



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

South Seas Island Resort,  
Alpha Cone Room  
Captiva, Florida 33924

Monday, April 8, 2019  
1:00 P.M.

**CEPD Regular Board Meeting  
April 8, 2019  
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**Agenda**  
**of the Regular Meeting of the**  
**Captiva Erosion Prevention District**  
South Seas Island Resort, Alpha Cone Room  
April 8, 2019 @ 1:00 P.M.

1. Call to Order
2. Roll Call
3. Approval of Meeting Minutes:
  - a. March 11, 2019 Regular Meeting Minutes
  - b. March 21, 2019 Briefing Meeting Minutes
  - c. March 28, 2019 Briefing Meeting Minutes
4. Public Comments
5. Financial Report
  - a) Budget Performance Ending March 31, 2019
6. Old Business
  - a) Beach Vehicle SOPs
    - a. Official Beach Conduct
    - b. Official Beach Vehicle Usage
  - b) FY17-18 Financial Audit – Updated Draft
  - c) Turner Beach Permitting
  - d) Parking Lot Survey
  - e) Website Redesign
  - f) Referendum Next Steps
    - a. Federal funding issues – USACE
    - b. Tentative Apportionment Adjustment Update
7. New Business
  - a) Monday.com
  - b) NextCloud
8. Administrator’s Report
  - a) FEMA DAC Funds
  - b) John Deere Issues
  - c) Accountant RFP
  - d) Office Keys
9. Commissioner Comments

Adjourn

## Commissioners' Notes

5. Financial Report
  - a) Budget performance ending March 31, 2019

6. Old Business
  - a) Beach Vehicle SOPs
    - a. Official Beach Conduct

- b. Official Beach Vehicle Usage

- b) FY17-18 Financial Audit – Updated Draft

- c) Turner Beach Permitting

d) Parking Lot Survey

e) Website Redesign

f) Referendum Next Steps  
a. Federal Funding Issues – USACE

b. Tentative Apportionment Adjustment Update

7. New Business  
a) Monday.com

b) NextCloud

8. Administrator's Report  
a. FEMA DAC Funds

b. John Deere Issues

c. Accountant RFP

d. Office Keys

9. Commissioner Comments

**Regular Board Meeting  
of the  
Captiva Erosion Prevention District**  
South Seas Island Resort,  
Alpha Cone Room  
March 11, 2019 @ 1:00 P.M.

**Commissioners Present:** Mike Mullins, Chair; Michael Lanigan, Vice Chair; Harry Kaiser, Secretary; Bob Walter, Treasurer; and Dave Jensen, Commissioner.

**Staff Present:** Carolyn Weaver, Administrator; Joe Wagenti, Deputy Administrator; Hans Wilson, Hans Wilson and Associates; Dr. William Stronge and Dr. Gary Jackson.

**1. Call to Order**

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

**2. Roll Call**

The Chair called the roll and the results are outlined above.

**3. Approval of Meeting Minutes**

**a. February 11, 2019 Regular Meeting Minutes**

Commissioner Kaiser moved and Commissioner Lanigan seconded the motion to approve the February 11, 2019 Regular Board Meeting minutes with the updates that Chairman Mullins will give to the CEPD Staff. The motion passed unanimously.

**b. February 21, 2019 Briefing Meeting Minutes**

Commissioner Kaiser moved and Commissioner Jensen seconded the motion to approve the February 21, 2019 Briefing Meeting minutes with the updates that Chairman Mullins will give to the CEPD Staff. The motion passed unanimously.

**c. March 7, 2019 Briefing Meeting Minutes**

Commissioner Kaiser moved and Commissioner Walter seconded the motion to approve the March 7, 2019 Briefing Meeting minutes with the updates that Chairman Mullins will give to the CEPD Staff. The motion passed unanimously.

**4. Public Comments**

Carroll Wetzel thanked Chairman Mullins for the time spent going over the allocation and explaining Ad Valorem versus Benefit. Mr. Wetzel would like to see a more detailed explanation of Ad Valorem numbers. He would also like to ask proportionally, who should pay for the future in regards to just value versus perspective value. Dr. Stronge will review this in his presentation.

Joel Caouette, City of Sanibel, explained the erosion and violent storms damages in the Santiva area. They are working with coastal engineers, Humiston & Moore, to restore the damage. They are looking for emergency nourishment and add rip-rap revetment 50' seaward of San-Cap road.

## 5. Financial Report

### a) Budget Performance Ending February 28, 2019

Commissioner Walter reported there are no major issues to discuss. He requested Ms. Weaver verify the budget (specifically parking lot revenue) has been changed to a cash basis instead of straight line. He also stated that the tax revenue/assessment are up because properties are selling on Captiva.

## 6. Old Business

### a) Referendum Next Steps

#### a. Benefits based or ad valorem

This will be addressed by Dr. Stronge.

#### b. Millage Rates – Single Family increase, condominium decrease

This will be addressed by Dr. Stronge.

#### c. Recreational Benefits down from 70%

This will be address by Dr. Stronge.

#### d. Sand projected at 900,000 cubic yards (~24:00)

Chairman Mullins stated that the audit states the sand 864,000 cubic yards. He has seen several different numbers in reports and asked the CEPD staff to confirm the amount, as another report states 895,862 cy on Captiva, 200,000 cy on North Sanibel, and 80,000 cy on Bowman's Beach.

Additionally, he reports that he has been asked why the number is so high for the next renourishment (900,000 cy) if we are retaining sand, and we will ask Dr. Stronge for clarification on this, too.

Chairman Mullins believes it might be higher, even with retaining sand, as we are trying to build the next cycle to 10 years, rather than 8 years.

#### e. Federal funding issues

Chairman Mullins reported that Federal funds were pulled from the 2014 project. He would like to have an Army Corps of Engineers (ACOE) representative come to a meeting to give a definitive reason as to why they pulled out, as well as clarifying the easement issues.

It was discussed that the cost to benefit ratio of having ACOE run the project was high, so APTIM ran the project and came in much lower, to everyone's agreement. Chairman Mullins would like to see the comparison.

Commissioner Jensen asked if 1) have we made contact with ACOE to see if they will meet with the Board and 2) the status on an email from Debbie Flack wanting an update about the beach bills, how to rate projects and how much federal funding can we receive.

Ms. Weaver will contact ACOE to get the past quotes, the easement issues, and the public access issues. She will request they attend a meeting. Dr. Stronge mentioned getting federal money gets an organization higher in the priority list.

Chairman Mullins recommends we bring in a 3rd party to review and gain a better understanding of federal funding. Dr. Stronge recommended we get in touch with Debbie Flack. Mr. Wilson mentioned there are 3 critical components: 1) easements, 2) benefits to cost analysis needs to be done, and 3) are there any appropriations at the federal level. Mr. Wilson feels we can get all of that from the ACOE and not have to retain another engineering firm. Chairman Mullins disagrees and feel we need another firm to look into this.

b) Tentative Apportionment Adjustment – Drs. Stronge and Jackson

Dr. Stronge presented on the revised tentative apportionment renourishment project (see slides, attached as addendum A). Slide 2 shows the storm benefit categories are divided by 6 zones: Upper South Seas, Lower South Seas, Village Beach, Tween Waters Beach, Upper Gold Coast, and Lower Gold Coast. The recreation benefit has 3 categories: single family (which now includes multi-family<10), condo, and commercial. He clarified that the \$5,054,701 benefit amount is per year, projected over the life of the interval.

Slide 3 shows the shares of the total cost of the project, by benefit category. The basic millage rates by benefit category were explained. Also explained was the cost share total of \$18,000,000 is based on the highest expected cost share scenario. Mark Reiss would like the actual numbers of properties listed next to each benefit category.

Slide 4 shows the basic millage rates by benefit category. One problem with the charts is that it appears properties are getting counted twice; in actuality they are getting counted twice if they are receiving storm protection. If not, they are only counted based on the recreational assessment which is single family (this includes multi-family<10), condominium, or commercial properties. The charts should have a space between the lower gold coast and the single-family properties to make them easier to understand.

Commissioner Walter asked where the cutoff is between the Upper and Lower South Seas; he was referred to the engineer's report. Linda Laird asked if, when commercial properties are valued, does it include just the property value. The answer was that yes, it does. Commissioner Mullins also discussed the homestead discount of 42.1%, because homesteaders are not permitted to rent their properties.

With Slide 5, Dr. Stronge expanded the recreation tax assessment base multi-family and non-commercial properties, showing the just values of Captiva private properties by their land use category (as set by the governor) of Single Family, Multi-Family>10, Condominium, Commercial, Institutional (11 Rauschenberg and 2 Captiva Civic Association properties), and miscellaneous (2 Island Water Association and 1 United Telephone properties). It was mentioned it would be helpful to see the assessment rate in this slide. Dr Strong explained the just value of each land use

category against the current millage rates of 2.7853 for the single-family recreational benefit and 5.2517 for condo recreational benefit. Commissioner Lanigan pointed out that almost 50% is single family and only 20% is multi-family<10.

Slide 6, Shrinking of the Recreation Tax Assessment Base with Homesteaded Properties shows the Single Family, Multi-Family<10, and Condominium. Note that interval properties are now called hotels, which are commercial. Multi-Family<10 is one family/owner with less than 10 buildings on the property (such as a main house with a guest house). Dr. Stronge explained how we reduced by 6.7161% in order to meet the \$18M assessment

Slide 7 shows the revenue impact of assessment base changes.

Slide 8, Sunset Captiva Storm Assessment: Part One, was created by the engineer and breaks out storm protection benefits into four sub-benefits: Armor (reduced costs of seawall and revetment repairs); Development (reduced losses due to damaged structures and infrastructure); Backfill (reduced costs of and berm repairs); and Land Loss (reduced losses due to land losses). The bulk of storm protection benefits will be cost savings from fewer periodic events where sand will be placed to protect the beach and berm created as a result of the renourishment project. It is the protection of the dune and berm on the common element parcel that would receive episodic backfills during the life of the project. Commissioner Lanigan suggested it is reasonable to think the breakdown is similar along each zone. The engineers only completed the Village Beach Zone, where Sunset Captiva is located.

Slide 9, Sunset Captiva Storm Assessments Part Two explains the backfill benefits received by all Sunset Captiva Homeowners and the additional benefit the maintenance of the common element provides to the adjacent front row parcels that are received only by those parcels. For this reason, the economists and engineers recommend that the total benefit to the common element be shared by all Sunset Captiva Properties and by the First Line Properties.

Slide 10 presents a plan based on a 50:50 split in order to illustrate the effect of redistributing the sub-benefits.

