

**PORT LABELLE COMMUNITY
DEVELOPMENT DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR
YEAR ENDED
September 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Port LaBelle Community Development District
P.O. Box 1605
LaBelle, Florida 33975-1605

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Port LaBelle Community Development District (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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Florida Retirement System Pension Plan (FRS) or the Health Insurance Subsidy Program (HIS) as of and for the year ended June 30, 2020. The District is required to record its proportionate share of the FRS and HIS liability in the District's government-wide financial statements as of September 30, 2020 and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Port LaBelle Community Development District's Government-wide financial statements, is based on the report of the other auditors. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

INTEGRITY SERVICE EXPERIENCE

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Capital Projects Fund	Unmodified

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, 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 Port LaBelle Community Development 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 on pages I-VII, Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and Related Notes to the Schedule, 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 which 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 - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and Related

Notes to the Schedule, as listed in the table of contents, 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 required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and Related Notes to the Schedule, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Port LaBelle Community Development District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit - Management's Response to Independent Auditor's Report to Management is not a required part of the basic financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated January 20, 2021, on our consideration of Port LaBelle Community Development District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Port LaBelle Community Development District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Port LaBelle Community Development District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive, flowing script.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 20, 2021

**MANAGEMENT'S DISCUSSION
AND ANALYSIS
(MD&A)**

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT

Management's Discussion and Analysis

For the year ending September 30, 2020

Management's Discussion and Analysis

This discussion and analysis of the Port LaBelle Community Development District (the "District") financial statements is intended to give an overview of the District's financial activities for the fiscal year ended September 30, 2020. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. It is our intent to assist the reader in identifying and understanding significant changes in the District's financial position.

Financial Highlights

- At the close of fiscal year 2020, the District's assets exceeded its liabilities resulting in net position of \$8,140,169.
- At the close of fiscal year 2019, the District's assets exceeded its liabilities resulting in net position of \$8,947,925.
- The District had \$478,271 of unrestricted net assets that can be used to meet the District's ongoing obligations at September 30, 2020.
- The District had \$252,882 of unrestricted net assets that can be used to meet the District's ongoing obligations at September 30, 2019.
- For the year ended September 30, 2020, the District's net position balance decreased by (\$807,756) substantially due to the requirements to depreciate the District's infrastructure assets (\$1,077,698) and GASB Statement # 68. Operationally, the District's Governmental Funds had revenues in excess of expenditures of \$210,043.
- For the year ended September 30, 2019, the District's net position balance decreased by \$786,668 substantially due to the requirements to depreciate the District's infrastructure assets (\$1,074,936) and GASB Statement # 68. Operationally, the District's Governmental Funds had revenues in excess of expenditures of \$272,167.
- Total revenues increased \$137,506 or 16 percent for the year ended September 30, 2020 in comparison to the prior year. The increase was substantially due to an increase in Ad Valorem taxes.
- Total revenues increased \$76,267 or 10 percent for the year ended September 30, 2019 in comparison to the prior year. The increase was substantially due to an increase in intergovernmental revenue.

- Total expenses increased \$158,594 or 10 percent for the year ended September 30, 2020 in comparison to the prior year. This increase was substantially due to an increase in expenses for road repairs.
- Total expenses decreased \$235,893 or 13 percent for the year ended September 30, 2019 in comparison to the prior year. This increase was substantially due to a decrease in expenses for road repairs and Irma repairs.
- For the year ended September 30, 2020 the District did record its proportionate share of the Florida Retirement System's (FRS) actuarially accrued net pension liability of \$147,757 as required by GASB Statement #68. The District's net pension liability at September 30, 2019 and 2018 was \$128,473 and \$115,036 respectively.
- Effective September 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75 "*Accounting and Financial Reporting of Post Employment Benefits Other Than Pensions (OPEB)*" (Statement no. 75). This accounting standard requires the District to annually report its actuarially determined total OPEB liability in the government-wide financial statements of the District as of September 30, 2020. The OPEB liability was \$38,156. The District was required to restate its fiscal year 2018 beginning net asset balance as a result of the implementation of GASB No. 75.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 5 and 6) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Position (Page 5) presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. The District's capital assets (property, buildings and equipment) are included in this Statement and are reported net of their accumulated depreciation.

The Statement of Activities (Page 6) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both Statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements

The accounts of the District are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The *notes* to the financial statements explain in detail certain data contained in the preceding statements and begin on page 11. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year.

The following is a condensed summary of net position for the primary government for fiscal year 2020, 2019 and 2018:

	2020 Amounts	2019 Amounts	2018 Amounts
Assets:			
Current and other assets	\$ 2,766,558	\$ 2,536,614	\$ 2,272,676
Capital assets, net	5,541,573	6,541,206	7,588,785
Total Assets	8,308,131	9,077,820	9,861,461
Deferred Outflows	69,460	39,423	42,820
Liabilities:			
Current liabilities	36,438	16,537	24,766
Long term liabilities	193,346	142,732	130,373
Total Liabilities	229,784	159,269	155,139
Deferred Inflows	7,638	10,049	14,549
Net Position:			
Net investment in capital assets	5,541,573	6,541,206	7,588,785
Restricted	2,120,325	2,153,837	2,013,824
Unrestricted	478,271	252,882	131,984
Total Net Position	\$ 8,140,169	\$ 8,947,925	\$ 9,734,593

At September 30, 2019, current and other assets represent 28 percent of total assets. Current assets are comprised of unrestricted cash balances of \$263,111 restricted cash and investments of \$2,253,837 and other assets of \$19,666. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion. Restricted cash balances are substantially for the construction of future District facilities and improvements.

At September 30, 2019, the capital assets are comprised of land, buildings, improvements, equipment, furniture, and vehicles of \$39,246,887, net of accumulated depreciation of \$32,705,681. The unrestricted net position balance of \$252,882 represents resources available for spending. The District has assigned \$100,000 for emergencies.

In regard to the funding of the General Fund operations for the year ended September 30, 2019, the District levies a millage rate based on taxable values of land in the District. The millage rate of 5.4259 mills represented a decrease of 6 percent from the prior year millage rate of 5.7494.

At September 30, 2020, current and other assets represent 33 percent of total assets. Current assets are comprised of unrestricted cash balances of \$491,814 restricted cash and investments of \$2,220,325 and other assets of \$54,419. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion. Restricted cash balances are substantially for the construction of future District facilities and improvements.

At September 30, 2020, the capital assets are comprised of land, buildings, improvements, equipment, furniture, and vehicles of \$39,318,886 net of accumulated depreciation of \$33,777,313. The unrestricted net position balance of \$478,241 represents resources available for spending. The District has assigned \$100,000 for emergencies.

In regard to the funding of the General Fund operations for the year ended September 30, 2020, the District levies a millage rate based on taxable values of land in the District. The millage rate of 5.7939 mills represented an increase of 7 percent from the prior year millage rate of 5.4259.

Summary and Comparison of Revenues, Expenses and
Changes in Net Position for the years ended
September 30

	2020 Amounts	2019 Amounts	2018 Amounts
Revenues:			
Ad valorem taxes	\$ 721,613	\$ 541,842	\$ 507,518
Intergovernmental	130,221	152,156	125,312
Interest	41,710	46,057	29,845
Rent	14,916	14,520	-
Gain from disposition of capital assets	25,500	230	-
Miscellaneous (including charge for service)	47,900	89,549	105,412
Total Revenues	<u>981,860</u>	<u>844,354</u>	<u>768,087</u>
Expenses:			
Administration			
General government	267,328	263,731	315,882
Law enforcement	-	-	-
Total Administration	<u>267,328</u>	<u>263,731</u>	<u>315,882</u>
Field Operations			
Mosquito control	3,638	-	288
Road maintenance	1,518,650	1,367,291	1,550,725
Capital projects	-	-	-
Total Field Operations	<u>1,522,288</u>	<u>1,367,291</u>	<u>1,551,013</u>
Total Expenses	<u>1,789,616</u>	<u>1,631,022</u>	<u>1,866,895</u>
Decrease in net position	(807,756)	(786,668)	(1,098,808)
Net position - Beginning, as originally stated	8,947,925	9,734,593	10,835,023
Prior period entry - GASB #75	-	-	(1,622)
Net position - Beginning, as restated	<u>8,947,925</u>	<u>9,734,593</u>	<u>10,833,401</u>
Net Position - Ending	<u>\$ 8,140,169</u>	<u>\$ 8,947,925</u>	<u>\$ 9,734,593</u>

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, office equipment, machinery & equipment and vehicles.

