance Program projects were completed with \$2.36 million of funding from the District. Three other projects were approved during the year with costs of \$315,000.
- During a dredging project on September 14, 2006, dredged material was released onto a 28 acre parcel of land owned by the District and St. Johns County. The contractor is primarily responsible for clean up and mitigation for the site. This matter is further discussed in the notes to the financial statements.
- On November 29, 2007 the State Board of Administration froze its assets and restricted withdrawals from its funds. The District had approximately \$9.4 million on account at the time of the freeze. The District had diversified its own investments and as a result of the freeze did not experience any liquidity issues. As of September 30, 2011 the District had approximately \$219,000 frozen in Fund B with an estimated current value of \$168,949. This item is discussed further in notes of the financial statements.
- The District expended \$7.4 million for the construction of Dredged Material Management Areas. The sites were constructed as part of the District's Long Range Dredged Material Management Plan for the maintenance of the ICW.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net assets of the District and is presented by category for comparison purposes.

Net Assets

Over time, net assets may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$168,291,086 at the close of the most recent fiscal year. The majority of these net assets reflect the District's investment in land for the management of the waterway. The District has no related debt on these capital assets.

	Governmental Activities		% Change
	2011	2010	
Current assets	\$ 67,592,515	\$ 67,061,933	0.8%
Capital assets	104,690,745	102,238,370	2.4%
Total Assets	172,283,260	169,300,303	1.8%
Current liabilities	3,972,797	3,099,187	28.2%
Non-current liabilities	19,377	19,222	0.8%
Total Liabilities	3,992,174	3,118,409	28.0%
Invested in capital assets	104,690,745	102,238,370	2.4%
Restricted	36,694,898	47,483,117	-22.7%
Unrestricted	26,905,443	16,460,407	63.5%
Total Net Assets	\$ 168,291,086	\$ 166,181,894	1.3%

The District's total net assets at the end of the fiscal year totaled \$168,291,086; of this amount, \$36.7 million is contracted or obligated funds that will be utilized to complete Assistance Program projects, Interlocal Agreement projects and ICW maintenance dredging. The investment in capital assets currently totals approximately \$104.7 million. The remaining balance of \$26.9 million is unrestricted and is available to meet the District's ongoing obligations.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

Governmental activities increased the District's net assets by \$2,109,192. Key Elements of these changes are listed below.

	Governmental Activities		%
	2011	2010	Change
Governmental Revenues			
Ad valorem taxes	\$ 21,139,456	\$ 23,948,384	-11.7%
Investment earnings	373,531	471,901	-20.8%
Miscellaneous revenues	443,140	1,635,391	-72.9%
Total Revenues	21,956,127	26,055,676	-15.7%
Expenses			
General government	1,238,773	1,772,333	-30.1%
Physical environment	18,608,162	11,852,486	57.0%
Total Expenses	19,846,935	13,624,819	45.7%
Change in Net Assets	2,109,192	12,430,857	-83.0%
Net Assets - Beginning of Year	166,181,894	153,751,037	8.1%
Net Assets - End of Year	\$ 168,291,086	\$ 166,181,894	1.3%

The decrease in revenue primarily is attributed to the decrease in Ad Valorem Taxes, which is directly related to the decrease in property values in the twelve District Counties. The millage rate remained the same as last year. Lower interest rates have attributed to the decrease in investment earnings. Miscellaneous revenues primarily includes a reimbursement of \$194,324 from FEMA for expenditures incurred related to Tropical Storm Fay in 2008 and \$198,534 for temporary land leases granted for use of property owned by the District.

The increase in physical environment expenses can be attributed to the increase in grants and agreements awarded, reimbursements made for completed projects that were awarded in previous fiscal years, and additional dredging projects.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District's Funds

The District has only one governmental fund which provides information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved 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 balance decreased \$5,548, from prior year, to \$62,666,788 million as of September 30, 2011. The key factor attributing to the decrease is the timing of projects authorized by the District through its Waterway and Cooperative Assistance grants programs. Of the total fund balance, \$52.1 million has been reserved for land acquisition, dredging projects, DMMA development, waterway studies and disaster relief as well as assistance projects, interlocal agreement projects contracts.

Capital Assets

During the fiscal year the District expended approximately \$3.25 million for the purchase of land and the construction of DMMA's. The District installed buried pipelines on DMMA's DV-9 and SJ14 for a total cost of \$1.7 million. These sites will be used in the maintenance of the Intracoastal Waterway. The IR-2 DMMA project, anticipated to be completed by June 2012, has \$4.1 million in construction in progress at year end.

