

**Finance & Budget
Committee Meeting
May 17, 2013**

PRELIMINARY AGENDA

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

8:30 a.m., Friday, May 17, 2013

**Sonesta Bayfront Hotel
2889 McFarlane Road
Miami, Miami-Dade County, Florida 33133**

Committee Members

**Treasurer Tyler Chappell, Chair
Commissioners Aaron Bowman, Gail Kavanagh, and Jerry Sansom**

Item 1. Call to Order.

Chair Chappell 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 2013.

The financial statements for March of 2013 are presented for Board approval.

(see back up pages 3 - 25)

RECOMMEND Approval of a recommendation to the full Board of the
financial statements for March of 2013.

Item 4. March 2013 Expenditure and Project Status Reports.

The Expenditure and Project Status Report for March of 2013 is presented for Board review.

(see back up pages 26 - 31)

Item 5. Draft Financial Audit for FY 2011 – 2012.

The District's Auditor has completed and will present a draft of the FY 2011-2012 Financial Audit for Committee review and input.

(see back up pages 33 – 73)

Item 6. Delegation of Authority Report.

Staff has prepared a report on Delegation of Authority actions that the Executive Director has made between April 1 and May 3, 2013 is presented for Committee review.

(see back up page 32)

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, 2013

Page 3

ASSETS

| | | |
|-------------------------------|----|---------------|
| BB&TChecking | \$ | 30,244.45 |
| Petty Cash | | 300.00 |
| Port Everglades/Dania Deposit | | 2,500,000.00 |
| Accrued Interest Receivable | | 87,836.59 |
| V-26 Land Sale Receivable | | 674,037.15 |
| SBA Fund "A" | | 116,749.15 |
| ACOE Escrow2 | | 3,831.67 |
| ACOE Escrow 3 | | 23,945.63 |
| T.D. Bank | | 17,269,064.47 |
| National City PNC | | 4,856,407.57 |
| Branch Bank & Trust | | 4,480.06 |
| Suntrust Savings | | 10,170,657.77 |
| FirstAtlantic CD | | 3,000,000.00 |
| BB&T Zero Balance | | 618.77 |
| BankUnited CD 7/24/13 | | 15,000,000.00 |
| BankUnited MMA | | 10,042,556.24 |
| BankUnited CD 11/20/13 | | 5,000,000.00 |
| Compass Bank CD | | 5,000,000.00 |

SUBTOTAL OF ASSETS

73,780,729.52

| | |
|-------------------------------|------------|
| SBA Fund "B" | 161,924.32 |
| Unrealized loss/gain Fund "B" | 7,425.68 |

FUND "B" Net of unrealized loss

169,350.00

TOTAL ASSETS

\$ 73,950,079.52

LIABILITIES

| | | |
|-------------------------------|----|------------|
| Accounts Payable | \$ | 754,328.82 |
| Retainage Payable - Grants | | 11,726.15 |
| Retainage Payable - Contracts | | 397,625.63 |
| Deferred Revenue V-26 | | 674,037.15 |

TOTAL LIABILITY

1,837,717.75

FUND EQUITY

| | |
|-------------------------------|---------------|
| Reserve for Port Everglades | 2,500,000.00 |
| Reserv for Sub Yr Expenditure | 60,296,416.55 |
| Undesignated Fund Balance | 9,315,945.22 |

TOTAL FUND EQUITY

72,112,361.77

TOTAL LIABILITY & FUND EQUITY

\$ 73,950,079.52

FL INLAND NAVIGATION DISTRICT
STATUS OF FUNDS
March 31, 2013

Page 4

GENERAL ACCOUNTS

| | | | |
|-------------------|----|-----------|-----------|
| Petty Cash | \$ | 300.00 | |
| BB&TChecking | | 30,244.45 | |
| BB&T Zero Balance | | 618.77 | |
| | | | 31,163.22 |

SAVINGS ACCOUNTS

| | | | |
|---------------------|--|---------------|---------------|
| ACOE Escrow2 | | 3,831.67 | |
| National City PNC | | 4,856,407.57 | |
| ACOE Escrow 3 | | 23,945.63 | |
| T.D. Bank | | 17,269,064.47 | |
| Branch Bank & Trust | | 4,480.06 | |
| Suntrust Savings | | 10,170,657.77 | |
| BankUnited MMA | | 10,042,556.24 | |
| | | | 42,370,943.41 |

CERTIFICATES OF DEPOSITS

| | | | |
|------------------------|--|---------------|---------------|
| FirstAtlantic CD | | 3,000,000.00 | |
| BankUnited CD 7/24/13 | | 15,000,000.00 | |
| Bankunited CD 11/20/13 | | 5,000,000.00 | |
| Compass Bank CD | | 5,000,000.00 | |
| | | | 28,000,000.00 |

STATE BOARD OF ADMINISTRATION

| | | | |
|-------------------------------|--|------------|------------|
| SBA Fund "B" | | 161,924.32 | |
| Unrealized loss/gain Fund "B" | | 7,425.68 | |
| SBA Fund "A" | | 116,749.15 | |
| | | | 286,099.15 |

| | | |
|-------|----|---------------|
| TOTAL | \$ | 70,688,205.78 |
|-------|----|---------------|

FL INLAND NAVIGATION DISTRICT
Budget vs. Actual Revenues with Variance Amounts
For the 6 Months Ending
March 31, 2013

Page 5

| ACCT # | ACCOUNT DESCRIPTION | BUDGET ANNUAL | ACTUAL Y-T-D | Amount (Under)/Over |
|--------|--------------------------------|------------------|-----------------|------------------------|
| 3103 | Ad Valorem Taxes - Dade | 6,366,218 | 5,344,612 | (1,021,606) |
| 3102 | Ad Valorem Taxes - Broward | 4,231,808 | 3,801,712 | (430,096) |
| 3108 | Ad Valorem Taxes - Palm Beach | 4,169,483 | 3,767,462 | (402,021) |
| 3104 | Ad Valorem Taxes - Duval | 1,608,224 | 1,449,435 | (158,789) |
| 3101 | Ad Valorem Taxes - Brevard | 825,274 | 726,660 | (98,614) |
| 3111 | Ad Valorem Taxes - Volusia | 797,954 | 723,234 | (74,720) |
| 3110 | Ad Valorem Taxes - St. Lucie | 478,531 | 432,102 | (46,429) |
| 3107 | Ad Valorem Taxes - Martin | 563,402 | 508,944 | (54,458) |
| 3109 | Ad Valorem Taxes - St. Johns | 566,871 | 530,437 | (36,434) |
| 3106 | Ad Valorem Taxes - Indian Riv. | 423,248 | 387,232 | (36,016) |
| 3105 | Ad Valorem Taxes - Flagler | 208,081 | 217,417 | 9,336 |
| 3112 | Ad Valorem Nassau County | 207,141 | 147,883 | (59,258) |
| 3642 | Sale of Land | 339,000 | 0 | (339,000) |
| 3611 | Interest Income | 250,000 | 69,562 | (180,438) |
| 3699 | Other Misc. Revenue | 0 | 30,170 | 30,170 |
| 3414 | Reproduction | 0 | 0 | 0 |
| 3415 | Due from other govts | 0 | 4,142,407 | 4,142,407 ACOE refund |
| 3613 | Interest from Tax Collectors | 0 | 70 | 70 |

| | | | |
|--------|------------|------------|-----------|
| TOTALS | 21,035,235 | 22,279,340 | 1,244,105 |
|--------|------------|------------|-----------|

| | |
|--------------------------|--------------------------------------|
| Status of FUNDS 03/31/13 | 70,688,206 |
| Expected Remaining Rev | 2,937,878 Expected Remaining Revenue |
| Cash/Funding 12/13 | 73,626,084 |

| | |
|---------------|------------|
| Less Payables | -1,163,681 |
|---------------|------------|

| | | |
|---------------------------|------------|------------|
| Projected Status of Funds | 72,462,403 | 72,462,403 |
|---------------------------|------------|------------|

| | |
|-------------------------------|-------------|
| Current Budget | 84,060,722 |
| Current Expenses YTD | -12,963,398 |
| Remaining Cash Expenses 12/13 | 71,097,324 |

| | |
|--|-----------|
| Expected Excess Funding Over Expenses Current Budget | 1,365,079 |
| Total Expected Excess | 1,365,079 |

FL INLAND NAVIGATION DISTRICT

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Interest and Term of FUNDS

April 11, 2013

| Account | Balance | Rate | Estimated Annual Int. | Bauer Rating | Term |
|----------------------------------|------------------------|-------|--------------------------|----------------------|---------------------|
| Petty Cash | \$300.00 | N/A | | | N/A |
| ACOE Escrow2 | \$3,831.67 | 0.00% | \$0.00 | ***** | On Demand |
| ACOE Escrow 3 | \$23,945.63 | 0.00% | \$0.00 | ***** | On Demand |
| Suntrust Savings | \$10,170,657.77 | 0.10% | \$10,170.66 | **** | On Demand |
| PNC | \$4,856,407.57 | 0.20% | \$9,712.82 | ***1/2 | On Demand |
| TD Commerce Bank | \$17,269,064.47 | 0.25% | \$43,172.66 | **** | On Demand |
| BBT MMA | \$4,480.06 | 0.05% | \$2.24 | ***** | On Demand |
| BBT Checking | \$30,244.45 | 0.00% | \$0.00 | ***** | On Demand |
| BBT Zero Balance | \$618.77 | 0.00% | \$0.00 | ***** | On Demand |
| FirstAtlantic Bank CD | \$3,000,000.00 | 0.36% | \$10,800.00 | **** | 1/19/2014 |
| SBA Fund "B" | \$169,350.00 | 0.00% | \$0.00 | | Frozen at this time |
| SBA Fund "A" | \$116,749.15 | 0.23% | \$268.52 | | On demand |
| Compass Bank | \$5,000,000.00 | 0.26% | \$13,000.00 | **** | 2/15/2014 |
| BankUnited CD | \$15,000,000.00 | 0.75% | \$112,500.00 | ***** | 7/24/2013 |
| BankUnited CD | \$5,000,000.00 | 0.75% | \$37,500.00 | ***** | 11/20/2013 |
| BankUnited MMA | \$10,042,556.24 | 0.35% | \$35,148.95 | ***** | On Demand |
| TOTAL Deposits | <u>\$70,688,205.78</u> | | <u>\$272,275.84</u> | Est. Annual Interest | |
| Estimated Annual Effective Yield | | 0.39% | | | |
| Benchmark S.B.A. | | 0.23% | | | |

| | |
|---------------------|-----------------|
| SBA Fund "B" | |
| \$161,924.32 | |
| \$7,425.68 | Gain |
| \$0.00 | Unrealized loss |
| <u>\$169,350.00</u> | NAV |

FL INLAND NAVIGATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE Page 7
For the Six Months Ending March 31, 2013

| REVENUES | Current Month | | Year to Date | |
|------------------------------|-------------------|---------------|----------------------|---------------|
| Ad Valorem Taxes - Brevard | 16,430.00 | 2.65 | 726,660.45 | 3.26 |
| Ad Valorem Taxes - Broward | 92,578.85 | 14.93 | 3,801,711.57 | 17.06 |
| Ad Valorem Taxes - Dade | 272,956.41 | 44.01 | 5,344,612.47 | 23.99 |
| Ad Valorem Taxes - Duval | 28,970.31 | 4.67 | 1,449,434.65 | 6.51 |
| Ad Valorem Taxes - Flagler | 4,490.88 | 0.72 | 217,417.12 | 0.98 |
| Ad Valorem Taxes - Indian R | 11,055.94 | 1.78 | 387,232.29 | 1.74 |
| Ad Valorem Taxes - Martin | 10,170.74 | 1.64 | 508,943.76 | 2.28 |
| Ad Valorem Taxes - Palm Be | 81,612.03 | 13.16 | 3,767,461.90 | 16.91 |
| Ad Valorem Taxes - St. John | 30,030.36 | 4.84 | 530,437.27 | 2.38 |
| Ad Valorem Taxes - St. Luci | 12,442.13 | 2.01 | 432,163.86 | 1.94 |
| Ad Valorem Taxes - Volusia | 28,749.43 | 4.64 | 723,234.04 | 3.25 |
| Ad Valorem Nassau County | 5,250.83 | 0.85 | 147,883.25 | 0.66 |
| Due From Other Government | 0.00 | 0.00 | 4,142,407.15 | 18.59 |
| Interest Income | 8,404.39 | 1.36 | 69,496.71 | 0.31 |
| Interest from State Bd of Ad | 22.25 | 0.00 | 64.87 | 0.00 |
| Interest from Tax Collectors | 0.00 | 0.00 | 69.99 | 0.00 |
| Other Misc. Revenue | 17,072.40 | 2.75 | 30,170.24 | 0.14 |
| TOTAL REVENUES | 620,236.95 | 100.00 | 22,279,401.59 | 100.00 |