The following is a schedule of the District's capital assets:

	September 30		
	2020	2019	2018
Capital Assets Not Being Depreciated:			
Land	\$ 3,932,721	\$ 3,932,721	\$ 3,932,721
Construction in progress	-	-	-
Total Capital Assets not being depreciated	<u>3,932,721</u>	<u>3,932,721</u>	<u>3,932,721</u>
Capital Assets Being Depreciated:			
Buildings	376,465	376,465	374,015
Improvements (roads)	34,533,120	34,533,120	34,533,120
Vehicles & equipment	<u>476,580</u>	<u>404,581</u>	<u>392,325</u>
Total Capital Assets being depreciated	<u>35,386,165</u>	<u>35,314,166</u>	<u>35,299,460</u>
Less: Accumulated Depreciation			
Buildings	(240,576)	(228,957)	(217,630)
Improvements (roads)	(33,208,046)	(32,161,588)	(31,115,130)
Vehicles & equipment	<u>(328,691)</u>	<u>(315,136)</u>	<u>(310,636)</u>
Total Accumulated Depreciation	<u>(33,777,313)</u>	<u>(32,705,681)</u>	<u>(31,643,396)</u>
Capital Assets, Net	<u>\$ 5,541,573</u>	<u>\$ 6,541,206</u>	<u>\$ 7,588,785</u>

During the year ended September 30, 2020, the District purchased a Kubota tractor, a mower, and a rotary cutter.

During the year ended September 30, 2019, the District purchased a jeep, mower and air conditioning unit.

During the year ended September 30, 2018 the District purchased no capital assets.

Debt Administration

The District had no outstanding debt at September 30, 2020 or 2019 or 2018 other than routine trade payables and accrued expenses including accrued compensated absences, an OPEB liability and pension liability totaling \$229,784, \$155,139, and \$150,693, respectively.

Budgetary Highlights

Operationally, the overall financial position of the District held substantially constant. The fund balance in the General Fund, however, increased this year by \$243,525 or 66 percent due to increased Ad Valorem revenue.

For the year ended September 30, 2020, General Fund operations were fairly consistent with the approved budget.

For the year ended September 30, 2020, the tax millage was increased and a large amount of prior-year taxes was collected.

There was one budget amendment to the General Fund budget during the year ended September 30, 2020 to adjust budgeted reserves to the actual September 30, 2019 audited balance.

Capital Projects

The District has \$2,120,325 on hand as restricted net assets for future capital projects and improvements, which is a decrease of \$33,482 or 2 percent over last year. During the year ended September 30, 2020, the District transferred \$68,030 from the Capital Projects Fund to the General Fund for improvements to roadways within the District. The District has implemented a plan to systematically improve the roadways within the District over the next several years. Fiscal year 2016 was the initial year of the plan.

As such, the General Fund intends to transfer funds to the Capital Projects Fund annually for future road improvements.

Request for Information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to:

Judi Kennington-Korf, General Manager
863-675-5770
judikk@plcdd.net

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
September 30, 2020

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	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 491,814
Cash and cash equivalents - restricted	607,459
Investments - restricted	1,612,866
Accounts receivable	268
Due from other governments	53,451
Other assets	<u>700</u>
Total current assets	<u>2,766,558</u>
Noncurrent assets:	
Capital assets:	
Land	3,932,721
Depreciable buildings, improvements, equipment and vehicles (net of \$33,777,313 accumulated depreciation)	<u>1,608,852</u>
Total noncurrent assets	<u>5,541,573</u>
TOTAL ASSETS	<u>8,308,131</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>69,460</u>
LIABILITIES	
Current liabilities:	
Accounts payable	16,770
Due to other governments	18,468
Other deposits	<u>1,200</u>
Total current liabilities	36,438
Compensated absences	7,433
Net OPEB liability	38,156
Net pension liability	147,757
Commitments and contingencies	<u>-</u>
TOTAL LIABILITIES	<u>229,784</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,638</u>
NET POSITION	
Net investment in capital assets	5,541,573
Restricted for:	
Capital projects	2,120,325
Unrestricted	<u>478,271</u>
TOTAL NET POSITION	<u><u>\$ 8,140,169</u></u>

The accompanying notes are an integral part of this statement.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2020

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	General Government	Mosquito Control	Transportation	Capital Projects	Total Governmental Activities
EXPENSES					
Governmental Activities					
Physical Environment					
Personnel services	\$ 5,100	\$ -	\$ 182,577	\$ -	\$ 187,677
Operating	262,228	3,638	258,375	-	524,241
Depreciation	-	-	1,077,698	-	1,077,698
Total expenses	<u>267,328</u>	<u>3,638</u>	<u>1,518,650</u>	<u>-</u>	<u>1,789,616</u>
PROGRAM REVENUES					
Charges for services-permits	39,600	-	-	-	39,600
Intergovernmental revenue	130,221	-	-	-	130,221
Interest earnings	7,892	-	-	33,818	41,710
Rent	14,916	-	-	-	14,916
Total program revenues	<u>192,629</u>	<u>-</u>	<u>-</u>	<u>33,818</u>	<u>226,447</u>
Net program expense (income)	<u>\$ 74,699</u>	<u>\$ 3,638</u>	<u>\$ 1,518,650</u>	<u>\$ (33,818)</u>	<u>1,563,169</u>
GENERAL REVENUES					
Ad Valorem taxes					721,613
Other					8,300
Gain from disposition of capital assets					<u>25,500</u>
TOTAL GENERAL REVENUES					<u>755,413</u>
INCREASE (DECREASE) IN NET POSITION					(807,756)
NET POSITION - Beginning of the year					<u>8,947,925</u>
NET POSITION - End of the year					<u>\$ 8,140,169</u>

The accompanying notes are an integral part of this statement.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2020

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	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 491,814	\$ -	\$ 491,814
Restricted cash and cash equivalents	100,000	507,459	607,459
Restricted investments	-	1,612,866	1,612,866
Accounts receivable	268	-	268
Due from other governments	53,451	-	53,451
Due from other funds	-	-	-
Other assets - deposits	700	-	700
TOTAL ASSETS	\$ 646,233	\$ 2,120,325	\$ 2,766,558
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 16,770	\$ -	\$ 16,770
Due to other governments	18,468	-	18,468
Due to other funds	-	-	-
Other deposits	1,200	-	1,200
TOTAL LIABILITIES	36,438	-	36,438
FUND BALANCE			
Non-spendable	700	-	700
Restricted for:			
Capital expenditures	-	2,120,325	2,120,325
General fund:			
Assigned for emergencies	100,000	-	100,000
Unassigned	509,095	-	509,095
TOTAL FUND BALANCE	609,795	2,120,325	2,730,120
TOTAL LIABILITIES AND FUND BALANCE	\$ 646,233	\$ 2,120,325	\$ 2,766,558

The accompanying notes are an integral part of this statement.

**PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2020**

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		<u>Amount</u>
Total fund balance for governmental funds		\$ 2,730,120
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 governmental funds.		
Capital assets not being depreciated:		
Land	3,932,721	
Construction in progress	<u>-</u>	
		3,932,721
Governmental capital assets being depreciated:		
Buildings, improvements, equipment and vehicles	35,386,165	
Less accumulated depreciation	<u>(33,777,313)</u>	
		1,608,852
Deferred outflows and deferred inflows are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows - pensions	39,763	
Deferred outflows - OPEB	<u>29,697</u>	
		69,460
Deferred inflows - pensions	(6,830)	
Deferred inflows - OPEB	<u>(808)</u>	
		(7,638)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences	(7,433)	
Net OPEB liability	(38,156)	
Net pension liability - FRS	(105,391)	
Net pension liability - HIS	<u>(42,366)</u>	
		(193,346)
Elimination of interfund amounts:		
Due to other funds	-	
Due from other funds	<u>-</u>	
		<u>-</u>
Total net position of governmental activities		<u>\$ 8,140,169</u>

The accompanying notes are an integral part of this statement.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2020

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	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Ad Valorem taxes	\$ 721,613	\$ -	\$ 721,613
Permit fees	39,600	-	39,600
Intergovernmental charges for services	130,221	-	130,221
Interest	7,892	33,818	41,710
Rent	14,916	-	14,916
Other	7,600	700	8,300
TOTAL REVENUES	921,842	34,518	956,360
EXPENDITURES			
Current			
General government			
Administration			
Personnel services	5,100	-	5,100
Operating expenditures	262,228	-	262,228
	267,328	-	267,328
Mosquito control			
Operating expenditures	3,638	-	3,638
	3,638	-	3,638
Transportation			
Road maintenance			
Personnel services	164,411	-	164,411
Operating expenditures	258,375	-	258,375
	422,786	-	422,786
Capital outlay	78,065	-	78,065
TOTAL EXPENDITURES	771,817	-	771,817
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	150,025	34,518	184,543
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	68,030	(68,030)	-
Proceeds from disposition of capital assets	25,500	-	25,500
TOTAL OTHER FINANCING SOURCES (USES)	93,530	(68,030)	25,500
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	243,555	(33,512)	210,043
FUND BALANCE, Beginning	366,240	2,153,837	2,520,077
FUND BALANCE, Ending	\$ 609,795	\$ 2,120,325	\$ 2,730,120

The accompanying notes are an integral part of this statement.

**PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES**

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Year Ended September 30, 2020

	<u>Amount</u>
Net change (excess of revenues over expenditures) in fund balance - total governmental funds	\$ 210,043

The decrease in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add:

Plus: expenditures for capital assets	78,065	
Less: current year depreciation	(1,077,698)	
Less: net proceeds from disposition of capital assets	(25,500)	
Plus: net gain on disposition of capital assets	<u>25,500</u>	
		<u>(999,633)</u>

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

(Increase) decrease in net pension liability -FRS	(17,427)	
(Increase) decrease in net pension liability - HIS	(1,857)	
Increase (decrease) in deferred outflow - Pensions	944	
(Increase) decrease in deferred inflow - Pensions	3,033	
(Increase) decrease in total OPEB liability	(31,330)	
Increase (decrease) in deferred outflow - OPEB	29,093	
(Increase) decrease in deferred inflow - OPEB	(622)	
(Increase) decrease in compensated absences	<u>-</u>	
		<u>(18,166)</u>

Decrease in net position of governmental activities	<u><u>\$ (807,756)</u></u>
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The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Port LaBelle Community Development District (the "District") is an independent special district located in Glades and Hendry Counties which was created in October 1982 by Rule Chapter 42D-1.01-.03, Florida Land and Water Adjudicatory Commission, under Chapter 190 of the Florida Statutes. The District is governed by an elected, five-member Board of Supervisors. The District maintains all greenbelt property and private streets conveyed to it by the original developer of the District. The District's maintenance costs and other expenditures are paid from the General Fund through the collection of Ad Valorem taxes. Within the General Fund, the District also performs mosquito control and certain construction related permitting within its boundaries.

The District maintains reserves for the funding of the future construction of District facilities and improvements as well as street repaving and maintenance, as required by its enabling act, benefiting property within the District. As such, the Board of Supervisors of the District levied an annual assessment on benefited property beginning in 1983 and continuing through 1989 to fund the future construction of planned facilities and improvements. The collection and disbursement of these assessments and the related activity is accounted for in the Capital Projects Fund. The intention of the District is to continue to invest and maintain the proceeds of the assessments so as to mitigate the need for future issuance of bonds or other long-term financing at the time of actual construction or improvement.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These Statements require the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB Statement No. 14, as amended, there are no component units included and/or required to be included in the District's basic financial statements.

Government-wide 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 activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than in the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements rather than as expenditures.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are 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 or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Program revenues are considered to be revenues generated by services performed and/or by fees charged such as permit fees.

Fund Financial Statements

The District adheres to GASB Statement Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

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

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds, in aggregate, for governmental funds.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns on the fund financial statements. All governmental funds of the District are considered to be major funds.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, 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 and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on the long-term debt, if any, is recognized when due, and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

Pension Plans

The District participates in the FRS defined benefit pension plan and the HIS defined benefit plan administered by the Florida Department of Management Services, Division of Retirement. Effective September 30, 2015, the District adopted the provisions of Government Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions" (Statement No. 68). The statement requires the District to report annually its proportionate share of the actuarially determined net pension liability of defined benefit plans in the Statement of Net Position, in the District's financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Non-current Governmental Assets/Liabilities

GASB Statement No. 34 requires non-current governmental assets such as land and buildings, and non-current governmental liabilities such as accrued compensated absences and net OPEB liability, to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major Funds

The District reports the following major governmental funds:

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

The Capital Projects Fund holds and administers previously collected assessments restricted for future construction of planned facilities and improvements as well as street repaving. Specifically, the money held is restricted and can only be used for certain capital expenditures as well as road repair, repaving and improvements.

Budgetary Information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

Investments

The District adheres to the requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at fair value. In addition, the District abides by Florida Statute 218.415(17) as its investment policy.

Investments, including restricted investments, consist of certificates of deposit.

Capital Assets

Capital assets, which include land, buildings, improvements (roads), equipment and vehicles, are reported in the government-wide financial statements in the Statement of Net Position.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$1,000 or more and have a useful life in excess of one year.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Specifically, the District estimated the costs of its improvements other than buildings (roads) using their current condition and current cost per lane mile. The value of its land was estimated based on current appraised values. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, including curbs, and gutters are not capitalized as the District generally does not acquire such assets. However, the District did capitalize its improvements other than buildings such as roads. The roadways are being depreciated. Included within its greenbelt lands are the District's canals and drainage system. The canals and drainage systems are not depreciated as there is no perceived depreciation of the structures as such assets are constantly maintained. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB Statement No. 34.

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide statements, but rather are capitalized and depreciated.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and building improvements	7-33
Improvements other than buildings (roads)	33
Equipment (including vehicles)	5-20

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting

The District has adopted an annual budget for the General Fund and its Capital Projects Fund.

The District follows these procedures in establishing budgetary data for both the General Fund and the Capital Projects Fund.

1. During the summer of each year, the General Manager and/or Treasurer submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public hearings (proposed, tentative and final) are conducted to obtain taxpayer comments. Following the first public hearing a proposed budget is adopted and reflected on the TRIM notice. In September (prior to the start of the fiscal year) a tentative budget is adopted following the second public hearing. Within 15 days of adoption of the tentative budget the final budget is adopted following the third public meeting.
3. The final budget is adopted by approval of the Board of Supervisors prior to October 1 (beginning of the fiscal year).
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Supervisors.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. The District did not amend the budget for the Capital Projects Fund for the year ended September 30, 2020. The District, however, did approve one budget amendment, an increase of \$132,154, in the General Fund.

Due From Other Governments

No allowance for losses on uncollectible accounts has been recorded since the District considers all amounts to be fully collectible.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences

The District's employees accumulate annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave, if certain criteria are met. The costs of vacation and personal leave benefits (compensated absences) are expended in the respective operating funds when payments are made to employees. However, the liability for all accrued vacation and personal leave benefits is generally recorded in the government-wide Statement of Net Position.

Encumbrances

Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control. All appropriations lapse at year-end.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts of assets, liabilities, fund balances/net assets and disclosure of contingent assets and liabilities at September 30, 2020 and revenues and expenditures during the year ended September 30, 2020. Actual results could differ from those estimates.

