



# **Postras East Community Development District**

## **Financial Statements**

**September 30, 2021**



	Page
<b>REPORT</b>	
Independent Auditors' Report .....	1
<b>FINANCIAL STATEMENTS</b>	
Management's Discussion And Analysis (required supplemental information) .....	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	8
Statement of Activities .....	9
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	11
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds .....	12
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	13
Notes to Financial Statements .....	14
Required Supplemental Information (other than MD&A)	
Budget to Actual Comparison Schedule - General Fund .....	23
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	24
Management Letter .....	26
Independent Accountants' Report on Compliance with Section 218.415 Florida Statutes	29

## **INDEPENDENT AUDITORS' REPORT**

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of Poitras East Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June 27, 2022

## **Management's Discussion and Analysis**

# Postras East Community Development District Management's Discussion and Analysis

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Postras East Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District's financial statements, which begin on page 8.

## FINANCIAL HIGHLIGHTS

- At September 30, 2021, the liabilities of the District exceed its assets by approximately \$1.9 million (deficit net position).
- During the fiscal year ended September 30, 2021, the District made draws on the bond anticipation note totaling approximately \$3.3 million.
- During the fiscal year ended September 30, 2021, the District incurred approximately \$3.7 million of capital outlay expenditures and conveyed capital assets totaling approximately \$1.5 million to Orange County.

## USING THE ANNUAL REPORT

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

### ***Reporting the District as a Whole***

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

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

## Poitras East Community Development District Management's Discussion and Analysis

District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

### ***Reporting the District's Most Significant Funds***

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 9 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

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

### **THE DISTRICT AS A WHOLE**

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

<i>September 30,</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Assets</b>			
Current and other assets	\$ 365,713	\$ 51,553	\$ 314,160
Capital assets, net	2,194,421	-	2,194,421
<b>Total assets</b>	<b>\$ 2,560,134</b>	<b>\$ 51,553</b>	<b>\$ 2,508,581</b>
<b>Liabilities</b>			
Current liabilities	\$ 790,009	\$ 24,129	\$ 765,880
Other liabilities	3,634,503	339,695	3,294,808
<b>Total liabilities</b>	<b>4,424,512</b>	<b>363,824</b>	<b>4,060,688</b>
<b>Net position</b>			
Net investment in capital assets	(365,855)	(306,519)	(59,336)
Restricted for:			
Capital projects	22,459	-	22,459
Unrestricted	(1,520,982)	(5,752)	(1,515,230)
<b>Total net position (deficit)</b>	<b>(1,864,378)</b>	<b>(312,271)</b>	<b>(1,552,107)</b>
<b>Total liabilities and net position</b>	<b>\$ 2,560,134</b>	<b>\$ 51,553</b>	<b>\$ 2,508,581</b>

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

## Poitras East Community Development District Management's Discussion and Analysis

During the fiscal year ended September 30, 2021, total assets and liabilities increased by approximately \$2.5 million and \$4.1 million, respectively. The increase in both assets and liabilities is primarily due to the District obtaining funds from draws on a revolving line of credit and using those funds to pay for the construction of infrastructure. The increase in assets is partially offset by the conveyance of certain infrastructure to Orange County.

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

<i>For the year ended September 30,</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Revenue:</b>			
Program revenue:			
Charges for services	\$ 149,504	\$ 128,713	\$ 20,791
Grants and contributions	24	-	24
General revenue:			
Interest and other revenue	339	-	339
<b>Total revenue</b>	<b>149,867</b>	<b>128,713</b>	<b>21,154</b>
<b>Expenses:</b>			
General government	120,126	102,453	17,673
Conveyance of capital assets	1,507,098	-	1,507,098
Cost of issuance	-	357,956	(357,956)
Unallocated depreciation	6,481	-	6,481
Interest	68,269	-	68,269
<b>Total expenses</b>	<b>1,701,974</b>	<b>460,409</b>	<b>1,241,565</b>
<b>Change in net position</b>	<b>(1,552,107)</b>	<b>(331,696)</b>	<b>(1,220,411)</b>
<b>Net position (deficit), beginning of year</b>	<b>(312,271)</b>	<b>19,425</b>	<b>(331,696)</b>
<b>Net position (deficit), ending of year</b>	<b>\$ (1,864,378)</b>	<b>\$ (312,271)</b>	<b>\$ (1,552,107)</b>

