



## Community Development District

Board of Supervisors

Regular Meeting

October 19, 2022

505 Whiskey Creek Drive, Marco Island, FL 34145

Anyone wishing to listen and participate in the meeting can do so by calling  
1-888-468-1195, Participant Pin 636522.

Additionally, participants are encouraged to submit questions and comments to the District Manager in advance to facilitate the Board's consideration of such questions and comments during the meeting.

The agenda is as follows:

1. Call to Order/Roll Call
2. Approval of Agenda
3. Public Comments
4. Approval of Minutes
  - a. June 23, 2022 Budget Meeting
  - b. June 23, 2022 Regular Meeting
5. Old Business
6. New Business
  - a. Budget Resolution for CDD Insurance
  - b. Resolution to Set Meeting Calendar FY 2022-2023
7. Attorney Report
8. Engineer Report
  - a. Hurricane Damage Report
9. Supervisors' Requests
10. District Manager Report
  - a. Acceptance of Annual Financial Report
  - b. Hurricane Ian Cleanup Report
11. Public Comments
12. Adjournment



**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
BUDGET HEARING  
June 23, 2022**

**Appearances**

Mary Beth Schewitz, Chairman  
Luanne Kerins, Co-Chair  
Terri Stanton  
Lynnn Dominici  
John Esposito

**Also Present**

Katie Maline, District Manager/Secretary  
Greg Urbancic, District Counsel (Via Speakerphone)  
Dave Schmidt, Hole Montes

**BUDGET HEARING**

**CALL TO ORDER/ROLL CALL**

The meeting was called to order at 8:30 a.m. with all Board members in attendance.

**PROOF OF PUBLICATION**

Mrs. Schewitz noted that the publication notice was included in the information packet on Page Two.

**ESTABLISH QUORUM**

With all supervisors in attendance, it was determined that a quorum was present.

**ADDITIONS OR DELETIONS TO THE AGENDA**

There were no changes made to the agenda from the Board or members of the public.

The Public Hearing was then opened.

**PUBLIC HEARING**

**A. Receive Public Comments on Fiscal Year 2022/2023 Final Budget**

The bridge work was noted as \$27,000 in the budget, and the cost numbers came in very close to this amount. Mrs. Schewitz added that the biggest additions to the Budget were the allocation for bridge reserves and inspections.

**B. It was also noted that the HOA had taken over responsibility for the all the management fees, so that assessment has been reduced.**

In response to a question from the public, Mrs. Schewitz clarified that the CDD was responsible for capital improvements to the property.

44 Additionally, Mrs. Schewitz advised that other bids could be received for the bridge work as  
45 only one was available at this time.

46 In response to Mrs. Schewitz' question regarding spending money out of the 2021/2022 budget  
47 for the roadway project, Mr. Urbancic indicated that this could be done with the carry over,  
48 which could go into the general fund, and that money could be used however the Board felt  
49 was appropriate. At that point a budget amendment would have to be done for auditing  
50 purposes.

51  
52 Mr. Krutisch then asked if there were reserves for the bridge and the roadwork that could be  
53 used for those projects, and Mrs. Schewitz explained again about these funds, which will be put  
54 into a general fund and therefore not specifically allocated for a particular use, although it is the  
55 Board's intention to use them for the large roadwork project. Mr. Urbancic added that the CDD  
56 does not have the same restrictions on their reserves.

57  
58 Finally, it was noted that the amount being levied to the residents by the CDD was reduced in  
59 this budget to \$1,600, and there being no further questions on the levy, the Public Hearing was  
60 then closed on a voice vote by Mrs. Schewitz and a second by Mr. Esposito and the unanimous  
61 approval of the Board.

62  
63 1. Consideration of Resolution 2022-02 Adopting Fiscal Year 2022-2023 Final Budget

64 Mrs. Schewitz made a voice vote to pass Resolution 2022-02 to adopt this budget, and with a  
65 second By Mrs. Stanton, the Motion passed unanimously.

66  
67 2. Consideration of Resolution 2022-03 Levying and Imposing Non-Ad Valorem Maintenance  
68 Special Assessments.

69 The Special Assessment was reduced to \$1,600 as noted in the budget, and on a voice vote  
70 by Mrs. Schewitz and a second by Mrs. Dominici, the Board unanimously approved Resolution  
71 2022-03.

72  
73 The Budget Hearing was then adjourned on a voice vote by Mrs. Schewitz and a second by Mrs.  
74 Kerins and the regular meeting was opened at 8:49 a.m.

**Key Marco Community Development District  
Regular Meeting  
June 23, 2022**

**Appearances**

Mary Beth Schewitz, Chairman  
Luanne Kerins, Co-Chair  
Terri Stanton  
Lynnn Dominici  
John Esposito

**Also Present**

Katie Maline, District Manager/Secretary  
Greg Urbancic, District Counsel (Via Speakerphone)  
Dave Schmidt, Hole Montes

**CALL TO ORDER/ROLL CALL**

The meeting was called to order by the Chairman at 8:50 a.m., and it was noted that all members were in attendance.

**APPROVAL OF AGENDA**

There were no additions made to the Agenda, and no public comment was received at this time.

**APPROVAL OF MINUTES**

As it relates to the August 2021 Budget Hearing and Regular Meeting:

On Page 3, Line 104, the "and" should be removed.

On Page 5 Line 180, the word "long" should be "along".

Additionally on Page 5, Line 187, "ad" should read "and".

On a voice vote by Mrs. Schewitz and a second by Mr. Esposito, the minutes were unanimously approved as amended.

As it relates to the April 10, 2022 Meeting:

On Page 3, Line 95, the "d" should be removed from the word "the".

On line 96, "choir" should read "quite".

