

**Meadow Pointe III Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2017

**Meadow Pointe III Community Development District
ANNUAL FINANCIAL REPORT**

Fiscal Year Ended September 30, 2017

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Meadow Pointe III Community Development District
Pasco County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Meadow Pointe III Community Development District as of and for the year ended September 30, 2017, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

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To the Board of Supervisors
Meadow Pointe III Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Meadow Pointe III 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

Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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, economical 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 principally 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 the 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 July 10, 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 Meadow Pointe III Community Development District's internal control over financial reporting and compliance.



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

July 10, 2018

**Meadow Pointe III Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

Management's discussion and analysis of Meadow Pointe III Community Development District's (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 is 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.

**Meadow Pointe III Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

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 buildings and 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*, reconciliations are 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 liabilities exceeded total assets by \$(3,239,157) (net position). Net investment in capital assets for the District was \$3,189,347. Restricted net position was \$131,177. Unrestricted net position was \$(6,559,681).
- ◆ Governmental activities revenues totaled \$2,485,250 while governmental activities expenses totaled \$2,426,492.

**Meadow Pointe III Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

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	\$ 1,729,575	\$ 1,644,982
Restricted assets	619,320	615,426
Capital assets	5,221,873	5,710,176
Deferred amount on refunding	380,232	402,728
Total Assets and Deferred Outflows	7,951,000	8,373,312
Current liabilities	795,243	784,246
Non-current liabilities	10,394,914	10,886,981
Total Liabilities	11,190,157	11,671,227
Net Position		
Net investment in capital assets	3,189,347	3,593,622
Restricted for debt service	131,177	117,552
Unrestricted	(6,559,681)	(7,009,089)
Total Net Position	\$ (3,239,157)	\$ (3,297,915)

The increase in current assets is the result of revenues exceeding expenditures at the fund level.

The decrease in capital assets and net investment in capital assets is related to current year depreciation.

The decrease in noncurrent liabilities is related to the principal payment made during the current year.

**Meadow Pointe III Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

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	\$ 2,425,090	\$ 2,338,128
General Revenues		
Miscellaneous	50,976	43,085
Investment earnings	9,184	4,539
Total Revenues	<u>2,485,250</u>	<u>2,385,752</u>
Expenses		
General government	132,821	135,074
Physical environment	1,201,666	1,469,616
Public safety	89,214	90,712
Culture and recreation	330,283	327,318
Transportation	169,425	149,975
Interest on long-term debt	503,083	517,477
Total Expenses	<u>2,426,492</u>	<u>2,690,172</u>
Change in Net Position	58,758	(304,420)
Net Position - Beginning of Year	<u>(3,297,915)</u>	<u>(2,993,495)</u>
Net Position - End of Year	<u>\$ (3,239,157)</u>	<u>\$ (3,297,915)</u>

The increase in charges for services is primarily related to a budgeted increase in General fund special assessments.

The decrease in physical environment is the result of the decrease in contingency reserve expenditures during the current year.

**Meadow Pointe III Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

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:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land and improvements	\$ 809,719	\$ 809,719
Roads and streets	2,355,899	2,355,899
Stormwater management	5,299,918	5,299,918
Recreational facilities	1,967,985	1,967,985
Equipment	81,517	81,517
Less: accumulated depreciation	<u>(5,293,165)</u>	<u>(4,804,862)</u>
Governmental Activities Capital Assets	<u>\$ 5,221,873</u>	<u>\$ 5,710,176</u>

The activity for the year consisted of \$488,303 in depreciation.

General Fund Budgetary Highlights

Actual governmental expenditures were less than budgeted amounts primarily due to less contingency reserve expenditures than were anticipated.

There were no amendments to the budget for the year ended September 30, 2017.

Debt Management

Governmental Activities debt includes the following:

- ◆ The District issued various Capital Improvement Revenue Refunding Bonds Series 2007, 2013, and 2015 maturing 2029 to 2035. The Bonds were issued to refinance the acquisition and construction of certain improvements for the benefit of the District under previous debt. The balance outstanding at September 30, 2017 was \$10,920,000. More detailed information about the District's debt is presented in the accompanying notes to the financial statements.