EXPENDITURES

ADMINISTRATION

| | | | | |
|----------------------------|-------------------|--------------|-------------------|-------------|
| Salaries & Wages | 53,317.64 | 8.60 | 332,506.03 | 1.49 |
| Compensated Absences | 0.00 | 0.00 | 3,446.60 | 0.02 |
| P/R Tax Expense FICA & M | 4,078.84 | 0.66 | 23,645.65 | 0.11 |
| Retirement Contribution | 2,893.01 | 0.47 | 18,159.26 | 0.08 |
| Health Insurance | 7,469.63 | 1.20 | 43,783.32 | 0.20 |
| Legal Expense | 9,428.28 | 1.52 | 38,514.02 | 0.17 |
| Bank Charges | 251.14 | 0.04 | 1,664.55 | 0.01 |
| SBA Fund "B"unrealized los | (3,194.68) | (0.52) | (16,636.93) | (0.07) |
| Travel & Per Diem | 10,433.40 | 1.68 | 32,240.07 | 0.14 |
| Utility Service | 607.64 | 0.10 | 7,265.29 | 0.03 |
| Insurance and Bonds | 5,015.40 | 0.81 | 12,860.32 | 0.06 |
| Repairs & Maintenance Svc. | 1,552.53 | 0.25 | 3,354.53 | 0.02 |
| Office Supplies | 1,390.36 | 0.22 | 5,761.32 | 0.03 |
| Dues & Subscriptions | 5,000.00 | 0.81 | 16,218.95 | 0.07 |
| Govt Relations | 8,513.00 | 1.37 | 51,082.68 | 0.23 |
| SJ-14 Legal | 0.00 | 0.00 | 1,138.68 | 0.01 |
| Staff Training | 0.00 | 0.00 | 1,448.74 | 0.01 |
| TOTAL ADMINISTRATIO | 106,756.19 | 17.21 | 576,453.08 | 2.59 |

OPERATIONS

| | | | | |
|----------------------------|-----------|------|--------------|-------|
| DMMA Mgmt & Maint. | 57,632.32 | 9.29 | 198,077.87 | 0.89 |
| Spoil Isl. Enh. & Rest. | 0.00 | 0.00 | 7,482.06 | 0.03 |
| Waterway Cleanup | 0.00 | 0.00 | 29,934.25 | 0.13 |
| ICW Dredging General | 4,473.99 | 0.72 | 4,473.99 | 0.02 |
| Sm Scale Derlct Vessl Rmvl | 37,168.15 | 5.99 | 37,168.15 | 0.17 |
| IWW Deepening Broward | 0.00 | 0.00 | 19,903.75 | 0.09 |
| OWW Dredging | 0.00 | 0.00 | 392,368.15 | 1.76 |
| IWW Sawpit Dredging | 0.00 | 0.00 | 5,710,100.00 | 25.63 |
| Crossroads Dredging | 15,687.91 | 2.53 | 25,605.47 | 0.11 |
| IWW Vicinity Ponce Inlet | 7,703.41 | 1.24 | 21,128.58 | 0.09 |

Unaudited - For Management Purposes Only

FL INLAND NAVIGATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE Page 8
For the Six Months Ending March 31, 2013

| | Current Month | | Year to Date | |
|-------------------------|-------------------|--------------|---------------------|--------------|
| IWW Deepening PBCO | 743.00 | 0.12 | 32,312.19 | 0.15 |
| IRCO Reach one | 0.00 | 0.00 | 41,350.00 | 0.19 |
| IWW Dredging St. Lucie | 0.00 | 0.00 | 4,000.00 | 0.02 |
| Operations Equipment | 77.19 | 0.01 | 5,977.76 | 0.03 |
| TOTAL OPERATIONS | 123,485.97 | 19.91 | 6,529,882.22 | 29.31 |

CAPITAL OUTLAY

| | | | | |
|-------------------------------|-------------------|--------------|-------------------|-------------|
| Land - General | 0.00 | 0.00 | 18,313.68 | 0.08 |
| Furn., Fix. & Equip. -Capital | 0.00 | 0.00 | 3,643.79 | 0.02 |
| DMMA Development | 11,505.50 | 1.86 | 114,252.21 | 0.51 |
| DMMA NA-1 Contruction | 221,487.63 | 35.71 | 518,156.63 | 2.33 |
| SJ-14 Restoration | 0.00 | 0.00 | 3,854.90 | 0.02 |
| TOTAL CAPITAL OUTLA | 232,993.13 | 37.57 | 658,221.21 | 2.95 |

WATERWAY STUDIES

| | | | | |
|---------------------------|------------------|-------------|------------------|-------------|
| Channel Surveys | 0.00 | 0.00 | 7,245.00 | 0.03 |
| Seagrass Survey | 0.00 | 0.00 | 9,745.52 | 0.04 |
| Mitigation Plans | 0.00 | 0.00 | 1,545.00 | 0.01 |
| IWW Ch Survey Monroe Co. | 46,990.00 | 7.58 | 46,990.00 | 0.21 |
| TOTAL WATERWAY STU | 46,990.00 | 7.58 | 65,525.52 | 0.29 |

INTERLOCALS

| | | | | |
|--------------------------|-------------------|---------------|---------------------|-------------|
| Broward Co. ICW/Dania | 867,732.73 | 139.90 | 1,820,602.10 | 8.17 |
| TOTAL INTERLOCALS | 867,732.73 | 139.90 | 1,820,602.10 | 8.17 |

WATERWAYS ASSISTANCE PROGRAM

| | | | | |
|----------------------------|------------------|-------------|---------------------|--------------|
| Riviera Beach Marina-1 | 0.00 | 0.00 | 475,000.00 | 2.13 |
| Brward Co. Dania Cut-Off D | 0.00 | 0.00 | 939,951.89 | 4.22 |
| Brvrd co Derrlct Vssl 2012 | 22,850.00 | 3.68 | 22,850.00 | 0.10 |
| Vero Beach MacWilliam | 0.00 | 0.00 | 14,755.59 | 0.07 |
| Golden Bch Strand Prk B | 0.00 | 0.00 | 29,735.00 | 0.13 |
| IRCO Lagoon Greenway | 0.00 | 0.00 | 16,550.94 | 0.07 |
| PBC So. Cove Restrtn & | 0.00 | 0.00 | 1,000,000.00 | 4.49 |
| Seb Inlet Dist Coconut Pt | 0.00 | 0.00 | 120,000.00 | 0.54 |
| TOTAL WATERWAYS AS | 22,850.00 | 3.68 | 2,618,843.42 | 11.75 |

COOPERATIVE ASSISTANCE PROGRAMS

| | | | | |
|-----------------------------|-------------|-------------|-------------------|-------------|
| FDEP John Lloyd Jetty Reha | 0.00 | 0.00 | 264,773.50 | 1.19 |
| TOTAL COOPERATIVE AS | 0.00 | 0.00 | 264,773.50 | 1.19 |

MANATEE SIGNS

FL INLAND NAVIGATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE Page 9
For the Six Months Ending March 31, 2013

| | Current Month | | Year to Date | |
|---------------------|---------------|------|--------------|------|
| TOTAL MANATEE SIGNS | 0.00 | 0.00 | 0.00 | 0.00 |

PUBLIC INFORMATION

| | | | | |
|-----------------------------|-----------------|-------------|------------------|-------------|
| Communications | 2,672.72 | 0.43 | 13,723.74 | 0.06 |
| Public Information | 1,748.31 | 0.28 | 5,065.69 | 0.02 |
| Legal Advertising | 659.41 | 0.11 | 2,145.79 | 0.01 |
| Manatee Zone Brochures | 0.00 | 0.00 | 845.00 | 0.00 |
| Outreach Events | 1,513.12 | 0.24 | 12,939.11 | 0.06 |
| TOTAL PUBLIC INFORMA | 6,593.56 | 1.06 | 34,719.33 | 0.16 |

DISASTER RELIEF ACCOUNT

| | | | | |
|------------------------------|-------------|-------------|-------------|-------------|
| TOTAL DISASTER RELEIF | 0.00 | 0.00 | 0.00 | 0.00 |
|------------------------------|-------------|-------------|-------------|-------------|

TAX COLLEC. & PROPERTY APPR. COMMISSIONS

| | | | | |
|----------------------------------|------------------|-------------|-------------------|-------------|
| Prop. Appraiser's Commissio | 26,050.01 | 4.20 | 96,858.25 | 0.43 |
| Tax Collector's Commissions | 9,204.14 | 1.48 | 297,577.75 | 1.34 |
| TOTAL TAX COLLEC. & P | 35,254.15 | 5.68 | 394,436.00 | 1.77 |

| | | | | |
|---------------------------|---------------------|---------------|----------------------|--------------|
| TOTAL EXPENDITURES | 1,442,655.73 | 232.60 | 12,963,456.38 | 58.19 |
|---------------------------|---------------------|---------------|----------------------|--------------|

| | | | | |
|--|---------------------|-----------------|------------------------|--------------|
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES \$ | (822,418.78) | (132.60) | \$ 9,315,945.21 | 41.81 |
|--|---------------------|-----------------|------------------------|--------------|

CHANGES in FUND BALANCE

| | | | | |
|-------------------------------|----|------------------------|--|--|
| Reserv for Sub Yr Expenditure | \$ | (60,296,416.55) | | |
| | | (9,315,945.21) | | |
| FUND BALANCE- ENDING | | (69,612,361.76) | | |

FL INLAND NAVIGATION DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Month of March 31, 2013

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Page: 1

REVENUE

| | |
|--------------------------------|-------------------|
| Interest | 8,426.64 |
| Other Misc. Revenue | 17,072.40 |
| Taxes collected: | |
| Ad Valorem Taxes - Brevard | 16,430.00 |
| Ad Valorem Taxes - Broward | 92,578.85 |
| Ad Valorem Taxes - Dade | 272,956.41 |
| Ad Valorem Taxes - Duval | 28,970.31 |
| Ad Valorem Taxes - Flagler | 4,490.88 |
| Ad Valorem Taxes - Indian Riv. | 11,055.94 |
| Ad Valorem Taxes - Martin | 10,170.74 |
| Ad Valorem Taxes - Palm Beach | 81,612.03 |
| Ad Valorem Taxes - St. Johns | 30,030.36 |
| Ad Valorem Taxes - St. Lucie | 12,442.13 |
| Ad Valorem Taxes - Volusia | 28,749.43 |
| Ad Valorem Nassau County | 5,250.83 |
| TOTAL REVENUE | 620,236.95 |

EXPENDITURES

ADMINISTRATION

| | |
|-----------------------------|-------------------|
| Salaries & Wages | 53,317.64 |
| P/R Tax Expense FICA & MED | 4,078.84 |
| Retirement Contribution | 2,893.01 |
| Health Insurance | 7,469.63 |
| Legal Expense | 9,428.28 |
| Bank Charges | 251.14 |
| SBA Fund "B"unrealized loss | (3,194.68) |
| Travel & Per Diem | 10,433.40 |
| Utility Service | 607.64 |
| Insurance and Bonds | 5,015.40 |
| Repairs & Maintenance Svc. | 1,552.53 |
| Office Supplies | 1,390.36 |
| Dues & Subscriptions | 5,000.00 |
| Govt Relations | 8,513.00 |
| TOTAL ADMINISTRATION | 106,756.19 |

OPERATIONS

| | |
|----------------------------|-------------------|
| DMMA Mgmt & Maint. | 57,632.32 |
| ICW Dredging General | 4,473.99 |
| Sm Scale Derlct Vessl Rmvl | 37,168.15 |
| Crossroads Dredging | 15,687.91 |
| IWW Vicinity Ponce Inlet | 7,703.41 |
| IWW Deepening PBCO | 743.00 |
| Operations Equipment | 77.19 |
| TOTAL OPERATIONS | 123,485.97 |

Unaudited - For Management Purposes Only

FL INLAND NAVIGATION DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Month of March 31, 2013

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CAPITAL OUTLAY

| | |
|-----------------------|------------|
| DMMA Development | 11,505.50 |
| DMMA NA-1 Contruction | 221,487.63 |
| TOTAL CAPITAL OUTLAY | 232,993.13 |

WATERWAY STUDY

| | |
|--------------------------|-----------|
| IWW Ch Survey Monroe Co. | 46,990.00 |
| TOTAL WATERWAY STUDY | 46,990.00 |

INTERLOCALS

| | |
|-----------------------|------------|
| Broward Co. ICW/Dania | 867,732.73 |
| TOTAL INTERLOCALS | 867,732.73 |

WATERWAYS ASSISTANCE PROGRAM

| | |
|--------------------------------|-----------|
| Brvrd co Derrlet Vssl 2012 | 22,850.00 |
| TOTAL WATERWAYS ASSISTANCE PRO | 22,850.00 |

COOPERATIVE ASSISTANCE PROGRAM

| | |
|---------------------------------|------|
| TOTAL COOPERATIVE ASSISTANCE PR | 0.00 |
|---------------------------------|------|

MANATEE SIGNS

| | |
|--------------------|------|
| TOTAL MANATEE SIGN | 0.00 |
|--------------------|------|

PUBLIC INFORMATION

| | |
|--------------------------|----------|
| Outreach Events | 1,513.12 |
| Communications | 2,672.72 |
| Public Information | 1,748.31 |
| Legal Advertising | 659.41 |
| TOTAL PUBLIC INFORMATION | 6,593.56 |

DISASTER RELIEF ACCOUNT

FL INLAND NAVIGATION DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Month of March 31, 2013