On Page 4, Line 142, "\$127.838" should be changed to "\$127,838".

On Page 5, Line 165, "\$208,563,000" should be changed to "\$208,563".

On Line 166, a comma should be inserted in "\$1,900".

On Line 179, as the meetings are not necessarily held on a monthly basis, the word "monthly" should be removed.

On line 171, "note" should read "vote".

On a voice vote by Mrs. Schewitz and a second by Mrs. Dominici, the April minutes were then unanimously approved as amended.

## **OLD BUSINESS**

No old business was addressed at this time.

## **NEW BUSINESS**

No new business was addressed at this time.

## **ATTORNEY'S REPORT**

Mr. Urbancic had nothing to bring to the Board, and advised them that there was no update on the pending legislation discussed at the previous meeting.

## **ENGINEER'S REPORT**

### **A. Whiskey Creek Bridge Painting Bid Results**

Three bidders were asked to submit prices on this work, and the one bid price received from Marco Island Painting was \$27,010 for one system, and the alternate system bid out at \$21,250. The bid process was explained to those present, and in response to Mrs. Schewitz' question as to why no other bids were received, Mr. Schmitt advised that this is a difficult job, which most contractors were not interested in taking on.

Marco Island Painting has done the bridge for Key Marco in the past, and the work did last for a reasonable amount of time. The Board members discussed options should the job be started and not completed and when this job may be able to be started. After further discussion, the Board agreed to reject this bid and restart the bidding process. Mr. Urbancic agreed as well that this would be the appropriate way to go forward.

On a voice vote by Mrs. Schewitz and a second by Mr. Esposito, the Board unanimously agreed to reject the bid from Marco Island Painting and go through the rebid process, as only one bid was received.

### **B. Pavement Repairs Bid Results**

Mr. Schmitt noted that 12 locations were found to need repairs, and 14 contractors were advised of the project and asked for a bid. Two bidders responded, Bonness and Collier Paving. The lowest price was \$100,000 from Bonness, while the second bidder came in at \$138,000. After discussion about the work and what work is necessary on the Key Marco's roadways, and what could possibly wait for a few years to be done, it was decided that the worst sections would be determined, and Bonness would be asked to resubmit their bid on this reduced work. Mrs. Maline noted for the record that Mr. Kerins and Mr. Schmitt would get together and go

over the pavement report and ask Bonness to submit a new price for this reduced scope of work.

On a voice vote by Mrs. Schewitz and a second by Mrs. Dominici, the acceptance of the bid was postponed until it was revised to a more limited scope of work along with the methodology to get it done on a unanimous vote of the Board. The bid will then be revisited at the next meeting.

C. Stormwater Needs Analysis

This report that is required by the State has been completed and will be filed within the next few days. The Board members were provided copies for their information, and Mr. Schmitt briefly went through it, noting the funding available for work on this system, and what is anticipated to be done in the future, in five-year increments.

On a voice vote by Mrs. Schewitz and a second by Mr. Esposito, the Board unanimously approved this report to be submitted to Collier County as required.

**SUPERVISORS' REQUESTS**

No requests from the supervisors were received at this time.

**DISTRICT MANAGER'S REPORT**

A. Agenda change/Stormwater Report

On a voice vote by Mrs. Schewitz and a second by Mrs. Kerins, the Board unanimously approved amending the agenda to include the Stormwater report provided by Mr. Schmitt.

B. November Elections

Mrs. Maline noted that in November, Mrs. Dominici, Mrs. Schewitz and Mrs. Stanton's terms will be up, and they should let Mrs. Schewitz know what they plan to do going forward.

C. Acceptance of Financials Ending May 31, 2022

Mrs. Maline briefly reported on the financials, noting that at the end of May 82 percent of the non-ad valorem taxes had been received. The report from the auditor has not yet been received, but Mrs. Maline expected it to be sent to her that morning.

\*\*\* Most of this was not audible\*\*\*

On a voice vote by Mrs. Schewitz and a second by \*\*\* the May 31, 2022 financials were then unanimously accepted by the Board.

D. Annual Financial Report

Mrs. Maline will provide copies of the report from the auditor as soon as it is received, and Mr. Urbancic recommended that the Board recognize that Mrs. Maline must submit this report to the State, and that the Board accept the report at the next meeting. He further suggested that

Mrs. Maline send copies of it to the Board at the time of filing, so they will have the opportunity to look it over.

On a voice vote by Mrs. Schewitz and a second by Mrs. Kerins, the Board unanimously agreed to postpone the acceptance of the report until the next meeting, and that Mrs. Maline should file the report with the State in a timely manner.

#### **PUBLIC COMMENT**

No public comment was received at this time.

#### **NEXT MEETING**

The next meeting will be held in October on the 19<sup>th</sup> as several of the Board members will not be available in August.

On a voice vote by Mrs. Schewitz and a second by Mrs. Dominici, the Board unanimously agreed to postpone the August meeting and to meet in October on the 19<sup>th</sup>.

#### **ADJOURNMENT**

The meeting was then adjourned at 9:51 a.m. on a Motion and a second and unanimous agreement of the Board.



## **RESOLUTION NO. 2023-01**

### **A RESOLUTION OF THE BOARD OF SUPERVISORS OF KEY MARCO COMMUNITY DEVELOPMENT DISTRICT AMENDING THE GENERAL FUND BUDGET FOR FISCAL YEAR 2022-23; PROVIDING FOR CONFLICTS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Key Marco Community Development District (the “District”) is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

**WHEREAS**, the Board of Supervisors (“Board”) of the District has previously adopted a budget for Fiscal Year 2022-23; and

**WHEREAS**, the Board desires to amend the Insurance - General Liability portion of the budget previously adopted for Fiscal Year 2022-23.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF KEY MARCO COMMUNITY DEVELOPMENT DISTRICT:**

**Section 1. Recitals.** All of the representations, findings and determinations contained within the recitals stated above are recognized as true and accurate and are expressly incorporated into this Resolution.