	Capital Assets (Net of Depreciation)	
	2011	2010
Land and easements	\$ 78,229,055	\$ 77,403,370
Construction in progress	4,137,680	4,255,935
Building and improvements	40,012	46,807
Dredged material management	22,208,292	20,436,247
Furniture and equipment	75,706	96,011
Total Capital Assets (Net)	\$ 104,690,745	\$ 102,238,370

Additional information on the District's capital assets can be found in Note D in the notes to the financial statements.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Long-Term Debt

The only long-term debt of the District is for compensated absences to employees that totaled \$77,503 at September 30, 2011.

General Fund Budgetary Highlights

During the year the District amended its budget using budget transfers and carry forward funds, the major changes are summarized as follows.

The following budgetary changes were funded using previously allocated but unspent funds:

- A \$535,000 decrease in the ICW Dredging account.
- A \$818,000 increase in DMMA development.
- A \$915,000 reduction cost estimate for the clean-up of SJ-14.
- A \$3 million reduction for an Interlocal Agreement Project for the Okeechobee Waterway
- A \$1.3 million reduction in anticipated costs of the SFWMD Manatee Pocket Dredging.
- A \$424,000 increase for MSA614B.
- A \$1.77 million increase in Waterway Assistance Grants relating to six uncompleted prior year projects.

Economic Factors and Next Year's Budget

Florida Inland Navigation District does not anticipate any economic factors to have a significant effect on the financial position or results of operations of the District in fiscal year 2012.

The District is a partner with the U.S. Army Corps of Engineers in the maintenance and management of the Intracoastal and Okeechobee Waterways. Over the past several years, Federal budget cuts have required the District to increase its spending on waterway maintenance dredging and DMMA development to ensure safe and efficient navigation by our waterway users. The outlook on Federal funding for the waterways remains tight and could possibly be reduced even further. The District increased its millage rate in 1997 to address this federal shortfall but has not raised it since. The District's millage rate for fiscal year 2011 is .0345. This rate did not exceed the maximum millage rate allowed.

In the latter part of 2007, the real estate market experienced a significant drop in sales. As a result, property values have decreased. It is expected that the property appraiser will adjust their property values assessments in fiscal year ending September 30, 2012 to reflect the recent slight improvements in the real estate market.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget (Continued)

Interest rates on the District's investments plummeted to an average rate of less than 1%. All of the District deposits, excluding \$58,969 in LGIP and \$219,328 in Fund B, are Chapter 280 collateralized deposits. In addition, the District has implemented a conservative banking policy which utilizes the Bauer statewide banking report to objectively analyze qualified public depositories and their respective soundness. This has enabled the District to avoid banks that might be taken over by the Federal Deposit Insurance Corporation (FDIC).

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to David Roach, Executive Director, Florida Inland Navigation District, 1314 Marcinski Road, Jupiter, Florida 33477.

Florida Inland Navigation District
STATEMENT OF NET ASSETS
September 30, 2011

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 51,055,506
Investments	8,267,603
Due from other governments	422,447
Accrued interest receivable	24,125
Note receivable	1,011,056
Prepaid items	6,804,080
Restricted Assets:	
Cash and cash equivalents	7,698
Total Current Assets	<u>67,592,515</u>
Non-current Assets:	
Capital assets not being depreciated	82,366,735
Capital assets being depreciated	29,097,018
Less: accumulated depreciation	<u>(6,773,008)</u>
Total Non-current Assets	<u>104,690,745</u>
Total Assets	<u>172,283,260</u>
LIABILITIES	
Current Liabilities	
Accounts payable	3,871,284
Retainage payable	43,387
Compensated absences	<u>58,126</u>
Total Current Liabilities	<u>3,972,797</u>
Non-current Liabilities:	
Compensated absences	<u>19,377</u>
Total Liabilities	<u>3,992,174</u>
NET ASSETS	
Invested in capital assets	104,690,745
Restricted for dredging and restoration projects	14,294,264
Restricted for grants, interlocals and contracts	22,392,936
Restricted in escrow	7,698
Unrestricted	<u>26,905,443</u>
Total Net Assets	<u>\$ 168,291,086</u>

See accompanying notes.

**Florida Inland Navigation District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011**

Expenses by:**Functions/Programs**

Governmental Activities	
General government	\$ (1,238,773)
Physical environment	(18,608,162)
Total Governmental Activities	<u>(19,846,935)</u>

General Revenues:

Ad valorem taxes	21,139,456
Investment earnings	373,531
Miscellaneous revenues	443,140
Total General Revenues	<u>21,956,127</u>

Change in Net Assets	2,109,192
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Net Assets - October 1, 2010	<u>166,181,894</u>
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Net Assets - September 30, 2011	<u><u>\$ 168,291,086</u></u>
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See accompanying notes.