Fund Equity

The Board did adopt a fund balance policy. The policy calls for unassigned fund balance in the general fund of ranging between 25% - 50% of budgeted expenditures. It also calls for an assigned fund balance of \$100,000 for disaster emergency use as well as maintenance of a LOC of at least \$250,000.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Equity, continued

In the governmental fund financial statements, restriction of fund balance indicates amounts that are limited for a specific purpose, are not appropriable for expenditure, or are legally segregated for a specific future use. Assignments of fund balance represent tentative management plans. Such assignments can be changed and/or amended by Board action. Unassigned fund balance indicates funds that are available for current expenditure.

Interfund Transactions

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as a reduction of expenditures/expenses in the fund that is reimbursed.

Pensions

In the government-wide Statement of Net Position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) defined benefit plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments, (including refunds of employees contributions) are recognized when due and payable in accordance with the benefit terms.

The District's retirement plans and related amounts are described in a subsequent note.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred amount on pensions and OPEB is reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the Statement of Net Position reports 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 and so will not be recognized as an inflow of resources (revenue) until that time. The deferred amount on pension is reported only in the government-wide statement of net position. A deferred amount on pensions and OPEB results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with these benefits through the plans except earnings which are amortized over five to seven years.

Subsequent Events

Subsequent events have been evaluated through January 20, 2021, which is the date the financial statements were available to be issued.

NOTE B - CASH AND INVESTMENTS

At September 30, 2020, cash and cash equivalents (restricted and unrestricted) were \$1,099,273. Included within total cash and cash equivalents, the District's General Fund had unrestricted cash of \$491,814 and had restricted cash totaling \$100,000. The District's restricted cash held in the General Fund was comprised of \$100,000 restricted for emergency preparedness, at September 30, 2020. At September 30, 2020, the District's Capital Projects Fund also had cash in the amount of \$507,459 restricted for future capital expenditures and roadway repair, repaving and improvements.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE B - CASH AND INVESTMENTS, CONTINUED

Deposits

The District's deposit policy allows deposits to be held in demand deposit or money market accounts. Deposits, at times during the year, exceeded FDIC insurance limits and were insured by collateral pursuant to the Public Depository Security Act of the State of Florida (F.S. 280).

At September 30, 2020, the carrying amounts of the District's deposits were \$591,814 and \$507,459 in the General Fund and Capital Projects Fund, respectively. The bank balances were \$591,948 in the General Fund and \$507,459 in the Capital Projects Fund. These deposits were entirely insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (F.S. 280).

Investments

Florida Statutes and the District's investment policy authorize investments in certificates of deposit. Certificates of deposit whose values exceed the amount of federal depository insurance are collateralized pursuant to the Public Depository Security Act of the State of Florida (F.S. 280).

At September 30, 2020, the District's investments held in the Capital Projects Fund, consisted of certificates of deposit with financial institutions designated as qualified depositories by the State Treasurer. The book and bank balance of these certificates of deposit was \$1,612,866 and \$1,612,866, respectively. This balance is restricted for specific District administrative buildings and roadway improvements. The District resolved to close all reserves for public safety and transfer all remaining funds to roadway improvement reserves. There were no other types of investments held by the District at any time during the year or at September 30, 2020. These investments were entirely insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (F.S. 280).

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE C - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2020:

	Balance October 1 2019	Increase/ Additions	Decrease/ Retirements	Adjustments/ Reclassifications	Balance September 30 2020
Capital Assets Not Being Depreciated:					
Land	\$ 3,932,721	\$ -	\$ -	\$ -	\$ 3,932,721
Construction in progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>3,932,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,932,721</u>
Capital Assets Being Depreciated:					
Buildings	376,465	-	-	-	376,465
Improvements (roads)	34,533,120	-	-	-	34,533,120
Equipment and vehicles	<u>404,581</u>	<u>78,065</u>	<u>(6,066)</u>	<u>-</u>	<u>476,580</u>
Total Capital Assets Being Depreciated	<u>35,314,166</u>	<u>78,065</u>	<u>(6,066)</u>	<u>-</u>	<u>35,386,165</u>
Less Accumulated Depreciation:					
Buildings	(228,957)	(11,619)	-	-	(240,576)
Improvements (roads)	(32,161,588)	(1,046,458)	-	-	(33,208,046)
Equipment and vehicles	<u>(315,136)</u>	<u>(19,621)</u>	<u>6,066</u>	<u>-</u>	<u>(328,691)</u>
Total Accumulated Depreciation	<u>(32,705,681)</u>	<u>(1,077,698)</u>	<u>6,066</u>	<u>-</u>	<u>(33,777,313)</u>
Total Capital Assets being Depreciated, Net	<u>2,608,485</u>	<u>(999,633)</u>	<u>-</u>	<u>-</u>	<u>1,608,852</u>
Capital Assets, Net	<u>\$ 6,541,206</u>	<u>\$ (999,633)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>5,541,573</u>
				Less: Long Term Debt	<u>-</u>
				Net Investment in Capital Assets	<u>\$ 5,541,573</u>

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE C - CAPITAL ASSETS ACTIVITY, CONTINUED

Depreciation expense was charged to the following functions during the year ended September 30, 2020:

	<u>Amount</u>
Transportation	<u>\$ 1,077,698</u>
Total Depreciation Expense	<u>\$ 1,077,698</u>

Depreciation expense is charged to the function which is responsible for the respective capital assets maintenance. Depreciation expense for assets used by many functions has not been allocated but rather charged to the function responsible for its maintenance.

NOTE D - LONG-TERM LIABILITIES

The following is a summary of changes on long-term liabilities for the year ended September 30, 2020:

	Balance October 1 2019	Additions	Retirements And Adjustments	Balance September 30 2020	Amounts Due Within One Year
Compensated Absences	\$ 7,433	\$ -	\$ -	\$ 7,433	\$ -
Total OPEB Liability	6,826	31,330	-	38,156	-
Net Pension Liability - FRS	87,964	17,427	-	105,391	-
Net Pension Liability - HIS	40,509	1,857	-	42,366	-
	<u>\$ 142,732</u>	<u>\$ 50,614</u>	<u>\$ -</u>	<u>\$ 193,346</u>	<u>\$ -</u>

Long-term debt consists of the following at September 30, 2020:

	<u>Amount</u>
Compensated absences. Employees of the District are entitled to annual leave and sick time based on length of service and job classification.	\$ 7,433
Total OPEB liability. GASB No. 75 transition date October 1, 2017.	38,156

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE D - LONG-TERM LIABILITIES. CONTINUED

	<u>Amount</u>
Net pension liability - FRS Pension Plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan at June 30, 2020.	105,391
Net pension liability - HIS Plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan at June 30, 2020.	<u>42,366</u>
Total Net Pension Liability	<u>147,757</u>
Total Long-term Liability	<u><u>\$ 193,346</u></u>

NOTE E - FUND BALANCE

Fund balances were categorized for the following purposes at September 30, 2020:

	General Fund	Capital Projects Fund	Total Fund Balance
Non-spendable	\$ 700	\$ -	\$ 700
Restricted for capital expenditures*	-	2,120,325	2,120,325
Total Restricted	-	2,120,325	2,120,325
Assigned for emergency	100,000	-	100,000
Total Assigned	100,000	-	100,000
Unassigned - undesignated	509,095	-	509,095
Total Unassigned	509,095	-	509,095
Total Fund Balance	<u><u>\$ 609,795</u></u>	<u><u>\$ 2,120,325</u></u>	<u><u>\$ 2,730,120</u></u>

* and roadway improvements, repairs and repaving

NOTE F - PROPERTY TAXES AND ASSESSMENTS

Property taxes (Ad Valorem) are generally levied on November 1 of each year, after formal adoption of the District's budget, and become due and payable upon receipt of the Notice of Levy. Discounts are allowed for payment of property taxes prior to March 1 of the following year. On April 1, any unpaid taxes become delinquent. If the taxes remain unpaid, tax certificates are then offered for sale to the general public. The billing and collection of all property taxes are performed for the District by the Tax Collectors for Hendry and Glades Counties. Taxes are recognized as revenue when levied to the extent that they result in current receivables.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE F - PROPERTY TAXES AND ASSESSMENTS, CONTINUED

Key dates in the property tax cycle (latest date, where appropriate) are as follows:

Prior to July 1	* Tax roll certified.
Prior to October 1	* Millage resolution approved.
November 1	* Taxes due and payable (levy date) with various discount provisions through March 31.
April 1	* Taxes become delinquent.
Prior to June 1	* Tax certificates sold by the respective County.