**Section 2. Insurance - General Liability Budget Amendment.** The Fiscal Year 2022-23 budget is hereby amended in accordance with Exhibit “A” attached hereto and made a part hereof.

**Section 3. Severability.** Should any sentence, section, clause, part or provision of this Resolution be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this Resolution as a whole, or any part thereof, other than the part declared invalid.

**Section 4. Conflicts.** All Sections or parts of Sections of any Resolutions or actions of the Board in conflict are hereby repealed to the extent of such conflict.

**Section 5. Effective Date.** This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

**PASSED** in Public Session of the Board of Supervisors of Key Marco Community Development District, this 19<sup>th</sup> day of October 2022.

Attest:

**KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT**

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Joshua Carter, Secretary

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Mary Beth Schewitz, Chair

Exhibit “A”

PROPOSED BUDGET AMENDMENT  
FOR THE PERIOD ENDING SEPTEMBER 30, 2023

KEY MARCO

Community Development District				General Fund	
ACCOUNT DESCRIPTION	Current	PROPOSED	YEAR TO	VARIANCE (\$)	
	Budget	AMENDMENT	DATE ACTUAL	FAV(UNFAV)	
Insurance - General Liability	\$30,000	<u>\$30,922</u>	\$28,234	\$(922)	

<b>Covered Party:</b>	Key Marco CDD
<b>Effective Date:</b>	10/1/2022



Revised 9/21/22

## Coverage & Premium Comparison

LINE OF COVERAGE	2021/2022			2022/2023			Changes in Exposures	
	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2021/2022	2022/2023
<b>Property:</b>								
<b>Preferred</b>								
Blanket Buildings & Contents	\$ 2,249,600	\$ 1,000	\$ 18,919	\$ 2,249,600	\$ 1,000	\$ 19,756	Property	
Equipment Breakdown	\$ 2,249,600	\$ 1,000		\$ 2,249,600	\$ 1,000		Exposure	\$ -
Excess Flood	\$ 1,000,000	\$ 1,000		\$ 1,000,000	\$ 1,000		Difference	0.00%
Earth Movement	Not Included	\$ -		Not Included	\$ -			
Terrorism	Not Included	\$ -		Not Included	\$ -		Premium	\$ 837
Named Windstorm	\$ 2,249,600	3% / \$15,000 minimum		\$ 2,249,600	3% / \$15,000 minimum		Difference	4.42%
Additional Expense	\$ 1,000,000	\$ 1,000		\$ 1,000,000	\$ 1,000			
Business Income	\$ 500,000	\$ 1,000		\$ 500,000	\$ 1,000			
Errors & Omissions	\$ 250,000	\$ 1,000		\$ 250,000	\$ 1,000			
Demolition & Increased Cost of Construction	\$ 500,000	\$ 1,000		\$ 500,000	\$ 1,000			
<b>Inland Marine:</b>							Inland Marine	
Unscheduled Blanket Inland Marine	\$ 50,000	\$ 1,000	\$ 100	\$ 50,000	\$ 1,000	\$ 100	\$50,000	\$50,000
Communications Equipment	Included in Blanket	\$ 1,000		Included in Blanket	\$ 1,000			
Mobile Equipment	Included in Blanket	\$ 1,000		Included in Blanket	\$ 1,000		Exposure	\$ -
Electronic Data Processing	Included in Blanket	\$ 1,000		Included in Blanket	\$ 1,000		Difference	0.00%
Emergency Services Portable Equip	Included in Blanket	\$ 1,000		Included in Blanket	\$ 1,000			
Fine Arts	Included in Blanket	\$ 1,000		Included in Blanket	\$ 1,000		Premium	\$ -
Other Inland Marine	Included in Blanket	\$ 1,000		Included in Blanket	\$ 1,000		Difference	0.00%
Rented Borrowed Leased Equipment	Not Included	N/A		Not Included	N/A			
Valuable Papers	Included in Blanket	\$ 1,000		Included in Blanket	\$ 1,000			
Watercraft	Not Included	N/A		Not Included	N/A			
		Sub-Total	\$ 19,019		Sub-Total	\$ 19,856		
<b>General Liability:</b>							Payroll	
<b>Preferred</b>							\$4,800	\$6,000
General Liability	\$ 1,000,000	\$ -	\$ 2,500	\$ 1,000,000	\$ -	\$ 2,814	Exposure	\$ 1,200
Employee Benefits	\$ 1,000,000	\$ -		\$ 1,000,000	\$ -		Difference	25.00%
Deadly Weapon Protection	\$ 1,000,000	\$ -	Included	\$ 1,000,000	\$ -	Included	Premium	\$ 314
							Difference	12.56%
		Sub-Total	\$ 2,500		Sub-Total	\$ 2,814		
<b>Automobile:</b>							Vehicles	
<b>Preferred</b>							0	0
Auto Liability	\$ 1,000,000		\$ 500	\$ 1,000,000		\$ 600	TIV	
Uninsured Motorist	Not Included			Not Included			\$0	\$0
Comprehensive/Collision	N/A		\$ -	N/A		\$ -	Exposure	#DIV/0!
Hired Physical Damage	N/A			N/A			Difference	#DIV/0!
							Premium	\$ 600
		Sub-Total	\$ 500		Sub-Total	\$ 600	Difference	#DIV/0!