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

Revenues and expenses increased by approximately \$21,000 and \$1.2 million, respectively, over the prior year. The increase in revenue is primarily due to increased activity and the timing in developer contributions and vendor invoices while the increase in expenses is primarily due to costs associated with the conveyance of infrastructure to Orange County. The overall result was a \$1,552,107 decrease in net position for fiscal year 2021.



## Poitras East Community Development District Management's Discussion and Analysis

### THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance deficit of approximately \$375,000 which is a decrease from last year's balance that totaled approximately \$26,000. Significant transactions are discussed below.

- During the fiscal year ended September 30, 2021, the District made draws on the bond anticipation note totaling approximately \$3.3 million.
- During the fiscal year ended September 30, 2021, the District incurred approximately \$3.7 million of capital outlay expenditures.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### ***Capital Assets***

At September 30, 2021, the District had approximately \$2.2 million invested in capital assets. This amount represents a net increase of approximately \$2.2 million from the fiscal year 2020 total.

A listing of capital assets by major category for the current and prior year follows:

<i>September 30,</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
Capital assets not being depreciated	\$ 1,906,462	\$ -	\$ 1,906,462
Capital assets being depreciated	294,440	-	294,440
Total, prior to depreciation	2,200,902	-	2,200,902
Accumulated depreciation	6,481	-	6,481
Capital assets, net	\$ 2,194,421	\$ -	\$ 2,194,421

More information about the District's capital assets is presented in Note 3 to the financial statements.

#### ***Debt***

At September 30, 2021, the District had approximately \$3.6 million outstanding on a bond anticipation note. This amount represents an increase of approximately \$3.3 million from the fiscal year 2020 total.

## Postras East Community Development District Management's Discussion and Analysis

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

<i>September 30,</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
Series 2020 Note Payable	\$ 3,634,503	\$ 339,695	\$ 3,294,808

More information about the District's long-term debt is presented in Note 4 to the financial statements.

### **GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS**

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 23.

The District experienced an unfavorable variance in revenue and a favorable variance expenditures as compared to the budget in the amount of \$210,174 and \$241,099, respectively. The developer is funding the operations of the District thus these variances are due to the District budgeting conservatively for expenses and, as a result, budgeting for a substantial increase in developer contributions during the current fiscal year.

### **FUTURE FINANCIAL FACTORS**

Postras East Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2022 were established to provide for the operations of the District.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Postras East Community Development District's management company at 3501 Quadrangle Blvd., Suite 270, Orlando, Florida 32817.

## **Basic Financial Statements**

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

<i>September 30,</i>	<b>2021</b>
	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 337,680
Accrued interest receivable	4
Prepaid expenses	28,029
Capital assets:	
Not being depreciated	1,906,462
Depreciable, net	287,959
<b>Total assets</b>	<b>2,560,134</b>
<b>Liabilities</b>	
Accounts payable	704,799
Retainage payable	35,750
Accrued interest payable	49,460
Non-current liabilities:	
Due in more than one year	3,634,503
<b>Total liabilities</b>	<b>4,424,512</b>
<b>Net position</b>	
Net investment in capital assets	(365,855)
Restricted for:	
Capital projects	22,459
Unrestricted	(1,520,982)
<b>Total net position (deficit)</b>	<b>\$ (1,864,378)</b>

