

**Mediterra North  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**June 11, 2018**

**Mediterra North Community Development District**

**ANNUAL FINANCIAL REPORT**

**June 11, 2018**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Mediterra North Community Development District  
Lee County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Mediterra North Community Development District as of and for the period ended June 11, 2018, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

To the Board of Supervisors  
Mediterra North Community Development District

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Mediterra North Community Development District, as of June 11, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the period then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note H, as of June 11, 2018, Mediterra North Community Development District merged with Mediterra South Community Development District and ceased operations. As part of the merger Mediterra South Community Development District continued operations under its new name, Mediterra Community Development District. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

To the Board of Supervisors  
Mediterra North Community Development District

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Mediterra North Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

June 4, 2019

**Mediterra North Community Development District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Period Ended June 11, 2018**

Management's discussion and analysis of Mediterra North Community Development District (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position are reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government and debt service.

*Fund financial statements* present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Mediterra North Community Development District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Period Ended June 11, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Fund financial statements* include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including improvements and infrastructure, are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long-lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights**

The following are the highlights of financial activity for the period ended June 11, 2018:

- ◆ The District's total assets and deferred outflows of resources exceeded total liabilities by \$13,664,737 (net position). Unrestricted net position for Governmental Activities was \$133,109. Governmental activities restricted net position was \$158,576. Net investment in capital assets was \$13,373,052.
- ◆ Governmental activities revenues totaled \$734,899, while governmental activities expenses totaled \$431,775.

**Mediterra North Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Period Ended June 11, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

**Net Position**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Current assets	\$ 137,421	\$ 121,164
Restricted assets	546,138	546,004
Capital assets	17,508,231	17,623,538
Total Assets	18,191,790	18,290,706
Deferred amount on refunding	36,156	39,029
Current liabilities	295,041	432,754
Non-current liabilities	4,268,168	4,535,368
Total Liabilities	4,563,209	4,968,122
Net investment in capital assets	13,373,052	13,236,660
Net position - restricted	158,576	88,575
Net position - unrestricted	133,109	36,378
Total Net Position	\$ 13,664,737	\$ 13,361,613

The decrease in capital assets is related to depreciation in the current year.

The decrease in current liabilities is related to the decrease in accounts payable as the lake aeration project was completed.

Non-current liabilities decreased because of the principal payment made in the current period.



**Mediterra North Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Period Ended June 11, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

**Change In Net Position**

	<b>Governmental Activities</b>	
	<b>2018 Period</b>	<b>2017 Year</b>
Program Revenues		
Charges for services	\$ 679,831	\$ 660,573
Capital grants and contributions	50,559	65,279
General Revenues		
Investment earnings	4,509	1,451
Total Revenues	<u>734,899</u>	<u>727,303</u>
Expenses		
General government	75,153	133,522
Physical environment	190,983	244,078
Interest on long-term debt	165,639	238,316
Total Expenses	<u>431,775</u>	<u>615,916</u>
Change in Net Position	303,124	111,387
Net Position - Beginning of Period/Year	<u>13,361,613</u>	<u>13,250,226</u>
Net Position - End of Period/Year	<u>\$ 13,664,737</u>	<u>\$ 13,361,613</u>

The decrease in capital grants and contributions is the result of a decrease in developer contributions in the current period for capital additions.

The decrease in general government, physical environment and interest expenses is due to the District only operating through June 11, 2018.

**Mediterra North Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Period Ended June 11, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of June 11, 2018 and September 30, 2017.

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Land and improvements	\$ 15,117,410	\$ 15,117,410
Infrastructure	4,799,906	4,799,906
Less: accumulated depreciation	(2,409,085)	(2,293,778)
Total Capital Assets, net	\$ 17,508,231	\$ 17,623,538

Current period activity consisted of depreciation of \$115,307.

**General Fund Budgetary Highlights**

Budget expenditures exceeded actual expenditures primarily due to the District ending operations June 11, 2018.