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

	2021/2022			2022/2023			Changes in Exposures	
LINE OF COVERAGE	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	LIMIT	DEDUCTIBLE/SIR	ANNUAL PREMIUM	2021/2022	2022/2023
Public Officials:							Payroll	
Preferred							\$4,800	\$6,000
Public Officials Liability	\$1,000,000/\$1,000,000	\$ -	\$ 2,991	\$1,000,000/\$1,000,000	\$ -	\$ 3,349	Exposure	\$ 1,200
Employment Practices Liability	\$1,000,000/\$1,000,000	\$ -		\$1,000,000/\$1,000,000	\$ -		Difference	25.00%
Cyber Liability	\$ 2,000,000	\$ 25,000	\$ 1,300	\$ 2,000,000	\$ 25,000	\$ 1,759		
Ransomware	\$ 2,000,000	\$ 25,000		\$ 2,000,000	\$ 25,000		Premium	\$ 5,108
		Sub-Total	\$ 4,291		Sub-Total	\$ 5,108	Difference	#DIV/0!
Workers' Compensation:							Payroll	
Preferred				Experience Mod: 1.00			\$4,800	\$6,000
	Experience Mod: 1.00						Exposure	\$ 1,200
Workers' Compensation	Statutory	\$ -	\$ 2,000	Statutory	\$ -	\$ 2,000	Difference	25.00%
Employers Liability	\$1m/\$1m/\$1m	\$ -	Included	\$1m/\$1m/\$1m	\$ -	Included	Premium	\$ -
		Sub-Total	\$ 2,000		Sub-Total	\$ 2,000	Difference	0.00%
Crime:	3 year policy with Annual installments			3 year policy with Annual installments				
Travelers	Effective 10/1/2021 - 10/1/2024			Effective 10/1/2021 - 10/1/2024				
Employee Dishonesty	\$ 500,000	\$ 5,000	\$ 544	\$ 500,000	\$ 5,000	\$ 544		
Theft, Disappearance & Destruction In/Out	\$ 500,000	\$ 5,000		\$ 500,000	\$ 5,000			
Funds Transfer	\$ 500,000	\$ 5,000		\$ 500,000	\$ 5,000			
Computer Fraud	\$ 500,000	\$ 5,000		\$ 500,000	\$ 5,000			
Forgery/Alterations							Premium	\$ -
		Sub-Total	\$ 544		Sub-Total	\$ 544	Difference	0.00%
TOTAL PREMIUM			\$ 28,854			\$ 30,922		
						\$ Difference	\$ 2,068	
						% Difference	7.17%	

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

**RESOLUTION 2023-02**

**A RESOLUTION OF KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT DESIGNATING DATES, TIME,  
AND LOCATION FOR REGULAR MEETINGS OF THE  
BOARD OF SUPERVISORS OF THE DISTRICT FOR FISCAL  
YEAR 2022/2023 AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Key Marco Community Development District (the “District”) is a local unit of special-purpose government created by and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the City of Marco Island in Collier County, Florida; and

**WHEREAS**, the Board of Supervisors of the District (“Board”) is statutorily authorized to exercise the powers granted to the District; and

**WHEREAS**, all meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, *Florida Statutes*; and

**WHEREAS**, the Board is statutorily required to file annually, with the local governing authority and the Florida Department of Economic Opportunity, a schedule of its regular meetings.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF  
SUPERVISORS OF KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT**

**Section 1. ADOPTING REGULAR MEETING SCHEDULE.** Regular meetings of the District’s Board shall be held during the Fiscal Year 2022/2023 as provided on the schedule attached hereto as **Exhibit A**.

**Section 2. FILING REQUIREMENT.** In accordance with Section 189.015(1), *Florida Statutes*, the District’s Secretary is hereby directed to file a schedule of the District’s regular meetings annually with Collier County and the Florida Department of Economic Opportunity.

**Section 3. EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 19<sup>th</sup> day of October, 2022.

**KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT**

**ATTEST:**

---

Joshua Carter, Secretary

---

Mary Beth Schewitz, Chair

Exhibit "A"

**FISCAL YEAR 2022-2023**

**PROPOSED**


**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT MEETING SCHEDULE**

**Meetings are conducted the 3<sup>rd</sup> Wednesday of the months shown (with any exceptions noted)**

**Time: 8:30 a.m.**

**Location: 505 Whiskey Creek Drive,  
Marco Island, Florida 34145**

October 19, 2022	Regular Meeting
December 21, 2022	Regular Meeting
February 15, 2023	Regular Meeting
April 19, 2023	Regular Meeting
June 21, 2023	Regular Meeting & Preliminary Budget Adoption
August 16, 2023	Regular Meeting & Budget Public Hearing

		<b>Daily Activity Report</b>	
		<b>DATE:</b>	2022-10-3
		<b>REPORT NO:</b>	1
		<b>PROJECT NAME:</b>	Key Marco (2020021.Z)
<b>OBSERVED BY:</b>		B. Ferguson	
<b>FIELD OBSERVER:</b>	B. Ferguson	<b>REVIEWED BY:</b>	David Schmitt
		<b>REPORT ISSUED DATE:</b>	2022-10-3
		<b>TIME:</b>	
		<b>ENGINEER OF RECORD:</b>	Hole Montes
		<b>HM FILE NO:</b>	2020021.Z
Morning Weather/Temp	Clear / 74	Afternoon Weather/Temp	Partly Cloudy / 85

<b>Contractor:</b>		<b>Subcontractors:</b>	
Project Manager		Project Manager	
Foreman		Foreman	
Laborers		Laborers	
Equipment Operator		Equipment Operator	
<b>Equipment:</b>	<b>No.</b>	<b>Equipment:</b>	<b>No.</b>
Rubber Tire Hoe		Track Hoe	
Trac Hoe		Mini Excavator	
Trailer		Front End Loader	
Loader		Bore Machine	
Truck/Tools		Truck/Tools	
Scissor lift		Skid Steer	
Vac- truck		Scissor lift	

