MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

REGULAR MEETING
AGENDA

June 20, 2018

Mediterra Community Development District

OFFICE OF THE DISTRICT MANAGER
2300 Glades Road, Suite 410W•Boca Raton, Florida 33431
Phone: (561) 571-0010•Fax: (561) 571-0013•Toll-free: (877) 276-0889

ATTENDEES:

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

June 13, 2018

Board of Supervisors
Mediterra Community Development District

Dear Board Members:

A Regular Meeting of the Mediterra Community Development District's Board of Supervisors will be held on Wednesday, June 20, 2018 at 9:00 a.m., at The Sports Club at Mediterra (Bella Vita I Room), 15735 Corso Mediterra Circle, Naples, Florida 34110. The agenda is as follows:

1. Call to Order/Roll Call

2. Chairman's Opening Remarks

3. Public Comments **[3 minutes per person]**

4. Acceptance of Resignation of Supervisor Dallas Luby [SEAT 1]; *Term Expires November 2018*

5. Consideration of Appointment of Mr. David M. Risley to Fill Unexpired Term of Seat 1

6. Acceptance of Resignation of Supervisor John Henry [SEAT 5]; *Term Expires November 2020*

7. Acceptance of Notice of Candidacy Withdrawal from Mr. Brian Neary

8. Consideration of Appointment of Mr. Thomas H. Van Tassel to Fill Unexpired Term of Seat 5

9. Administration of Oath of Office to Newly Appointed Supervisors (*the following to be provided in separate package)*
   - A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees
   - B. Membership, Obligations and Responsibilities
   - C. Financial Disclosure Forms
     - i. Form 1: Statement of Financial Interests
     - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests

iii. Form 1F: Final Statement of Financial Interests

D. Form 8B – Memorandum of Voting Conflict

10. Consideration of Resolution 2018-03, Electing Officers of the District

11. Update: District Merger

12. Update: Preserve Management Plan and Implementation

13. Discussion: Recent Brush Fire and Response

14. Acceptance of Unaudited Financial Statements as of April 30, 2018

15. Staff Reports
    A. District Counsel: *Hopping Green & Sams, P.A.*
    B. District Engineer: *Johnson Engineering, Inc.*
    C. District Manager: *Wrathell, Hunt and Associates, LLC*
        i. NEXT MEETING DATE: August 15, 2018 at 9:00 A.M.
    D. Operations Manager: *Wrathell, Hunt and Associates, LLC*

16. Approval of May 16, 2018 Regular Meeting Minutes

17. Action Items

MEDITERRA NORTH ITEMS

18. Presentation of Mediterra North Community Development District's Audited Annual Financial Report for the Fiscal Year Ended September 30, 2017, Prepared by Berger, Toombs, Elam, Gaines & Frank

19. Consideration of Resolution 2018-04, Accepting the Mediterra North Community Development District's Audited Annual Financial Report for the Fiscal Year Ended September 30, 2017

20. Approval of Mediterra North CDD January 18, 2018 Regular Meeting Minutes

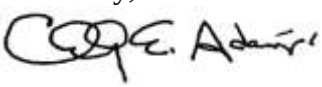
21. Supervisors' Requests

22. Public Comments

23. Adjournment

Should you have any questions, please do not hesitate to contact me directly at (239) 464-7114.

Sincerely,



Chesley "Chuck" E. Adams, Jr.
District Manager

FOR RESIDENTS TO 'LISTEN IN' TO THE BOARD MEETING
CALL IN NUMBER: 877-876-9177
CONFERENCE ID: MEDITERRA
PROGRAM TITLE: MEDITERRA CDD BOARD OF SUPERVISORS MEETING

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE
CALL-IN NUMBER WILL BE PROVIDED WITHIN 24 HOURS OF MEETING
FEEL FREE TO CONTACT 561-571-0010 FOR CALL-IN NUMBER AT ANY TIME
CONFERENCE ID: MEDITERRA
PROGRAM TITLE: MEDITERRA CDD BOARD OF SUPERVISORS MEETING

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

4

NOTICE OF TENDER OF RESIGNATION

To: Board of Supervisors
Mediterra South Community Development District
Attn: Chuck Adams, District Manager
2300 Glades Road, Suite 410W
Boca Raton, Florida 33431

From: DALLAS W GILBY
Printed Name

Date: 6/20/2018
Date

I hereby tender my resignation as a member of the Board of Supervisors of the Mediterra South *Community Development District.* My tendered resignation will be deemed to be effective as of the time a quorum of the remaining members of the Board of Supervisors accept it at a duly noticed meeting of the Board of Supervisors, effective immediately.

I certify that this Notice of Tender of Resignation has been executed by me and [__] faxed to 561-571-0013 or [__] scanned and electronically transmitted to gillyardd@whhassociates.com and agree that the executed fax or email copy shall be binding and enforceable as an original.

Signature

5/22/2018

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

6

NOTICE OF TENDER OF RESIGNATION

To: Board of Supervisors
Mediterra South Community Development District
Attn: Chuck Adams, District Manager
2300 Glades Road, Suite 410W
Boca Raton, Florida 33431

From: JOHN HENRY
Printed Name

Date: 6/20/2018
Date

I hereby tender my resignation as a member of the Board of Supervisors of the Mediterra South *Community Development District.* My tendered resignation will be deemed to be effective as of the time a quorum of the remaining members of the Board of Supervisors accept it at a duly noticed meeting of the Board of Supervisors, effective immediately.

I certify that this Notice of Tender of Resignation has been executed by me and [ ] faxed to 561-571-0013 or [✓] scanned and electronically transmitted to gillyardd@whhassociates.com and agree that the executed fax or email copy shall be binding and enforceable as an original.

Signature

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

7

From: Chuck Adams
To: Daphne Gillyard
Subject: FW: Neary - Notice of Withdrawal
Date: Friday, May 18, 2018 12:51:47 PM

For our Mediterra CDD files.

Best Regards

Chuck Adams
Director of Operations
Wrathell, Hunt and Associates, LLC
(239) 464-7114 (cell)

From: bneary2580@aol.com [mailto:bneary2580@aol.com]
Sent: Friday, May 18, 2018 10:38 AM
To: Chuck Adams <adamsc@whhassociates.com>
Subject: Neary - Notice of Withdrawal

May 18, 2018

To: Mr. Chuck Adams
District Manager
Mediterra South
Community Development District

From: Brian Neary
29100 Positano Ln.
Naples, Fl 34110

RE: Notice of candidacy Withdrawal

Dear Mr. Chuck Adams,

Please be advised that I am withdrawing my candidacy for a Board position on the Mediterra South, Community Development District, due to health reasons.

Sincerely,

Brian Neary

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

10

RESOLUTION 2018-03

A RESOLUTION ELECTING THE OFFICERS OF THE MEDITERRA COMMUNITY DEVELOPMENT DISTRICT, COLLIER COUNTY, FLORIDA

WHEREAS, the Board of Supervisors of the Mediterra Community Development District desires to elect the below recited person(s) to the offices specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE MEDITERRA COMMUNITY DEVELOPMENT DISTRICT:

1. The following persons are elected to the offices shown:

Chair	_____
Vice Chair	_____
Secretary	Chuck Adams
Treasurer	Craig Wrathell
Assistant Treasurer	Jeff Pinder
Assistant Secretary	_____
Assistant Secretary	_____
Assistant Secretary	_____
Assistant Secretary	Craig Wrathell

PASSED AND ADOPTED this ____ day of _____, 2018.

_____
Chair/Vice Chair

_____
Secretary/Assistant Secretary

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

14

MEDITERRA NORTH & MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICTS
FINANCIAL STATEMENTS
UNAUDITED
APRIL 30, 2018

MEDITERRA NORTH & MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICTS
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2018

	Governmental Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash			
Operating	$ 443,210	$ -	$ 443,210
Investments			
BB&T - CDARS	20,800	-	20,800
Series 2012			
Revenue	-	1,157,168	1,157,168
Reserve	-	808,976	808,976
Prepayment	-	28	28
Series 2013			
Revenue	-	320,781	320,781
Reserve	-	75,000	75,000
Series 2017			
Reserve	10,000	-	10,000
Due from other funds			
Mediterra South			
General fund	-	19,703	19,703
Debt service - series 2001	-	42,587	42,587
Debt service - series 2012	-	83,193	83,193
Due from clearing fund	1,280	-	1,280
Electric deposit	2,838	-	2,838
Total assets	$ 478,128	$ 2,507,436	$ 2,985,564
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 3,800	$ -	$ 3,800
Due to other funds			
Mediterra North			
Debt service - series 2012	19,703	-	19,703
Mediterra South			
Debt service - series 2012	83,193	-	83,193
Debt service - series 2013	42,587	-	42,587
Due to other	3,696	-	3,696
Total liabilities	152,979	-	152,979
Fund Balances			
Restricted for:			
Debt service	-	2,507,436	2,507,436
Unassigned	325,149	-	325,149
Total fund balances	325,149	2,507,436	2,832,585
Total liabilities and fund balances	$ 478,128	$ 2,507,436	$ 2,985,564

MEDITERRA NORTH & MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICTS
COMBINED STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUNDS 001 & 101
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessment: on roll	$ 52,704	$ 509,971	$ 513,555	99%
Special assessment: off-roll	-	45,029	90,059	50%
Intergovernmental revenue	-	50,560	-	N/A
Interest and miscellaneous	14	114	1,000	11%
Total revenues	52,718	605,674	604,614	100%
EXPENDITURES				
Administrative				
Supervisors	1,076	6,028	15,502	39%
Management	6,375	44,624	76,500	58%
Accounting services	2,550	17,850	30,600	58%
Audit	3,800	3,800	12,000	32%
Legal	6,239	8,741	10,000	87%
Field management	1,275	8,925	15,300	58%
Engineering	884	27,776	10,000	278%
Trustee	-	-	10,000	0%
Dissemination agent	334	2,333	4,000	58%
Arbitrage calculation	-	-	1,500	0%
Assessment roll preparation	416	2,917	5,000	58%
Telephone	22	151	259	58%
Postage	82	806	2,500	32%
Insurance	-	19,427	19,427	100%
Printing and binding	140	1,031	1,680	61%
Legal advertising	273	826	2,500	33%
Contingencies	254	1,188	2,000	59%
Annual District filing fee	-	350	350	100%
Website	619	619	500	124%
Hurricane clean-up	-	18,005	-	N/A
Total administrative	24,339	165,397	219,618	75%
Water management				
Other contractual	32,500	84,345	155,000	54%
Aquascaping	6,000	6,600	50,000	13%
Lake bank stabilization	-	750	10,000	8%
Electricity	2,789	16,926	22,500	75%
Fire break and clear zone initiative	-	-	160,000	0%
Capital outlay - aeration FCB loan payment	83,647	91,157	90,000	101%
Total water management	124,936	199,778	487,500	41%