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Page: 3

| | |
|-----------------------|------|
| TOTAL DISASTER RELIEF | 0.00 |
|-----------------------|------|

TAX COLLEC. & PROPERTY APPR. COMMISSIONS

| | |
|-------------------------------|-----------|
| Prop. Appraiser's Commissions | 26,050.01 |
| Tax Collector's Commissions | 9,204.14 |

| | |
|-----------------------------------|-----------|
| TOTAL TAX COLLEC. & PROPERTY APP. | 35,254.15 |
|-----------------------------------|-----------|

| | |
|---------------------|--------------|
| TOTAL DISBURSEMENTS | 1,442,655.73 |
|---------------------|--------------|

FL INLAND NAVIGATION DISTRICT

Cash Receipts Journal

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For the Period From Mar 1, 2013 to Mar 31, 2013

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

| Date | Account ID | Transactio | Line Description | Debit Amnt | Credit Amnt | Receipt Number |
|---------|------------|------------|-----------------------------------|------------|-------------|----------------|
| 3/1/13 | 3109 | 221839 | Current Taxes | | 11,336.72 | |
| | 5321 | | Less Comm. | 226.73 | | |
| | 1610 | | St. Johns County Tax Collector | 11,109.99 | | |
| 3/4/13 | 3103 | E3/01/13 | Current taxes | | 743.84 | |
| | 5321 | | Less Comm. | 7.44 | | |
| | 1610 | | Metro Dade County | 736.40 | | |
| 3/5/13 | 3103 | E03/01/13 | Current taxes | | 11,567.16 | |
| | 5321 | | Less Comm. | 115.68 | | |
| | 1610 | | Metro Dade County | 11,451.48 | | |
| 3/5/13 | 3103 | E03/05/13 | Current Taxes | | 248,717.67 | |
| | 5321 | | Less Comm. | 2,487.17 | | |
| | 1610 | | Metro Dade County | 246,230.50 | | |
| 3/5/13 | 3111 | E030413 | Current Taxes | | 3,286.89 | |
| | 5321 | | Less Comm. | 65.74 | | |
| | 1610 | | Volusia County Tax Collector | 3,221.15 | | |
| 3/8/13 | 3107 | E03/08/13 | Current Taxes | | 10,170.74 | |
| | 5321 | | Less Comm | 203.43 | | |
| | 1610 | | Martin County Tax Collector | 9,967.31 | | |
| 3/11/13 | 3105 | 44534 | Current Taxes | | 4,490.88 | |
| | 5321 | | Less Comm. | 89.82 | | |
| | 1610 | | Flagler County Tax Collector | 4,401.06 | | |
| 3/11/13 | 3104 | E031113 | Current Taxes | | 15,054.51 | |
| | 5321 | | Less Comm. | 301.09 | | |
| | 1610 | | City of Jacksonville | 14,753.42 | | |
| 3/11/13 | 3111 | E03/1113 | Current Taxes | | 5,923.04 | |
| | 5321 | | Less Comm. | 118.45 | | |
| | 1610 | | Volusia County Tax Collector | 5,804.59 | | |
| 3/11/13 | 3111 | E03/11/13 | Current taxes | | 1,167.93 | |
| | 5321 | | Less Comm. | 23.36 | | |
| | 1610 | | Volusia County Tax Collector | 1,144.57 | | |
| 3/11/13 | 3110 | E03/11/13 | Current Taxes | | 7,083.00 | |
| | 5321 | | Less Comm | 141.63 | | |
| | 1610 | | St. Lucie County Tax Collector | 6,941.37 | | |
| 3/11/13 | 3103 | E03/07/13 | Current Taxes | | 6,842.07 | |
| | 5321 | | Less Comm. | 135.11 | | |
| | 1610 | | Metro Dade County | 6,706.96 | | |
| 3/11/13 | 3112 | E0308/13 | Current taxes | | 5,250.83 | |
| | 5321 | | Less Comm. | 105.02 | | |
| | 1610 | | Nassau County Tax Collector | 5,145.81 | | |

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Cash Receipts Journal

For the Period From Mar 1, 2013 to Mar 31, 2013

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

| Date | Account ID | Transactio | Line Description | Debit Amnt | Credit Amnt | Receipt Number |
|---------|------------|------------|-------------------|------------|-------------|----------------|
| | | | Tax Collector | | | |
| 3/11/13 | 3110 | E03/11/13 | Current Taxes | | 97.42 | |
| | 5321 | | Less Comm | 1.96 | | |
| | 1610 | | St. Lucie County | 95.46 | | |
| | | | Tax Collector | | | |
| 3/11/13 | 3110 | E031113 | Current taxes | | 18.69 | |
| | 5321 | | less comm. | 0.37 | | |
| | 1610 | | St. Lucie County | 18.32 | | |
| | | | Tax Collector | | | |
| 3/11/13 | 3108 | E03/11/13 | Current Taxes | | 81,612.03 | |
| | 5321 | | Less Comm. | 1,632.02 | | |
| | 1610 | | Palm Beach | 79,980.01 | | |
| | | | County Tax | | | |
| | | | Collect | | | |
| 3/13/13 | 3101 | E030813 | Current Taxes | | 16,430.00 | |
| | 5321 | | Less Comm. | 328.60 | | |
| | 1610 | | Brevard County | 16,101.40 | | |
| | | | Tax Collector | | | |
| 3/15/13 | 3102 | E031513 | Current Taxes | | 92,578.85 | |
| | 5321 | | Less Comm. | 1,851.55 | | |
| | 1610 | | Broward County | 90,727.30 | | |
| | | | Tax Collector | | | |
| 3/18/13 | 3103 | E031513 | Current Taxes | | 5,085.67 | |
| | 5321 | | Less Comm | 50.86 | | |
| | 1610 | | Metro Dade | 5,034.81 | | |
| | | | County | | | |
| 3/18/13 | 3106 | 3/18/13 | Current Taxes | | 6.18 | |
| | 1610 | | Indian River Cty. | 6.18 | | |
| | | | Tax Collect | | | |
| 3/18/13 | 3106 | E03/18/13 | Current Taxes | | 5,964.76 | |
| | 5321 | | Less Comm. | 119.29 | | |
| | 1610 | | Indian River Cty. | 5,845.47 | | |
| | | | Tax Collect | | | |
| 3/19/13 | 3111 | E031413 | Current Taxes | | 4,469.35 | |
| | 3111 | | Less Comm. | 89.39 | | |
| | 1610 | | Volusia County | 4,379.96 | | |
| | | | Tax Collector | | | |
| 3/20/13 | 3104 | E03/18/13 | Current Taxes | | 13,915.80 | |
| | 5321 | | Less Comm. | 278.32 | | |
| | 1610 | | City of | 13,637.48 | | |
| | | | Jacksonville | | | |
| 3/27/13 | 3111 | 032613 | Current taxes | | 5,654.18 | |
| | 5321 | | Less Comm | 113.10 | | |
| | 1610 | | Volusia County | 5,541.08 | | |
| | | | Tax Collector | | | |
| 3/27/13 | 3110 | E03/25/13 | Current taxes | | 5,243.02 | |
| | 5321 | | Less Comm. | 104.84 | | |
| | 1610 | | St. Lucie County | 5,138.18 | | |
| | | | Tax Collector | | | |
| 3/27/13 | 3106 | E03/27/13 | Current Taxes | | 5,085.00 | |

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Cash Receipts Journal

For the Period From Mar 1, 2013 to Mar 31, 2013

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| Date | Account ID | Transactio | Line Description | Debit Amnt | Credit Amnt | Receipt Number |
|---------|------------|------------|-----------------------------------|-------------------|-------------------|----------------|
| | 5321 | | Less Comm. | 101.70 | | |
| | 1610 | | Indian River Cty. Tax Collect | 4,983.30 | | |
| 3/27/13 | 3109 | 221964 | Current taxes | | 18,693.64 | |
| | 5321 | | Less Comm | 373.87 | | |
| | 1610 | | St. Johns County Tax Collector | 18,319.77 | | |
| 3/29/13 | 3111 | E03/29/13 | Current taxes | | 157.46 | |
| | 5321 | | Less Comm | 1.94 | | |
| | 1610 | | Volusia County Tax Collector | 155.52 | | |
| 3/29/13 | 3111 | E3/25/13 | Current Taxes | | 8,179.97 | |
| | 5321 | | Less Comm | 163.58 | | |
| | 1610 | | Volusia County Tax Collector | 8,016.39 | | |
| | | | | <u>594,827.30</u> | <u>594,827.30</u> | |

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For the Period From Mar 1, 2013 to Mar 31, 2013

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 |
|--------|---|------------|---|--------------|---------------|
| 3/4/13 | 5311 Prop. Appraiser's Commissions 2020 Accounts Payable | 03/01/13 | Commissions Due Nassau County Property Appraiser | 930.30 | 930.30 |
| 3/4/13 | 5310 Legal Expense 2020 Accounts Payable | 5371 | General Services Breton, Lynch, Eubanks & Suarez PA | 6,928.28 | 6,928.28 |
| 3/5/13 | 5311 Prop. Appraiser's Commissions 2020 Accounts Payable | 03/01/13 | Commissions Due Palm Beach Cty Prop Appraiser | 8,734.50 | 8,734.50 |
| 3/5/13 | 5430 Utility Service 2020 Accounts Payable | 03/05/13 | Water Service FIND headquarters 1/25-13-02/26/13 Town of Jupiter | 143.04 | 143.04 |
| 3/5/13 | 5319.59 IWW Ch Survey Monroe Co. 2020 Accounts Payable | 1-13-1439 | Bathymetric survey Cross Bank to Spanish Channel Morgan & Eklund, Inc | 46,990.00 | 46,990.00 |
| 3/5/13 | 5552.95 ICW Dredging General 2020 Accounts Payable | 14456 | General Engineering and consulting Taylor Engineering | 1,584.00 | 1,584.00 |
| 3/5/13 | 5410 Communications 2020 Accounts Payable | 2-188-4139 | Courier Services Feb. Federal Express | 65.72 | 65.72 |
| 3/5/13 | 5460 Repairs & Maintenance Svc. 2020 Accounts Payable | 2/28/13 | Cleaning Services FID headquarters-Feb Jupiter Carpet Care | 150.00 | 150.00 |
| 3/5/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 2013-1133 | Landscape maint Feb MSA 617C Artistic Palms Landscaping | 200.00 | 200.00 |
| 3/5/13 | 5312 Govt Relations 2020 Accounts Payable | 21887 | Federal Representation -March Alcalde & Fay | 8,513.00 | 8,513.00 |
| 3/5/13 | 5480 Public Information 2020 Accounts Payable | 84536 | FIND letterhead Sir Speedy Printing | 156.25 | 156.25 |
| 3/8/13 | 5430 Utility Service 2020 Accounts Payable | 03/08/13 | Electric Service BV-11 02/01-03/01/13 Florida Power & Light | 7.49 | 7.49 |
| 3/8/13 | 5450 Insurance and Bonds | 03/08/13 | General, Property, Liability, Auto | 4,361.25 | |

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Purchase Journal

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| Date | Account ID Account Description | Invoice/CM | Line Description | Debit Amount | Credit Amount |
|---------|--|------------|--|-----------------------------------|------------------------|
| | 2020 Accounts Payable | | Florida Municipal Insurance Tr | | 4,361.25 |
| 3/8/13 | 5490 Legal Advertising 2020 Accounts Payable | 1000246241 | RFQ well monitoring Morris Communications | 204.01 | 204.01 |
| 3/8/13 | 5310 Legal Expense 2020 Accounts Payable | 271 | State representation-Feb Moyle Law Firm, P.A. | 2,500.00 | 2,500.00 |
| 3/8/13 | 5480 Public Information 2020 Accounts Payable | 84535 | 500 Self seal envelopes Sir Speedy Printing | 332.33 | 332.33 |
| 3/11/13 | 5410 Communications 2020 Accounts Payable | 0282813 | Postage for meter Total funds by Hasler | 500.00 | 500.00 |
| 3/11/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 03/08/13 | Travel, Dec-March MC Mark Crosley | 759.62 | 759.62 |
| 3/11/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 03/11/13 | Feb. Travel Mark Tamblyn | 371.00 | 371.00 |
| 3/11/13 | 5311 Prop. Appraiser's Commissions 2020 Accounts Payable | 03/11/13 | Commissions Due Brevard County Property Appr | 3,455.63 | 3,455.63 |
| 3/11/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 03/11/13 | Feb. Board Meeting, DC trip John C. Blow | 1,764.05 | 1,764.05 |
| 3/11/13 | 5410 Communications 2020 Accounts Payable | 03/11/13 | Aircard for Laptop 02/02/13-03-01-13 AT&T Mobility | 56.58 | 56.58 |
| 3/11/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 03/11/13 | January Board Meeting, Feb. project presentations Janet Zimmerman | 461.21 | 461.21 |
| 3/11/13 | 5400 Travel & Per Diem 5402 Outreach Events 5641 Operations Equipment 2020 Accounts Payable | 03/11/13JZ | FIND presentation Miami FIND outreach March Fuel BB&T Financial FSB | 209.21 305.00 77.19 | 591.40 |