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

# Poitras East Community Development District Statement of Activities

*For the year ended September 30,*

**2021**

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and
				Changes in
				Net Position
				Governmental Activities
Primary government:				
Governmental activities:				
General government	\$ (120,126)	\$ 149,504	\$ -	\$ 29,378
Capital asset conveyance	(1,507,098)	-	-	(1,507,098)
Unallocated depreciation	(6,481)	-	-	(6,481)
Interest	(68,269)	-	24	(68,245)
Total governmental activities	\$ (1,701,974)	\$ 149,504	\$ 24	(1,552,446)

## General revenue

Interest and other revenue	339
Change in net position	(1,552,107)
Net position (deficit) - beginning of year	(312,271)
Net position (deficit) - end of year	\$ (1,864,378)

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

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

*September 30,*

**2021**

				<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 40,904	\$ 296,776	\$ -	\$ 337,680
Prepaid expenditures	5,570	-	22,459	28,029
Interest receivable	-	4	-	4
<b>Total assets</b>	<b>\$ 46,474</b>	<b>\$ 296,780</b>	<b>\$ 22,459</b>	<b>\$ 365,713</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 10,918	\$ -	\$ 693,881	\$ 704,799
Retainage payable	-	-	35,750	35,750
<b>Total liabilities</b>	<b>10,918</b>	<b>-</b>	<b>729,631</b>	<b>740,549</b>
<b>Fund balances</b>				
Nonspendable	5,570	-	22,459	28,029
Restricted for debt service	-	296,780	-	296,780
Unassigned	29,986	-	(729,631)	(699,645)
<b>Total fund balances (deficit)</b>	<b>35,556</b>	<b>296,780</b>	<b>(707,172)</b>	<b>(374,836)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 46,474</b>	<b>\$ 296,780</b>	<b>\$ 22,459</b>	<b>\$ 365,713</b>

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

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

<u>September 30,</u>	<u>2021</u>
Total fund balances (deficit), governmental funds	\$ (374,836)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	2,194,421
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(3,683,963)
Total net position (deficit) - governmental activities	\$ (1,864,378)

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

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

*For the year ended September 30,*

**2021**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>Revenue</b>				
Developer contributions	\$ 150,708	\$ -	\$ -	\$ 150,708
Interest and other revenue	343	20	-	363
Total revenue	151,051	20	-	151,071
<b>Expenditures</b>				
Current:				
General government	120,126	-	-	120,126
Debt service:				
Interest	-	18,809	-	18,809
Capital outlay	-	-	3,708,000	3,708,000
Total expenditures	120,126	18,809	3,708,000	3,846,935
Excess (deficit) of revenue over expenditures	30,925	(18,789)	(3,708,000)	(3,695,864)
<b>Other Financing Sources (Uses)</b>				
Bond anticipation note proceeds	-	282,393	3,012,415	3,294,808
Total other financing sources (uses)	-	282,393	3,012,415	3,294,808
Net change in fund balances	30,925	263,604	(695,585)	(401,056)
Fund balances (deficit), beginning of year	4,631	33,176	(11,587)	26,220
Fund balances (deficit), end of year	\$ 35,556	\$ 296,780	\$ (707,172)	\$ (374,836)

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



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

<i>For the year ended September 30,</i>	<b>2021</b>
Net change in fund balances - governmental funds	\$ (401,056)
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(6,481)
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position.	3,708,000
Draws on bond anticipation note are recorded as other financing sources on the fund level financial statements but are treated as a liability on the Statement of Activities.	(3,294,808)
Certain revenues that did not represent current financial resources in the prior year were deferred in the fund level financial statements but were recognized as revenue in the government-wide financial statements.	(1,204)
The conveyance of capital assets has no impact on the fund level financial statements but is treated as an expense in the government-wide Statement of Activities.	(1,507,098)
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial	(49,460)
Change in net position of governmental activities	\$ (1,552,107)

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

## Poitras East Community Development District Notes to Financial Statements

### NOTE 1: NATURE OF ORGANIZATION

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

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. A majority of the Supervisors are currently affiliated with the Developer of the community, TDCP, LLC. The District is economically dependent on the Developer. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