MEDITERRA NORTH & MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICTS
COMBINED STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUNDS 001 & 101
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
Other fees & charges				
Property appraiser	-	-	10,699	0%
Tax collector	1,009	7,382	8,024	92%
Intergovernmental expense	-	50,560	-	N/A
Total other fees & charges	1,009	57,942	18,723	309%
Total expenditures	150,284	423,117	725,841	58%
Excess/(deficiency) of revenues over/(under) expenditures	(97,566)	182,557	(121,227)	
Fund balances - beginning	422,715	142,592	240,294	
Fund balances - ending	$ 325,149	$ 325,149	$ 119,067	

MEDITERRA NORTH
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2018

	Governmental Funds		
	General Fund 101	Debt Service Series 2012 Fund 252	Total Governmental Funds
ASSETS			
Cash	$ 184,351	$ -	$ 184,351
Investments			
Series 2012			
Revenue	-	522,780	522,780
Reserve	-	363,295	363,295
Prepayment	-	12	12
Due from other funds			
Mediterra North			
General fund	-	19,703	19,703
Due from clearing fund	385	-	385
Electric deposit	863	-	863
Total assets	$ 185,599	$ 905,790	$ 1,091,389
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 1,160	$ -	$ 1,160
Due to other governments			
Mediterra South			
General fund 001	3,160	-	3,160
Due to other funds			
Mediterra North			
Debt service - series 2012	19,703	-	19,703
Due to other	1,123	-	1,123
Total liabilities	25,146	-	25,146
Fund balances			
Restricted for:			
Debt service	-	905,790	905,790
Unassigned	160,453	-	160,453
Total fund balances	160,453	905,790	1,066,243
Total liabilities and fund balances	$ 185,599	$ 905,790	$ 1,091,389

MEDITERRA NORTH
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND 101
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessment: on roll	$ 7,518	$ 184,701	$ 185,238	100%
Intergovernmental revenue	-	50,560	-	N/A
Interest and miscellaneous	7	54	305	18%
Total revenues	7,525	235,315	185,543	127%
EXPENDITURES				
Administrative				
Supervisors	328	1,839	4,730	39%
Management	1,946	13,619	23,344	58%
Accounting services	778	5,448	9,338	58%
Audit	1,160	1,160	3,662	32%
Legal	1,904	2,668	3,052	87%
Field management	389	2,724	4,669	58%
Engineering	270	8,477	3,052	278%
Trustee	-	-	3,052	0%
Dissemination agent	102	712	1,221	58%
Arbitrage calculation	-	-	458	0%
Assessment roll preparation	127	890	1,526	58%
Telephone	7	46	79	58%
Postage	25	246	763	32%
Insurance	-	5,927	5,928	100%
Printing and binding	43	315	513	61%
Legal advertising	83	252	763	33%
Contingencies	79	364	610	60%
Annual District filing fee	-	107	107	100%
Website	189	189	153	124%
Hurricane clean-up	-	5,495	-	N/A
Total administrative	7,430	50,478	67,020	75%
Water management				
Contractual services	9,919	25,742	47,299	54%
Aquascaping	1,831	2,014	15,258	13%
Lake bank stabilization	-	229	3,052	8%
Electricity	851	5,166	6,866	75%
Fire break and clear zone initiative	-	-	48,824	0%
Capital outlay - aeration FCB loan payment	25,529	27,821	27,464	101%
Total water management	38,130	60,972	148,763	41%

MEDITERRA NORTH
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND 101
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
Other fees & charges				
Property appraiser	-	-	3,859	0%
Tax collector	364	2,662	2,894	92%
Total other fees & charges	364	2,662	6,753	39%
Total expenditures	45,924	114,112	222,536	51%
Excess/(deficiency) of revenues over/(under) expenditures	(38,399)	121,203	(36,993)	
Fund balances - beginning	198,852	39,250	125,608	
Fund balances - ending	$ 160,453	$ 160,453	$ 88,615	

MEDITERRA NORTH
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND 252 - SERIES 2012 (REFUNDED 2001 BONDS)
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessment: on roll	$ 19,703	$ 484,077	$ 485,338	100%
Interest	781	2,971	-	N/A
Total revenues	20,484	487,048	485,338	100%
EXPENSES				
Debt service				
Principal	-	-	255,000	0%
Interest	-	114,119	230,338	50%
Intergovermental expense	-	13,200	-	N/A
Tax collector	-	360	-	N/A
Total debt service	-	127,679	485,338	26%
Excess/(deficiency) of revenues over/(under) expenditures	20,484	359,369	-	
Fund balances - beginning	885,306	546,421	530,457	
Fund balances - ending	$ 905,790	$ 905,790	$ 530,457	

Mediterra North
Community Development District
Series 2012
$6,025,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
05/01/2015	$ -	-	$ -	$ -
11/01/2015	-	-	123,573.75	123,573.75
05/01/2016	235,000.00	3.400%	123,573.75	358,573.75
11/01/2016	-	-	119,578.75	119,578.75
05/01/2017	245,000.00	3.600%	119,578.75	364,578.75
11/01/2017	-	-	115,168.75	115,168.75
05/01/2018	255,000.00	3.800%	115,168.75	370,168.75
11/01/2018	-	-	110,323.75	110,323.75
05/01/2019	265,000.00	4.000%	110,323.75	375,323.75
11/01/2019	-	-	105,023.75	105,023.75
05/01/2020	275,000.00	4.200%	105,023.75	380,023.75
11/01/2020	-	-	99,248.75	99,248.75
05/01/2021	290,000.00	4.400%	99,248.75	389,248.75
11/01/2021	-	-	92,868.75	92,868.75
05/01/2022	300,000.00	4.500%	92,868.75	392,868.75
11/01/2022	-	-	86,118.75	86,118.75
05/01/2023	315,000.00	4.650%	86,118.75	401,118.75
11/01/2023	-	-	78,795.00	78,795.00
05/01/2024	330,000.00	5.100%	78,795.00	408,795.00
11/01/2024	-	-	70,380.00	70,380.00
05/01/2025	350,000.00	5.100%	70,380.00	420,380.00
11/01/2025	-	-	61,455.00	61,455.00
05/01/2026	365,000.00	5.100%	61,455.00	426,455.00
11/01/2026	-	-	52,147.50	52,147.50
05/01/2027	385,000.00	5.100%	52,147.50	437,147.50
11/01/2027	-	-	42,330.00	42,330.00
05/01/2028	405,000.00	5.100%	42,330.00	447,330.00
11/01/2028	-	-	32,002.50	32,002.50
05/01/2029	425,000.00	5.100%	32,002.50	457,002.50
11/01/2029	-	-	21,165.00	21,165.00
05/01/2030	450,000.00	5.100%	21,165.00	471,165.00
11/01/2030	-	-	9,690.00	9,690.00
05/01/2031	380,000.00	5.100%	9,690.00	389,690.00
Total	**$5,270,000.00**	**-**	**$2,439,740.00**	**$7,709,740.00**

MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2018

	Governmental Funds			
	General 001	Debt Service Series 2012 Fund 210	Debt Service Series 2013 Fund 204	Total Governmental Funds
ASSETS				
Cash				
Operating	$ 258,859	$ -	$ -	$ 258,859
Investments				
BB&T - CDARS	20,800	-	-	20,800
Series 2012				
Revenue	-	634,388	-	634,388
Reserve	-	445,681	-	445,681
Prepayment	-	16	-	16
Series 2013				
Revenue	-	-	320,781	320,781
Reserve	-	-	75,000	75,000
Series 2017				
Reserve	10,000	-	-	10,000
Due from other governments				
Mediterra North				
General fund 101	3,160	-	-	3,160
Due from other funds				
Mediterra South				
General fund 001	-	83,193	42,587	125,780
Due from clearing fund	895	-	-	895
Electric deposit	1,975	-	-	1,975
Total assets	$ 295,689	$ 1,163,278	$ 438,368	$ 1,897,335
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 2,640	$ -	$ -	$ 2,640
Due to other funds				
Mediterra South				
Debt service - series 2012	83,193	-	-	83,193
Debt service - series 2013	42,587	-	-	42,587
Due to other	2,573	-	-	2,573
Total liabilities	130,993	-	-	130,993
Fund balances				
Restricted for:				
Debt service	-	1,163,278	438,368	1,601,646
Unassigned	164,696	-	-	164,696
Total fund balances	164,696	1,163,278	438,368	1,766,342
Total liabilities & fund balances	$ 295,689	$ 1,163,278	$ 438,368	$ 1,897,335

*This account was not reconciled as statements were not available prior to the agenda package

MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND 001
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
REVENUE				
Special assessment: on roll	$ 45,186	$ 325,270	$ 328,317	99%
Special assessment: off-roll	-	45,029	90,059	50%
Interest and miscellaneous	7	60	695	9%
Total revenues	45,193	370,359	419,071	88%
EXPENDITURES				
Administrative				
Supervisors	748	4,189	10,772	39%
Management	4,429	31,005	53,156	58%
Accounting	1,772	12,402	21,262	58%
Audit	2,640	2,640	8,338	32%
Legal	4,335	6,073	6,948	87%
Field management	886	6,201	10,631	58%
Engineering	614	19,299	6,948	278%
Trustee	-	-	6,948	0%
Dissemination agent	232	1,621	2,779	58%
Arbitrage calculation	-	-	1,042	0%
Assessment roll preparation	289	2,027	3,474	58%
Telephone	15	105	180	58%
Postage	57	560	1,737	32%
Insurance	-	13,500	13,499	100%
Printing and binding	97	716	1,167	61%
Legal advertising	190	574	1,737	33%
Contingencies	175	824	1,390	59%
Annual District filing fee	-	243	243	100%
Website	430	430	347	124%
Hurricane clean-up	-	12,510	-	N/A
Total administrative	16,909	114,919	152,598	75%
Water management				
Contractual services	22,581	58,603	107,701	54%
Aquascaping	4,169	4,586	34,742	13%
Lake bank stabilization	-	521	6,948	7%
Electricity	1,938	11,760	15,634	75%
Fire break and clear zone initiative	-	-	111,176	0%
Capital outlay - aeration FCB loan paym	58,118	63,336	62,536	101%
Total water management	86,806	138,806	338,737	41%

MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND 001
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
Other fees & charges				
Property appraiser	-	-	6,840	0%
Tax collector	645	4,720	5,130	92%
Intergovernmental expense	-	50,560	-	0%
Total other fees & charges	645	55,280	11,970	462%
Total expenditures	104,360	309,005	503,305	61%
Excess/(deficiency) of revenues over/(under) expenditures	(59,167)	61,354	(84,234)	
Fund balances - beginning	223,863	103,342	114,686	
Fund balances - ending	$ 164,696	$ 164,696	$ 30,452	

MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND 210 - SERIES 2012 (REFUNDED 1999 & 2001 BONDS)
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessment: on roll	$ 84,819	$ 610,559	$ 621,030	98%
Assessment prepayments	-	11,776	-	N/A
Intergovernmental revenue	-	1,424	-	N/A
Interest	997	3,784	-	N/A
Total revenues	85,816	627,543	621,030	101%
EXPENDITURES				
Debt service				
Principal	-	-	310,000	0%
Prepayment	-	30,000	-	N/A
Interest	-	145,243	288,388	50%
Total debt service	-	175,243	598,388	29%
Other fees & charges				
Property appraiser	-	-	9,704	0%
Tax collector	1,625	11,704	12,938	90%
Total other fees & charges	1,625	11,704	22,642	52%
Total expenditures	1,625	186,947	621,030	30%
Excess/(deficiency) of revenues over/(under) expenditures	84,191	440,596	-	
Net increase/(decrease) in fund balance	84,191	440,596	-	
Fund balances - beginning	1,079,087	722,682	682,991	
Fund balances - ending	$ 1,163,278	$ 1,163,278	$ 682,991	

Mediterra South
Community Development District
Series 2012
$7,430,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
05/01/2015	-	-	-	-
11/01/2015	-	-	154,953.75	154,953.75
05/01/2016	295,000.00	3.400%	154,953.75	449,953.75
11/01/2016	-	-	149,938.75	149,938.75
05/01/2017	305,000.00	3.600%	149,938.75	454,938.75
11/01/2017	-	-	144,448.75	144,448.75
05/01/2018	310,000.00	3.800%	144,448.75	454,448.75
11/01/2018	-	-	138,558.75	138,558.75
05/01/2019	325,000.00	4.000%	138,558.75	463,558.75
11/01/2019	-	-	132,058.75	132,058.75
05/01/2020	340,000.00	4.200%	132,058.75	472,058.75
11/01/2020	-	-	124,918.75	124,918.75
05/01/2021	355,000.00	4.400%	124,918.75	479,918.75
11/01/2021	-	-	117,108.75	117,108.75
05/01/2022	370,000.00	4.500%	117,108.75	487,108.75
11/01/2022	-	-	108,783.75	108,783.75
05/01/2023	385,000.00	4.650%	108,783.75	493,783.75
11/01/2023	-	-	99,832.50	99,832.50
05/01/2024	405,000.00	5.100%	99,832.50	504,832.50
11/01/2024	-	-	89,505.00	89,505.00
05/01/2025	430,000.00	5.100%	89,505.00	519,505.00
11/01/2025	-	-	78,540.00	78,540.00
05/01/2026	450,000.00	5.100%	78,540.00	528,540.00
11/01/2026	-	-	67,065.00	67,065.00
05/01/2027	475,000.00	5.100%	67,065.00	542,065.00
11/01/2027	-	-	54,952.50	54,952.50
05/01/2028	500,000.00	5.100%	54,952.50	554,952.50
11/01/2028	-	-	42,202.50	42,202.50
05/01/2029	525,000.00	5.100%	42,202.50	567,202.50
11/01/2029	-	-	28,815.00	28,815.00
05/01/2030	555,000.00	5.100%	28,815.00	583,815.00
11/01/2030	-	-	14,662.50	14,662.50
05/01/2031	575,000.00	5.100%	14,662.50	589,662.50
Total	**$6,600,000.00**	-	**$3,092,690.00**	**$9,692,690.00**

MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND 204 - SERIES 2013 (REFUNDED 2003A BONDS)
FOR THE PERIOD ENDED APRIL 30, 2018

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Special assessment: on roll	$ 43,420	$ 312,557	$ 318,456	98%
Interest	362	1,359	-	N/A
Total revenues	43,782	313,916	318,456	99%
EXPENDITURES				
Debt service				
Principal	-	-	145,000	0%
Prepayment	-	25,000	-	N/A
Interest	-	82,431	164,863	50%
Total debt service	-	107,431	309,863	35%
Other fees & charges				
Property appraiser	-	-	4,976	0%
Tax collector	833	6,002	6,635	90%
Total other fees & charges	833	6,002	11,611	52%
Total expenditures	833	113,433	321,474	35%
Excess/(deficiency) of revenues over/(under) expenditures	42,949	200,483	(3,018)	
Fund balances - beginning	395,419	237,885	205,315	
Fund balances - ending	$ 438,368	$ 438,368	$ 202,297	

Mediterra South
Community Development District
Series 2013
$4,030,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2015			88,271.88	88,271.88
05/01/2016	130,000.00	4.125%	88,271.88	218,271.88
11/01/2016			85,590.63	85,590.63
05/01/2017	135,000.00	4.125%	85,590.63	220,590.63
11/01/2017			82,806.25	82,806.25
05/01/2018	145,000.00	4.125%	82,806.25	227,806.25
11/01/2018			79,815.63	79,815.63
05/01/2019	145,000.00	4.125%	79,815.63	224,815.63
11/01/2019			76,825.00	76,825.00
05/01/2020	155,000.00	4.125%	76,825.00	231,825.00
11/01/2020			73,628.13	73,628.13
05/01/2021	160,000.00	4.125%	73,628.13	233,628.13
11/01/2021			70,328.13	70,328.13
05/01/2022	170,000.00	4.125%	70,328.13	240,328.13
11/01/2022			66,821.88	66,821.88
05/01/2023	175,000.00	4.125%	66,821.88	241,821.88
11/01/2023			63,212.50	63,212.50
05/01/2024	180,000.00	4.125%	63,212.50	243,212.50
11/01/2024			59,500.00	59,500.00
05/01/2025	185,000.00	5.000%	59,500.00	244,500.00
11/01/2025			54,875.00	54,875.00
05/01/2026	200,000.00	5.000%	54,875.00	254,875.00
11/01/2026			49,875.00	49,875.00
05/01/2027	210,000.00	5.000%	49,875.00	259,875.00
11/01/2027			44,625.00	44,625.00
05/01/2028	220,000.00	5.000%	44,625.00	264,625.00
11/01/2028			39,125.00	39,125.00
05/01/2029	230,000.00	5.000%	39,125.00	269,125.00
11/01/2029			33,375.00	33,375.00
05/01/2030	245,000.00	5.000%	33,375.00	278,375.00
11/01/2030			27,250.00	27,250.00
05/01/2031	255,000.00	5.000%	27,250.00	282,250.00
11/01/2031			20,875.00	20,875.00
05/01/2032	270,000.00	5.000%	20,875.00	290,875.00
11/01/2032			14,125.00	14,125.00
05/01/2033	285,000.00	5.000%	14,125.00	299,125.00
11/01/2033			7,000.00	7,000.00
05/01/2034	280,000.00	5.000%	7,000.00	287,000.00
Total	**$3,775,000.00**	**-**	**$2,075,850.06**	**$5,850,850.06**

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

16

MINUTES OF MEETING
MEDITERRA SOUTH
COMMUNITY DEVELOPMENT DISTRICT

A Regular Meeting of the Mediterra South Community Development District's Board of Supervisors was held on Wednesday, May 16, 2018 at 3:00 p.m., at The Sports Club at Mediterra (Bella Vita I Room), 15735 Corso Mediterra Circle, Naples, Florida 34110.

Present and constituting a quorum were:

Robert Greenberg	Chair
Ken Tarr	Vice Chair
Mike Bishko	Assistant Secretary
John Henry	Assistant Secretary/Assistant Treasurer

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Jason Olson	Wrathell, Hunt and Associates, LLC
Mallory Clancy	District Engineer
Alyssa Willson *(via telephone)*	District Counsel
Brian Neary (*via telephone)*	Mediterra North CDD Board Member
Tim Richards	MCA
Terry Wood	MCA
Stephen Light	Resident

DRAFT

FIRST ORDER OF BUSINESS **Call to Order/Roll Call**

Mr. Adams called the meeting to order at 3:02 p.m. Supervisors Greenberg, Tarr, Bishko and Henry were present, in person. Supervisor Luby was not present.