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| Date | Account ID Account Description | Invoice/CM | Line Description | Debit Amount | Credit Amount |
|---------|--|------------|--|---|---------------|
| 3/11/13 | 5410 Communications 2020 Accounts Payable | 03/13/13 | Cellular phone services 02/07/13-03/06/13 Sprint | 452.20 | 452.20 |
| 3/11/13 | 5450 Insurance and Bonds 2020 Accounts Payable | 031113 | Dental Insurance, MT, SS, DR Florida Municipal Insurance Tr | 654.15 | 654.15 |
| 3/11/13 | 5510 Office Supplies 5230 Health Insurance 5410 Communications 5510 Office Supplies 2020 Accounts Payable | 031113BS | presentation supplies Dental Insurance Verio Webhosting Janet's compter upgrade BB&T Financial FSB | 338.32 417.88 163.94 169.26 | 1,089.40 |
| 3/11/13 | 5400 Travel & Per Diem 5553.25 Broward Co. ICW/Dania 5553.25 Broward Co. ICW/Dania 2020 Accounts Payable | 031113DR | Washington Trip Mooring of boats Dania Canal Barge Dania Canal BB&T Financial FSB | 209.54 3,015.01 3,030.00 | 6,254.55 |
| 3/11/13 | 5400 Travel & Per Diem 5400 Travel & Per Diem 2020 Accounts Payable | 3/11/13MT | Room Site inspections Fuel Supplies M.T. BB&T Financial FSB | 400.00 1,185.44 | 1,585.44 |
| 3/11/13 | 5400 Travel & Per Diem 5510 Office Supplies 5402 Outreach Events 5400 Travel & Per Diem 2020 Accounts Payable | 3/13/13MC | Washington Trip Software and update Feb Outreach Event Feb. Board Meeting BB&T Financial FSB | 1,628.73 69.85 1,208.12 129.24 | 3,035.94 |
| 3/11/13 | 5510 Office Supplies 2020 Accounts Payable | 34877a | Staples for copier Delta/Omni Business Solutions | 59.00 | 59.00 |
| 3/11/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 419037-755 | Stormwater fee FL-12 City of Palm Coast Utility Dept. | 539.88 | 539.88 |
| 3/11/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 419037-763 | Annual stormwater FL-12 City of Palm Coast Utility Dept. | 130.14 | 130.14 |

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| Date | Account ID Account Description | Invoice/CM | Line Description | Debit Amount | Credit Amount |
|---------|--|------------|--|----------------------------------|-----------------------------------|
| 3/11/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 6683 | Landscape Maint. MSA-504, MSA 524, MSA641 A Quality Bushog Services, Inc. | 2,930.00 | 2,930.00 |
| 3/11/13 | 5480 Public Information 2020 Accounts Payable | GPF8028 | Files Storage rental-Feb. Iron Mountain, Inc. | 247.26 | 247.26 |
| 3/11/13 | 5553.25 Broward Co. ICW/Dania 2022 Retainage Payable - Contracts 2022 Retainage Payable - Contracts 2020 Accounts Payable | Pmt 12 | Pmt 3 Dania Canal less retainage Pmt of retainage Lucas Marine Construction, LLC | 846,690.01 229,940.64 | 42,334.50 1,034,296.15 |
| 3/13/13 | 5460 Repairs & Maintenance Svc. 2020 Accounts Payable | 5192 | Serviced Fire alarm and lights Royal Fire & Safety Co. Inc. | 334.90 | 334.90 |
| 3/13/13 | 5552.967 DMMA NA-1 Contruction 2022 Retainage Payable - Contracts 2020 Accounts Payable | Pmt 2 | NA-1 Pmt 2 less retainage Harry Pepper & Assoc. | 189,052.33 | 18,905.23 170,147.10 |
| 3/18/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 03/14/13 | Flood Insurance American Strategic Insurance Corp | 3,941.00 | 3,941.00 |
| 3/18/13 | 5410 Communications 2020 Accounts Payable | 03/14/13 | Postage meter lease 04/09/13-05/08/13 Mail Finance | 65.67 | 65.67 |
| 3/18/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 03/15/12 | March Board Meeting Gail Kavanagh | 205.40 | 205.40 |
| 3/18/13 | 5430 Utility Service 2020 Accounts Payable | 03/15/13 | MSA 541 Electric Service 02/11-03/11/13 Florida Power & Light | 8.90 | 8.90 |
| 3/18/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 03/15/13 | Washington Trip, Feb Board Meeting Jerry Sansom | 1,411.32 | 1,411.32 |
| 3/18/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 03/15/13 | March Board Meeting Bruce Barkett | 64.59 | 64.59 |

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| Date | Account ID Account Description | Invoice/CM | Line Description | Debit Amount | Credit Amount |
|---------|---|------------|---|--------------|---------------|
| 3/18/13 | 5430 Utility Service 2020 Accounts Payable | 03/15/13b | Electric Service MSA 617c 02/12-03/12/13 Florida Power & Light | 8.79 | 8.79 |
| 3/18/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 031413 | Washington Trip Tyler Chappell | 963.83 | 963.83 |
| 3/18/13 | 5510 Office Supplies 2020 Accounts Payable | 088153 | Copier maint. And excess 02/01-03/01/13 Delta/Omni Business Solutions | 170.64 | 170.64 |
| 3/18/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 127267784 | mini storage unit MSA 434c Mobile Mini | 3,621.95 | 3,621.95 |
| 3/18/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 127267785 | Storage container MSA 434a Mobile Mini | 3,621.95 | 3,621.95 |
| 3/18/13 | 5510 Office Supplies 2020 Accounts Payable | 3325155600 | Office Supplies StaplesBusiness Advantage | 89.99 | 89.99 |
| 3/19/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 03/14/13a | Fence repair BV-11 David Barton | 4,250.00 | 4,250.00 |
| 3/19/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 03/14/13c | BV-2C scottsmoor repaired fence David Barton | 800.00 | 800.00 |
| 3/19/13 | 5510 Office Supplies 2020 Accounts Payable | 1085837 | Office Supplies Quill, Corp. | 176.65 | 176.65 |
| 3/19/13 | 5480 Public Information 2020 Accounts Payable | 1944 | FIND Storage -April Safeway Storage & Warehouses, | 405.00 | 405.00 |
| 3/19/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 3/14/13b | BV-4B latch to exisiting gate David Barton | 150.00 | 150.00 |
| 3/19/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 983 | Shipping Containers- Spoil Sites John Toft Construction | 5,400.00 | 5,400.00 |
| 3/20/13 | 5400 Travel & Per Diem | 03/28/13 | FIND Board meeting | 365.65 | |

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| Date | Account ID Account Description | Invoice/CM | Line Description | Debit Amount | Credit Amount |
|---------|---|------------|--|--------------|---------------------------|
| | 2020 Accounts Payable | | Aaron Bowman | | 365.65 |
| 3/20/13 | 5410 Communications 2020 Accounts Payable | 03/29/13 | Courier Services-March Federal Express | 26.09 | 26.09 |
| 3/20/13 | 5311 Prop. Appraiser's Commissions 2020 Accounts Payable | 04/01/13 | Commissions Due Flagler County Property Appr | 909.26 | 909.26 |
| 3/20/13 | 5510 Office Supplies 2020 Accounts Payable | 1155611 | Office Supplies Quill, Corp. | 282.74 | 282.74 |
| 3/20/13 | 5553.25 Broward Co. ICW/Dania 2022 Retainage Payable - Contracts 2020 Accounts Payable | 14580 | Final plans Dania Cutoff deepening Less Ret. Taylor Engineering | 13,747.71 | 687.39 13,060.32 |
| 3/20/13 | 5552.967 DMMA NA-1 Contruction 2022 Retainage Payable - Contracts 2020 Accounts Payable | 14581 | Admin Services NA-1 Less ret. Taylor Engineering | 32,435.30 | 1,621.77 30,813.53 |
| 3/20/13 | 5552.976 IWW Deepening PBCO 2022 Retainage Payable - Contracts 2020 Accounts Payable | 14584 | Preliminary Permitting Port of Palm Beach Area Less ret. Taylor Engineering | 743.00 | 37.15 705.85 |
| 3/20/13 | 5552.951 DMMA Development 2022 Retainage Payable - Contracts 2020 Accounts Payable | 14591 | Permitting and Final Design DMMA FL-3 Less ret. Taylor Engineering | 11,505.50 | 575.28 10,930.22 |
| 3/20/13 | 5552.975 IWW Vicinity Ponce Inlet 2022 Retainage Payable - Contracts 2020 Accounts Payable | 14594 | Admin services IWW dredging Ponce Inlet Less ret. Taylor Engineering | 7,703.41 | 385.17 7,318.24 |
| 3/20/13 | 5552.974 Crossroads Dredging 2022 Retainage Payable - Contracts 2020 Accounts Payable | 14598 | Admin services Maint. Dredging Martin less ret. Taylor Engineering | 15,687.91 | 784.40 14,903.51 |
| 3/20/13 | 5552.95 ICW Dredging General | 14602 | Proposed sediment basins North and South | 2,889.99 | |

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| Date | Account ID Account Description | Invoice/CM | Line Description | Debit Amount | Credit Amount |
|---------|---------------------------------------|------------|--|--------------|---------------|
| | 2022 Retainage Payable - Contracts | | Less ret. | | 144.50 |
| | 2020 Accounts Payable | | Taylor Engineering | | 2,745.49 |
| 3/20/13 | 5410 Communications | 3/19/13 | Postage for meter 3/19/13 | 542.10 | |
| | 2020 Accounts Payable | | Total funds by Hasler | | 542.10 |
| 3/20/13 | 5321 Tax Collector's Commissions | 3/29/13 | Postage for tax notices | 61.47 | |
| | 2020 Accounts Payable | | St. Lucie Tax Collector | | 61.47 |
| 3/25/13 | 5311 Prop. Appraiser's Commissions | 03/21/13 | Commissions Due | 7,055.25 | |
| | 2020 Accounts Payable | | Broward County Property Appr | | 7,055.25 |
| 3/25/13 | 5311 Prop. Appraiser's Commissions | 03/22/13 | Commissions Due | 2,331.75 | |
| | 2020 Accounts Payable | | St. Johns County Property Appr | | 2,331.75 |
| 3/25/13 | 5430 Utility Service | 03/22/13 | Electric Service FIND headquarters 02/18-03/19/13 | 377.30 | |
| | 2020 Accounts Payable | | Florida Power & Light | | 377.30 |
| 3/25/13 | 5311 Prop. Appraiser's Commissions | 03/25/13 | Commissions Due | 1,269.57 | |
| | 2020 Accounts Payable | | St. Lucie County Property Appr | | 1,269.57 |
| 3/25/13 | 5510 Office Supplies | 03/25/13 | Office Supplies | 33.91 | |
| | 2020 Accounts Payable | | Office Depot, Inc. | | 33.91 |
| 3/25/13 | 5430 Utility Service | 03/25/13 | Electric Service BV-52 02/20/13-03/21/13 | 54.63 | |
| | 2020 Accounts Payable | | Florida Power & Light | | 54.63 |
| 3/25/13 | 5410 Communications | 03/25/13 | Long distance, DSL, Local phone services 03/01-3/31/13 | 372.57 | |
| | 2020 Accounts Payable | | AT&T | | 372.57 |
| 3/25/13 | 5540 Dues & Subscriptions | 03/25/13 | Annual Dues | 5,000.00 | |
| | 2020 Accounts Payable | | AIWA | | 5,000.00 |
| 3/25/13 | 5480 Public Information | 03/30/13 | FIND Envelopes | 362.58 | |
| | 2020 Accounts Payable | | Sir Speedy Printing | | 362.58 |
| 3/25/13 | 5490 Legal Advertising | 1909575 | Bid Solicitation for dredging | 269.23 | |

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| Date | Account ID Account Description | Invoice/CM | Line Description | Debit Amount | Credit Amount |
|---------|---|------------|--|--------------|---------------|
| | 2020 Accounts Payable | | Scripps Treasure Coast Newspaper | | 269.23 |
| 3/25/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 2013-1205 | Sprinkler maint. | 84.50 | |
| | | | Artistic Palms Landscaping | | 84.50 |
| 3/25/13 | 5400 Travel & Per Diem 2020 Accounts Payable | 3/22/13 | March Board meeting | 304.57 | |
| | | | Nancy Freeman | | 304.57 |
| 3/25/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 37243 | M-12 Exotic Removal | 4,950.00 | |
| | | | Earth Balance | | 4,950.00 |
| 3/25/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 659 | Landscape maint. Feb. March BV-52 Dave Nielsen, LLC | 1,437.90 | |
| | | | | | 1,437.90 |
| 3/26/13 | 5230 Health Insurance 2020 Accounts Payable | 03/29/13d | Disability Insurance-May | 188.10 | |
| | | | State of Florida Employees Ins | | 188.10 |
| 3/26/13 | 7079 Brvrd co Derrielt Vssl 2012 2020 Accounts Payable | 032613 | Derelict Vessel Removal | 22,850.00 | |
| | | | Brevard County Board of Comm. | | 22,850.00 |
| 3/26/13 | 5230 Health Insurance 2020 Accounts Payable | 032913L | Life Insurance May | 240.89 | |
| | | | State of Florida Employees Ins | | 240.89 |
| 3/26/13 | 5230 Health Insurance 2020 Accounts Payable | 032913h | Health Insurance-May | 6,622.76 | |
| | | | State of Florida Employees Ins | | 6,622.76 |
| 3/26/13 | 5644 Sm Scale Derlet Vessl Rmvl 2020 Accounts Payable | 04/14/13 | 1st and final DA-MI-09-11 | 37,168.15 | |
| | | | City of Miami | | 37,168.15 |
| 3/26/13 | 5460 Repairs & Maintenance Svc. 2020 Accounts Payable | 92432881 | Security Services FIND headquarters 04/01-06/30/13 Tyco Integrated Security, LLC | 765.47 | |
| | | | | | 765.47 |
| 3/27/13 | 5410 Communications 2020 Accounts Payable | 03/28/13 | Courier Services 02/23-03/23/13 United Parcel Service | 55.76 | |
| | | | | | 55.76 |
| 3/27/13 | 5490 Legal Advertising 2020 Accounts Payable | 1050604 | Ponce Inlet Bid Solicitation | 186.17 | |
| | | | News-Journal Corporation | | 186.17 |