**Florida Inland Navigation District
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2011**

ASSETS	General Fund
Cash and cash equivalents	\$ 51,055,506
Investments	8,267,603
Due from other governments	422,447
Accrued interest receivable	24,125
Restricted cash and cash equivalents	7,698
Note receivable	1,011,056
Prepaid items	<u>6,804,080</u>
 Total Assets	 <u><u>\$ 67,592,515</u></u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 3,871,285
Retainage payable	43,386
Deferred revenues	<u>1,011,056</u>
 Total Liabilities	 <u><u>4,925,727</u></u>
FUND BALANCES	
Nonspendable	7,023,408
Assigned for:	
Dredging and restoration projects	14,301,962
Grants, interlocals and contracts	21,667,235
Land purchases	14,125,888
DMMA development	273,796
Waterway studies	725,701
Disaster relief	1,000,000
Unassigned	
Designated for subsequent years' expenditures	<u>3,548,798</u>
Total Fund Balance	<u><u>62,666,788</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$ 67,592,515</u></u>

See accompanying notes.

**Florida Inland Navigation District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
September 30, 2011**

Total Governmental Fund Balances	\$ 62,666,788
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets not being depreciated, land and easements \$78,229,055, and CIP-dredged material management areas, \$4,137,680 used in governmental activities are not financial resources and; therefore, are not reported in the funds.	82,366,735
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Capital assets being depreciated, building and improvements \$195,404, dredged material management areas \$28,575,455, furniture and equipment \$326,159, and accumulated depreciation \$(6,773,008) used in governmental activities are not financial resources and therefore, are not reported in the funds.	22,324,010
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Notes receivable are not financial resources in the current period and therefore are reported as deferred revenues.	1,011,056
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Accrued compensated absences are not financial uses, and therefore, are not reported in the funds.	<div style="border-top: 1px solid black; display: inline-block;">(77,503)</div>
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Net Assets of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 168,291,086</div>
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See accompanying notes.

Florida Inland Navigation District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the year ended September 30, 2011

	<u>General Fund</u>
Revenues	
Ad valorem taxes	\$ 21,139,456
Investment earnings	343,010
Miscellaneous	780,157
Total Revenues	<u>22,262,623</u>
Expenditures	
Current	
General government	1,771,043
Physical environment	17,214,190
Capital outlay	3,282,938
Total Expenditures	<u>22,268,171</u>
Net Change in Fund Balances	<u>(5,548)</u>
Fund Balances - October 1, 2010	<u>62,672,336</u>
Fund Balances - September 30, 2011	<u><u>\$ 62,666,788</u></u>

See accompanying notes.

Florida Inland Navigation District
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, 2011

Net Change in Fund Balances - Total Governmental Funds \$ (5,548)

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 as depreciation expense. This is the amount capital outlay (\$3,253,350) exceeded depreciation expense ((\$800,975)) in the current period. 2,452,375

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the change in accrued compensated absences. (617)

Collection of the note receivable is reported as miscellaneous income in the governmental fund statements; however, it is not considered a current financial resource and therefore is not reported on the Statement of Activities. (337,018)

Change in Net Assets of Governmental Activities \$ 2,109,192

See accompanying notes.

Florida Inland Navigation District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Ad valorem taxes	\$21,257,016	\$21,257,016	\$ 21,139,456	\$ (117,560)
Investment income	600,000	383,000	343,010	(39,990)
Miscellaneous	575,000	523,464	780,157	256,693
Total Revenues	<u>22,432,016</u>	<u>22,163,480</u>	<u>22,262,623</u>	<u>99,143</u>
Expenditures				
Current				
General government				
Administration	1,251,220	1,246,311	1,126,301	120,010
Public information	187,177	182,139	111,113	71,026
Tax assessment commission	660,000	660,000	533,629	126,371
Physical environment				
Waterway assistance grants	30,031,459	31,148,311	10,163,065	20,985,246
Cooperative assistance grants	3,999,600	2,699,600	2,379,543	320,057
Operations	26,430,765	25,894,481	4,413,330	21,481,151
Interlocal agreements	3,579,390	579,390	217,458	361,932
Long range studies	737,384	766,495	40,794	725,701
Capital outlay	17,697,201	18,457,889	3,282,938	15,174,951
Total Expenditures	<u>84,574,196</u>	<u>81,634,616</u>	<u>22,268,171</u>	<u>59,366,445</u>
Net Change in Fund Balances	<u>(62,142,180)</u>	<u>(59,471,136)</u>	<u>(5,548)</u>	<u>59,465,588</u>
Fund Balances - October 1, 2010	<u>62,142,180</u>	<u>59,471,136</u>	<u>62,672,336</u>	<u>3,201,200</u>
Fund Balances - September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$62,666,788</u>	<u>\$ 62,666,788</u>

See accompanying notes.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below.