SECOND ORDER OF BUSINESS **Chairman's Opening Remarks**

Mr. Greenberg welcomed Mr. Brian Neary, a Mediterra North CDD Supervisor, and stated that Mr. Neary will be an official Mediterra CDD Supervisor, once the merger is completed. Mr. Greenberg thanked Supervisors Henry and Luby for their outstanding service and commitment to the Mediterra South CDD, as they will not be transitioning to the new CDD. Mr. Henry thanked the Board and stated that he enjoyed working with the Board and was happy

to see the progress since becoming part of the Board, which he attributed to the great leadership and an outstanding job by all.

THIRD ORDER OF BUSINESS **Public Comments [3 minutes per person]**

There being no public comments, the next item followed.

FOURTH ORDER OF BUSINESS **Update: Wildfire Resilience and Preserve Management Plan and Implementation**

Ms. Clancy stated that the Management Plan had begun last week at Calabria. During her walk-through, she advised the contractor of what was expected. The Ecologist toured the site on Monday and stated that, over a three-day period, the contractor worked their way from behind the pool up to the second house. Mr. Greenberg asked whether the contractor followed the guidelines or if there were any issues. Ms. Clancy stated there were not any issues; the Ecologist saw nothing that could cause any issues for the District. She distributed photographs of during and after the work, which will be posted on the CDD website and included in the newsletter. In response to the question of whether any areas where trees were being taken out, Ms. Clancy stated that any snag trees, in the 60' section that came down during Hurricane Irma, that are not clearly inhabited by endangered wildlife, may be removed. Since any tree could be considered a snag, the Ecologist who has worked extensively with EarthBalance on other projects, has instructed them to determine whether a downed tree is an existing snag if it is inhabited by endangered wildlife and cannot be removed.

Discussion ensued regarding defining downed trees and hurricane-related downed trees and if it is inhabited it cannot be removed, as well as fully standing trees that are not posing a threat. Ms. Clancy stated that fully standing trees could be viable snags and would likely not be removed. Mr. Greenberg directed Ms. Clancy to send the photographs to Mr. Adams and Mr. Richards to post on the CDD and MCA websites and for Mr. Richards to send notification to the entire community stating that the CDD commenced work and include the photographs showing the progress and how the communities are being cleaned up. Mr. Richards stated that Cintron Landscape Services Inc. (Cintron) is taking down dead trees in Mediterra for the MCA. A Board Member was concerned since the whole purpose of this communication was the ability to go into the preserve and remove Hurricane Irma debris. Mr. Adams explained the criteria of labeling

DRAFT

downed trees and that the ones that are not leaning, unless they pose a public safety issue, would not be removed. Mr. Greenberg stated the work Citron is doing was part of the MCA's contract with the company.

Mr. Tarr asked for clarification of the location of debris and fallen trees that the residents were complaining about. Were they outside the area, not covered by the Wildfire Mitigation, since that project was already funded and initiated. Mr. Richards, representing the MCA, stated he received numerous complaints about the appearance behind homes.

Discussion ensued regarding funding for removal of debris and fallen trees that are not part of the Mitigation Plan, specific items that define the Wildfire Plan and concern about debris adjacent to the Corso and when it would be removed and how to fund it. Completion of the preserve mitigation, which was funded, was expected within one week. Mr. Tarr proposed increasing the Fiscal Year 2019 assessments to clean up the debris not covered by the Mitigation Plan. Mr. Stephen Light, a resident, stated that residents' concerns were more related to fire prevention, the likelihood of a fire and reducing the consequences of a fire, rather than for beautification purposes. He spoke to several residents in Padova and most were willing to pay for an additional cleanup. Mr. Greenberg suggested that the MCA work on this and devise a plan and the District could give authority to enter the preserve.

A Board Member felt that a minor increase in assessments was worth it to enhance fire prevention and beautification. Mr. Greenberg felt that this should be a matter for the new, combined Board and, if an individual neighborhood wants to do this immediately, the MCA could do it and be funded by the neighborhood that wants it. Mr. Greenberg reiterated that this should be addressed by the new, merged CDD Board and, as it should require a study and would have a financial impact, the Mediterra South Board should not be making decisions about it on its own. Additionally, there were many unknowns, such as the cost, whether it should be done in conjunction with the MCA, how it should be implemented, etc. Mr. Tarr asked what the Medici HOA would be required to do if it they want an area cleaned up. Mr. Greenberg stated that the HOA must submit a plan, Ms. Clancy and Mr. Adams would review the proposed plan and, if it meets all of the CDD's insurance requirements, SFWMD Guidelines, etc., the HOA would be granted authority to have the cleanup work performed. Discussion ensued regarding the process for individual HOAs, HOAs working in conjunction with the MCA and the CDD, granting access for debris clearing, the scope of the Preserve Management Plan, etc.

DRAFT

Mr. Light suggested the CDD attend the MCA meeting and address the community and let them know that they have the ability to take action if certain guidelines are followed. Mr. Greenberg stated that he preferred discussing this at the MCA meeting and waiting until the merger is completed, when the new board members are in attendance, before making any decision. If a decision was made by the MCA, then neighborhood representatives would be notified and they, in turn could notify residents of the limited window of time they have for hurricane cleanup beyond the Wildfire Reduction Plan. If their community is interested in doing so, they should contact Mr. Richards with their interest. Ms. Clancy will provide Mr. Greenberg the preferred language for communications to residents. Mr. Greenberg, Ms. Clancy and Mr. Adams will attend the upcoming MCA meeting. Board Members and others reviewed the area on the map and decided that Mediterra South CDD authorizes the District Engineer and District Manager to coordinate with any stakeholders that wish to enter into any preserve or other CDD property, to effect the removal of post-storm damage debris, in accordance with the Governor and South Florida Water Management District (SFWMD) Emergency Guidelines, at their own expense.

DRAFT

On MOTION by Mr. Greenberg and seconded by Mr. Tarr, with all in favor, the Mediterra South CDD Board authorizing the District Manager and District Engineer to coordinate with any private owners, that wish to enter into any preserve or other CDD property, to affect the removal of post-storm damage debris, in accordance with the SFWMD Emergency Guidelines and the Governor's Emergency Order, at their own expense, was approved.

FIFTH ORDER OF BUSINESS **Update: District Merger**

Ms. Willson stated that the merger is almost complete and, once the statutory notice requirements are received, the rule will be filed on May 22, 2018, with an effective date of June 11, 2018. She will follow up on May 22 and email Mr. Adams and the Board of its completion. Mr. Greenberg asked Ms. Willson to present an overview of the election qualification requirements for Seats 1 and 2. Ms. Willson stated that, because the merged District crosses county boundaries, the Department of State is involved with the qualifying procedures, rather than the respective County Supervisor of Elections offices. The Department of State contact

information and website link to post on the CDD website would be provided to Mr. Adams. Candidates running for Seats 1 and 2 should qualify with the Department of State, during the qualifying period of June 18 through 22, 2018. To establish a quorum, all current Supervisors should attend the June 20, 2018 meeting and tender their resignations, effective that day.

SIXTH ORDER OF BUSINESS **Consideration of Resolution 2018-02, Approving a Proposed Budget for Fiscal Year 2018/2019 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date**

Mr. Greenberg presented Resolution 2018-02. Discussion ensued regarding the low surplus fund, due to unanticipated expenses, and whether to increase assessments to replenish it and for future unanticipated expenses. Mr. Adams expected the surplus fund to be in the six figure range by next year, without increasing assessments; based on his experience, 25% to 40% of a CDD's annual budget was considered a reasonable surplus. In response to a question of whether the budget was comprised of both Districts, Mr. Adams replied affirmatively.

Discussion ensued regarding the impact on residents, if assessments were increased to increase the surplus fund. Mr. Adams stated that he was comfortable with the current, post-merger, surplus fund balance. Discussion ensued regarding how much to increase assessments, whether an increase was appropriate and whether to obtain a loan for any unexpected costs. Mr. Adams stated that increasing assessments would replenish the fund balance to a comfortable level but, in about three plus years, the $90,000 a year loan re-payment to Florida Community Bank becomes available and could be repurposed. In response to a question, Mr. Adams recommended raising $75,000, which would bring the fund balance to $97,800, and increase General Fund Operation and Maintenance (O&M) assessments to $649.06. Mr. Tarr asked if the rating agency Standard & Poor's (S&P) reviews surplus fund balances and if a low balance would impact the District's rating. His concern was that the District had just received a bond upgrade. Mr. Adams stated S&P reviews it and uses that knowledge only as a strategy tool.

DRAFT

On MOTION by Mr. Henry and seconded by Mr. Bishko, with all in favor, increasing the Operation and Maintenance (O&M) Assessments to $649.06 per assessable unit and the off-roll to $602.88 per assessable unit and amending the Proposed Fiscal Year 2018/2019 Budget, was approved.

On MOTION by Mr. Henry and seconded by Mr. Bishko, with all in favor, Resolution 2018-02, Approving the District's Proposed Budget, for Fiscal Year 2018/2019, as amended, and Setting a Public Hearing Thereon Pursuant to Florida Law for August 15, 2018 at 3:00 p.m., at this location; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date, was adopted.

Mr. Henry requested that residents be provided a detailed explanation of the budget line items, the impact of the merger and how the merger affects the statements. Mr. Adams stated that the narrative page was omitted; however, the information is contained in the version posted on the CDD website and the amortization schedule outlines the Debt Service Fund.

Mr. Greenberg asked that residents be sent a letter addressing the assessment increase. Mr. Adams stated notifications would be sent following the same protocol as last year; the notification would include the Operating Budget summary sheet. Mr. Greenberg's requested modifications be made by removing any unnecessary columns on Pages 3 and 4 and applying an asterisk indicating the Debt Service payments, the savings from the merger, displaying only the actual 2017/2018 budget columns and adding a notation that assessments increased by 2.5%. In response to Mr. Henry's question of whether the column heading on Page 5 of the Debt Service Fund should read "9/30/2018" instead of "5/31/2018", Mr. Adams replied affirmatively. Regarding the new accounting firm, Mr. Adams stated that he was comfortable with the budgeted costs associated with combining both audits.