FL INLAND NAVIGATION DISTRICT

Purchase Journal

For the Period From Mar 1, 2013 to Mar 31, 2013

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 |
|---------|---|------------|--|--------------|---------------|
| 3/28/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 04/01/03D | Installed Strong arm latch Double Drive David Barton | 150.00 | 150.00 |
| 3/28/13 | 5460 Repairs & Maintenance Svc. 2020 Accounts Payable | 04/08/13 | Cleaning Services FIND Headquarters Jupiter Carpet Care | 150.00 | 150.00 |
| 3/28/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 04/09/13 | Landscape maint. Santa Cruz Construction, Inc. | 5,775.00 | 5,775.00 |
| 3/28/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 4/01/13 | V-22 fence repair David Barton | 1,000.00 | 1,000.00 |
| 3/28/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 4/9/13 | Brevard and Indian River County Landscape maint. Santa Cruz Construction, Inc. | 17,475.00 | 17,475.00 |
| 3/28/13 | 5480 Public Information 2020 Accounts Payable | GTN6875 | Files Storage rental-April Iron Mountain, Inc. | 244.89 | 244.89 |
| 3/28/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | MA-LAN-1 | M-12 Fence Repair Along FEC Railroad David Barton | 850.00 | 850.00 |
| 3/29/13 | 5220 Retirement Contribution 2020 Accounts Payable | 032913 | Contribuitons ER Florida Retirement System | 2,893.01 | 2,893.01 |
| 3/29/13 | 5311 Prop. Appraiser's Commissions 2020 Accounts Payable | 04/04/13 | Commissions Due Indian River Cty Property Appr | 1,363.75 | 1,363.75 |
| 3/29/13 | 5430 Utility Service 2020 Accounts Payable | 04/04/13 | Electric Service BV-11 March Florida Power & Light | 7.49 | 7.49 |
| 3/29/13 | 5410 Communications 2020 Accounts Payable | 04/16/13 | Local, Long Distance, DSL 4/16-05/15/13 AT&T | 372.09 | 372.09 |
| 3/29/13 | 5553.25 Broward Co. ICW/Dania 2020 Accounts Payable | 12246 | Moved vessel from channel Steel Marine Towing & Salvage LLC | 1,250.00 | 1,250.00 |
| 3/29/13 | 5552.08 | 2013-1240 | Landscape maint. MSA 617c March | 125.00 | |

FL INLAND NAVIGATION DISTRICT

Purchase Journal

For the Period From Mar 1, 2013 to Mar 31, 2013

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 |
|---------|--|------------|--|---------------------|---------------------|
| | DMMA Mgmt & Maint. 2020 Accounts Payable | | March Artistic Palms Landscaping | | 125.00 |
| 3/29/13 | 5552.08 DMMA Mgmt & Maint. 2020 Accounts Payable | 2013-1241 | Landscape maint. March Artistic Palms Landscaping | 200.00 | 200.00 |
| 3/29/13 | 5460 Repairs & Maintenance Svc. 2020 Accounts Payable | 9962309 | Office Supplies Toshiba | 152.16 | 152.16 |
| | | | | <u>1,609,000.76</u> | <u>1,609,000.76</u> |

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

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| ACCT.# | ACCOUNT | BUDGET | CONTRACTED EXPENDITURES TO 3/31/13 | EXPENDITURES EXECUTED 3/31/13 | to ACTUAL EXPENDITURES THRU 3/31/13 | PROJECT STATUS through April 30, 2013 |
|-----------------------|--------------------------------|-------------------|--|-------------------------------------|--|--|
| ADMINISTRATION | | | | | | |
| 5120 | Salaries | 665,005 | 665,005 | 332,506 | 332,506 | Bonuses paid |
| 5121 | Compensated Absences | 4,000 | 3,447 | 3,447 | 3,447 | Finance Director paid excess leave |
| 5122 | Temporary help | 3,710 | 0 | 0 | 0 | |
| 5210 | Social Security & Medicare | 47,000 | 47,000 | 23,646 | 23,646 | |
| 5220 | State Retirement Fund | 35,000 | 35,000 | 18,159 | 18,159 | |
| 5230 | Health Insurance | 93,000 | 93,000 | 43,783 | 43,783 | |
| 5310 | General Legal Expense | 95,000 | 38,514 | 38,514 | 38,514 | |
| 5312 | Governmental Relations | 96,000 | 96,000 | 51,083 | 51,083 | Washington trip made |
| 5313 | SJ-14 Legal | 24,843 | 1,139 | 1,139 | 1,139 | Settlement was made |
| 5320 | Annual Audit | 28,000 | 28,000 | 25,000 | 0 | Draft audit completed |
| 5322 | Bank Charges | 2,000 | 1,665 | 1,665 | 1,665 | |
| 5323 | SBA Fund B Unrealized Loss | 173,610 | 173,610 | -16,637 | -16,637 | |
| 5400 | Travel & Per Diem | 100,000 | 32,240 | 32,240 | 32,240 | |
| 5430 | Utility Service | 12,000 | 7,265 | 7,265 | 7,265 | |
| 5450 | Insurance & Bonds | 22,000 | 12,860 | 12,860 | 12,860 | |
| 5460 | Repair & Maintenance | 15,000 | 3,355 | 3,355 | 3,355 | |
| 5510 | Office Supplies | 19,000 | 5,761 | 5,761 | 5,761 | |
| 5512 | Staff Training | 1,941 | 1,449 | 1,449 | 1,449 | |
| 5540 | Dues & Subscription | 19,192 | 16,219 | 16,219 | 16,219 | |
| | | 1,456,301 | 1,261,529 | 601,454 | 576,454 | |
| OPERATIONS | | | | | | |
| 5552.08 | DMMA Maintenance & Mgmt. | 330,375 | 250,000 | 198,078 | 198,078 | |
| | | | | | | Miami has executed agreements, FDEP has made enhancements in SLCO |
| 5552.93 | Spoil Isl. Enh. & Rest. | 15,697 | 15,697 | 7,482 | 7,482 | |
| 5552.94 | Waterway Cleanup | 75,000 | 50,000 | 29,934 | 29,934 | Several cleanups completed |
| 5552.950 | ICW Dredging General | 1,156,892 | 300,000 | 4,474 | 4,474 | Cut P-50 dredging underway with PBCC |
| 5552.9512 | IWW Deepening Broward | 16,170,527 | 19,904 | 19,904 | 19,904 | Corps permit expected soon |
| 5552.952 | IWW Dredging-St. Lucie Reach 1 | 300,000 | 4,000 | 4,000 | 4,000 | Permits submitted, small quantity |
| | | | | | | Sediment sampling completed, Work Order for design executed with the |
| 5552.953 | IWW Dredging-IRCO Reach 1 | 1,599,569 | 250,000 | 41,350 | 41,350 | Corps |
| 5552.971 | OOW Dredging | 642,871 | 642,871 | 392,368 | 392,368 | Dredging completed |
| 5552.972 | IWW Sawpit Dredging | 4,240,000 | 5,710,100 | 5,710,100 | 5,710,100 | Project bid |
| | | | | | | Permits received for NPB, may |
| 5552.973 | IWW PB Reach 2&4 Dredging | 550,000 | 0 | 0 | 0 | piggyback with County/FDOT project |
| 5552.974 | Crossroads Dredging | 1,700,000 | 150,000 | 25,605 | 25,605 | Project bid |
| 5552.975 | IWW Vicinity Ponce Inlet | 1,200,000 | 190,000 | 21,129 | 21,129 | Project bid |
| 5552.976 | IWW Deepening PBCO | 3,000,000 | 80,000 | 32,312 | 32,312 | Project in permitting |
| 5641 | Operations Equipment | 19,000 | 5,978 | 5,978 | 5,978 | |
| 5643 | Disaster Relief Account | 966,438 | 0 | 0 | 0 | |
| 5644 | Sm. Scale Derelict Vessel Rem. | 75,000 | 37,168 | 37,168 | 37,168 | Miami-Dade Co. just completed project |
| | | 32,041,369 | 7,705,718 | 6,529,882 | 6,529,882 | |

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PROJECT STATUS AND EXPENDITURE REPORT**

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| ACCT.# | ACCOUNT | BUDGET | CONTRACTED EXPENDITURES TO 3/31/13 | EXPENDITURES EXECUTED 3/31/13 | ACTUAL EXPENDITURES THRU 3/31/13 | PROJECT STATUS through April 30, 2013 |
|------------------------------|----------------------------------|-------------------|--|-------------------------------------|--|---|
| CAPITAL PROGRAMS | | | | | | |
| 5552.951 | DMMA Development | 146,776 | 114,252 | 114,252 | 114,252 | FL-3 plans underway |
| 5552.957 | SJ-14 Restoration | 725,724 | 10,000 | 3,855 | 3,855 | Monitoring ongoing |
| 5552.965 | MSA 614B Mitigation/Boaters Park | 40,000 | 40,000 | 0 | 0 | Monitoring underway |
| 5552.967 | DMMA NA-1 Construction | 4,184,461 | 4,300,000 | 1,000,000 | 518,157 | Project underway, 20% complete |
| 5552.968 | DMMA O-7 Construction | 3,081,398 | 0 | 0 | 0 | Turning over to the Corps |
| 5552.969 | MSA 690 Construction | 1,823,553 | 1,823,553 | 0 | 0 | Project rejected by City of Boca |
| 5610.00 | Land-General | 1,301,275 | 18,314 | 18,314 | 18,314 | LT-13 purchase offer approved |
| 5640.00 | Fixed Assets-Capital Exp. | 4,000 | 3,644 | 3,644 | 3,644 | |
| 5640.01 | Fixed Assets Non-Capital Exp. | 1,500 | 0 | 0 | 0 | |
| | | 11,308,687 | 6,309,763 | 1,140,065 | 658,222 | |
| WATERWAY STUDIES | | | | | | |
| 5313 | GIS Project | 47,298 | 0 | 0 | 0 | Need to hire consultant |
| 5319.59 | ICW Ch Survey Monroe Co. | 70,000 | 68,000 | 46,990 | 46,990 | Survey completed, under review |
| 5319.64 | Waterway Plans | 300,000 | 100,000 | 0 | 0 | Martin/St. Lucie agreement executed |
| 5319.65 | Channel Surveys | 204,377 | 35,000 | 7,245 | 7,245 | 3 surveys complete, centerline survey spec in review |
| 5319.66 | Seagrass Surveys | 157,210 | 9,746 | 9,746 | 9,746 | One survey completed |
| 5319.67 | Mitigation Plans | 250,000 | 80,000 | 1,545 | 1,545 | Martin Co. plan approved, Brevard and Indian River underway |
| | | 1,028,885 | 212,746 | 65,526 | 65,526 | |
| INTERLOCAL AGREEMENTS | | | | | | |
| 5553.25 | Broward Co. ICW/Dania Deepening | 3,092,417 | 3,092,417 | 1,820,602 | 1,820,602 | Dredging complete on 4/3, final inspection of DMMA on 5/3 |
| 7120 | PBCO So Lake Worth Inlet/ICW | 261,678 | 261,678 | 0 | 0 | Project underway |
| | | 3,354,095 | 3,354,095 | 1,820,602 | 1,820,602 | |