There were no amendments to the budget.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In May 2012, Mediterra South Community Development District issued conduit debt of \$6,025,000, Series 2012 Capital Improvement Revenue Refunding Bonds. The District has entered into an agreement with Mediterra South Community Development District to borrow these funds and to be responsible for the debt service. The balance outstanding at June 11, 2018 was \$4,533,168.

**Mediterra North Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Period Ended June 11, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

Mediterra North Community Development District merged with Mediterra South Community Development District and ceased operations as an independent District as of June 11, 2018.

**Request for Information**

The financial report is designed to provide a general overview of Mediterra North Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Mediterra North Community Development District, Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

**Mediterra North Community Development District**  
**STATEMENT OF NET POSITION**  
**June 11, 2018**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 136,173
Assessments receivable	385
Deposits	863
Total Current Assets	137,421
Non-Current Assets	
Restricted Assets	
Investments	546,138
Capital Assets, Not Being Depreciated	
Land and improvements	15,117,410
Capital Assets, Being Depreciated	
Infrastructure	4,799,906
Less: accumulated depreciation	(2,409,085)
Total Non-Current Assets	18,054,369
Total Assets	18,191,790
Deferred Outflows of Resources	
Deferred amount on refunding	36,156
<b>LIABILITIES</b>	
Current Liabilities	
Due to other governments	4,312
Bonds payable, current	265,000
Accrued interest	25,729
Total Current Liabilities	295,041
Non-Current Liabilities	
Bonds payable, net	4,268,168
Total Liabilities	4,563,209
<b>NET POSITION</b>	
Net investment in capital assets	13,373,052
Restricted for debt service	158,576
Unrestricted	133,109
Total Net Position	\$ 13,664,737

*See accompanying notes to financial statements.*

**Mediterra North Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Period Ended June 11, 2018**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenues and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Governmental Activities				
General government	\$ (75,153)	\$ 83,277	\$ -	\$ 8,124
Physical environment	(190,983)	102,316	50,559	(38,108)
Interest on long-term debt	(165,639)	494,238	-	328,599
Total Governmental Activities	\$ (431,775)	\$ 679,831	\$ 50,559	298,615
				<b>General Revenues</b>
				Investment earnings
				4,509
				Change in Net Position
				303,124
				Net Position - October 1, 2017
				13,361,613
				Net Position - June 11, 2018
				\$ 13,664,737

*See accompanying notes to financial statements.*

**Mediterra North Community Development District**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 11, 2018**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 136,173	\$ -	\$ 136,173
Assessments receivable	385	-	385
Deposits	863	-	863
Restricted assets			
Investments, at fair value	-	546,138	546,138
Total Assets	\$ 137,421	\$ 546,138	\$ 683,559
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to other governments	4,312	-	4,312
 <b>FUND BALANCES</b>			
Nonspendable-deposits	863		863
Restricted:			
Debt service	-	546,138	546,138
Unassigned	132,246	-	132,246
Total Fund Balances	133,109	546,138	679,247
Total Liabilities and Fund Balances	\$ 137,421	\$ 546,138	\$ 683,559

*See accompanying notes to financial statements.*

**Mediterra North Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**June 11, 2018**

Total Governmental Fund Balances	\$	679,247
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, not being depreciated, land and improvements, used in governmental activities are not current financial resources and therefore, are not reported at the fund level.		15,117,410
Capital assets, being depreciated, infrastructure (\$4,799,906) net of accumulated depreciation (\$2,409,085) are not current financial resources and therefore, are not reported at the fund level.		2,390,821
Deferred amount on refunding, net are not current financial uses, and therefore, are not reported at the fund level.		36,156
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported at fund level.		(4,533,168)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the governmental fund level.		<u>(25,729)</u>
Net Position of Governmental Activities	\$	<u><u>13,664,737</u></u>