Slide 11 shows the Distribution of Assessments by Location of Property when Backfill Sub-benefits are split 50:50. The benefit-based assessment where millage rates are different depending on the benefit category has the majority of the assessment paid by the front-line properties. The 50:50 split reduced the non-gulf properties storm assessments by 40.5% (their millages would fall by 40.5%). The first line properties would see a rise in millages by 162.9%.

Chairman Mullins asked for a motion to accept the tentative apportionment. Commissioner Jensen made the motion that we use the same methods as used in 2014. After discussion that motion was withdrawn. Linda Laird shared her belief that having the beachfront owners carrying the burden is not correct and it should be spread among all owners. She mentioned the Condo Association turning into a conservancy. Carroll Wetzel suggested that CEPD funds not be used to alleviate

changes in allocations. Chairman Mullins wanted to assure how the funds are allocated in regards to Mr. Wetzel's remark.

Chairman Mullins explained that we will need to postpone our public hearing on April 9th if the tentative apportionment is not approved.

Commissioner Jensen made the motion to accept Dr. Stronge's 50-50 recommendation. Commissioner Kaiser seconded the motion. After discussion, Commissioners Jensen and Kaiser voted yes; Commissioners Mullins, Lanigan and Walter voted no. The motion was not carried. The public hearing will be delayed.

Chairman Mullins has asked John Bralove to run the numbers on our tentative assessment spreadsheet to include the new numbers we receive from Dr. Stronge. Ms. Weaver will reach out to each Commissioner to get their questions for Dr. Stronge; she will compile the requests and email them to Dr. Stronge. After we get the new spreadsheet, we will ask Mr. Bralove to update it.

## **7. New Business**

### **a) Beach Vehicle**

- a. SOPs with SCCF are in process.
- b. Legal Memorandum: This was received from Nancy Stroud. It is her opinion that CEPD has the legal right, because of our Enabling Legislation, to utilize the beach vehicle for major projects as well as beach maintenance.

### **b) Roles of a CEPD Commissioner**

Chairman Mullins chose to address this at a later time.

### **c) APTIM Redfish Pass Sand Search and Borrow Area Design**

This item will be postponed until the April meeting. Chairman Mullins asked Ms. Weaver to bring an explanation from APTIM, along with a recommendation, especially showing how many more stages there are and what they might be. Commissioner Kaiser stated the need to determine Redfish Pass is a suitable sand source. The next step is the geotechnical exploration for sand suitable.

### **d) FY17-18 Financial Audit – Draft**

Ms. Weaver stated the draft audit begins on Page 57, and turned the item over to Daniel Anderson from Mauldin & Jenkins. Mr. Anderson reported they have completed all procedures and have not put in any opinions. When it is completed, the Board will get a final opinion. Mr. Anderson will send it to Ms. Weaver at a later date.

Commissioner Walter asked for a projection on parking revenue.

Commissioner Walter asked why, on page 62, were the capital assets reduced? It was due to the three projects. Updates will be made and brought back to the April board meeting for approval

e) FDEP Local Government Funding Request FY19-20

Ms. Weaver reviewed the plan, on page 94, and stated that we are #17 on their list.

f) FDEP Long Range Budget Plan FY19-29

Ms. Weaver stated this is for information purposes. It was asked that she confirm that the Captiva Erosion Prevention District project, entitled "Captiva/Sanibel Island Beach Nourishment (R84-R118) does not include North Sanibel.

g) Turner Beach Dune Extension Request

Ms. Weaver explained that Jeremy Herget, the managing engineer for the City of Sanibel Turner Beach Improvement project, was to come to our meeting and offer explanation. Due to permitting not being complete, he asked that we wait until April to address this subject. Chairman Mullins has requested a better diagram.

Discussion was led by Commissioner Lanigan concerning fishing off the bridge and incorporating some assistance into this project. Chairman Mullins suggests talking to Sanibel to see if some help can occur. Chairman Mullins discussed repair work around Turner Beach.

h) Parking Lot Survey

Much discussion was held about the amenities and the parking lot. There was discussion about the interlocal agreement, a perpetual easement from the family that currently owns the old Boyle property, the need for a limited development order, a building permit from the county, and other issues. Mr. Wagenti is meeting with Mark Anderson at Benchmark Construction to begin the surveying and permitting process. Commissioner Walter made the motion that a title search and new survey of the Alison Hagerup parking lot be obtained, granting approval through Chairman Mullins not to exceed \$10,000. The motion was seconded by Chairman Kaiser. It was passed unanimously.

Commissioner Jensen would like to know how many additional parking spots at the Shirley lot would be available and the subsequent revenue generated.

Ms. Weaver was asked to contact the realtor for the Potter's property and the Shirley Lot to see if they are for sale. The Potter's property is estimated to be for sale at \$2,000,000.

i) Website Redesign

Ms. Weaver discussed the bids that were obtained late November for an updated website, and the opportunity that we have now with Mr. Wagenti's technical skill to oversee the operation. Staff will look into this further and bring more information to the April meeting. The goal would be to have the new website launch coincide with the 60<sup>th</sup> anniversary of the CEPD, which is June 19, 2019.

Commissioner Mullins suggests to come back with a better plan and to possibly tie the 60<sup>th</sup> anniversary to an event along with the launch of the website.

## 8. Administrator's Report

Ms. Weaver reported that the Mobi-mat is fraying and Mr. Wagenti called the company. A replacement mat is being mailed at no charge.

New trash bins have been ordered and will be placed at Alison Hagerup Beach Parking lot. They are from Bear Saver and look like the bins used on Sanibel.

The newsletter went out prior to the bond referendum.

## **9. Commissioner Comments**

Commissioner Jensen has notified the board that he is stepping down in in the next fiscal year and is looking for a viable candidate. He worked with Ms. Weaver to create an information sheet that can be distributed. Ms. Weaver will discuss this at the CCP meeting tomorrow.

Commissioner Lanigan has offered to step down as Vice Chair as he feels he is not qualified. He asked for a new vote, however Chairman Mullins stressed that the Vice Chair does not have to become Chair should the Chair seat become vacant. This will be discussed further in April.

Commissioner Kaiser was thankful for the public for voting 86% in favor of the bond referendum for the renourishment project.

Commissioner Walter did not have any further comment.

## **Adjourn**

There being no further business, the Chair adjourned the meeting at 4:18 P. M.

Attachments (1):  
PowerPoint Presentation



## Minutes

Briefing Meeting  
of the  
Captiva Erosion Prevention District  
CEPD Office, 11513 Andy Rosse Lane, Unit 4  
March 21, 2019 @ 1:00 P.M.

**Commissioners Present:** Mike Mullins (Chair); Michael Lanigan (Vice Chair);  
Dave Jensen (Commissioner)

**Absent (excused):** Harry Kaiser (Secretary); Bob Walter (Treasurer)

**Staff Present:** Carolyn Weaver (CEPD Administrator); Joe Wagenti (CEPD Deputy Administrator)

### 1. Call to Order

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

### 2. Roll Call

The Chair called the roll and the results are outlined above.

### 3. Public Comments

None

### 4. Tentative Apportionment

Chairman Mullins began the meeting by stressing that the Board needs to be satisfied with the determination of apportionment before any public decisions are set. The Board is discussing the option of using Ad Valorem versus Benefit based assessment, but since it is much different than the past assessments it seems to raise more questions than answers. It was noted that we need to preserve commercial share.

Commissioner Lanigan would like to see a side by side comparison of ad valorem, the current basic assessment, 2014 apportionment, 2014 low to high estimated figures, 2014 apportionment total (with extrapolations to \$18M), and the 2019 Low to High estimates.

Chairman Mullins reiterated the need to show Low to High estimates since once the Board accepts the tentative assessment, they will need to explain the Low to High and that it depends on what CEPD receives from Federal and State sources.

Commissioner Lanigan would like a comparison of the 2014 millage rate to what we are using now. It was also stressed that 600 interviews are more legitimate than anecdotal rebuttals. He went on to state that the last 3 renourishment projects were benefit-based.

Chairman Mullins stated there is a problem with Ad Valorem: Property valuation is not efficient and some homeowners refuse to homestead because of re-appraisal.

Commissioner Lanigan stated we should treat homesteading all the same, condo and single family alike, and need to extend fairness in all properties that do not rent.

Chairman Mullins asked if we should obtain another economist and if we should ask Dr. Stronge if he has done this type of assessment elsewhere in the state. He also requested that we obtain the original beach surveys from Dr. Stronge as well as the functions of his calculations.

Chairman Mullins wants to validate the beach survey so we can use that data to justify our requests to Federal and State agencies.

The survey resulted in showing a median value of \$14 per visitor, 422,000 beach visits annually showing roughly \$6.5M in benefits, with +\$3.6M in recreational value benefit and +\$2.5M in storm benefit.

We attempted to call Dr. Stronge at this time, several times, but the line was always busy.

Discussion continued over Dr. Stronge's PowerPoint from the last Board meeting and the note stating APTIM determined that storm protection will not extend past the 1<sup>st</sup> line of properties. Chairman Mullins brought up several individual properties and was concerned at the anomalies in assessment. He is planning to write a Beach Brief and might ask for a vote determining the use of benefit-based versus Ad Valorem.

The subject of the protection of Barrier Islands to the mainland and if there is an economic impact study of the coastal community from either the TDC or the Coastal Advisory Committee.

#### **5. Turner Beach Permit**

Chairman Mullins wanted staff to ask APTIM if they can provide an opinion of the rip-rap project on Turner Beach by Sanibel Island and its relation to the upcoming renourishment project.

#### **6. Parking Lot Survey**

The major lines are being added to the 2012 survey. A site plan for the Alison Hagerup mobile restroom project will be created using this survey. A title search should be underway by the end of the week.

#### **7. Commissioner Comments**

Commissioner Lanigan wanted CEPD to find out if the properties around Tween are 1<sup>st</sup> string properties and exactly how did Dr. Stronge categorize them.

Chairman Mullins wanted all questions sent to Dr. Stronge right away and to get clarification on Gulfway and Sunset Captiva, specifically.

#### **Adjourn**

The meeting was adjourned at 3:30pm



## Briefing Meeting Minutes

of the

Captiva Erosion Prevention District  
CEPD Office, 11513 Andy Rosse Lane, Unit 4  
March 28, 2019 @ 1:00 P.M.

