

Kathy



**Regular Board Meeting
of the
Captiva Erosion Prevention District**

'Tween Waters Inn, Wakefield Room
15951 Captiva Drive
Captiva, Florida 33924

Wednesday, March 13, 2013
1:00 P.M.

March 13, 2013 CEPD Regular Board Meeting
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Agenda

Regular Meeting of the Captiva Erosion Prevention District

Tween Waters Inn, 15951 Captiva Drive, Captiva, Florida 33924

March 13, 2013 @1PM

1. Call to Order
2. Roll Call
3. Approval of Meeting Minutes
4. Public to be Heard
5. Financial Report
6. Old Business
 - a) Annual Audit of Financial Statements
 - b) Renourishment Project
 - c) Funding Status
 - o ACOE
 - o ILA
7. New Business
 - o BP Claim
8. Administrator Report
 - o Beach Award
9. Public to be Heard
10. Commissioner Comments

Adjourn

4/10/13 Board Meeting Pm
5pm - Town meeting

Minutes

Regular Meeting of the Captiva Erosion Prevention District

Tween Waters Inn, 15951 Captiva Drive, Captiva, Florida 33924

February 13, 2013 @1:00 PM

Commissioners Present: Jim Boyle (Chair); Doris Holzheimer (Vice Chair)-arrived at meeting at 1:04; Dave Jensen (Treasurer); Mike Mullins (Commissioner);

Absent (excused): Harry Kaiser (Secretary)

Staff Present: Kathleen Rooker, CEPD Administrator; JoAnn Paul-Young, Accountant; John Bralove, CEPD Assistant to the Administrator; Hans Wilson, Hans Wilson and Associates

1. Call to Order

Chairman Boyle called the meeting to order at 1:00 pm.

2. Roll Call

The roll was called and the results are outlined above.

3. Approval of Meeting Minutes

Chairman Boyle asked for a motion to approve the minutes from the January meeting. Mr. Mullins moved and Mr. Boyle seconded a motion to dispense with the reading and approve the minutes as written from the January 10, 2013 Regular Board Meeting. The motion passed unanimously.

4. Public to be Heard

There were no comments from the public.

5. Financial Report

Mr. Jensen reported he saw nothing out of the ordinary with the General Fund. Mr. Mullins noted that Consulting and Professional Fees were well under budget, although still high, and asked what were the expenses contained in these accounts. Ms. Paul-Young explained that they were attorney, management, and accounting fees. Mr. Jensen reported income in the Capital Projects account was running behind the same period last year because some taxpayers were paying later than usual. He said it is simply a timing phenomenon. Mr. Mullins asked about the difference between year-to-date and annual budget figures. Ms. Paul-Young explained. Mr. Jensen asked whether the parking rate changes had gone into effect and was told that they had become effective yesterday evening.

Chairman Boyle asked that Agenda Item #7 be discussed at this time if there were no objection. There were no objections and the discussion moved to this Agenda Item 7.

7. New Business

o Annual Audit of Financial Statements Update

Mr. Jensen reported that he, Ms. Rooker, and Ms. Paul-Young had gone over a draft of the audit and had communicated changes back to Stroemer & Co. Ms. Rooker reported CEPD should receive a final draft next week. It will be sent electronically to Board members for their review. Final approval of the audit will occur at the March meeting. Board members requested they receive printed copies of the draft audit and also requested they receive printed copies of the Agenda Materials. Chairman Boyle agreed to have the Agenda Materials delivered to Board members the Monday afternoon prior to the Wednesday meeting.

Since there was no other discussion about the audit, Chairman Boyle moved the discussion to Old Business.

6. Old Business

a) Renourishment Project

Chairman Boyle updated the Board on the Renourishment Project, remarking that CEPD was still pursuing two options: working with the ACOE or sequencing with Longboat Key and Collier County. He reminded the board that the Bid Announcement had already gone out and final requests for bids would go out March 5. He added that bidders had asked for a meeting with the 3 entities (CEPD, Longboat Key, and Collier County), and there will be an information meeting at the FSBPA Technology Meeting in Jacksonville on Friday, February 15 at 1:00 pm. CP&E will also attend this meeting. He said Longboat Key is ready to go; Collier County is still working on their schedule. The meeting will be opened by a representative of the Florida DEP since they are interested in encouraging this type of cooperation to reduce the cost of beach renourishment. Mr. Boyle said there is the potential for CEPD to reapply to DEP for the Grant Agreement to amend it to get more points for the sequencing, which in turn could increase the grant amount. He added that if CEPD were to go this route, he still saw the project beginning to pump sand around September 1, give or take a month.

b) Funding Status

o ACOE

Chairman Boyle reported that just this morning CEPD got word from the ACOE that the project had been approved in Jacksonville, the Southern Regional Office in Atlanta, and at the Center for Excellence in New York, and has been sent to Washington for final approval. He said he and Ms. Rooker are meeting with the ACOE in Jacksonville on Friday to persuade the Corps to accept CEPD's permits, biological opinions, etc. to condense the Corps normal time frame to start a project. Mr. Boyle said he and Ms. Rooker also will travel to Washington on February 26 to meet with CEPD's lobbyist and the ACOE to discuss how the contracting will work with respect to the emergency funding as compared to a regular ACOE full renourishment. He said CEPD needs to explore these options and others since the time frame is quickly approaching where a decision will have to be made – by early March. Mr. Boyle and the other commissioners discussed other options. Mr. Boyle concluded the discussion by saying that he thought it was highly probable the CEPD will get the \$4 million; it just is a matter of when.

Following the ACOE discussion, Mr. Mullins suggested CEPD submit a grant request to BP and/or perhaps make an argument on behalf of the entire island. Or, Mr. Mullins continued, contact some of the attorneys who are involved in these matters. Mr. Boyle said that since Mr. Wilson attends the Gulf Consortium meetings, he will ask Mr. Wilson to provide a status report as soon as he returns from taking a phone call.

o **ILA**

Commissioner Boyle reviewed the various meetings that had taken place between CEPD and the County including a Thursday, February 7 afternoon meeting with Commissioner Manning and County staff. He said they responded to the 56% cost share that CEPD had proposed by suggesting 33%. Mr. Boyle said he told them this was not acceptable and not near where it had to be. Mr. Boyle continued that for this reason, he had a separate meeting with Mr. Manning on Friday one-on-one. He reported Mr. Manning said he will continue to work with County staff and get back to CEPD in a week or two.

Mr. Wilson returned and Chairman Boyle asked Mr. Wilson to provide an update on the availability of BP funds. Mr. Mullins asked Mr. Wilson whether he thought CEPD should be separately pursuing something through an attorney and/or through the joint Gulf Consortium. Mr. Wilson said most individuals, if they have had an impact, have filed individual claims. The dollar fund amount the Consortium is working with has not been settled yet. It comes from the settlement with BP under the Clean Water Act. He said the current focus is on habitat restoration but what is fundable has not yet been defined. Mr. Wilson called upon Justin McBride with Lee County to add his comments.

Mr. McBride said the money Lee County is targeting is for habitat restoration. He suggested that for beach restoration funds, CEPD had two options: 1) talk to Commissioner Manning, or 2) go on its own. Mr. Mullins thought CEPD should contact a contingency attorney. Mr. Boyle asked if commissioners knew of any appropriate attorneys. Mr. Wilson commented that he was not sure it even required an attorney; it was enough of a straight forward process that an entity's accountant could handle it and save attorney's fees. Mr. Mullins suggested CEPD talk to some attorneys and suggested two and Mr. Jensen suggested one. Mr. Mullins asked Mr. Jensen to send him the name he was suggesting. Mr. Boyle said that Mr. Mullins will contact the attorneys and see who looks best.

8. Administrator Report

o **TDC Beach and Shoreline Grant Request**

Ms. Rooker updated the commissioners and reviewed the schedule contained in the Agenda Materials.

o **FSBPA Legislative Priorities**

Ms. Rooker reported she presented to the County Delegation last month. She reported that the Governor is recommending \$25 million for beach renourishment this year. She also explained that Florida is not eligible for money for Hurricane Sandy damage. Therefore FSBPA is going to lobby that other funds be put in the state's budget to help those on the east coast of Florida that suffered damage. This would be in addition to the \$25 million.

Mr. Mullins asked whether there was a revised timeline for the project. Mr. Boyle said a revised one will be provided at the March Board meeting.

9. Public to be Heard

There were no comments from the public.

10. Commissioner Comments

Ms. Holzheimer asked Mr. McBride for an update on Blind Pass. Mr. McBride said dredging would begin Thursday, weather permitting, and be finished, he estimated, April 1.

Mr. Jensen thanked Mr. Boyle for all the travel he had been doing on CEPD's behalf. Mr. Boyle thanked Mr. Jensen and added that the lobbyist CEPD hired, Greg Burns, has been very instrumental with the ACOE. He has been very helpful to CEPD.

Adjourn

There being no further business, the meeting was adjourned at 1:55 pm.

Minutes

Briefing Meeting of the Captiva Erosion Prevention District

11513 Andy Rosse Lane, Unit 4, Captiva, Florida 33924

February 21, 2013 @ 1:00 PM

Commissioners Present: Jim Boyle (Chair); Doris Holzheimer (Vice Chair); Dave Jensen (Treasurer)

Absent: Mike Mullins (Commissioner); Harry Kaiser (Secretary)

Staff Present: Kathleen Rooker, CEPD Administrator; John Bralove, CEPD Assistant to the Administrator

1. Call to Order

Chairman Boyle called the meeting to order at 1:00 P. M.

2. Roll Call

The roll was called and the results are outlined above.

3. Renourishment Project

Chairman Boyle first presented information on the "Sequencing" scenario. He said last Friday afternoon in Jacksonville there was a meeting among Ms. Rooker and himself, the head of the Florida Department of Environmental Protection (who began the meeting to emphasize the importance of joint cooperation), representatives of CP&E, Longboat Key, Collier County, and dredging firms. He reported there was standing room only, it was a good meeting, and there were lots of questions from the dredgers. One of the issues that came up from the dredgers was that one community, Collier County, did not provide plans and specifications to the dredgers. The representative from Collier County, Mr. Boyle reported, said his Board of County Commissioners had not yet approved the project but he expected a green light at their next meeting on February 26. The dredgers said given these circumstances, the opening of bids should be delayed from March 20 to April 3 and this was agreed to. Mr. Boyle also said the dredgers confirmed that even with this two weeks' delay, they could do Longboat Key in June, followed by CEPD's project in July and August, and Collier County starting after November 1.

Regarding Army Corps funding, Mr. Boyle reported that last Friday morning in Jacksonville, Ms. Rooker and he had met with Jackie Keiser and Laurel Reichold of the Corps. He said the PIR had been approved at all Corps levels from a technical perspective and funding approval now rests in Washington. Preliminary work by the Corps outlined two alternatives. #1 consists of placement of sand volume only of approximately 165,000 cubic yards under the Flood Control Coastal Emergency (FCCE) provisions and was strictly for sand lost from Hurricane Debby. The cost is approximately \$5.3 million, all of which would be paid by the federal government. He said funds are available from \$197 million still remaining from federal legislation passed in December 2011.

Mr. Boyle said he thought there was a 90% probability of CEPD receiving this money. He explained that there are 3 priority categories for this funding: #1 is for extremely critical emergencies and there are no situations in this category; #2 is for threats to safety and life, in which CEPD is placed because Captiva Drive is the only egress off the island and the only road for emergency vehicle access; and #3 is everything else. He said CEPD is the only project in Category #2 in the southern Atlantic region and is first in line.

Alternative #2 consists of placement of the FCCE sand volume together with a full construction project for the entire Island of Captiva not including Sanibel. In this alternative, the federal share of the project would be approximately \$7.8 million. It would use approximately \$2.5 million of supplemental funding in addition to the \$5.3 million from Alternative #1. Mr. Boyle estimated the probability of this alternative happening at 60%.