*See accompanying notes to financial statements.*

**Mediterra North Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Period Ended June 11, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues			
Special assessments	\$ 185,593	\$ 494,238	\$ 679,831
Intergovernmental revenues	50,559	-	50,559
Investment earnings	60	4,449	4,509
Total Revenues	<u>236,212</u>	<u>498,687</u>	<u>734,899</u>
Expenditures			
Current			
General government	61,594	13,559	75,153
Physical environment	75,676	-	75,676
Debt service			
Principal	-	257,200	257,200
Interest	5,084	227,927	233,011
Total Expenditures	<u>142,354</u>	<u>498,686</u>	<u>641,040</u>
Net Change in Fund Balances	93,858	1	93,859
Fund Balances - October 1, 2017	<u>39,251</u>	<u>546,137</u>	<u>585,388</u>
Fund Balances - June 11, 2018	<u>\$ 133,109</u>	<u>\$ 546,138</u>	<u>\$ 679,247</u>

*See accompanying notes to financial statements.*



**Mediterra North Community Development District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Period Ended June 11, 2018**

Net Change in Fund Balances - Total Governmental Funds	\$	93,859
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the current period depreciation.		(115,307)
Repayments of long-term liabilities are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		257,200
Amortization of deferred amount on refunding does not require the use of current financial resources and therefore, is not reported at the fund level. This is the amount of amortization in the current period.		(2,873)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in the governmental funds, interest expenditures are reported when due. This is the change in accrued interest in the current period.		<u>70,245</u>
Change in Net Position of Governmental Activities	\$	<u><u>303,124</u></u>

*See accompanying notes to financial statements.*

**Mediterra North Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For the Period Ended June 11, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 185,238	\$ 185,238	\$ 185,593	\$ 355
Intergovernmental revenues	-	-	50,559	50,559
Investment earnings	305	305	60	(245)
Total Revenues	<u>185,543</u>	<u>185,543</u>	<u>236,212</u>	<u>50,669</u>
Expenditures				
Current				
General government	73,773	73,773	61,594	12,179
Physical environment	148,763	148,763	75,676	73,087
Debt Service				
Interest	-	-	5,084	(5,084)
Total Expenditures	<u>222,536</u>	<u>222,536</u>	<u>142,354</u>	<u>80,182</u>
Net Change in Fund Balances	(36,993)	(36,993)	93,858	130,851
Fund Balances - October 1, 2017	<u>125,608</u>	<u>125,608</u>	<u>39,251</u>	<u>(86,357)</u>
Fund Balances - June 11 2018	<u>\$ 88,615</u>	<u>\$ 88,615</u>	<u>\$ 133,109</u>	<u>\$ 44,494</u>

See accompanying notes to financial statements.

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

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

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

**1. Reporting Entity**

The District was established on February 21, 2001, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance #01-04 of Bonita Springs, Florida, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Mediterra North Community Development District. The District is governed by a five member Board of Supervisors who are elected to four year terms. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Mediterra North Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 61, The Financial Reporting Entity, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

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

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

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

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

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

The District reports fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

**Nonspendable Fund Balance** – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Assigned Fund Balance** – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

**Unassigned Fund Balance** – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Fund Balance Spending Hierarchy** – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

Debt Service Fund – The Debt Service Fund accounts for District's portion of the debt service requirements to retire the Capital Improvement Revenue Refunding Bonds issued by Mediterra South Community Development District.

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

**4. Assets, Liabilities, and Net Position or Equity**

**a. Cash and Investments**

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash and investments include time deposits, certificates of deposit, money market funds, and all highly liquid debt instruments with original maturities of three months or less.

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**b. Restricted Assets**

Certain net position of the District are classified as restricted assets on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**c. Capital Assets**

Capital assets, which include land and improvements and infrastructure, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Infrastructure is depreciated using the straight-line method with estimated useful lives of 15-30 years.

**d. Deferred Outflows of Resources**

Deferred outflow of resources is the consumption of net position by the government that is applicable to a future reporting period. Deferred amount on refunding is amortized and recognized as a component of interest expense over the life of the bond.

