



Port of the Islands

COMMUNITY IMPROVEMENT DISTRICT

March 21, 2025

MEETING AGENDA

**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
UTILITY RATE WORKSHOP & REGULAR BOARD MEETING
Board of Supervisors Agenda for March 21, 2025**

Agenda

Friday, March 21, 2025, 9:30 a.m.
Orchid Cove Clubhouse, 25005 Peacock Lane
Naples, FL 34114

Note: Requests to address the Board on subjects which are not on today's agenda, will be accommodated under "Public Comments".

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (239) 592.9115 at least five calendar days prior to the meeting.

1. Pledge of Allegiance
2. Roll Call/Approval of the Agenda
3. Public Comments
4. Approval of Minutes – February 2025
5. Utility Rate Workshop – February 2025
6. Manager's Report
 - a. Utility Rate Meter Equivalency
 - b. Rear Yard Drainage, Venus Cay
 - c. 60 Day Utilities AR Summary
7. Financials – January 2024
8. Attorney's Report
 - a. SFWMD License Agreement
9. Engineer's Report
10. Old Business

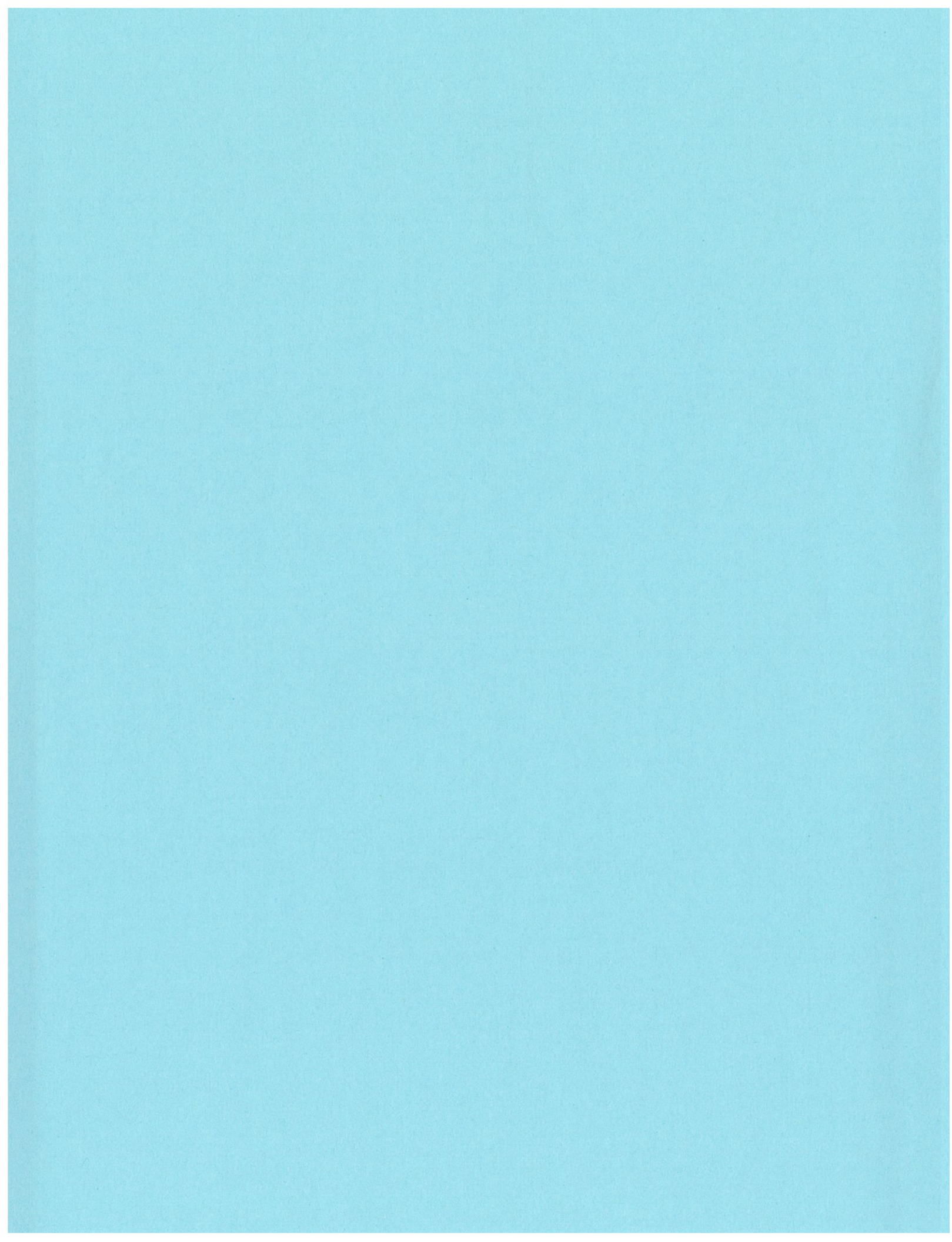
11. New Business

12. Supervisors' Request

a. Old Hotel Site

13. Public Comments

14. Adjourn – Next meeting will be on April 18, 2025, at 9:30 a.m.



1 **PUBLIC COMMENT**

2 No public comment was received at this time.

3 **APPROVAL OF THE MINUTES - JANUARY 2025**

4 **The January minutes were accepted as presented on a MOTION by Ms. Hansen, a**
5 **second by Mr. Kish, and all in favor.**

6 **UTILITY RATE WORKSHOP - JANUARY 2025**

7 **A. Utility Operations**

8 Mr. Gilinsky reported that all operations at the facility throughout the month were in
9 compliance with both contract and regulatory requirements. All wastewater and water
10 distribution standards were met, and the reuse pump system functioned as expected.
11 The facility received 2.28 million gallons of wastewater, produced 3.77 million gallons of
12 water, and the reuse pump station distributed 12 million gallons in January. There were
13 no meter readings in January, but all hydrants were flushed, and 350 gallons of chlorine
14 were used during the month. Additionally, all pump stations were inspected weekly, and
15 odor control checks were performed.

16 A booster pump that supplied the RO trains was disassembled and removed due to a
17 leak and erosion build-up. It was sent off for rebanding and should be returned next
18 week. A leak was also repaired in an old irrigation system in front of the plant, and new
19 meters were installed for a new construction home near one of the retention ponds.
20 There were no accidents or OSHA reportable incidents, and all required safety training
21 was conducted. The replacement filter has not arrived yet. The engineer has contacted
22 the sales representative but has not received a response.

23 Mr. McNamee asked if there were any issues that needed to be addressed or parts
24 ordered. Mr. Gilinsky responded that plant upgrades are still on track to meet the DEP
25 deadline. The plant is also in the process of finding a new company to inspect the
26 ground storage tanks, as the previous provider is no longer in business. Other than that,
27 everything is in good shape. Ms. Hansen inquired if the flush valve at the end of Orchid
28 Cove, which activates every night or every other night, had been looked at. Mr. Gilinsky
29 confirmed it will be reprogrammed. Mr. Truckey expressed dissatisfaction with the
30 FRWA studies, particularly regarding their handling of the lead and arsenic issue. He
31 noted that they avoided addressing the source of these contaminants and how to
32 resolve it. He also mentioned that if the FRWA does not come to calibrate the meters as

1 promised, he would not be willing to continue paying them an annual fee, especially if
2 they are unresponsive by next month.

3 Mr. Truckey inquired about the hole on Newport Drive, asking whether it had been
4 closed. It was confirmed that the hole had not yet been repaired, but Soto is responsible
5 for the fix. Mr. Baird will follow up with Soto to ensure the issue is addressed. Mr. Kish
6 also asked if there is any planned maintenance for the underground culverts on
7 Newport Drive. Ms. Hansen clarified that this is Soto's responsibility. Mr. Kish
8 emphasized that they need to be inspected. Ms. Hansen requested the engineer to
9 create a map of all stormwater drains to clarify the CID's maintenance responsibilities.
10 Once she receives the map, Soto will begin cleaning them out, as he typically does
11 before the rainy season. Mr. Truckey raised a question about the chlorine levels at
12 Newport Drive compared to what is being added at the plant. Mr. Gilinsky explained that
13 the plant's chlorine level is at 3, so it typically reaches 1 at the end of Newport, with
14 anything above 0.6 being acceptable. Mr. Kish requested that the quarterly water testing
15 results be included in the utility report moving forward. Mr. Gilinsky said the reject pond
16 behind the gun club, which is also Soto's responsibility, needs attention.

17 The Parks Department will begin Phase 1 of their work on Well Road. This phase
18 involves berming out in the Everglades, during which they will be adjusting the berms—
19 though not necessarily in the District's favor. Next week they will be moving equipment
20 onto the site. Phase 2 will involve the installation of new culverts on Well Road. Mr.
21 McNamee asked whether an emergency plan needs to be in place in case of a water
22 line break. Mr. Truckey stated that if a break occurs, a temporary line will need to be
23 installed quickly. Mr. McNamee emphasized the importance of having a contingency
24 plan in place, given the likelihood of a break. Mr. Truckey expressed that he was not in
25 favor of purchasing emergency parts "just in case." He shared that FEMA is moving
26 forward with plans for a new water line, and the expected cost estimates will be
27 available next week as FEMA had to price it out themselves. If a favorable offer is
28 received from FEMA, the hope is to have the new line installed before the next
29 hurricane season.

30 **B. Utility Receivables Report**

31 Item D in the Managers Report

1 **MANAGERS REPORT**

2 **A. Old Hotel Site**

3 Mr. Dorrill met with the County and Deputy County Managers two weeks ago to discuss
4 the potential acquisition of the old hotel site or its declaration as surplus property. The
5 County Manager suggested that the District consider an unsolicited proposal to acquire
6 the site, in order to cover the costs the County incurred for demolition. When Mr. Dorrill
7 first raised this issue about a year ago, he was informed that the County spent
8 approximately \$450,000 on the demolition and removal of the old hotel. There is an
9 opportunity to expand the main parcel, either with the current or a future developer. The
10 Board will need to provide direction on how to proceed, and if they remain interested,
11 Mr. Lombardo may be asked to draft a purchase offer to submit to the County.

12 Mr. McNamee shared that MI Homes ended their agreement with Lindsay Case,
13 although he is unsure if this is permanent. MI Homes' concerns stem from noise and
14 potential pollution from the nearby gun club. Initially, MI Homes was interested in
15 purchasing this land from the County for development. Mr. McNamee stated that if the
16 District could acquire the property for \$450,000, it would be a great deal, even if the
17 funds need to be borrowed through a low-interest loan. The land is likely worth more
18 than \$450,000 and the District would be able to control what is built there. Mr.
19 McNamee asked for input from the community, and the consensus from the Board was
20 that the acquisition is worthwhile.

21 Ms. Oswald asked whether there are any guarantees that there is no asbestos or
22 hazardous materials buried on the site from previous clearing activities. Mr. Dorrill
23 responded that there would be a due diligence period allowing for an investigation to
24 determine if any risks, such as hazardous materials, are present.

25 Mr. Lombardo was asked to draft a purchase offer. He inquired about the plan for
26 sourcing the funds, as this will impact the offer draft. The Board was in favor of using
27 funds on hand rather than pursuing a loan.

28 **B. Johnson Engineering Hydrology Agreement**

29 The hydrology study is a requirement for the renewal of the wastewater treatment plant
30 permit. Specifically, it involves further evaluation and testing related to the monitoring
31 well that shows high levels of lead and arsenic near the reclaim pad. Mr. Dorrill believes
32 the District will be the direct client for this project and that it will not be routed through

1 the civil engineer as a subconsultant. The total scope of work outlined in the proposal
2 amounts to \$17,890.

3 Mr. Truckey shared that they have been in ongoing discussions with the DEP for the
4 past year regarding the land and the test well. They have asked the DEP to conduct
5 testing and address the issue. In-house testing has been done on the facility building,
6 effluent, brine from the RO process, and well water entering the plant, and the District
7 has confirmed that they are not polluting the land. However, the DEP has been reluctant
8 to test the source of lead and arsenic, so Mr. Truckey escalated the issue to the EPA.
9 The EPA stated that this is a state matter and that the DEP, which they fund, should
10 handle it. The DEP's response was to incorporate this testing into the water and sewer
11 plant permit, meaning the study must be completed and results submitted to the DEP by
12 August to avoid permit violations.

13 **Mr. Truckey made a MOTION to move forward with the hydrology study with**
14 **Johnson Engineering for \$17,890. Mr. Baird made a second and all were in favor.**

15 Mr. Kish asked what will happen once the source of the pollution is identified. Mr.
16 McNamee explained that the results will be submitted to the DEP, and it will be difficult
17 for them to ignore the findings. Joe Levy from Windward Cay asked Mr. Lombardo if
18 there is any recourse if the source of the contamination is determined. Mr. Lombardo
19 stated that it will depend on what the tests reveal. If the tests can trace the
20 contamination to its source, there is typically an opportunity for recourse. However, for
21 now, the study is a permit requirement, and the District must remain in compliance.
22 Discussions about potential recourse can take place once the data is available.

23 **C. SFWMD License Agreement**

24 Mr. Dorrill and Mr. Lombardo held a teleconference with the SFWMD regarding the
25 license agreement to use the District's parcel, as previously discussed. During the call,
26 Mr. Dorrill also took the opportunity to request that their local offices evaluate a shoal in
27 the canal that appears to be causing issues for boats passing through at low tide. The
28 SFWMD agreed to follow up with their maintenance crews to address this. Mr.
29 McNamee inquired whether they plan to dredge the shoal, to which Mr. Dorrill
30 responded that it's a possibility.

31 The standard license agreement was presented at the teleconference and SFWMD
32 suggested some revisions, including the addition of a substantial use fee. Mr. Lombardo
33 noted that the revisions shifted the agreement from a license to an easement, extended

1 the term, and modified certain operating hours. Mr. Lombardo recommended having Mr.
2 Schaffer from the SFWMD explain the rationale behind the requested changes so the
3 Board can fully understand the request. He also suggested that Mr. Schaffer discuss the
4 project's goals and why it's important that the requested changes align with those
5 objectives.

6 Mr. Bob Schaffer introduced his team. He is the acquisition lead for the real estate
7 bureau, with Mr. Ashie Akpoji serving as the engineering and construction manager,
8 and Ms. Holly Andreotta as the permitting and wildlife manager for the project. Ms.
9 Andreotta explained that the manatee mitigation feature was designed as a warm water
10 refugia for manatees, which was a requirement for both federal and state permits. The
11 feature was completed in 2016. However, after Hurricanes Irma and Ian, significant
12 issues were observed, and repairs are now needed. Sedimentation, erosion, and
13 sediment buildup within the oxbow and pools have led to shoaling, which is hindering
14 the feature's intended operation of providing warm water habitat for manatees.

15 Repairs are mandated to ensure the feature continues to serve as a warm water refugia
16 for manatees. The team has been collaborating with the Fish and Wildlife Commission,
17 the Service, the Corps, and DEP to develop a plan for the repairs. The first phase
18 involves dredging the oxbow and the three pools. The oxbow has accumulated about
19 one to two feet of sediment, while the pools—critical to the warming process—have
20 about five to six feet of sediment. This material will be dredged and used on the uplands
21 portion of the feature. In addition to dredging, erosion and sedimentation on the side
22 slopes and the south connection, where shoaling is evident by the boat barrier, must
23 also be addressed. To prevent future erosion, rip rap will be placed along these areas.
24 The project is necessary, and the funding has already been secured. The team has also
25 applied for the required permits. As part of the project, they are working to secure
26 access to the District's property along the road to serve as a laydown and staging area.
27 This will allow materials to be transported via barge to move equipment down to the
28 feature and have a small trailer onsite. Since the feature is located on an island, access
29 is difficult, so this property by the road is essential for completing the necessary repairs.

