Financial Statements

September 30, 2023

Meadow Pointe II Community Development District

Meadow Pointe II Community Development District
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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Meadow Pointe II Community Development District

Report on the Financial Statements
Opinions
We have audited the financial statements of the governmental activities, and each major fund of the *Meadow Pointe II Community Development District* (the "District"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, the respective financial position of the governmental activities, and each major fund of the District as of September 30, 2023, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements
The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards,* we have also issued a report dated June 10, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDirmit Davis

Orlando, Florida
June 10, 2024

Our discussion and analysis of *Meadow Pointe II Community Development District's* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2023. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2023 by $20,276,596, an increase in net position of $102,428 in comparison with the prior year.
- At September 30, 2023, the District's governmental funds reported a fund balance of $8,886,455 an increase of $3,546 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the *Meadow Pointe II Community Development District's* financial statements. The District's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government, physical environment, culture and recreation, transportation, and public safety related functions.

Fund Financial Statements

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

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, which are considered to be major funds.

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

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

Government-Wide Financial Analysis
Statement of Net Position - The District's net position was $20,276,596 at September 30, 2023. The following analysis focuses on the net position of the District's governmental activities.

	2023	2022
Assets, excluding capital assets	$ 8,987,147	$ 9,082,684
Capital Assets, net of depreciation	18,541,336	18,777,357
Total assets	27,528,483	27,860,041
Liabilities, excluding long-term liabilities	213,141	316,177
Long-term Liabilities	7,038,746	7,369,696
Total liabilities	7,251,887	7,685,873
Net Position:		
Net investment in capital assets	14,004,486	13,885,858
Restricted for debt service	185,365	183,405
Unrestricted	6,086,745	6,104,905
Total net position	$ 20,276,596	$ 20,174,168

The following is a summary of the District's governmental activities for the fiscal years ended September 30:

	2023	2022
Revenues:		
Program revenues	$ 2,592,879	$ 2,557,831
General revenues	282,903	51,936
Total revenues	2,875,782	2,609,767
Expenses:		
General government	362,441	329,965
Physical environment	915,619	828,668
Culture and recreation	962,379	691,866
Transportation	253,708	229,389
Interest on long-term debt	279,207	288,367
Total expenses	2,773,354	2,368,255
Change in net position	102,428	241,512
Net position, beginning	20,174,168	19,932,656
Net position, ending	$ 20,276,596	$ 20,174,168

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2023 was $2,773,354. The majority of these costs are comprised of physical environment and culture and recreation expense.

Financial Analysis of the Government's Funds
The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near - term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2023, the District's governmental funds reported combined ending fund balances of $8,886,455. Of this total, $30,287 is non-spendable, $2,799,710 is restricted, $2,993,591 is assigned and the remainder of $3,062,867 is unassigned.

The general fund balance decrease of $18,160 in the current year was due to capital outlay. The debt service fund decreased by $1,993 due to transfers out to the capital projects fund. The capital projects fund increased by $23,699 due to increased interest income.

General Fund Budgetary Highlights
An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There was one amendment to the September 30, 2023 general fund budget. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets - At September 30, 2023, the District had $18,541,336 invested in assets, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt - At September 30, 2023, the District has $7,140,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact the *Meadow Pointe II Community Development District's* Finance Department at 210 North University Drive, Suite 702, Coral Springs, Florida, 33071.

FINANCIAL STATEMENTS

Meadow Pointe II Community Development District
Statement of Net Position
September 30, 2023

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 561,528
Investments	5,566,105
Prepaid costs	337
Accounts receivable	150
Due from other governments	9,062
Deposits	29,950
Restricted Assets:	
Temporarily restricted cash	22,475
Temporarily restricted investments	2,797,540
Capital Assets:	
Capital assets, not being depreciated	16,217,693
Capital assets, net of depreciation	2,323,643
Total assets	27,528,483
Liabilities:	
Accounts payable and accrued expenses	78,217
Member deposits	22,475
Accrued Interest Payable	112,449
Noncurrent Liabilities:	
Due within one year	340,000
Due in more than one year	6,698,746
Total liabilities	7,251,887
Net Position:	
Net investment in capital assets	14,004,486
Restricted for debt service	185,365
Unrestricted	6,086,745
Total net position	$ 20,276,596