**e. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.



**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 11, 2018

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

“Total fund balances” of the District’s governmental funds (\$679,247) differs from “net position” of governmental activities (\$13,664,737) reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below:

**Capital related items**

When capital assets (land and improvements and infrastructure are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land and improvements	\$ 15,117,410
Infrastructure	4,799,906
Less: accumulated depreciation	<u>(2,409,085)</u>
Total capital assets, net	<u>\$ 17,508,231</u>

**Long-term debt transactions**

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at June 11, 2018 were:

Bonds payable	<u>\$ (4,533,168)</u>
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**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
June 11, 2018

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)**

**Deferred Outflows of resources**

The difference between the outstanding balance of the old debt and the cost of the new debt is a deferred outflow of resources. This balance is amortized over the life of the new debt. The unamortized balance is reflected as deferred amount on refunding.

Deferred amount on refunding, net	\$ <u>36,156</u>
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**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(25,729)</u>
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**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds (\$93,859) differs from the “change in net position” for governmental activities (\$303,124) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below:

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the period.

Depreciation	\$ <u>(115,307)</u>
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**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
June 11, 2018

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)**

**Long-term debt transactions**

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Bond principal payments	<u>\$ 257,200</u>
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Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	<u>\$ 70,245</u>
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**Deferred outflows of resources**

Amortization expense of the deferred amount on refunding does not require the use of current resources and therefore is not reported in the governmental funds.

Amortization of deferred amount on refunding	<u>\$ (2,873)</u>
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**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE C – CASH AND INVESTMENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of June 11, 2018, the District's bank balance and carrying value was \$136,173. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of June 11, 2018, the District has the following investment and maturity:

<b>Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
First American Government Obligation	26 days *	\$ 546,138

\* Maturity is a weighted average maturity.

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment listed above is a Level 1 asset.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
June 11, 2018

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of June 11, 2018, the District's investment in First American Government Obligation was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Government Obligation represents 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of June 11, 2018 were typical of these items during the period then ended. The District considers any decline in fair value for certain investments to be temporary.

**NOTE D – CAPITAL ASSETS**

Capital Asset activity for the period ended June 11, 2018 was as follows:

	Balance October 1, 2017	Additions	Deletions	Balance June 11, 2018
<b><u>Governmental activities:</u></b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 15,117,410	\$ -	\$ -	\$ 15,117,410
Capital assets, being depreciated				
Infrastructure	4,799,906	-	-	4,799,906
Less accumulated depreciation for:				
Infrastructure	(2,293,778)	(115,307)	-	(2,409,085)
Total Capital Assets Being Depreciated, Net	<u>2,506,128</u>	<u>(115,307)</u>	<u>-</u>	<u>2,390,821</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,623,538</u>	<u>\$ (115,307)</u>	<u>\$ -</u>	<u>\$ 17,508,231</u>

Depreciation of \$115,307 was charged to physical environment.

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE E – LONG-TERM DEBT**

The following is a summary of activity in the long-term debt account group of the District for the period ended June 11, 2018:

Long-term debt at October 1, 2017	\$	4,790,368
Principal payments		<u>(257,200)</u>
 Long-term debt at June 11, 2018	 \$	 <u>4,533,168</u>

Long-term debt is comprised of the following:

Capital Improvement Revenue Refunding Bonds

Mediterra South Community Development District issued conduit debt and entered into an agreement to loan the \$6,025,000 Series 2012 Bonds to the District. The Series 2012 Bonds are due in annual principal installments beginning May 2013, maturing November 2031. Interest is due semi-annually on May 1 and November 1, beginning November 1, 2012, at rates ranging from 2.4% to 5.1%.

\$ 4,533,168

The annual requirements to amortize the principal and interest of bonded debt outstanding as of June 11, 2018 are as follows:

Year Ending September 30,	Principal	Interest	Total
2019	\$ 265,000	\$ 220,535	\$ 485,535
2020	275,000	209,935	484,935
2021	290,000	198,385	488,385
2022	300,000	185,625	485,625
2023	315,000	172,125	487,125
2024-2028	1,835,000	609,654	2,444,654
2029-2031	<u>1,253,168</u>	<u>125,378</u>	<u>1,378,546</u>
 Totals	 <u>\$ 4,533,168</u>	 <u>\$ 1,721,637</u>	 <u>\$ 6,254,805</u>

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE E – LONG-TERM DEBT (CONTINUED)**

Significant Bond Provisions

The Series 2012 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, but only if such partial redemption is equal to the entire Mediterra North portion, at any time after May 1, 2022 at a redemption price equal to the principal amount of the Series 2012 Bonds to be redeemed, together with accrued interest to the date of redemption.