30 Mr. McNamee inquired about dredging high spots that are causing difficulties for boats
31 to pass through. Ms. Andreotta responded that sedimentation in the south connection,
32 where the boat barrier is located, will be dredged back to the as-built plans. No further
33 extensions can be made. Access to this feature is not permitted, and if the issue is
34 unrelated to the feature, permits and funding will not cover it. The SFWMD requested a
35 pin or map to better understand the area Mr. McNamee is referring to, in order to

1 determine whether it is part of the construction efforts to repair the feature. Mr.
2 McNamee agreed to provide that information.

3 Rita B from Orchid Cove asked if there is any monitoring of the number of manatees
4 that the project serves. Ms. Andreotta explained that part of the Picayune Strand project
5 to the north aims to reduce the freshwater flow from the Faka Union canals that is
6 impacting the ecology of Florida Bay and the environment. This is a restoration project
7 in the northern part of Picayune Strand. As these harmful flows are eliminated, it's
8 important to note that they were inadvertently acting as a warm water refugia for
9 manatees. Since these flows are being removed, a manatee mitigation project was
10 developed to provide an alternative warm water refugia.

11 The SFWMD and FWC are actively monitoring the Port of the Islands basin and the
12 surrounding canal, including the manatee mitigation project. These agencies, along with
13 the service and commission, are heavily involved in ongoing monitoring efforts in the
14 area. Because flows are still occurring over the Faka Union weir just north of the road
15 and the final plug to stop the flow is not set to be installed until January by the Corps,
16 there is still warm water refugia coming over the weir near the road. Most of the
17 manatees are still going up to the Port of the Islands basin and utilizing the existing
18 warm water refugia. Once the plug is in place, monitoring will continue, as it has been in
19 place since 2016, because manatees need time to find and become familiar with the
20 new refugia. Up to 20 manatees, primarily during colder months, have been observed
21 using the area, along with dolphins and crocodiles. The manatees are still in the
22 process of learning the location and how to access the new refugia. Since the northern
23 area is still providing warm-water habitat, most manatees continue to go to the marina,
24 but over time, they will learn to use the new refugia. The flow changes will not affect
25 water levels in Orchid Cove.

26 Mr. Schaffer shared that the big-picture issue between an easement and a license is
27 that this is a publicly funded project, and the SFWMD is committing public funds to enter
28 into and begin a project. Access to the land must be continuous. A license can be
29 terminated at any time, whereas an easement provides a permit and interest for the
30 duration of the term. The proposed term is 18 months from the project start. They
31 cannot commit to the project with the possibility of termination, while an easement
32 guarantees a permanent interest for that period. When these types of easement
33 agreements are made, and funds are paid, they require approval from the SFWMD
34 governing board. The site is typically exclusive to the SFWMD, which is important for
35 security, for keeping materials exclusive to the site, and for managing contractor work

1 schedules, which often start early in the morning and continue through the day. There
2 are usually no restrictions on working hours, as the goal is to complete the project as
3 quickly as possible without hindering contractor productivity. With board approval, they
4 could potentially reach a \$50,000 figure. Mr. McNamee mentioned that if the land were
5 sold, they would make \$50,000 to \$60,000 in carrying costs. Mr. Lombardo asked Mr.
6 Schaffer for clarification if the \$50,000 was related to an exclusive agreement with no
7 restrictions on contracting hours. Mr. Schaffer responded that to gain approval from the
8 governing board, he was contemplating a maximum change to the terms to make the
9 site exclusive, for security and other reasons. If it were not exclusive, it would come
10 down to security concerns and the interaction of anyone within their site. Ideally, they
11 are looking for exclusive use.

12 Mr. Schaffer requested that work begin as early as 7:00 AM and continue at least until
13 6:00 PM. Mr. Akpoji clarified that they often hold safety meetings around 7:00-7:30 AM
14 and sometimes finish their workday around 3:30 PM, while others may go as late as
15 6:00 PM. He does not believe his contractors will be there for the full 18 months but will
16 complete their due diligence and try to finish as soon as possible. Ms. Andreotta
17 explained that time is of the essence because they want the dredging work completed
18 quickly so the manatee warm water refugia is operating optimally. Sediment buildup
19 could be interfering with the warm water coming up. They want to finish dredging and
20 most of the repair work before the next cold season, ensuring the refugia is available for
21 manatees by December 1. They are aiming to move forward with the project as quickly
22 as possible. Mr. Akpoji mentioned that they work on calendar days and generally do not
23 work on weekends. He also said it's good that they can connect to a water meter and
24 pay for the water used instead of bringing in their own. If there is electricity available,
25 they can also connect to that and pay for its usage. Safety is very important to his
26 contractors, and he conducts inspections to ensure the site remains clean. The site will
27 be left in the condition it was found or better, and a pre- and post-inspection of the
28 seawall will be conducted. No trees will need to be removed.

29 Richard Mishler, a landowner in Port of the Islands since 2001, asked if Ms. Andreotta
30 had been involved in the project since its original build. She confirmed that she had
31 been involved since before construction. He asked how often repairs will be needed and
32 what the alternatives are if the CID does not approve the land use. He further asked if
33 failure to gain CID approval would jeopardize future endeavors. Mr. McNamee replied
34 that it is in the CID's best interest to work with them, and vice versa. He added that the
35 \$50,000 would help cover the land purchase costs for the CID. Mr. Mishler stated that
36 he feels SFWMD has done a poor job of communicating the project to the local

1 residents, and he doesn't believe the manatees are concerned about human activity in
2 the area, as they are often found under the dock where he resides.

3 Ms. Andreotta explained that the Picayune Strand Restoration Project is an Army Corps
4 project, and the SFWMD worked as a partner on the manatee mitigation feature,
5 helping design and build it for the Corps. At the Port of the Islands marina, there is
6 supposed to be an education center, though it is currently being used as a storage
7 room. The educational outreach portion was the Army Corps' responsibility. The Fish
8 and Wildlife Service (FWS) and the Florida Fish and Wildlife Conservation Commission
9 (FWC), both federal and state wildlife agencies, dictated the conditions around public
10 use and access of the feature. SFWMD is complying with these requirements, which are
11 part of the larger Picayune Strand project permits.

12 Mr. Dorrill stated that staff is inclined to approve the easement, subject to Mr.
13 Lombardo's final review, based on the reasons discussed. Mr. McNamee expressed
14 interest in possibly increasing the amount to \$60,000. Mr. Schaffer said that whatever
15 the final terms are, he will present the decision to the governing board. Mr. Truckey
16 noted that the project site is located near a bedroom community. Mr. Dorrill assured that
17 they have made it clear that riprap will not be loaded onto a barge before 7:00 AM, nor
18 will a loud diesel generator be started. Ms. Andreotta clarified that 7:00 AM is when they
19 typically arrive at the site, conduct safety meetings, and complete daily planning tasks.
20 Work is unlikely to start until 8:00 AM.

21 Mr. Akpoji said there will always be a project manager on-site and a contact person
22 available. Mr. Lombardo suggested that the easement document set clear rules instead
23 of relying on ad hoc discussions later. Ms. Andreotta confirmed that their contract
24 documents specify dust control measures that contractors must follow, and the project
25 manager on-site will implement these controls. She also inspects the site with DEP to
26 ensure compliance. She asked if someone from the CID board could be appointed as
27 the point of contact, with the project manager serving as the SFWMD's point of contact.
28 This way, if any complaints arise, they can be communicated directly. The dredging
29 should be completed by December 1.

30 Mr. Lombardo said he can make the necessary changes to the document and present it
31 to the Board at next month's meeting if that works for Mr. Schaffer. Mr. Lombardo also
32 requested the dust control language from Mr. Schaffer that is included in their
33 subcontracts. Ms. Jansen requested contact with SFWMD members to discuss the fate
34 of the 500 manatees previously reported in the Port of the Islands basin. Ms. Andreotta

1 provided her email and will connect her with someone at FWC to obtain that historical
2 data.

3 **D. Aged Receivables Summary**

4 Mr. Dorrill presented the aged receivables report. He mentioned there was one account
5 he would like to keep on the list and recommended writing off the balance. Staff has
6 worked diligently on the receivables, and the total amount in question was \$8,189. At
7 the top of the page is an account for 172 Venus Cay, where a payment was made just
8 before Christmas, and the account is still being tracked. The remaining receivables are
9 from 2023 and are for relatively small amounts. However, two accounts were
10 particularly disappointing: one at 179 Eveningstar Cay for \$1,800 and another at 123
11 Newport Drive for \$622. These are older accounts, and staff is now taking a more
12 aggressive approach. Mr. Carter works closely with Mr. Mitch Gilbert to send final
13 notices and door hangers for shutoffs, which has significantly reduced the number of
14 receivables on the report.

15 Mr. Truckey asked if these receivables were from owners or renters. Mr. Dorrill replied
16 that they were from owners, and deposits are in place. Mr. Truckey then asked if the
17 properties have since been sold. Mr. Dorrill confirmed that the properties now have
18 current accounts under new owners' names. Mr. McNamee inquired whether the \$1,800
19 account could be sent to collections. Mr. Dorrill responded that he was not opposed to
20 that. However, he pointed out that the District's policy is unclear about whether or not
21 the new owner can be held responsible for the unresolved bill in the absence of a
22 deposit. Mr. Lombardo suggested reviewing the policy and providing an opinion before
23 pursuing the new owner for the debt. The matter will be continued for one month, and
24 current owners will be contacted if they owe more than \$200. Mr. Lombardo will review
25 the policy to determine if new owners can be pursued for old debts.

26 Mr. McNamee expressed concerns about placing this burden on new owners. Mr.
27 Truckey then asked what measures are being taken to prevent this from happening
28 again. Mr. Dorrill explained that the receivables are now being tracked bi-monthly, with
29 a much more aggressive approach, and shutoff procedures are followed as necessary.
30 If the balance is less than \$100, those amounts will be written off. Mr. McNamee asked
31 whether the late fee could be raised or if that would require a policy change. Mr.
32 Lombardo responded that any change to the late fee structure would need to be made
33 through the policy documents. He offered to present a proposed change to the late fee
34 structure next month. Additionally, Mr. Dorrill will provide a 60-day receivables report in
35 the backup materials for next month's meeting. Mr. Lombardo will also explore the rules

1 and policies required to change the late fee and look into the possibility of requiring
2 payment before the transfer of title.

3 **E. Utility Rate Analysis Direction**

4 Mr. Dorrill noted that page 16 shows the hypothetical rate required to fully implement
5 the recommendations from the study, which includes the base rate as well as the short-
6 term capital items outlined in the five-year plan. For example, for a single-family home
7 using 5,000 gallons per month, the bimonthly bill would be \$310. This could come as a
8 shock if people don't consider that current water bills are subsidized through non-ad
9 valorem assessments. Mr. McNamee stated that utility rates haven't been raised in
10 years, which was a mistake. He acknowledged that a higher utility bill is inevitable but
11 emphasized that significant improvements to infrastructure and the water treatment
12 plant would bring them up to top-notch standards, avoiding costly rebuilds in the future.
13 The rates will still likely be as cheap or cheaper than those in neighboring areas. They
14 will be workshopping next year's budget in May.

15 Mr. Dorrill added that he needs to know at the May workshop if the board is considering
16 removing the non-ad valorem assessment from the utility fund. For the single-family
17 home scenario, the base rate would be \$128 for water, \$128 for sewer, with a
18 volumetric rate of about \$11 per 1,000 gallons for both water and sewer. The other
19 accounts are tied to meter size. The decision to submeter will be a policy decision for a
20 later date. Mr. Dorrill further explained that if they want to present the budget in May
21 without the ad valorem subsidy, utility rates will need to increase to offset the loss, or if
22 the removal is phased in, that decision should be made in May.

23 Mr. Truckey raised concerns about bulk accounts, such as the two-story building at the
24 marina. He noted that people with bulk meters would pay half or less of what everyone
25 else pays, which he didn't feel was fair. Mr. McNamee asked if Collier County was
26 interested in purchasing the utility. Mr. Dorrill responded that this conversation occurred
27 about a year ago and that the decision is ultimately up to the County Manager and the
28 County Utility Director. He mentioned that if he were in their shoes, he would pursue the
29 acquisition the same way they did with the Golden Gate City and Orange Tree
30 community utilities near the fairgrounds, where small subregional utilities were bought to
31 help build the customer base and enable future growth. Mr. McNamee said that this
32 option should be explored further. The utility consultant was asked to develop a plan
33 that closely aligns with the County's method, and this plan reflects that format to attract
34 the County's interest. Mr. Dorrill agreed to request further analysis on the two-meter
35 base rate for the other compound meters.

1 Mr. McNamee also expressed that he doesn't agree with raising the reclaimed water
2 pricing, which is currently set at 75%, with a recommendation to increase it to 100%. He
3 would prefer to see a middle-ground solution. Mr. Kish clarified that the base rate is
4 \$256 every other month. Mr. Dorrill will have more information to share by April. Mr.
5 Truckey emphasized the need to have most items ready for approval by March, as past
6 discussions have been delayed and they've been pressed up against deadlines. Mr.
7 Dorrill assured that he would reach out to Mr. Ori to get answers to 4-5 questions and
8 add them to next month's agenda.

9 **FINANCIALS - DECEMBER 2024**

10 Mr. Dorrill presented the first-quarter financials as of December 31, 2024. The District's
11 cash position is \$5.4 million, with \$4,073,000 in the operating fund and \$1,320,000 in
12 the utility fund. The District also has fixed assets, net of depreciation, totaling \$8.3
13 million. Payables amount to \$155,000. Additionally, \$458,000 was received in non-ad
14 valorem assessments, which represents approximately 70-71% of the total revenues for
15 the year. Total expenditures are \$127,000 below budget.

16 **The financials were accepted as presented on a MOTION by Mr. Kish, a second by**
17 **Mr. Truckey, and all in favor.**

18 Mr. McNamee stated that since the MI Homes deal fell through, next month they need
19 to address Lindsey Case's ERU six-month extension, which expires on March 22. He
20 reached out to Mr. Case to confirm whether he intended to honor the commitment, but
21 received no response. Mr. Lombardo suggested sending a courtesy notice about the
22 upcoming deadline. He noted that the agreement includes default provisions, which will
23 be enforced if payment is not made on time.

24 Mr. McNamee also mentioned that the gun club, which owns over 50 acres of land, is
25 only paying for 8 ERCs. Mr. Truckey reviewed this today and found that their total non-
26 ad valorem assessment is \$9,000. Mr. McNamee expressed that he believes the gun
27 club is not being assessed fairly and should be charged at least 200 O&Ms, similar to
28 Parcel 13. He asked when this issue could be addressed and changed.

29 Mr. Lombardo explained that this matter was raised during the last rate-setting process,
30 and the gun club sent counsel to argue their position. If the methodology were to be
31 revised, it could be addressed then. Mr. Lombardo clarified that any change would need
32 to be in accordance with the budget cycle, and it would involve a comprehensive
33 evaluation of the entire system, not just a single property. The original hearing

1 determined that the gun club was to be considered a golf course for assessment
2 purposes. A courtesy reminder will be sent by Mr. Lombardo to Mr. Case about the
3 upcoming deadline.

4 **ATTORNEY'S REPORT**

5 The pending litigation with Premier District Management regarding public records has
6 received a settlement offer, along with an additional production of documents yesterday.
7 Mr. Lombardo requested an executive session to discuss the settlement offer, which will
8 take place before the next meeting on March 21st at 8:30 a.m. Mediation for this case is
9 scheduled for the first week of April, with the goal of resolving the matter before
10 mediation.

11 The Prepmac litigation involved a late attempt by the plaintiffs to add a claim for
12 damages. A motion to strike that claim was filed, and the court granted the motion. This
13 means Prepmac's attempt to recover losses was denied, which is good news for the
14 District.

