



Postras East Community Development District

Financial Statements

September 30, 2020



	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Management's Discussion And Analysis (required supplemental information)	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	10
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to Financial Statements	13
Required Supplemental Information (other than MD&A)	
Budget to Actual Comparison Schedule - General Fund	21
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	22
Management Letter	24
Independent Accountants' Report on Compliance with Section 218.415 Florida Statutes	26



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Poitras East Community Development District
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Poitras East Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, 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 and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 30, 2021

Management's Discussion and Analysis

Postras East Community Development District Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Postras East Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the District's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- At September 30, 2020, the liabilities of the District exceed its assets by approximately \$312,000 (deficit net position).
- During the fiscal year ended September 30, 2020, the District made draws on a revolving line of credit totaling approximately \$340,000.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 7 – 8 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

Poitras East Community Development District Management’s Discussion and Analysis

Reporting the District’s Most Significant Funds

Our analysis of the District’s major funds begins on page 5. The fund financial statements begin on page 9 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District’s funds are governmental fund-types.

- *Governmental funds* – All of the District’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	2020	2019	Change
Assets			
Current and other assets	\$ 51,553	\$ 25,889	\$ 25,664
Total assets	\$ 51,553	\$ 25,889	\$ 25,664
Liabilities			
Current liabilities	\$ 24,129	\$ 6,464	\$ 17,665
Other liabilities	339,695	-	339,695
Total liabilities	363,824	6,464	357,360
Net position			
Net investment in capital assets	(306,519)	-	(306,519)
Unrestricted	(5,752)	19,425	(25,177)
Total net position	(312,271)	19,425	(331,696)
Total liabilities and net position	\$ 51,553	\$ 25,889	\$ 25,664

For more detailed information, see the accompanying Statement of Net Position.

During the fiscal year ended September 30, 2020, total assets and liabilities increased by approximately \$26,000 and \$357,000, respectively. The increase in both assets and liabilities is primarily due to the District obtaining funds from draws on a revolving line of credit. The line will be used to fund future infrastructure construction.

Poitras East Community Development District Management's Discussion and Analysis

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>For the year ended September 30,</i>	2020	2019	Change
Revenue:			
Program revenue:			
Charges for services	\$ 128,713	\$ 100,000	\$ 28,713
Interest and other revenue	-	371	(371)
Total revenue	128,713	100,371	28,342
Expenses:			
General government	102,453	83,039	19,414
Cost of issuance	357,956	-	357,956
Total expenses	460,409	83,039	377,370
Change in net position	(331,696)	17,332	(349,028)
Net position, beginning of year	19,425	2,093	17,332
Net position, ending of year	\$ (312,271)	\$ 19,425	\$ (331,696)

For more detailed information, see the accompanying Statement of Activities.

Revenues and expenses increased by approximately \$28,000 and \$377,000, respectively, over the prior year. The increase in revenues is primarily due to increased activity and the timing in developer contributions and vendor invoices while the increase in expenses is primarily due to costs associated with the issuance of the District's revolving line of credit. The overall result was a \$331,696 decrease in net position for fiscal year 2020.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of approximately \$26,000, which is an increase over last year's balance that totaled approximately \$19,000. Significant transactions are discussed below.

- During the fiscal year ended September 30, 2020, the District made draws on a revolving line of credit totaling approximately \$340,000. These draws were to pay costs associated with the issuance of the line of credit, which will be used to fund future infrastructure construction.

Postras East Community Development District Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Debt

At September 30, 2020, the District had approximately \$340,000 outstanding on a revolving line of credit. This amount represents an increase of approximately \$340,000 from the fiscal year 2019 total.

A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2020	2019	Change
Series 2020 Note Payable	\$ 339,695	\$ -	\$ 339,695

More information about the District's long-term debt is presented in Note 3 to the financial statements.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 21.

The District experienced an unfavorable variance in revenues and a favorable variance expenditures as compared to the budget in the amount of \$55,041 and \$80,097, respectively. The developer is funding the operations of the District thus these variances are due to the District budgeting conservatively for expenses and, as a result, budgeting for a substantial increase in developer contributions during the current fiscal year.

FUTURE FINANCIAL FACTORS

Postras East Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. For fiscal year 2021, the Developer has agreed to fund the operations of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Postras East Community Development District's management company at 12051 Corporate Blvd, Orlando, Florida 32817.

Basic Financial Statements

**Postras East Community Development District
Statement of Net Position**

<i>September 30,</i>	2020
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 33,705
Due from developer	17,848
Total assets	51,553
Liabilities	
Accounts payable	24,129
Non-current liabilities:	
Due in more than one year	339,695
Total liabilities	363,824
Net position	
Net investment in capital assets	(306,519)
Unrestricted	(5,752)
Total net position	\$ (312,271)

The accompanying notes are an integral part of these financial statements.