The Board of Supervisors of the District, under Florida Statute 200.065, levied ad valorem taxes at a millage rate of \$5.7939 per \$1,000 of the 2019 net taxable value of real property located within the District for the year-ended September 30, 2020. The District has a 6 mils cap. Tax revenue from this levy is used for the maintenance and operating costs of the District. For the year ended September 30, 2020, the District experienced maintenance tax collections (net) of approximately \$31,553 and \$0 less than the amount of tax budgeted in Hendry County and Glades County, respectively.

In addition to property tax (ad valorem) levies under the provisions of Florida Statutes Chapter 200.065, the Board of Supervisors of the District has, in the past, levied a special assessment under the provisions of Florida Statutes Chapter 170. No special assessment was levied during the year ended September 30, 2020.

NOTE G - RELATED PARTY TRANSACTIONS

The District earned \$80,764 during the year ended September 30, 2020, for rent of its maintenance building, insurance, use of vehicle and other services performed for Barron Water Control District (BWCD) under an intergovernmental agreement.

The District paid \$93,505 in rent expense to BWCD during the year ended September 30, 2020, for the use of office space and computer facilities, and for the cost sharing of a general manager and staff assistant.

Included in Due from Other Governments at September 30, 2020 is \$11,336 from BWCD. Included in Due to Other Governments at September 30, 2020 is \$14,599 due to BWCD.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS

General Information about the Florida Retirement System

The Florida Retirement System ("FRS") was created in Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan ("Pension Plan") for participating public employees. All District employees are participants in the Statewide Florida Retirement System (FRS) under authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide an integrated defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a separate cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2019, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The District's total pension expense was \$24,540, including FRS and HIS for the year ended September 30, 2020 and is recorded in the government-wide financial statements.

The District's total retirement contribution expenditures were \$9,233, \$10,129 and \$9,519 for the years ended September 30, 2020, 2019 and 2018, respectively. The District contributed 100% of its required contribution.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS Pension Plan

Plan Description. The FRS Pension Plan ("Plan") is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class - Members of the FRS who do not qualify for membership in the other classes.

Senior Management Service Class (SMSC) - Members in senior management level positions.

Special Risk Class - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Elected Officials - Members who are elected by the voters within the District boundaries.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for those members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans (Pension and HIS) may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS Pension Plan, continued

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for the members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value of each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>%Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00
Elected Officers' Class	3.00

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS Pension Plan, continued

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2020 were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/19 - 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.

* As defined by the Plan.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At

September 30, 2020, the District reported an FRS net pension liability of \$105,391 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At September 30, 2020, the District's proportionate share was .000243165 percent, which was a decrease of .000012257 percent from its proportionate share measure as of September 30, 2019.

For the year ended September 30, 2020, the District recognized pension expense of \$20,368. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,034	\$ -
Change of assumptions	19,077	-
Net difference between projected and actual earnings on pension plan investments	6,275	-
Changes in proportion and differences between District contributions and proportionate share of contributions	917	2,850
District contributions subsequent to the measurement date	1,530	-
Total	<u>\$ 31,833</u>	<u>\$ 2,850</u>

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS Pension Plan, continued

The deferred outflows of resources related to the FRS pension, totaling \$1,530, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 5.9 years as follows:

Fiscal Years Ending September 30	Amount
2021	\$ 5,890
2022	5,890
2023	5,890
2024	5,889
2025	4,321
Thereafter	(427)
Total	<u>\$ 27,453</u>

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent, net of pension plan investment expense, including inflation
Actuarial cost method	individual entry age

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS Pension Plan, continued

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.2%	2.2%	1.2%
Fixed income	19.00%	3.0%	2.9%	3.5%
Global equity	54.20%	8.0%	6.7%	17.1%
Real estate (property)	10.30%	6.4%	5.8%	11.7%
Private equity	11.10%	10.8%	8.1%	25.7%
Strategic investments	<u>4.40%</u>	5.5%	5.3%	6.9%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.4%		1.7%

(1) As outlined in the Plan's investment policy

Money-weighted Rate of Return. The annual money-weighted rate of return on the FRS Pension Plan investments was 3.35% for the Plan year ended June 30, 2020.

Discount Rate. The discount rate used to measure the total pension liability was 6.80 percent for September 30, 2020. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS Pension Plan, continued

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
District's proportionate share of the net pension liability	<u>\$ 168,292</u>	<u>\$ 105,391</u>	<u>\$ 52,856</u>

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report ("FRS CAFR") dated June 30, 2020.

The FRS CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000

850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2020, the District reported a payable of \$182 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2020.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

HIS Plan

Plan Description. The Health Insurance Subsidy Plan ("HIS Plan") is a cost-sharing multiple- employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2020, the contribution rate ranged between 1.66 percent and 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2020, the District reported a HIS liability of \$42,366 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability was used to calculate the net pension liability determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net HIS liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year

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NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

HIS Plan, continued

contributions of all participating members. At September 30, 2020, the District's proportionate share was .000346981 percent, which was a decrease of .000015063 percent from its proportionate share measured as of September 30, 2019.

For the fiscal year ended September 30, 2020, the District recognized HIS expense of \$4,172. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,733	\$ 33
Change of assumptions	4,556	2,463
Net difference between projected and actual earnings on HIS pension plan investments	34	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,300	1,484
District contributions subsequent to the measurement date	307	-
Total	<u>\$ 7,930</u>	<u>\$ 3,980</u>

The deferred outflows of resources related to HIS, totaling \$307, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 7.2 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2021	\$ 593
2022	593
2023	593
2024	591
2025	584
Thereafter	689
Total	<u>\$ 3,643</u>

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

HIS Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Real Payroll Growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.21 percent
Actuarial Cost Method	Individual entry age

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2018.

Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for this plan.

Discount Rate. The discount rate used to measure the total HIS liability was 2.21 percent. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 2.21 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
District's proportionate share of the net HIS liability	\$ 48,973	\$ 42,366	\$ 36,958

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

HIS Plan, continued

Pension Plan Fiduciary Net Position. Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report ("FRS CAFR") dated June 30, 2020.

The FRS CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000

850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2020, the District reported a payable of \$37 for the outstanding amount of contributions to the HIS plan required for the fiscal year ended September 30, 2020.

FRS - Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS - Defined Contribution Pension Plan, continued

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal year were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/19 - 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.

* As defined by the Plan.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

NOTE H - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLANS, CONTINUED

FRS - Defined Contribution Pension Plan, continued

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$0 for the fiscal year ended September 30, 2020.

Payables to the Investment Plan. At September 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2020.

NOTE I - CONTINGENCIES

The District is involved from time to time in certain routine litigation, the substance of which, either as liabilities or recoveries, would not materially affect the financial position of the District. Although the final outcome of the lawsuits, assertions and claims or the exact amount of costs and/or potential recovery is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a materially adverse affect on the financial condition of the District. As a general policy, the District plans to contest any such matter.

The District, through Resolution 83-2, is required, in the future, to build and maintain/improve certain facilities and roadways within the District. Special assessments were levied and collected in the past to fund the related cost of construction and to adequately maintain the facilities. The funds collected, together with the respective investment earnings, are being held in the Capital Projects Fund and are being invested. However, when actual construction and/or improvements occur, these funds may or may not be sufficient to completely fund the related construction costs due to changes in need, building code, inflation, or other factors.