The Series 2012 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Bond Indenture established a debt service requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

1. Reserve Fund – The 2012 Reserve Accounts are funded from the proceeds of the Series 2012 Bonds in amounts equal to seventy-five percent of the maximum annual debt service requirement for all outstanding Series 2012. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	<b>Capital Improvement Revenue Refunding Bonds</b>	
	<b>Reserve Balance</b>	<b>Reserve Requirement</b>
Series 2012 Capital Improvement Revenue Refunding Bonds	\$ 361,833	\$ 361,977

**Mediterra North Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 11, 2018**

**NOTE F – INTERLOCAL AGREEMENT**

In April 2012, the District entered an interlocal agreement with Mediterra South Community Development District regarding mutual cooperation for the financing of improvements. In the agreement, Mediterra South Community Development District agreed to issue bonds on behalf of itself and loan a portion of the proceeds of the Bonds to the District to refund and redeem its Bonds, and may also provide for certain covenants and agreements with respect to the collection, deposit, enforcement and disposition of the Assessments of each District in order to pay the debt service on the refunding bonds.

During a prior fiscal year, the District and Mediterra South Community Development District entered into an agreement to memorialize a practice that has been in place. In September 2015, the Districts officially agreed to adopt an annual combined general fund budget. Each District agrees that it will be responsible for a proportionate share of the combined general fund budget based upon the number of assessable units within each District. During the current period, the District's proportional share of the combined general fund expenditures was 30.38%.

**NOTE G – 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 for which the government carries commercial insurance. There were no claims or settled claims from these risks have not exceeded commercial insurance coverage.

**NOTE H – MERGER**

The District merged with Mediterra South Community Development District on June 11, 2018 and ceased operations as an independent district. Mediterra South Community Development District is the surviving district and operates under the new name Mediterra Community Development District.





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

To the Board of Supervisors  
Mediterra North Community Development District  
Lee 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 Mediterra North Community Development District, as of and for the period ended June 11, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 4, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Mediterra North Community Development District's internal control over financial reporting 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 Mediterra North Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mediterra North Community Development District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Supervisors  
Mediterra North Community Development District

### **Compliance and Other Matters**

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

### **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.

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants  
Fort Pierce, Florida

June 4, 2019



# Berger, Toombs, Elam, Gaines & Frank

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## MANAGEMENT LETTER

To the Board of Supervisors  
Mediterra North Community Development District  
Lee County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Mediterra North Community Development District as of and for the period ended June 11, 2018, and have issued our report thereon dated June 4, 2019.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 4, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. The following findings or recommendations were made in the preceding financial audit report.

#### 2017-01

Finding: The General Fund actual expenditures exceeded the budget for the year which is in violation of Section 189.016, Florida Statutes.

Recommendation: The District should examine their budget at year end and amend the budget as necessary to prevent an over expenditure.

Response: Management will review expenditures at year end in the future to ensure that actual expenditures do not exceed the budget.

Current Status This finding was corrected during the current period.

To the Board of Supervisors  
Mediterra North Community Development District

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Mediterra North Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Mediterra North Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of June 11, 2018 for the Mediterra North Community Development District. It is management's responsibility to monitor the Mediterra North Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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. In connection with our audit, we noted no such findings or recommendations.

### **Purpose of this Letter**

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, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

June 4, 2019



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**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors  
Mediterra North Community Development District  
Lee County, Florida

We have examined Mediterra North Community Development District's compliance with Section 218.415, Florida Statutes during the period ended June 11, 2018. Management is responsible for Mediterra North Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Mediterra North Community Development 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 and, accordingly, included examining, on a test basis, evidence about Mediterra North Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Mediterra North Community Development District's compliance with the specified requirements.

In our opinion, Mediterra North Community Development District complied, in all material respects, with the aforementioned requirements during the period ended June 11, 2018.

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

June 4, 2019