1. Reporting Entity

The Florida Inland Navigation District (the "District") is an independent special taxing district created by the Florida Legislature on May 25, 1927 for the purpose of acting as the "local interest" authorizing and directing the improvement and maintenance of the Intracoastal Waterway from the City of Jacksonville, Florida to the City of Miami, Florida. In 1943, the Legislature made the District the local interest sponsor of that portion of the waterway between the Florida-Georgia border and the City of Jacksonville. In 2004, the Florida Legislature approved the addition of Nassau County to the District's taxing boundaries. Nassau County voters approved the District tax by referendum in November 2004 and the Governor appointed the first District Commissioner from Nassau County in March 2005. The District's boundaries include the twelve counties on the east coast of Florida from Nassau to Miami-Dade County, both inclusive. The District is governed by a twelve member Board of Commissioners, one from each county included in the District, appointed by the Governor. The Commissioners serve for a term of four years and select a chair from among the Commission members.

The Florida Legislature, in 1996, passed Chapters 374.980 through 374.988 F.S., "The Florida Inland Navigation District Law", amending, codifying and containing the complete charter of the District in association with Florida Statutes Sections 374.975-978, effective July 1, 1996. This law also repealed all previous special acts relating to the District with exception of Section 9 of Chapter 65-900 relating to the District's taxing authority.

The enabling legislation outlines the following responsibilities:

- Obtain and convey free of cost to the United States all lands necessary for a right of way and dredge material management for the Atlantic Intracoastal and Intracoastal waterways.
- Contract directly for, or enter into agreements with, the United States Army Corps of Engineers (the "Corps") or other agencies for waterway dredging or dredged material management area construction.
- Collect data on the advantages and benefits of the Intracoastal Waterway.
- Expend funds for publicizing the Intracoastal Waterway.
- Developing long-range plans for maintenance of the Intracoastal Waterway and for dredge material management.
- Acting as the local sponsor of the Okeechobee Waterway from the St. Lucie inlet to the St. Lucie lock. See below for the changes enacted in 2005.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

- Funding of projects under “Section 107, River and Harbor Act of 1960” in cooperation with the Corps.
- Provide funding assistance for beach re-nourishment and inlet management projects, within certain guidelines.
- Furnishing of financial support to local governments in the District for public navigation, public recreation, inlet management, environmental education and boating safety programs, within certain guidelines.
- Providing financial assistance within certain guidelines to the state and counties to pay part of the costs of acquisition, planning, development construction, reconstruction, extension, improvement, operation and maintenance of waterway related projects.
- Paying part of the costs of acquisition of dredge material management sites in cooperation with navigation-related districts.
- Assistance to port authorities for certain projects.
- The Florida Legislature, in 2005, amended the law to extend the District's local interest responsibilities to that section of the Okeechobee Waterway between the St. Lucie lock and western Palm Beach County line.

These financial statements present the Florida Inland Navigation District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 14, The Financial Reporting Entity, the District has identified no component units.

2. Measurement Focus and Bases of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Bases of Accounting (Continued)

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. The District accounts for all financial resources in one fund, the General Fund, which includes all the governmental activities of the primary government.

Governmental activities are primarily supported by property tax revenues and investment income. The sale of land is reported as other financing sources.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated with one fund. The operations of that fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

Fund financial statements for the primary government's governmental fund are presented after the government-wide financial statements. These statements display information about the General Fund.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become measureable and available. Revenues are considered to be available when they are collected within the current period or soon 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.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Ad valorem assessments and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Revenues for expenditure driven grants and interlocal agreements are recognized when the related expenditures are incurred. All other revenue items are considered to be measureable and available only when cash is received by the District.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than capitalized as fund assets.

The District implemented the Governmental Accounting Standards Board Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications include non-spendable, restricted, committed, assigned and unassigned.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Commissioners' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the Executive Director.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy - For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

3. Basis of Presentation

a. Governmental Major Funds

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net Assets.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Assets or Equity

a. Cash and Investments

Chapter 280, Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. Cash and cash equivalents consist of cash on hand, time and demand deposits.

Funds in excess of those required to meet current or short term expenses may be invested, per the District's investment policy, in Certificates of Deposit (CD's), a fully insured interest bearing account such as money market with a local bank, or with the State Board of Administration (SBA). Limited in the aggregate, to five percent (5%) of the District's total investment portfolio may be invested in an alternate investment vehicle, authorized by Florida Statute.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. The Local Government Surplus Funds Trust as created by Section 218.415, Florida Statutes;
2. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations which are secured by the United States Treasury;
5. Other investments authorized by law or resolution of the District.