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| ACCT.# | ACCOUNT | BUDGET | CONTRACTED EXPENDITURES TO 3/31/13 | EXPENDITURES EXECUTED 3/31/13 | ACTUAL EXPENDITURES THRU 3/31/13 | PROJECT STATUS through April 30, 2013 |
|-------------------------------------|--------------------------------------|-----------|--|-------------------------------------|--|--|
| WATERWAYS ASSISTANCE PROGRAM | | | | | | |
| 6723 | Jax Arlington River Dredge PH 1 | 75,000 | 75,000 | 75,000 | 0 | |
| 6724 | Jax Zoo Dock Ext Ph 1 | 90,000 | 90,000 | 90,000 | 0 | |
| 6736 | Port Orange Russell Park PH 2 | 100,000 | 100,000 | 100,000 | 0 | |
| 6738 | Brevard Co. Marina Park | 330,145 | 330,145 | 330,145 | 0 | |
| 6744 | Vero Bch. Marina Dry Stack | 41,000 | 41,000 | 0 | 0 | |
| 6757 | Riviera Beach Marina Ph I | 475,000 | 475,000 | 475,000 | 475,000 | Project complete |
| 6758 | WPB Waterfront Park PH 2 | 150,000 | 150,000 | 150,000 | | |
| 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 |
| 6767 | Miami Kennedy Park Stab Ph I | 40,000 | 40,000 | 40,000 | 0 | Out to Bid |
| 6769 | Miami Bch. Pine Tree Shoreline Imp | 74,766 | 74,766 | 0 | 0 | Project being re-designed to avoid a mature tree |
| 6770 | Miami-Dade Crandon Marina Seawall | 192,999 | 597,663 | 300,000 | 0 | New scope 50% 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 |
| 6777 | Jax Harborview Restroom Ph II | 175,000 | 175,000 | 175,000 | 0 | Project complete |
| 6787 | Smyrna Bch. Calorie Dredging Ph I | 15,000 | 15,000 | 15,000 | 0 | Project complete |
| 6790 | Volusia Co. So. Jetty Ext. | 386,825 | 386,825 | 0 | 0 | Other funding being coordinated |
| 6793 | IRCO Lagoon Greenway | 17,845 | 17,845 | 17,845 | 16,551 | Project complete |
| 6796 | Vero Bch. MacWilliam Boat Ramp | 15,000 | 15,000 | 14,756 | 14,756 | Project complete |
| 7000 | Martin Co. Manatee Pocket Dredging | 200,000 | 200,000 | 0 | 0 | Monitoring underway |
| 7001 | Martin Co. Man. Pocket Dock Ph. I | 12,000 | 12,000 | 12,000 | 0 | Project 100% complete |
| 7004 | PBCO Burt Reynolds Dock Extension | 75,000 | 75,000 | 0 | 0 | Construction underway |
| 7005 | PBCO Jupiter Ridge Shoreline Rest | 500,000 | 500,000 | 500,000 | 0 | Project complete |
| 7006 | PBCO So Cove Restoration & Brdwlk | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | Project completion at 100% |
| 7007 | PBCO Waterway Park Phase I | 100,000 | 100,000 | 100,000 | 0 | Permitting underway, 98% complete |
| 7008 | Riviera Bch. Marina Construction | 850,000 | 850,000 | 850,000 | 0 | Docks installed, 99% complete |
| 7009 | WPB Kayak/Paddle Boat Lnch PH I | 30,000 | 30,000 | 10,000 | 0 | Project 45% complete, delays experienced |
| 7010 | Broward Co. Dania Cut-Off Dredging | 941,571 | 941,571 | 939,952 | 939,952 | Project complete |
| 7011 | Broward co. Secret Woods Dock Ph I | 60,000 | 60,000 | 24,000 | 0 | Project underway, 40% complete |
| 7012 | Broward Co. Ch. Markers Ph I | 30,000 | 30,000 | 30,000 | 0 | Permits received, project at 100% |
| 7013 | Dania Bch. I.T. Parker Dock Rep | 24,400 | 24,400 | 24,400 | 0 | Project 99% complete |
| 7014 | Ft. Lauderdale Bahia Mar Drdging Ph | 200,000 | 200,000 | 100,000 | 0 | Submitted for permits, 50% complete |
| 7015 | Ft. Lauderdale Las Olas Drdging PH-I | 150,000 | 150,000 | 80,000 | 0 | Submitted for permits, 60% complete |
| 7020 | Miami Marine Stadium Phase I | 175,000 | 175,000 | 25,000 | 0 | Design 15% complete |
| 7021 | Miami Woman's Club Baywalk Ph I | 46,500 | 46,500 | 40,000 | 0 | Project at 90% completion |
| 7022 | Miami Spoil Island Rest. Ph I | 15,000 | 15,000 | 15,000 | 0 | Project complete |
| 7023 | MDCO Crandon Seawall #2 Rep | 1,342,932 | 1,342,932 | 0 | 0 | 1st portion complete |
| 7025 | No. Bay Village Paul Vogel Park Ph I | 55,000 | 55,000 | 55,000 | 0 | Project complete |
| 7028 | Jax Ortega River Mooring Field, Ph I | 100,000 | 100,000 | 90,000 | 0 | Project 90% complete |
| 7029 | Jax Trout River Pier Ph II | 323,000 | 323,000 | 0 | 0 | Will bid soon |
| 7033 | N Smyrna Bch Riverside Ph II | 325,000 | 325,000 | 325,000 | 0 | Construction complete |
| 7034 | N Smyrna Bch Swoope Ramp PH I | 82,800 | 82,800 | 82,800 | 0 | Project design complete |
| 7035 | Volusia Co Mariner's Cover Ramp Ph | 15,000 | 15,000 | 0 | 0 | Design complete |

**FLORIDA INLAND NAVIGATION DISTRICT
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| ACCT.# | ACCOUNT | BUDGET | CONTRACTED EXPENDITURES TO 3/31/13 | EXPENDITURES EXECUTED 3/31/13 | ACTUAL EXPENDITURES THRU 3/31/13 | PROJECT STATUS through April 30, 2013 |
|---|---|-----------|--|-------------------------------------|--|--|
| WATERWAYS ASSISTANCE PROGRAM CONTINUED | | | | | | |
| 7036 | Brevard Co Blue Crab Cove Ph I | 56,250 | 56,250 | 45,000 | 0 | Project at 80% |
| 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 | 100,000 | 0 | Project complete |
| 7039 | Seb Inlet Dist Coconut Point Stab | 120,000 | 120,000 | 120,000 | 120,000 | Project complete |
| 7040 | Titusville Ch Maintenance Dredging | 52,500 | 52,500 | 0 | 0 | Funding difficulties |
| 7041 | Vero Bch MacWilliam Ramp Recon | 175,000 | 175,000 | 175,000 | 0 | Project completion 100% |
| 7042 | Ft. Pierce Marina Cleaning Station | 16,420 | 16,420 | 0 | 0 | Project withdrawn |
| 7043 | Martin Co Bird Isl Shoreline Stab Ph II | 150,000 | 150,000 | 150,000 | 0 | Project complete, monitoring underway |
| 7044 | Stuart Floating Docks Fire Protection | 25,000 | 25,000 | 0 | 0 | Bids received |
| 7045 | Palm Bch Co Bert Winters Ramp Ph I | 90,000 | 90,000 | 9,000 | 0 | Property being replatted |
| 7046 | Palm Beach Co Bryant Park | 255,000 | 255,000 | 255,000 | 0 | Project complete |
| 7047 | Palm Bch Co John's Isl Oyster Reef | 406,250 | 406,250 | 45,000 | 0 | Project 13% complete Agreement voted down by the City of Boca |
| 7048 | Palm Bch Co Lake Wyman Rest | 372,868 | 372,868 | 0 | 0 | Agreement executed |
| 7049 | Pahokee Route 2 Channel Markers | 20,850 | 20,850 | 0 | 0 | Agreement executed |
| 7050 | Pahokee Marina Wave Attenuator | 37,500 | 37,500 | 0 | 0 | Docks installed, 99% complete |
| 7051 | Riviera Bch Marina Construction | 1,500,000 | 1,500,000 | 1,500,000 | 0 | Project complete |
| 7052 | Deerfield Bch Pioneer Boat Ramp | 193,500 | 193,500 | 193,500 | 29,735 | Project complete |
| 7053 | Golden Bch Strand Park Boat Dock | 29,735 | 29,735 | 29,735 | 0 | Construction underway, 7% complete |
| 7054 | Miami Baywalk at Bicentennial Park | 1,143,000 | 1,143,000 | 70,000 | 0 | Project completion 80% |
| 7055 | Miami Kennedy Park Dock | 60,000 | 60,000 | 48,000 | 0 | Project underway |
| 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 | Project underway, 15% complete |
| 7058 | Miami Marine Stadium Marina Ph I | 800,000 | 800,000 | 120,000 | 0 | Seeking additional funds |
| 7059 | Miami Wagner Crk Dredging | 1,000,000 | 1,000,000 | 0 | 0 | Design 100% |
| 7060 | Miami Bch 10th Street Park & Seawall | 472,820 | 472,820 | 0 | 0 | Need addl. Funds to move forward |
| 7061 | Dade Co Dinner Key Isl Stabilization | 300,000 | 300,000 | 0 | 0 | Need addl funds |
| 7062 | Miami Dade Marine Stadium Shoreline | 400,000 | 400,000 | 0 | 0 | Plans complete |
| 7063 | Miami Dade Vizcaya Shoreline Stab | 75,000 | 75,000 | 70,000 | 0 | 7,000cyds. Dredged |
| 7065 | Fernandina Marina Dredging Ph B | 162,215 | 162,215 | 120,000 | 0 | Design at 60%, permitting started |
| 7066 | Atl. Beach Marsh Preserve Imp. PH I | 17,000 | 17,000 | 9,000 | 0 | Ready for bid |
| 7067 | Jax Mayport Boat Ramp Docks Ph II | 401,675 | 401,675 | 0 | 0 | Project initiated |
| 7068 | Jax Pottsborg Creek Dredge Ph I | 125,000 | 125,000 | 0 | 0 | Project delayed |
| 7069 | St. Aug. Salt Run Channel Dredging | 210,000 | 210,000 | 0 | 0 | Project delayed |
| 7070 | St. Aug. San Seb. River Dredging | 100,000 | 100,000 | 0 | 0 | Project at 90% complete |
| 7071 | St. Aug. Barge Ch. Dredging PH B | 91,870 | 91,870 | 80,000 | 0 | Project out to bid |
| 7072 | St. Johns Co. Vilano Ramp Dredging | 40,000 | 40,000 | 0 | 0 | Land clearing completed, 60% |
| 7073 | Flagler Co. Bing's Landing Imp. | 64,040 | 64,040 | 36,000 | 0 | Agreement executed |
| 7074 | Flagler Co. Bing's Restroom & Dock | 76,900 | 76,900 | 0 | 0 | One camera installed and equipment ordered, 25% complete |
| 7075 | Flagler Co. Eyes On Navigation | 22,210 | 22,210 | 15,000 | 0 | Contractor hired |
| 7076 | New Smyrna Bch. Swoope Ramp II | 494,000 | 494,000 | 0 | 0 | Design finalized |
| 7077 | Volusia Co. Mariner's Cove Ramp II | 40,000 | 40,000 | 4,000 | 0 | Out to Bid |
| 7078 | Brevard Co. Griffis Landing Ph II | 304,241 | 304,241 | 0 | 0 | Project complete |
| 7079 | Brevard Co. Derelict Vessel Removal | 22,850 | 22,850 | 22,850 | 22,850 | Project being expanded |
| 7080 | Brevard Co. Kelly Park Floating Dock | 71,500 | 71,500 | 0 | 0 | Ready for bid, 20% complete |
| 7081 | Brevard Co. Lee Wenner Park | 111,750 | 111,750 | 22,000 | 0 | Design underway, 8% complete |
| 7082 | Melbourne Horse Creek Launch Ph I | 30,000 | 30,000 | 2,400 | 0 | Design agreement approved, 8% complete |
| 7083 | Melbourne Harbor Ch. Dredge Ph I | 40,000 | 40,000 | 3,200 | 0 | Public facilities 25% complete |
| 7084 | Palm Bay Waterfront | 58,875 | 58,875 | 15,000 | 0 | Bid package in development |
| 7085 | IRCO Lagoon Greenway Ph B-2 | 156,000 | 156,000 | 15,000 | 0 | Project completion 25% |
| 7086 | Ft. Pierce Moores Creek Dredging | 47,726 | 47,726 | 12,000 | 0 | No work done |
| 7087 | Martin Co. Jensen Bch Mooring Field | 439,695 | 439,695 | 0 | 0 | Project in permitting |
| 7088 | Belle Glade Brdwalk, Nav. & Dock I | 29,000 | 29,000 | 4,500 | 0 | Bid request advertised, 25% complete |
| 7089 | Boca Raton Dredging Equipment | 109,050 | 109,050 | 25,000 | 0 | |