15 **ENGINEER'S REPORT**

16 No engineering report was given at this time.

17 **OLD BUSINESS**

18 No old business was discussed.

19 **NEW BUSINESS**

20 No new business was discussed.

21 **SUPERVISORS REQUESTS**

22 **A. Heavy Metal Testing, Permission On Lindsey Case**

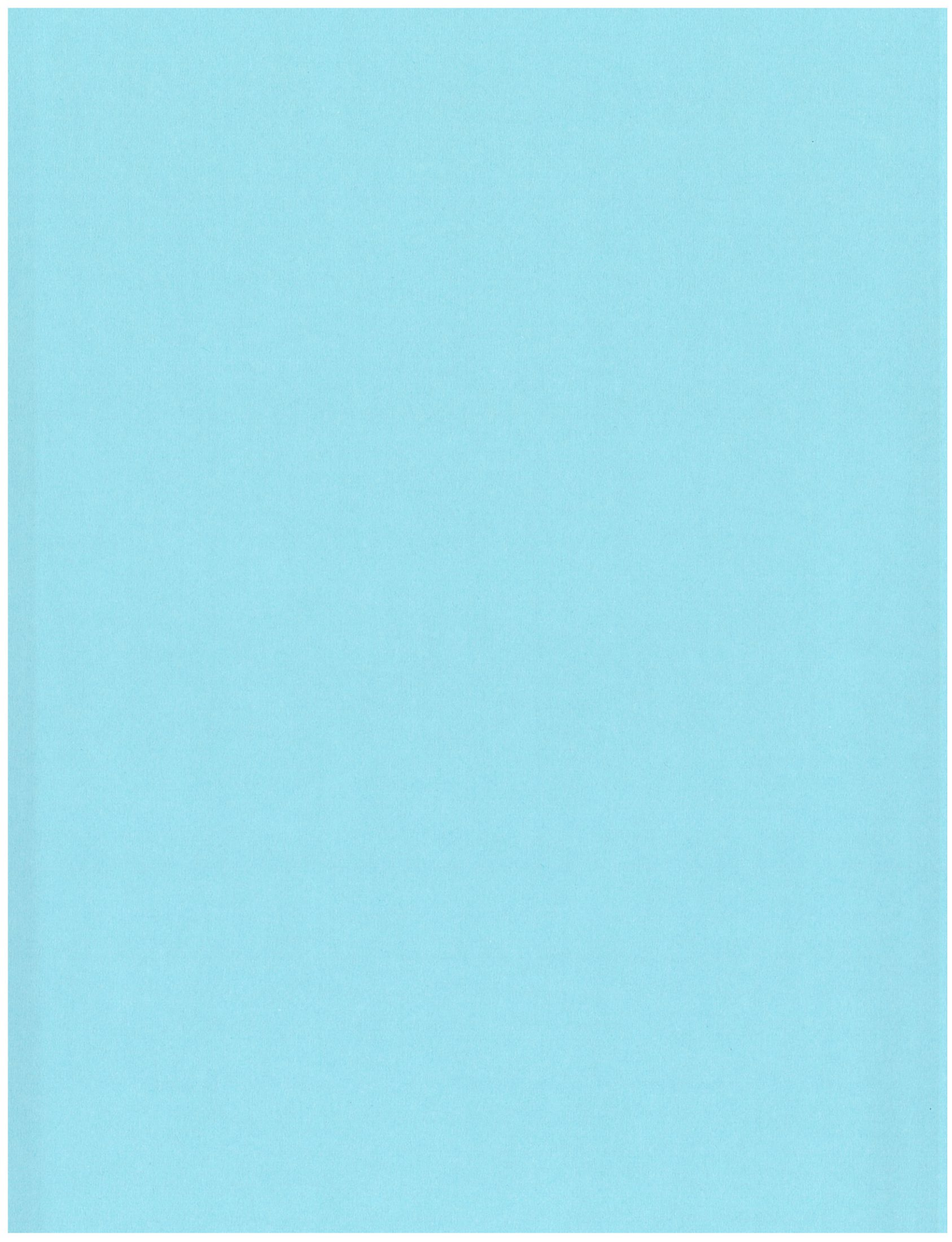
23 Mr. Kish stated that the heavy metal testing requires Mr. Case's permission before
24 proceeding on his property. Mr. Truckey mentioned that he plans to speak with them,
25 and if permission is denied, they will need to go back to the DEP, who will have to
26 conduct the testing on the property. A plan has already been drawn up detailing the type
27 of samples to be taken and specifying that the testing must occur a certain distance
28 from the test wells.

1 **PUBLIC COMMENTS**

2 No public comments were received at this time.

3 **ADJOURNMENT**

4 The next meeting will be on March 21, 2025, at 9:30 a.m. A closed door executive
5 session will occur before at 8:30 a.m. **On a MOTION by Mr. McNamee and a second**
6 **by Mr. Truckey, with all in favor, the meeting was adjourned at 11:30 a.m.**





*Florida Utility
Solutions*

PORT OF THE ISLANDS CID

FEBRUARY 2025

MONTHLY PLANT OPERATIONS REPORT

MARCH 21ST, 2025 BOARD MEETING



Wastewater Plant

Received and treated
2.28 million gallons in
February

Water Plant

Produced and
distributed 3.77 million
gallons in February

REUSE

Distributed 8.43 million
gallons in February

FLORIDA UTILITY SOLUTIONS

15275 Collier Blvd.
Suite 201-268
Naples, Fl. 34119

239-435-0951

www.floridautilitysolutions.com

Summary

Operations at the facilities throughout the month were in accordance with contract and regulatory requirements.

Items Requiring Approval

We would ask your consideration and approval of the following:

Request	Impact	Est. Cost

Operations

- **Compliance**

All Wastewater Plant requirements were met.

All Water distribution requirements were met.

- **Reuse Pump Station Status:**

Reuse Pump System functioning properly for outgoing pressure at plant.

Station on canal operating on 2 pumps and not communicating. Generator does not run.

- **Performance metrics:**

Wastewater Treatment Plant

- 2.28 million gallons of wastewater received and treated in February

Water Treatment

- Produced and distributed 3.77 million gallons in February

Reuse

- Distributed 8.43 million gallons in February

Performance Metrics	Current Month February 2025	Prior Month January 2025
Wastewater treated	2,275,562	2,284,237
Sludge disposed - gallons	0	0
Reuse Water Pumped	8,426,785	12,067,019
Odor Complaints	0	0
Number of line breaks	1	1
Auto Flushers Flushed	9	9
Meters Read	860	0
Meters Re-read	4	0
Consumables	Current Month	Prior Month
Chlorine Usage	870	350
Water Usage Complaints	0	0

Maintenance and Repair

Preventive Maintenance

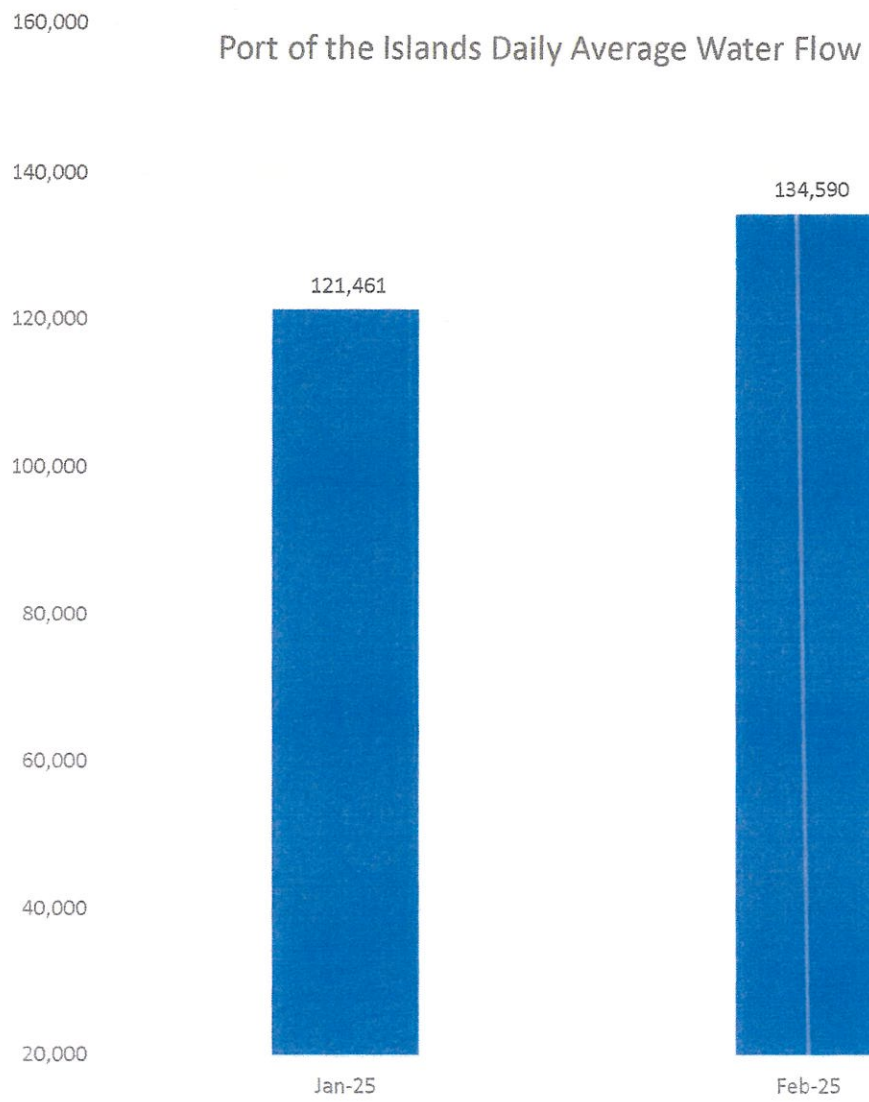
- Inspected all pump stations weekly
- Odor control weekly checks performed
- Work continues on plant upgrades and repairs that were previously approved

Additional Maintenance

- Clean and restore flow to analyzers
- Add new analyzer to SCADA
- Install new reuse sample tap
- Install new SCADA antenna
- Clear vegetation from around monitoring wells
- Replaced blower belts
- Installed two new SCADA control panels for the Cays and Newport lift stations
- Repaired backflow leaks

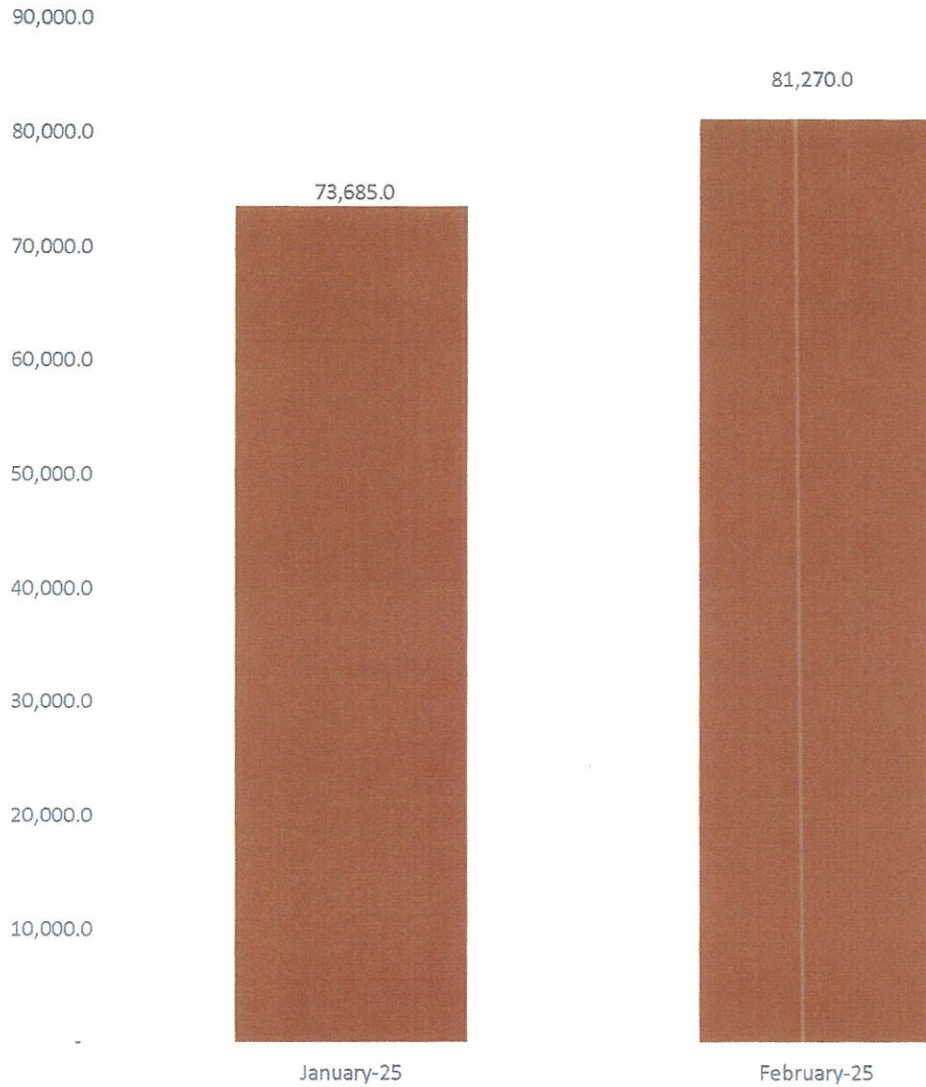
Health & Safety

- Zero LTIs and OSHA recordable incidents occurred during the month
- Safety training includes daily tailgate talks concerning daily events –confined space, lightning safety, seatbelts, housekeeping, and other safety related concerns



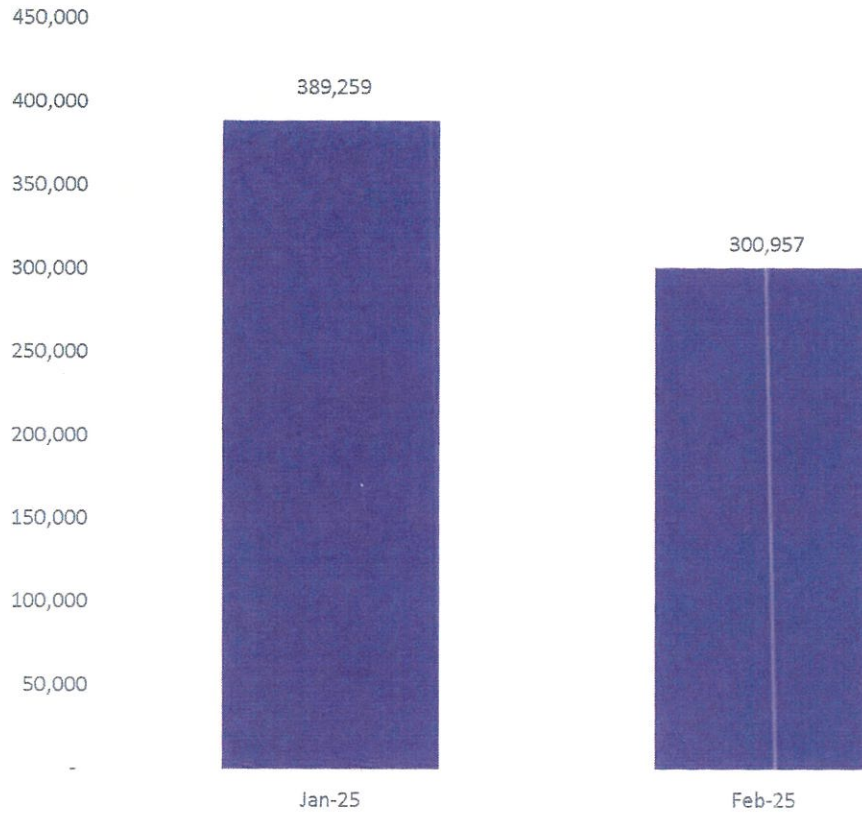
Port of the Islands Drinking Water Monthly Flow Average