Mr. Boyle continued by saying that at the meeting he asked Ms. Keiser what was standing in the way of moving forward with the project. She said there were three things; 1) funding; 2) their NEPA requirements are requiring a more current survey of CEPD's sand borrow areas; and 3) the legal department in Jacksonville is questioning whether CEPD has all the necessary easements. CEPD has put the ACOE Jacksonville's legal department in touch with Nancy Stroud, who has dug out the old files of all the easements established in 1988 and 1989, and will answer whatever the easement questions are.

Mr. Boyle said he then asked Ms. Keiser when she was expecting to hear on the final funding decision. She responded she thought sometime in March. Mr. Boyle asked, assuming March 15, how would this flow from her point of view. Ms. Keiser said if she got word on March 15, she would send out the bid announcement on March 16 and has to wait 30 days. She would open the bids April 16, and since it is emergency funding, she does not have to wait more than two weeks to award the contract, which would be about May 1. Mr. Boyle said if this were to happen, the project could start as early as mid-July.

There was discussion of how CEPD would fund the project if the above scenario were to take place since the Army Corps requires the money up front if they manage the project. Mr. Jensen asked some questions related to the Corps' role in the sequencing scenario. It was explained that the Corps has no role if this scenario were to take place. Indeed, Mr. Boyle explained, the Corps was offered the opportunity to participate, in effect taking CEPD's role in the sequence, and Mr. Boyle reported that Ms. Keiser said absolutely not.

Mr. Boyle went on to say that there was another possibility, which would be to contract with the Corps for the remainder of the total project after they completed the emergency project as outlined in Alternative #1. Various costs were estimated and discussed, including what the ultimate costs to Captiva taxpayers might be. Mr. Boyle said with so many alternatives and possibilities, the range for the local share is still difficult to calculate, especially since the total project costs are still just estimates.

Mr. Boyle concluded this part of the agenda by explaining CEPD is still working on all of this and he and Ms. Rooker will be traveling to Washington next week to meet with the Corps, CEPD's congressional people, along with CEPD's lobbyist.

4. Borrow Area Survey

Chairman Boyle began the discussion of this Agenda Item by saying Board action is required today to authorize a survey of the sand borrow area as required by the ACOE in order to keep things moving. This is needed, he explained, before the ACOE can go out for bids. CP&E has verbally estimated this work will cost between \$25,000 and \$30,000. Ms. Holzheimer brought up the issue that Board action is not allowed at Briefing Meetings. Mr. Boyle explained that he had consulted Nancy Stroud and she said that action can be taken at these meetings as long as a quorum is present. He showed the email from Ms. Stroud that explained this.

Mr. Jensen asked what the consequences were if action were delayed until the next regular Board meeting. Mr. Boyle responded that everything would be delayed by the amount of the delay. Mr. Jensen asked staff to determine whether there was a more recent survey of the borrow areas and Mr. Boyle said this would be done. He then asked Ms. Rooker to read Resolution 2013-1 approving the expenditure of up to \$30,000 for the survey of the Captiva Island sand borrow area. Ms. Rooker read the Resolution in full. Mr. Jensen moved its adoption and the motion was seconded by Ms. Holzheimer. All three Commissioners present voted for the motion and it passed.

Adjourn

There being no other business, Chairman Boyle adjourned the meeting at 1:38 P. M.

CEPD - GEN FUND
 Budget Performance - Summary
 For the One and Five Months Ended February 28, 2013

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Feb '13	Budget -Feb '13	Variance -Feb '13	Actual YTD	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Ad Valorem Tax	26,301.86	17,801.00	8,500.86	323,725.32	323,975.00	(249.68)	356,016.00	32,290.68
Interest income - Other	6.76	0.00	6.76	26.28	0.00	26.28	0.00	0.00
Other Income	100.00	100.00	0.00	5,175.36	400.00	4,775.36	1,100.00	0.00
Total Income	<u>26,408.62</u>	<u>17,901.00</u>	<u>8,507.62</u>	<u>328,926.96</u>	<u>324,375.00</u>	<u>4,551.96</u>	<u>357,116.00</u>	<u>32,290.68</u>
Gross Profit	26,408.62	17,901.00	8,507.62	328,926.96	324,375.00	4,551.96	357,116.00	32,290.68
Expense								
Administrative expenses	6,070.18	3,209.75	2,860.43	26,157.80	23,477.75	2,680.05	70,625.00	44,467.20
Capital outlay	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	4,000.00
Reserves	0.00	0.00	0.00	0.00	0.00	0.00	79,665.00	79,665.00
Cost of collecting Ad Valorem	526.04	375.00	151.04	9,704.14	10,079.00	(374.86)	10,754.00	1,049.86
Legal and professional fees	11,306.09	16,006.00	(4,699.91)	52,336.19	80,029.00	(27,692.81)	192,072.00	139,735.81
Total Expense	<u>17,902.31</u>	<u>19,590.75</u>	<u>(1,688.44)</u>	<u>88,198.13</u>	<u>113,585.75</u>	<u>(25,387.62)</u>	<u>357,116.00</u>	<u>268,917.87</u>
Net Ordinary Income	<u>8,506.31</u>	<u>(1,689.75)</u>	<u>10,196.06</u>	<u>240,728.83</u>	<u>210,789.25</u>	<u>29,939.58</u>	<u>0.00</u>	<u>(236,627.19)</u>
Net Income	<u>8,506.31</u>	<u>(1,689.75)</u>	<u>10,196.06</u>	<u>240,728.83</u>	<u>210,789.25</u>	<u>29,939.58</u>	<u>0.00</u>	<u>(236,627.19)</u>

NOTE: Residual Budget figures ONLY represent Budgeted Revenue uncollected and Budgeted Expenditures not incurred
 DRAFT FINANCIAL STATEMENT

CEPD - GENERAL FUND
Profit & Loss Budget Performance - Detail
For the One and Five Months Ended February 28, 2013

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Feb '13	Budget -Feb '13	Variance -Feb '13	Actual YTD	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Ad Valorem Tax								
Ad Valorem taxes	26,301.56	17,801.00	8,500.56	323,602.19	323,975.00	(372.81)	356,016.00	32,413.81
Ad Valorem penalties collected	0.30	0.00	0.30	123.13	0.00	123.13	0.00	0.00
Total Ad Valorem Tax	26,301.86	17,801.00	8,500.86	323,725.32	323,975.00	(249.68)	356,016.00	32,413.81
Interest income - Other	6.76	0.00	6.76	26.28	0.00	26.28	0.00	0.00
Other Income	100.00	100.00	0.00	5,175.36	400.00	4,775.36	1,100.00	0.00
Total Income	26,408.62	17,901.00	8,507.62	328,926.96	324,375.00	4,551.96	357,116.00	32,413.81
Gross Profit	26,408.62	17,901.00	8,507.62	328,926.96	324,375.00	4,551.96	357,116.00	32,413.81
Expense								
Administrative expenses								
Advertising	0.00	0.00	0.00	1,584.65	1,950.00	(365.35)	3,500.00	1,915.35
Board meeting expenses	0.00	100.00	(100.00)	2.06	500.00	(497.94)	1,200.00	1,197.94
Copier lease expense	162.57	250.00	(87.43)	692.71	1,250.00	(557.29)	3,000.00	2,307.29
Dues and subscriptions	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)	2,000.00	2,000.00
Equipment rental	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	4,000.00
General insurance	0.00	0.00	0.00	1,896.00	2,500.00	(604.00)	10,000.00	8,104.00
Newsletter expense	606.30	0.00	606.30	845.20	850.00	(4.80)	3,400.00	2,554.80
Office expense	206.84	393.75	(186.91)	1,370.43	1,968.75	(598.32)	4,725.00	3,354.57
Postage	0.00	0.00	0.00	182.97	200.00	(17.03)	500.00	317.03
Rent expense	1,386.45	1,425.00	(38.55)	6,932.25	7,125.00	(192.75)	17,100.00	10,167.75
Repairs	200.00	292.00	(92.00)	770.00	1,460.00	(690.00)	3,500.00	2,730.00
Telephone	351.67	367.00	(15.33)	1,610.35	1,835.00	(224.65)	4,400.00	2,789.65
Travel and per diem	2,987.88	250.00	2,737.88	8,430.32	1,250.00	7,180.32	8,000.00	0.00
Utilities	168.47	132.00	36.47	545.86	664.00	(118.14)	1,600.00	1,054.14
Website & Computer maintenance	0.00	0.00	0.00	1,295.00	925.00	370.00	3,700.00	2,405.00
Total Administrative expenses	6,070.18	3,209.75	2,860.43	26,157.80	23,477.75	2,680.05	70,625.00	44,897.52
Capital outlay								
Equipment purchases	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	4,000.00
Total Capital outlay	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	4,000.00
Reserves								
Operating Reserves	0.00	0.00	0.00	0.00	0.00	0.00	79,665.00	79,665.00
Total Reserves	0.00	0.00	0.00	0.00	0.00	0.00	79,665.00	79,665.00
Cost of collecting Ad Valorem								
Property tax appraiser fees	0.00	0.00	0.00	3,224.81	3,254.00	(29.19)	3,254.00	29.19
Tax collector commissions	526.04	375.00	151.04	6,479.33	6,825.00	(345.67)	7,500.00	1,020.67
Total Cost of collecting Ad Valorem	526.04	375.00	151.04	9,704.14	10,079.00	(374.86)	10,754.00	1,049.86
Consulting and Professional Fees								
Consulting	9,964.00	11,298.00	(1,334.00)	39,856.00	56,489.00	(16,633.00)	135,572.00	95,716.00
Professional Fees	1,342.09	4,708.00	(3,365.91)	12,480.19	23,540.00	(11,059.81)	56,500.00	44,019.81
Total Legal and professional fees	11,306.09	16,006.00	(4,699.91)	52,336.19	80,029.00	(27,692.81)	192,072.00	139,735.81
Total Expense	17,902.31	19,590.75	(1,688.44)	88,198.13	113,585.75	(25,387.62)	357,116.00	269,348.19
Net Ordinary Income	8,506.31	(1,689.75)	10,196.06	240,728.83	210,789.25	29,939.58	0.00	(236,934.38)
Net Income	8,506.31	(1,689.75)	10,196.06	240,728.83	210,789.25	29,939.58	0.00	(236,934.38)

NOTE: Residual Budget figures reflect only Budget Revenue uncollected and Budgeted expenditures not yet incurred DRAFT FINANCIAL STATEMENT

CAPTIVA EROSION PREVENTION DISTRICT
CAPITAL PROJECTS
BUDGET PERFORMANCE - SUMMARY
For the One and Five Months Ended February 28, 2013