<b>ON SITE VISITORS:</b>
Josh Carter

Daily Activity Report
<b>PUBLIC CONCERNS OR ISSUES TO BE ADDRESSED</b> (See log in book with additional information):

None

**WORK COMPLETED:**

Hole Montes representative was onsite with Josh Carter to assess the damages (if any) from Hurricane Ian on Wednesday 9/28 -Thursday 9/29. The following structural elements were inspected: Whiskey Creek Drive and bridge. Bridge has 13 spans w/ 38'-6" spacing. Loose sidewalk panels w/ corroded bolts (right side of bridge) were observed on the 1<sup>st</sup> and 10th spans of bridge. Joint filler in material in the gaps between the railing pylons shows signs of wear / deterioration. Cracking of expansion joints were observed on spans 1 and 11. Visually could not see any major structural damage to bridge. Suggested to MaryBeth and Josh Carter that a formal bridge inspection be performed due to the magnitude of the storm.

Observed excessive alligator cracking in roadway, broken irrigation head on shoulder of road w/ cracking on 6" white solid line into roadway (northeast side heading toward bridge).

Departure Time: 1:30pm

**ACCIDENTS OR INJURIES:**

none

**PHOTOS WITH DESCRIPTION:**





Roadway cracking, approximately 100' southeast from bridge.





Broken irrigation head and cracking in road. 300' southeast from bridge.





Excessive alligator cracking in road.



# North West Elevation

☉ 125°SE (T) ● 25.925878, -81.674127 ±3



Cracking in bridge joints, span 11.



# North West Elevation

☉ 135°SE (T) • 25.925876, -81.674109 ±4



Cracking in bridge joints, span 1.





Loose sidewalk panel.



Loose sidewalk panel.





**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA**

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# Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Key Marco Community Development District  
Collier County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Key Marco Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of September 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) is not a required part of the basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

July 21, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Key Marco Community Development District, Collier County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$4,421,322.
- The change in the District's total net position in comparison with the prior fiscal year was (\$293,081), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2021, the District's governmental fund reported an ending fund balance of \$759,605 a decrease of (\$55,767) in comparison with the prior fiscal year. The total fund balance is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund for external reporting. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. The general fund is considered a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,		
	2021	2020
Current and other assets	\$ 790,026	\$ 815,372
Capital assets, net of depreciation	3,661,717	3,899,031
Total assets	4,451,743	4,714,403
Current liabilities	30,421	-
Total liabilities	30,421	-
Net position		
Investment in capital assets	3,661,717	3,899,031
Unrestricted	759,605	815,372
Total net position	\$ 4,421,322	\$ 4,714,403

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net position may be used to meet the District's other obligations.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2021	2020
Revenues:		
Program revenues		
Charges for services	\$ 247,464	\$ 328,314
Operating grants and contributions	-	7,062
General revenues	8,287	15,355
Total revenues	255,751	350,731
Expenses:		
General government	128,685	167,318
Maintenance and operations	420,147	415,403
Total expenses	548,832	582,721
Change in net position	(293,081)	(231,990)
Net position - beginning	4,714,403	4,946,393
Net position - ending	\$ 4,421,322	\$ 4,714,403

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2021 was \$548,832. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments during the current and prior fiscal years. In total, expenses decreased from prior fiscal year, due to services transferred to the HOA

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2021 was amended to increase appropriations by \$107,062 and increase other financing sources by \$104,062. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021.

## CAPITAL ASSETS

At September 30, 2021, the District had \$9,630,805 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$5,969,088 has been taken, which resulted in a net book value of \$3,661,717. More detailed information about the District's capital assets is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Key Marco Community Development District's management at 505 Whiskey Creek Drive, Marco Island, FL 34145.



**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 790,026
Capital assets:	
Depreciable	1,692,514
Nondepreciable	<u>1,969,203</u>
Total assets	<u>4,451,743</u>
 <b>LIABILITIES</b>	
Accounts payable	<u>30,421</u>
Total liabilities	<u>30,421</u>
 <b>NET POSITION</b>	
Investment in capital assets	3,661,717
Unrestricted	<u>759,605</u>
Total net position	<u><u>\$ 4,421,322</u></u>

See notes to the financial statements

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Charges for Services	Net (Expense) Revenue and Changes in Net Position  Governmental Activities
Primary government:			
Governmental activities:			
General government	\$ 128,685	\$ 128,685	\$ -
Maintenance and operations	420,147	118,779	(301,368)
Total governmental activities	<u>548,832</u>	<u>247,464</u>	<u>(301,368)</u>
General revenues:			
Interest and other revenues			<u>8,287</u>
Total general revenues			<u>8,287</u>
Change in net position			(293,081)
Net position - beginning			<u>4,714,403</u>
Net position - ending			<u><u>\$ 4,421,322</u></u>

See notes to the financial statements

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	<u>Major Fund</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>
		<u>Funds</u>
<b>ASSETS</b>		
Cash	\$ 790,026	\$ 790,026
Total assets	<u>\$ 790,026</u>	<u>\$ 790,026</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 30,421	\$ 30,421
Total liabilities	<u>30,421</u>	<u>30,421</u>
 Fund balances:		
Unassigned	<u>759,605</u>	<u>759,605</u>
Total fund balances	<u>759,605</u>	<u>759,605</u>
 Total liabilities and fund balances	<u>\$ 790,026</u>	<u>\$ 790,026</u>