**Meadow Pointe III Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Meadow Pointe III Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2018.

Request for Information

The financial report is designed to provide a general overview of Meadow Pointe III 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 Meadow Pointe III Community Development District's Finance Department at 12750 Citrus Park Lane, Suite 115, Tampa, FL 33625.

Meadow Pointe III Community Development District
STATEMENT OF NET POSITION
September 30, 2017

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 122,712
Investments	1,581,236
Prepaid expenses	6,485
Deposits	19,142
Total Current Assets	1,729,575
Non-Current Assets	
Restricted Assets	
Investments	619,320
Capital Assets, Being Depreciated	
Land and improvements	809,719
Roads and streets	2,355,899
Stormwater management	5,299,918
Recreational facilities	1,967,985
Equipment	81,517
Less: accumulated depreciation	(5,293,165)
Total Non-Current Assets	5,841,193
Total Assets	7,570,768
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	380,232
 Total Assets and Deferred Outflows of Resources	7,951,000
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	124,219
Bonds payable - current	475,000
Accrued interest payable	196,024
Total Current Liabilities	795,243
Non-Current Liabilities	
Bonds payable, net	10,394,914
Total Liabilities	11,190,157
 NET POSITION	
Net investment in capital assets	3,189,347
Restricted for debt service	131,177
Unrestricted	(6,559,681)
Total Net Position	\$ (3,239,157)

See accompanying notes to financial statements.

Meadow Pointe III Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$ 122,712	\$ -	\$ 122,712
Investments	1,581,236	-	1,581,236
Prepaid expenses and deposits	25,627	-	25,627
Restricted assets			
Investments, at fair value	-	619,320	619,320
Total Assets	\$ 1,729,575	\$ 619,320	\$ 2,348,895
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 124,219	\$ -	\$ 124,219
 FUND BALANCES			
Nonspendable - prepaid expenses and deposits	25,627	-	25,627
Restricted:			
Debt service	-	619,320	619,320
Unassigned	1,579,729	-	1,579,729
Total Fund Balances	1,605,356	619,320	2,224,676
Total Liabilities and Fund Balances	\$ 1,729,575	\$ 619,320	\$ 2,348,895

See accompanying notes to financial statements.

Meadow Pointe III Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2017

Total Governmental Fund Balances	\$ 2,224,676
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land and improvements (\$809,719), recreational facilities (\$1,967,985), roads and streets (\$2,355,899), stormwater management (\$5,299,918) and equipment (\$81,517), net of accumulated depreciation (\$5,293,165), used in governmental activities are not financial resources, and therefore, are not reported at the government fund level.	5,221,873
Long-term liabilities, bonds payable (\$(10,920,000), net of bond discounts, net (\$50,086) are not due and payable in the current period, and therefore, are not reported at the governmental fund level.	(10,869,914)
Deferred outflows of resources are financial resources and therefore, are not reported at the governmental fund statement level.	380,232
Accrued interest expense for long-term debt is not a financial use, and therefore, is not reported at the governmental fund level.	<u>(196,024)</u>
Net Position of Governmental Activities	<u><u>\$ (3,239,157)</u></u>

See accompanying notes to financial statements.

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

	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 1,470,473	\$ 954,617	\$ 2,425,090
Investment income	5,823	3,361	9,184
Miscellaneous	50,976	-	50,976
	<u>1,527,272</u>	<u>957,978</u>	<u>2,485,250</u>
Total Revenues			
Expenditures			
Current			
General government	132,821	-	132,821
Physical environment	933,702	-	933,702
Public safety	89,214	-	89,214
Culture and recreation	227,739	-	227,739
Transportation	51,630	-	51,630
Debt service			
Principal	-	470,000	470,000
Interest	-	484,084	484,084
	<u>1,435,106</u>	<u>954,084</u>	<u>2,389,190</u>
Total Expenditures			
Net Change in Fund Balance	92,166	3,894	96,060
Fund Balances - Beginning of Year	<u>1,513,190</u>	<u>615,426</u>	<u>2,128,616</u>
Fund Balances - End of Year	<u><u>\$ 1,605,356</u></u>	<u><u>\$ 619,320</u></u>	<u><u>\$ 2,224,676</u></u>

See accompanying notes to financial statements.