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Feb '13	Budget -Feb '13	Variance -Feb '13	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Contributions from Property Owners	0.00	0.00	0.00	0.00	0.00	0.00	8,000,000.00	8,000,000.00
Grant Income	0.00	0.00	0.00	0.00	0.00	0.00	11,044,284.00	11,044,284.00
Interest Income	43.35	42.00	1.35	884.29	206.00	678.29	500.00	0.00
Parking Lot Revenue	14,414.17	14,400.00	14.17	62,935.46	57,600.00	5,335.46	160,000.00	97,064.54
Reserves - General	0.00	0.00	0.00	0.00	0.00	0.00	79,665.00	79,665.00
Special Assessments	131,997.20	12,242.00	119,755.20	367,754.26	355,014.00	12,740.26	408,066.00	38,762.34
Total Income	146,454.72	26,684.00	119,770.72	431,574.01	412,820.00	18,754.01	19,692,515.00	19,259,775.88
Expense			0.00	0.00	0.00	0.00	0.00	0.00
Advertising	0.00	250.00	(250.00)	0.00	250.00	(250.00)	1,000.00	1,000.00
Annual memberships & fees	0.00	0.00	0.00	0.00	250.00	(250.00)	1,000.00	1,000.00
Bank service charges	49.87	0.00	49.87	94.61	0.00	94.61	0.00	0.00
Blind Pass project	0.00	16,000.00	(16,000.00)	0.00	16,000.00	(16,000.00)	32,000.00	32,000.00
Cost of Assessment Collections	0.00	0.00	0.00	1,714.42	1,200.00	514.42	1,800.00	85.58
Engineering (CP)	0.00	4,066.00	(4,066.00)	5,718.80	20,331.00	(14,612.20)	48,793.00	43,074.20
Insurance	0.00	0.00	0.00	11,859.00	11,000.00	859.00	11,000.00	0.00
Parking lot expenses	7,327.51	7,222.00	105.51	17,141.22	17,648.00	(506.78)	38,200.00	21,058.78
Project Management Support	13,340.99	13,703.00	(362.01)	61,568.04	68,519.00	(6,950.96)	164,444.00	102,875.96
Renourishment 2013/14 Design Phase	1,450.00	14,432.00	(12,982.00)	70,397.64	142,044.00	(22,560.06)	16,362,190.00	16,291,792.36
Rent	333.68	450.00	(116.32)	1,752.24	2,250.00	(497.76)	5,400.00	3,647.76
Storage of records	168.54	160.00	8.54	842.70	796.00	46.70	1,910.00	1,067.30
Website Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expense	22,670.59	56,283.00	(33,612.41)	171,088.67	280,288.00	(60,113.03)	16,667,737.00	16,497,601.94
Net Ordinary Income (Loss)	123,784.13	(29,599.00)	153,383.13	260,485.34	132,532.00	78,867.04	3,024,778.00	2,762,173.94
Net Income	123,784.13	(29,599.00)	153,383.13	260,485.34	132,532.00	78,867.04	3,024,778.00	2,762,173.94

***NOTE Residual Budget figures ONLY reflect Budgeted Assessments to be collected and Budgeted Costs not yet incurred.

CAPTIVA EROSION PREVENTION DISTRICT
CAPITAL PROJECTS
BUDGET PERFORMANCE- DETAIL
For the One and Five Months Ended February 28, 2013

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Feb '13	Budget -Feb '13	Variance -Feb '13	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Contributions from Property Owners	0.00	0.00	0.00	0.00	0.00	0.00	8,000,000.00	8,000,000.00
Grant Income - Local	0.00	0.00	0.00	0.00	0.00	0.00	6,544,284.00	6,544,284.00
Grant Income - State	0.00	0.00	0.00	0.00	0.00	0.00	4,500,000.00	4,500,000.00
Interest Income	43.35	42.00	1.35	884.29	206.00	678.29	500.00	0.00
Parking Lot Revenue	14,414.17	14,400.00	14.17	62,935.46	57,600.00	5,335.46	160,000.00	97,064.54
Reserves - General	0.00	0.00	0.00	0.00	0.00	0.00	79,665.00	79,665.00
Special Assessments								
Special Assessments Principal	125,849.76	11,733.00	114,116.76	352,499.69	340,252.00	12,247.69	391,096.00	38,596.31
Special Assessments - Interest	6,953.84	509.00	6,444.84	16,803.97	14,762.00	2,041.97	16,970.00	166.03
Special Assessments - Refunds	(806.40)	0.00	(806.40)	(1,549.40)	0.00	(1,549.40)	0.00	0.00
Total Special Assessments	131,997.20	12,242.00	119,755.20	367,754.26	355,014.00	12,740.26	408,066.00	38,762.34
Total Income	146,454.72	26,684.00	119,770.72	431,574.01	412,820.00	18,754.01	19,692,515.00	19,259,775.88
Expense								
Advertising	0.00	250.00	(250.00)	0.00	250.00	(250.00)	1,000.00	1,000.00
Annual memberships & fees	0.00	0.00	0.00	0.00	250.00	(250.00)	1,000.00	1,000.00
Bank service charges	49.87	0.00	49.87	94.61	0.00	94.61	0.00	0.00
Blind Pass project	0.00	16,000.00	(16,000.00)	0.00	16,000.00	(16,000.00)	32,000.00	32,000.00
Cost of Assessment Collections	0.00	0.00	0.00	1,714.42	1,200.00	514.42	1,800.00	85.58
Engineering (CP)	0.00	4,066.00	(4,066.00)	5,718.80	20,331.00	(14,612.20)	48,793.00	43,074.20
Insurance	0.00	0.00	0.00	11,859.00	11,000.00	859.00	11,000.00	0.00
Parking lot expenses								
Mobi Mat	4,149.00	4,300.00	(151.00)	4,149.00	4,300.00	(151.00)	4,300.00	151.00
Parking maintenance	1,824.41	1,433.00	391.41	6,974.31	7,167.00	(192.69)	17,200.00	10,225.69
Portable toilets	524.50	625.00	(100.50)	3,147.00	3,125.00	22.00	7,500.00	4,353.00
Sales tax expense	829.60	864.00	(34.40)	2,870.91	3,056.00	(185.09)	9,200.00	6,329.09
Total Parking lot expenses	7,327.51	7,222.00	105.51	17,141.22	17,648.00	(506.78)	38,200.00	21,058.78
Project Management Support								
Professional Fees	7,970.99	8,333.00	(362.01)	40,088.04	41,667.00	(1,578.96)	100,000.00	59,911.96
Project Consultant	5,370.00	5,370.00	0.00	21,480.00	26,852.00	(5,372.00)	64,444.00	42,964.00
Project Manual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Project Management Support	13,340.99	13,703.00	(362.01)	61,568.04	68,519.00	(6,950.96)	164,444.00	102,875.96
Renourishment 2013/14 Design Phase								
Bidding, Negotiation & Award	1,450.00	12,000.00	(10,550.00)	4,305.60	15,000.00	(10,694.40)	15,000.00	10,694.40
Bond Attorney Fees	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	15,000.00
Captiva Biological Assesment	0.00	0.00	0.00	3,673.84	13,342.00	(9,668.16)	13,342.00	9,668.16
Long Range Plan Update	0.00	0.00	0.00	234.50	0.00	234.50	8,968.00	8,733.50
Mobilization, Dredging & Fill	0.00	0.00	0.00	0.00	0.00	0.00	15,621,253.00	15,621,253.00
Monitoring - Sea Turtle	0.00	0.00	0.00	0.00	0.00	0.00	100,699.00	100,699.00
Post Construct Survey & Report	0.00	0.00	0.00	0.00	0.00	0.00	124,226.00	124,226.00
Pre Construction Survey/7yr Monitor	0.00	0.00	0.00	47,249.70	96,336.00	0.00	96,336.00	49,086.30
Pre, During, & Post Construct Survey	0.00	0.00	0.00	0.00	0.00	0.00	350,000.00	350,000.00

***NOTE: Residual Budget figures ONLY reflect Budgeted Assessments to be collected and Budgeted Costs not yet incurred.

DRAFT FINANCIAL STATEMENT

CAPTIVA EROSION PREVENTION DISTRICT
 CAPITAL PROJECTS
 BUDGET PERFORMANCE- DETAIL
 For the One and Five Months Ended February 28, 2013

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Feb '13	Budget -Feb '13	Variance -Feb '13	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Prelim Plans/Permits/FDEP NTP	0.00	2,432.00	(2,432.00)	14,934.00	17,366.00	(2,432.00)	17,366.00	2,432.00
Total Renourishment 2013/14 Design Phase	1,450.00	14,432.00	(12,982.00)	70,397.64	142,044.00	(22,560.06)	16,362,190.00	16,291,792.36
Rent	333.68	450.00	(116.32)	1,752.24	2,250.00	(497.76)	5,400.00	3,647.76
Storage of records	168.54	160.00	8.54	842.70	796.00	46.70	1,910.00	1,067.30
Website Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expense	22,670.59	56,283.00	(33,612.41)	171,088.67	280,288.00	(60,113.03)	16,667,737.00	16,497,601.94
Net Ordinary Income (Loss)	123,784.13	(29,599.00)	153,383.13	260,485.34	132,532.00	78,867.04	3,024,778.00	2,762,173.94
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***NOTE: Residual Budget figures ONLY reflect Budgeted Assessments to be collected and Budgeted Costs not yet incurred.
 DRAFT FINANCIAL STATEMENT

CAPTIVA EROSION PREVENTION DISTRICT
RESERVE ACCUMULATIONS
FISCAL YEAR ENDING 9/30/2013

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Beginning Balance	\$ 567,492	\$ 577,362	\$ 584,706	\$ 593,241	\$ 592,950	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484
Reserves Transferred In												
Parking Revenue	12,658	11,463	9,104	15,296	14,414							
Operating Reserves												
Total Reserves Transferred In	12,658	11,463	9,104	15,296	14,414	-	-	-	-	-	-	-
NonProject Costs Expended												
Advertising												
Bank service charges	762		(2,197)	733	50							
Insurance				11,859								
Parking Lot Expenses	1,670	3,249	2,374	2,520	7,328							
Project Manual												
Rent	355	533	223	307	334							
Storage of records		337	169	169	169							
Total NonProject Costs Expended	2,788	4,119	569	15,587	7,880	-	-	-	-	-	-	-
Increase (Decrease) in Reserves	9,870	7,344	8,535	(291)	6,535	-	-	-	-	-	-	-
Total Accumulated Reserves	\$ 577,362	\$ 584,706	\$ 593,241	\$ 592,950	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484	\$ 599,484

CAPTIVA EROSION PREVENTION DISTRICT

BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR

YEAR ENDED
SEPTEMBER 30, 2012

Open Items:

- Signed rep letter
- Signed acknowledgment memo

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Captiva Erosion Prevention District
Captiva, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Captiva Erosion Prevention District (the "District") as of September 30, 2012 and for the year then ended, which collectively comprise the District's basic financial statements as listed in the table of contents. These 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Captiva Erosion Prevention District as of September 30, 2012, and the respective changes in financial position, 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 our report January 15, 2013, on our consideration of Captiva Erosion Prevention District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

Board of Commissioners
Captiva Erosion Prevention District
Page 2

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3-8) and the Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual for the General Fund and Capital Projects Fund (pages 33-36) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

STROEMER & COMPANY, LLC
Fort Myers, Florida
January 15, 2013

MANAGEMENT'S DISCUSSION
AND ANALYSIS
(MD&A)

**CAPTIVA EROSION PREVENTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2012**

Page 3 of 41

This discussion and analysis of the Captiva Erosion Prevention District (the "District") financial statements is designed to introduce the basic financial statements and provides an analytical overview of the District's financial activities for the fiscal year ended September 30, 2012. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the District's financial position.

District Highlights

At the close of fiscal year 2011-2012, the District's assets exceed its liabilities, resulting in net assets of \$9,344,682. The District's total net assets decreased \$1,393,033 or 12.97 percent, in comparison to prior year. Total revenues decreased \$2,823,502 or 71.99 percent, in comparison to prior year. The decrease is attributable to the prior year receipt of grant monies from the State of Florida in the amount of \$2,846,995, for costs deemed eligible under the FEMA-State Agreement approved by the Department of Community Affairs in 2004. Total expenses decreased \$66,616 or 2.604 percent, in comparison to prior year.

Government-Wide Financial Statements

Government-wide financial statements (statement of net assets and statement of activities found on pages 9 and 10) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Assets (page 9) presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. The District's capital assets (property, plant and equipment) are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities (page 10) presents revenue and expense information showing how the District's net assets changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

**CAPTIVA EROSION PREVENTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2012**

Governmental Fund Financial Statements

The accounts of the District are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements (found on pages 11 and 13) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues, are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 15. These notes are essential to a full understanding of data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the District is in a better or a worse financial condition from the prior year.