See notes to the financial statements

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

Total fund balances - governmental funds \$ 759,605

Amounts reported for governmental activities in the statement  
of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	9,630,805	
Accumulated depreciation	(5,969,088)	3,661,717
Net position of governmental activities		\$ 4,421,322

See notes to the financial statements

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Major Fund General	Total Governmental Funds
REVENUES		
Assessments	\$ 247,464	\$ 247,464
Interest and other revenues	8,287	8,287
Total revenues	<u>255,751</u>	<u>255,751</u>
EXPENDITURES		
Current:		
General government	128,685	128,685
Maintenance and operations	182,833	182,833
Total expenditures	<u>311,518</u>	<u>311,518</u>
Excess (deficiency) of revenues over (under) expenditures	(55,767)	(55,767)
Fund balances - beginning	<u>815,372</u>	<u>815,372</u>
Fund balances - ending	<u>\$ 759,605</u>	<u>\$ 759,605</u>

See notes to the financial statements

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
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, 2021**

Net change in fund balances - total governmental funds	\$ (55,767)
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Amounts reported for governmental activities in the statement of activities are different because:

Depreciation on capital assets is not recongnized in the governmental fund financial statement but is reported as an expense in the statement of activities.	<u>(237,314)</u>
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Change in net position of governmental activities	<u><u>\$ (293,081)</u></u>
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See notes to the financial statements

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Key Marco Community Development District ("District") was created on July 7, 1992 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, under Collier County Ordinance 92-45. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board") which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both 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 non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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 who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment (Operating-type special assessments for maintenance and debt service are treated as charges for services.) and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **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. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be 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 are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations and debt service are billed and collected by the County Tax Assessor/Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental fund:

### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to contractual restrictions.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury



## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Deposits and Investments (Continued)

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10 – 30
Infrastructure assets	10 – 40
Machinery and equipment	20

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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/expenditure) until then.

In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### Use of Estimates

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

### NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

### NOTE 4 – DEPOSITS

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

### NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 1,969,203	\$ -	\$ -	\$ 1,969,203
Total capital assets, not being depreciated	1,969,203	-	-	1,969,203
Capital assets, being depreciated				
Buildings	143,369	-	-	143,369
Improvements	883,297	-	-	883,297
Infrastructure	6,511,876	-	-	6,511,876
Machinery & Equipment	123,060	-	-	123,060
Total capital assets, being depreciated	7,661,602	-	-	7,661,602
Less accumulated depreciation for:				
Buildings	125,424	4,779	-	130,203
Improvements	735,626	21,108	-	756,734
Infrastructure	4,819,449	205,274	-	5,024,723
Machinery & Equipment	51,275	6,153	-	57,428
Total accumulated depreciation	5,731,774	237,314	-	5,969,088
Total capital assets, being depreciated, net	1,929,828	(237,314)	-	1,692,514
Governmental activities capital assets, net	\$ 3,899,031	\$ (237,314)	\$ -	\$ 3,661,717

Depreciation expense was charged to maintenance and operations.

**NOTE 6 – MANAGEMENT AGREEMENT**

In November 2019, the District entered into an agreement with Key Marco Community Association (“KMCA”) regarding District management services. Per the agreement, the HOA Manager will provide District management services and will report to both the KMCA Board and the District Board. The District has agreed to pay KMCA an annual management fee of \$55,000. The agreement is for a one year term and is automatically renewed for successive one year periods. For the fiscal year ended September 30, 2021, the District paid a total of \$54,996 to KMCA for these services.

**NOTE 7 – 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; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Assessments	\$ 244,416	\$ 244,416	\$ 247,464	\$ 3,048
Interest and other revenues	15,218	15,218	8,287	(6,931)
Total revenues	259,634	259,634	255,751	(3,883)
EXPENDITURES				
Current:				
General government	153,502	153,576	128,685	24,891
Maintenance and operations	103,132	210,120	182,833	27,287
Total expenditures	256,634	363,696	311,518	52,178
Excess (deficiency) of revenues over (under) expenditures	3,000	(104,062)	(55,767)	48,295
OTHER FINANCING SOURCES (USES)				
Use of fund balance	-	104,062	-	(104,062)
Total other financing sources	-	104,062	-	(104,062)
Net change in fund balances	\$ 3,000	\$ -	(55,767)	\$ (55,767)
Fund balance - beginning			815,372	
Fund balance - ending			\$ 759,605	

See notes to required supplementary information

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2021 was amended to increase appropriations by \$107,062 and increase other financing sources by \$104,062. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
OTHER INFORMATION – DATA ELEMENTS  
REQUIRED BY FL STATUTE 218.39(3)(C)  
UNAUDITED**

<b>Element</b>	<b>Comments</b>
Number of district employees compensated at 9/30/2021	5
Number of independent contractors compensated in September 2021	1
Employee compensation for FYE 9/30/2021 (paid/accrued)	0
Independent contractor compensation for FYE 9/30/2021	\$5,772
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See page 19 of annual financial report
Ad Valorem taxes;	Not applicable
Millage rate FYE 9/30/2021	Not applicable
Ad valorem taxes collected FYE 9/30/2021	Not applicable
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2021	Operations and maintenance - \$1,900
Special assessments collected FYE 9/30/2021	\$247,464
Outstanding Bonds:	Not applicable



# Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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Boca Raton, Florida 33431  
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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
Key Marco Community Development District  
Collier County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Key Marco Community Development District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated July 21, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

### **Compliance and Other Matters**

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



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

July 21, 2022



**Grau & Associates**  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Key Marco Community Development District  
Collier County, Florida

We have examined Key Marco Community Development District, Collier County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Key Marco Community Development District, Collier County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

July 21, 2022



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Key Marco Community Development District  
Collier County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Key Marco Community Development District ("District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated July 21, 2022.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated Xxxx, 2022, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Key Marco Community Development District, Collier County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Key Marco Community Development District, Collier County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

July 21, 2022

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

#### 2020-01 Budget:

Current Status: Recommendation has been implemented

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2020, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2021.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2021.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2021. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 21.