Port of the Islands Wastewater Average Daily Flow

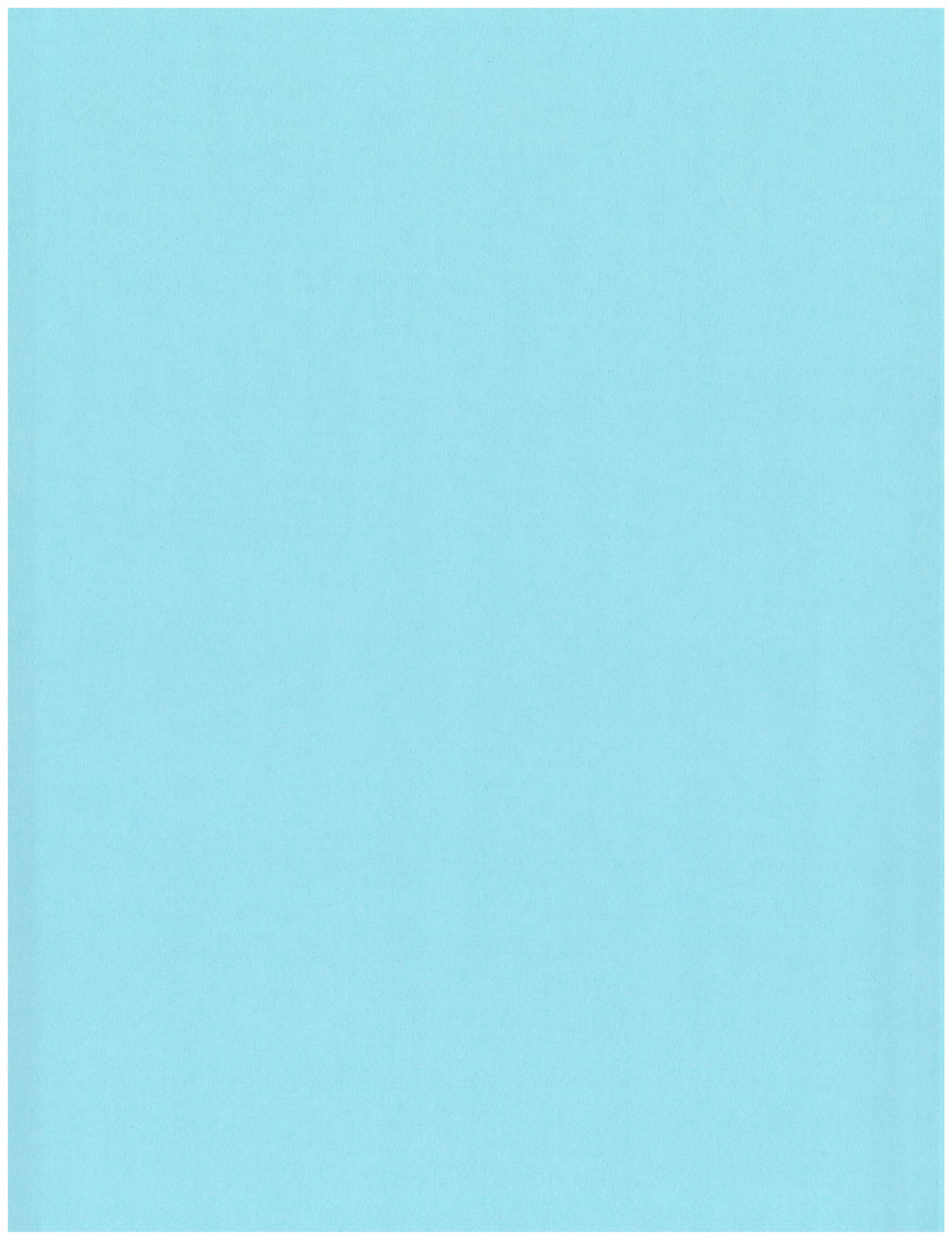


Port of the Islands Wastewater Monthly Flow Average

Port of the Islands Reuse Average Daily Flow



Port of the Islands Reuse Monthly Flow Average



SCHEDULE A
WATER, WASTEWATER, AND IRRIGATION RATES, FEES AND CHARGES

POTABLE WATER

Commodity Rates <i>per 1,000 gallons</i>	\$3.38
---	--------

WASTEWATER

Commodity Rates <i>per 1,000 gallons [at 75% of potable water usage]</i>	\$6.94
---	--------

IRRIGATION WATER

Single Family Residential Irrigation Rate

BI-Monthly Consumption Tiers (per 1,000 gallons)

0 to 20,000 gallons	\$1.45
20,001 to 40,000 gallons	\$2.18
40,001 to 60,000 gallons	\$2.90
60,001 to 80,000 gallons	\$3.64
Greater than 80,000 gallons	\$4.36

Multi-Family Residential Irrigation Rate

BI-Monthly Consumption Tiers (per 1,000 gallons)

0 to 12,000 gallons	\$1.45
12,001 to 24,000 gallons	\$2.18
24,001 to 36,000 gallons	\$2.90
36,001 to 48,000 gallons	\$3.64
Greater than 48,000 gallons	\$4.36

HOTEL, COMMERCIAL, AND RV CUSTOMER CLASS IRRIGATION RATE

0 to 12,000 gallons	\$1.45
12,001 to 24,000 gallons	\$2.18
24,001 to 36,000 gallons	\$2.90
36,001 to 48,000 gallons	\$3.64
Greater than 48,000 gallons	\$4.36

As can be seen above and assuming the implementation of the recommended rate adjustments, the Operating / Capital Reserve cash balances for the System are anticipated to achieve the targeted ending cash balance over the Forecast Period, which was set at a minimum target of 250 days of operating expenses for the purposes of this evaluation. The targeted 250 days operating reserve balance is generally looked as being favorable by credit rating agencies but is considered as being at the lower end of the days of cash (note that it does not include capital funds). Any unrestricted funds above the minimum target level would be available for any System purpose, including increased major maintenance or additional capital project funding that may periodically occur, and also serves as a hedge in case of any extraordinary event that may occur that would affect operations or rate revenue collectability (e.g., a significant storm event).

Proposed Rates for Utility Service

The District currently charges the base facility (fixed) charge as a non-ad valorem assessment as provided by Florida Statutes, Chapter 197. This charge currently accounts for approximately 70% of the total rate revenue of the System. The District Board is considering adjusting this method of cost recovery from a non-ad valorem assessment that is billed to property owners to a meter-based system that is billed to the customers of the System on a basis consistent with the billing of the water and wastewater flow charges. In many instances the utility account and the owner of the property are consistent (primarily in the single-family residential and commercial customer service types) but there are many property owners that do not directly receive a utility bill that pay the base facility charge (primarily master-metered accounts such as condominiums where the units are separately owned but the utility flow charges are billed to a Home Owners Association or its equivalent).

In the establishment of the proposed meter-based rate alternative, the following assumptions were made:

- The current base charge cost recovery (i.e., the non-ad valorem assessment) would be allocated between water and wastewater on an equal (50% / 50%) basis and no base charge would be allocated to the irrigation system at this time (no detailed fixed asset data was available to provide a basis for the allocation of costs among all utilities so an equal allocation among the primary utilities was assumed).
- The base charges would be based on the size of the meter serving the current customer account and would recognize certain meter equivalent factors predicated on the instantaneous demand relationships of the meters, which is used by the Florida Public Service Commission and the Collier County Water and Wastewater Authority in the regulation of non-exempt private utilities and many public utilities throughout the State. This rate structure is also consistent with the current structure used by Collier County for its retail customers served by the Collier County Water-Wastewater District (the “County Utility”). The meter equivalent factors would be as follows:

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Meter Equivalent Factors

Meter Size	Meter Equivalent Factor [1]
5/8-inch	1.0
3/4-inch	1.5
1-inch	2.5
1 1/2-inch	5.0
2-inch	8.0
3-inch	15.0
4-inch	25.0
6-inch	50.0
8-inch	80.0
10-inch	115.0

[1] Meter equivalent factors based on instantaneous demand relationships (gallons per minute) based on information published by the American Water Works Association.

- The amount of base charge revenue to be recovered from the meter-base facility charges would be designed to recover the same amount of revenue as currently being recovered before the application of any discount for early payment as provided by Florida Statutes (a “revenue-neutral” rate adjustment). This rate structure modification would then be subject to the additional rate adjustments as previously discussed in this report to fully recover the cost of providing utility service.
- Because there is a separate irrigation system that provides alternative water for discretionary irrigation water use, all potable water is considered to be used for domestic (indoor, essential) use. As such there is no wastewater cap for residential service or flow reduction percentage to reduce billed wastewater flows for an outdoor (non-sewer) use adjustment for the other customer classes.
- The ERCs currently being billed as non-ad valorem assessment when compared to the application of the meter equivalent factors to the meters currently in service is relatively close as shown below:
 - Actual ERCs assessed on 2024 Property Tax Bill = 743
 - Estimated ERCs based on Meter Equivalent Factors = 731
- The master-metered accounts and the commercial accounts have the same service applicability provisions and should have the same rate structure for all utility services, including irrigation water service. The application of the irrigation rates currently for commercial service should be applied to the master metered residential accounts.

Based on these rate design parameters, the following bi-monthly potable water and wastewater rates were developed based on the meter-equivalency approach:

Schedule of Bi-monthly Alternative Rates for Service – Meter Equivalent Basis [1]

	Potable Water Rates	Wastewater Rates
Single-family Residential Service:		
Base Facility Charge – per Meter:		
Meter Size:		
5/8-inch	\$128.38	\$128.38
3/4-inch	192.56	128.38
1-inch	320.94	128.38
1 1/2-inch	641.90	128.38
2-inch	1,027.03	128.38
Consumption Charge – per 1,000 Gallons:		
All Metered Potable Water Gallons	\$3.65	\$7.50
Master Metered Residential and Commercial:		
Base Facility Charge – per meter:		
Meter Size:		
5/8-inch	\$128.38	\$128.38
3/4-inch	192.56	192.56
1-inch	320.94	320.94
1 1/2-inch	641.90	641.90
2-inch	1,027.03	1,027.03
3-inch	1,925.68	1,925.68
4-inch	3,209.47	3,209.47
6-inch	6,418.95	6,418.95
8-inch	10,270.31	10,270.31
10-inch	14,763.58	14,763.58
Consumption Charge – per 1,000 Gallons:		
All Metered Potable Water Gallons	\$3.65	\$7.50

Based on these rate design parameters, the following monthly irrigation water rates were developed:

Schedule of Fiscal Year 2025 Monthly Water Rates for Service [1]

Irrigation Service	
Base Facility Charge (Non-ad Valorem Assessment – Expressed Monthly) [1]	n/a
Charge per 1,000 Gallons (All Gallons):	
Tier 1 [1]	\$1.57
Tier 2 [1]	2.35
Tier 3 [1]	3.13
Tier 4 [1]	3.93
Tier 5 [1]	4.71

[1] Water Tiers by service type are summarized below:

	Consumption Blocks – Expressed in Gallons	
	Bi-monthly Single-family Residential (per Account)	Monthly Multi-family Residential and Commercial Service (per Account)
Tier 1	0 to 20,000	0 to 10,000
Tier 2	20,001 to 40,000	10,001 to 20,000
Tier 3	40,001 to 60,000	20,001 to 30,000
Tier 4	60,001 to 80,000	30,001 to 40,000
Tier 5	Over 80,000	Over 40,000

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There are certain advantages and disadvantages in converting the base facility charge from non-ad valorem charge to a meter based or equivalent charge. These advantages and disadvantages is summarized below for the Board’s consideration:

Advantages Comparison for Change in Base Facility Cost Recovery Methodology

Advantages to Non-ad Valorem Assessment	Advantage to Meter Based Rate
<ul style="list-style-type: none"> • Charge has same payment status as Property Taxes so Collection Rate is High – Promotes Revenue Stability and Predictability 	<ul style="list-style-type: none"> • Common Utility Rate Structure and Consistent with FPSC and Collier County rate making criteria; consistent with County Retail rate structure (favorable from a County Utility acquisition standpoint if considered in future by parties)
<ul style="list-style-type: none"> • Reduced bad debt write-offs due to high probability of collection when compared to Meter Based Rate application; eliminates any seasonality issues since full base charge recovered regardless of occupancy of property 	<ul style="list-style-type: none"> • Utility bill fully tied to service – better link of full service to customer requiring service
<ul style="list-style-type: none"> • Current Rate application, limited disruption to customers 	<ul style="list-style-type: none"> • Can implement a change in rates or a water restriction surcharge (if SFWMD imposes restrictions on water withdrawals) at any time; assessment rates cannot be changed except once per year
<ul style="list-style-type: none"> • Data to support conversion may not be fully reliable due to System Manager transition; may be best to maintain status quo to accumulate more data to evaluate impacts to customers in future 	
<ul style="list-style-type: none"> • Increased financial risk due to unknown changes in water use by customers once bills fully consolidated 	

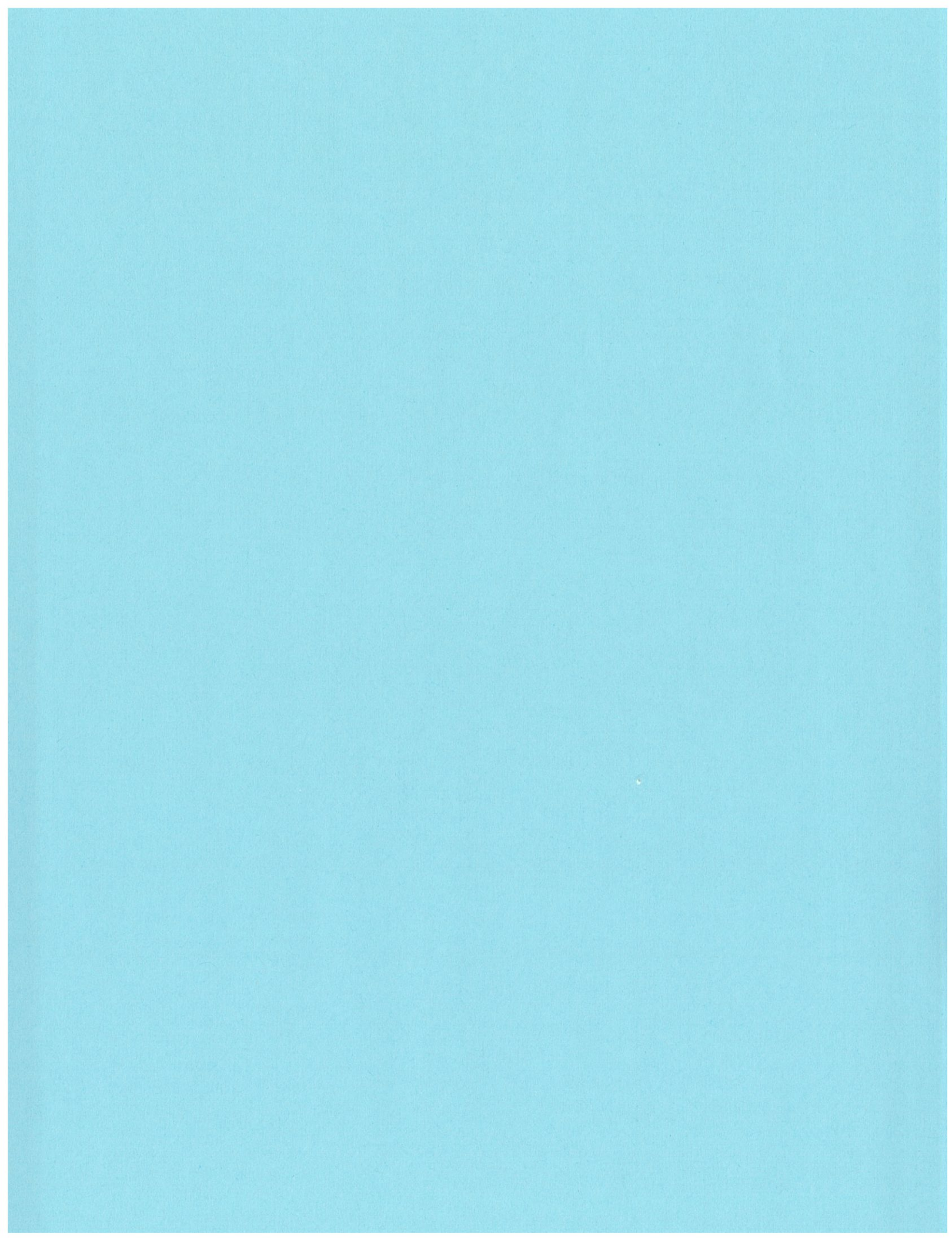
Conclusions and Recommendations

Based upon the principal considerations and assumptions and the results of our analysis as summarized in this report, which should be read in its entirety, and in conjunction with the following, we are of the opinion that:

1. The current existing rates for the water and wastewater system are projected to not be sufficient to meet the identified net revenue requirements (System expenditures and funding requirements) during the Forecast Period ending with the Fiscal Year 2028. Based on the Financial Forecast results, the current observations are that a recommendation to the District Board to adopt a four- (4) year additional price index and fixed rate implementation or phasing plan be adopted. The increase in rates above what is currently in effect are considered necessary to:
 - a. Recover increased Operating Expenses associated with the impacts of high inflation and increased construction costs (both from a repair and maintenance perspective and capital construction perspective), which has been significantly higher than the levels assumed in the development of prior capital master plans, budget plans, and rates;
 - b. Provide dedicated annual transfers to fund capital expenditures for the renewal, replacement, betterment, and upgrade of System assets to limit the amount of debt financing and long-term costs to the System, which will promote ongoing rate stability;

- c. Provide sufficient funds necessary to issue new debt for the System and to meet anticipated rate covenant requirements associated with loans secured to finance certain capital improvements to the System;
 - d. Maintain targeted unrestricted operating / capital cash (fund balance) reserves within the System to limit the risk to the utility due to unforeseen changes in revenues, the incurrence of unexpected operating or capital expenditures, and to promote the financial stability of the System; and
 - e. Attempt to promote the overall creditworthiness of the System and maintain a stable credit rating, which is necessary to obtain financing at the lowest possible cost and is a measure of rate sustainability.
2. Adopt the meter-based rates as delineated in this report if the District Board wants to consolidate rates charged to the ultimate customer and have a rate structure consistent with Collier County and as advocated by the FPSC.

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Neil Dorrill

From: Kevin Carter
Sent: Friday, March 7, 2025 1:04 PM
To: Neil Dorrill
Subject: FW: 149 Venus Cau

As FYI

Below is correspondence between Jack McKenna, Jared Brown and the builder with regard to the swale issue at 149 Venus Cay.

Jack wants the CID to develop "building guidelines"

Thanks

Kevin

From: Jared R. Brown <jrb@johnsoneng.com>
Sent: Friday, March 7, 2025 10:56 AM
To: Kevin Carter <Kevin@dmgfl.com>
Subject: Fwd: 149 Venus Cau

Here is an fyi.

I'm out till week after next

Begin forwarded message:

From: Jack McKenna <jack.mckenna@colliercountyfl.gov>
Date: March 7, 2025 at 10:38:48 AM EST
To: Joseph Levy <joenaples1@icloud.com>
Cc: "Jared R. Brown" <jrb@johnsoneng.com>, Anna-Lise Hansen <ahansen@poicid.com>, MummeChristian <Christian.Mumme@colliercountyfl.gov>
Subject: RE: 149 Venus Cau

While 2 Inches seems minimalistic, I think that should work. I understand the frustration (as we all have spent an unrealistic amount of time on this house. When we had first met out there I had expressed concern of the transition slopes to form the swale. Unfortunately, with the current building elevations (as I know you are painfully aware) transitions to the swale grades are very difficult. By copy of this I am going to suggest the CID consider developing some building guidelines as it is difficult with the larger houses and pool deck elevated beyond what could have ever been considered in the original design.

Jack McKenna P.E.
Manager - Engineering
Development Review

Office: [239-252-2911](tel:239-252-2911)



Jack.McKenna@colliercountyfl.gov

From: Joseph Levy <joenaples1@icloud.com>
Sent: Friday, March 07, 2025 8:20 AM
To: Jack McKenna <Jack.McKenna@colliercountyfl.gov>
Subject: Re: 149 Venus Cau

EXTERNAL EMAIL: This email is from an external source. Confirm this is a trusted sender and use extreme caution when opening attachments or clicking links.

Jack,

We graded following the directions provided by you and Christian, and already the neighbor is complaining and sending you defamatory emails about me and the homeowner. Since the start of construction, she has continuously harassed us, despite our repeated efforts to accommodate her concerns.

When I met with the new homeowner, they were thrilled about building their dream home. Unfortunately, because of the neighbor's actions, that excitement has been completely overshadowed. The homeowner's wife even expressed that she will be moving in with a heavy heart. It's deeply concerning that the neighbor's behavior appears to be driven by discriminatory and racist feelings toward the new homeowner.

We are also being forced to follow her grade elevation, even though it does not conform to the natural contours of her lot. Her property is higher in the center and lower at the corners, causing water to drain onto neighboring lots. As a result, we are required to maintain an unmanageable swale. If I'm not mistaken, the swale (or drainage ditch) should fall within the CID easement, but because that easement is largely nonexistent on this lot, the homeowner is

now being forced to install the swale on their own property—causing them to lose a significant portion of their yard space.

Between the two properties, the homeowner installed a hedge. Following Christian's instructions, we left a 2-inch deep drainage ditch beyond the hedge, on our side of the lot allowing rainwater to flow to the rear of the property and into the main swale.

Please let me know how you'd like to proceed from here. I'm happy to discuss any next steps or provide further clarification if needed.

Best Regards

Joe
239-331-9737

On Mar 6, 2025, at 4:50 PM, Jack McKenna <Jack.McKenna@colliercountyfl.gov> wrote:

Neighbor sent photos I thought I forwarded
Jack

Jack McKenna P.E.
Manager - Engineering
Development Review

Office:239-252-2911<<tel:239-252-2911>>

Jack.McKenna@colliercountyfl.gov<<mailto:Jack.McKenna@colliercountyfl.gov>>

<<https://www.colliercountyfl.gov/>>[cid:CountyLogo-FullColor_948165c4-9665-41b4-9162-fbb16abff557.png]<<https://www.colliercountyfl.gov/>>

<<https://www.facebook.com/CollierGov>>[cid:Facebook_0522f546-5e75-4698-95f9-f15590a3defe.png]<<https://www.facebook.com/CollierGov>> [cid:Instagram_a8da4774-4b5b-4ad1-8d23-20e69b3b605d.png] <<https://www.instagram.com/colliercountyfl>>

<<https://www.instagram.com/colliercountyfl>> [cid:X-Twitter_8d678efc-bd14-44ce-97cf-7fbab1003b00.png] <<https://twitter.com/CollierGov>>
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On Mar 6, 2025, at 4:36 PM, Joseph Levy <joenaples1@icloud.com> wrote:

EXTERNAL EMAIL: This email is from an external source. Confirm this is a trusted sender and use extreme caution when opening attachments or clicking links.

I didn't send any pictures today. They are still working on it. Should be done by tomorrow. Thanks

Best Regards

Joe
239-331-9737

On Mar 6, 2025, at 3:31 PM, Jack McKenna <Jack.McKenna@colliercountyfl.gov> wrote:

Hi Joe,

Pictures are not clear please make sure there is a swale

Jack McKenna P.E.
Manager - Engineering
Development Review

Office:239-252-2911<<tel:239-252-2911>>

Jack.McKenna@colliercountyfl.gov<<mailto:Jack.McKenna@colliercountyfl.gov>>

<<https://www.colliercountyfl.gov/>><<https://www.colliercountyfl.gov/>>

<CountyLogo-FullColor_948165c4-9665-41b4-9162-fbb16abff557.png><<https://www.colliercountyfl.gov/>>

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<Facebook_0522f546-5e75-4698-95f9-f15590a3defe.png>
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<<https://colliercountyfl.qscend.com/311/>>
<311IconforSignature_655c7bb5-b2bb-49a0-9737-5ae8a4da3ba6.png>

From: Lynne Leipold <leipold2017@yahoo.com>
Sent: Thursday, March 06, 2025 2:49 PM
To: Jack McKenna <Jack.McKenna@colliercountyfl.gov>
Subject: 149 Venus Cau

EXTERNAL EMAIL: This email is from an external source. Confirm this is a trusted sender and use extreme caution when opening attachments or clicking links.

Jack,

I hate to bother you but apparently Joe Levy and home owner did not follow your direction after Monday 3/3/25 county site visit, see attached pictures.

The last attached picture by pool/water shows landscape materials, planted along property line and sod installed with no berm or swale. You can see the orange string indicating property line, there is no room for a swale or berm.

Equipment pad side and driveway side shows landscape materials planted and no swale or berm constructed. Sod is soon to be planted today.

When we talked Monday you said a Berm or swale would need to be constructed to contain water onto their property and not flood ours..did this change or did Joe/home owner do whatever they wanted?

TY

<IMG_0609.jpg>

<IMG_0614.jpg>

<IMG_0616.jpg>

Lynne Leipold

Neil Dorrill

From: Kevin Carter
Sent: Wednesday, March 5, 2025 12:40 PM
To: Neil Dorrill
Subject: FW: Venus Cay

FYI: for swale questions regarding 140 Venus Cay. Jared and I met there and reviewed yesterday. This is not passing inspection from County due to not following SFWMD permit conditions.

Thanks

Kevin

From: Jared R. Brown <jrb@johnsoneng.com>
Sent: Wednesday, March 5, 2025 9:46 AM
To: Kevin Carter <Kevin@dmgfl.com>
Subject: Venus Cay

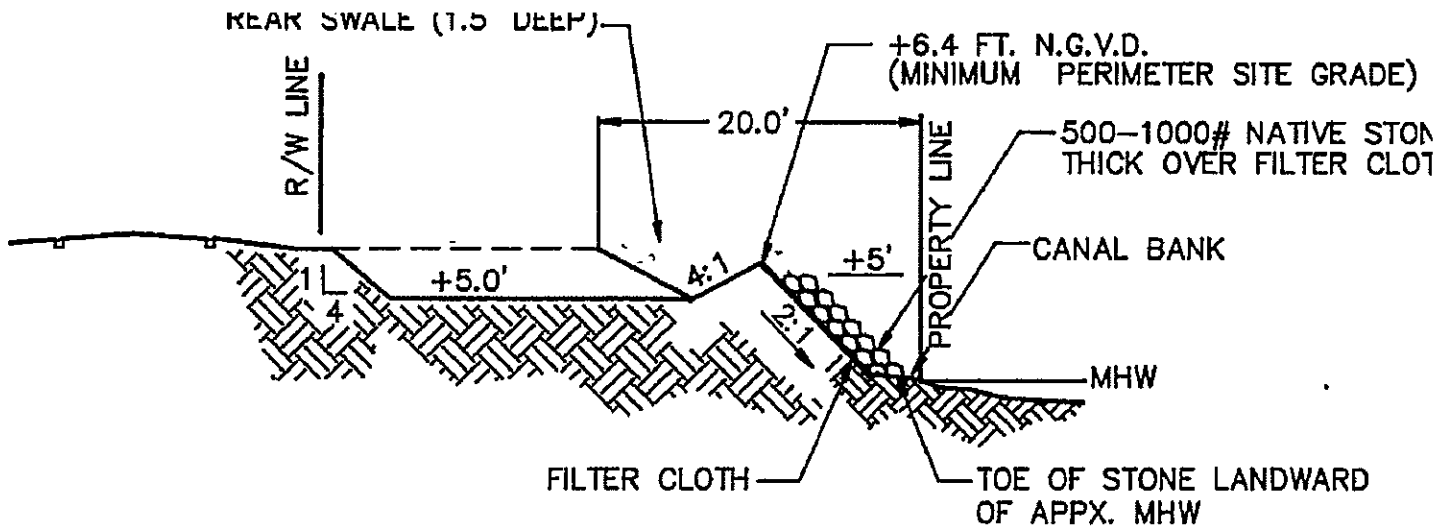
Kevin,

Since I'm out for the next two weeks± I wanted to follow up on this before I go.

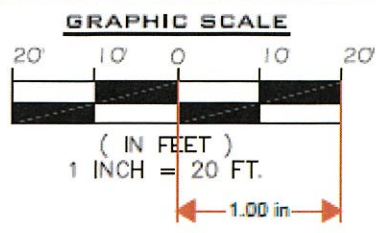
From our 3/4/25 field visit I became aware of the fact that a majority of the platted CID drainage easement is not able to be used as the SFWMD permit intends. The easement is supposed to start at the toe of the rip-rap and accommodate a swale to move stormwater from all the other upstream lots down to the control structure, as in section G below. The actual field conditions look to have much of that 20' in the water or as part of the rip rap slope. I do not have survey to confirm this but visually this is how it appears. We can't fill in the canal to add more land to make a swale so a reasonable alternative appears to be to replace the conveyance function of the swale with a 15" pipe, perforated to allow water to percolate into the soil.

The downside is that this could create the perception that this homeowner is "getting away with something" by providing a pipe instead of a swale. The reality is that the land that was platted to accommodate this swale doesn't exist. I do not know if it was eroded over the years or if there was an error in the initial plat/plans.

I believe this is the last unoccupied lot on a cul-de-sac, so this should not be a recurring problem.



SECTION G-G



edge of pool deck
3.6' off easement

edge of pool deck
12.6' off easement

conceptual
yard drain
Center
Direct s

conceptual 15" perforated HDPE pipe &
yard drains w/in D.E.
Center east pipe end in existing swale.
Direct southern end towards outfall.