Investments in the Local Government Surplus Funds Trust Fund and Fund B Surplus Funds Trust Fund are recorded at the value of the pool shares, which is fair value.

b. Restricted Assets

Pursuant to agreements with the Corps, the District has deposits in financial institutions held in escrow to pay for their share of the estimated costs of dredging and other waterway projects undertaken by the Corps. Fund balance is reserved and net assets are restricted to the extent of restricted assets available for dredging projects with the Corps. At the completion of the project, any unspent funds will be returned to the District. Qualified expenses are considered to be paid first from restricted net assets and then from unrestricted net assets.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Assets or Equity (Continued)

c. Prepaid Items

Florida Inland Navigation District funds certain projects relating to the management of the Intracoastal Waterway pursuant to agreements with the Corps. The District has funds on account with the Corps that may be returned or reallocated to other projects. Reported amounts in the governmental fund are equally offset by a reservation of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

d. Capital Assets and Depreciation

Capital assets, which include land, buildings and equipment, are reported in the government-wide financial statements. When purchased, acquired or constructed for over \$1,000, capital assets are recorded as expenditures in the governmental fund and capitalized as assets in the government-wide statement of net assets. Capital assets are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure, such as dredged material management areas, is capitalized along with other general capital assets at historical costs. The valuation basis for capital assets is historical cost. Donated capital assets are recorded at estimated fair value on the date donated.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The estimated lives for each major class of depreciable capital assets are as follows:

Building and improvements	30 years
Dredged material management areas	15-50 years
Furniture and equipment	3-5 years

The District has easements on approximately 250 properties that cover an estimated 32,000 acres within the District. Additionally, another 25,000 acres of land is encompassed by the right of way easement for the Atlantic Intracoastal Waterway. The District's easements are included in land, but do not represent fee simple ownership in real property.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Assets or Equity (Continued)

d. Capital Assets and Depreciation (Continued)

The easements represent the right of the District to use the easement site for waterway purposes at any time necessary. Therefore, the property may be rendered useless for any type of other development until the easement is released by the District. The District has developed a policy which states the conditions that must be met before an easement will be considered for release. The District will not release any easements until a comprehensive long-range study of its dredged material management needs is complete in that county. Easements for dredge material management may be released if they are not needed pursuant to the Long-Range Dredge Material Management Plan. Following District Board approval of the easement for release, the information is submitted to the Corps for their approval.

e. Taxes Receivable – Property Taxes

Under Florida Law, the assessment of all properties and collection of all county, municipal and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the District is established by the District Board of Commissioners prior to October 1st of each year at which time the various County Tax Collectors incorporate the District millage into the total tax levy, which includes the various county, municipal and other special district tax levies. All property is reassessed according to its fair value on January 1st of each year and certain residential property is limited to a 3% annual increase. Each County's assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of State statutes.

All real and tangible personal property taxes are due and payable on November 1st each year. Each County mails to each property owner on the assessment roll, a notice of the taxes due and each County also collects the taxes for the District. Taxes may be paid upon receipt of such notice from each County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1st of the year following the year in which taxes were assessed. There were no material delinquent taxes at September 30, 2011.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Assets or Equity (Continued)

f. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave for regular employees. Up to 26 days of annual leave and 6 days of sick leave may be accrued during the year. Senior management employees earn 30 days of annual leave and 15 days of sick leave each year. If regular employees have annual vacation leave hours in excess of the 30 days maximum, at the end of the fiscal year all such excess leave will be cancelled and the employee will have the option to either be paid in cash for 50% of all such cancelled leave, or convert the cancelled hours to sick leave credits to be added to the accrual of unused sick leave credits. Senior management employees may accumulate up to 60 days of annual leave and sick leave. Any excess annual leave accrued over 60 days by senior management employees may be converted to sick leave. Sick leave accrued in excess of 60 days shall be lost. In the event of termination, an employee is reimbursed on a pro-rata basis for accumulated unused vacation days. Employees are reimbursed for 25% of accumulated sick leave upon leaving District employment in good standing. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured, for example, as a result of employee resignations or retirements.

g. Net Assets

Equity in the government-wide statement of net assets is displayed in three categories: 1) invested in capital assets net of related debt, 2) restricted and 3) unrestricted. Net assets invested in capital assets net of related debt, consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Assets or Equity (Continued)

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates

i. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 189 and Section 200.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

"Total fund balances" of the District's governmental funds (\$62,666,788) differs from "net assets" of governmental activities (\$168,291,086) reported in the Statement of Net Assets. This difference primarily results from the long-term economic focus of the Statement of Net Assets versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets (improvements and infrastructure that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Assets included those capital assets among the assets of the District as a whole.