SEVENTH ORDER OF BUSINESS **Approval of April 18, 2018 Regular Meeting Minutes**

DRAFT

Mr. Greenberg presented the April 18, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections. Supervisors were directed to forward their corrections directly to Management, instead of Mr. Greenberg. The following changes were made:

Line 57: Change "Mediterra" to "London Bay"

Line 64: Add "the" after "questioned"

Line 145: Add "the request" after "submitted"

Line 185: Add "live in Calabria who" after "who"

On MOTION by Mr. Tarr and seconded by Mr. Henry, with all in favor, the April 18, 2018 Regular Meeting Minutes, as amended, were approved.

EIGHTH ORDER OF BUSINESS **Action Items**

DRAFT

Items 2, 3, 5 and 7 through 12 were completed.

Items 1 and 13 were ongoing.

Items 4 and 6 were moved to the District's Standard Procedures.

Regarding Item 12, Mr. Greenberg asked Mr. Tarr and Mr. Bishko, if they were attending the MCA workshop of the South CDD on May 24, 2018 at 3:00 p.m., which they replied affirmatively. Regarding Item 13, related to storm drain responsibilities for the neighborhoods, Mr. Adams stated that the MCA was working on its culverts this year and an agreement with the County must be in place. Mrs. Adams stated that, after discussions about removing crane toads from the lakes, the response from SOLitude, was no.

NINTH ORDER OF BUSINESS **Acceptance of Unaudited Financial Statements as of March 31, 2018**

Mr. Greenberg presented the Unaudited Financial Statements as of March 31, 2018.

On MOTION by Mr. Henry and seconded by Mr. Bishko, with all in favor, the Unaudited Financial Statements as of March 31, 2018, were approved.

TENTH ORDER OF BUSINESS **Staff Reports**

A. District Counsel: *Hopping Green & Sams, P.A.*

There being nothing additional to report, the next item followed.

B. District Engineer: *Johnson Engineering, Inc.*

Ms. Clancy presented four lake bank repair methods to correct the issue of exposed geotube fabric on the lake banks. She explained the specific criteria assigned under each method. She must review the condition of each lank bank to determine which repair method could be used depending on the level of erosion and if the erosion meets the District's criteria of a vertical drop greater than 8" for repair. This item was deferred until the August meeting.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

There being no report, the next item followed.

D. Operations Manager: *Wrathell, Hunt and Associates, LLC*

Mrs. Adam stated that M.R.I. Underwater Specialists (MRI) would repair the pipe at Padova and provide progress photographs through to the final repair. The drainpipe cleaning project begins next week. Ms. Clancy will provide updates on Lakes #64 and #65. Ms. Clancy stated that, in recent years, MRI's Reports indicated they could not physically locate the pipes in Lakes #64 and #65 and she also toured the area and could not locate them. She reviewed the drawings and stated that the pipes were either clogged or not installed and, since the lakes performed well through the hurricane, she suggested revising the drawings to reflect the field conditions. Mrs. Adams will revise the drawings.

DRAFT

ELEVENTH ORDER OF BUSINESS Supervisors' Requests

There being no Supervisors' requests, the next item followed.

TWELFTH ORDER OF BUSINESS Public Comments

There being no public comments, the next item followed.

Mr. Adams introduced colleague, Mr. Jason Olson, of Wrathell, Hunt and Associates, LLC.

Mr. Tarr asked about the status of the EarthBalance Orphaned Lake Bank project and plants that died. Mrs. Adams stated she was waiting to hear from EarthBalance and the plantings in Medici look fantastic. Discussion ensued regarding whether the absence of plants in an area

of about 40', were the newly planted ones last summer that had died. Mrs. Adams stated that area was underwater, following the hurricane, and the plants would not be under warranty; there were no funds to purchase more plants and replant.

THIRTEENTH ORDER OF BUSINESS Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Henry and seconded by Mr. Bishko, with all in favor, the meeting adjourned at 4:37 p.m.

DRAFT

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

303
304
305
306
307
308
309 _____ _____
310 Secretary/Assistant Secretary Chair/Vice Chair

DRAFT

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

17

ACTION ITEMS

1. **10/18/17** **ACTION ITEM:** Per the Chair, Mr. Adams to review and compare insurance policies of the CDD, MCA and The Club to determine if the CDD should switch carriers and present findings after the merger is completed. **ONGOING**

2. **04/18/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams to include storm drain responsibility for the neighborhoods with the MCA. An Agreement between the MCA and CDD needed to be in place. **ONGOING**

3. **05/16/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams and Mr. Richards to post Ms. Clancy's photographs of the treated and untreated areas on the CDD and MCA's website and include in the MCA newsletter.

4. **05/16/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams will prepare a proposed cost estimate of the work to be completed, after touring the area (Padova?) with Mr. Light, to present at the MCA meeting he is attending with Mr. Greenberg.

5. **05/16/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Bishko and Mr. Tarr would attend the MCA workshop of the South CDD meeting on May 24, 2018 at 3:00 p.m.

6. **05/16/18** **ACTION ITEM:** Per Mr. Greenberg, Upon receipt from Ms. Clancy, Mr. Adams will post the contact information and link to the Department of State website on the CDD website.

7. **05/16/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams will revise the statement, indicating the increase to assessments, removing unnecessary columns, etc, and notifying residents, via the same protocol as last year.

8. **05/16/18** **ACTION ITEM:** Per Mr. Greenberg, Lake Bank Erosion Discussion to be continued on next agenda.

9. **05/16/18** **ACTION ITEM:** Per Mr. Greenberg, Mrs. Adams will remove Lakes #64 and #65 interconnecting pipes from the drawings to reflect the field conditions.

DRAFT

COMPLETED ITEMS

1. **03/01/18** **ACTION ITEM:** Per Mr. Greenberg, for the District Engineer to contact Ms. Samantha Quinn of the Florida Forest Service regarding the firefighting procedures and practices and report back to the Board. **STATUS: COMPLETED**

2. **03/01/18** **ACTION ITEM:** Per Mr. Tarr, for the District Engineer to include a letter in the submittal packet to the SFWMD, urging them to review the Plan and provide an answer before the fire season commenced. **STATUS: COMPLETED**

3. **03/01/18** **ACTION ITEM:** Per Mr. Greenberg, for District Counsel to coordinate with Ms. Clancy and Mr. Adams to draft a letter to the SFWMD, conveying that the North CDD is in agreement with the Preserve Management Plan. **STATUS: COMPLETED**

4. **03/01/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Tarr to coordinate with Ms. Clancy, Mr. Tilton and Mr. Adams to create and distribute education materials and obtain cooperation from neighborhoods through neighborhood representatives or Board Presidents of Associations and the MCA and its Staff. **STATUS: COMPLETED**

5. **01/17/18** **ACTION ITEM:** Mr. Adams would ensure that a future capital reinvestment fund was set up for lake aeration maintenance. **STATUS: COMPLETED**

6. **03/01/18** **ACTION ITEM:** Per Mr. Greenberg, Staff to prepare a to-do list of what must be done to complete the merger, starting from whatever the final governmental action is and anything that can be started beforehand. **STATUS: COMPLETED**

7. **03/01/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams to ensure the Board received reports and related handouts in advance of meetings and presentations. **STATUS: COMPLETED - MOVED TO ONGING PROCEDURES LIST**

8. **03/01/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Henry to oversee financing, reporting and how the merger would affect the accounts. **STATUS: COMPLETED**

9. **03/01/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams to ensure removal of all items from the Completed Items List that are six months or older. **STATUS: COMPLETED - MOVED TO ONGOING PROCEDURES LIST**

10. **04/18/18** **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams to forward Mr. Henry's draft regarding the aerators to Ms. Campbell upon receipt for inclusion on the revised Audited Financial report. **STATUS: COMPLETED**

11. **04/18/18** **ACTION ITEM:** Per Mr. Greenberg, Ms. Clancy to revise the Preserve Management Plan educational documents to include comments from the meeting and forward to Mr. Adams to circulate to the Board. **STATUS: COMPLETED**

DRAFT

12. 04/18/18 **ACTION ITEM:** Per Mr. Greenberg, Ms. Clancy to email charts and finalized Preserve Management Plan to him for inclusion with the letter to residents. **STATUS: COMPLETED**

13. 04/18/18 **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams to include all Mediterra Merger information onto a spreadsheet to be incorporated into a calendar. **STATUS: COMPLETED**

14. 04/18/18 **ACTION ITEM:** Per Mr. Greenberg, Mr. Adams to make the bullet point items on District Counsel's Memorandum a standard item in the agenda packet until the merger is complete. **STATUS: COMPLETED**

15. 04/18/18 **ACTION ITEM:** Per Mr. Greenberg, Mrs. Adams to circulate a workshop notice inviting all interested Board Members to the annual lake audit in May. **STATUS: COMPLETED**

TEMPORARILY REMOVED FROM ACTION ITEMS

DRAFT

1. 01/17/18 **ACTION ITEM:** Mr. Greenberg directed Mr. Adams to confer with Mr. Allan Filiault of London Bay Homes regarding the Lucarno retaining walls and to send a follow-up letter. **STATUS: as of 03.01.18 TEMPORARILY REMOVED FROM ACTION LIST**

MEDITERRA SOUTH CDD

ONGOING PROCEDURES LIST

1. **ACTION ITEM:** Per the Chair, Mr. Adams to incorporate ongoing action items, related to procedures, into District Rules or other permanent record of procedures rather than carrying them on.

2. **ACTION ITEM:** Mr. Adams to monitor LakeMasters and bring forward any future algae issues that might require intervention, continue to monitor the control program.

3. **ACTION ITEM:** Mrs. Adams to direct the contractor to report anything dumped in the preserves and monitor for potential transients living in the preserves.

4. **ACTION ITEM:** Management will provide hard copy meeting materials to the Board seven days prior to each meeting and draft minutes within 30 days of meetings.

5. **ACTION ITEM:** Management will provide call-in information by email 24-hours prior to meetings.

6. **ACTION/AGENDA ITEMS:** Management will include the next meeting date and location on each agenda.