The following is a condensed summary of net assets for the primary government.

	<u>2012</u>	<u>2011</u>
Assets:		
Current and other assets	\$ 4,423,313	\$ 4,363,318
Capital Assets	<u>5,739,490</u>	<u>7,573,697</u>
Total assets	<u>\$ 10,162,803</u>	<u>\$ 11,937,015</u>

**CAPTIVA EROSION PREVENTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2012**

Government-Wide Financial Analysis, Continued

	<u>2012</u>	<u>2011</u>
Liabilities:		
Current liabilities	\$ 818,121	\$ 1,199,300
Non-current Liabilities	-	-
Total liabilities	<u>818,121</u>	<u>1,199,300</u>
Net assets:		
Invested in capital assets, net of related debt	5,739,490	7,573,697
Restricted	3,286,945	2,962,284
Unrestricted	<u>318,247</u>	<u>201,734</u>
Total net assets	<u>9,344,682</u>	<u>10,737,715</u>
Total liabilities and net assets	<u>\$ 10,162,803</u>	<u>\$ 11,937,015</u>

Current and other assets represent 43.52 percent of total assets. Current assets are comprised of cash and cash equivalents of \$3,423,168, special assessments receivable of \$786,004, and investments of \$212,453, and prepaid expenses of \$1,688.

Capital assets represent 56.48 percent of total assets and are comprised of the cost, less accumulated depreciation of the cost, to renourish the Captiva Island beach, to extend the groin at Redfish Pass, renourish a portion of Bowman's Beach on Sanibel Island, and the construction in progress costs of dredging Blind Pass. The increase in assets invested in capital assets is comprised of furniture and equipment, cost of the beach renourishment project, construction in progress on the opening of Blind Pass, net of accumulated depreciation.

The following schedule reports the revenues, expenses, and changes in net assets for the District:

	<u>2012</u>	<u>2011</u>
Revenue		
General revenues		
Property taxes	\$ 343,572	\$ 314,130
Interest	3,865	7,374
Program revenues		
Parking revenues	178,855	169,441
Capital grants and contributions	80,643	2,896,810
Other	22,599	16,289
Special assessments	<u>469,299</u>	<u>518,291</u>
Total revenues	<u>1,098,833</u>	<u>3,922,335</u>

**CAPTIVA EROSION PREVENTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2012**

Government-Wide Financial Analysis, Continued

	<u>2012</u>	<u>2011</u>
Expenses		
Physical environment -		
beach and shore preservation	<u>2,491,866</u>	<u>2,558,482</u>
(Decrease) increase in net assets	(1,393,033)	1,363,853
Net assets - beginning	10,737,715	9,228,447
Prior year adjustment	<u>-</u>	<u>145,415</u>
Net assets - beginning of year as restated	<u>10,737,715</u>	<u>9,373,862</u>
Net assets - ending	<u>\$ 9,344,682</u>	<u>\$ 10,737,715</u>

Total revenues decreased \$2,823,502 or 71.99 percent, in comparison to prior year. Total expenses decreased \$66,616 or 2.604 percent, in comparison to prior year. The District offered Island property owners the option to pay their special assessments levied in full during the sixty (60) day window beginning July 2007. Special assessments not paid in full will be collected over seven years beginning in 2008 at 5.5% interest. Island property owners who sell their property are required to pay their assessment in full at the date of closing. During the prior fiscal year, the District collected \$2,846,995 from the State of Florida for costs deemed eligible under FEMA-State Agreement for damages resulting in August 2004 from Hurricane Charley, and the District collected \$49,815 from local agencies for costs relating to monitoring of the 2005-2006 beach renourishment and Blind Pass. During the current fiscal year, the District collected \$28,882 in retainage from the State of Florida for costs relating to the 2005-2006 beach renourishment. Additionally, the District collected \$51,761 for local agencies. Parking revenues increased \$9,414 or 5.56 percent in comparison to prior year.

Property values with the District decreased \$22,701,719 or 1.75 percent, in comparison to prior year. Cumulatively over the past 5 years, properties with the District have decreased by \$163,486,618 or 11.35 percent.

The following schedule compares the change in property value and growth in millage rates for the past years:

Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Millage Rate	<u>0.1149</u>	<u>0.1745</u>	<u>0.2322</u>	<u>0.2522</u>	<u>0.2823</u>
Property Value	<u>\$ 1,440,313,430</u>	<u>\$ 1,473,604,290</u>	<u>\$ 1,399,615,720</u>	<u>\$ 1,299,528,531</u>	<u>\$ 1,276,826,812</u>

**CAPTIVA EROSION PREVENTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2012**

Budgetary Highlights

Budget versus actual comparisons are reported on pages 33-36. Major variances from budgeted amounts in the general fund include lower than expected travel and per diem costs, office costs, newsletter costs, board meeting costs, professional fees, equipment purchases, and higher than expected consulting fees.

Major variances from budgeted amounts in the capital fund include the under estimate of local grant revenue, parking revenues, special assessment collections and payoffs, and refunds required. Operating expenditures were significantly lower than expected due to delays in the upcoming beach renourishment, Blind Pass monitoring, and purchase of an additional parking machines.

Capital Assets

Depreciable assets included furniture and equipment, infrastructure and construction in progress. The following is a schedule of the District's capital assets:

Captiva Erosion Prevention District
Capital Assets
September 30, 2012 and 2011

	2012	2011
Furniture and equipment	\$ 64,336	\$ 44,097
Infrastructure	18,105,332	18,105,332
Total capital assets being depreciated	18,169,668	18,149,429
Construction in progress - Projects	1,484,302	1,269,857
Total capital assets	19,653,970	19,419,286
ACCUMULATED DEPRECIATION	13,914,480	11,845,589
CAPITAL ASSETS, NET	\$ 5,739,490	\$ 7,573,697

Additional information on the District's capital assets can be found in Note E on page 27-28.

**CAPTIVA EROSION PREVENTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2012**

Page 8 of 41

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget (2012-2013) was prepared:

Property values decreased on island.

Replenishing reserves for future unexpected occurrences.

Beach renourishment project is expected to commence in the upcoming year.

Maintenance of the beach and collections of special assessments are the current priority.

Tropical Storm Debby damaged Captiva beaches in June 2012, and the District is seeking

Federal emergency funds to assist in restoring the beaches.

Request for information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided here within should be directed to: Captiva Erosion Prevention District, PO Box 365, Captiva Island, Florida, 33924-0365, phone (239) 472-2472.

**CAPTIVA EROSION PREVENTION DISTRICT
STATEMENT OF NET ASSETS
September 30, 2012**

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 241,446
Cash and cash equivalents - restricted	3,181,722
Investments	113
Investments - restricted	212,340
Receivables - special assessments	786,004
Prepaid expenses	<u>1,688</u>
TOTAL CURRENT ASSETS	4,423,313
NONCURRENT ASSETS	
CAPITAL ASSETS	
Construction in progress	1,484,302
Depreciable infrastructure and equipment (net of \$13,914,480 accumulated depreciation)	<u>4,255,188</u>
TOTAL NONCURRENT ASSETS	<u>5,739,490</u>
TOTAL ASSETS	<u>\$ 10,162,803</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 31,513
Accrued liabilities	604
Deferred revenue - special assessments	<u>786,004</u>
TOTAL CURRENT LIABILITIES	818,121
NET ASSETS	
Invested in capital assets, net of related debt	5,739,490
Restricted for:	
Capital projects	3,286,945
Unrestricted	<u>318,247</u>
TOTAL NET ASSETS	<u>9,344,682</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,162,803</u>

The accompanying notes are an integral part of this statement.

CAPTIVA EROSION PREVENTION DISTRICT
STATEMENT OF ACTIVITIES
Year ended September 30, 2012

	<u>Governmental Activities</u>
EXPENSES	
Governmental Activities	
General government	
Operating expenses	\$ 422,376
Depreciation	<u>2,069,490</u>
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	<u>2,491,866</u>
PROGRAM REVENUES	
Intergovernmental	80,643
Charges for services - parking revenues	178,855
Special assessments	<u>469,299</u>
TOTAL PROGRAM REVENUES	<u>728,797</u>
GENERAL REVENUES	
Ad valorem taxes/excess fees	343,572
Interest	3,865
Other	<u>22,599</u>
TOTAL GENERAL REVENUES	<u>370,036</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(1,393,033)</u>
NET ASSETS - BEGINNING OF THE YEAR	<u>10,737,715</u>
NET ASSETS - END OF THE YEAR	<u>\$ 9,344,682</u>

The accompanying notes are an integral part of this statement.

**CAPTIVA EROSION PREVENTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2012**

Page 11 of 41

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 241,446	\$ -	\$ 241,446
Cash and cash equivalents - restricted	-	3,181,722	3,181,722
Investments	113	-	113
Investments - restricted	-	212,340	212,340
Prepaid expenses	1,688	-	1,688
TOTAL ASSETS	<u>\$ 243,247</u>	<u>\$ 3,394,062</u>	<u>\$ 3,637,309</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accrued liabilities	\$ -	\$ 604	\$ 604
TOTAL LIABILITIES	<u>-</u>	<u>604</u>	<u>604</u>
FUND BALANCE			
Restricted	-	3,393,458	3,393,458
Unassigned	243,247	-	243,247
TOTAL FUND BALANCE	<u>243,247</u>	<u>3,393,458</u>	<u>3,636,705</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 243,247</u>	<u>\$ 3,394,062</u>	<u>\$ 3,637,309</u>

The accompanying notes are an integral part of this statement.

**CAPTIVA EROSION PREVENTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
September 30, 2012**

	<u>Amount</u>
Total fund balance for governmental funds	\$ 3,636,705
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>	
<p>Capital assets not being depreciated:</p>	
Construction in progress	<u>1,484,302</u>
	1,484,302
<p>Governmental capital assets being depreciated:</p>	
Building, equipment and machinery	18,169,668
Less: accumulated depreciation	<u>(13,914,480)</u>
	4,255,188
<p>Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>	
Accounts payable	<u>(31,513)</u>
	<u>(31,513)</u>
Total net assets of governmental activities	<u>\$ 9,344,682</u>

The accompanying notes are an integral part of this statement.

**CAPTIVA EROSION PREVENTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
 Year ended September 30, 2012**

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Ad Valorem taxes/excess fees	\$ 343,572	\$ -	\$ 343,572
Intergovernmental revenues:			
Grant income - State	-	28,882	28,882
Grant income - Local	-	51,761	51,761
Parking revenues	-	178,855	178,855
Special assessments	-	469,299	469,299
Miscellaneous:			
Interest	62	3,803	3,865
Other	6,701	15,898	22,599
TOTAL REVENUES	<u>350,335</u>	<u>748,498</u>	<u>1,098,833</u>
Current			
General Government			
Operating expenditures	230,011	-	230,011
Capital outlay	13,226	-	13,226
Physical Environment			
Operating expenditures	-	198,317	198,317
Capital outlay	-	198,437	198,437
TOTAL EXPENDITURES	<u>243,237</u>	<u>396,754</u>	<u>639,991</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	107,098	351,744	458,842
FUND BALANCE - BEGINNING OF THE YEAR, AS RESTATED (Note F)	211,149	2,966,714	3,177,863
INTER-FUND TRANSFER	<u>(75,000)</u>	<u>75,000</u>	<u>-</u>
FUND BALANCE - END OF THE YEAR	<u>\$ 243,247</u>	<u>\$ 3,393,458</u>	<u>\$ 3,636,705</u>

The accompanying notes are an integral part of this statement.