-UD-237\C49C\1143-U\AUC-UD-CUCD\DWG



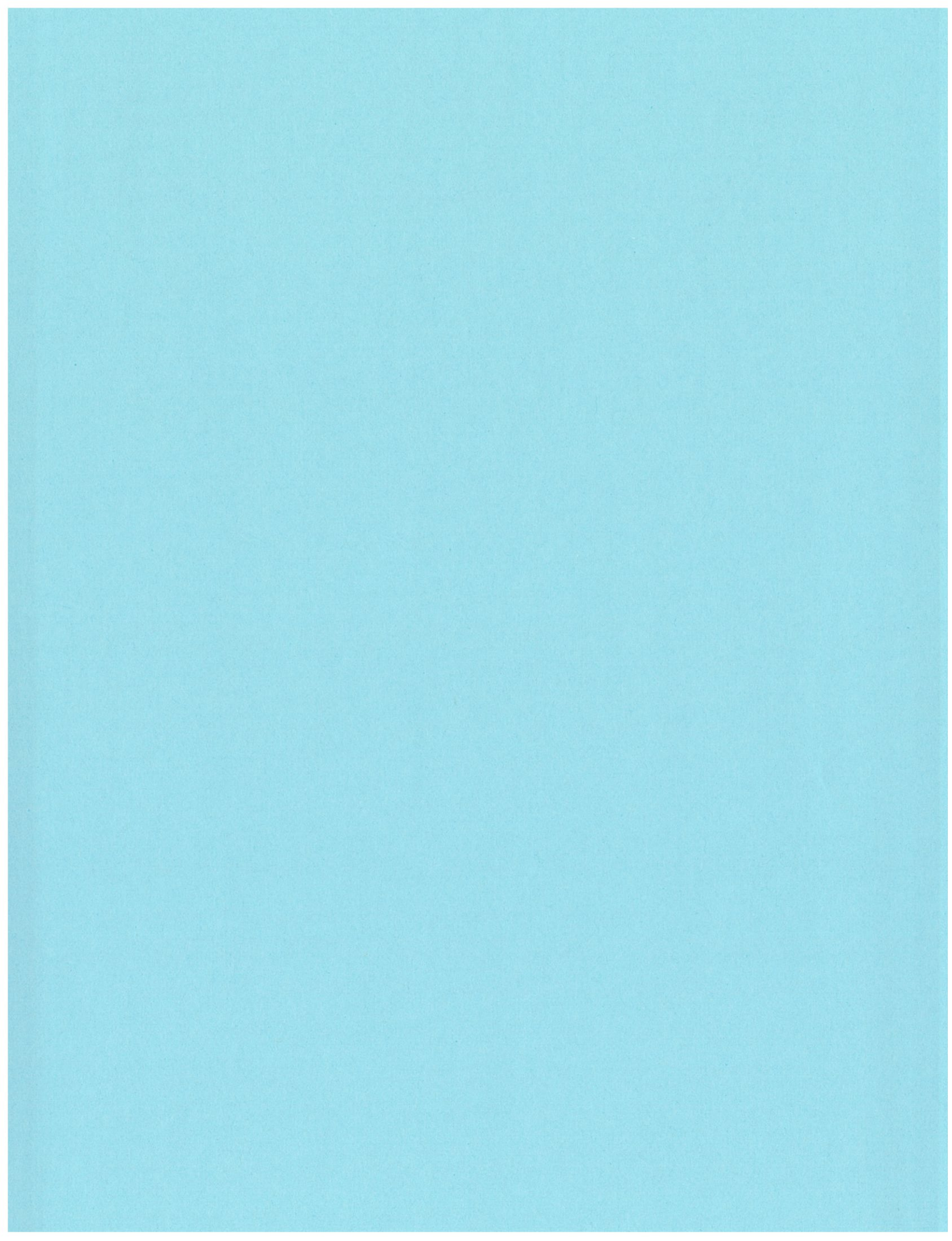
FAKA UNION CANAL
P.B. 21 PG-3

CANAL
1 PG-3

LOT 65
P.B. 21 PG-3

****Vacation Alert: March 7-17****

Jared R. Brown, P.E.
Johnson Engineering, LLC
 An Apex Company
 2350 Stanford Court
 Naples, Florida 34112
 Phone: 239.280.4321
jbrown@johnsoneng.com



Port of the Islands
Past Due Customers

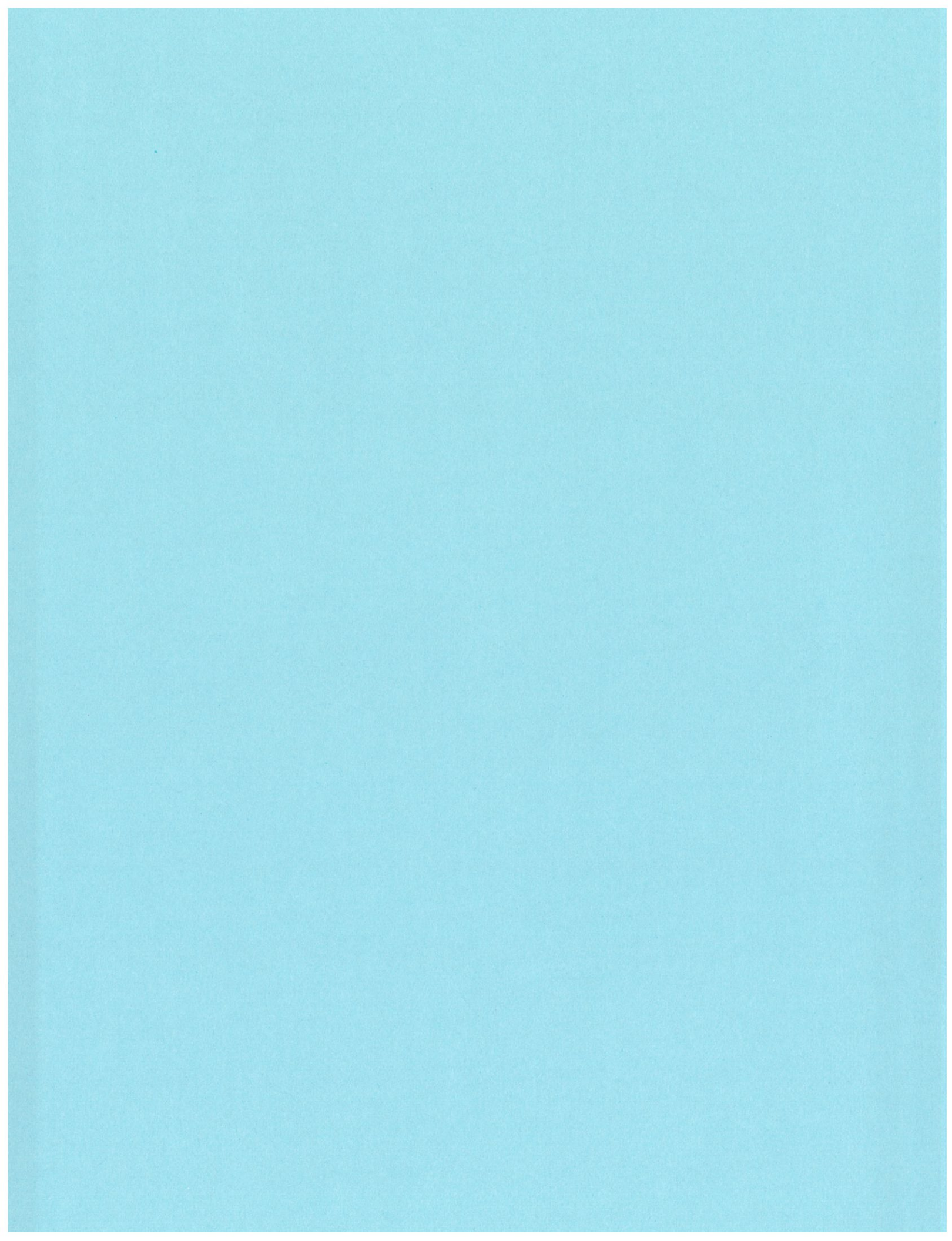
Account Type All
 Account Category All
 Route: All
 Past Due Days 60
 Status Active
 Exclude Payment Plans False

Route	Sort	Account #	Customer Name	Status	Parcel #	Service Address	Aged Days	Past Due Amt.	Total Balance	Deposit Balance	Last Pymt. Date	Last Pymt. Amount	Meter #	Meter Type	Pay Plan
0	0	90834	PORT OF THE ISLANDS RESORT CONDO	Active	30693	CONDO	70	833.51	2,137.68	0.00	11/25/2024	755.48	26189319	RG	No
0	0	10108	BRAZZEL, LINDA	Active	30712	285 SUNRISE CAY	62	111.63	120.22	0.00			22986936	RG	No
K100	0	91090	WELCOME, RICHARD	Active	30587	326 STELLA MARI DR S	70	34.02	213.55	0.00	01/23/2025	120.00	22986535	RG	No
K200	0	10084	CARDENAS ARAUJO, YELY	Active	30355	365 STELLA MARI DR N APT 2905	70	77.27	188.12	0.00	11/22/2024	188.12	22986576	RG	No
K200	0	10094	A. GOLDMAN, MICHAEL	Active	30013	385 STELLA MARI DR N APT 2706	70	8.59	42.18	0.00	11/15/2024	10.00	22986613	RG	No
K200	0	91001	OLSON, JEFFEREY AND KATHI	Active	30523	253 SUNRISE CAY APT 203	70	34.34	110.85	0.00	05/28/2024	583.80	22986670	RG	No
K200	0	90001	ABRAMOFF, EUGENE	Active	30000	221 SUNRISE CAY APT 104	131	119.44	170.20	50.00	09/10/2024	273.21	22986691	RG	No
K200	0	10072	KNAPP, SCOTT	Active	30040	221 SUNRISE CAY APT 204	333	238.79	272.38	0.00			22986692	RG	No
K300	0	90561	SUNSET CAY VILLAS #4	Active	30307	182 NEWPORT DR	70	30.28	99.22	50.00	03/19/2024	20.28	22986201	RG	No
K300	0	90563	SUNSET CAY VILLAS #7	Active	30309	154 NEWPORT DR	315	36.42	68.18	50.00	11/29/2023	3.38	22986295	RG	No
K300	0	90565	SUNSET CAY VILLAS III	Active	30311	194 NEWPORT DR DOCK	70	7.43	72.99	50.00	03/19/2024	23.66	22986187	RG	No
K300	0	90756	BRINKWORTH, JENNIFER	Active	30377	254 NEWPORT DR APT 405	70	8.59	102.27	0.00	11/18/2024	129.54	22986223	RG	No
K300	0	91132	EVANS, WILLIAM	Active	30618	242 NEWPORT DR APT 510	70	8.59	50.76	0.00	12/02/2024	142.95	22986210	RG	No
K400	0	91117-1063	A & T INVESTMENTS FL LLC	Active	30678	FRONT OF SALES OFFICE	70	2.90	2.90	0.00	12/11/2024	33.70	21868023	IR	No
K400	0	90046	BENEDICT, RICK	Active	30020	314 NEWPORT DR APT 1604	70	51.51	136.61	50.00	11/14/2024	76.51	22986783	RG	No
K400	0	90261	HEIDELBERG, CHARLES	Active	30137	25066 PEACOCK LN APT 102	70	8.59	33.59	50.00	05/14/2024	17.17	22986745	RG	No
K400	0	90307	KENNEY, ROSE	Active	30158	25073 PEACOCK LN APT 102	105	50.76	118.69	50.00	12/19/2024	230.30	22986799	RG	No
K400	0	90281	HUNT, JEAN	Active	30146	25081 PEACOCK LN APT 101	167	0.76	0.76	50.00	11/20/2024	25.00	22986809	RG	No
K400	0	90329	KRONSTEDT, KEITH	Active	30175	25069 PEACOCK LN APT 202	193	58.59	92.18	50.00	07/29/2024	111.64	22986797	RG	No
K400	0	90885	MURPHY, WILLIAM	Active	30443	25061 PEACOCK LN APT 101	256	246.71	314.64	0.00	06/03/2024	471.44	22986793	RG	No
K400	0	90948	MAYNARD, OWEN	Active	30491	302 NEWPORT DR APT 1510	256	255.23	348.91	0.00	06/19/2024	420.00	22986261	RG	No
K400	0	90772	CHUPURDY, LISA	Active	30383	25072 PEACOCK LN APT 101	315	194.45	233.79	0.00	03/15/2024	51.51	22986849	RG	No

Port of the Islands
Past Due Customers

Account Type All
 Account Category All
 Route: All
 Past Due Days 60
 Status Active
 Exclude Payment Plans False

Route	Sort	Account #	Customer Name	Status	Parcel #	Service Address	Aged Days	Past Due Amt.	Total Balance	Deposit Balance	Last Pymt. Date	Last Pymt. Amount	Meter #	Meter Type	Pay Plan	
K400	0	90795	GANDEE, DEANNA	Active	30393	25061 PEACOCK LN APT 102	748	1,766.26	1,791.26	0.00			22986796	RG	No	
UNK	0	91093-350	SUNSET CAY LAKES 1900 CONDOMINIUM ASSOCIATION INC	Active	30673	350 NEWPORT DRIVE	315	38.24	66.62	0.00	11/20/2023	3.38	22986858	RG	No	
UNK	0	90376	MCCQUEEN, BOB	Active	30199	150 WINDWARD CAY	70	0.60	311.52	50.00	01/21/2025	246.00	22986463	IR	No	
UNK	0	90508	SEABURG, DAVID	Active	30272	106 MORNING STAR CAY	70	133.16	343.06	50.00	11/06/2024	478.02	22986374	IR	No	
UNK	0	10097	RISTANI, KRELANDO	Active	30506	175 SUNSET CAY	131	114.27	257.81	0.00	10/02/2024	10.00	22986422	RG	No	
Total									Count: 27	4,470.93	7,720.94					



Port of the Islands CID

FINANCIAL STATEMENTS

January 31, 2025
(Unaudited)

Prepared by:
Dorrill Management Group Inc
5672 Strand Ct Suite 1
Naples, FL 34110-3343
Phone: 239-592-9115

**Port of the Islands CID
Balance Sheet
As of January 31, 2025**

Assets

	Operating	Water and Sewer	Total
Current Assets			
Checking	\$ 3,951,308.72	\$ 0.00	\$ 3,951,308.72
Checking - Water/Sewer	0.00	1,353,427.50	1,353,427.50
Undeposited Cash (WS)	0.00	28,794.82	28,794.82
Accounts Receivable	0.00	(12,647.10)	(12,647.10)
Due To/From 001/202	0.00	289,610.05	289,610.05
Due To/From 001/202	(289,610.05)	0.00	(289,610.05)
Prepaid Items	25,197.50	25,197.50	50,395.00
	<hr/>	<hr/>	<hr/>
Total Current Assets	3,686,896.17	1,684,382.77	5,371,278.94
Property and Equipment			
Land	583,847.00	599,674.85	1,183,521.85
Irrigation	0.00	7,970,676.65	7,970,676.65
Equipment	0.00	287,662.07	287,662.07
Improvements - W/WS	0.00	7,727,885.60	7,727,885.60
Construction in Progress	0.00	66,875.00	66,875.00
Less Accumulated Depreciation	0.00	(9,394,648.74)	(9,394,648.74)
	<hr/>	<hr/>	<hr/>
Net Property and Equipment	583,847.00	7,258,125.43	7,841,972.43
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 4,270,743.17	\$ 8,942,508.20	\$ 13,213,251.37

Liabilities and Fund Balance

	Operating	Water and Sewer	Total
Current Liabilities			
Accounts Payable	\$ 77,721.89	\$ 0.00	\$ 77,721.89
Utility Customer Deposits	0.00	16,600.00	16,600.00
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	77,721.89	16,600.00	94,321.89
Long-Term Liabilities			
	<hr/>	<hr/>	<hr/>
Total Long-Term Liabilities	0.00	0.00	0.00
	<hr/>	<hr/>	<hr/>
Total Liabilities	77,721.89	16,600.00	94,321.89
Fund Balances			
Unreserved Fund Balance	3,671,829.35	8,425,409.10	12,097,238.45
Retained Earnings	521,191.93	500,499.10	1,021,691.03
	<hr/>	<hr/>	<hr/>
Total Fund Balance	4,193,021.28	8,925,908.20	13,118,929.48
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 4,270,743.17	\$ 8,942,508.20	\$ 13,213,251.37

Port of the Islands CID
Statement of Revenues & Expenses - OPERATIONS & MAINTENANCE
For the Period Ending
 January 31, 2025