7. **ACTION ITEM:** Going forward, draft minutes, in final draft form, will be emailed to the Board, automatically.

8. **ACTION ITEM:** Per the Chair, items that should be agenda items should be placed on the agenda rather than on the Action Items List.

9. **ACTION/AGENDA ITEM:** Mr. Adams to email the financial summary sheet to the Board two days prior to the meeting, include upcoming expenses. Circulate trust statements, a reconciliation of the funds, showing when and where the funds were moved and have it approved via email.

10. **ACTION/AGENDA ITEM:** Mr. Adams to include only pertinent information in agenda packages. For contracts include Scope of Services and prices.

11. **AGENDA ITEM:** Action items to be an individual agenda item on all future agendas.

12. **ACTION ITEM:** Mr. Adams to ensure the Board received reports and related handouts in advance of meetings and presentations.

13. **ACTION ITEM:** Mr. Adams to ensure removal of all items from the Completed Items List that are six months or older.

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

18

Mediterra North
Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2017

Mediterra North Community Development District

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2017

TABLE OF CONTENTS

	Page Number
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-29
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*	30-31
MANAGEMENT LETTER	32-34
INDEPENDENT ACCOUNTANT'S REPORT / COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	35

Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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 year ended September 30, 2017, 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 audits. We conducted our audits 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.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

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 September 30, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 9, 2018 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

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

April 9, 2018

Mediterra North Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017

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.

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 year ended September 30, 2017.

- The District's total assets exceeded total liabilities by $13,361,613 (net position). Unrestricted net position for Governmental Activities was $36,378. Governmental activities restricted net position was $88,575. Net investment in capital assets was $13,236,660.

- Governmental activities revenues totaled $727,303, while governmental activities expenses totaled $615,916.

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

	Governmental Activities	
	2017	**2016**
Current assets	$ 121,164	$ 182,277
Restricted assets	546,004	523,595
Capital assets	17,623,538	17,659,308
Total Assets	18,290,706	18,365,180
Deferred amount on refunding	39,029	41,902
Current liabilities	432,754	366,488
Non-current liabilities	4,535,368	4,790,368
Total Liabilities	4,968,122	5,156,856
Net investment in capital assets	13,236,660	12,665,842
Net position - restricted	88,575	430,887
Net position - unrestricted	36,378	153,497
Total Net Position	$ 13,361,613	$ 13,250,226

The decrease in current assets is due to expenditures exceeding revenues at the fund level in the current year.

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

The increase in current liabilities is related to the increase in accounts payable related to a lake aeration project.

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

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

	Governmental Activities	
	2017	**2016**
Program Revenues		
Charges for services	$ 660,573	$ 647,640
Capital grants and contributions	65,279	33
General Revenues		
Investment earnings	1,451	111
Total Revenues	727,303	647,784
Expenses		
General government	133,522	86,131
Physical environment	244,078	225,362
Interest on long-term debt	238,316	244,396
Total Expenses	615,916	555,889
Change in Net Position	111,387	91,895
Net Position - Beginning of Year	13,250,226	13,158,331
Net Position - End of Year	$ 13,361,613	$ 13,250,226

The increase in capital grants and contributions is the result of an increase in developer contributions in the current year for capital additions.

The increase in general government expenses is due to an increase in legal fees, engineering fees and aquascaping expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2017 and 2016.

	Governmental Activities	
	2017	2016
Land and improvements	$ 15,117,410	$ 15,117,410
Infrastructure	4,799,906	4,680,828
Less: accumulated depreciation	(2,293,778)	(2,138,930)
Total Capital Assets, net	$ 17,623,538	$ 17,659,308

Current year activity consisted of additions to infrastructure of $119,078 and depreciation of $(154,848).

General Fund Budgetary Highlights

Actual expenditures exceeded budgeted expenditures primarily due to more legal and engineering expenses in the current year than were anticipated.

There were no amendments to the September 30, 2017 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 September 30, 2017 is $4,790,358.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Mediterra North Community Development District is currently in the process of merger negotiations with Mediterra South Community Development District. The effect on the operations of the District for the fiscal year ended September 30, 2018 cannot be determined at this time.

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
September 30, 2017

	Governmental Activities
ASSETS	
Current Assets	
Cash	$ 113,983
Assessments receivable	525
Prepaid expenses	5,927
Deposits	729
Total Current Assets	121,164
Non-Current Assets	
Restricted Assets	
Investments	546,004
Capital Assets, Not Being Depreciated	
Land and improvements	15,117,410
Capital Assets, Being Depreciated	
Infrastructure	4,799,906
Less: accumulated depreciation	(2,293,778)
Total Non-Current Assets	18,169,542
Total Assets	18,290,706
Deferred Outflows of Resources	
Deferred amount on refunding	39,029
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	79,937
Due to other governments	1,843
Bonds payable, current	255,000
Accrued interest	95,974
Total Current Liabilities	432,754
Non-Current Liabilities	
Bonds payable, net	4,535,368
Total Liabilities	4,968,122
NET POSITION	
Net investment in capital assets	13,236,660
Restricted for debt service	88,575
Unrestricted	36,378
Total Net Position	$ 13,361,613

See accompanying notes to financial statements.

Mediterra North Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities				
General government	$ (133,522)	$ 97,048	$ -	$ (36,474)
Physical environment	(244,078)	64,959	65,279	(113,840)
Interest on long-term debt	(238,316)	498,566	-	260,250
Total Governmental Activities	$ (615,916)	$ 660,573	$ 65,279	109,936
General Revenues				
Investment earnings				1,451
Change in Net Position				111,387
Net Position - October 1, 2016				13,250,226
Net Position - September 30, 2017				$ 13,361,613

See accompanying notes to financial statements.

Mediterra North Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	$ 113,983	$ -	$ 113,983
Assessments receivable	392	133	525
Prepaid expenses	5,927	-	5,927
Deposits	729	-	729
Restricted assets			
Investments, at fair value	-	546,004	546,004
Total Assets	$ 121,031	$ 546,137	$ 667,168
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	$ 79,937	$ -	$ 79,937
Due to other governments	1,843	-	1,843
Total Liabilities	81,780	-	81,780
FUND BALANCES			
Restricted:			
Debt service	-	546,137	546,137
Unassigned	39,251	-	39,251
Total Fund Balances	39,251	546,137	585,388
Total Liabilities and Fund Balances	$ 121,031	$ 546,137	$ 667,168

See accompanying notes to financial statements.

Mediterra North Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2017

Total Governmental Fund Balances	$ 585,388
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 ssets, being depreciated, infrastructure ($4,799,906) net of accumulated depreciation ($(2,293,778)) are not current financial resources and therefore, are not reported at the fund level.	2,506,128
Deferred amount on refunding, net are not current financial uses, and therefore, are not reported at the fund level.	39,029
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported at fund level.	(4,790,368)
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the governmental fund level.	(95,974)
Net Position of Governmental Activities	$ 13,361,613

See accompanying notes to financial statements.

Mediterra North Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

	General	Debt Service	Totals Governmental Funds
Revenues			
Special assessments	$ 162,007	$ 498,566	$ 660,573
Intergovernmental revenues	65,279	-	65,279
Investment earnings	84	1,367	1,451
Total Revenues	227,370	499,933	727,303
Expenditures			
Current			
General government	133,308	214	133,522
Physical environment	89,230	-	89,230
Capital outlay	119,078	-	119,078
Debt service			
Principal	-	245,000	245,000
Interest	-	239,118	239,118
Total Expenditures	341,616	484,332	825,948
Net Change in Fund Balances	(114,246)	15,601	(98,645)
Fund Balances - October 1, 2016	153,497	530,536	684,033
Fund Balances - September 30, 2017	$ 39,251	$ 546,137	$ 585,388

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 Year Ended September 30, 2017

Net Change in Fund Balances - Total Governmental Funds	$	(98,645)
Amounts reported for governmental activities in the Statement of Activities are different because:		
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 amount of capital outlay outlay ($119,078) less depreciation ($(154,848)) in the current period.		(35,770)
Repayments of long-term liabilities are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		245,000
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.		3,675
Change in Net Position of Governmental Activities	$	111,387

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 Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	$ 164,530	$ 164,530	$ 162,007	(2,523)
Intergovernmental revenues	-	-	65,279	65,279
Investment earnings	304	304	84	(220)
Total Revenues	164,834	164,834	227,370	62,536
Expenditures				
Current				
General government	79,168	79,168	133,308	(54,140)
Physical environment	83,843	83,843	89,230	(5,387)
Capital outlay	15,189	15,189	119,078	(103,889)
Total Expenditures	178,200	178,200	341,616	(163,416)
Net Change in Fund Balances	(13,366)	(13,366)	(114,246)	(100,880)
Fund Balances - October 1, 2016	140,155	140,155	153,497	13,342
Fund Balances - September 30, 2017	$ 126,789	$ 126,789	$ 39,251	$ (87,538)

See accompanying notes to financial statements.

Mediterra North Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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

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.

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.

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.

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.

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.

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 ($585,388) differs from "net position" of governmental activities ($13,361,613) 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	(2,293,778)
Total capital assets, net	$ 17,623,538

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 September 30, 2017 were:

Bonds payable	$ (4,790,368)

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	$ 39,029

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	$ (95,974)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for government funds ($(98,645)) differs from the "change in net position" for governmental activities ($111,387) 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 year.

Capital outlay	$ 119,078
Depreciation	(154,848)
Total	$ (35,770)

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	$ 245,000

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	$ 3,675

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	$ (2,873)

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 September 30, 2017, the District's bank balance and carrying value was $113,983. 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 September 30, 2017, the District has the following investment and maturity:

Investment	Maturity	Fair Value
First American Government Obligation	23 days *	$ 546,004

* 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.