**CAPTIVA EROSION PREVENTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended September 30, 2012**

	<u>Amount</u>
Net change (excess revenues over (under) expenditures) in fund balance - total governmental funds	\$ 458,842
The decrease (change) in net assets reported for governmental activities	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, a gain, if any, on the sale of fixed assets is recorded on the Statement of Activities but not in the governmental funds.	
Expenditures for capital assets	204,904
Less: current year depreciation	<u>(2,069,490)</u>
	(1,864,586)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in accounts payable	<u>12,711</u>
	<u>12,711</u>
Decrease in net assets of governmental activities	<u>\$ (1,393,033)</u>

The accompanying notes are an integral part of this statement.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Organization

The Captiva Erosion Prevention District (the "District") was established as a beach and shore preservation district on Captiva Island, Florida in 1959 by an act of the Florida Legislature. The District was reestablished on July 6, 1981 (LOF 81-413), by a Special Act of the Legislature of the State of Florida (House Bill 760). The District Enabling Act has been amended periodically since formation, most recently on May 22, 2000 by House Bill 927, Chapter 2000-399. The most recent bill validated the District as a beach and shore preservation authority under the provisions of Chapter 161.32 of the Florida Statutes. The District's programs shall include construction and maintenance of any seawalls, groins, breakwaters, bulkheads, fills and other works, structures, and equipment of other facilities used for beach renourishment or erosion control.

The District boundary includes all of Captiva Island, Florida. A five (5) member elected Board of Commissioners governs the District. The Board is elected by the voters of the District and serve staggered four (4) year terms.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

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

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

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units." This Statement requires the basic financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, as amended, there are no component units required to be included. Therefore, no component units are included in the District's basic financial statements.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions."

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements rather than as expenditures.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Program revenues are considered to be revenues generated by services performed and/or by fees charged, such as parking revenues and special assessments.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds, individually, and nonmajor funds, in aggregate, for governmental funds.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns on the fund financial statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Measurement Focus and Basis of Accounting, continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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 are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are property taxes, interest on investments, and inter-governmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt, if any, is recognized when due; and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

Non-current Government Assets/Liabilities

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes payable and capital leases, to be reported in the governmental activities column in the government-wide Statement of Net Assets.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Major Funds

The District reports the following major governmental funds:

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

The Capital Projects Fund is used to account for major infrastructure projects related to beach maintenance and renourishment.

Budgetary Information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

Investments

The District adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at fair value.

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment and machinery, are reported in the government-wide Statement of Net Assets.

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$500 or more and have a useful life in excess of one year.

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. With the exception of beach renourishment costs, public domain (infrastructure) capital assets consisting of certain improvements other than building, including curbs, gutters and drainage systems, are not capitalized, as the District generally does not acquire such assets. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB 34.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Capital Assets, continued

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure (beach renourishment project)	7-30
Equipment	3
Furniture and fixtures	7

Budgets and Budgetary Accounting

The District has adopted annual budgets for the General Fund and the Capital Projects Fund.

The District follows these procedures in establishing budgetary data for the General Fund and the Capital Projects Fund:

1. During the summer of each year, the District Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Commissioners.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Budgets and Budgetary Accounting, continued

6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.

Due From Other Governments

The District does not have any receivables from other governmental agencies/entities at year end.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

Management Estimates

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

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Fund Equity

In the governmental fund financial statements, reservation of fund balance indicates amounts that are limited for a specific purpose, are not appropriable for expenditure, or are legally segregated for a specific future use. Designations of fund balance represent tentative management plans.

Interfund Transactions

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

Interfund receivables and payables arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed.

Interfund transfers consist of funds re-allocated from the General Fund to the Capital Projects Fund, on a permanent basis.

NOTE B - CASH

Deposits

The District's deposit policy allows deposits to be held in demand deposit or money market accounts. All District deposits were held in banks or savings institutions designated as qualified depositories by the State Treasurer.

At September 30, 2012, cash was \$3,423,168. The carrying amount of the District's deposits was \$241,446 and \$3,181,722 in the General Fund and Capital Projects Fund, respectively. All cash held in the Capital Projects Fund was restricted. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

NOTE C - INVESTMENTS

Florida Statutes and the District's investment policy authorize investments in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA). At September 30, 2012, the District's General Fund and Capital Projects Fund had investments held in the Local Government Surplus Funds Trust Fund with book balances of \$113 and \$212,340 respectively, and bank balances of \$113 and \$214,812, respectively. The District's total investment held in the SBA at September 30, 2012 was \$212,453. All investments held in the Capital Projects Fund are restricted.

The Local Government Surplus Funds Trust Fund (Florida PRIME) is an external 2A7-like investment pool administered by the Florida State Board of Administration. The District's investment in Florida PRIME represented less than 2% of Florida PRIME's total investments. Investments held in Florida PRIME include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements, and commercial paper. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of Florida PRIME based on their equity participation.

These investments were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute 280) of the State of Florida.

The Local Government Surplus Fund Investment Pool Trust Fund is not categorized by risk assessment as it is not evidenced by securities that exist in physical or book entry form.

"Fund B" share are currently restricted by the SBA. Participating governmental organizations are not allowed to make additional deposits or any withdrawals from "Fund B". The SBA will remove the restriction at some point in the future.

As of September 30, 2012, \$46,024 of the District's total SBA funds of \$212,453 were held in "Fund B" shares, as follows:

	General Fund	Capital Projects Fund	SBA Totals
SBA "A" Shares	\$ 83	\$ 166,346	\$ 166,429
SBA "B" Shares	30	45,994	46,024
	<u>\$ 113</u>	<u>\$ 212,340</u>	<u>\$ 212,453</u>

NOTE C - INVESTMENTS, CONTINUED

It is the belief of the SBA that the remaining balance may, in whole or in part, be recovered. However, it may not be available for up to one year. An increase in principal has been recorded at September 30, 2012, as the SBA has determined the market value of the "Fund B" shares has increased \$11,847.

Credit risk

The Florida PRIME is rated by Standard & Poor's. The current rating is AAAM.

The Fund B is not rated by any nationally recognized statistical rating agency.

Interest rate risk

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2012, is 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM.

Due to the nature of securities in Fund B, the interest rate risk information required by GASB 40 (i.e., specific identification, duration, weighted average maturity, segmented time distribution, or simulation model) is not available.

An estimate of weighted average life (WAL) is available. In the calculation of WAL, the time at which an expected principal amount is to be received (measured in years) is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL (based on expected future cash flows) of Fund B at September 30, 2012, is estimated at 4.08 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

Foreign Currency Risk

The Fund B is not exposed to any foreign currency risk.

**NOTE D - SPECIAL ASSESSMENT - BEACH MAINTENANCE NOURISHMENT
PROJECT**

In July 2007, the District adopted non-ad valorem special assessments to be levied against each property owner within the District in order to pay for the outstanding debt related to the 2005/06 beach maintenance nourishment project. The non grant funded portion of the project was paid via in-house cash and related long-term debt.

All proceeds from the collection of the special assessments are restricted to fund the cost of the specific construction project and the related debt.

The beach maintenance nourishment project involved placement of approximately 1.4 million cubic yards of sand from offshore borrow areas along approximately 6.23 miles of gulf front shoreline. The project also included the rehabilitation of the terminal groin on Captiva Island at Redfish Pass and extending the groin approximately 100 feet into the Gulf of Mexico to improve sand retention.

The private benefits from the 2005/06 beach maintenance nourishment project were distributed among Captiva properties on the basis of a benefit analysis accepted by the District's Board in 2004. About one-third of the benefits were for the increased protection of gulf-front properties from storm damage, and about two-thirds were for the increased values of properties occupied by persons who use the beach for recreational purposes. A little over one-third of the storm protection benefits went to properties in the Upper South Seas Golf Reach, including the golf course, where a \$2 million groin was constructed as part of the project, and a similar share was received by properties in the High Erosion Gold Coast Reach at the south end of Captiva Island.

Cost Shares by Benefit Category

The total cost of the project of approximately \$20.2 million less grant funding resulted in a cost to Captiva property owners of approximately \$6.5 million. The District Board used \$1 million in reserves to reduce the cost to property owners to approximately \$5.5 million. This is the total cost that is to be collected by the special assessment program.

The cost shares were distributed among the properties within each benefit category in proportion to their market ("just") values as determined by the Lee County Property Appraiser as of May 2007. These values do not include adjustments for "Save Our Homes" or for the "Homestead Exemption", which result in reductions to the Lee County Property Appraiser's taxable values.

**NOTE D - SPECIAL ASSESSMENT - BEACH MAINTENANCE NOURISHMENT
 PROJECT, CONTINUED**

Millage Rates by Benefit Category

Millage rates were calculated for each benefit category by dividing the cost share for each benefit category by the aggregate just value in the category and multiplying by 1,000 to express the result in mills.

Adjusted Millage Rates

Previous District Boards made additional adjustments for a small number of properties. These included the phasing of storm protection millage rates between adjacent reaches of beach where there is a substantial jump in millage rates and where the conditions on the beach indicate that the change between the reaches is gradual rather than sudden. In each of the two cases, the increase in the millage rate was phased in the reach characterized by the higher millage and the cost of the phasing was distributed within the adjacent reaches with the lower millages.

The aforementioned cost shares and adjusted millage assessment rates by benefit category, as prepared by the District's economic consultant in July 2007, are as follows:

<u>Benefit Category</u>	<u>Cost Share</u>	<u>Percent</u>	<u>Just Value*</u>	<u>Adjusted Millage Rates</u>
Storm Protection:				
Golf Course	\$ 538,059	-	\$ 9,456,920	57
Upper South Seas Golf Course Reach	133,341	-	13,221,200	10 **
Upper South Seas Residences	104,546	-	114,662,400	1
Lower South Seas Village	101,954	-	131,608,860	1
Tween Waters	306,405	-	39,861,090	8
Upper Gold Coast	4,584	-	165,454,140	-
High Erosion Gold Coast	65,722	-	92,411,120	1
East Turner Beach	616,291	-	156,599,500	5 **
	14,266	-	6,128,750	2
Subtotal - Storm Protection	<u>1,885,168</u>	-	<u>729,403,980</u>	
Recreation:				
Single Family Residences	613,040	-	949,018,280	1
Multi-Family Residences	1,593,905	-	227,090,180	7
Interval Properties	649,823	-	66,009,700	10
Commercial Properties	760,170	-	73,745,540	11
Subtotal - Recreation	<u>3,616,938</u>	-	<u>1,315,863,700</u>	
Totals	<u>\$ 5,502,106</u>	-	<u>\$ 2,045,267,680</u>	

* Just value includes Captiva Yacht Club

** Averages of the millage rates of phased properties

**NOTE D - SPECIAL ASSESSMENT - BEACH MAINTENANCE NOURISHMENT
 PROJECT, CONTINUED**

Property owners had a 60-day period from the official date of published notice until September 5, 2007 during which time they could pay their assessments in full without incurring any interest charges. An installment plan was available to property owners who did not wish to pay the assessment in full during the 60-day payment period. Payment under the installment plan is to be collected in seven (7) annual installments as part of the annual collection of property taxes made by the Lee County Tax Collector. The annual installment appears as a line item on the owner's annual property tax bill and includes an interest charge based on the interest rate being paid by the District. The annual interest rate will not exceed 5.5 percent until April 30, 2012. The first installment was included on the November 2007 tax year bill from the Lee County Tax Collector.