**Poitras East Community Development District
Statement of Activities**

For the year ended September 30,

2020

Functions/Programs	Expenses	<u>Program Revenue</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u> <u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ (102,453)	\$ 128,713	\$ 26,260	
Cost of issuance	(357,956)	-	(357,956)	
Total governmental activities	\$ (460,409)	\$ 128,713	(331,696)	
			Change in net position	(331,696)
			Net position - beginning of year	19,425
			Net position (deficit) - end of year	\$ (312,271)

The accompanying notes are an integral part of these financial statements.

**Postras East Community Development District
Balance Sheet – Governmental Funds**

September 30,

2020

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 529	\$ 33,176	\$ -	\$ 33,705
Due from developer	17,848	-	-	17,848
Total assets	\$ 18,377	\$ 33,176	\$ -	\$ 51,553
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 12,542	\$ -	\$ 11,587	\$ 24,129
Total liabilities	12,542	-	11,587	24,129
Deferred inflows of resources				
Deferred revenue	1,204	-	-	1,204
Total deferred inflows of resources	1,204	-	-	1,204
Fund balances				
Restricted for debt service	-	33,176	-	33,176
Unassigned	4,631	-	(11,587)	(6,956)
Total fund balances (deficit)	4,631	33,176	(11,587)	26,220
Total liabilities and fund balances	\$ 18,377	\$ 33,176	\$ -	\$ 51,553

The accompanying notes are an integral part of these financial statements.

**Postras East Community Development District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of
Net Position**

<i>September 30,</i>	2020
Total fund balances (deficit), governmental funds	\$ 26,220
Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred inflows at the fund level.	1,204
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(339,695)
Total net position - governmental activities	\$ (312,271)

The accompanying notes are an integral part of these financial statements.

**Poitras East Community Development District
Statement of Revenue, Expenditures and Changes in Fund Balances –
Governmental Funds**

For the year ended September 30,

2020

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenue				
Developer contributions	\$ 127,509	\$ -	\$ -	\$ 127,509
Total revenue	127,509	-	-	127,509
Expenditures				
Current:				
General government	102,453	-	-	102,453
Cost of issuance	-	-	357,956	357,956
Total expenditures	102,453	-	357,956	460,409
Excess (deficit) of revenue over expenditures	25,056		(357,956)	(332,900)
Other Financing Sources (Uses)				
Bond proceeds	-	33,176	306,519	339,695
Transfers in	-	-	40,475	40,475
Transfers out	(40,475)	-	-	(40,475)
Total other financing sources (uses)	(40,475)	33,176	346,994	339,695
Net change in fund balances	(15,419)	33,176	(10,962)	6,795
Fund balances (deficit), beginning of year	20,050	-	(625)	19,425
Fund balances (deficit), end of year	\$ 4,631	\$ 33,176	\$ (11,587)	\$ 26,220

The accompanying notes are an integral part of these financial statements.

**Postras East Community Development District
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**

<i>For the year ended September 30,</i>	2020
Net change in fund balances - governmental funds	\$ 6,795
Draws on bond anticipation note are recorded as other financing sources on the fund level financial statements but are treated as a liability on the Statement of Activities.	(339,695)
Certain revenues that did not represent current financial resources in the current year were deferred in the fund level financial statements but were recognized as revenue in the government-wide financial statements.	1,204
Change in net position of governmental activities	\$ (331,696)

The accompanying notes are an integral part of these financial statements.

Poitras East Community Development District Notes to Financial Statements

NOTE 1: NATURE OF ORGANIZATION

The Poitras East Community Development District (the “District”) was established on July 9, 2018 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by the City of Orlando, Florida Ordinance No. 2018-38. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District. Through September 30, 2019, the District’s activity was limited and largely administrative in nature.

The District is governed by a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. A majority of the Supervisors are currently affiliated with the Developer of the community, TDCP, LLC. The District is economically dependent on the Developer. The Board of Supervisors of the District exercises 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.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the foregoing criteria, no potential component units were found.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

Poitras East Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2020, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of 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 the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. However, debt service expenditures are recorded only when payment is due.

Developer contributions 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. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Poitras East Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund – The Capital Projects fund is used to account for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

For the year ended September 30, 2020, the District does not report any proprietary funds. 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 District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others direct obligations of the U.S. Treasury; the Local Government Surplus Trust Funds as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Receivables and payables

Due from developer – A due from developer amount is recorded in the general fund for amounts billed but not received as of the end of the fiscal year. The receivable is a result of the Developer agreeing to fund the general operations of the District. See Note 6 for further details.

Poitras East Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for doubtful accounts – no amounts are considered uncollectible at September 30, 2020, and accordingly, the District has not recorded an allowance for doubtful accounts.

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District 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 and estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

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

Property, plant and equipment of the primary government will be depreciated using the straight-line method over the following estimated useful lives when the assets are completed and placed in service.

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

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 or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

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

Poitras East Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet – governmental funds will sometimes include 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 of this type of item at September 30, 2020.

In addition to liabilities, the statement of net position and balance sheet – governmental funds 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 has one item which qualifies for reporting in this category. Deferred revenues represent contributions receivable from the developer but not received timely enough to be considered available to pay current liabilities.