**RESOLUTION 2023-02**

**A RESOLUTION OF THE KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT DESIGNATING DATES, TIME,  
AND LOCATION FOR REGULAR MEETINGS OF THE  
BOARD OF SUPERVISORS OF THE DISTRICT FOR FISCAL  
YEAR 2022/2023 AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Key Marco Community Development District (the "District") is a local unit of special-purpose government created by and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the City of Marco Island in Collier County, Florida; and

**WHEREAS**, the Board of Supervisors of the District ("Board") is statutorily authorized to exercise the powers granted to the District; and

**WHEREAS**, all meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, *Florida Statutes*; and

**WHEREAS**, the Board is statutorily required to file annually, with the local governing authority and the Florida Department of Economic Opportunity, a schedule of its regular meetings.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF  
SUPERVISORS OF THE KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT**

**Section 1. ADOPTING REGULAR MEETING SCHEDULE.** Regular meetings of the District's Board shall be held during the Fiscal Year 2022/2023 as provided on the schedule attached hereto as **Exhibit A**.

**Section 2. FILING REQUIREMENT.** In accordance with Section 189.015(1), *Florida Statutes*, the District's Secretary is hereby directed to file a schedule of the District's regular meetings annually with Collier County and the Florida department of Economic Opportunity.

**Section 3. EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 19<sup>th</sup> day of October, 2022.

**KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT**

**ATTEST:**

  
\_\_\_\_\_  
Joshua Carter, Secretary

  
\_\_\_\_\_  
Mary Beth Schewitz, Chair

Exhibit "A"  
**FISCAL YEAR 2021-2022**  
**PROPOSED**  
**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT MEETING SCHEDULE**

**Meetings are conducted the 3<sup>rd</sup> Wednesday of the month.**

**Time: 8:30 a.m.**

**Location: 505 Whiskey Creek Drive,  
Marco Island, Florida 34145**

November 16, 2022	Landowners Meeting & Regular Meeting to follow.
December 21, 2022	Regular Meeting
February 15, 2023	Regular Meeting
April 19, 2023	Regular Meeting & Preliminary Budget Review
June 21, 2023	Budget Hearing & Regular Meeting to follow.

**RESOLUTION 2023-03**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF  
KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
DESIGNATING A DATE, TIME AND LOCATION FOR A  
LANDOWNERS' MEETING AND ELECTION; PROVIDING  
FOR PUBLICATION; ESTABLISHING FORMS FOR THE  
LANDOWNER ELECTION; AND PROVIDING FOR  
SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Key Marco Community Development District ("District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within the City of Marco Island, Collier County, Florida; and

**WHEREAS**, pursuant to Section 190.006(1), Florida Statutes, the District's Board of Supervisors ("Board") "shall exercise the powers granted to the district pursuant to [Chapter 190, Florida Statutes]," and the Board shall consist of five (5) members; and

**WHEREAS**, the District is statutorily required to hold a meeting of the landowners of the District for the purpose of electing Board Supervisors for the District on a date in November established by the Board, which shall be noticed pursuant to Section 190.006(2), Florida Statutes.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF  
KEY MARCO COMMUNITY DEVELOPMENT DISTRICT:**

**Section 1. Existing Board Supervisors; Seats Subject to Elections.** The Board is currently made up of the following individuals:

<u>Seat Number</u>	<u>Supervisor</u>	<u>Term Expiration Date</u>
1	Lynn Domenici	2022
2	Luanne Kerins	2024
3	John Esposito	2024
4	Mary Beth Schewitz	2022
5	Terri Stanton	2022

This year, Seat 1, currently held by Lynn Domenici, Seat 4, currently held by Mary Beth Schewitz, Seat 5, currently held by Terri Stanton are subject to a landowner election. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The remaining candidate receiving votes shall be elected for a term of two (2) years.

**Section 2. Landowner's Election.** In accordance with Section 190.006(2), Florida Statutes, the meeting of the landowners to elect Supervisor(s) for the Board of the District shall be held on November 16, 2022, at 8:30 a.m. at Key Marco Community Center, 505 Whiskey Creek Dr., Marco Island, FL 34145.

**Section 3. Publication.** The District's Secretary is hereby directed to publish notice of the landowners' meeting and election in accordance with the requirements of Section 190.006(2), Florida Statutes.



**Section 4. Forms.** Pursuant to Section 190.006(2)(b), Florida Statutes, the landowners' meeting and election were previously announced by the Board at its July 23, 2022 meeting. A sample notice of landowners' meeting and election, proxy, ballot form and instructions were presented at such meeting. This Resolution is in furtherance of the setting of the landowner's meeting and election. The proxy, ballot form and instructions for the meeting and election are attached hereto as **Exhibit A**. Such documents are available for review and copying during normal business hours at the District's Local Records Office, located at Key Marco Community Center, 505 Whiskey Creek Dr., Marco Island, FL 34145, Ph: (239) 39404346.

**Section 5. Severability.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

**Section 6. Effective Date.** This Resolution shall become effective immediately upon its adoption.

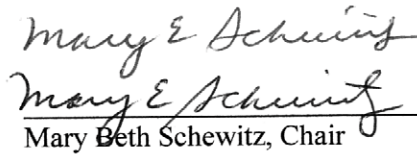
**PASSED AND ADOPTED** at a meeting of the Board of Supervisors of Key Marco Community Development District this 18<sup>th</sup> day of October 2022.