**Commissioners Present:** Mike Mullins (Chair); Dave Jensen (Commissioner)

**Absent (excused):** Harry Kaiser (Secretary); Bob Walter (Treasurer) : Michael Lanigan (Vice Chair);

**Staff Present:** Carolyn Weaver (CEPD Administrator); Joe Wagenti (CEPD Deputy Administrator)

**Vendors:** Dr. Bill Stronge (by phone)

1. Call to Order:  
Chairman Mullins called the meeting to order at 1:00 pm.
2. Roll Call  
The Chair called the roll and the results are outlined above.
3. Public Comments  
None
4. Tentative Apportionment

Chairman Mullins provided a brief overview of Captiva's tax history (bed tax, economic impact, etc.) and TDC's role in the renourishment project. Discussion was held regarding CGWIA and Sunset Captiva in regards to storm and recreational benefit assessment. Chairman Mullins would like to see a version of the assessment where the millage recreational benefit is the same for residential, multi-family, and condo (homesteaded) and another rate for non-homestead properties. Commercial properties would be assessed the same millage. Commission Jensen would like to see a comparison of the recreational benefit from 2014 to what is being proposed now.

Chairman Mullins stated the most compelling argument against moving from an Ad Valorem assessment is that \$1.8M would be moved from commercial to residential property owners, further burdening those owners.

Dr. Stronge joined the meeting by conference call. Chairman Mullins asked Dr. Stronge to explain the rationale behind the 50/50 proposal concerning Sunset Captiva. Dr. Stronge stated that was an engineering question and went into further discussion of the 4 major categories of armor, development, backfill, and land loss. To summarize: 85% represent savings to property owners that would avoid losses to the beach (backfill category).

Dr. Stronge made it clear that the beach survey was to assess the recreational benefit only and the storm assessment was determined through the engineering reports. Chairman Mullins stated the Commission is enabled to undercharge, not overcharge property owners. There was additional discussion over the Gulf Way property on the 40' right-of-way property; the CEPD received an email from the HOA over concern of the assessment and how they were determined. Ms. Weaver will follow up with this.

Dr. Stronge discussed the foundational importance of the Benefit Analysis. Chairman Mullins stated the final assessment was 38% of the maximum assessment of the last project. Our letter will need to have a low (\$9M) to high range (\$18M), once the apportionment is approved.

Commissioner Jensen shared there's a rumor circulating that the assessments are higher because we aren't using the Corps of Engineers. Chairman Mullins stressed we need definitive answers.

Discussion was held about the recent vote, and how we had a 38% turnout (117 votes, 317 total voters). Supervisor of Elections thought this was very high for a non-election vote.

5. Commissioner Comments

Commissioner Jensen said there's a rumor circulating in the public that our assessment is higher because we aren't using the Corps of Engineers.

Adjourn

The meeting was adjourned at 2:54 pm

CEPD - GENERAL FUND  
Balance Sheet

	<u>March 31, 2019</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
S.B.A. Account	\$ 117.96
BOTI Checking	1,011,485.59
Total Checking/Savings	<u>1,011,603.55</u>
Other Current Assets	
Due from Capital Projects Fund	88,914.91
Total Other Current Assets	<u>88,914.91</u>
 Total Current Assets	 <u>1,100,518.46</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 1,100,518.46</u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Capital Projects Fund	\$ 377,123.23
Total Other Current Liabilities	<u>377,123.23</u>
 Total Current Liabilities	 <u>377,123.23</u>
 Total Liabilities	 377,123.23
Equity	
Fund Balance	504,919.91
Net Income	218,475.32
Total Equity	<u>723,395.23</u>
 <b>TOTAL LIABILITIES &amp; EQUITY</b>	 <u>\$ 1,100,518.46</u>

**Captiva Erosion Prevention District**  
 General Fund - Budget Performance Summary  
 For the One and Six Months Ended  
 March 31, 2019

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Mar '19	Budget - Mar '19	Variance - Mar '19	Actual YTD	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Ad Valorem Tax	\$ 11,081.31	\$ 13,106.33	\$ (2,025.02)	\$ 388,152.46	\$ 408,644.02	\$ (20,491.56)	\$ 449,936.00	\$ 61,783.54
Interest income - Other	26.28	24.00	2.28	151.58	114.00	37.58	250.00	98.42
Other Income	0.00	600.00	(600.00)	4,457.71	2,800.00	1,657.71	5,000.00	542.29
Total Income	11,107.59	13,730.33	(2,622.74)	392,761.75	411,558.02	(18,796.27)	455,186.00	62,424.25
Gross Profit	11,107.59	13,730.33	(2,622.74)	392,761.75	411,558.02	(18,796.27)	455,186.00	62,424.25
Expense								
Administrative expenses	6,731.50	22,150.00	(15,418.50)	47,194.93	114,550.00	(67,355.07)	195,000.00	156,419.82
Capital outlay	0.00	0.00	0.00	1,320.00	2,000.00	(680.00)	4,000.00	2,680.00
Reserves	7,473.84	7,473.83	0.01	44,843.04	44,843.02	0.02	89,686.00	44,842.96
Cost of collecting Ad Valorem	229.66	184.00	45.66	9,380.95	9,767.00	(386.05)	11,500.00	2,119.05
Legal and professional fees	11,374.00	12,583.33	(1,209.33)	71,547.51	79,500.02	(7,952.51)	155,000.00	83,452.49
Total Expense	25,809.00	42,391.16	(16,582.16)	174,286.43	250,660.04	(76,373.61)	455,186.00	289,514.32
Net Ordinary Income	(14,701.41)	(28,660.83)	13,959.42	218,475.32	160,897.98	57,577.34	0.00	(227,090.07)
Transfer to Capital Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	\$ (14,701.41)	\$ (28,660.83)	\$ 13,959.42	\$ 218,475.32	\$ 160,897.98	\$ 57,577.34	\$ -	\$ (227,090.07)

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

**Captiva Erosion Prevention District**  
 General Fund - Budget Performance Detail  
 For the One and Six Months Ended  
 March 31, 2019

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Mar '19	Budget - Mar '19	Variance - Mar '19	Actual YTD	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Ad Valorem Tax								
Grant Local	\$ -	\$ 3,183.33	(3,183.33)	\$ -	\$ 19,100.02	(19,100.02)	\$ 38,200.00	38,200.00
Ad Valorem taxes	11,081.31	9,923.00	1,158.31	388,152.46	389,544.00	(1,391.54)	411,736.00	23,583.54
Total Ad Valorem Tax	11,081.31	13,106.33	(2,025.02)	388,152.46	408,644.02	(20,491.56)	449,936.00	61,783.54
Interest income - Other	26.28	24.00	2.28	151.58	114.00	37.58	250.00	98.42
Other Income	0.00	600.00	(600.00)	4,457.71	2,800.00	1,657.71	5,000.00	542.29
Total Income	11,107.59	13,730.33	(597.72)	392,761.75	411,558.02	(18,796.27)	455,186.00	62,424.25
Gross Profit	11,107.59	13,730.33	(2,622.74)	392,761.75	411,558.02	(18,796.27)	455,186.00	62,424.25
Expense								
Administrative expenses								
Advertising	0.00	0.00	0.00	981.72	3,585.00	(2,603.28)	4,000.00	3,018.28
Bank Service Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beach Maintenance Monitor	0.00	3,200.00	(3,200.00)	0.00	19,400.00	(19,400.00)	38,200.00	38,200.00
Board Approved special projects	1,177.00	3,000.00	(1,823.00)	2,354.50	12,000.00	(9,645.50)	30,000.00	27,645.50
Board meeting expenses	0.00	0.00	0.00	0.00	500.00	(500.00)	500.00	500.00
Copier lease expense	237.73	230.00	7.73	1,086.30	2,120.00	(1,033.70)	3,000.00	1,913.70
Dues and subscriptions	0.00	0.00	0.00	3,395.00	600.00	2,795.00	800.00	0.00
General insurance	0.00	2,600.00	(2,600.00)	16,519.75	5,300.00	11,219.75	10,500.00	0.00
History of CEPD	0.00	10,000.00	(10,000.00)	0.00	25,000.00	(25,000.00)	40,000.00	40,000.00
Newsletter expense	242.09	0.00	242.09	242.09	750.00	(507.91)	1,500.00	1,257.91
Office expense	1,688.41	190.00	1,498.41	4,134.03	2,145.00	1,989.03	6,000.00	1,865.97
Postage	145.30	0.00	145.30	567.86	1,100.00	(532.14)	1,500.00	932.14
Referendum	557.29	0.00	557.29	2,339.58	20,000.00	(17,660.42)	20,000.00	17,660.42
Rent expense	1,431.05	1,500.00	(68.95)	8,516.50	9,000.00	(483.50)	18,000.00	9,483.50
Repairs	0.00	0.00	0.00	0.00	500.00	(500.00)	1,000.00	1,000.00
Telephone	509.42	300.00	209.42	1,799.11	1,700.00	99.11	3,500.00	1,700.89
Travel and per diem	79.89	500.00	(420.11)	1,172.29	5,500.00	(4,327.71)	7,000.00	5,827.71
Utilities	137.61	130.00	7.61	780.82	850.00	(69.18)	2,000.00	1,219.18
Website & Computer maintenance	525.71	500.00	25.71	3,305.38	4,500.00	(1,194.62)	7,500.00	4,194.62
Total Administrative expenses	6,731.50	22,150.00	(15,418.50)	47,194.93	114,550.00	(67,355.07)	195,000.00	156,419.82
Capital outlay								
Equipment purchases	0.00	0.00	0.00	1,320.00	2,000.00	(680.00)	4,000.00	2,680.00
Total Capital outlay	0.00	0.00	0.00	1,320.00	2,000.00	(680.00)	4,000.00	2,680.00
Consulting and Professional Fees								
Consulting	9,575.00	9,583.33	(8.33)	57,950.00	57,500.02	449.98	115,000.00	57,050.00
Professional Fees	1,799.00	3,000.00	(1,201.00)	13,597.51	22,000.00	(8,402.49)	40,000.00	26,402.49
Total Legal and professional fees	11,374.00	12,583.33	(1,209.33)	71,547.51	79,500.02	(7,952.51)	155,000.00	83,452.49
Cost of collecting Ad Valorem								
Property tax appraiser fees	0.00	0.00	0.00	1,592.42	2,183.00	(590.58)	3,500.00	1,907.58
Tax collector commissions	229.66	184.00	45.66	7,788.53	7,584.00	204.53	8,000.00	211.47
Total Cost of collecting Ad Valorem	229.66	184.00	45.66	9,380.95	9,767.00	(386.05)	11,500.00	2,119.05
Reserves								
Operating Reserves	7,473.84	7,473.83	0.01	44,843.04	44,843.02	0.02	89,686.00	44,842.96
Total Reserves	7,473.84	7,473.83	0.01	44,843.04	44,843.02	0.02	89,686.00	44,842.96
Total Expense	25,809.00	42,391.16	(16,582.16)	174,286.43	250,660.04	(76,373.61)	455,186.00	289,514.32

NOTE: Residual Budget figures reflect only Budget Revenue uncollected and Budgeted expenditures not yet incurred.