Land and easements	\$ 78,229,055
Construction in progress - dredged material management areas	4,137,680
Buildings and improvements	195,404
Dredged material management areas	28,575,455
Furniture and equipment	326,159
Accumulated depreciation	<u>(6,773,008)</u>
Total	<u>\$ 104,690,745</u>

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets (Continued)

Unearned revenues

Unearned revenues in the statement of net assets differ from the amount reported in the governmental funds due to revenue from the note receivable. Governmental fund financial statements report unearned revenues or revenues which are measurable but not available as deferred revenues. However, unearned revenues in governmental funds are susceptible to full accrual on government-wide financial statements.

Unearned revenues	\$ <u>1,011,056</u>
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Accrued compensated absences

Accrued compensated absences are not financial uses, therefore, are not reported in the fund.

Accrued compensated absences	\$ <u>77,503</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for government funds ((\$5,548)) differs from the "change in net assets" for governmental activities (\$2,109,192) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 3,253,350
Depreciation expense	(800,975)
Total	<u>\$ 2,452,375</u>

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)

Long-term debt transactions

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net increase in accrued compensated absences	\$ <u>617</u>
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Deferred revenues

Some revenues are not recognized in the current period because the resources are not available; therefore, these revenues are not reported in the fund financial statements. The amount listed below is the net of the prior and current fiscal years and are included in the statement of activities

Net change in deferred revenues	\$ <u>(337,018)</u>
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NOTE C – CASH AND INVESTMENTS

Deposits

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The carrying value of these deposits at September 30, 2011 was \$51,055,506 and the bank balance was \$54,434,484. All the deposits were covered by FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act".

Investments

The State Board of Administration (SBA) administers the Local Government Surplus Funds Trust Fund (LGIP) and the Fund B Surplus Funds Trust Fund. (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the LGIP and Fund B. The LGIP is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the LGIP is equal to the value of the pool shares. The Fund B is accounted for as a fluctuating NAV pool. As of September 30, 2011, the fair value factor for Fund B was 0.756838619. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the LGIP, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the LGIP. The investments in the LGIP and Fund B are not insured by FDIC or any other governmental agency.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE C – CASH AND INVESTMENTS (CONTINUED)

As of September 30, 2011, the District had the following investments and maturities:

<u>Investments</u>	<u>Maturity</u>	<u>Book Value</u>	<u>FMV</u>
State Board of Administration			
LGIP	NA	\$ 58,969	\$ 58,969
Fund B	NA	219,328	168,949
Certificate of Deposit	1/26/2012	5,039,685	5,039,685
Certificate of Deposit	1/19/2013	3,000,000	3,000,000
Total Investments		<u>\$8,317,982</u>	<u>\$8,267,603</u>

Concentration of Credit Risk

The District's investment policy states that investments shall be diversified to control the risk of loss resulting from concentration of assets. There is no cap on funds being invested in Certificates of Deposits (CD's), a fully insured interest bearing account (example being a money market account) with a local bank, or with the State Board of Administration. Alternative investment vehicles may be utilized; however, the investments will be limited in the aggregate to five percent (5%) of the District's total investment portfolio.

Interest Rate Risk

The District's investment policy limits interest rate risks by attempting to match investments with known cash needs and anticipated cash flow requirements. To meet the operating needs and any other unforeseen temporary cash requirements, the District maintains sufficient cash to cover all checks and wire transfers in liquid investments having a maturity of 90 days or less.

Credit Risk

The District's investments in government obligation mutual funds are limited by state statutory requirements. As of September 30, 2011, the investments in Certificates of Deposit consisted of 98% of the District's total investments. The State Board of Administration Fund LGIP was rated AAAM by Standard and Poors. The investments in the State Board of Administration were less than 3% of the District's total investments. Fund B is not rated by a nationally recognized statistical rating organization.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE D – CAPITAL ASSETS

	October 1, 2010 Balance	Increases	Decreases	September 30, 2011 Balance
Non-Depreciable Assets:				
Land and easements	\$ 77,403,370	\$ 825,685	\$ -	\$ 78,229,055
Construction in progress	4,255,935	-	118,255	4,137,680
Total Non-depreciable Assets	<u>81,659,305</u>	<u>825,685</u>	<u>118,255</u>	<u>82,366,735</u>
Depreciable Capital Assets:				
Building and improvements	195,404	-	-	195,404
Dredged material management areas	26,032,870	2,542,585	-	28,575,455
Furniture and equipment	325,197	3,335	2,373	326,159
Total Depreciable Assets	<u>26,553,471</u>	<u>2,545,920</u>	<u>2,373</u>	<u>29,097,018</u>
Total Capital Assets	<u>108,212,776</u>	<u>3,371,605</u>	<u>120,628</u>	<u>111,463,753</u>
Accumulated Depreciation:				
Building and improvements	(148,597)	(6,795)	-	(155,392)
Dredged material management areas	(5,596,623)	(770,540)	-	(6,367,163)
Furniture and equipment	(229,186)	(23,640)	(2,373)	(250,453)
Total Accumulated Depreciation	<u>(5,974,406)</u>	<u>(800,975)</u>	<u>(2,373)</u>	<u>(6,773,008)</u>
Depreciable Assets, Net of Depreciation	<u>20,579,065</u>	<u>1,744,945</u>	<u>-</u>	<u>22,324,010</u>
Total Capital Assets, Net of Depreciation	<u>\$ 102,238,370</u>	<u>\$ 2,570,630</u>	<u>\$ 118,255</u>	<u>\$ 104,690,745</u>