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

**Poitras East Community Development District
Notes to Financial Statements**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June XX, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

NOTE 3: NOTES PAYABLE

In July 2020, the District obtained a Bond Anticipation Draw Note in an amount not to exceed \$25 million with a fixed interest rate of 4.25%. The note was issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is due semiannually on each May 1 and November 1 and also includes a .25% unused fee for that portion of the available funds not utilized at the end of the period. Principal on the Series 2020 Note is due on maturity, which is approximately 4 years from the date of closing.

Long-term liability activity for the year ended September 30, 2020 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<i>Governmental Activities</i>				
Series 2020 Note Payable	\$ -	\$ 339,695	\$ -	\$ 339,695

Poitras East Community Development District Notes to Financial Statements

NOTE 3: NOTES PAYABLE (Continued)

The Note Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedure 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 District is in compliance with the requirements of the Note Indenture.

The Note Indenture requires that the District maintain adequate funds in the reserve account to meet the debt service reserve requirement as defined in the Indenture. The District was in compliance with the requirements at September 30, 2020.

NOTE 4: 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 maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. The District has not settled any claims in the time since its inception.

NOTE 5: MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 6: DEVELOPER TRANSACTIONS

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, TDCP, LLC. The loss of significant involvement could have a material adverse effect on the District's operations.

The Developer has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions to the General Fund for the year ended September 30, 2020 totaled approximately \$128,000, of which approximately \$18,000 was included in Due from Developer and \$1,204 was included in Deferred revenue on the accompanying Statement of Net Position and Balance Sheet – Governmental Funds.

Poitras East Community Development District Notes to Financial Statements

NOTE 7: INTERLOCAL AGREEMENT

Subsequent to fiscal year-end, the District entered into an interlocal cost sharing agreement associated with the operation and maintenance of a local alternative mobility network (LAMN). The agreement is made with other districts located in the Lake Nona area of Orlando, FL, including the Boggy Creek Improvement District, Greenway Improvement District, and Myrtle Creek Improvement District. The Districts benefitted by the LAMN will receive a \$20 million Federal grant to support and fund related development costs. The LAMN is comprised of five primary components including a mobility network hub, autonomous vehicle infrastructure, a bicycle transportation network, the Greenlink and the Greenlink bridge. The GreenLink is a linear park connecting a mixed use environment with Lake Nona Town Center, where the Greenlink bridge provides pedestrian access to Lake Nona Town Center and Hub.

The Greenlink and Greenlink bridge within the LAMN represent a combined transportation and regional amenity to all Districts and therefore ongoing operations and maintenance costs will be allocated among the Districts using a specific assessment methodology. Under this methodology, the District will be responsible for 12.7% of the operations and maintenance costs associated with the LAMN. At buildout, the total annual cost to the District is estimated at approximately \$176,000.

NOTE 8: SUBSEQUENT EVENTS

Subsequent to fiscal year-end, the District began its infrastructure construction plan in earnest. As a result, the District entered into various contracts for the construction of infrastructure assets, including master infrastructure of Phases 1C and 1D, Centerline Drive Segment F, and the off-site force main extension. These contracts total approximately \$12.1 million. In addition, the District entered into contracts for engineering services related to infrastructure construction and traffic signalization in the amounts of \$398,000 and \$444,000. The projects are anticipated to be completed during fiscal year 2021 and will be funded in part by draws on the Bond Anticipation Draw Note (see Note 3).

In November 2020, the Developer conveyed certain infrastructure assets, including Luminary Boulevard and the N-5 Lift Station to the District at a cost of approximately \$294,000. In addition, in May 2021, the Developer conveyed Phase 1A utility improvements to the District at a total cost of approximately \$1.5 million.

**Required Supplemental Information
(Other Than MD&A)**

**Postras East Community Development District
Budget to Actual Comparison Schedule – General Fund**

For the year ended September 30,

	2020		
	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenue			
Developer contributions	\$ 182,550	\$ 127,509	\$ (55,041)
Total revenue	182,550	127,509	(55,041)
Expenditures			
General government	182,550	102,453	80,097
Total expenditures	182,550	102,453	80,097
Excess of revenue over expenditures	\$ -	\$ 25,056	\$ 25,056

**INDEPENDENT AUDITORS' 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
Poitras East Community Development District
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Poitras East Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2020, 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 30, 2021.

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 determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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 financial statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 30, 2021



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

MANAGEMENT LETTER

To the Board of Supervisors
Poitras East Community Development District
Orlando, Florida

Report on the Financial Statements

We have audited the financial statements of the Poitras East Community Development District (“District”) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 30, 2021.

Auditors’ 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 Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' 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 30, 2021, 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 annual financial audit report. This is the District’s first annual 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. The information required is 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 communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification 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. 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.

Other Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 30, 2021



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRIcpa.com

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors
Poitras East Community Development District
Orlando, Florida

We have examined Poitras East Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and performed the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 30, 2021