Meadow Pointe II Community Development District
Statement of Activities
Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
General government	$ 362,441	$ 286,550	$ -	$ -	$ (75,891)
Physical environment	915,619	723,899	-	-	(191,720)
Culture and recreation	962,379	760,868	-	-	(201,511)
Transportation	253,708	200,584	-	-	(53,124)
Interest on long-term debt	279,207	620,978	-	-	341,771
Total governmental activities	$ 2,773,354	$ 2,592,879	$ -	$ -	(180,475)
	General Revenues:				
	Investment and miscellaneous				282,903
	Total general revenues				282,903
	Change in net position				102,428
	Net position, beginning				20,174,168
	Net position, ending				$ 20,276,596

Meadow Pointe II Community Development District
Balance Sheet - Governmental Funds
September 30, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets:				
Cash and cash equivalents	$ 561,528	$ -	$ -	$ 561,528
Restricted cash	22,475	-	-	22,475
Investments	5,566,105	295,644	2,501,896	8,363,645
Accounts receivable	150			150
Due from other funds	-	2,170	-	2,170
Due from other governments	9,062			9,062
Prepaid costs	337	-	-	337
Deposits	29,950	-	-	29,950
Total assets	$ 6,189,607	$ 297,814	$ 2,501,896	$ 8,989,317
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	$ 78,217	$ -	$ -	$ 78,217
Due to other funds	2,170	-	-	2,170
Member deposits	22,475	-	-	22,475
Total liabilities	102,862	-	-	102,862
Fund Balances:				
Nonspendable	30,287	-	-	30,287
Restricted for:				
Debt service	-	297,814	-	297,814
Capital projects	-	-	2,501,896	2,501,896
Assigned for:				
Operating reserves	507,460	-	-	507,460
Renewal and replacement	286,754	-	-	286,754
Roadways	1,731,914	-	-	1,731,914
Ponds	249,440	-	-	249,440
Sidewalks	218,023	-	-	218,023
Unassigned	3,062,867	-	-	3,062,867
Total fund balances	6,086,745	297,814	2,501,896	8,886,455
Total liabilities and fund balances	$ 6,189,607	$ 297,814	$ 2,501,896	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		18,541,336
Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.		
Accrued interest payable	(112,449)	
Bonds and note payable	(7,038,746)	(7,151,195)
Net Position of Governmental Activities		$ 20,276,596

Meadow Pointe II Community Development District
Statement of Revenues, Expenditures and Changes in the Fund Balances
Governmental Funds
Year Ended September 30, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Special assessments	$ 1,971,901	$ 620,978	$ -	$ 2,592,879
Special assessments - prepayments	-	-	-	-
Investment and miscellaneous income	253,816	2,982	26,105	282,903
Total revenues	2,225,717	623,960	26,105	2,875,782
Expenditures:				
Current:				
General government	352,192	10,249	-	362,441
Physical environment	675,598	-	-	675,598
Culture and recreation	962,379	-	-	962,379
Transportation	253,708	-	-	253,708
Debt Service:				
Principal	-	335,000	-	335,000
Interest		279,110	-	279,110
Capital outlay	-	-	4,000	4,000
Total expenditures	2,243,877	624,359	4,000	2,872,236
Excess (Deficit) of Revenues Over Expenditures	(18,160)	(399)	22,105	3,546
Other Financing Sources (Uses):				
Transfers in	-	-	1,594	1,594
Transfers out	-	(1,594)	-	(1,594)
Total other financing sources (uses)	-	(1,594)	1,594	-
Net change in fund balances	(18,160)	(1,993)	23,699	3,546
Fund balances, beginning of year	6,104,905	299,807	2,478,197	8,882,909
Fund balances, end of year	$ 6,086,745	$ 297,814	$ 2,501,896	$ 8,886,455

Meadow Pointe II Community Development District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2023

Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds		$ 3,546
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation on capital assets is not recognized in the governmental fund statement; however, it is reported as an expense in the statement of activities.		
Capital outlay	186,712	
Depreciation expense	(422,733)	(236,021)
Repayments of bond principal are expenditures in governmental funds while repayments reduce liabilities in the statement of net position. Also, governmental funds report the effect premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Bond Principal		335,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest		3,953
Amortization of bond discount		(4,050)
Change in Net Position of Governmental Activities		$ 102,428