Attest:



Joshua Carter, Secretary

**KEY MARCO COMMUNITY  
DEVELOPMENT DISTRICT**

  
Mary Beth Schewitz, Chair



**Exhibit “A”**

**INSTRUCTIONS RELATING TO LANDOWNERS’ MEETING  
OF  
KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
FOR THE ELECTION OF SUPERVISORS**

<b>DATE OF LANDOWNERS’ MEETING:</b>	<b>November 16, 2022</b>
<b>TIME:</b>	<b>8:30 A.M.</b>
<b>LOCATION:</b>	<b>Key Marco Community Center 505 Whiskey Creek Drive Marco Island, FL 34145</b>

Pursuant to Chapter 190, Florida Statutes, after a Community Development District (“District”) has been established and the landowners have held their initial election, there shall be a subsequent landowners’ meeting for the purpose of electing members of the Board of Supervisors every two years until the District qualifies to have its board members elected by the qualified electors of the District. The following instructions on how all landowners may participate in the election is intended to comply with Section 190.006(2)(b), Florida Statutes.

A landowner may vote in person at the Landowners’ Meeting, or the landowner may nominate a proxy holder to vote at the meeting in place of the landowner. Whether in person or by proxy, each landowner shall be entitled to cast one vote per acre of land owned by the landowner and located within the District for each person that the landowner desires to elect to a position on the Board of Supervisors that is open for election for the upcoming term (three (3) seats on the Board will be up for election). A fraction of an acre shall be treated as one (1) acre, entitling the landowner to one vote with respect thereto. Please note that a particular parcel of real property is entitled to only one vote for each eligible acre of land or fraction thereof; therefore, two or more people who own real property in common, that is one acre or less, are together entitled to only one vote for that real property.

At the Landowners’ Meeting, the first step is to elect a chair for the meeting, who may be any person present at the meeting. The landowners shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board of Supervisors that is open for election for the upcoming term. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The remaining candidate receiving votes shall be elected for a term of two (2) years. The term of office for each successful candidate shall commence upon election.

A proxy is available upon request. To be valid, each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy does not need to be notarized.

The sample agenda for the Landowners’ Meeting is as follows:

## Sample Agenda

1. Call to Order
2. Determination of Number of Voting Units Represented
3. Election of a Chairman for the purpose of Conducting the Landowners' Meeting
4. Nominations for the Position of Supervisor
5. Casting of Ballots
6. Ballot Tabulation
7. Landowners' Questions or Comments
8. Adjournment

LANDOWNER PROXY

KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
LANDOWNERS' MEETING NOVEMBER 16, 2022

KNOW ALL MEN BY THESE PRESENT, that the undersigned, the fee simple owner of the lands described herein, hereby constitutes and appoints \_\_\_\_\_ ("Proxy Holder") for and on behalf of the undersigned to vote as proxy at the meeting of the landowners of the Key Marco Community Development District to be held at the Key Marco Community Center, 505 Whiskey Creek Drive, Marco Island, Florida 34145, on November 16, 2022 at 8:30 a.m., said meeting published in a newspaper in Collier County; and at any adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner that the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing which may come before said meeting including, but not limited to, the election of members of the Board of Supervisors. The Proxy Holder may vote in accordance with his or her discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally come before the meeting.

Any proxy hereto given by the undersigned for said meeting is hereby revoked. This proxy is to continue in force from the date hereof until the conclusion of the landowners' meeting and any adjournment or adjournments thereof, but may be revoked at any time by written notice thereof of such revocation presented at the landowners' meeting and filed with the Secretary of Key Marco Community Development District prior to the Proxy Holder exercising the voting rights conferred herein.

\_\_\_\_\_  
Signature of Fee Simple Landowner

\_\_\_\_\_  
Print Name of Fee Simple Landowner

\_\_\_\_\_  
Date

Property/Parcel Description:	Acreage/# of Lots	Authorized Votes*:
_____	_____	_____
_____	_____	_____
_____	_____	_____

[Insert above the street address of each parcel, the legal description of each parcel or tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

Total Number of Authorized Votes: \_\_\_\_\_

\* Pursuant to section 190.006(2)(b), Florida Statutes, a fraction of an acre is treated as one (1) acre entitling the landowner to one vote with respect thereto.

If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other legal entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached here. (e.g., operating agreement, bylaws, resolution, etc.

OFFICIAL BALLOT

KEY MARCO  
COMMUNITY DEVELOPMENT DISTRICT  
COLLIER COUNTY, FLORIDA  
LANDOWNERS' ELECTION  
NOVEMBER 16, 2022

The undersigned certifies that he/she is the owner/authorized representative of the following land, or the legal proxy holder for the owner(s) of the following land, located within Key Marco Community Development District.

Parcel Description	Acreage	Authorized Votes
Lot ____, Block ____, Horr's Island, a.k.a., Key Marco, according to the plat thereof, as recorded in Plat Book 21, Pages 5 through 19, of the Public Records of Collier County, Florida		
Lot ____, Block ____, Horr's Island, a.k.a., Key Marco, according to the plat thereof, as recorded in Plat Book 21, Pages 5 through 19, of the Public Records of Collier County, Florida		
Lot ____, Block ____, Horr's Island, a.k.a., Key Marco, according to the plat thereof, as recorded in Plat Book 21, Pages 5 through 19, of the Public Records of Collier County, Florida		

*[NOTE: If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]*

The undersigned casts his/her vote(s) as follows:

NAME OF CANDIDATE

NUMBER OF VOTES

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Note: The two candidates receiving the highest number of votes shall be elected for four-year terms, and the remaining candidate shall be elected for a two-year term.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

**(Please be advised that all applicable proxies must be submitted with this Official Ballot)**