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 September 30, 2017, 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 September 30, 2017 were typical of these items during the fiscal year 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 year ended September 30, 2017 was as follows:

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 15,117,410	$ -	$ -	$ 15,117,410
Capital assets, being depreciated				
Infrastructure	4,680,828	119,078	-	4,799,906
Less accumulated depreciation for:				
Infrastructure	(2,138,930)	(154,848)	-	(2,293,778)
Total Capital Assets Being Depreciated, Net	2,541,898	(35,770)	-	2,506,128
Governmental Activities Capital Assets, Net	$ 17,659,308	$ (35,770)	$ -	$ 17,623,538

Depreciation of $154,848 was charged to physical environment.

NOTE E – LONG-TERM DEBT

The following is a summary of activity in the long-term debt account group of the District for the year ended September 30, 2017:

Long-term debt at October 1, 2016	$ 5,035,368
Principal payments	(245,000)
Long-term debt at September 30, 2017	$ 4,790,368

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%.	$ 4,790,368

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2017 are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	$ 255,000	$ 230,338	$ 485,338
2019	265,000	220,648	485,648
2020	275,000	210,048	485,048
2021	290,000	198,498	488,498
2022	300,000	185,738	485,738
2023-2027	1,745,000	697,793	2,442,793
2028-2031	1,660,368	210,375	1,870,743
Totals	$ 4,790,368	$ 1,953,438	$ 6,743,806

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.

	Capital Improvement Revenue Refunding Bonds	
	Reserve Balance	**Reserve Requirement**
Series 2012 Capital Improvement Revenue Refunding Bonds	$ 363,758	$ 361,588

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 fiscal year, 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 – SUBSEQUENT EVENT

The District is currently in merger discussions with Mediterra South Community Development District. The merger is currently anticipated to occur by September 30, 2018 and Mediterra South Community Development District would be the surviving district.

Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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 year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated April 9, 2018.

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.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

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

April 9, 2018

Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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 year ended September 30, 2017, and have issued our report thereon dated April 9, 2018.

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 Reports and Schedule

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 April 9, 2018, 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. There were no findings or recommendations made in the preceding financial audit report.

Financial Condition

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.

To the Board of Supervisors
Mediterra North Community Development District

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 September 30, 2017 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.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Mediterra North Community Development District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

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 the following

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.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Mediterra North Community Development District

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

April 9, 2018

Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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 year ended September 30, 2017. 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 year ended September 30, 2017.

Berger Toombs Elam
Gaines & Frank

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

April 9, 2018

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

19

RESOLUTION 2018-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE MEDITERRA COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

WHEREAS, the District's Auditor, Berger, Toombs, Elam, Gaines & Frank, has heretofore prepared and submitted to the Board, for accepting, the Mediterra North Community Development District's Audited Financial Report for Fiscal Year 2017;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE MEDITERRA COMMUNITY DEVELOPMENT DISTRICT;

1. The Mediterra North Community Development District's Audited Financial Report for Fiscal Year 2017, heretofore submitted to the Mediterra Community Development District's Board, is hereby accepted for Fiscal Year 2017, for the period ending September 30, 2017; and

2. A verified copy of said Audited Financial Report for Fiscal Year 2017 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

PASSED AND ADOPTED this ____ day of _____, 2018.

MEDITERRA COMMUNITY DEVELOPMENT DISTRICT

_____
Secretary/Assistant Secretary

_____
Chair/Vice Chair

MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT

20

MINUTES OF MEETING
MEDITERRA NORTH
COMMUNITY DEVELOPMENT DISTRICT

A Regular Meeting of the Mediterra North Community Development District's Board of Supervisors was held on Thursday, January 18, 2018, at 9:30 a.m., at The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135.

Present were:

David Risley	Chair
David Bocchini	Vice Chair
Brian Neary	Assistant Secretary
Thomas H. Van Tassel	Assistant Secretary
Robert Stangeland	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Alyssa Willson (*via telephone)*	District Counsel
Mallory Clancy	Johnson Engineering
Tim Denison	Johnson Engineering
Tim Richards	GM Mediterra Community Association

DRAFT

FIRST ORDER OF BUSINESS **Call to Order/Roll Call**

Mr. Adams called the meeting to order at 9:32 a.m. All Supervisors were present, in person.

SECOND ORDER OF BUSINESS **Public Comments [3 minutes per person]**

There being no public comments, the next item followed.

- **Consideration of Award of Contract for Lake and Wetland Maintenance**

******This item, previously the Fifth Order of Business, was presented out of order.******

Mrs. Adams stated that bids were received from Aquagenix and the current contractor, LakeMasters Aquatic Weed Control, Inc. (LakeMasters). Both firms are known locally and throughout Florida for providing lake and wetland maintenance. She discussed the following:

- Aquagenix: Despite submitting the lowest bid, there were concerns with Aquagenix, as they subcontract the wetland maintenance work and, in her experience, they are slow to react.

- LakeMasters: Bid $203,868; the current contract is $151,000. The price increase was partially related to the additional 36 aeration systems added to the contract and the District's aggressive approach to maintain the ponds to have minimal or no spike rush.

Mrs. Adams stated, based on discussions with District Counsel, as long as the contract does not exceed the bid requirement threshold of $195,000, it is not necessary to bid out the contract. The Mediterra South CDD Board wanted to negotiate the LakeMasters bid for a multi-year, three-year contract of less than $195,000 per year, as they were very pleased with the current performance and level of service. In response to a question, Mr. Adams stated the contract applied to both the North and South Districts; it is a shared cost. In an effort to retain LakeMasters, the Mediterra South CDD Board approved authorizing Staff to negotiate a reduction of LakeMasters' bid amount and offer a third year option to the two-year contract, based on their determination that the District was pleased with LakeMasters' work, the increase was reasonable and the potential minimal savings did not override the possibility of inferior service from a different vendor, and acknowledging that the LakeMasters bid also included the cost to maintain the additional aeration systems and the additional cost associated with the biannual maintenance program. In response to a question, Mr. Adams reiterated that the bid threshold for contracts is $195,000; if the contract exceeds $195,000, the work must be bid.

Discussion ensued regarding issues with Aquagenix and concerns about whether they could handle the scope of work. In response to a question of whether maintaining the aerators less frequently would lower the maintenance costs, Mr. and Mrs. Adams advised against reducing the frequency to less than every six months, as, with a biannual maintenance program, any potential major breakdowns could be thwarted.

On MOTION by Mr. Neary and seconded by Mr. Van Tassel, with all in favor, awarding Lake and Wetland Maintenance Contract to LakeMasters Aquatic Weed Control, Inc., for a not-to-exceed amount $195,000 per year and offering a second optional year for a total potential three-year contract, was approved.

THIRD ORDER OF BUSINESS **Presentation: Annual Water Quality and Sediment Testing Analysis and Report**

Mr. Tim Denison gave a PowerPoint presentation of the Dry/Wet Season 2017 Water Quality Monitoring Report, dated January 8, 2018. He explained the purpose and scope of work,

DRAFT

methodology, results and conclusions and took questions. Water samples were taken from seven lakes and ponds during the past year to measure field parameters, temperature, specific conductance dissolved oxygen, total nitrogen and phosphorus and materials that cause putrification of lakes, such as fertilization or other inputs to the lakes. Samples were collected using meters for each and a secchi disk, which was requested by the Board.

Mr. Denison discussed the water sample collection procedures and materials and the sample documentation, using field notes and taking photographs; the entire process followed the DEP's Standard Operating Procedure (SOP) including the use of a Certified Laboratory to analyze the samples and prepare the Report.

In response to a question of whether depth of the water where the sample is taken makes a difference, Mr. Denison replied affirmatively. Under the DEP's strict SOP, water samples are to be retrieved between 12" and 18" below the surface.

Mr. Denison discussed the procedures to collect lake sediment samples from the bottom of lakes to determine how much muck is present. Lakes 37, 35, 50 and 52 were monitored in 2017 and showed no verified impairments. Of those, the District is required, under the DEP's directive, to uphold specific water quality standards for the three lakes that discharge into the Oak Creek Basin and, if samples were impaired, the DEP could impose a total maximum daily load (TMDL) to the District.

DRAFT

In response to the question of where the water ends up, Mr. Denison replied that it flows into Oak Creek Basin to Imperial River and eventually to the Gulf of Mexico. It was noted that, from a drainage perspective, the District was benefiting from the Imperial River dredging.

Mr. Denison stated that the Mediterra South CDD's lakes discharge into the Cocohatchee system and, of those lakes, LakeMasters recommended monitoring two, as there was concern about potential water quality issues. Regarding muck, Mr. Denison stated there were no standards for defining the sediment at the bottom of the lake or how much is too much; however, the composition of the muck is of importance because it could cause other water quality issues. His firm focuses on the prevention side of monitoring, because it is not visually seen, as opposed to LakeMasters, which monitors the surface water and manages the lakes. Overall, the lakes were in very good shape and no high nutrient levels were found in the discharge lakes; however, a few areas had elevated numbers when compared to the criteria.

Ms. Clancy clarified that Oak Creek and Cocohatchee are classified as Class 3 water bodies, which must meet certain criteria; therefore, even though the District's lakes are not, they must meet the same Class 3 standards. Water classifications are determined every five years.

In response to the question of whether the District should continue monitoring, annually, Mr. Denison stated, in order to stay ahead of a situation and to prevent any delay in recognizing water degradation before it reaches the surface, he recommended monitoring a minimum of five lakes within the Mediterra North and South CDDs that discharge into other water bodies and, if other areas show high nutrient levels, those should be monitored as well.

Mr. Neary asked if other communities are as conscientious as Mediterra, with regard to checking the water quality of their lakes. Mr. Denison stated that there were very few and Mediterra was on the leading edge in prevention, rather than reacting to issues. For comparison purposes, Mr. Denison suggested taking one sample of each lake, in the wet and dry seasons, and advised against extending monitoring to every other year.