NOTE E – PENSION PLAN

All of Florida Inland Navigation District's qualified employees participate in the Florida Retirement System ("FRS"), which is administered by the State of Florida Department of Management Services. Employees elect participation in either the defined benefit plan ("Pension Plan"), a multiple-employer cost sharing defined benefit retirement plan, or the defined contribution plan ("Investment Plan") under the FRS. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Retirement System was established in 1970 by Chapter 121, Florida Statutes. Rules governing the operation and administration may be found in Chapter 60S of the Florida Administrative Code. Changes to the System can only be an act of the Florida Legislature.

Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

NOTE E – PENSION PLAN (CONTINUED)

Benefits are determined by category and length of service as follows:

Membership Category	Benefit	Vesting	July 1, 2011 Employee Contribution Rates	July 1, 2011 Employer Contribution Rates	July 1, 2010 Employer Contribution Rates
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age	After 6 years of creditable service	3%	4.91%	10.77%
Senior Management	2% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age	After 6 years of creditable service	3%	6.27%	14.57%
Deferred Retirement Option Program (DROP)	Accumulated FRS benefits earn 6.5% effective annual rate of interest compounded monthly for a period up to 60 months after becoming vested having reached normal retirement age and remaining employed	Subject to normal FRS vesting provisions for membership category	0%	4.42%	12.25%

For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration. No employee contributions are required. Participating employer contributions are based upon actuarially determined state-wide rates established by the State of Florida, that are expressed as percentages of annual covered payroll, adequate to accumulate sufficient assets to pay benefits when due. The employer contribution requirement for the years ended September 30, 2011, 2010, and 2009 were \$57,050, \$56,709 and \$53,902, respectively, which is equal to the required contribution for each year. Effective July 1, 2011, employees were required to contribute 3% and the employer contribution rate was reduced for all membership categories. Employee contributions for the year ended September 30, 2011 totaled \$4,026.

The Florida Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by calling 850-488-4742.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE F – LONG TERM DEBT

The long term debt of the District consists of compensated absences. The changes for the year ended September 30, 2011 are:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 76,886</u>	<u>\$ 56,904</u>	<u>\$ 56,287</u>	<u>\$ 77,503</u>	<u>\$ 58,126</u>

NOTE G – CASUALTIES

On August 20, 2008, Tropical Storm Fay passed over Brevard and St. Johns Counties causing severe flooding and wind damage. Dredged material management areas BV-NASA and SJ-1 were impacted. The District applied for FEMA aid for the repair of these sites which was approved and then later denied. Appeals were filed for both sites and the SJ-1 appeal was approved November 19, 2010. The District entered into agreements in March 2011 to repair SJ-1. Repairs were completed at BV-NASA during the year ended September 30, 2009 at a cost of \$214,000. The District filed a second appeal May 12, 2010 and subsequently received reimbursement in the amount of \$194,324 on October 28, 2011, which included \$88,839 for sign damage resulting from Tropical Storm Fay and \$105,485 from a subsequent storm, Hurricane Wilma.

NOTE H – COMMITMENTS AND CONTINGENCIES**Waterway Assistance and Cooperative Assistance Programs**

The District provides matching funds of up to 50% for waterway projects related to waterway access and recreation and up to 75% for public navigation programs. For the fiscal year ended September 30, 2011, the District had approved projects totaling approximately \$33.8 million, of which, approximately \$20.5 million remains to be paid upon completion of the projects. The remaining amount is included in the District's budget for the fiscal year ending September 30, 2012.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contracts and Interlocal Agreements

The District has entered into contracts for professional services related to waterway management. For the fiscal year ended September 30, 2011, the District had approved contracts totaling approximately \$580,000, of which approximately \$7,300 remains to be paid upon completion of the projects. The remaining amount is included in the District's budget for the fiscal year ending September 30, 2012.