General Fund

	Current Period		YTD		Variance	Annual Budget
	Actual	Budget	Actual	Budget		
Revenue						
Interest Income	\$ 13,797	\$ 12,500	\$ 51,210	\$ 50,000	\$ 1,210	\$ 150,000
Special Assmnts- Tax Collector	28,389	73,196	635,582	292,785	342,797	878,355
Interest - Tax Collector	554	25	554	100	454	300
Special Assmnts-Discounst	0	(3,750)	0	(15,000)	15,000	(45,000)
Total Revenue	42,740	81,971	687,346	327,885	359,461	983,655
Expenses						
Administrative						
P/R-Board Of Supervisors	500	500	2,000	2,000	0	6,000
Employment Taxes	38	38	153	150	3	450
P/R - Processing Fees	0	42	74	167	(93)	500
County Property Tax	0	0	26,080	0	26,080	0
Profserv-Engineering	13,360	2,083	17,080	8,333	8,747	25,000
Profserv-Legal Services	3,153	2,083	8,186	8,333	(147)	25,000
Profserv-Mgmt Consulting Serv	3,877	3,875	15,507	15,500	7	46,500
Profserv-Property Appraiser	0	225	2,763	900	1,863	2,700
Auditing Services	0	292	0	1,167	(1,167)	3,500
Rentals & Leases	210	58	398	233	165	700
Postage And Freight	186	42	357	167	190	500
Insurance - General Liability	2,520	1,000	5,040	4,000	1,040	12,000
Insurance - Worker's Compensation	0	0	2,000	0	2,000	0
Printing & Binding	0	17	0	67	(67)	200
Legal Advertising	171	417	904	1,667	(763)	5,000
Special Services	1,258	500	10,524	2,000	8,524	6,000
Misc-Assessment Collection Cost	568	583	12,712	2,333	10,379	7,000
Misc-District Website	618	300	829	1,200	(371)	3,600
Annual District Filing Fee	0	15	0	58	(58)	175
Total Administrative	26,459	12,070	104,607	48,275	56,332	144,825

Port of the Islands CID
Statement of Revenues & Expenses - OPERATIONS & MAINTENANCE
For the Period Ending

January 31, 2025

General Fund

	Current Period		YTD		Variance	Annual Budget
	Actual	Budget	Actual	Budget		
<u>Operations & Maintenance</u>						
Contracts-Field Services	0	417	2,717	1,667	1,050	5,000
Electricity-Streetlighting	2,831	2,500	11,284	10,000	1,284	30,000
R&M-Renewal & Replacement	0	417	0	1,667	(1,667)	5,000
R&M-Grounds	5,447	2,083	6,067	8,333	(2,266)	25,000
R&M-Storm Water Drainage	0	417	0	1,667	(1,667)	5,000
Total Operations & Maintenance	8,278	5,834	20,068	23,334	-3,266	70,000
<u>Landscaping & Irrigation</u>						
Contracts-Landscape	7,788	7,833	31,149	31,333	(184)	94,000
Utility-Irrigation	4,787	1,250	5,816	5,000	816	15,000
R&M-Irrigation	481	833	3,960	3,333	627	10,000
Total Landscaping & Irrigation	13,056	9,916	40,925	39,666	1,259	119,000
<u>Lakes & Ponds</u>						
Contracts-Lakes	0	167	555	667	(112)	2,000
Total Lakes & Ponds	0	167	555	667	-112	2,000
<u>Roads & Sidewalks</u>						
R&M-Signage	0	25	0	100	(100)	300
R&M-Roads & Alleyways	0	833	0	3,333	(3,333)	10,000
Total Roads & Sidewalks	0	858	0	3,433	-3,433	10,300
<u>Mosquito Control</u>						
Contracts-Mosquito Treatment	0	417	0	1,667	(1,667)	5,000
Contracts-Mosquito Spray	0	833	0	3,333	(3,333)	10,000
Total Mosquito Control	0	1,250	0	5,000	-5,000	15,000

Port of the Islands CID
Statement of Revenues & Expenses - OPERATIONS & MAINTENANCE
For the Period Ending

January 31, 2025

General Fund

	Current Period		YTD		Variance	Annual Budget
	Actual	Budget	Actual	Budget		
Capital Expenditures & Projects						
Capital Outlay - Landscape	0	8,333	0	33,333	(33,333)	100,000
Contingency	0	10,752	0	43,007	(43,007)	129,020
Capital Reserve	0	32,793	0	131,170	(131,170)	393,510
Total Capital Expenditures & Projects		51,878		207,510	-207,510	622,530
Total Expenditures	47,793	81,973	166,155	327,885	(161,730)	983,655

Other Financing Sources (Uses)

Other Sources

Other Financing Sources (Uses)

Other Sources

Other Uses

Revenue (Over) Under Expenses \$	(5,053) \$	(2) \$	521,191 \$	0 \$	521,191 \$	0
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Port of the Islands CID
Statement of Revenues & Expenses
For the Period Ending

January 31, 2025

Water/Sewer

	Current Period		YTD		Variance	Annual Budget
	Actual	Budget	Actual	Budget		
Revenue						
Interest Income	4,573 \$	3,333 \$	18,484 \$	13,333 \$	5,151 \$	40,000
Water Revenue	166	8,333	23,537	33,333	(9,796)	100,000
Sewer Revenue	255	8,333	31,885	33,333	(1,448)	100,000
Irrigation Fees	0	12,917	53,332	51,667	1,665	155,000
Meter Fees	0	250	2,420	1,000	1,420	3,000
Special Assmnts- Tax Collector	33,702	86,895	739,365	347,579	391,786	1,042,738
Interest - Tax Collector	658	50	658	200	458	600
Special Assmnts-Discounnts	0	(3,476)	15,167	(13,903)	29,070	(41,710)
Other Miscellaneous Revenues	4,835	417	6,805	1,667	5,138	5,000
Total Revenue	44,189	117,052	891,653	468,209	423,444	1,404,628

Expenses

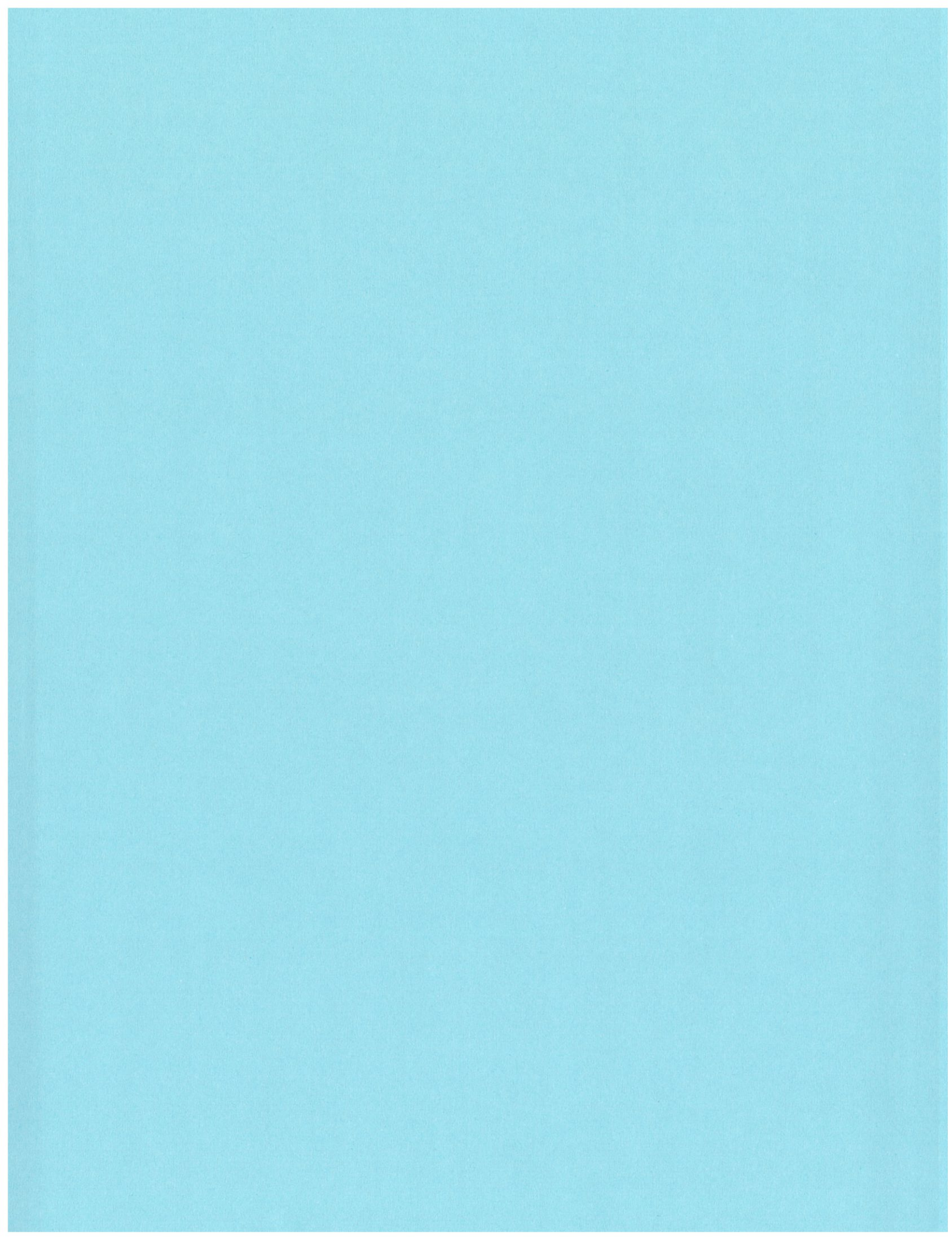
Administrative						
P/R-Board Of Supervisors	500	500	2,000	2,000	0	6,000
Employment Taxes	38	33	153	133	20	400
P/R - Processing Fees	0	42	74	167	(93)	500
Profserv-Engineering	13,800	1,667	29,574	6,667	22,907	20,000
Profserv-Legal Services	3,153	2,083	8,186	8,333	(147)	25,000
Profserv-Mgmt Consulting Serv	3,877	3,875	15,507	15,500	7	46,500
Profserv-Property Appraiser	0	167	2,763	667	2,096	2,000
Auditing Services	0	333	0	1,333	(1,333)	4,000
Postage And Freight	0	17	0	67	(67)	200
Insurance - General Liability	2,520	1,000	5,040	4,000	1,040	12,000
Printing & Binding	0	17	0	67	(67)	200
Legal Advertising	0	100	0	400	(400)	1,200
Special Services	0	0	2,750	0	2,750	0
Utility Billing Postage & Supplies	78	0	736	0	736	0
Misc-Assessmnt Collection Cost	674	2,083	15,091	8,333	6,758	25,000
Office Supplies	108	58	274	233	41	700
Telephone - Utility Operations	316	333	1,260	1,333	(73)	4,000
Total Administrative	25,064	12,308	83,408	49,233	34,175	147,700

Port of the Islands CID
Statement of Revenues & Expenses
For the Period Ending

January 31, 2025

Water/Sewer

	Current Period		YTD		Variance	Annual Budget
	Actual	Budget	Actual	Budget		
<u>Water-Sewer Comb Services</u>						
Utility - Electricity	8,416	8,333	27,809	33,333	(5,524)	100,000
Contracts-Utility Operations	29,329	31,417	117,314	125,667	(8,353)	377,000
Contracts-Utility Billing	3,689	250	11,011	1,000	10,011	3,000
Contracts-Generator Maint	0	250	2,873	1,000	1,873	3,000
R&M-Lift Station	0	833	0	3,333	(3,333)	10,000
R&M-Potable Water Lines	2,517	1,000	2,772	4,000	(1,228)	12,000
R&M-Water Plant	2,998	3,333	22,125	13,333	8,792	40,000
R&M-Waste Water Plant	2,658	2,083	2,658	8,333	(5,675)	25,000
R&M-Sewer Lines	0	417	0	1,667	(1,667)	5,000
R&M-Instrumentation	150	417	2,049	1,667	382	5,000
Misc-Licenses & Permits	0	83	5,200	333	4,867	1,000
Compliance Sampling	1,392	1,667	5,567	6,667	(1,100)	20,000
Chemicals-Water Operations	5,877	2,917	8,809	11,667	(2,858)	35,000
Chemicals-Wastewater Operations	1,424	2,083	3,099	8,333	(5,234)	25,000
Sludge Disposal	0	1,667	6,300	6,667	(367)	20,000
Reserves - Water & Sewer System	0	20,000	0	80,000	(80,000)	240,000
Total Water-Sewer Comb Services	58,450	76,750	217,586	307,000	-89,414	921,000
<u>Capital Expenditures & Projects</u>						
Capital Outlay	0	20,833	9,401	83,333	(73,932)	250,000
Capital Outlay-Utility Meter Replacement	0	0	13,887	0	13,887	0
Capital Outlay-WWTP	0	0	66,875	0	66,875	0
Contingency	0	7,161	0	28,643	(28,643)	85,928
Total Capital Expenditures & Projects	0	27,994	90,163	111,976	-21,813	335,928
Total Expenditures	83,514	117,052	391,157	468,209	(77,052)	1,404,628
Revenue (Over) Under Expenses	\$ (39,325)	\$ 0	\$ 500,496	\$ 0	\$ 500,496	\$ 0



**PORT OF THE ISLANDS
COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

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**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Port of the Islands Community Improvement District
Collier County, Florida

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Port of the Islands Community Improvement District, Collier County, Florida ("District") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated Xxxx, 2025, 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.

Xxxx, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Port of the Islands Community Improvement District, Collier County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2024. 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 \$12,682,723.
- The change in the District's total net position in comparison with the prior fiscal year was \$173,621, an increase. 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, 2024, the District's governmental funds reported combined ending fund balances of \$3,087,983, a decrease of (\$352,051) 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 basic 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 assessments. The governmental activities of the District include the general government (management), and maintenance and operations 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. All of the funds of the District can be divided into two categories: governmental funds and proprietary 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 outflow 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 separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which 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.

Proprietary Fund

The District maintains one type of proprietary fund, an enterprise fund. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of the water and sewer utility facilities within the District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	NET POSITION					
	SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 3,422,908	\$ 3,531,870	\$ 1,289,625	\$ 996,573	\$ 4,712,533	\$ 4,528,443
Noncurrent Assets	1,169,329	606,201	7,258,127	7,499,341	8,427,456	8,105,542
Total assets	4,592,237	4,138,071	8,547,752	8,495,914	13,139,989	12,633,985
Current liabilities	334,925	91,836	122,341	33,047	457,266	124,883
Total liabilities	334,925	91,836	122,341	33,047	457,266	124,883
Net Position						
Net investment in capital asset:	1,169,329	606,201	7,191,677	7,499,341	8,361,006	8,105,542
Unrestricted	3,087,983	3,440,034	1,233,734	963,526	4,321,717	4,403,560
Total net position	\$ 4,257,312	\$ 4,046,235	\$ 8,425,411	\$ 8,462,867	\$ 12,682,723	\$ 12,509,102

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

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,					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	\$ 437,120	\$ 343,974	\$ 1,383,181	\$ 1,418,541	\$ 1,820,301	\$ 1,762,515
General revenues						
Unrestricted investment earnings	184,947	165,688	49,721	23,842	234,668	189,530
Miscellaneous	91,740	11,269	87,742	190	179,482	11,459
Total revenues	713,807	520,931	1,520,644	1,442,573	2,234,451	1,963,504
Expenses:						
General government	162,196	139,222	-	-	162,196	139,222
Maintenance and operations	340,534	247,655	-	-	340,534	247,655
Interest and other charges	-	4,297	-	-	-	4,297
Water and sewer	-	-	1,558,100	1,466,350	1,558,100	1,466,350
Total expenses	502,730	391,174	1,558,100	1,466,350	2,060,830	1,857,524
Change in net position	211,077	129,757	(37,456)	(23,777)	173,621	105,980
Net position - beginning	4,046,235	3,916,478	8,462,867	8,486,644	12,509,102	12,403,122
Net position - ending	\$ 4,257,312	\$ 4,046,235	\$ 8,425,411	\$ 8,462,867	\$ 12,682,723	\$ 12,509,102

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental activities

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2024 was \$502,730. The costs of the District's activities were funded by program revenues and general revenues. Program revenues are comprised of assessments. General revenues include investment earnings and miscellaneous revenues. In total, expenses increased from the prior year primarily as a result of an increase in general government and maintenance and operations expenses.