**Captiva Erosion Prevention District**  
 General Fund - Budget Performance Detail  
 For the One and Six Months Ended  
 March 31, 2019

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Mar '19	Budget - Mar '19	Variance - Mar '19	Actual YTD	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Net Ordinary Income	(14,701.41)	(28,660.83)	13,959.42	218,475.32	160,897.98	57,577.34	0.00	(227,090.07)
Transfer to Capital Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	<u>\$ (14,701.41)</u>	<u>\$ (28,660.83)</u>	<u>\$ 13,959.42</u>	<u>\$ 218,475.32</u>	<u>\$ 160,897.98</u>	<u>\$ 57,577.34</u>	<u>\$ -</u>	<u>\$ (227,090.07)</u>

**NOTE:** Residual Budget figures reflect **only** Budget Revenue uncollected and Budgeted expenditures not yet incurred.

CEPD - CAPITAL PROJECTS FUND  
 Balance Sheet

March 31, 2019

ASSETS

Current Assets

Checking/Savings

BOTI Checking

\$ 2,669,556.31

Sanibel Captiva Bank - CD

247,080.00

SBA

223,671.58

Total Checking/Savings

3,140,307.89

Other Current Assets

Due From General Fund

377,123.23

Total Other Current Assets

377,123.23

Total Current Assets

3,517,431.12

TOTAL ASSETS

\$ 3,517,431.12

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Due to General Fund

\$ 88,914.91

Total Current Liabilities

88,914.91

Total Liabilities

88,914.91

Equity

Fund Balance

3,035,513.96

Net Income

393,002.25

Total Equity

3,428,516.21

TOTAL LIABILITIES & EQUITY

\$ 3,517,431.12

5/3 Loan (Princ due each May)

Amount borrowed

\$ 9,600,000.00

Payments made - FYE 09/30/14

(5,400,000.00)

Payments made - FYE 09/30/15

(700,000.00)

Payments made - FYE 09/30/16

(700,000.00)

Payments made - FYE 09/30/17

(700,000.00)

Payments made - FYE 09/30/18

(700,000.00)

\$ 1,400,000.00

**Captiva Erosion Prevention District**  
Capital Projects Fund - Budget Performance Summary  
For the One and Six Months Ended  
March 31, 2019

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Mar '19	Budget - Mar '19	Variance - Mar '19	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Grant Income	\$ -	\$ -	\$ -	\$ 35,936.05	\$ 1,597,733.00	\$ (1,561,796.95)	\$ 179,100.00	\$ 143,163.95
Interest Income	68.05	40.00	28.05	361.11	253.00	108.11	500.00	138.89
Other miscellaneous income	0.00	0.00	0.00	9,625.00	0.00	9,625.00	0.00	0.00
Parking Lot Revenue	37,993.35	30,634.00	7,359.35	169,913.29	143,514.00	26,399.29	340,000.00	170,086.71
Transfer from General Fund	0.00	0.00	0.00	216.77	0.00	216.77	0.00	0.00
Reserves - General	7,473.84	7,473.75	0.09	44,843.04	44,842.50	0.54	89,685.00	44,841.96
Special Assessments	16,312.37	10,628.00	5,684.37	324,448.74	237,238.00	87,210.74	280,000.00	5,345.27
<b>Total Income</b>	<b>61,847.61</b>	<b>48,775.75</b>	<b>13,071.86</b>	<b>585,344.00</b>	<b>2,023,580.50</b>	<b>(1,438,236.50)</b>	<b>889,285.00</b>	<b>363,576.78</b>
Expense								
Advertising	2,155.20	0.00	2,155.20	2,155.20	1,000.00	1,155.20	2,000.00	0.00
Annual memberships & fees	0.00	0.00	0.00	500.00	1,000.00	(500.00)	2,000.00	1,500.00
Bank service charges	0.00	0.00	0.00	5.00	0.00	5.00	0.00	0.00
Capital Expenses	0.00	0.00	0.00	12,306.47	0.00	12,306.47	0.00	0.00
Cost of Assessment Collections	0.00	0.00	0.00	916.30	838.00	78.30	1,000.00	83.70
Engineering (CP)	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00	20,000.00
Grant Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	16,107.25	0.00	16,107.25	16,107.25	15,000.00	1,107.25	15,000.00	0.00
Permit Modifications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Hurricane Irma Study	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Parking lot expenses	9,753.40	7,324.00	2,429.40	33,337.97	145,515.00	(112,177.03)	189,400.00	156,062.03
Project Management Support	10,866.50	24,083.00	(13,216.50)	68,878.09	125,498.00	(56,619.91)	273,000.00	204,121.91
Renourishment 2013/14	0.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	0.00
Renourishment 2021/2022	8,000.00	0.00	8,000.00	32,462.01	0.00	32,462.01	0.00	0.00
Rent	404.51	367.00	37.51	2,457.83	2,794.00	(336.17)	7,500.00	5,042.17
Redfish Pass	0.00	0.00	0.00	4,546.30	0.00	4,546.30	0.00	0.00
Storage of records	245.89	233.33	12.56	1,471.74	1,400.02	71.72	2,800.00	1,328.26
<b>Total Expense</b>	<b>47,532.75</b>	<b>32,007.33</b>	<b>15,525.42</b>	<b>179,144.16</b>	<b>293,045.02</b>	<b>(113,900.86)</b>	<b>512,700.00</b>	<b>388,138.07</b>
<b>Net Ordinary Income (Loss)</b>	<b>14,314.86</b>	<b>16,768.42</b>	<b>(2,453.56)</b>	<b>406,199.84</b>	<b>1,730,535.48</b>	<b>(1,324,335.64)</b>	<b>376,585.00</b>	<b>(24,561.29)</b>
Other Expense								
Debt Service - Interest	0.00	12,880.00	(12,880.00)	13,197.59	26,000.00	(12,802.41)	26,000.00	12,802.41
Debt Service - Principal	0.00	0.00	0.00	0.00	0.00	0.00	700,000.00	700,000.00
<b>Net Income</b>	<b>\$ 14,314.86</b>	<b>\$ 3,888.42</b>	<b>\$ 10,426.44</b>	<b>\$ 393,002.25</b>	<b>\$ 1,704,535.48</b>	<b>\$ (1,311,533.23)</b>	<b>\$ (349,415.00)</b>	<b>\$ (737,363.70)</b>

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

**Captiva Erosion Prevention District**  
 Capital Projects Fund - Budget Performance Detail  
 For the One and Six Months Ended  
 March 31, 2019

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Mar '19	Budget - Mar '19	Variance - Mar '19	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Grant Income - Local	\$ -	\$ -	\$ -	\$ 35,936.05	\$ 30,000.00	\$ 5,936.05	\$ 146,100.00	\$ 110,163.95
Grant Income - State	0.00	0.00	0.00	0.00	33,000.00	(33,000.00)	33,000.00	33,000.00
Grant Income - Federal (FEMA)	0.00	0.00	0.00	0.00	1,534,733.00	(1,534,733.00)	0.00	0.00
Interest Income	68.05	40.00	28.05	361.11	253.00	108.11	500.00	138.89
Other miscellaneous revenues	0.00	0.00	0.00	9,625.00	0.00	9,625.00	0.00	0.00
Parking Lot Revenue	37,993.35	30,634.00	7,359.35	169,913.29	143,514.00	26,399.29	340,000.00	170,086.71
Refund Unused Project Costs	0.00	0.00	0.00	216.77	0.00	216.77	0.00	0.00
Reserves - General	7,473.84	7,473.75	0.09	44,843.04	44,842.50	0.54	89,685.00	44,841.96
Special Assessments		0.00			0.00			
Special Assessments Principal	14,991.07	10,100.00	4,891.07	299,794.01	210,250.00	89,544.01	250,000.00	0.00
Special Assessments - Interest	1,321.30	528.00	793.30	24,654.73	26,988.00	(2,333.27)	30,000.00	5,345.27
Total Special Assessments	16,312.37	10,628.00	5,684.37	324,448.74	237,238.00	87,210.74	280,000.00	5,345.27
Total Income	61,847.61	48,775.75	13,071.86	585,344.00	2,023,580.50	(1,438,236.50)	889,285.00	363,576.78
Expense								
Advertising	2,155.20	0.00	2,155.20	2,155.20	1,000.00	1,155.20	2,000.00	0.00
Annual memberships & fees	0.00	0.00	0.00	500.00	1,000.00	(500.00)	2,000.00	1,500.00
Bank service charges	0.00	0.00	0.00	5.00	0.00	5.00	0.00	0.00
Capital Expense	0.00	0.00	0.00	12,306.47	0.00	12,306.47	0.00	0.00
Cost of Assessment Collections	0.00	0.00	0.00	916.30	838.00	78.30	1,000.00	83.70
Engineering (CP)	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00	20,000.00
Grant Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	16,107.25	0.00	16,107.25	16,107.25	15,000.00	1,107.25	15,000.00	0.00
Permit Modification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Hurricane Irma Survey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Redfish Pass								
Geo-Technical Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Redfish Pass Study	0.00	0.00	0.00	2,896.30	0.00	2,896.30	0.00	0.00
Redfish IMP	0.00	0.00	0.00	1,650.00	0.00	1,650.00	0.00	0.00
Parking lot expenses								
Credit card fees	922.85	746.00	176.85	3,719.62	3,401.00	318.62	9,000.00	5,280.38
Machine warranty	0.00	0.00	0.00	0.00	1,400.00	(1,400.00)	1,400.00	1,400.00
Parking lot equipment	4,270.00	0.00	4,270.00	4,270.00	73,000.00	(68,730.00)	73,000.00	68,730.00
Parking maintenance	1,986.14	4,000.00	(2,013.86)	11,877.45	18,500.00	(6,622.55)	40,000.00	28,122.55
Portable toilets	985.00	575.00	410.00	5,910.00	4,550.00	1,360.00	8,000.00	2,090.00
Signage	0.00	0.00	0.00	0.00	1,500.00	(1,500.00)	1,500.00	1,500.00
Site Prep and Construction	0.00	0.00	0.00	0.00	35,000.00	(35,000.00)	35,000.00	35,000.00
Utilities	0.00	50.00	(50.00)	0.00	200.00	(200.00)	500.00	500.00
Sales tax expense	1,589.41	1,953.00	(363.59)	7,560.90	7,964.00	(403.10)	21,000.00	13,439.10
Total Parking lot expenses	9,753.40	7,324.00	2,429.40	33,337.97	145,515.00	(112,177.03)	189,400.00	156,062.03
Project Management Support								
Professional Fees	1,291.50	15,083.00	(13,791.50)	11,428.09	79,498.00	(68,069.91)	155,000.00	143,571.91
Project Consultant	9,575.00	9,000.00	575.00	57,450.00	46,000.00	11,450.00	118,000.00	60,550.00
Total Project Management Support	10,866.50	24,083.00	(13,216.50)	68,878.09	125,498.00	(56,619.91)	273,000.00	204,121.91
Renourishment 2013/14								
Mobilization, Dredging & Fill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monitoring - Sea Turtle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Construct Survey & Report	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beach Maintenance	0.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	0.00