Meadow Pointe III 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	\$ 96,060
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 are allocated over their estimated useful lives as depreciation. This is current year depreciation.	(488,303)
Governmental funds report principal payments as expenditures when paid, whereas these payments are recognized as a decrease in bonds payable in the Statement of Net Position.	470,000
Deferred outflows of resources for refunding debt is recognized as a component of interest on long term debt in the Statement of Activities, but not in the governmental funds. This is the amount of interest in the current year period.	(22,496)
Amortization of bond premium/discounts does not require the use of current resources and therefore is not reported in the governmental funds. This is the amount of amortization in the current period.	(2,933)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental funds level, interest expenditures are reported when due. This is the change in accrued interest in the current period.	<u>6,430</u>
Change in Net Position of Governmental Activities	<u><u>\$ 58,758</u></u>

See accompanying notes to financial statements.

Meadow Pointe III Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 1,459,377	\$ 1,459,377	\$ 1,470,473	\$ 11,096
Investment income	-	-	5,823	5,823
Miscellaneous	38,262	38,262	50,976	12,714
Total Revenues	<u>1,497,639</u>	<u>1,497,639</u>	<u>1,527,272</u>	<u>29,633</u>
Expenditures				
Current				
General government	145,033	145,033	132,821	12,212
Physical environment	1,252,423	1,252,423	933,702	318,721
Public safety	90,275	90,275	89,214	1,061
Culture and recreation	284,315	284,315	227,739	56,576
Transportation	52,800	52,800	51,630	1,170
Capital outlay	24,000	24,000	-	24,000
Total Expenditures	<u>1,848,846</u>	<u>1,848,846</u>	<u>1,435,106</u>	<u>413,740</u>
Net Change in Fund Balances	(351,207)	(351,207)	92,166	443,373
Fund Balances - Beginning of Year	<u>351,207</u>	<u>351,207</u>	<u>1,513,190</u>	<u>1,161,983</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,605,356</u>	<u>\$ 1,605,356</u>

See accompanying notes to financial statements.

Meadow Pointe III 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 September 12, 2000, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Pasco County Ordinance #00-16 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 Meadow Pointe III Community Development District. The District is governed by a five member Board of Supervisors who are elected by qualified electors within the District. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Meadow Pointe III 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 by the Governmental Accounting Standards Board, 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

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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 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.

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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 classifies 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.

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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 another financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

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.

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – Accounts for the debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bonds are secured by a first lien on and pledge of the Special Assessment Revenues and pledged Funds.

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 equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

b. Restricted Net Position

Certain net position of the District is classified as restricted 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, buildings, infrastructure, and equipment, 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 two years. 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.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets range from 5 to 30 years.

d. Deferred Outflows of Resources

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

e. Unamortized Bond Discounts

Bond discounts associated with the issuance of revenue bonds are amortized according to the straight line method of accounting. For financial reporting, unamortized bond discounts are netted against the applicable long-term debt.

**Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

f. 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 – 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. Exposure to custodial credit risk was as follows. As of September 30, 2017, the District's cash and investment balances were \$1,760,144 and the carrying value was \$1,703,948. As of September 30, 2017, the District has deposits at various financial institutions fully insured by FDIC. 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 had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Cost Value</u>
US Bank Managed Money Market	N/A	\$ 179,189
First American Treasury Obligation Class Z	31 Days *	440,131
Total		<u>\$ 619,320</u>

* 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.

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

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 in First American Treasury Obligation Fund Class Z 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.

Credit Risk

The District's investments in money markets and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Managed Money Markets are (29%) and First American Treasury Obligation Class Z are (71%) 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.

**Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2017 was as follows:

	Balance October 1, 2016	Additions	Disposals	Balance September 30, 2017
<u>Governmental activities:</u>				
Capital assets, being depreciated:				
Land and improvements	\$ 809,719	\$ -	\$ -	\$ 809,719
Roads and streets	2,355,899	-	-	2,355,899
Stormwater management	5,299,918	-	-	5,299,918
Recreational facilities	1,967,985	-	-	1,967,985
Equipment	81,517	-	-	81,517
Total Capital Assets, Being Depreciated	10,515,038	-	-	10,515,038
Less accumulated depreciation for:				
Land and improvements	(431,848)	(53,981)	-	(485,829)
Roads and streets	(1,177,947)	(117,795)	-	(1,295,742)
Stormwater management	(2,119,975)	(211,997)	-	(2,331,972)
Recreational facilities	(1,011,450)	(102,544)	-	(1,113,994)
Equipment	(63,642)	(1,986)	-	(65,628)
Total Accumulated Depreciation	(4,804,862)	(488,303)	-	(5,293,165)
Total Capital Assets Depreciated, Net	5,710,176	(488,303)	-	5,221,873
Governmental Activities Capital Assets	\$ 5,710,176	\$ (488,303)	\$ -	\$ 5,221,873

Current year depreciation of \$488,303 was charged to physical environment, \$267,964, transportation, \$117,795, and culture and recreation, \$102,544.

NOTE D – LONG-TERM DEBT

Capital Improvement Revenue Refunding Bonds – Series 2007

In September 2007, the District issued \$5,205,000 of Capital Improvement Revenue Refunding Bonds, consisting of \$2,955,000 Term Bonds due May 1, 2033 with interest rates from 4.75% to 5.25%, and \$2,250,000 Serial Bonds due on May 1, 2022 with interest rates from 3.625% to 4.25%. The bonds were issued to refund the District's outstanding series 2001A special assessment revenue bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal is paid serially commencing May 1, 2008 through May 1, 2033.

The bonds were subject to redemption at the option of the District in whole or in part at any time on or after May 1, 2018 at a redemption price as set forth in the Bond Indenture. The bond is also subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE D – LONG-TERM DEBT (CONTINUED)

Capital Improvement Revenue Refunding Bonds – Series 2007 (Continued)

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the Bond Indenture. The Series 2007 requirement was satisfied with the purchase of a MBIA Insurance Corp Bond Insurance policy with a market value of \$354,256. The bond Indenture has certain other restrictions and requirements relating principally to the use of the proceeds to pay for the infrastructure improvements and the procedures to be followed when assessing property owners. The district agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indentures at September 30, 2017.

Capital Improvement Revenue Refunding Bonds – Series 2013

In March 2013, the District issued \$5,140,000 of Capital Improvement Revenue Refunding Bonds. Series 2013 consist of \$1,075,000 Term Bonds due May 1, 2029 with interest rate of 4.125%, \$1,625,000 Term bonds due May 1, 2034 with interest of 4.375% and \$2,440,000 Serial Bonds due May 1, 2025 with interest rates from 1.2% to 4%. The Bonds were issued to refund the District's outstanding Series 2003A Capital Improvement Revenue Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal is paid serially commencing May 1, 2014 through May 1, 2034.

The bonds were subject to redemption at the option of the District prior to maturity. The bonds were also subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessment 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. The District was in compliance with the requirements at September 30, 2017.

**Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE D – LONG-TERM DEBT (CONTINUED)

Capital Improvement Refunding Revenue Bonds – Series 2015

In June 2015, the District issued \$2,955,000 of Capital Improvement Revenue Refunding Bonds consisting of 2015A-1 \$2,525,000 term bonds due May 1, 2035 with interest rates of 2.0% to 4.625% and 2015A-2 \$430,000 Term bonds due May 1, 2035 with an interest rate of 5.25%. The bonds were issued to refund the Districts outstanding series 2004A Capital improvement Revenue Bonds. Interest is to be paid semiannually on each May 1 and November 1. Principal is paid serially commencing May 1, 2016 through May 1, 2035.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessment 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. The District was in compliance with the requirements at September 30, 2017.