Meadow Pointe II Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	$ 2,190,728	$ 2,190,728	$ 1,971,901	$ (218,827)
Investment and miscellaneous income	42,825	42,825	253,816	210,991
Total revenues	2,233,553	2,233,553	2,225,717	(7,836)
Expenditures:				
Current:				
General government	347,961	347,961	352,192	(4,231)
Physical environment	883,210	883,210	675,598	207,612
Culture and recreation	610,064	1,010,064	962,379	47,685
Roads and streets	210,000	210,000	253,708	(43,708)
Public safety	46,555	46,555	-	46,555
Total expenditures	2,097,790	2,497,790	2,243,877	253,913
Excess (deficit) of revenues over expenditures	135,763	(264,237)	(18,160)	246,077
Net change in fund balance	$ 135,763	$ (264,237)	(18,160)	$ 246,077
Fund balance, beginning			6,104,905	
Fund balance, ending			$ 6,086,745	

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity
The *Meadow Pointe II Community Development District*, (the "District") was established on October 7, 1994 by Pasco County Ordinance 94-13 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

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

The Board has the final responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements 14, 39, and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

Government-Wide and Fund Financial Statements
The financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, contributions and investment income that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation
The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance special assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following governmental funds, which are considered to be major funds:

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 - accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund - accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance
Restricted Assets - These assets represent cash and investments set aside pursuant to bond covenants.

Deposits and Investments - The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

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

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Assets	Years
Buildings	10 - 20
Infrastructure	10 - 30
Equipment	3 - 20
Vehicles	10 - 15

Long Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of premiums or discounts.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2023.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2023.

Net Position Flow Assumption - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies - Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above and additional action is essential to either remove or revise a commitment.

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

New Accounting Standards
In fiscal year 2023, the District has not implemented any new accounting standards with a material effect on the District's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information
The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

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

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3 DEPOSITS AND INVESTMENTS

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

Cash balances of $22,475 are held as deposits for fitness facility member access cards. This cash is considered restricted as it is refundable to the members.

Investments
The District categorizes its fair value measurements within the fair value hierarchy 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.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices 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 uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Instead of establishing a written investment policy, the District elected to limit investments to those approved by Florida Statutes and the District Trust Indenture. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury;

Investments made by the District at September 30, 2023 are summarized below.

Investment Type		Fair Value	Credit Rating	Weighted Average Maturity
US Bank Commercial Paper	$	2,797,540	A1	N/A
Money Market Funds		5,566,105	N/A	N/A
	$	8,363,645		

Credit Risk:
The District limits credit risk by restricting authorized investments to those described which are either backed by the full faith and credit of the United States Government or maintain the highest credit quality ratings of Moody's or S&P.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk:
In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2023, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2023, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:
There is no limit on the amount the District may invest in any one issuer.

Interest Rate Risk:
The District does not specifically address interest rate risk; however, their practice is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District invests to provide sufficient liquidity to pay obligations as they come due.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and land improvements	$ 11,197,145	$ -	$ -	$ 11,197,145
Construction in progress	4,972,453	48,095	-	5,020,548
Total capital assets not being depreciated	16,169,598	48,095	-	16,217,693
Capital Assets Being Depreciated:				
Building and improvements	6,753,059	65,614	-	6,818,673
Infrastructure	9,765,994	17,257	-	9,783,251
Machinery and equipment	351,342	55,746	-	407,088
Vehicles	93,007	-	-	93,007
Total capital assets being depreciated	16,963,402	138,617	-	17,102,019
Less Accumulated Depreciation for:				
Building and improvements	(6,301,143)	(90,589)	-	(6,391,732)
Infrastructure	(7,717,234)	(306,652)	-	(8,023,886)
Machinery and equipment	(293,182)	(17,401)	-	(310,583)
Vehicles	(44,084)	(8,091)	-	(52,175)
Total accumulated depreciation	(14,355,643)	(422,733)	-	(14,778,376)
Total capital assets being depreciated, net	2,607,759	(284,116)	-	2,323,643
Governmental activities capital assets, net	$ 18,777,357	$ (236,021)	$ -	$ 18,541,336

Depreciation was charged to physical environment expense.