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

**Captiva Erosion Prevention District**  
 Capital Projects Fund - Budget Performance Detail  
 For the One and Six Months Ended  
 March 31, 2019

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Mar '19	Budget - Mar '19	Variance - Mar '19	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Total Renourishment 2013/14 Design Phase	0.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	0.00
Renourishment 2021/2022								
Mail Survey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Engineering Report/Storm Damage Analysis	0.00	0.00	0.00	12,800.00	0.00	12,800.00	0.00	0.00
Project Benefit Analysis	8,000.00	0.00	8,000.00	16,062.01	0.00	16,062.01	0.00	0.00
Summer Recreational Survey	0.00	0.00	0.00	3,200.00	0.00	3,200.00	0.00	0.00
Winter Recreational Survey	0.00	0.00	0.00	400.00	0.00	400.00	0.00	0.00
Total Renourishment 2021/2022	8,000.00	0.00	8,000.00	32,462.01	0.00	32,462.01	0.00	0.00
Rent	404.51	367.00	37.51	2,457.83	2,794.00	(336.17)	7,500.00	5,042.17
Storage of records	245.89	233.33	12.56	1,471.74	1,400.02	71.72	2,800.00	1,328.26
Total Expense	47,532.75	32,007.33	15,525.42	179,144.16	293,045.02	(113,900.86)	512,700.00	388,138.07
Other Income/Expense								
Debt Service - Interest	0.00	12,880.00	(12,880.00)	13,197.59	26,000.00	(12,802.41)	26,000.00	12,802.41
Debt Service - Principal	0.00	0.00	0.00	0.00	0.00	0.00	700,000.00	700,000.00
Total Other Income/Expense	0.00	12,880.00	(12,880.00)	13,197.59	26,000.00	(12,802.41)	726,000.00	712,802.41
Net Ordinary Income (Loss)	14,314.86	3,888.42	10,426.44	393,002.25	1,704,535.48	(1,311,533.23)	(349,415.00)	(737,363.70)
Net Income	\$ 14,314.86	\$ 3,888.42	\$ 10,426.44	\$ 393,002.25	\$ 1,704,535.48	\$ (1,311,533.23)	\$ (349,415.00)	\$ (737,363.70)

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



Captiva Erosion Prevention District  
(CEPD)

**Office Administration**

Standard Operating Procedure

for

***Official Beach Conduct***

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## DOCUMENT HISTORY

Revision date Author	What was revised	Effective date	
2/1/2019	New-Original	2/11/2029	CLW
4/3/19	SCCF Input	4/8/19	CLW

## BACKGROUND AND DESCRIPTION

The CEPD, as a function of maintaining the beaches of Captiva, is frequently required to visit the beaches and interface with residents, guests, tourists, and other individuals. Representatives of the CEPD, including consultants, staff, and Commissioners are expected to project a positive professional image on behalf of the CEPD when on the beach.

## PURPOSE

The purpose of this SOP is to:

- Provide guidance to staff when operating in the capacity as beach ambassador.
- Provide representatives of the CEPD with a standard scripted introduction that describes the mission of the CEPD and associated responsibilities.
- Prepare representatives with information supporting operations on and around the beaches relative to local ordinances and laws.

## PROCESS PARTICIPANTS

CEPD Administrator  
CEPD Staff  
CEPD Commissioners  
CEPD Consultants

## FREQUENCY

The steps in this procedure are performed each and every time the staff is on the beach.

## STEPS

All personal interface with any beach goer shall be conducted in a friendly, non-threatening manner, with the intent to inform and educate.

Representatives of the CEPD do not have any enforcement capability and shall not attempt to act as an enforcement authority on issues involving code enforcement.

All representatives of the CEPD will dress appropriately for the conditions on the beach. This includes the use of hats, sunglasses, and sunscreen for personal protection. Attire will be professional, typically khakis (long or short pants are acceptable), collared shirt, and appropriate shoes. Barefeet are not allowed unless it is temporary to retrieve an item from the surf zone.

Access to the beach will be conducted in deference to beach goers, either entering or leaving the beach.

Subject matter that may come up as a function of observing beachgoers creating a negative impact on the beach may require a reminder about observing Section 14-172(b) of the Lee County Ordinance No. 05-14-

**Lee County Land Development Code (LDC) Sec. 14-172. - Destruction or diminishment of dune or beach system.**

(a) No person may conduct or allow any of the following activities on the beach, upon a dune, or in the water adjacent to the beach, unless otherwise specifically permitted in accordance with section 14-172(b).

- (1) Harass, molest, or disturb wildlife;
- (2) Plant vegetation other than native dune vegetation;
- (3) Destroy or harm a dune or mow or remove native dune vegetation;
- (4) Maintain a dump of, or discard or leave litter, garbage, trash or refuse, vegetative clippings, or debris;
- (5) Deposit and leave human or animal waste;
- (6) Destroy or grossly interfere with the natural wrack line by grooming or non-selective raking except as authorized in section 14-174;
- (7) Operate any air-powered or any engine-powered non-watercraft vehicle, machine, or implement, including any battery or electrical powered vehicle, machine, or implement, except for a wheelchair or approved conveyance for a person with a disability which is actually being used by the person with a disability or as authorized in section 14-175;

- (8) Excavate, mine, and remove, or haul sand or soil from the beach or dune except in emergency situations as permitted by DEP;
- (9) Detonate any explosive devices, including fireworks;
- (10) Light or maintain any open fire on the beach;
- (11) Temporarily reside, camp, or sleep overnight;
- (12) Deposit/install rocks, concrete, or other shoreline stabilization materials without a permit from DEP and the county;
- (13) Deposit/add sand to the beach and dune system without a permit from DEP. All fill material will be sand that is similar to the existing beach sand in both coloration and grain size and be free of debris, rocks, clay, or other foreign matter; or
- (14) Conduct any commercial activities not explicitly authorized by this Code or by other county ordinances.

<b>MONITORING</b>
-------------------

The CEPD Deputy Administrator is responsible for monitoring this Standard Operating Procedure. Issues related to conformance with the SOP or changes to modify the effectiveness of the SOP will be addressed before the CEPD Commissioners

<b>PERFORMANCE MEASURES</b>
-----------------------------

1. Report any issues on log.
2. Address any conversations with public on log and to Administrator.

<b>RELATED SOP'S</b>
----------------------

Official Beach Vehicle Usage



Captiva Erosion Prevention District  
(CEPD)

**Office Administration**

Standard Operating Procedure (SOP)

for

***Official Beach Vehicle Usage***

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## DOCUMENT HISTORY

Revision date	What was revised	Effective date	Author
2/1/2019	New-Original	2/11/2019	CLW
4/3/19	SCCF Input	4/8/2019	CLW

## BACKGROUND AND DESCRIPTION

The Captiva Erosion Prevention District(CEPD) is a beach and shore preservation district relating to beach and shore preservation, use and maintenance of the beaches and sand dunes. The jurisdictional area of the CEPD encompasses Captiva Island, from Blind Pass to Red Fish Pass.

Activities of the CEPD strive to protect, preserve and enhance the beach, shoreline and dune system and minimize activities including operating vehicles on beaches that lead to erosion from a loss of sediment from the beach-dune system.

Driving on beaches may increase risks and harm to nesting and feeding activities of resident and migratory wildlife. This SOP provides guidelines to minimize the operation of the designated CEPD beach utility vehicle on the beach to minimize negative impacts. The CEPD will coordinate and work in partnership with the Sanibel-Captiva Conservation Foundation (SCCF), the state permit holder for Florida listed wildlife, to accomplish common goals.

CEPD Beach Vehicle Official Usage:

- By Board of Commissioners or Administration only
- By official usage delegated only by vote of the Board

The John Deere All Terrain Vehicle (Beach Vehicle) purchased February, 2019, is the ONLY vehicle that shall be used on the Captiva beaches by CEPD.

## PURPOSE

The purpose of this SOP is to:

- Establish the scope of services for the designated beach utility vehicle are limited to routine surveys, post-storm inspections, and maintenance issues;

- Ensure that the beach vehicle is used solely for official purposes;
- Ensure that all beach life, animals or vegetation, are undisturbed;
- Ensure that all state and local rules and regulations are observed regarding sea turtle nesting season and protected shorebird species, and all feeding, breeding or migratory activity;
- Ensure that all people encountered are treated with respect;
- Ensure that the beach vehicle is properly utilized, cleaned, and stored before and after each use;
- Ensure that the vehicle log is properly maintained;
- Ensure that the key is secured.

### **PROCESS PARTICIPANTS**

CEPD Administrator  
 CEPD Staff  
 CEPD Commissioners  
 CEPD Consultants

### **FREQUENCY**

The steps in this procedure are performed each and every time the beach vehicle is used.

### **STATE/LOCAL PROTOCOLS FOR BEACH VEHICLE OPERATION**

- Avoid all native salt-tolerant dune vegetation and staked sea turtle nests or posted shorebird nesting areas by a minimum of ten feet.
- Enter the beach only at designated access points and proceed directly to the hard-packed sand near or below the high tide line.
- Avoid driving on the upper beach whenever possible,
- Never drive over any dunes or over beach vegetation. If beach conditions require driving above the high tide line, avoid those areas with known sea turtle nests or shorebird breeding areas.
- Avoid the wrack line or areas of dense seaweed, which may contain sea turtle hatchlings or baby birds.
- Minimize ruts on the dry sandy beach by lowering tire pressure and using 4WD, particularly in front of sea turtle or bird nests.
- Drive a maximum of 10 mph. Movement should be slow enough to observe any bird eggs, chicks, or sea turtle hatchlings in the vehicle's line of travel. Please be aware that recently hatched chicks often feed along

the water's edge. They may freeze in place rather than run away when ATVs or other vehicles approach.

- No driving on the beach at night is allowed.
- Do not park vehicles adjacent to nests or posted areas.
- If a sea turtle crawling out of the surf is observed, stop the vehicle and turn off all lights. No additional movement should occur until the turtle moves across the beach and begins digging her nest or moves into deeper water. Do not approach the turtle. Call the SCCF Sea Turtle Hotline at (978) 728-3663 for further guidance.