Changes in long-term liability activity for the fiscal year ended September 30, 2017 were as follows:

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental activities				
Original Issue Premium/Discount	\$ (53,019)	\$ -	\$ 2,933	\$ (50,086)
Series 2007	4,010,000	-	(160,000)	3,850,000
Series 2013	4,530,000	-	(200,000)	4,330,000
Series 2015A-1	2,435,000	-	(95,000)	2,340,000
Series 2015A-2	415,000	-	(15,000)	400,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 11,336,981</u>	<u>\$ -</u>	<u>\$ (467,067)</u>	<u>\$ 10,869,914</u>
	Bonds Payable	<u>\$10,920,000</u>		

**Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

NOTE D – LONG-TERM DEBT (CONTINUED)

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	\$ 475,000	\$ 470,356	\$ 945,356
2019	480,000	455,688	935,688
2020	495,000	440,113	935,113
2021	515,000	422,950	937,950
2022	530,000	403,960	933,960
2023-2027	3,010,000	1,675,819	4,685,819
2028-2032	3,785,000	938,224	4,723,224
2033-2035	1,630,000	121,506	1,751,506
Totals	<u>\$ 10,920,000</u>	<u>\$ 4,928,614</u>	<u>\$ 15,848,614</u>

Significant Bond Resolution Terms and Covenants

The Bond Indenture established certain amounts be maintained in a reserve account. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the 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. The District was in compliance with the requirements at September 30, 2017.

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:

CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2007 to 2015

Reserve Fund – The Reserve Accounts are funded from the proceeds of the various Series of Bonds in an amount equal to 50 percent of the maximum annual debt service requirement of the bonds and Insurance per bond indenture. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	<u>Capital Improvement Bonds</u>	
	Reserve	Reserve
	<u>Balance</u>	<u>Requirement</u>
Series 2013	\$ 179,348	\$ 179,175
Series 2015 A-1	94,180	94,180
Series 2015 A-2	18,591	18,269
Totals	<u>\$ 292,119</u>	<u>\$ 291,624</u>

Meadow Pointe III Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE D – LONG-TERM DEBT (CONTINUED)

The reserve requirement for the 2007 Series Capital Improvement Revenue Refunding Bonds is met with bond insurance.

NOTE E – MANAGEMENT AGREEMENTS

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

NOTE F – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the cost of these risks, coverage may not extend to all situations. The District has not filed any claims under this commercial coverage during the last three years.



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

To the Board of Supervisors
Meadow Pointe III Community Development District
Pasco 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 Meadow Pointe III 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 July 10, 2018.

Internal Control Over Financial Reporting

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

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

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



To the Board of Supervisors
Meadow Pointe III Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meadow Pointe III 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
Certified Public Accountants
Fort Pierce, Florida

July 10, 2018



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Meadow Pointe III Community Development District
Pasco County, Florida

Report on the Financial Statements

We have audited the financial statements of the Meadow Pointe III Community Development District as of and for the year ended September 30, 2017, and have issued our report thereon dated July 10, 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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated July 10, 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 taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding audit.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Meadow Pointe III 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 Meadow Pointe III Community Development District did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

To the Board of Supervisors
Meadow Pointe III Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Meadow Pointe III Community Development District. It is management's responsibility to monitor the Meadow Pointe III 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 as of September 30, 2017.

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, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Meadow Pointe III 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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

July 10, 2018



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

To the Board of Supervisors
Meadow Pointe III Community Development District
Pasco County, Florida

We have examined Meadow Pointe III Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2017. Management is responsible for Meadow Pointe III Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Meadow Pointe III 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 Meadow Pointe III 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 Meadow Pointe III Community Development District's compliance with the specified requirements.

In our opinion Meadow Pointe III 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

July 10, 2018