At September 30, 2012, the uncollected special assessment balance totaled \$786,004

NOTE E - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2012:

	Balance October 1, 2011	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30, 2012
Capital assets not being depreciated:					
Construction in progress	\$ 1,269,857	\$ 214,445	\$ -	\$ -	\$ 1,484,302
Total capital assets not being depreciated:	<u>1,269,857</u>	<u>214,445</u>	<u>-</u>	<u>-</u>	<u>1,484,302</u>
Capital assets being depreciated:					
Infrastructure (beach renourishment project)	18,105,332	-	-	-	18,105,332
Equipment	44,097	20,838	(599)	-	64,336
Total capital assets being depreciated:	<u>18,149,429</u>	<u>20,838</u>	<u>(599)</u>	<u>-</u>	<u>18,169,668</u>

**CAPTIVA EROSION PREVENTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012**

NOTE E - CAPITAL ASSETS ACTIVITY, CONTINUED

	Balance October 1, 2011	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30, 2012
Less: accumulated depreciation:					
Infrastructure (beach renourishment project)	(11,805,683)	(2,062,995)	-	-	(13,868,678)
Equipment	(39,906)	(6,495)	599	-	(45,802)
Total accumulated depreciation	(11,845,589)	(2,069,490)	599	-	(13,914,480)
Total capital assets being depreciated, net	6,303,840	(2,048,652)	-	-	4,255,188
Capital assets, net	<u>\$ 7,573,697</u>	<u>\$(1,834,207)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,739,490</u>

Depreciation expense was charged to the following functions during the year ended September 30, 2012:

	Amount
General Government	\$ 2,069,490
Total Depreciation Expense	<u>\$ 2,069,490</u>

NOTE F - PRIOR PERIOD ADJUSTMENT

Cash and cash equivalents

During the year ended September 30, 2012, the District recorded a prior period adjustment totalling \$20,189 to record the cumulative interest earned on a certificate of deposit through September 30, 2011. It had always been the District's policy to record the interest when the certificate matured, but the District decided to change that policy and will now report the interest earned on an annual basis. Interest income of \$3,048 has been recorded in the current period.

The effect of this adjustment is limited to the fund financial statements (capital projects fund). Restricted cash and fund balance were both increased by \$20,189.

NOTE G - LONG-TERM OBLIGATIONS

The District has no current or long-term debt obligations as of September 30, 2012, and it did not have any related interest expense for the year then ended.

NOTE H - PROPERTY TAXES

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related record keeping of all property taxes is performed for the District by the Lee County Tax Collector. No accrual for the property tax levy becoming due in November 2012 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate.

Important dates in the property tax cycle are as follows:

Assessment roll certified	July 1
Millage resolution approved	No later than 93 days following certification of assessment roll
Taxes due and payable (Levy date)	November, with various discount provisions through March 31
Property taxes payable - maximum discount (4 percent)	30 days after levy date
Beginning of fiscal year for which taxes have been levied	October 1
Due date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Lee County Tax Collector	Prior to June 1

For the year ended September 30, 2012, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$.2823 per \$1,000 (.2823 mills) of the 2011 net taxable value of real property located within the District.

NOTE 1 - 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 participates in the public entity risk pool administered by the Florida League of Cities, Inc. for workers' compensation, general/professional liability and property insurance. The District pays an annual premium to the Florida League of Cities, Inc. for this insurance program. Participation in this risk pool is non-assessable. Settled claims have not exceeded insurance coverage in any of the past three fiscal years. The District retains the risk of loss up to a deductible amount (ranging from \$0 to \$500) with the risk of loss in excess of this amount transferred to the pool with limits of liability of \$1,500,000 per occurrence for general/professional liability, and property and \$1,000,000 per accident for workers' compensation.

During the year ended September 30, 2012, the District obtained a Directors and Officer's insurance policy, which expired January 16, 2013. The District retains the risk of loss up to a deductible amount of \$10,000 with aggregate limits of liability of \$10,000,000 for the policy year. The policy has been renewed for the year ending September 30, 2013.

Beginning on December 1, 2008, the District entered into a lease agreement for office space with Stilwell Management, LLC. This lease expires November 1, 2012 and the base annual rental at September 30, 2011 was \$16,637, or \$1,386 rent per month, plus Common Area Maintenance (CAM). The District signed a new four year lease effective December 1, 2012, with monthly payment of \$1,386, plus CAM charges.

Rent expense for the year ended September 30, 2012 was \$16,637.

Total future minimum lease payments required for office leases are as follows:

Year Ending September 30,	Amount
2013	\$ 16,637
2014	16,637
2015	16,637
2016	2,773
	<u>\$ 52,684</u>

NOTE J - COMMITMENTS AND CONTINGENCIES

The District has received grants which are subject to special compliance requirements by the grantor agency. The grantor agency may at times disallow expenditure amounts associated with a contract based on the outcome of an audit. These amounts would constitute a contingent liability of the District. The District has not, as of September 30, 2012, been notified of any existing contingent liabilities related to prior grants or the grants currently in process.

The management of the District does not believe contingent liabilities, if any exist, to be material.

NOTE K - IMPLEMENTATION OF GASB STATEMENT NO. 45

Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" changes the manner in which a governmental entity funds and records its post retirement benefit costs other than pension. Specifically, governments have to actuarially accrue and fund costs rather than fund them on a pay-as-you-go basis.

The District had no paid employees during the year ended September 30, 2012. Furthermore, the District's Board of Commissioners approved a motion in November 2008 to withdraw from the Florida Retirement System. Therefore, as of September 30, 2012, the provisions of GASB No. 45 are not applicable to the District.

However, should the District hire paid employees and offer post-employment benefits in subsequent fiscal years, the provisions and associated disclosures of GASB No. 45 may apply.

NOTE L - IMPLEMENTATION OF GASB STATEMENT NO. 54

On October 1, 2010, the District implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This GASB Statement clarifies governmental fund balance classification and fund-type definitions. Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

NOTE L - IMPLEMENTATION OF GASB STATEMENT NO. 54, CONTINUED

Nonspendable - includes fund balance amounts that cannot be spent because they are not in spendable form legally or are contractually required to be maintained intact. The District has no nonspendable funds.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation.

Committed - includes fund balances amounts that are constrained for specific purposes imposed by the government's own governing bodies, which consist of the Board of District Commissioners and the five Constitutional Officers.

Assigned - includes fund balance amounts that are intended to be used for specific purposes, but are neither restricted nor committed. The District has no assigned fund balances because the District's governing bodies have not delegated their authority to other parties.

Unassigned - includes fund balance amount in the residual positive fund balance within the General Fund, which have not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The fund balance categories are summarized as follows at September 30, 2012:

	<u>Amount</u>
Restricted for:	
Capital projects	\$ 3,393,458
Unassigned	<u>243,247</u>
	<u>\$ 3,636,705</u>

The District uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts prohibiting this, such as grant agreements requiring dollar for dollar spending. In addition, the District uses committed prior to assigned fund balances and assigned fund balances prior to unassigned fund balances.

REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A

**CAPTIVA EROSION PREVENTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL - GENERAL FUND
Year ended September 30, 2012**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes/excess fees	\$ 342,426	\$ 342,426	\$ 343,573	\$ 1,147
Miscellaneous:				
Interest	-	-	62	62
Other	3,893	3,893	6,701	2,808
TOTAL REVENUES	<u>346,319</u>	<u>346,319</u>	<u>350,336</u>	<u>4,017</u>
EXPENDITURES				
Operating expenditures:				
Travel and per diem	8,000	8,000	4,505	3,495
Telephone	3,400	3,400	3,762	(362)
Property appraiser fees	3,000	3,000	2,861	139
Tax collector commissions	6,400	6,400	6,873	(473)
Postage	500	500	389	111
Utilities	1,600	1,600	1,586	14
Copier lease	3,000	3,000	2,799	201
Rent	17,100	17,100	16,637	463
General insurance	7,600	7,600	7,755	(155)
Repairs	2,000	2,000	2,325	(325)
Website maintenance	3,700	3,700	3,143	557
Advertising	3,000	3,000	2,215	785
Office	5,000	5,000	2,188	2,812
Board meeting	1,200	1,200	45	1,155
Dues and subscriptions	2,000	2,000	1,410	590
Newsletter	4,200	4,200	1,657	2,543
Professional fees	56,200	56,200	37,509	18,691
Consulting	113,419	113,419	132,352	(18,933)
Subtotal - operating expenditures	<u>241,319</u>	<u>241,319</u>	<u>230,011</u>	<u>11,308</u>

The accompanying notes are an integral part of this statement.

**CAPTIVA EROSION PREVENTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET
 AND ACTUAL - GENERAL FUND, CONTINUED
 Year ended September 30, 2012**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
EXPENDITURES, CONTINUED				
Capital outlay:				
Equipment	<u>30,000</u>	<u>30,000</u>	<u>13,226</u>	<u>16,774</u>
Subtotal - capital outlay	<u>30,000</u>	<u>30,000</u>	<u>13,226</u>	<u>16,774</u>
TOTAL EXPENDITURES	<u>271,319</u>	<u>271,319</u>	<u>243,237</u>	<u>28,082</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	75,000	75,000	107,099	32,099
FUND BALANCE - BEGINNING	-	-	211,149	211,149
INTER-FUND TRANSFER	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,248</u>	<u>\$ 243,248</u>

The accompanying notes are an integral part of this statement.

**CAPTIVA EROSION PREVENTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
Year ended September 30, 2012**

	Capital Projects Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental:				
Grant income - State	\$ 52,043	\$ 52,043	\$ 28,882	\$ (23,161)
Grant income - Local	-	-	51,761	51,761
Parking revenues	160,000	160,000	178,855	18,855
Special assessments:				
Principal	396,373	396,373	405,624	9,251
Interest	75,458	75,458	65,590	(9,868)
Refunds	-	-	(1,915)	(1,915)
Miscellaneous:				
Interest income	3,600	3,600	3,803	203
Restricted fund donations	-	-	-	-
Other	-	-	15,898	15,898
TOTAL REVENUES	<u>687,474</u>	<u>687,474</u>	<u>748,498</u>	<u>61,024</u>
EXPENDITURES				
Operating expenditures				
Advertising	4,000	4,000	777	3,223
Annual membership & fees	1,000	1,000	-	1,000
Cost of assessment collections	1,800	1,800	1,033	767
Bank service fee	-	-	923	(923)
Blind Pass Project	45,523	45,523	32,517	13,006
Professional fees	100,000	100,000	58,377	41,623
Project manual	-	-	2,594	(2,594)
Project consultant	53,360	53,360	63,152	(9,792)
Engineering	48,793	48,793	18,530	30,263
Insurance	10,800	10,800	10,991	(191)
Parking lot machine	20,000	20,000	4,623	15,377
Mobi mat and bench	5,250	5,250	8,298	(3,048)
Parking maintenance	16,000	16,000	16,779	(779)
Portable toilets	6,734	6,734	7,278	(544)
Renourishment - 2013-2014				
Bidding, negotiation, and award	-	-	4,900	(4,900)
Long Range Plan Update	5,400	5,400	8,030	(2,630)

The accompanying notes are an integral part of this statement.

**CAPTIVA EROSION PREVENTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND, CONTINUED
Year ended September 30, 2012**

	Capital Projects Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
EXPENDITURES, CONTINUED				
Operating expenditures, continued				
Renourishment - 2013-2014				
Captiva Biological Assessment	19,336	19,336	5,994	13,342
Expand Borrow Area Plans	19,260	19,260	15,408	3,852
Expanding/Permitting Pipeline Corridor	52,795	52,795	26,398	26,397
Preliminary Plans/Permits FDEP NTP	59,736	59,736	45,222	14,514
Update Comprehensive Plan	13,793	13,793	13,793	-
Pre-construction survey	-	-	33,255	(33,255)
Sales tax expense	9,200	9,200	10,906	(1,706)
Rent	5,400	5,400	3,905	1,495
Records storage	1,910	1,910	1,918	(8)
Website development	3,000	3,000	1,153	1,847
Subtotal - operating expenditures	503,090	503,090	396,754	106,336
Debt service	-	-	-	-
TOTAL EXPENDITURES	503,090	503,090	396,754	106,336
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	184,384	184,384	351,744	167,360
FUND BALANCE - BEGINNING, AS RESTATED (Note F)	-	-	2,966,714	2,966,714
INTER-FUND TRANSFER	75,000	75,000	75,000	-
FUND BALANCE - ENDING	\$ 259,384	\$ 259,384	\$ 3,393,458	\$ 3,134,074

The accompanying notes are an integral part of this statement.