## **NESTING SEASONS**

1. Turtle nesting season is from May through October, each year. Driving on sea turtle nesting habitat during the nesting season must follow these guidelines:
  - a. Must not be done before 9:00 a.m. or before completion of daily monitoring for turtle nesting activity by an FWC-authorized marine turtle permit holder, whichever occurs first (a phone call to SCCF to confirm completion is required)
  - b. Driving on the beach at night is prohibited during sea turtle season to avoid impacts to nesting and hatching sea turtles.
  - c. The vehicles must travel below the previous night's mean high tide line
  - d. Must not disturb any sea turtle or sea turtle nest.
  - e. Must avoid all staked sea turtle nests by a minimum of ten feet

Driving below the most recent high tide line can be difficult to accomplish while respecting beachgoers but remember that remaining low on the beach is the highest priority to minimize beach impacts.

- 2) Shorebird and seabird nesting season is from February through August each year laying eggs directly on the sand. Shorebird nests, chicks, and turtle hatchlings are very hard to see and can be easily killed by vehicles.

Shorebirds rely on their camouflage for protection. When startled, chicks often crouch in the sand, wrack, or in tire ruts. They may "freeze" in place and might not move out of the way in time.

Always follow these rules:

- Avoid driving on the beach at night;
- Minimize ruts by using lightweight vehicles and four-wheel drive;

- Use designated beach access points and go directly to the hard sand below the tide line;
- Don't drive on the upper beach or through wrack;
- Drive less than 10 mph or less to see any eggs, chicks, or hatchlings in your path;
- Drive even slower in rain or fog;
- Be especially careful near posted areas. Chicks may be outside the boundaries!
- Watch for birds that are calling out, running or flying towards you, or pretending to have a broken wing...these behaviors signal that nests or chicks are nearby!

<b>STEPS</b>
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#### GENERAL INFORMATION

1. The key shall be kept solely in the safe. It shall not be copied or kept on any one person unless the vehicle is in use by that person.
2. The vehicle shall be stored under the office building, in a spot marked only for golf carts, per our agreement with Landlord.
3. Gasoline must be checked, logged, and refilled whenever at ¼ tank. It may be filled at any one of the local marinas (Tween Waters, Jensen's, South Seas Resort)

#### LOG COMPLETION

1. A vehicle log is to be maintained documenting the following items.
  - a. Date of operation
  - b. Name of Operator
  - c. Purpose for vehicle use
  - d. Status of Fuel and Oil
  - e. Hours
  - f. Notes
2. The vehicle log will be located in the safe with the beach vehicle key.

#### CLEANING AND MAINTENANCE

1. The beach vehicle will be washed down using freshwater after every use. This will include washing the undercarriage, removing any beach sand or debris from in and around the running gear.

2. Before use of the Beach Vehicle the fuel and oil levels must be checked and recorded as to status.
3. Perform a general observation of the condition of the vehicle and note any items requiring repair or replacement.
4. Maximum tire pressure – any vehicle authorized to drive on the beach may not exceed a ground-to-tire pressure of Ten (10) PSI (pounds per square inch) using the following formula:

PSI = vehicle weight in pounds (includes person and equipment) divided by the footprint in square inches

EXAMPLE: 404 lbs. (ATV weight) + 200 (person + equipment) divided by 198 square inches (ATV with 6" × 8.25" footprint × 4 tires) = 3.1 PSI.

## OPERATION

1. Any person operating the Beach Vehicle will do so in a non-intrusive manner so as to respect residents, guests, and tourists using the beach.
2. The Beach Vehicle will be operated at less than 10 mph when in close proximity to beach goers.
3. The operator must pay full attention to the condition of the beach to avoid any uneven surfaces, holes, or pits that might cause the Beach Vehicle to get stuck or overturn.
4. The Beach Vehicle must be operated with safety as a number one priority.

<b>MONITORING</b>
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The CEPD Deputy Administrator is responsible for monitoring the use of the Beach Vehicle and for updating this Standard Operating Procedure. This is to ensure that all Staff and Commissioners conform to the SOP. Issues of non-conformance with the SOP will be brought to the Board for consideration.

<b>PERFORMANCE MEASURES</b>
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1. Log shall be reviewed by the Administrator monthly for any discrepancies.
2. The Deputy Administrator will be responsible for determining a maintenance and service schedule with the Dealer.

**CAPTIVA EROSION PREVENTION DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2018**

DRAFT

**CAPTIVA EROSION PREVENTION DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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**FINANCIAL SECTION**

DRAFT

**CAPTIVA EROSION PREVENTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2018. 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 2017-2018, the District's assets exceed its liabilities, resulting in a net position of \$11,852,818. The District's net position decreased \$3,734,326 or 23.96%, in comparison to the prior year. Total revenues decreased \$1,461,150 or 62.60%, in comparison to the prior year. Total expenses increased \$847,700 or 22.55%, in comparison to the prior year.

**Government-Wide Financial Statements**

Government-wide financial statements (Statement of Net Position 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 Position (page 9) presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. 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 position 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).

**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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 measureable 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 position for the District.

	2018	2017
Current and other assets	\$ 4,535,099	\$ 5,827,413
Capital assets	8,748,230	11,893,635
Total assets	<u>13,283,329</u>	<u>17,721,048</u>
Other liabilities	30,511	33,904
Long-term liabilities	1,400,000	2,100,000
Total liabilities	<u>1,430,511</u>	<u>2,133,904</u>
Net position:		
Net investment in capital assets	7,348,230	9,793,635
Restricted	4,009,594	5,360,749
Unrestricted	494,994	432,760
Total net position	<u>11,852,818</u>	<u>15,587,144</u>
Total liabilities and net position	<u>\$13,283,329</u>	<u>\$17,721,048</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Current and other assets represent 34.14% of total assets. Current assets are comprised of cash and cash equivalents of \$860,893, restricted cash and cash equivalents of \$2,208,671, special assessments receivable of \$984,641 and investments of \$480,773.

Capital assets represent 65.86% 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, and renourish a portion of Bowman's Beach on Sanibel Island. The decrease in capital assets is primarily attributable to another year of depreciation expense on the 2013-2014 beach renourishment project.

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

### Statement of Activities As of September 30, 2018 and 2017

	2018	2017
Revenues		
Program revenues		
Charges for services	\$ 332,660	\$ 301,277
Operating grants and contributions	152,527	50,787
Capital grants and contributions	-	1,534,733
General revenues		
Property taxes	367,297	366,466
Special assessments	5,935	68,140
Other	14,534	12,700
Total revenues	872,953	2,334,103
Operating expenses		
General government	3,376,628	3,353,743
Physical environment	1,196,874	358,939
Interest	33,777	46,897
Total operating expenses	4,607,279	3,759,579
Change in net position	(3,734,326)	(1,425,476)
Net position, beginning	15,587,144	17,012,620
Net position, ending	\$ 11,852,818	\$ 15,587,144

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

---

Total revenues decreased \$1,461,150 or 62.60%, in comparison to the prior year. The decrease is primarily due to a FEMA reimbursement (\$1,534,733) which was recorded as a receivable and recognize as income in the prior year. Parking revenues increased (\$31,383) due to continued strong tourism on Captiva. Grant revenues increased primarily due reimbursements from FEMA for damages sustained during Tropical Storm Debby (FYE 09/30/12). Total expenses increased \$847,700 or 22.55%, in comparison to the prior year. The decrease is due almost entirely to the repayment of certain state and local agencies upon receipt of the FEMA reimbursement.

Property values within the District increased \$37,948,823 or 2.81%, in comparison to the prior year. Cumulatively over the past 5 years, properties within the District have increased \$195,528,265 or 16.47%.

The following schedule compares the change in property value and growth in millage rates for the past years ending September 30:

Year	2014	2015	2016	2017	2018
Millage Rate	0.3124	0.3053	0.2901	0.2808	0.2720
Property Value	\$ 1,193,469,332	\$ 1,220,735,883	\$ 1,293,906,894	\$ 1,352,048,774	\$ 1,389,997,597

**BUDGETARY HIGHLIGHTS**

Budget versus actual comparisons are reported on pages 27-29. Major variances from budgeted amounts in the General Fund include lower than expected travel and per diem, consulting, and professional fees. There were no major variances in which the actual expenditure was higher than the budgeted amount.

Major variances from budgeted amounts in the Capital Projects Fund include under estimate of special assessment collections, parking revenues and local grant revenues. Parking maintenance fees and sales tax were higher than expected. The District continues to experience significant savings on budgeted amounts for the 2013-2014 renourishment project as a result of enhanced monitoring and planning initiatives undertaken by the District. Additional explanation of budget to actual variances for the Capital Projects Fund are listed below.

Grant Income – Local: The local TDC grants for the fiscal year 2017-2018 are reimbursable grants for completed work. Two TDC grants were approved. The first grant is for beach park maintenance while the second consists of a sand source search in Redfish Pass. Beach Park Maintenance for fiscal year 2017-2018 is complete. All tasks associated with Redfish Pass Study are not yet complete.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

**Local Grant Revenue:** While Phase 1 of the Red Fish Pass Study is 98% complete, Phase 2 of the Study has not begun. Once Phase 2 begins and is invoiced, funds from the grant can be drawn for completed work.

**Specials Assessments:** It was a successful year for real estate sales on Captiva. As properties are sold, the assessment is paid off on the property by the owner.

**Parking Revenues:** Beach and parking lot demand continue to be strong on the island.

**Engineering expense:** Non-technical engineering tasks were completed by the District Administrator.

**Red Fish Pass Study:** The project began in the current fiscal year and continues. Work will be complete during the fiscal year 2018-2019.

**Permit modification:** Anticipated permit modifications were not required in the current fiscal year.

**Professional Fees:** There were few issues requiring outside professional assistance.

**Renourishment Project:** Engineers have not completed the study within the scheduled timeframe originally proposed. The work will continue into the new fiscal year.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

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

	<u>2018</u>	<u>2017</u>
Infrastructure	\$ 8,729,074	\$ 11,870,135
Equipment	19,156	23,500
Total capital assets	<u>\$ 8,748,230</u>	<u>\$ 11,893,635</u>

Additional information on the District's capital assets can be found in Note 3 on page 22.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

### Debt

Debt of the District includes a note payable to a financial institution obtained for the purpose of funding the 2013-2014 beach renourishment project. The District paid \$700,000 of principal during the year.

### **Debt Outstanding As of September 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Note payable	<u>\$ 1,400,000</u>	<u>\$ 2,100,000</u>
Total debt	<u>\$ 1,400,000</u>	<u>\$ 2,100,000</u>

Additional information on the District's debt can be found in Note 4 on pages 22-23.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETED RATES**

The following were factors considered during the preparation of next year's budget (2018-2019):

- Property values increased on the island.
- Replenishing reserves for future unexpected occurrences.
- Redfish Pass Inlet study (Phase 1) has been completed and Phase 2 will begin.
- In preparation for the next beach renourishment, engineers will prepare an engineering and design report.
- Interest payments on the Fifth/Third Bank loan for the beach nourishment project will be due in November 2018 and May 2019. A loan principal payment will be due in May 2019.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability. Questions regarding any information provided here within should be directed to: Captiva Erosion Prevention District, P.O. Box 365, Captiva Island, Florida, 33924-0365 or by phone (239) 472-2472.