NOTE 5 ASSIGNED FUNDS

The District has assigned $2,993,591 of the general fund balance for use as follows; $1,731,914 for future repair and replacement of roadways, $249,440 for pond repair, $218,023 for sidewalk repair, $286,754 for renewal and replacement and $507,460 has been budgeted as a general operating reserve, representing approximately three months of operations expense.

NOTE 6 LONG-TERM LIABILITIES

Series 2018 Special Assessment Revenue Bonds - Public Offering
On October 1, 2018, the District issued $8,425,000 of Special Assessment Revenue Bonds Series 2018 consisting of $3,465,000 Serial Series 2018 due from May 1, 2020 to May 1, 2029 with interest rates ranging from 2.375% to 3.500%; $1,750,000 Term Bonds Series 2018 due on May 1, 2033 with a fixed interest rate of 3.875% and $3,210,000 Term Bonds Series 2018 due on May 1, 2039 a fixed interest rate of 4.125%. Interest is due semiannually on each May 1 and November 1. Principal on the Series 2018 Bonds is due annually commencing May 1, 2020 through May 1, 2039.

The Series 2018 Bonds are subject to redemption at the option of the District prior to their maturity and extraordinary mandatory redemption prior to their maturity in the manner determined by the Bond Indenture.

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 Indenture. The requirement was met at September 30, 2023.

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 agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The principal and interest on the Series 2018 Special Assessment Revenue Bonds issued under the Indenture are secured by all revenues received by the District from Series 2018 assessments levied and collected on the District lands benefited by the 2018 Project.

As of September 30, 2023, total principal and interest remaining on the Series 2018 Bonds totaled $9,773,565. For the year ended September 30, 2023, $614,110 principal and interest was paid. Special assessment revenue pledged was $620,978.

Long-term debt activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable:					
Revenue Bond Series 2018	$ 7,475,000	$ -	$ (335,000)	$ 7,140,000	$ 340,000
Original Issue Discount	(105,304)	-	4,050	(101,254)	-
Governmental activity long-term liabilities	$ 7,369,696	$ -	$ (330,950)	$ 7,038,746	$ 340,000

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

At September 30, 2023, the scheduled debt service requirements on the bonds payable were as follows:

	Governmental Activities	
Year Ending September 30,	**Principal**	**Interest**
2024	$ 340,000	$ 269,878
2025	350,000	260,103
2026	360,000	249,603
2027	370,000	238,353
2028	385,000	226,328
2029 - 2033	2,140,000	912,656
2034 - 2038	2,610,000	452,513
2039	585,000	24,131
	$ 7,140,000	$ 2,633,565

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage during the last three years.

COMPLIANCE SECTION

McDirmit Davis

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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 II Community Development District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the *Meadow Pointe II Community Development District* (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 10, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

McDirmit Davis

Orlando, Florida
June 10, 2024

McDirmit Davis

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MANAGEMENT LETTER

Board of Supervisors
Meadow Pointe II Community Development District

Report on the Financial Statements
We have audited the financial statements of the *Meadow Pointe II Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 10, 2024.

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

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, rules of the Auditor General. Disclosures in those reports, which are dated June 10, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i.)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding annual financial audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

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 the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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.

Specific Information
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

a. The total number of District employees compensated in the last pay period of the District's fiscal year as not applicable.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 12.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency n/a.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $365,631.

e. Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final budget under Section 189.016(6), Florida Statutes, see budget statement.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

a. The rate or rates of non-ad valorem special assessments imposed by the district as:

Operations and maintenance	$ 946.47
Trash	119.53
Village reserves	31.89 - 342.22
Deed	51.87
Debt Service	51.77 - 565.54

b. The total amount of special assessments collected by or on behalf of the District as $2,592,879.
c. The total amount of outstanding bonds issued by the District and the terms of such bonds as see notes to financial statements.

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 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.

McDirmit Davis

Orlando, Florida
June 10, 2024

McDirmit Davis

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

Board of Supervisors
Meadow Pointe II Community Development District

We have examined Meadow Pointe II Community Development District's (the District) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the 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 the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

McDirmit Davis

Orlando, Florida
June 10, 2024