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| ACCT.# | ACCOUNT | BUDGET | CONTRACTED EXPENDITURES TO 3/31/13 | EXPENDITURES EXECUTED 3/31/13 | ACTUAL EXPENDITURES THRU 3/31/13 | PROJECT STATUS through April 30, 2013 |
|---|--------------------------------------|-------------------|--|-------------------------------------|--|--|
| WATERWAYS ASSISTANCE PROGRAM CONTINUED | | | | | | |
| 7090 | Jupiter Riverwalk & Public Docks | 780,940 | 780,940 | 780,940 | 0 | New docks installed |
| 7091 | PBCO Burt Reynolds Park Ph I | 50,000 | 50,000 | 0 | 0 | Design consultant submitting fee proposal |
| 7092 | PBCO Fullerton Island Rest Project | 794,030 | 794,030 | 0 | 0 | Plans 90% complete |
| 7093 | Town of Palm Beach Waterway Ph I | 40,000 | 40,000 | 20,000 | 0 | Field work 100%, design 30%, permits 10% |
| 7094 | Riviera Bch. Bicentennial Park Ph I | 50,000 | 50,000 | 5,000 | 0 | Preliminary plans underway, 10% complete |
| 7095 | Riv. Bch. Marina Construction Ph B | 1,000,000 | 1,000,000 | 130,000 | 0 | Project at 13% complete |
| 7096 | WPB Currie Park Access Imp Ph I | 25,000 | 25,000 | 0 | 0 | Design 5% complete |
| 7097 | WPB Currie Park Fishing Piers Imp. | 394,000 | 394,000 | 20,000 | 0 | Design 5% complete |
| 7098 | Dania Bch. Marina Renovation Ph II | 1,382,505 | 1,382,505 | 400,000 | 0 | Demolition at 57%, dredging at 35%, seawall fabrication at 20% |
| 7099 | Deerfield Bch. Property Acquisition | 553,125 | 553,125 | 0 | 0 | Agreement executed |
| 7100 | Ft. Lauderdale SE 15th Street Ramp | 876,906 | 876,906 | 0 | 0 | Project to begin in July |
| 7101 | Hallandale Beach City Marina | 347,040 | 347,040 | 347,040 | 0 | Project complete |
| 7102 | Hollywood Waterway Master Plan | 75,000 | 75,000 | 0 | 0 | 7 proposals submitted |
| 7103 | Pompano Bch. Alsdorf Park Imp. Ph I | 91,757 | 91,757 | 16,000 | 0 | Design at 25% |
| 7104 | Bal Harbor Village Sand Bypass Ph I | 50,000 | 50,000 | 0 | 0 | Agreement executed |
| 7105 | Miami Little River Park Acq Ph B | 183,750 | 183,750 | 0 | 0 | Agreement executed |
| 7106 | Miami Manatee Bend Park Imp PH I | 38,500 | 38,500 | 0 | 0 | Hiring engineer |
| 7107 | Miami Marine Stadium Marina Ph II | 785,000 | 785,000 | 78,000 | 0 | Permits complete |
| 7108 | Miami Pallo Park Shoreline Stab Ph I | 30,000 | 30,000 | 0 | 0 | Hiring consultant |
| 7109 | Miami Wagner Creek Dredge PH B | 700,000 | 700,000 | 0 | 0 | Agreement executed |
| 7110 | Miami Spoil Isl E Dock Ph II | 57,500 | 57,500 | 0 | 0 | Design complete |
| 7111 | Miami Bch. South Pointe Pier Ph II | 986,000 | 986,000 | 6,000 | 0 | Project underway |
| 7112 | Miami-Dade Co. Riverwalk | 500,000 | 500,000 | 60,000 | 0 | Construction at 12% |
| 7113 | Miami-Dade Co. Pelican Marina Imp | 1,200,000 | 1,200,000 | 0 | 0 | Preparing bid |
| 7114 | Miami-Dade Co. Vizcaya Stab Ph II | 134,000 | 134,000 | 0 | 0 | Bid being finalized |
| 7115 | No. Bay Village Baywalk Ph I | 50,250 | 50,250 | 0 | 0 | Agreement executed |
| 7116 | No. Bay Village Vogel Park Imp | 110,167 | 110,167 | 0 | 0 | Agreement executed |
| | | 32,909,838 | 33,314,502 | 11,992,608 | 2,618,844 | |
| COOPERATIVE ASSISTANCE PROGRAM | | | | | | |
| 6773 | FDEP Florida Clean Marina Program | 100,000 | 100,000 | 96,000 | 0 | Project 96% complete |
| 6774 | FDEP Florida Clean Vessel Act Prog | 175,794 | 175,794 | 170,000 | 0 | 19 pumpouts have been awarded funding, project 85% complete |
| 7026 | FDEP No. Pen. State Park Enh. | 39,600 | 39,600 | 19,000 | 0 | Project 45% complete |
| 7064 | FDEP John U Lloyd Jetty Rehab | 350,000 | 350,000 | 350,000 | 264,774 | Project complete |
| 7117 | FDEP Florida Clean Marina Program | 150,000 | 150,000 | 10,000 | 0 | 3 marinas were designated and supplies were purchased, 7% complete |
| 7118 | FDEP Clean Vessel Act Program | 150,000 | 150,000 | 0 | 0 | Ten project applications received funding |
| 7119 | SJRWMD Eau Gallie Dredging Ph I | 150,000 | 150,000 | 12,000 | 0 | Project feasibility underway, 8% complete |
| | | 1,115,394 | 1,115,394 | 657,000 | 264,774 | |

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

Page 31

| ACCT.# | ACCOUNT | BUDGET | CONTRACTED EXPENDITURES TO 3/31/13 | EXPENDITURES EXECUTED to 3/31/13 | ACTUAL EXPENDITURES THRU 3/31/13 | PROJECT STATUS through April 30, 2013 |
|---|--------------------------|-------------------|--|--|--|--|
| PUBLIC INFORMATION | | | | | | |
| 5410 | Communications | 33,000 | 13,724 | 13,724 | 13,724 | |
| 5319.63 | FIND Display Development | 62,474 | 0 | 0 | 0 | Powerpoint in review |
| 5402 | Outreach Events | 25,000 | 12,939 | 12,939 | 12,939 | |
| 5480 | Public Information | 12,000 | 5,066 | 5,066 | 5,066 | |
| 5490 | Legal Advertising | 27,000 | 2,146 | 2,146 | 2,146 | |
| 5554.13 | Manatee Zone Brochures | 15,000 | 845 | 845 | 845 | |
| 5560.01 | Boaters Guides | 7,441 | 0 | 0 | 0 | |
| 5642 | Records Management | 4,238 | 0 | 0 | 0 | |
| | | 186,153 | 34,720 | 34,720 | 34,720 | |
| TAX COLLECTOR AND PROPERTY APPRAISER COMMISSIONS | | | | | | |
| 5311 | Property Appraisers Comm | 160,000 | 160,000 | 96,858 | 96,858 | |
| 5321 | Tax Collectors Comm. | 500,000 | 500,000 | 297,516 | 297,516 | |
| | | 660,000 | 660,000 | 394,374 | 394,374 | |
| EXPENSE TOTALS | | 84,060,722 | 53,968,467 | 23,236,231 | 12,963,398 | |

**EXECUTIVE DIRECTOR'S
DELEGATION OF AUTHORITY**

Actions from April 1, 2013 through May 3, 2013

1. Executed an agreement amendment in the amount of \$7,700.00 with ESI, Inc. for the continued monitoring of a bald eagles nest on DMMA NA-1 during site construction.
2. Executed a Work Order with Taylor Engineering in the amount of \$9,980.45 for the continued monitoring of ground and surface waters at DMMA SJ-14.
3. Executed a Work Order with Taylor Engineering for the DMMP Update of Nassau and Duval Counties as approved by the Board at the April meeting.
4. Executed Change Order Nos. 7 and 8 for the Dania Cutoff Canal Deepening Project as approved by the Board at the April meeting.
5. Executed Work Orders with Taylor Engineering for the Seagrass Mitigation Area Identification for Brevard and Indian River Counties as approved by the Board at the April meeting.
6. Executed an agreement in the amount of \$6,250.00 with David Barton Fence and Wall, LLC for the removal vegetation in the DMMA V-26 containment basin.
7. Executed Change Order No. 5 for the DMMA NA-1 Construction Project to revise the sand and concrete specification resulting in a \$16,000.00 credit to the District.
8. Executed an agreement with Volusia County for the St. Johns River Celebration cleanup as approved by the Board.
9. Approved a settlement with Dredge Enterprise, LLC. Within the settlement range authorized by the Board.

Florida Inland Navigation District
ANNUAL FINANCIAL REPORT
September 30, 2012

Florida Inland Navigation District

ANNUAL FINANCIAL REPORT

September 30, 2012

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Report Of Independent Auditors

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, 2012, 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, 2012, 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, 2013 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, 2013

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2012**

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, 2012**

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.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2012.

- The District's total net assets at the end of the fiscal year totaled \$171,244,409. Of this amount, \$30.7 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 million.
- The District's total fund balance at the end of the fiscal year totaled \$66,577,126. Of this amount, \$49 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, 2012**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

- Total revenues exceeded expenses by \$2,953,323. Ad valorem tax revenues collected from the District's 12 counties totaled \$20.3 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 \$65,897.
- The District has a total of \$3,798,518 in prepaid funds on account with the U.S. Army Corps of Engineers (the "Corps") for ICW maintenance dredging.
- Forty five Waterway Assistance Program projects with local governments were completed during the year totaling \$7.65 million and with the local government's financial contribution to these projects, over \$15 million in public waterway infrastructure was created.
- One Cooperative Assistance Program project was completed with \$100,000 of funding from the District. Three other projects were approved during the year with costs of \$565,000.
- 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 certain of its assets and restricted withdrawals from its funds. As of September 30, 2012 the District had approximately \$180,500 frozen in Fund B with an estimated current value of \$171,289. This item is discussed further in the notes to the financial statements.
- The District expended \$293,000 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.
- The District completed and capitalized \$4.2 million for DMMA IR-2 located in Indian River County.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2012**

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 \$171,244,409 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 |
|----------------------------|--------------------------------|-----------------------|---------------------|
| | 2012 | 2011 | |
| Current assets | \$ 71,181,186 | \$ 67,592,515 | 5.3% |
| Capital assets | 104,059,143 | 104,690,745 | -0.6% |
| Total Assets | 175,240,329 | 172,283,260 | 1.7% |
| Current liabilities | 3,979,446 | 3,972,797 | 0.2% |
| Non-current liabilities | 16,474 | 19,377 | -15.0% |
| Total Liabilities | 3,995,920 | 3,992,174 | 0.1% |
| Invested in capital assets | 104,059,143 | 104,690,745 | -0.6% |
| Restricted | 30,710,765 | 36,694,898 | -16.3% |
| Unrestricted | 36,474,501 | 26,905,443 | 35.6% |
| Total Net Assets | \$ 171,244,409 | \$ 168,291,086 | 1.8% |

The District's total net assets at the end of the fiscal year totaled \$171,244,409; of this amount, \$30.7 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 million. The remaining balance of \$36.5 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, 2012**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

Governmental activities increased the District's net assets by \$2,953,323. Key Elements of these changes are listed below.

| | Governmental Activities | | % |
|--------------------------------|--------------------------------|-----------------------|---------------|
| | 2012 | 2011 | Change |
| Governmental Revenues | | | |
| Ad valorem taxes | \$ 20,304,295 | \$ 21,139,456 | -4.0% |
| Investment earnings | 244,093 | 373,531 | -34.7% |
| Miscellaneous revenues | 98,879 | 443,140 | -77.7% |
| Total Revenues | <u>20,647,267</u> | <u>21,956,127</u> | -6.0% |
| Expenses | | | |
| General government | 1,572,463 | 1,238,773 | 26.9% |
| Physical environment | 16,121,481 | 18,608,162 | -13.4% |
| Total Expenses | <u>17,693,944</u> | <u>19,846,935</u> | -10.8% |
| Change in Net Assets | 2,953,323 | 2,109,192 | 40.0% |
| Net Assets - Beginning of Year | <u>168,291,086</u> | <u>166,181,894</u> | 1.3% |
| Net Assets - End of Year | <u>\$ 171,244,409</u> | <u>\$ 168,291,086</u> | 1.8% |

The decrease in revenue is primarily 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 revenue primarily includes \$93,574 for temporary land leases granted for use of property owned by the District.

The increase in general government expenses is attributed to a reclassification of tax assessment commissions.

The decrease in physical environment expenses can be attributed to the decrease in grants and agreements awarded, reimbursements made for completed projects that were awarded in previous fiscal years, and a reduction of dredging projects incurred.

**Florida Inland Navigation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2012**

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 increased \$3,910,338, from prior year, to \$66,577,126 million as of September 30, 2012. The key factor attributing to the increase is the timing of projects authorized by the District through its Waterway and Cooperative Assistance grants programs. Of the total fund balance, \$49 million has been reserved for land acquisition, dredging projects, DMMA development, waterway studies and disaster relief as well as assistance projects and interlocal agreement projects contracts.

Capital Assets

During the fiscal year the District expended approximately \$293,000 for the purchase of land and the construction of DMMA's and \$17,400 for the purchase of office equipment. The IR-2 DMMA project was completed by September 2012, and was reclassified from Construction in progress.

| Capital Assets | | |
|-----------------------------------|-----------------------|-----------------------|
| (Net of Depreciation) | | |
| | 2012 | 2011 |
| Land and easements | \$ 78,785,102 | \$ 78,229,055 |
| Construction in progress | 3,645 | 4,137,680 |
| Building and improvements | 33,218 | 40,012 |
| Dredged material management | 25,172,489 | 22,208,292 |
| Furniture and equipment | 64,689 | 75,706 |
| Total Capital Assets (Net) | \$ 104,059,143 | \$ 104,690,745 |

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, 2012**

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 \$65,897 at September 30, 2012.

General Fund Budgetary Highlights

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

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

- A \$400,000 decrease in the ICW Dredging account.
- A \$776,173 increase in DMMA development..
- A \$773,492 increase for MSA614B.
- A \$1.756 million decrease in Waterway Assistance Grants relating to projects being completed at a lower cost than anticipated.
- A \$1.25 million increase for the Dania Canal interlocal agreement.
- A \$1.2 million decrease in the land account.

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 2013.

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 2012 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, 2013 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, 2012**

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 \$98,039 in LGIP and \$180,500 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, 2012**

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and cash equivalents | \$ 45,740,042 |
| Investments | 18,269,328 |
| Due from other governments | 83,569 |
| Accrued interest receivable | 87,837 |
| Note receivable | 674,037 |
| Prepaid items | 6,298,518 |
| Restricted Assets: | |
| Cash and cash equivalents | 27,855 |
| Total Current Assets | <u>71,181,186</u> |
| Non-current Assets: | |
| Capital assets not being depreciated | 78,788,747 |
| Capital assets being depreciated | 32,985,348 |
| Less: accumulated depreciation | <u>(7,714,952)</u> |
| Total Non-current Assets | <u>104,059,143</u> |
| Total Assets | <u>175,240,329</u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts payable | 3,634,476 |
| Retainage payable | 292,356 |
| Deferred revenue | 3,191 |
| Compensated absences | 49,423 |
| Total Current Liabilities | <u>3,979,446</u> |
| Non-current Liabilities: | |
| Compensated absences | 16,474 |
| Total Liabilities | <u>3,995,920</u> |
| NET ASSETS | |
| Invested in capital assets | 104,059,143 |
| Restricted for dredging projects | 12,492,742 |
| Restricted for grants, interlocals, and contracts | 18,190,168 |
| Restricted in escrow | 27,855 |
| Unrestricted | 36,474,501 |
| Total Net Assets | <u>\$ 171,244,409</u> |

See accompanying notes.