**CAPTIVA EROSION PREVENTION DISTRICT**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 860,893
Restricted cash and cash equivalents	2,208,671
Investments	121
Investments, restricted	480,773
Accounts receivables, net	984,641
Capital assets	
Depreciable, net	8,748,230
<b>Total assets</b>	<b>\$ 13,283,329</b>
<b>Liabilities</b>	
Accounts payable	\$ 19,513
Accrued liabilities	10,998
Noncurrent liabilities	
Due within one year	600,000
Due in more than one year	800,000
Total liabilities	1,430,511
<b>Net position</b>	
Net investment in capital assets	7,348,230
Restricted for	
Debt service	4,009,594
Unrestricted	494,994
Total net position	11,852,818
<b>Total liabilities and net position</b>	<b>\$ 13,283,329</b>

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

**CAPTIVA EROSION PREVENTION DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
<b>Functions/programs</b>		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
<b>Governmental activities</b>			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
General government	\$ 3,376,628	\$ -	\$ -	\$ -	\$ (3,376,628)
Physical environment	1,196,874	332,660	152,527	-	(711,687)
Interest on long-term debt	33,777	-	-	-	(33,777)
<b>Total governmental activities</b>	<u>4,607,279</u>	<u>332,660</u>	<u>152,527</u>	<u>-</u>	<u>(4,122,092)</u>
<b>General revenues</b>					
					367,297
Property taxes					5,935
Special assessments					7,032
Investment earnings					7,502
Miscellaneous					<u>387,766</u>
Total general revenues					(3,734,326)
<b>Change in net position</b>					<u>15,587,144</u>
<b>Net position, beginning of year</b>					<u>\$ 11,852,818</u>
<b>Net position, end of year</b>					

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

**CAPTIVA EROSION PREVENTION DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 860,893	\$ -	\$ 860,893
Restricted cash and cash equivalents	-	2,208,671	2,208,671
Investments	121	-	121
Investments, restricted	-	480,773	480,773
Accounts receivable, net	-	984,641	984,641
Due from other funds	-	355,022	355,022
Total assets	<u>\$ 861,014</u>	<u>\$ 4,029,107</u>	<u>\$ 4,890,121</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 19,513	\$ 19,513
Due to other funds	355,022	-	355,022
Total liabilities	<u>355,022</u>	<u>19,513</u>	<u>374,535</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	-	831,256	831,256
<b>Fund balances</b>			
Restricted	-	3,178,338	3,178,338
Unassigned	505,992	-	505,992
Total fund balances	<u>505,992</u>	<u>3,178,338</u>	<u>3,684,330</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 861,014</u>	<u>\$ 4,029,107</u>	<u>\$ 4,890,121</u>

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

**CAPTIVA EROSION PREVENTION DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET–**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

<b>Fund Balances, total governmental funds</b>		\$ 3,684,330
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Governmental capital assets		39,652,584
Accumulated depreciation		(30,904,354)
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.</p>		
		831,256
<p>Noncurrent liabilities, are not due and payable in the current period and therefore, are not reported in the funds.</p>		
Accrued interest payable		(10,998)
Note payable		(1,400,000)
<b>Net position of governmental activities</b>		<u><u>\$ 11,852,818</u></u>

DRAFT

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

**CAPTIVA EROSION PREVENTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ 367,297	\$ -	\$ 367,297
Intergovernmental revenues			
Grant income, federal	-	1,534,733	1,534,733
Grant income, state	-	17,402	17,402
Grant income, local	-	135,125	135,125
Special assessments	-	473,548	473,548
Charges for services, parking revenues	-	332,660	332,660
Investment earnings	271	6,761	7,032
Miscellaneous revenues	7,396	106	7,502
Total revenues	<u>374,964</u>	<u>2,500,335</u>	<u>2,875,299</u>
<b>Expenditures</b>			
Current			
General government			
Operating expenditures	231,223	-	231,223
Physical environment			
Operating expenditures	-	1,196,874	1,196,874
Debt service			
Principal retirement	-	700,000	700,000
Interest	-	39,306	39,306
Total expenditures	<u>231,223</u>	<u>1,936,180</u>	<u>2,167,403</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>143,741</u>	<u>564,155</u>	<u>707,896</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	87,036	87,036
Transfers out	(87,036)	-	(87,036)
Total other financing sources (uses)	<u>(87,036)</u>	<u>87,036</u>	<u>-</u>
<b>Change in fund balances</b>	56,705	651,191	707,896
<b>Fund balances, beginning of year</b>	<u>449,287</u>	<u>2,527,147</u>	<u>2,976,434</u>
<b>Fund balances, end of year</b>	<u>\$ 505,992</u>	<u>\$ 3,178,338</u>	<u>\$ 3,684,330</u>

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

**CAPTIVA EROSION PREVENTION DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

<b>Net Change in Fund Balances – Total Governmental Funds</b>		<b>\$ 707,896</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 2,503	
Less current year depreciation	<u>(3,147,908)</u>	(3,145,405)
<p>Revenues that are reported in the Statement of Activities that do not create current financial resources are not reported as revenues in governmental funds. This activity consists of :</p>		
Grant revenue		(1,534,733)
<p>Special assessment revenues received at the fund level previously recognized at the entity wide level.</p>		
		(467,613)
<p>Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>		
<p>Debt repayments:</p>		
Notes payable		700,000
<p>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.</p>		
Change in accrued interest		<u>5,529</u>
<b>Change in net position of governmental activities</b>		<b><u><u>\$ (3,734,326)</u></u></b>

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

# CAPTIVA EROSION PREVENTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND 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 or other facilities used for beach renourishment or erosion control.

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

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### **Significant Accounting Policies:**

##### **Reporting Entity:**

The District adheres to GASB Statement Number 61, *the Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. This Statement requires the basic financial statements of the District (the primary government) to include any component units. 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 61, the District has no component units.

##### **Government-wide and Fund Financial Statements:**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. The District has only governmental activities, which are supported primarily by taxes and special assessments and are reported in the General Fund and Capital Projects Fund.

# CAPTIVA EROSION PREVENTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation:**

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 imposed by the provider 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The government reports the following major governmental funds:

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

**CAPTIVA EROSION PREVENTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

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

**Cash and Cash Equivalents:**

Cash includes petty cash and amounts on deposit in banks. All funds on deposit are insured and fully collateralized as required by Chapter 280 of the Florida Statutes.

**Investments:**

The District adheres to the requirements of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, in which all investments are required to be reported at fair value.

**Capital Assets:**

Capital assets, which include infrastructure, construction in progress, equipment, and machinery, are reported in the government-wide statement of net position at cost. Capital assets are defined by the District as assets with an initial, individual cost of \$500 and an estimated useful life in excess of one year. Expenditures for maintenance, repairs and minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and gain or loss is recognized. There were no gains or losses recognized on disposals for the year ended September 30, 2018.

Depreciation commences when a project is ready for its intended use or when equipment is placed in service, and is computed using the straight-line method over the following estimated useful lives of assets.

Infrastructure (beach renourishment projects)	7 to 30 years
Machinery and Equipment	3 to 10 years

# CAPTIVA EROSION PREVENTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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 may affect the reported amounts of certain assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **Budgets and Budgetary Accounting:**

The District adopts an annual budget for the General Fund and the Capital Projects Fund. The budget is formally reviewed and approved by the District's Board of Commissioners. Budgets are prepared on the accrual basis. Neither the District's statute nor any debt covenants require the District to report budgetary information in its financial statements.

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

#### **Fund Equity:**

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

# CAPTIVA EROSION PREVENTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Fund Balance:* Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable:* Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.
- *Restricted:* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.
- *Assigned:* Fund balances are reported as assigned when amounts are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Currently, the Board of Commissioners is authorized to assign fund balances.
- *Unassigned:* Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The District reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds should the District establish other funds at a later time.

***Flow Assumptions*** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order: (1) committed, (2) assigned, and (3) unassigned.

#### **Deferred Outflows/Inflows of Resources:**

The District has implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. These standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

# CAPTIVA EROSION PREVENTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

#### **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.

#### **Interfund Transactions:**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” in the fund financial statements. These transactions arise to cover temporary (three months or less) cash needs.

Interfund transfers consist of funds reallocated from the General Fund to the Capital Projects Fund on a permanent basis.

# CAPTIVA EROSION PREVENTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. DEPOSITS AND INVESTMENTS

The District's deposit policy allows deposits to be held in demand deposit or money market accounts. The District maintains its cash balances at various financial institutions, which are insured by the FDIC for up to \$250,000. As of September 30, 2018, the District did not have any uninsured cash balances as all of the District deposits were held in banks or savings institutions designated as qualified public depositories by the State Treasurer (Florida Statute 280).

At September 30, 2018, the District's total cash balances were \$3,550,458. Of this amount, \$2,689,444 was held in the District's Capital Project Fund and was classified as restricted.

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, 2018, the District's General Fund and Capital Projects Fund had investments held in the Local Government Surplus Funds Trust Fund with balances of \$121 and \$228,943, respectively. The District's total investment held in the SBA at September 30, 2018, was \$229,064. The District also holds a Certificate of Deposit in the amount of \$251,830, which matures on November 14, 2018, at Sanibel/Captiva Community Bank. 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.

**CAPTIVA EROSION PREVENTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2018, is as follows:

	<u>Balance October 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30</u>
Capital assets, being depreciated				
Infrastructure	\$ 39,579,597	\$ -	\$ -	\$ 39,579,597
Equipment	70,484	2,503	-	72,987
Total capital assets, being depreciated	<u>39,650,081</u>	<u>2,503</u>	<u>-</u>	<u>39,652,584</u>
Less accumulated depreciation for				
Infrastructure	(27,709,462)	(3,141,061)	-	(30,850,523)
Equipment	(46,984)	(6,847)	-	(53,831)
Total accumulated depreciation	<u>(27,756,446)</u>	<u>(3,147,908)</u>	<u>-</u>	<u>(30,904,354)</u>
Total capital assets, being depreciated, net	<u>11,893,635</u>	<u>(3,145,405)</u>	<u>-</u>	<u>8,748,230</u>
Total capital assets, net	<u>\$ 11,893,635</u>	<u>\$ (3,145,405)</u>	<u>\$ -</u>	<u>\$ 8,748,230</u>

Depreciation expense for the year ended September 30, 2018, was \$3,147,908 and was charged to general governmental expenses.