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NOTE J - LINE OF CREDIT

During the year ended September 30, 2020, the District had a \$250,000 Line of Credit (LOC) available from a financial institution. The LOC was intended to be used for emergency preparedness and to fund the cost of an emergency response to a disaster as well as operations and maintenance of the District in the case of an emergency. The LOC required interest at a variable rate based on the prime rate. Principal is due on demand and has no stated renewal date or maturity date. The LOC was collateralized by District non ad valorem revenue. Interest rate at September 30, 2020, was 3.25%. At September 30, 2020, there was no outstanding balance due and no monies had been drawn on the LOC during the year ended September 30, 2020.

NOTE K - 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; injuries to employees; and natural disasters. The District is a member of a public entity risk pool which is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. The pool provides coverage for property, liability, public officials liability, workers' compensation, automobile physical damage, general liability, automobile liability and employee theft.

There were no settled claims which exceeded insurance coverage during the past three fiscal years. In addition, there were no significant reductions in insurance coverage from coverage in the prior year.

The District carries limits of general liability of \$2,000,000 per occurrence, the aggregate limits vary by type of claim. The District retains the risk of loss up to a deductible amount of \$1,000 or 2% of value of the building, depending on the type of loss. A loss fund is established to pay the self-insured retention amounts. The PRM Program Self-insured Retentions per occurrence are \$250,000 for property, and \$500,000 for general liability, auto, or workers' compensation claims, public officials errors and omissions, employee benefits liability and \$500,000 for crime related claims. Any claims in excess of these established retentions are covered by excess insurance.

NOTE K - RISK MANAGEMENT, CONTINUED

The District is covered by Florida Statutes under Doctrine of Sovereign Immunity (Florida Statute, Chapter 768.28), which effectively limits the liability of individual claims.

In accordance with Governmental Accounting Standards Board Statement Number 10, which recognizes the funding of outstanding liabilities at full value, the pool retained Insurance Industry Consultants, Inc. to estimate ultimate retained losses and net loss reserve requirements as of the fiscal year ended September 30, 2020. The actuaries have concluded that the loss fund, including contributions not yet received and interest earned on all fund years to date, is sufficient to pay the retained ultimate losses and loss adjustment expenses for all fund years through September 30, 2020.

The District provides health and life insurance coverage through the Public Risk Management of Florida Group Health Trust. Medical coverage is provided through a self-insured trust. Health insurance costs are limited to an approximate annual increase of 6%. Any eligible claims for an individual member are paid from the trust up to a specific limit of \$300,000 per plan year. Any eligible claims above \$300,000 per member per plan year are reimbursed through reinsurance.

Major uninsurable risks include damages to infrastructure assets and damages or governmental fines due to seepage, pollution, or contamination of any kind.

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Pursuant to the provisions of Section 112.08, Florida Statutes, the District's defined contribution single employer OPEB Plan provides the opportunity to obtain insurance (health, dental and vision) benefits to its retired employees. The District administers the OPEB Plan but does not subsidize the cost of the retiree health dental or vision insurance. The year ended September 30, 2018, was the District's transition year and as such, the District implemented GASB No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" as well as to restate the District's beginning net position balance for the year ended September 30, 2018. GASB No.75 required the District to annually record its actuarially determined total OPEB liability. All retired full-time employees are eligible for OPEB benefits if actively employed by the District immediately before retirement. As of September 30, 2020, there was one (1) retiree eligible to receive benefits and one retiree receiving

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)
CONTINUED

these benefits. At September 30, 2020 there were two (2) active District employees and one (1) retiree. The benefits are provided both with contractual or labor agreements. The benefits require 100% contribution from the retirees. As such, the District has no ultimate obligation to pay for the retiree's health insurance premium. The District acts as agent for the retiree on a pay-as-you-go basis and recognizes expenditures at the time the premiums are due. The District does, however, incur the cost of premium rate being increased on its active employees due to providing coverage to its retirees. The retiree may also purchase dependent health, dental and vision coverage through the District. No separate trust for these benefits has been established.

The retiree's premiums for these benefits totaled \$2,914 during the year ended September 30, 2020.

Funding Policy

The District's OPEB benefits are unfunded. The District has not determined if a separate trust fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. Therefore, no separate financial statements are issued. All required disclosures are presented herein. The District has not assigned any assets to its OPEB liability as the retiree must reimburse the District 100% of the related health insurance cost. The District obtained an actuarial valuation for OPEB Plan to measure the current year's total OPEB liability.

The District implicitly subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)
CONTINUED

Actuarial Methods and Assumptions

At September 30, 2020, the District's total OPEB liability of \$38,156 was measured as of September 30, 2020 based on data and a valuation date of September 30, 2020, and was determined by an actuarial valuation as of that date. The following actuarial assumptions and other inputs were included in the measurement at September 30, 2020:

Salary Increases	2.20%
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Annual healthcare cost trend using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions with an initial rate of 5.4% per year trending to 4.05.

The discount rate was based on the 20 Year Municipal Bond Rate with AA/Aa or higher.

Discount rate:	September 30, 2018 was 3.83%.
	September 30, 2019 was 2.75%.
	September 30, 2020 was 2.41%.

Entry age normal cost method was used. (age 65)

The FRS salary scale was used

Assumed 40% of retirees retain medical insurance coverage.

Mortality rates were based on the RP-2000 Generational Healthy mortality Table with scale MP-2017.

The actuarial assumptions used in the September 30, 2020 valuation were based on results of an actuarial experience study performed for the FRS Retirement Plan.

Data included two (2) employees and one (1) retiree receiving benefits.

The rationale for selecting each of the assumptions used in the financial accounting valuation and for the assumptions changes summarized above are to best reflect the current market conditions and recent plan experience.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)
CONTINUED

<u>Changes in the Net OPEB Liability</u>	<u>Amount</u>
Balance at September 30, 2019	\$ 6,826
Changes for the year:	
Service Cost	320
Interest	187
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	31,561
Changes in Assumptions	(688)
Contributions from Employer	(50)
Net Changes	<u>31,330</u>
Balance at September 30, 2020	<u><u>\$ 38,156</u></u>

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>1.41%</u>	<u>2.41%</u>	<u>3.41%</u>
OPEB Liability	\$ 40,326	\$ 38,156	\$ 36,094

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare trend rate.

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	<u>3.00%</u>	<u>4.00%</u>	<u>5.00%</u>
OPEB Liability	\$ 35,698	\$ 38,156	\$ 40,985

For the year ended September 30, 2020, the District recognized OPEB expense of \$2,909. At September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences Between Expected and Actual Experience	\$ 29,133	\$ -
Changes in Assumptions	564	808
Net difference between projected and actual earnings	-	-
Employer contribution subsequent to measurement date	-	-
Total	<u><u>\$ 29,697</u></u>	<u><u>\$ 808</u></u>

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)
CONTINUED

Changes in the Net OPEB Liability, continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending September 30:	Amount
2021	\$ 2,402
2022	2,402
2023	2,402
2024	2,402
2025	2,402
Total Thereafter	16,879
	<u>\$ 28,889</u>

NOTE M - CONTINGENCY

During the audit, net taxes received was confirmed by the Hendry County Tax Collector, however the gross amount collected appeared to be higher than the assessed amount. This is potentially due to a significant amount of delinquent taxes being collected during the year ended September 30, 2020. Although it is not certain, nor possible to estimate an amount, there is a possibility the District may have to return funds to the Hendry County Tax Collector if there was an overpayment of taxes distributed.

NOTE N - COVID 19

In early March 2020, the World Health Organization classified the coronavirus outbreak "COVID-19" as a global pandemic, and it, unfortunately, continues to spread. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, have been severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. On April 1, 2020, Florida Governor, Ron DeSantis ordered all Floridians to stay home, to lock down the State against the Coronavirus. Most governmental activity was cancelled and/or severely limited.

NOTE N - COVID 19, CONTINUED

The District has adapted its operations to accommodate the current environment. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to instability in financial markets. Management is actively monitoring the local situation on its financial condition, liquidity, operations, donors, industry, and workforce. Given the daily evolution of COVID-19 and the global and local responses to curb its spread, the District is not able to estimate the future effects of COVID-19 on its results of operation, financial condition, or liquidity for fiscal year 2020-21.

**REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A**

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT
Year Ended September 30, 2020

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		General Fund			
		Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Ad Valorem taxes	\$	629,417	\$ 629,417	\$ 721,613	\$ 92,196
Permit fees		10,000	10,000	39,600	29,600
Intergovernmental		152,367	152,367	130,221	(22,146)
Interest		3,900	3,900	7,892	3,992
Rent		15,277	15,277	14,916	(361)
Other		1,200	1,200	7,600	6,400
Budgeted carryforward		234,086	366,240	-	(366,240)
TOTAL REVENUES		<u>1,046,247</u>	<u>1,178,401</u>	<u>921,842</u>	<u>(256,559)</u>
EXPENDITURES					
Current					
General Government					
Administration		309,632	309,632	267,328	42,304
Physical Environment					
Mosquito control		7,700	7,700	3,638	4,062
Transportation					
Road maintenance		461,358	461,358	422,786	38,572
Capital Outlay		-	-	78,065	(78,065)
Budgeted carryforward		267,557	399,711	-	399,711
TOTAL EXPENDITURES		<u>1,046,247</u>	<u>1,178,401</u>	<u>771,817</u>	<u>406,584</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>-</u>	<u>-</u>	<u>150,025</u>	<u>150,025</u>
OTHER FINANCING SOURCES					
Transfers in (out)		-	-	68,030	68,030
Proceeds from disposition of capital assets		-	-	25,500	25,500
TOTAL OTHER FINANCING SOURCES		<u>-</u>	<u>-</u>	<u>93,530</u>	<u>93,530</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES		<u>\$ -</u>	<u>\$ -</u>	<u>243,555</u>	<u>\$ 243,555</u>
FUND BALANCE - Beginning				<u>366,240</u>	
FUND BALANCE - Ending				<u>\$ 609,795</u>	

The accompanying notes are an integral part of this statement.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
DETAILED STATEMENT
Year Ended September 30, 2020

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	General Fund			
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 629,417	\$ 629,417	\$ 721,613	\$ 92,196
Permit fees	10,000	10,000	39,600	29,600
Intergovernmental	152,367	152,367	130,221	(22,146)
Interest	3,900	3,900	7,892	3,992
Rent	15,277	15,277	14,916	(361)
Other	1,200	1,200	7,600	6,400
Budgeted carryforward	234,086	366,240	-	(366,240)
TOTAL REVENUES	1,046,247	1,178,401	921,842	(256,559)
EXPENDITURES				
Current				
General Government				
Administration				
Board of Supervisors fees	6,000	6,000	5,100	900
Payroll taxes and benefits	459	459	-	459
Audit and bookkeeping	37,000	37,000	31,560	5,440
MIS/IT webhosting	2,180	2,180	1,726	454
Tax collection fees	36,500	36,500	40,781	(4,281)
Contract services - general mgr.	90,040	90,040	89,869	171
Travel and business meals	1,500	1,500	-	1,500
Telephone service	1,000	1,000	1,069	(69)
Postage	350	350	172	178
Utilities	-	-	-	-
Rent	4,800	4,800	5,115	(315)
Insurance - health	79,145	79,145	76,264	2,881
Insurance - life	1,283	1,283	-	1,283
Office supplies	20,000	20,000	833	19,167
Memberships - subscriptions	175	175	175	-
Legal fees	10,000	10,000	9,659	341
Miscellaneous expense	3,000	3,000	4,817	(1,817)
Other office expense and repairs	1,200	1,200	188	1,012
Contingency	15,000	15,000	-	15,000
	309,632	309,632	267,328	42,304
SUBTOTAL CARRIED FORWARD	309,632	309,632	267,328	42,304

The accompanying notes are an integral part of this statement.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2020

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	General Fund			
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
EXPENDITURES, CONTINUED				
SUBTOTAL BROUGHT FORWARD	\$ 309,632	\$ 309,632	\$ 267,328	\$ 42,304
Mosquito control				
Supplies	7,700	7,700	3,638	4,062
	7,700	7,700	3,638	4,062
Transportation				
Road maintenance				
Salaries and benefits	177,798	177,798	164,411	13,387
Engineering services	5,500	5,500	2,925	2,575
Restricted - road repair	100,000	100,000	170,931	(70,931)
Contract work - other	100	100	-	100
Travel, training & per diem	1,000	1,000	-	1,000
Mobile telephone	675	675	631	44
Road material - other	15,000	15,000	3,073	11,927
Road supplies	25,000	25,000	22,304	2,696
Street sign maintenance	2,500	2,500	3,495	(995)
Street light rental	31,000	31,000	27,972	3,028
Utilities	3,120	3,120	3,265	(145)
Rent - bldg. & equip.	500	500	-	500
Repairs, operation and supplies	18,000	18,000	8,211	9,789
Insurance - liability - field	16,165	16,165	15,568	597
Property and equipment	65,000	65,000	-	65,000
	461,358	461,358	422,786	38,572
Capital Outlay	-	-	78,065	(78,065)
Budgeted carryforward	267,557	399,711	-	399,711
TOTAL EXPENDITURES	1,046,247	1,178,401	771,817	406,584
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES CARRIED FORWARD	\$ -	\$ -	\$ 150,025	\$ 150,025

The accompanying notes are an integral part of this statement.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
DETAILED STATEMENT, CONTINUED

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Year Ended September 30, 2020

	General Fund			Variance -
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES BROUGHT FORWARD	\$ -	\$ -	\$ 150,025	\$ 150,025
OTHER FINANCING SOURCES				
Transfers in (out)	-	-	68,030	68,030
Proceeds from disposition of capital assets	-	-	25,500	25,500
TOTAL OTHER FINANCING SOURCES	-	-	93,530	93,530
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ -	243,555	\$ 243,555
FUND BALANCE, BEGINNING			366,240	
FUND BALANCE, ENDING			\$ 609,795	

The accompanying notes are an integral part of this statement.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
Year Ended September 30, 2020

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	Capital Projects Fund			Variance
	Original	Final		Favorable
	Budget	Budget	Actual	(Unfavorable)
REVENUES				
Miscellaneous:				
Interest	\$ 35,752	\$ 35,752	\$ 33,818	\$ (1,934)
Other	-	-	700	700
Budgeted carryforward	<u>2,142,987</u>	<u>2,142,987</u>	<u>-</u>	<u>(2,142,987)</u>
TOTAL REVENUES	<u>2,178,739</u>	<u>2,178,739</u>	<u>34,518</u>	<u>(2,144,221)</u>
EXPENDITURES				
Current				
Public Safety				
Sheriff Sub-Station	-	-	-	-
Mosquito Control				
Capital outlay	-	-	-	-
Budget Carryforward				
Budgeted carryforward	<u>2,078,739</u>	<u>2,078,739</u>	<u>-</u>	<u>2,078,739</u>
TOTAL EXPENDITURES	<u>2,078,739</u>	<u>2,078,739</u>	<u>-</u>	<u>2,078,739</u>
EXCESS OF EXPENDITURES				
OVER REVENUES	<u>100,000</u>	<u>100,000</u>	<u>34,518</u>	<u>(65,482)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(100,000)	(100,000)	(68,030)	31,970
Proceeds from disposition of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING				
SOURCES (USES)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(68,030)</u>	<u>31,970</u>
EXCESS OF REVENUES AND				
OTHER FINANCING SOURCES (USES)				
OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(33,512)</u>	<u>\$ (33,512)</u>
FUND BALANCE - Beginning			<u>2,153,837</u>	
FUND BALANCE - Ending			<u>\$ 2,120,325</u>	

The accompanying notes are an integral part of this statement.

**PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION
PLAN (1)**

	2020	2019	2018	2017
District's proportion of the net pension liability	0.000243165%	0.000255422%	0.000255558%	0.000249758%
District's proportionate share of the net pension liability	\$ 105,391	\$ 87,964	\$ 76,975	\$ 73,878
District's covered-employee payroll	\$ 115,139	\$ 120,986	\$ 120,673	\$ 116,393
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	91.53%	72.71%	63.79%	63.47%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	84.88%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

**SCHEDULE OF DISTRICT CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)**

	2020	2019	2018	2017
Contractually required contribution	\$ 7,663	\$ 8,103	\$ 7,615	\$ 7,022
Contributions in relation to the contractually required contribution	<u>7,663</u>	<u>8,103</u>	<u>7,615</u>	<u>7,022</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 115,139	\$ 120,986	\$ 120,673	\$ 116,393
Contributions as a percentage of covered-employee payroll	6.66%	6.70%	6.31%	6.03%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

2016	2015	2014
0.000477949%	0.000251662%	0.000247783%
\$ 61,593	\$ 32,506	\$ 15,118
\$ 112,338	\$ 99,800	\$ 99,497
54.83%	32.57%	15.19%
84.88%	92.00%	96.09%

2016	2015	2014
\$ 6,418	\$ 6,136	\$ 5,428
6,418	6,136	5,428
\$ -	\$ -	\$ -
\$ 112,338	\$ 99,800	\$ 99,497
5.71%	6.15%	5.46%

**PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION
PLAN (1)**

	2020	2019	2018	2017
District's proportion of the net pension liability	0.000346981%	0.000362044%	0.000359608%	0.035161900%
District's proportionate share of the net pension liability	\$ 42,366	\$ 40,509	\$ 38,061	\$ 37,597
District's covered-employee payroll	\$ 115,139	\$ 120,986	\$ 120,673	\$ 116,393
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	36.80%	33.48%	31.54%	32.30%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

**SCHEDULE OF DISTRICT CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN (1)**

	2020	2019	2018	2017
Contractually required contribution	\$ 1,570	\$ 2,026	\$ 1,904	\$ 1,867
Contributions in relation to the contractually required contribution	1,570	2,026	1,904	1,867
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 115,139	\$ 120,986	\$ 120,673	\$ 116,393
Contributions as a percentage of covered-employee payroll	1.36%	1.67%	1.58%	1.60%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

2016	2015	2014
0.000854374%	0.000333172%	0.000330534%
\$ 40,387	\$ 33,978	\$ 30,906
\$ 112,338	\$ 99,800	\$ 99,497
35.95%	34.05%	31.06%
0.97%	0.50%	0.99%

2016	2015	2014
\$ 1,818	\$ 1,274	\$ 1,132
1,818	1,274	1,132
\$ -	\$ -	\$ -
\$ 112,338	\$ 99,800	\$ 99,497
1.62%	1.28%	1.14%

Changes of Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2020 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments was reduced from 6.90% to 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

Florida Retirement System Pension Plan

There were changes in actuarial assumptions. As of June 30, 2020, the inflation rate assumption decreased to 2.4 percent, the real payroll growth assumption was increased to 0.85 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return was reduced from 6.90 percent to 6.80 percent.

Health Insurance Subsidy Pension Plan

The municipal rate used to determine total pension liability decreased from 3.50 percent to 2.21 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments - amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense. However, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2020, was 5.9 years for FY 20 (6.4 years for FY 19) for FRS and 7.2 years for FY 20 (7.2 years for FY19) for HIS.

PORT LABELLE COMMUNITY DEVELOPMENT DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED
RATIOS GASB NO. 75

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Changes in Employer's Net OPEB Liability and Related Ratios as of September 30:

Net OPEB Liability	2020	2019	2018
Service Cost	\$ 320	\$ 247	\$ 254
Interest Cost	187	219	192
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	31,561	-	-
Changes in Assumptions	(688)	644	(212)
Benefit Payments	(50)	-	-
Net Change in net OPEB Liability	31,330	1,110	234
Net OPEB Liability - Beginning of Year	6,826	5,716	5,482
Net OPEB Liability - End of Year	<u>\$ 38,156</u>	<u>\$ 6,826</u>	<u>\$ 5,716</u>

NOTE: Information for FY 2017 and earlier is not available.

Plan Fiduciary Net Position as of September 30:

	2020	2019	2018
Contributions - Employer	\$ 50	\$ -	\$ -
Net Investment Income	-	-	-
Benefit Payments	(50)	-	-
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	\$ 38,156	\$ 6,826	\$ 5,716
Fiduciary Net Position as a % of Net OPEB Liability	0.00%	0.00%	0.00%

Covered-Employee Payroll *
Net OPEB Liability as a % of Payroll *

Expected Average Remaining Service Years of All Participants	13	16	16
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* Because this OPEB plan does not depend of salary, no information is provided.

NOTE: Information for FY 2017 and earlier is not available.

Notes to the Schedule:

Benefit Changes None
Changes of Assumptions The discount rate was changed as follows:
9/30/18 3.83%
9/30/19 2.75%
9/30/20 2.41%
Population covered by Plan: 2 Active 1 Retired
Plan has no specific trust established.

ADDITIONAL REPORTS

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

Board of Supervisors
Port LaBelle Community Development District
P.O. Box 1605
LaBelle, Florida 33975-1605

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 of America, the basic financial statements of the governmental activities and each major fund of Port LaBelle Community Development District (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 as listed in the table of contents and have issued our report thereon dated January 20, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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

INTEGRITY SERVICE EXPERIENCE

combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the basic 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, as defined previously. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Port LaBelle Community Development 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 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 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 "Tuscan & Company, P.A." in a cursive, stylized font.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 20, 2021

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

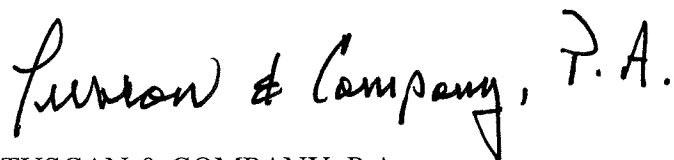
Board of Supervisors
Port LaBelle Community Development District
P.O. Box 1605
LaBelle, Florida 33975-1605

We have examined Port LaBelle Community Development District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for Port LaBelle Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Port LaBelle Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Port LaBelle Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Port LaBelle Community Development District's compliance with specified requirements.

In our opinion, Port LaBelle Community Development 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 the Port LaBelle Community Development District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 20, 2021

INTEGRITY SERVICE EXPERIENCE

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Supervisors
Port LaBelle Community Development District
P.O. Box 1605
LaBelle, Florida 33975-1605

We have audited the accompanying basic financial statements of Port LaBelle Community Development District (the "District") as of and for the year ended September 30, 2020 and have issued our report thereon dated January 20, 2021.

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 of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated January 20, 2021, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

- 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. There were no financially significant prior year comments noted.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

INTEGRITY SERVICE EXPERIENCE

- 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 an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- 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 the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity 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(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.556(8). 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. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(6).c.
- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the District's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated January 20, 2021, included herein.

- Section 10.557(3)(m), Rules of the Auditor General, requires a notarized affidavit signed and sworn to be the Chief Financial officer be included in the audit report. We determined this item is not applicable to the District as no impact fees have been implemented.

PRIOR YEAR COMMENTS:

No financially significant comments noted.

CURRENT YEAR COMMENTS:

No financially significant comments noted.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Commissioners, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive script.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 20, 2021

EXHIBIT

Port LaBelle Community Development District

POB 1605 LaBelle, Florida 33975-1605

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§190 Government District

Judi Kennington-Korf
General Manager
judikk@plcdd.net

Ryan Berden
Field Supervisor
rberden@plcdd.net

April 19, 2021
2021-353

Ms. Sherill F. Norman, CPA
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Subject: Response to Management Letter
Fiscal Year: October 1, 2019 – September 30, 2020

Dear Ms. Norman:

In response to the management letter contained in the independent audit conducted by Tuscan & Company, PA, of the Port LaBelle Community Development District please observe there were no financially significant comments noted.

Should additional information be necessary, please contact this writer. Thank you.

Sincerely,



Judi Kennington-Korf
General Manager

/jkk

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Nancy Imhoff
Treasurer
Seat 1

Jeffrey Perry
Vice-Chairman
Seat 2

David Capitanio
Secretary
Seat 3

Sherry Parantha
Assistant Secretary
Seat 4

Jason Martinez
Chairman
Seat 5