**Florida Inland Navigation District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012**

Expenses by:

Functions/Programs

| | |
|-------------------------------|---------------------|
| Governmental Activities | |
| General government | \$ (1,572,463) |
| Physical environment | (16,121,481) |
| Total Governmental Activities | <u>(17,693,944)</u> |

General Revenues:

| | |
|---------------------------|-------------------|
| Ad valorem property taxes | 20,304,295 |
| Investment earnings | 244,093 |
| Miscellaneous revenues | 98,879 |
| Total General Revenues | <u>20,647,267</u> |

| | |
|----------------------|-----------|
| Change in Net Assets | 2,953,323 |
|----------------------|-----------|

| | |
|------------------------------|--------------------|
| Net Assets - October 1, 2011 | <u>168,291,086</u> |
|------------------------------|--------------------|

| | |
|---------------------------------|------------------------------|
| Net Assets - September 30, 2012 | <u><u>\$ 171,244,409</u></u> |
|---------------------------------|------------------------------|

See accompanying notes.

**Florida Inland Navigation District
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2012**

| ASSETS | General Fund |
|--|-----------------------------|
| Cash and cash equivalents | \$ 45,740,042 |
| Investments | 18,269,328 |
| Due from other governments | 83,569 |
| Accrued interest receivable | 87,837 |
| Restricted cash and cash equivalents | 27,855 |
| Note receivable | 674,037 |
| Prepaid items | <u>6,298,518</u> |
| Total Assets | <u><u>\$ 71,181,186</u></u> |
| LIABILITIES AND FUND BALANCES | |
| LIABILITIES | |
| Accounts payable | \$ 3,634,477 |
| Retainage payable | 292,355 |
| Deferred revenues | <u>677,228</u> |
| Total Liabilities | <u>4,604,060</u> |
| FUND BALANCES | |
| Nonspendable | 6,469,807 |
| Assigned for: | |
| Dredging projects | 12,520,597 |
| Grants, interlocals and contracts | 17,261,283 |
| Land purchases | 15,243,010 |
| DMMA development | 2,071,915 |
| Waterway studies | 928,885 |
| Disaster relief | 1,000,000 |
| Unassigned | <u>11,081,629</u> |
| Total Fund Balance | <u>66,577,126</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 71,181,186</u></u> |

See accompanying notes.

**Florida Inland Navigation District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
September 30, 2012**

| | |
|--|-----------------------------|
| Total Governmental Fund Balances | \$ 66,577,126 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets not being depreciated, land and easements and construction in progress used in governmental activities are not financial resources and; therefore, are not reported in the funds | 78,788,747 |
| Capital assets being depreciated, building and improvements, \$195,404, dredged material management areas, \$32,449,993, furniture and equipment, \$339,951, net of accumulated depreciation \$(7,714,952) used in governmental activities are not financial resources and therefore, are not reported in the funds. | 25,270,396 |
| Notes receivable are not financial resources in the current period and therefore are reported as deferred revenues at the fund level. | 674,037 |
| Accrued compensated absences are not financial uses, and therefore, are not reported in the funds. | <u>(65,897)</u> |
| Net Assets of Governmental Activities | <u><u>\$171,244,409</u></u> |

See accompanying notes.

Florida Inland Navigation District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the year ended September 30, 2012

| | <u>General Fund</u> |
|------------------------------------|-----------------------------|
| Revenues | |
| Ad valorem taxes | \$ 20,304,295 |
| Investment earnings | 244,093 |
| Miscellaneous | 435,898 |
| Total Revenues | <u>20,984,286</u> |
| Expenditures | |
| Current | |
| General government | 1,584,069 |
| Physical environment | 15,179,537 |
| Capital outlay | 310,342 |
| Total Expenditures | <u>17,073,948</u> |
| Net Change in Fund Balances | <u>3,910,338</u> |
| Fund Balances - October 1, 2011 | <u>62,666,788</u> |
| Fund Balances - September 30, 2012 | <u><u>\$ 66,577,126</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, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 3,910,338

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 that depreciation expense, (\$941,944), exceeded capital outlay, \$310,342 in the current period. (631,602)

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. 11,606

Collection of the note receivable is reported as a miscellaneous income in the governmental fund statements; however, in the Statement of Activities, this revenue was recognized in the year the loan was issued. (337,019)

Change in Net Assets of Governmental Activities \$ 2,953,323

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, 2012

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Ad valorem taxes | \$20,289,293 | \$20,476,330 | \$20,304,295 | \$ (172,035) |
| Investment income | 230,000 | 230,000 | 244,093 | 14,093 |
| Miscellaneous | 359,000 | 359,000 | 435,898 | 76,898 |
| Total Revenues | <u>20,878,293</u> | <u>21,065,330</u> | <u>20,984,286</u> | <u>(81,044)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| Administration | 1,370,772 | 1,364,991 | 1,068,701 | 296,290 |
| Public information | 143,179 | 164,366 | 121,275 | 43,091 |
| Tax assessment commission | 660,000 | 660,000 | 394,093 | 265,907 |
| Physical environment | | | | |
| Waterway assistance grants | 30,459,455 | 28,707,758 | 9,428,629 | 19,279,129 |
| Cooperative assistance grants | 689,600 | 665,394 | 143,854 | 521,540 |
| Operations | 23,120,079 | 23,532,667 | 4,268,503 | 19,264,164 |
| Interlocal agreements | 1,439,000 | 2,690,125 | 1,241,201 | 1,448,924 |
| Long range studies | 1,026,235 | 1,026,235 | 97,350 | 928,885 |
| Capital outlay | 15,863,815 | 16,209,331 | 310,342 | 15,898,989 |
| Total Expenditures | <u>74,772,135</u> | <u>75,020,867</u> | <u>17,073,948</u> | <u>57,946,919</u> |
| Net Change in Fund Balances | (53,893,842) | (53,955,537) | 3,910,338 | 57,865,875 |
| Fund Balances - October 1, 2011 | <u>56,355,310</u> | <u>56,980,499</u> | <u>62,666,788</u> | <u>5,686,289</u> |
| Fund Balances - September 30, 2012 | <u>\$ 2,461,468</u> | <u>\$ 3,024,962</u> | <u>\$66,577,126</u> | <u>\$ 63,552,164</u> |

See accompanying notes.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2012**

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, 2012**

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 the 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 by the Governmental Accounting Standards Board, 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, 2012**

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 measurable 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, 2012**

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, 2012**

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 - 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, 2012**

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, 2012**

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, 2012**

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, 2012.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2012**

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, 2012**

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 (\$66,577,126) differs from "net assets" of governmental activities (\$171,244,409) 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 | \$ 78,785,102 |
| Construction in progress - dredged material management areas | 3,645 |
| Buildings and improvements | 195,404 |
| Dredged material management areas | 32,449,993 |
| Furniture and equipment | 339,951 |
| Accumulated depreciation | (7,714,952) |
| Total | <u>\$ 104,059,143</u> |

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2012**

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)

Deferred revenues

Deferred 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, deferred revenues are susceptible to full accrual on government-wide financial statements.

| | |
|-------------------|-------------------|
| Deferred revenues | \$ <u>674,037</u> |
|-------------------|-------------------|

Accrued compensated absences

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

| | |
|------------------------------|--------------------|
| Accrued compensated absences | \$ <u>(65,897)</u> |
|------------------------------|--------------------|

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

The "net change in fund balances" for government funds (\$3,910,338) differs from the "change in net assets" for governmental activities (\$2,953,323) 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 decreased by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

| | |
|----------------------|---------------------|
| Capital outlay | \$ 310,342 |
| Depreciation expense | <u>(941,944)</u> |
| Total | <u>\$ (631,602)</u> |

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2012**

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 decrease in accrued compensated absences | \$ <u>11,606</u> |
|--|------------------|

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 were included in the statement of activities in a prior year.

| | |
|---------------------------------|---------------------|
| Net change in deferred revenues | \$ <u>(337,019)</u> |
|---------------------------------|---------------------|

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 equivalents. The carrying value of these deposits at September 30, 2012 was \$45,767,897 and the bank balance was \$45,954,238, of which \$27,855 is classified as restricted cash and equivalents. 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, 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. 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. Fund B is accounted for as a fluctuating NAV pool. As of September 30, 2012, the fair value factor for Fund B was 0.9489681158. 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, 2012**

NOTE C – CASH AND INVESTMENTS (CONTINUED)

As of September 30, 2012, 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 | \$ 98,039 | \$ 98,039 |
| Fund B | NA | 180,500 | 171,289 |
| Certificate of Deposit | 7/24/2013 | 15,000,000 | 15,000,000 |
| Certificate of Deposit | 1/19/2013 | 3,000,000 | 3,000,000 |
| Total Investments | | <u>\$ 18,278,539</u> | <u>\$ 18,269,328</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, 2012, the investments in Certificates of Deposit consisted of 98.5% 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 1.5% 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, 2012**

NOTE D – CAPITAL ASSETS

| | October 1, 2011 Balance | Increases | Decreases | September 30, 2012 Balance |
|---|----------------------------|---------------------|---------------------|-------------------------------|
| Non-Depreciable Assets: | | | | |
| Land and easements | \$ 78,229,055 | \$ 556,047 | \$ - | \$ 78,785,102 |
| Construction in progress | 4,137,680 | 3,645 | 4,137,680 | 3,645 |
| Total Non-depreciable Assets | <u>82,366,735</u> | <u>559,692</u> | <u>4,137,680</u> | <u>78,788,747</u> |
| Depreciable Capital Assets: | | | | |
| Building and improvements | 195,404 | - | - | 195,404 |
| Dredged material management areas | 28,575,455 | 3,874,538 | - | 32,449,993 |
| Furniture and equipment | 326,159 | 13,792 | - | 339,951 |
| Total Depreciable Assets | <u>29,097,018</u> | <u>3,888,330</u> | <u>-</u> | <u>32,985,348</u> |
| Total Capital Assets | <u>111,463,753</u> | <u>4,448,022</u> | <u>4,137,680</u> | <u>111,774,095</u> |
| Accumulated Depreciation: | | | | |
| Building and improvements | (155,392) | (6,794) | - | (162,186) |
| Dredged material management areas | (6,367,163) | (910,341) | - | (7,277,504) |
| Furniture and equipment | (250,453) | (24,809) | - | (275,262) |
| Total Accumulated Depreciation | <u>(6,773,008)</u> | <u>(941,944)</u> | <u>-</u> | <u>(7,714,952)</u> |
| Depreciable Assets, Net of Depreciation | <u>22,324,010</u> | <u>2,946,386</u> | <u>-</u> | <u>25,270,396</u> |
| Total Capital Assets, Net of Depreciation | <u>\$ 104,690,745</u> | <u>\$ 3,506,078</u> | <u>\$ 4,137,680</u> | <u>\$ 104,059,143</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, 2012**

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, 2012 Employer Contribution Rates | July 1, 2011 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% | 5.18% | 4.91% |
| 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% | 6.30% | 6.27% |
| 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% | 4.42% |

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, 2012, 2011, and 2010 were \$31,594, \$57,050, and \$56,709, 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 years ended September 30, 2012 and 2011 totaled \$16,104 and \$4,026, respectively.

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, 2012**

NOTE F – LONG TERM DEBT

The long term debt of the District consists of compensated absences. The changes for the year ended September 30, 2012 are:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|----------------------|------------------------------|------------------|------------------|---------------------------|--------------------------------|
| Compensated Absences | \$ 77,503 | \$ 55,601 | \$ 67,207 | \$ 65,897 | \$ 49,423 |

NOTE G – 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, 2012, the District had approved projects totaling approximately \$29 million, of which, approximately \$17.9 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, 2013.

Contracts and Interlocal Agreements

The District has entered into contracts for professional services related to waterway management. For the fiscal year ended September 30, 2012, the District had approved contracts totaling approximately \$1.45 million of which approximately \$205,000 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, 2013.

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.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2012**

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 if Congress makes the required funding available.

The District has been performing the tasks outlined in the Consent Order with FDEP and has expended \$637,005 as of September 30, 2012. 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 has sent a Demand for Judgment/Proposal for Settlement to the contractor's insurance company to resolve payment of these expenses. If a settlement cannot be reached to the District's benefit then the legal suit against the contractor will proceed.

**Florida Inland Navigation District
NOTES TO FINANCIAL STATEMENTS
September 30, 2012**

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, 2012, and have issued our report thereon dated May XX, 2013. 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, 2013

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, 2012, and have issued our report thereon dated May XX, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General. 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, 2013 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 which governs the conduct of local entity audits performed in the State of Florida.

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, 2012, filed with the Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with our annual financial audit report for the fiscal year ended September 30, 2012.

Pursuant to Section 215.985(12), Florida Statutes, and Section 10.554(1)(i)9, the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its website.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, member of the Florida Senate and the Florida House of Representatives, the Florida Auditor General and other granting agencies, and applicable management, 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, 2013