Business-type activities

Business-type activities reflect the operations of the water and sewer facilities within the District. The cost of operations is covered primarily by charges to customers, as well as special assessments. Water and sewer expenses increased from the prior fiscal year due primarily due to an increase in repairs and maintenance expenses.

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. Actual general fund expenditures for the fiscal year ended September 30, 2024 exceeded appropriations by \$454,180. The over expenditures were funded by available fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2024, the District had \$2,388,496 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$1,219,167 has been taken, which resulted in a net book value of \$1,169,329. The District's business-type activities reported net capital assets of \$7,258,127. 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, 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 Port of the Islands Community Improvement District's Finance Department at 5672 Strand Court, Suite 1, Naples, Florida 34110.

**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,351,550	\$ 1,233,883	\$ 4,585,433
Accounts receivable	-	28,309	28,309
Internal balances	66,450	-	66,450
Assessments receivable	4,908	11,233	16,141
Restricted assets:			
Cash and investments - customer deposits	-	16,200	16,200
Total Current Assets	<u>3,422,908</u>	<u>1,289,625</u>	<u>4,712,533</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	931,283	666,550	1,597,833
Depreciable, net	238,046	6,591,577	6,829,623
Total noncurrent assets	<u>1,169,329</u>	<u>7,258,127</u>	<u>8,427,456</u>
Total assets	<u>4,592,237</u>	<u>8,547,752</u>	<u>13,139,989</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	334,925	39,691	374,616
Internal balances	-	66,450	66,450
Customer deposits	-	16,200	16,200
Total current liabilities	<u>334,925</u>	<u>122,341</u>	<u>457,266</u>
NET POSITION			
Net investment in capital assets	1,169,329	7,191,677	8,361,006
Unrestricted	3,087,983	1,233,734	4,321,717
Total net position	<u>\$ 4,257,312</u>	<u>\$ 8,425,411</u>	<u>\$ 12,682,723</u>

See notes to the financial statements

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**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	Program	Net (Expense) Revenue and		<u>Total</u>
		Revenues	Changes in Net Position		
		Charges for	Governmental	Business-type	
		Services	Activities	Activities	
Primary government:					
Governmental activities:					
General government	\$ 162,196	\$ 162,196	\$ -	\$ -	\$ -
Maintenance and operations	340,534	274,924	(65,610)	-	(65,610)
Total governmental activities	<u>502,730</u>	<u>437,120</u>	<u>(65,610)</u>	<u>-</u>	<u>(65,610)</u>
Business-type activities:					
Water and sewer	1,558,100	1,383,181	-	(174,919)	(174,919)
Total business-type activities	<u>1,558,100</u>	<u>1,383,181</u>	<u>-</u>	<u>(174,919)</u>	<u>(174,919)</u>
General revenues:					
Unrestricted investment earnings			184,947	49,721	234,668
Miscellaneous			91,740	87,742	179,482
Total general revenues			<u>276,687</u>	<u>137,463</u>	<u>414,150</u>
Change in net position			211,077	(37,456)	173,621
Net position - beginning			4,046,235	8,462,867	12,509,102
Net position - ending			<u>\$ 4,257,312</u>	<u>\$ 8,425,411</u>	<u>\$ 12,682,723</u>

See notes to the financial statements

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PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Major Fund
	General
ASSETS	
Cash and cash equivalents	\$ 3,351,550
Assessments receivable	4,908
Due from other funds	66,450
Total assets	\$ 3,422,908
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 334,925
Total liabilities	334,925
 Fund balances:	
Unassigned	3,087,983
Total fund balances	3,087,983
Total liabilities and fund balances	\$ 3,422,908

See notes to the financial statements

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PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Fund balance - governmental funds	\$	3,087,983
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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 accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	2,388,496		
Accumulated depreciation	(1,219,167)		1,169,329
Net position of governmental activities			\$ 4,257,312

See notes to the financial statements

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PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Major Fund
	General
REVENUES	
Assessments	\$ 437,120
Miscellaneous	91,740
Interest income	184,947
Total revenues	713,807
EXPENDITURES	
Current:	
General government	162,196
Maintenance and operations	319,815
Capital outlay	583,847
Total expenditures	1,065,858
Excess (deficiency) of revenues over (under) expenditures	(352,051)
Fund balances - beginning	3,440,034
Fund balances - ending	\$ 3,087,983

See notes to the financial statements

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**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT 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, 2024**

Net change in fund balances - total governmental funds	\$	(352,051)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.		583,847
Depreciation of capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities.		<u>(20,719)</u>
Change in net position of governmental activities	\$	<u>211,077</u>

See notes to the financial statements

**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2024**

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,233,883
Accounts receivable	28,309
Assessments receivable	11,233
Restricted cash:	
Customer deposits	16,200
Total current assets	<u>1,289,625</u>

Noncurrent assets:

Capital assets:

Land and land improvements	599,675
Construction in progress	66,875
Improvements other than buildings	15,698,563
Equipment	287,662
Less accumulated depreciation	<u>(9,394,648)</u>
Total capital assets, net of depreciation	<u>7,258,127</u>
Total noncurrent assets	<u>7,258,127</u>
Total assets	<u>8,547,752</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	39,691
Due to other funds	66,450
Customer deposits - payable from restricted assets	16,200
Total current liabilities	<u>122,341</u>
Total liabilities	<u>122,341</u>

NET POSITION

Investment in capital assets	7,258,127
Unrestricted	1,167,284
	<u>\$ 8,425,411</u>

See notes to the financial statements

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**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

OPERATING REVENUES	
Charges for services:	
Water	\$ 93,508
Sewer	90,583
Irrigation	189,888
Meter	9,575
Miscellaneous revenue	87,742
Total operating revenues	<u>471,296</u>
OPERATING EXPENSES	
General and administrative	232,852
Plant operations	850,137
Depreciation	475,111
Total operating expenses	<u>1,558,100</u>
OPERATING INCOME (LOSS)	(1,086,804)
NON-OPERATING REVENUES (EXPENSES)	
Special assessments	999,627
Interest income	49,721
Total non-operating revenues (expenses)	<u>1,049,348</u>
Change in net position	(37,456)
Net position - beginning	<u>8,462,867</u>
Net position - ending	<u><u>\$ 8,425,411</u></u>

See notes to the financial statements

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**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 454,456
Receipts from other sources	87,742
Payments to suppliers for goods and services	<u>(873,898)</u>
Net Cash Provided (Used) by Operating Activities	<u>(331,700)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Assessments	<u>999,627</u>
Net cash provided (used) by noncapital capital financing activities	<u>999,627</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	<u>(233,897)</u>
Net cash provided (used) by capital and related financing activities	<u>(233,897)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest income	<u>49,721</u>
Net Cash Provided (Used) by Investing Activities	<u>49,721</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	483,751
CASH AND CASH EQUIVALENTS - OCTOBER 1	<u>766,332</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30	<u>\$ 1,250,083</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income	\$ (1,086,804)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	475,111
(Increase) / decrease in accounts receivable	75,255
(Increase) / decrease in prepaid expenses	830
(Increase) / decrease in due from other fund	114,614
(Decrease) / increase in accounts payable and accrued liabilities	27,197
(Decrease) / increase in due to other fund	66,450
(Decrease) / increase in customer deposits	<u>(4,353)</u>
Total adjustments	<u>755,104</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (331,700)</u>

See notes to the financial statements

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**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Port of the Islands Community Improvement District ("the District") was created on September 16, 1986 pursuant to the Uniform Community Improvement District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Collier County Ordinance No. 86-64. The Act provides among other things, the power to manage basic services for community Improvement, 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 planning, maintenance and operation of a water and wastewater system within the District in accordance with powers established by Florida Statute Chapter 190.

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

The District has the final responsibility for:

1. Assessing and levying maintenance taxes and special 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 District ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Board of Supervisors 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.

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.

The District reports the following major proprietary fund:

Water and Sewer Fund

The water and sewer fund accounts for the water, sewer, and irrigation operations of the District that are financed and supported primarily by user charges and assessments.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 Bond covenants or other contractual restrictions.

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand and demand deposits.

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.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

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 represent meter supply carried at historical cost determined on a first-in, first-out basis. The District does not have any material inventory balances as of September 30, 2024.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

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>
Infrastructure	15 - 30
Improvements other than buildings	5 – 48
Equipment	5 - 15

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. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2024 were as follows:

Fund	Receivable	Payable
General	\$ 66,450	\$ -
Water and sewer	-	66,450
Total	\$ 66,450	\$ 66,450

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the District, the balances between the general fund and the water and sewer fund relate to expenditures paid out of the general fund on behalf of the water and sewer fund.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the fiscal year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 347,436	\$ 583,847	\$ -	\$ 931,283
Total capital assets, not being depreciated	347,436	583,847	-	931,283
Capital assets, being depreciated				
Infrastructure	1,319,737	-	-	1,319,737
Improvements other than buildings	110,121	-	-	110,121
Equipment	27,355	-	-	27,355
Total capital assets, being depreciated	1,457,213	-	-	1,457,213
Less accumulated depreciation for:				
Infrastructure	1,066,038	20,311	-	1,086,349
Improvements other than buildings	105,055	408	-	105,463
Equipment	27,355	-	-	27,355
Total accumulated depreciation	1,198,448	20,719	-	1,219,167
Total capital assets, being depreciated, net	258,765	(20,719)	-	238,046
Governmental activities capital assets, net	\$ 606,201	\$ 563,128	\$ -	\$ 1,169,329

Depreciation expense was charged to the maintenance and operations function.

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the business-type activities for the fiscal year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business type activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 599,675	\$ -	\$ -	\$ 599,675
Construction in progress	-	66,875	-	66,875
Total capital assets, not being depreciated	599,675	66,875	-	666,550
Capital assets, being depreciated				
Improvements other than buildings	15,531,541	167,022	-	15,698,563
Equipment	287,662	-	-	287,662
Total capital assets, being depreciated	15,819,203	167,022	-	15,986,225
Less accumulated depreciation for:				
Machinery and equipment	8,715,197	459,376	-	9,174,573
Irrigation system	204,340	15,735	-	220,075
Total accumulated depreciation	8,919,537	475,111	-	9,394,648
Total capital assets, being depreciated, net	6,899,666	(308,089)	-	6,591,577
Business type activities capital assets, net	\$ 7,499,341	\$ (241,214)	\$ -	\$ 7,258,127

NOTE 7 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

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; 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.

NOTE 9 – CONTINGENCIES

The District is a defendant in pending litigation by Prepmac, LLC and Alligator Boys, LLC asserting that the adoption, Levy and imposition of certain non-ad valorem assessments on boat slips owned by the Plaintiffs were improperly noticed and adopted. The District has vigorously defended this litigation, has denied the allegation and has filed various affirmative defenses with regards to the allegations. Some discovery has transpired. The outcome of any litigation is uncertain, and the District will continue to defend itself in this allegation.

The District is the Plaintiff in a lawsuit against the Districts former management company (Premier District Management LLC). The lawsuit seeks the delivery of Districts public records to the current District manager and custodian of records. Discovery has been initiated.

**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT 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, 2024**

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original & Final		
REVENUES			
Assessments	\$ 437,678	\$ 437,120	\$ (558)
Miscellaneous	10,000	91,740	81,740
Interest income	164,000	184,947	20,947
Total revenues	611,678	713,807	102,129
EXPENDITURES			
Current:			
General government	131,625	162,196	(30,571)
Maintenance and operations	480,053	319,815	160,238
Capital outlay	-	583,847	(583,847)
Total expenditures	611,678	1,065,858	(454,180)
Excess (deficiency) of revenues over (under) expenditures	\$ -	(352,051)	\$ (352,051)
Fund balance - beginning		3,440,034	
Fund balance - ending		\$ 3,087,983	

See notes to required supplementary information

**PORT OF THE ISLANDS COMMUNITY IMPROVEMENT 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. Actual general fund expenditures for the fiscal year ended September 30, 2024 exceeded appropriations by \$454,180. The over expenditures were funded by available fund balance.

PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
COLLIER COUNTY, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
UNAUDITED

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	5
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	0
Employee compensation	\$ 11,800.00
Independent contractor compensation	0
Construction projects to begin on or after October 1; (>\$65K)	0
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - \$403.11 Enterprise - \$1,403.00
Special assessments collected	\$ 437,120.00
Outstanding Bonds:	Not applicable

**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
Port of the Islands Community Improvement 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, the business-type activities, and each major fund of Port of the Islands Community Improvement District, Collier County, Florida (“District”) as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our opinion thereon dated Xxxx, 2025.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, 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.

Xxxx, 2025

**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
Port of the Islands Community Improvement District
Collier County, Florida

We have examined Port of the Islands Community Improvement 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, 2024. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2024.

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 Port of the Islands Community Improvement District, Collier County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Xxxx, 2025

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

To the Board of Supervisors
Port of the Islands Community Improvement District
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Port of the Islands Community Improvement District ("District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated Xxxx, 2025.

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on 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, 2025, 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 Port of the Islands Community Improvement 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 Port of the Islands Community Improvement 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.

Xxxx, 2025

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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, 2023.

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, 2024.

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, 2024.

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, 2024. 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 25.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses and income. The document provides a detailed explanation of how to categorize these transactions correctly, ensuring they are recorded in the appropriate accounts. It also highlights the need for regular reconciliation to identify any discrepancies early on.

The second part of the document focuses on the preparation of the financial statements. It outlines the steps involved in calculating the net income, from determining the total revenue to subtracting all expenses and taxes. The document provides a clear breakdown of the components of each statement, such as the balance sheet, income statement, and cash flow statement. It also discusses the importance of presenting the information in a clear and concise manner, using appropriate accounting conventions and standards.

The final part of the document addresses the audit process. It explains the role of an external auditor in verifying the accuracy of the financial statements and providing an independent opinion on their reliability. The document discusses the types of audits that can be performed, from a simple review to a full-scale audit, and the implications of each. It also provides guidance on how to respond to audit findings and ensure that the company's financial reporting remains transparent and trustworthy.



WOODWARD, PIRES & LOMBARDO, P.A.

ATTORNEYS AT LAW

EST. 1971

February 21, 2025

MARK J. WOODWARD
Board Certified: Real Estate Law
and in Condominium
& Planned Development Law

By certified mail, return receipt requested

ANTHONY P. PIRES, JR.
Board Certified: City, County,
and Local Government Law

Lindsay J. Case
119 N Wahsatch Avenue
Colorado Springs, CA 80903

J. CHRISTOPHER LOMBARDO

Subject: Courtesy Notice re Upcoming Utility ERC Payment

ANTHONY J. DIMORA
Licensed in FL and OH

Mr. Case,

LENORE T. BRAKEFIELD

This firm serves as general counsel to the Port of the Islands Community Improvement District ("POICID").

KENNETH V. MUNDY

ZACHARY W. LOMBARDO
Board Certified: City, County,
and Local Government Law

Pursuant to the Closing Agreement dated September 22, 2022, and the subsequent Extension Request that was granted by POICID dated September 23, 2024, by way of the Amendment to Closing Agreement, \$528,000.00 is due for Utility ERCs on March 22, 2025.

CRAIG R. WOODWARD
Senior Counsel

By this letter, does not assume any obligation to provide notice. Instead, this letter is being provided as a courtesy.

CAMERON G. WOODWARD

POICID looks forward to receiving the above referenced payment.

ROSS E. SCHULMAN
Licensed in FL and NY

Sincerely,

F. SCOTT PAUZAR, III

DOMINICO R. PALMA

Zachary W. Lombardo, Esq.

CHANDLER A. KANSY

MARY C. BROCKMAN

REPLY TO:

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