Dredged Material Released at SJ-14

On September 14, 2006, a dredged material release occurred at District DMMA SJ-14 in St. Johns County. The Corps subcontracted the dredging project to a contractor, Dredge Enterprise, LLC, who allowed a release of dredged material and saline water from this DMMA site impacting surrounding freshwater wetlands owned by the District and St. John's County. The Florida Department of Environmental Protection (FDEP) instituted an enforcement case in this matter citing the District and the contractor with a violation of Florida law and the District's permit for the use of the property.

Dredge Enterprise, LLC removed a substantial amount of the dredged materials from the impacted wetlands and attempted an unsuccessful restoration. Subsequently, the Florida Department of Environmental Protection (FDEP) considers the District, as the owner and permit holder of the DMMA, to be responsible for the removal of the remaining dredged material and restoration and mitigation of the contaminated wetlands. The District filed suit against Dredge Enterprise, LLC in November 2008 for damages that resulted in the release of the dredged material. This suit is still pending.

A Consent Order with the FDEP was approved by the District's Board on April 17, 2009. This Consent Order requires the District to finish the cleanup of mud, salt and arsenic, to re-vegetate the impact areas, and to mitigate the functional loss of the wetlands. Additionally, a fine of \$57,551 was levied against the District for the spill as well as permit and monitoring violations. In the Consent Order, the FDEP agreed to sue the contractor for the spill.

The District's Memorandum of Agreement (MOA) with the Corps contains a paragraph (Paragraph 9) making the Corps responsible for correcting any problems caused by its contractors. The Corps has agreed to honor this clause. The District is negotiating with the Corps for them to conduct a portion of the remediation required by the Consent Order after the District designs the work.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2011**

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Dredged Material Released at SJ-14 (continued)

The District has been performing the tasks outlined in the Consent Order with FDEP and has expended \$637,005 as of September 30, 2011. The District estimates that it will take up to an additional \$2.2 million to complete the mitigation, restoration, and long term monitoring as required by the Consent Order. The District will be participating in settlement negotiations with the contractor, his insurance company and the Corps to resolve payment of these expenses. If they cannot be resolved to the District's benefit then the legal suit against the contractor will proceed.

Grants

Grant monies received and disbursed by the District are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. The District does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the District.

NOTE I – 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; injuries to employees; and natural disasters. The District purchases commercial insurance for the risks of losses to which it is exposed. Policy limits and deductibles are reviewed annually by management and established at amounts which provide reasonable protection from significant financial loss. Settlements have not exceeded insurance coverage for any of the prior three fiscal years.

The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of districts to individual claims of \$100,000/\$200,000 for all claims relating to the same accident.

**INDEPENDENT AUDITOR'S 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 Board of Commissioners
Florida Inland Navigation District
Jupiter, Florida

We have audited the financial statements of the Florida Inland Navigation District (the "District") as of and for the year ended September 30, 2011, and have issued our report thereon dated May XX, 2012. 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.

Internal Control over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Commissioners
Florida Inland Navigation District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants, PL
Fort Pierce, Florida

May XX, 2012

Management Letter

To the Board of Commissioners
Florida Inland Navigation District
Jupiter, Florida

We have audited the financial statements of the Florida Inland Navigation District, Florida as of and for the year ended September 30, 2011, and have issued our report thereon dated May XX, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our 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*. Disclosures in that report which is dated May XX, 2012 should be considered in conjunction with this Management Letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(i)) require that we address in the Management Letter, if not already addressed in the auditors' report on compliance and internal control whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no findings in the prior year audit.

The Rules of the Auditor General (Section 10.554(1)(i)1.) require that we address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not recommendations made in the preceding annual financial report have been followed. There were no recommendations made in the preceding audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(i)2.) the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes regarding the investment of public funds. In connection with our audit, we determined that Florida Inland Navigation District complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(i)3, 4 and 5.) require that we address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls: improvements in financial management and violations of contracts or grant agreements, fraud, illegal acts or abuse and deficiencies in internal control that are not significant deficiencies, other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of the auditor. Our audit did not discover any of the above items that require to be disclosed.

Florida Inland Navigation District
Jupiter, Florida

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.c and Section 10.556(7)), we applied financial conditions assessment procedures. It is Management's responsibility to monitor the entity's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Florida Inland Navigation District has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.b.), we determined that the annual financial report for the District for the fiscal year ended September 30, 2011, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in agreement with our annual financial audit report for the fiscal year ended September 30, 2011.

Pursuant to Chapter 119, Florida Statutes, this Management Letter is a public record and its' distribution is not limited. However, in accordance with auditing standards generally accepted in the United States of America, this Management Letter is intended solely for the information of Florida Inland Navigation District and Management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May XX, 2012