Discussion ensued regarding the ramifications if lakes exceed oxygen levels. Mr. Denison was not aware of any but, if they discharge into a Class 3 water body, the water should at least meet Class 3 standards or be considered as part of the reason for the water quality in those lakes. Ms. Clancy clarified that, if a TMDL would be added to Oak Creek or Cocohatchee, they would begin looking at all the inflow and start applying different standards. The benefits of monitoring were that, over time, they are able to establish a baseline, acquire data that confirms the water quality of the lakes that discharged into different water bodies and prevent stricter requirements. A Board Member asked what would be expected if TMDLs were required. Mr. Adams stated the application of fertilizers would be reviewed and, if necessary, certain standards limiting the amount of nitrogen and phosphorus in which a TMDL would have, would be created, as well as factoring in the type of footprint being left by the District. If restrictions occurred, the golf courses would be the first affected. Discussion ensued regarding licensed landscape contractors now being required to go through a certification process. The stormwater systems that are elevated are currently doing what was intended. They were designed to receive impure runoff, and passively treat it to remove the impurities before it is discharged; once the internal lakes in the system flow to the outfall lakes, the outfalls would be in great shape.

In response to a question of whether the downstream water bodies flowing out to the Gulf are being periodically sampled, Mr. Denison replied that the DEP and Lee County staff collect water samples, on a monthly basis, which are analyzed to determine whether anything specific is happening. TMDLs are attached to certain water bodies, in which stakeholders are called in to review the Basic Management Action Plan (BMAP) process.

Ms. Clancy explained that, what Mr. Adams previously spoke about regarding if the District was required to make some changes to the Golf Course irrigation and fertilization

DRAFT

program, the changes would be considered part of the BMAP process. In response to a question of how the numbers compare to the testing, Mr. Adams stated that there was nothing to compare it to, as this was the first year that it was being done, at this level. Mr. Denison stated these results would establish the baseline and, moving forward, the values could be compared to determine if any changes occurred; he firmly recommended doing this. In response to the question of cost, Mr. Adams stated the annual operating expense is relatively small.

Mr. Adams stated residents could be advised that the District is monitoring the water quality and sediment, on an annual basis, and that the system is operating as designed; it is improving runoff before it discharges off site and the District is in a great position. A Board Member suggested including an update on the status, twice per year, in the monthly newsletter sent by Mr. Richards. Mr. Richards stated this was mentioned yesterday at the residents' annual meeting.

Mr. Denison discussed the process to collect the sediment sample from the bottom of the lake. Photographs were taken during collection. Lake 50 showed something happening, as it had more liquid than solid material and even though muck is present, it is only a matter of inches. Samples were taken from the five lakes that discharge out and the other two lakes that were noted as "problem lakes"; from LakeMasters' perception, the water quality was much higher than in other lakes, as there was no muck on the bottom. He recommends collecting one sediment sample annually, during the dry season, which would allow collection of a more representative sample in the middle of the lake.

DRAFT

Regarding what, if anything, must be done to Lakes, 50 and 52, which have higher nitrogen and phosphorous levels, Mr. Denison stated that nothing needed to be done. Three out of five outfall lakes had some nutrient levels that had very minor elevations, one showed significant muck but was not of any concern; and Lakes 50 and 52 have low nutrient levels, despite the muck. Regarding the two lakes the District requested they sample, they had relatively high nutrient levels, however they are treatment lakes. He recommended continuing monitoring the five outfall lakes a minimum of two times during the wet season. Collecting samples at the outfall, where the water leaves, was more beneficial than within the lake. Sediment samples should be taken annually, during the dry season, when levels are lower; and continue to look at the two lakes or swap them out with two other lakes that might be questionable.

Mr. Neary asked if the South CDD wanted to implement the changes that he recommended and what was the financial impact of making these changes. Mr. Denison replied

affirmatively. Mr. Adams stated there was no financial impact; the Agreement must be modified to match the recommendations.

FOURTH ORDER OF BUSINESS **Consideration of Agreement with Johnson Engineering for Lake Surface Water and Sediment Testing Analysis and Reporting**

Mr. Neary requested a motion to implement Johnson Engineering's recommendations and modify the agreement accordingly.

On MOTION by Mr. Neary and seconded by Mr. Risley, with all in favor, the Agreement with Johnson Engineering for Lake Surface Water and Sediment Testing Analysis and Reporting, as amended, was approved.

DRAFT

FIFTH ORDER OF BUSINESS **Consideration of Award of Contract for Lake and Wetland Maintenance**

This item was presented following the Second Order of Business.

SIXTH ORDER OF BUSINESS **Update: Merger Proceedings**

Ms. Willson stated that merger activities were underway, once the Governor agrees to the merger. Ms. Willson stated that there were no issues with the petition, everything looked to be in order; she anticipates it to be within the next six months. She stated one of the Governor's staff members, who happens to be very knowledgeable in processing mergers and who is about to retire, told her that she would make every effort to get this item on a cabinet meeting agenda item before leaving.

In response to the question of what happens once the approval is finalized, Ms. Willson stated the Merger Agreement would be implemented and under that Agreement they would have 60 days to adopt the Rule in final form. The Rule establishes the Mediterra South Board as the surviving Board and, within those 60 days, the resignation process from the North Board begins for the two Mediterra North Board Members along with their appointment to the surviving Mediterra South Board.

SEVENTH ORDER OF BUSINESS **Update: Wildfire Resilience and Preserve Management Plan**

Ms. Clancy gave an overview of the Memorandums. The first, dated January 2, 2018, is the minutes from the recent meeting with the South Florida Water Management District (SFWMD), and the other represents a compilation of the options determined from that meeting. SFWMD had several comments to the plan so another meeting was scheduled to go over the concerns. SFWMD required the plan be more specific as to the location and the types of plantings that were going to be effected and how many. The second document lists three different options.

- Tier 2: This plan was presented at the last meeting. The cost increased significantly due to the increased scope of services now required. In addition to the additional field work required to document the number of trees per acre and list each species of trees being removed per acre, additional mapping would be necessary, as well as reporting those changes to reflect the new information. This option was no longer recommended.
- Tier 1: This plan indicates a significant reduction to the scope of services when compared against Tier 2, and any mention of Fire Break Paths was removed.

Additional field work and mapping is required to lineate between the Home Ignition Zone (HIZ) and where the conservation area abuts the homes. The conservation area is already 30' feet away from the homes and an additional 30' feet strip of fuel removal would be added; however, and additional 30' and 60' feet would be added to the homes that only have a 5' foot gap from the edge of their roof to the conservation area, in order to remove dead debris and ladder fuels.

In response to a question, Ms. Clancy stated the cost for the additional field work was included in the Tier 1 proposal. The Tier 1 proposal could be accomplished within the previously approved budget. A 25% contingency was calculated into the implementation costs. Historically, the SFWMD has never approved any plans that suggest fire risk mitigation and the District would be setting a precedent if its Plan is approved.

Discussion ensued regarding the per acre mitigation costs. Mr. Adams stated the South CDD Board chose Tier 1 since it could be completed within the previously approved budget. Selecting this plan would indicate to those constituents who have concerns that some progress was being made. He discussed the process to implement the Plan.

Ms. Clancy stated she was preparing a more detailed Homeowners' Responsibility Section, at the request of SFWMD; along with a draft memorandum to homeowners, at Mr.

DRAFT

Stangeland's request, which would inform residents of measures they could take to control outbreaks on their own property by using items that contain less flammable materials.

Discussion ensued about SFWMD's inflexibility regarding mitigation. Mr. Adams stated that, after Tier 1 is completed, they would meet with SFWMD to present the successful results and then discuss the Tier 2 mitigation. In response to a question of whether they could insist to the homeowners, to make the suggested changes, Ms. Clancy replied no, because of it being private property.

Regarding when the Tier 1 process could begin, Ms. Clancy stated the scope of services could be presented for approval in March and then bidding, through the Request for Proposals (RFP) process would occur. Mr. Adams stated that, since the cost for Tier 1 is under budget and the Board already approved and adopted the budget, Staff is already authorized to secure proposals and implement the process.

Discussion ensued regarding the total linear feet, the number of acres that would be affected, what machinery would be used to access the materials and disposal. In response to a question of the number of feet and acres, Ms. Clancy stated it was about 18,000 lineal feet.

- Tier 3: This option was not discussed.

EIGHTH ORDER OF BUSINESS **Approval of Unaudited Financial Statements as of November 30, 2017**

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2017. Revenues and expenditures were minimal, as the District was only a few months into the new fiscal year. Assessment revenue collections were at 34% and expenditures were at 23%.

NINTH ORDER OF BUSINESS **Approval of October 19, 2017 Regular Meeting Minutes**

Mr. Adams presented the October 19, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Neary and seconded by Mr. Risley, with all in favor, the October 19, 2017 Regular Meeting Minutes, as presented, were approved.

TENTH ORDER OF BUSINESS **Staff Reports**

DRAFT

A. District Counsel

Ms. Willson was monitoring the legislature currently in session and would provide updates on any bills that may affect the District.

B. District Engineer

There being no report, the next item followed.

C. District Manager

i. NEXT MEETING DATE: May 17, 2018 at 9:30 A.M.

The next meeting will be held on May 17, 2018 at 9:30 a.m., at this location. Mr. Adams was unsure whether the merger of the Districts would be completed by then.

D. Operations Manager

Mrs. Adams stated the inspections, for both Districts' interconnect piping systems, including all outfall structures, are scheduled in February.

Mr. Adams stated, once the merger is finalized, an Interlocal Agreement between the remaining District and Mediterra Community Association (MCA), for inspection and cleaning the neighborhood drain boxes, would be drafted, which would increase the budget. Neighborhood Associations could be offered this Agreement as well.

DRAFT

ELEVENTH ORDER OF BUSINESS Supervisors' Requests

There being no Supervisors' requests, the next item followed.

TWELFTH ORDER OF BUSINESS Public Comments

There being no public comments, the next item followed.

THIRTEENTH ORDER OF BUSINESS Adjournment

There being nothing further to discuss, the meeting was adjourned.

On MOTION by Mr. Bocchini and seconded by Mr. Risley, with all in favor, the meeting adjourned at 11:16 a.m.

315
316
317
318
319
320 _____ _____
321 Secretary/Assistant Secretary Chair/Vice Chair

DRAFT