**NOTE 4. LONG-TERM DEBT**

Long-term debt activity for the year ended September 30, 2018, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities					
Note payable	\$ 2,100,000	\$ -	\$ (700,000)	\$ 1,400,000	\$ 600,000
Total governmental activities	<u>\$ 2,100,000</u>	<u>\$ -</u>	<u>\$ (700,000)</u>	<u>\$ 1,400,000</u>	<u>\$ 600,000</u>

**CAPTIVA EROSION PREVENTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4. LONG-TERM DEBT (CONTINUED)**

**Note Payable:**

During the year ended September 30, 2013, the District obtained a \$9,600,000 promissory note payable to a financial institution for the purpose of funding the 2013-2014 beach renourishment project. Due to substantial principal prepayments, the note was reamortized and now requires annual principal payments of \$600,000 starting in May of 2018, plus interest at 1.87%. This note is collateralized by a special assessment being levied to District property owners beginning in November 2014. Final payment of the note is due in May 2021.

The anticipated note payable maturities at September 30, 2018, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 600,000	\$ 26,180	\$ 626,180
2020	600,000	14,960	614,960
2021	200,000	3,740	203,740
	<u>\$ 1,400,000</u>	<u>\$ 44,880</u>	<u>\$ 1,444,880</u>

**Compensated Absences Payable:**

Currently the District does not have any paid employees as all District personnel are paid through a contract with a local consulting firm. As such, there are no recorded compensated absences payable, as of September 30, 2018.

**NOTE 5. SPECIAL ASSESSMENTS**

In July 2014, the District Board adopted a non-ad valorem special assessment to be levied against each property owner within the District in order to pay for the 2013-2014 beach maintenance renourishment project and outstanding debt related to the 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.

**CAPTIVA EROSION PREVENTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. SPECIAL ASSESSMENTS (CONTINUED)**

The 2013-2014 Beach Renourishment Project commenced sand placement on October 7, 2013, with completion on December 16<sup>th</sup> for Captiva and December 26, 2013, for Sanibel. Approximately 6 miles of shoreline were renourished with 783,369 and 80,823 cubic yards of sand to Captiva and Sanibel Islands, respectively. The project also included dune rehabilitation and the planting of new vegetation. The total cost of the project capitalized by the District was approximately \$20.3 million. Grant funding was provided by the Florida Department of Environmental Protection (approximately \$4.5 million) and Lee County (Approximately \$7 million). The remaining costs of the project (\$7,685,599) were financed by the special assessment imposed on the property owners of Captiva in the amount of \$5,685,599, as well as \$2,000,000 from District reserves.

The 2014 special assessment was levied against the following property types at the indicated millage rates as determined by the District’s Board and economic consultant:

<u>Property Type</u>	<u>Just Value</u>	<u>Mills</u>	<u>Recreation Assessment</u>	<u>Mills</u>	<u>Storm Assessment</u>	<u>Total Assessment</u>
Commercial	\$ 69,306,760	11.4999	\$ 797,021	Various	\$ 156,779	\$ 953,800
Interval	64,800,260	4.6620	302,099	2.5211	65,924	368,023
Multi-Family	362,262,258	4.3430	1,564,053	Various	429,537	1,993,590
Nonrecreational	3,001,387	-	-	Various	9,721	9,721
Single Family	808,166,716	1.2070	983,026	Various	1,377,439	2,360,465
	<u>\$ 1,307,537,381</u>		<u>\$ 3,646,199</u>		<u>\$ 2,039,400</u>	<u>\$ 5,685,599</u>

**NOTE 6. 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 2018, is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

**CAPTIVA EROSION PREVENTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6. PROPERTY TAXES (CONTINUED)**

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%)	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, 2018, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$.2808 per \$1,000 (0.2808 mills) of the 2017 net taxable value of real property located within the District.

**NOTE 7. 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, 2018, 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.

**CAPTIVA EROSION PREVENTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 8. 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.

The District has also obtained a Directors and Officer's insurance policy. 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, 2018.

**NOTE 9. OPERATING LEASE**

In December 2012, the District entered into an operating lease agreement for office space on Captiva Island. This lease expired on November 1, 2017, and was renewed through November 2021. The base annual rental is \$16,637, or \$1,386 per month, plus common area maintenance (CAM) charges. Rent expense for the year ended September 30, 2018, was \$16,734.

Total future minimum lease payments required under the lease is as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2019	\$ 16,754
2020	16,754
2021	16,754
	<u>\$ 50,262</u>

**NOTE 10. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through **March XX, 2019**, the date which the financial statements were available to be issued and has determined that no material transactions have occurred that would warrant additional disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT

**CAPTIVA EROSION PREVENTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Property taxes	\$ 362,826	\$ 362,826	\$ 367,297	\$ 4,471
Investment earnings	175	175	271	96
Miscellaneous revenues	1,100	1,100	7,396	6,296
Total revenues	<u>364,101</u>	<u>364,101</u>	<u>374,964</u>	<u>10,863</u>
<b>Expenditures</b>				
Current				
General government				
Operating expenditures				
Advertising	4,000	4,000	838	3,162
Bank service charges	-	-	38	(38)
Board meeting	200	200	-	200
Copier lease	2,400	2,400	1,846	554
Dues and subscriptions	500	500	1,070	(570)
General insurance	9,250	9,250	9,348	(98)
Newsletter	3,000	3,000	1,691	1,309
Office	6,500	6,500	7,254	(754)
Postage	1,000	1,000	246	754
Rent	18,000	18,000	16,754	1,246
Repairs	2,000	2,000	-	2,000
Telephone	3,000	3,000	2,576	424
Travel and per diem	7,500	7,500	7,831	(331)
Utilities	2,200	2,200	1,682	518
Website maintenance	3,900	3,900	5,865	(1,965)
Consulting	136,287	136,287	128,700	7,587
Professional fees	63,328	63,328	33,087	30,241
Property appraiser fees	3,500	3,500	2,183	1,317
Tax Collector commissions	7,500	7,500	7,711	(211)
Capital outlay, equipment purchase	3,000	3,000	2,503	497
Total expenditures	<u>277,065</u>	<u>277,065</u>	<u>231,223</u>	<u>45,842</u>
<b>Excess of revenues over expenditures</b>	<u>87,036</u>	<u>87,036</u>	<u>143,741</u>	<u>56,705</u>
<b>Other financing uses</b>				
Transfers out	(87,036)	(87,036)	(87,036)	-
Total other financing uses	<u>(87,036)</u>	<u>(87,036)</u>	<u>(87,036)</u>	<u>-</u>
<b>Change in fund balance</b>	-	-	56,705	56,705
<b>Fund balance, beginning of year</b>	449,287	449,287	449,287	-
<b>Fund balance, end of year</b>	<u>\$ 449,287</u>	<u>\$ 449,287</u>	<u>\$ 505,992</u>	<u>\$ 56,705</u>

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

**CAPTIVA EROSION PREVENTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental revenues				
Grant income, federal	\$ 156,544	\$ 156,544	\$ 1,534,733	\$ 1,378,189
Grant income, state	187,500	187,500	17,402	(170,098)
Grant income, local	156,544	156,544	135,125	(21,419)
Special assessments	375,978	375,978	473,548	97,570
Charges for services, parking revenues	286,000	286,000	332,660	46,660
Investment earnings	-	-	6,761	6,761
Miscellaneous revenues	-	-	106	106
Total revenues	<u>1,162,566</u>	<u>1,162,566</u>	<u>2,500,335</u>	<u>1,337,769</u>
<b>Expenditures</b>				
Current				
Physical environment				
Operating expenditures				
Advertising	1,500	1,500	-	1,500
Annual membership and fees	1,000	1,000	720	280
Cost of assessment collections	1,200	1,200	1,609	(409)
Bank service fee	-	-	184	(184)
Credit card fees	8,725	8,725	9,387	(662)
Engineering	20,000	20,000	-	20,000
Engineering, permitting	50,000	50,000	-	50,000
Insurance	15,000	15,000	12,637	2,363
Parking lot machine	2,800	2,800	-	2,800
Parking maintenance	22,000	22,000	38,354	(16,354)
Portable toilets	7,500	7,500	11,413	(3,913)
Sales tax expense	18,720	18,720	19,178	(458)
Professional fees	40,000	40,000	24,040	15,960
Project consultant	69,300	69,300	69,300	-
Redfish pass study	415,000	415,000	94,432	320,568
Renourishment Projects				
Beach maintenance	-	-	3,449	(3,449)
Engineer report/storm damage	150,000	150,000	26,893	123,107
Mail survey	-	-	250	(250)
Project benefit analysis	20,000	20,000	4,600	15,400
Summer recreational survey	-	-	5,800	(5,800)
Winter recreational survey	20,000	20,000	15,520	4,480
Post Hurricane Irma Study	50,000	50,000	49,730	270
Bidding, negotiation and award	-	-	-	-
Economic study and apportionment plan	-	-	-	-
Long range plan update	-	-	-	-
Post construction survey and reporting	-	-	(29,667)	29,667
Other	-	-	-	-
Grant reimbursement	-	-	830,750	(830,750)
Rent	6,000	6,000	5,352	648
Records storage	2,500	2,500	2,943	(443)
Debt service				
Principal	700,000	700,000	700,000	-
Interest	39,270	39,270	39,306	(36)
Total expenditures	<u>1,660,515</u>	<u>1,660,515</u>	<u>1,936,180</u>	<u>(275,665)</u>
<b>Deficiency of revenues under expenditures</b>	<u>(497,949)</u>	<u>(497,949)</u>	<u>564,155</u>	<u>1,062,104</u>

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

(Continued)

**CAPTIVA EROSION PREVENTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES—BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Other financing sources</b>				
Transfers in	87,036	87,036	87,036	-
Total other financing sources	<u>87,036</u>	<u>87,036</u>	<u>87,036</u>	<u>-</u>
<b>Change in fund balance</b>	(410,913)	(410,913)	651,191	1,062,104
<b>Fund balance, beginning of year</b>	<u>2,527,147</u>	<u>2,527,147</u>	<u>2,527,147</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 2,116,234</u>	<u>\$ 2,116,234</u>	<u>\$ 3,178,338</u>	<u>\$ 1,062,104</u>

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

**CAPTIVA EROSION PREVENTION DISTRICT**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified? \_\_\_ Yes  X  No

Significant deficiency identified not considered  
to be material weaknesses? \_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_ Yes  X  No

**Federal Awards**

Federal and State single audits were not required to be performed in the current year due to expenditures not exceeding the \$750,000 threshold.

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported

**SECTION IV**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS**

None reported