**ADDITIONAL REPORTS OF
INDEPENDENT AUDITOR**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Captiva Erosion Prevention District
Captiva, Florida

We have audited the financial statements of the governmental activities and each major fund of Captiva Erosion Prevention District as of and for the year ended September 30, 2012 and have issued our report thereon dated January 15, 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

In planning and performing our audit, we considered Captiva Erosion Prevention District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Captiva Erosion Prevention District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Captiva Erosion Prevention 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Captiva Erosion Prevention District's basic 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 basic 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 the Board of Commissioners, management, the Auditor General of the State of Florida, and other federal and state audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

STROEMER & COMPANY, LLC
Fort Myers, Florida
January 15, 2013

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Commissioners
Captiva Erosion Prevention District

We have audited the basic financial statements of Captiva Erosion Prevention District (the District), as of and for the fiscal year ended September 30, 2012 and have issued our report thereon dated January 15, 2013.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters dated January 15, 2013, which includes disclosures in those reports that should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

1. Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior year comments in the prior year.
2. Section 10.554(1)(i)2, Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding investments of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.
3. Section 10.554(1)(i)3, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

4. Section 10.554(1)(i)4, Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
5. Section 10.554(1)(i)5, Rules of the Auditor General, provides that an auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
6. Section 10.554(1)(i)6, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed separately in the notes to the financial statements. There were no component units related to the District as of September 30, 2012.
7. Section 10.554(1)(i)7.a, Rules of the Auditor General, requires a statement to be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
8. Section 10.554(1)(i)7.b, Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.
9. Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

STROEMER & COMPANY, LLC
Fort Myers, Florida
January 15, 2013

Renourishment Project

ID	Task Name	Duration	Start	Finish	2011				2012				2013				2014				2015		
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1		
1	Planning & Design Phase	455 days	Wed 6/1/11	Tue 2/26/13																			
2	Communicate plans with DEP	22 days	Wed 6/1/11	Thu 6/30/11																			
3	Communicate plans with Army Corps	22 days	Wed 6/1/11	Thu 6/30/11																			
4	FY12/13 LGFR to DEP	22 days	Wed 6/1/11	Thu 6/30/11																			
5	Prepare Plans and specs	110 days	Tue 10/4/11	Mon 3/5/12																			
6	FDEP & COE Permit Modification Review and RAI	75 days	Tue 11/8/11	Mon 2/20/12																			
7	Issue RFQ for Engineering Services	55 days	Thu 12/1/11	Wed 2/15/12																			
8	Lobby state & federal decision makers	108 days	Thu 12/1/11	Mon 4/30/12																			
9	Negotiate Interlocals	357 days	Mon 12/19/11	Tue 4/30/13																			
10	Publish DEP Notice of Application	1 day	Sat 1/14/12	Sat 1/14/12																			
11	TDC Shoreline Request for Monitoring & Approval by BOCC	158 days	Sun 1/29/12	Tue 9/4/12																			
12	Permit Processing of Bio. Opinion	205 days	Mon 2/20/12	Fri 11/30/12																			
13	Publish COE Notice of Application	3 days	Thu 2/23/12	Mon 2/27/12																			
14	Evaluate RFQ & Qualify Engineering Services	22 days	Thu 3/1/12	Fri 3/30/12																			
15	New DEP Grant Agreement	205 days	Thu 3/1/12	Wed 12/12/12																			
16	Respond to COE Project Plans Requests	43 days	Thu 3/1/12	Mon 4/30/12																			
17	State Funding Approved	32 days	Fri 3/9/12	Mon 4/23/12																			
18	Board Decision for project management	1 day	Wed 4/11/12	Wed 4/11/12																			
19	Board reviews design and plan	1 day	Wed 4/11/12	Wed 4/11/12																			
20	FDEP Approves P&S Permit Modification	1 day	Fri 5/18/12	Fri 5/18/12																			
21	Pre-Construction Survey	58 days	Thu 7/12/12	Mon 10/1/12																			
22	Sign agreement for state funding	21 days	Wed 11/14/12	Wed 12/12/12																			
23	Complete and update Plans & Specs. For Bidding	25 days	Fri 12/7/12	Thu 1/10/13																			
24	Board Reviews Updated Project Plans & specs.	1 day	Wed 12/12/12	Wed 12/12/12																			
25	Review plan, design & specs. With Lee County	13 days	Thu 12/13/12	Mon 12/31/12																			
26	Send Project Description to Dredgers	1 day	Fri 12/14/12	Fri 12/14/12																			
27	FDEP Approves Plans & Specs.	30 days	Fri 12/14/12	Thu 1/24/13																			
28	Bid Announcement (if non-Corps)	0 days	Tue 12/11/12	Tue 12/11/12																			
29	Corps NEPA Requirements Met	41 days	Mon 2/18/13	Mon 4/15/13																			
30	Survey of Borrow Area	17 days	Fri 3/1/13	Mon 3/25/13																			
31	Coordination of Parking & Staging Areas	54 days	Fri 3/1/13	Wed 5/15/13																			
32	Coordinate sea turtle & Environmental monitoring	43 days	Fri 3/1/13	Tue 4/30/13																			
33	Bond Attorney Issues RFQ for Project Funding	5 days	Mon 3/4/13	Fri 3/8/13																			
34	Federal Funding Award	12 days	Fri 3/15/13	Sat 3/30/13																			
35	Design & Engineering Funds to Corps	12 days	Fri 3/15/13	Sat 3/30/13																			
36	Corps Completion of Plans and Specs.	22 days	Fri 3/15/13	Mon 4/15/13																			
37	Project Cooperation Agreement	22 days	Fri 3/15/13	Mon 4/15/13																			
38	Request DEP Construction Funds	14 days	Mon 4/1/13	Thu 4/18/13																			

Project: 2012-2013 Captiva & San Date: Mon 3/11/13

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

ID	Task Name	Duration	Start	Finish	2011				2012				2013				2014				2015
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
39	Board Attorney Reviews Funding Proposals	22 days	Mon 4/1/13	Tue 4/30/13																	
40	Open Bids (if non-Corps)	0 days	Mon 4/8/13	Mon 4/8/13																	
41	Pre-Construction Meeting & Turbidity Monitor Identification	12 days	Mon 4/15/13	Tue 4/30/13																	
42	COE Notice to Proceed	0 days	Mon 4/15/13	Mon 4/15/13																	
43	Award Contract (if non-Corps)	0 days	Tue 4/16/13	Tue 4/16/13																	
44	Adoption of Loan Resolution	1 day	Thu 4/25/13	Thu 4/25/13																	
45	Documentation and close on loan	2 days	Fri 4/26/13	Mon 4/29/13																	
46	Construction Funds to COE	2 days	Tue 4/30/13	Wed 5/1/13																	
47	Corps Bid Announcement	1 day	Wed 5/1/13	Wed 5/1/13																	
48	Develop Plans for Dune Vegetation	23 days	Wed 5/1/13	Fri 5/31/13																	
49	Advertise, bid, and award dune vegetation	21 days	Mon 6/3/13	Sun 6/30/13																	
50	Corps Opens Bids	1 day	Mon 6/3/13	Mon 6/3/13																	
51	Corps Awards Contract	1 day	Tue 6/18/13	Tue 6/18/13																	
52	Town Hall Meeting	1 day	Thu 6/20/13	Thu 6/20/13																	
53	Project Web Updates	135 days	Tue 6/25/13	Mon 12/30/13																	
54	Notice to Proceed	1 day	Mon 7/1/13	Mon 7/1/13																	
55	Construction Phase	163 days?	Wed 5/1/13	Mon 12/16/13																	
56	CP&E Construction Services	161 days	Wed 5/1/13	Wed 12/11/13																	
57	Mobilization	22 days	Mon 7/1/13	Tue 7/30/13																	
58	Captiva Is. Fill Placement	67 days	Thu 8/1/13	Fri 11/1/13																	
59	N. Sanibel Is. Fill Placement	24 days	Fri 11/1/13	Wed 12/4/13																	
60	Construct Post & Rope Fence & Dune Vegetation	22 days	Sat 11/9/13	Mon 12/9/13																	
61	Fill Placement Complete	0 days	Mon 12/16/13	Mon 12/16/13																	
62																					
63	Post Construction Phase	154 days	Mon 12/30/13	Thu 7/31/14																	
64	COE Project Certification	44 days	Mon 12/30/13	Thu 2/27/14																	
65	Post Construction Survey & as Built Eng. Report	98 days	Fri 2/14/14	Tue 7/1/14																	
66	COE Report of Preliminary Cost	44 days	Tue 4/1/14	Fri 5/30/14																	
67	CEPD Engineer Completion & Total Project Cost Estimate	23 days	Tue 7/1/14	Thu 7/31/14																	
68																					
69	Apportionment Phase	205 days	Fri 8/1/14	Thu 5/14/15																	
70	Final Apportionment	108 days	Fri 8/1/14	Tue 12/30/14																	
71	Notice Public Hearing	1 day	Fri 1/2/15	Fri 1/2/15																	
72	Apportionment Hearing & Adoption	1 day	Thu 1/15/15	Thu 1/15/15																	
73	Special Assessment Tax Roll	44 days	Mon 3/2/15	Thu 4/30/15																	
74	Assessments Sent	2 days	Wed 5/13/15	Thu 5/14/15																	
75																					
76	Monitoring Phase	1640 days	Mon 2/2/15	Sun 5/16/21																	
77	1 Year Survey and Monitoring Report	77 days	Mon 2/2/15	Tue 5/19/15																	

ID	Task Name	Duration	Start	Finish	2011				2012				2013				2014				2015
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
78	2 Year Survey and Monitoring Report	76 days	Tue 2/2/16	Tue 5/17/16																	
79	3 Year Survey and Monitoring Report	73 days	Fri 2/9/17	Tue 5/16/17																	
80	5 Year Survey and Monitoring Report	75 days	Sun 2/3/19	Thu 5/16/19																	
81	7 Year Survey and Monitoring Report	74 days	Wed 2/3/21	Sun 5/16/21																	

Project: 2012- 2013 Captiva & San Date: Mon 3/11/13

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary		Inactive Task		Duration-only		Finish-only			

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Army Corps of Engineers Funding Status

COST APPORTIONMENT OF SHORE PROTECTION PROJECT					
Project Feature	Project Cost	Federal Share	Federal Cost	Non-Federal Share	Non-Federal Cost
Mobilization	\$1,335,089				
FCCE* (21% Proportional Cost)	\$280,369	100.00%	\$280,369	0.00%	\$0
Shore Protection - CG	\$1,054,720	27.72%	\$292,368	72.28%	\$762,352
Beach Replenishment	\$14,273,006				
FCCE* (21% Proportional Cost)	\$2,997,331	100.00%	\$2,997,331	0.00%	\$0
Shore Protection - CG	\$11,275,675	27.72%	\$3,125,617	72.28%	\$8,150,058
Dune Construction (Betterment)	\$552,674				
FCCE* (21% Proportional Cost)	\$0	0.00%	\$0	0.00%	\$0
Shore Protection - CG	\$552,674	0.00%	\$0	100.00%	\$552,674
Engineering & Design	\$927,192				
FCCE* (21% Proportional Cost)	\$194,710	100.00%	\$194,710	0.00%	\$0
Shore Protection - CG	\$732,482	27.72%	\$203,044	72.28%	\$529,438
Monitoring Costs	\$510,872				
FCCE* (21% Proportional Cost)	\$107,283	100.00%	\$107,283	0.00%	\$0
Shore Protection - CG	\$403,589	27.72%	\$111,875	72.28%	\$291,714
Construction Management	\$927,192				
FCCE* (21% Proportional Cost)	\$194,710	100.00%	\$194,710	0.00%	\$0
Shore Protection - CG	\$732,482	27.72%	\$203,044	72.28%	\$529,438
Real Estate/Administrative	\$31,215				
FCCE* (21% Proportional Cost)	\$6,555	100.00%	\$6,555	0.00%	\$0
Shore Protection - CG	\$24,660	27.72%	\$6,836	72.28%	\$17,824
Total Cost	\$18,557,240				
Dune Betterment (100% non-federal cost)	\$552,674	0.00%	\$0	100.00%	\$552,674
FCCE* (21% Proportional Cost)	\$3,780,959	100.00%	\$3,780,959	0.00%	\$0
Shore Protection - CG	\$14,223,607	27.72%	\$3,942,784	72.28%	\$10,280,823

*FCCE work is performed under PL 84-99, and is 100% Federal; Distribution of costs are based on proportional volumes between the FCCE emergency work to bring the project back to pre-storm conditions and the Construction General work to rebuild the Federal project back to design dimensions with advance nourishment. 6% Engineering & Design (E&D) and 6% Construction management were used for estimating purposes in the PIR and will be refined in the E&D process. A contingency of 15% was used in this analysis.

Alternative 1: placement of FCCE volume only.

COST APPORTIONMENT OF SHORE PROTECTION PROJECT					
Project Feature	Project Cost	Federal Share	Federal Cost	Non-Federal Share	Non-Federal Cost
Total Cost	\$5,266,340				
FCCE*	\$5,266,340	100.00%	\$5,266,340	0.00%	\$0
Shore Protection - CG	\$0	27.72%	\$0	72.28%	\$0

* FCCE work is performed under PL 84-99, and is 100% Federal.
 * This alternative assumes only the FCCE volume is placed and includes the full cost of mobilization/demobilization and non-construction costs

Alternative 2: placement of FCCE volume congruent with full construction template with CG funds.

COST APPORTIONMENT OF SHORE PROTECTION PROJECT					
Project Feature	Project Cost	Federal Share	Federal Cost	Non-Federal Share	Non-Federal Cost
Total Cost (including dune betterment)	\$18,557,240				
Dune Betterment (100% non-federal cost)	\$552,674	0.00%	\$0	100.00%	\$552,674
FCCE* (21% Proportional Cost)	\$3,780,959	100.00%	\$3,780,959	0.00%	\$0
Shore Protection - CG**	\$14,223,607	27.72%	\$3,942,273	72.28%	\$10,279,492

* FCCE work is performed under PL 84-99, and is 100% Federal.
 ** This alternative assumes both FCCE and CG funds are received to build the entire construction template.
 ** The cost of mobilization/demobilization and non-construction costs are shared proportionally between the FCCE volume and the CG volume, making the FCCE only 21% of the costs. The non-Federal required share is 27.72% of the CG portion of the project.

Alternative 3: placement of FCCE volume plus full construction template using 100% non-federal funds.

COST APPORTIONMENT OF SHORE PROTECTION PROJECT					
Project Feature	Project Cost	Federal Share	Federal Cost	Non-Federal Share	Non-Federal Cost
Total Cost	\$18,557,240				
Dune Betterment- (100% non-federal cost)	\$552,674	0.00%	\$0	100.00%	\$552,674
FCCE**	\$3,780,959	100.00%	\$3,780,959	0.00%	\$0
Add'l Shore Protection - (100% non-federal)	\$14,223,607	0.00%	\$0	100.00%	\$14,223,607

* FCCE work is performed under PL 84-99, and is 100% Federal.
 * This alternative assumes both FCCE volume and the full construction template volume is placed, but volume in excess of the FCCE work is at 100% non-Federal expense.
 ** FCCE costs default to alternative 2, which proportionates the cost share of mob/demob and other line items. Any additional funds provided by the non-Federal sponsor would be under a an executed agreement for additional work at 100% non-Federal expense

Captiva Erosion Prevention District
Resolution No. _____

RESOLUTION NO. 13-2
BY THE BOARD OF COMMISSIONERS
OF THE CAPTIVA EROSION PREVENTION DISTRICT
LEE COUNTY, FLORIDA

WHEREAS, the Captiva Erosion Prevention District ("District") is authorized by Chapter 81-413, Laws of Florida and Section 161.32, Florida Statutes (2012), as a beach and shore preservation district; and

WHEREAS, Section 4 "Powers of the District", paragraph (4) authorizes the District to adopt rules for its own government and proceedings; and

WHEREAS, The District has adopted Rules of Procedure, last amended March 9, 2011; and

WHEREAS, Rule 1.23(d) of the District Rules of Procedure provides that a resolution stating budget and purposes shall be required to initiate any project exceeding \$10,000; and

WHEREAS, The District desires to initiate such a project exceeding \$10,000.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CAPTIVA EROSION PREVENTION DISTRICT that:

Section 1. The District approves the expenditure of \$529,438 for the project described as the 2013/14 Shore Protection Project. The project purposes are for the Army Corps of Engineers to provide engineering and design services for the beach nourishment project contingent upon the Army Corps of Engineers receiving federal funds for the project.

Section 2. This Resolution shall become effective immediately upon adoption.

THE FOREGOING RESOLUTION was offered by Commissioner Mike Mullins who moved its adoption. The motion was seconded by Commissioner Dave Jensen and upon being put to vote, the vote was as follows:

Chairman Jim Boyle
Vice Chair Doris Holzheimer
Secretary Henry A. Kaiser
Treasurer Dave Jensen

Aye _____
Aye _____
Aye _____
Aye _____

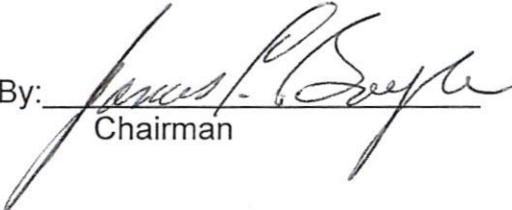
Captiva Erosion Prevention District
Resolution No. _____

Commissioner Mike Mullins

Aye

DULY PASSED AND ADOPTED THIS 13th day of March, 2013.

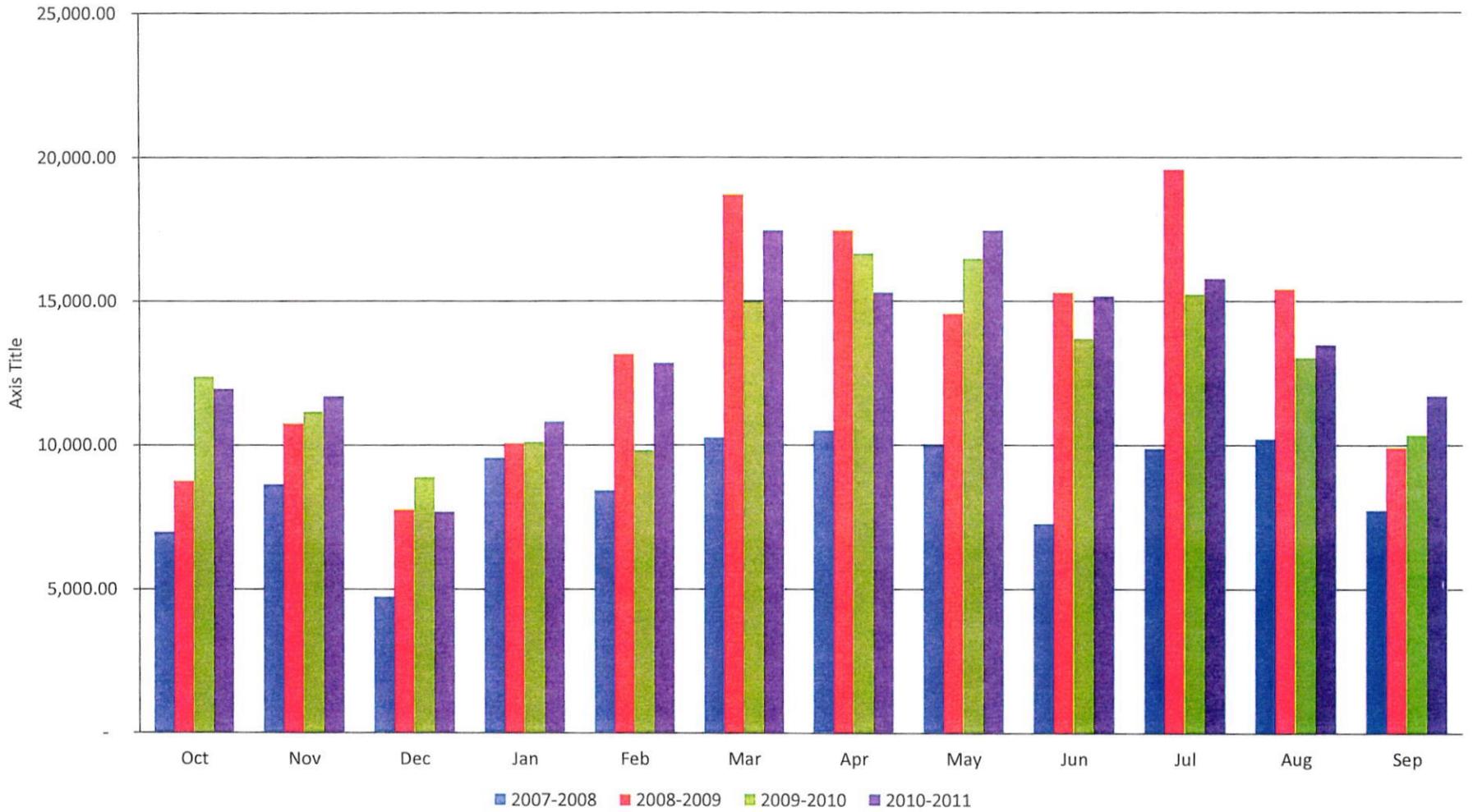
Board of Commissioners of the
Captiva Erosion Prevention District

By: 
Chairman

Certified by: 
Secretary

Interlocal Agreement Status

CEPD MONTHLY PARKING LOT REVENUE ANALYSIS



Parking lot revenue

FY
2007-2008

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Totals
2007-2008	6,976.40	8,630.28	4,726.56	9,538.53	8,400.17	10,235.05	10,471.67	9,989.40	7,248.95	9,867.79	10,196.29	7,720.17	104,001.26
2008-2009	8,737.40	10,722.41	7,752.31	10,053.81	13,161.13	18,691.92	17,440.75	14,544.08	15,278.03	19,554.66	15,395.99	9,903.94	161,236.43
% Increase	25.24%	24.24%	64.02%	5.40%	56.68%	82.63%	66.55%	45.60%	110.76%	98.17%	51.00%	28.29%	55.03%
2009-2010	12,357.59	11,134.66	8,869.90	10,085.06	9,798.61	14,977.47	16,615.88	16,448.19	13,671.63	15,220.22	13,018.92	10,339.71	152,537.84
% Increase	29.30%	3.70%	12.60%	0.31%	-34.32%	-24.80%	-4.96%	11.58%	-11.75%	-28.48%	-18.26%	4.21%	-5.70%
2010-2011	11,931.14	11,669.86	7,670.33	10,793.21	12,825.58	17,420.50	15,272.04	17,420.50	15,146.38	15,772.73	13,466.90	11,701.77	161,090.94
% Increase	-3.57%	4.59%	-15.64%	6.56%	23.60%	14.02%	-8.80%	5.58%	9.74%	3.50%	3.33%	11.64%	5.31%

Oil Spill Protection Plan Costs

Coastal Planning&Engineering	6/1/10-6/30/10	\$2,712.50
Coastal Planning&Engineering	7/1/10-7/31/10	\$1,606.50
Coastal Planning&Engineering	8/1/10-8/31/10	\$3,048.00
Total:		\$7,367.00