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

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

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### ***Government-wide and Fund Financial Statements***

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

## Poitras East Community Development District Notes to Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2021, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

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

#### ***Measurement Focus, Basis of Accounting and Basis of Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Developer contributions and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

## Poitras East Community Development District Notes to Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

For the year ended September 30, 2021, the District does not report any proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

#### ***Cash, Deposits and Investments***

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

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

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

#### ***Prepaid Expenses***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses and prepaid expenditures on the Statement of Net Position and Balance Sheet – Governmental Funds, respectively. These items will be expensed over the applicable usage period.

## Poitras East Community Development District Notes to Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Capital Assets***

Capital assets, which include primarily infrastructure assets (e.g., water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

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

Property, plant and equipment of the primary government will be depreciated using the straight-line method over the following estimated useful lives. Estimated useful lives for financial reporting purposes are as follows:

<b>Infrastructure</b>	<b>Years</b>
Improvements other than buildings	25 - 40

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

#### ***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

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

## Poitras East Community Development District Notes to Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position and balance sheet – governmental funds will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2021.

In addition to liabilities, the statement of net position and balance sheet – governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item at September 30, 2021.

#### ***Fund Equity***

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

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

#### ***Budgets***

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

## Poitras East Community Development District Notes to Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

#### *Estimates*

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

#### *Subsequent Events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2022. See Note 10 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

### NOTE 3: CAPITAL ASSETS

The District is located on 1,061 acres, 778 of which are considered developable for residential, commercial and institutional uses. The capital improvement project includes the development of approximately 200,000 square feet of retail, restaurant, and other non-residential uses; 2,567 residential dwelling units; a K-8 school; a fire station; and supporting roadways and water management systems. The total projected cost of the infrastructure improvements has been estimated at approximately \$53 million to be funded by future bond issuances.

Upon completion, certain assets will be conveyed to other entities for ownership and/or maintenance. During the year ended September 30, 2021, the District conveyed completed infrastructure totaling approximately \$1.5 million.

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

**NOTE 3: CAPITAL ASSETS (Continued)**

The following is a summary of the changes in capital assets for the year ended September 30, 2021:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital assets not being depreciated</i>				
Construction in progress	\$ -	\$ 3,708,000	\$ (1,801,538)	\$ 1,906,462
Total capital assets, not being depreciated	-	3,708,000	(1,801,538)	1,906,462
<i>Capital assets being depreciated</i>				
Improvements other than buildings	-	-	294,440	294,440
Total capital assets, being depreciated	-	-	294,440	294,440
<i>Less accumulated depreciation</i>				
Improvements other than buildings	-	6,481	-	6,481
Total accumulated depreciation	-	6,481	-	6,481
Total capital assets, being depreciated, net	-	(6,481)	294,440	287,959
Governmental activities capital assets, net	\$ -	\$ 3,701,519	\$ (1,507,098)	\$ 2,194,421

**NOTE 4: NOTES PAYABLE**

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

Long-term liability activity for the year ended September 30, 2021 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<i>Governmental Activities</i>				
Series 2020 Note Payable	\$ 339,695	\$ 3,294,808	\$ -	\$ 3,634,503



## Poitras East Community Development District

### Notes to Financial Statements

#### **NOTE 4: NOTES PAYABLE (Continued)**

The Note Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Note Indenture.

The Note Indenture requires that the District maintain adequate funds in the reserve account to meet the debt service reserve requirement as defined in the Indenture. The District was in compliance with the requirements at September 30, 2021.

#### **NOTE 5: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. The District has not settled any claims in the time since its inception as there have been no claims.

#### **NOTE 6: MANAGEMENT COMPANY**

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

#### **NOTE 7: DEVELOPER TRANSACTIONS**

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

The Developer has agreed to fund the general operations of the District for the audited fiscal year. In connection with that agreement, Developer contributions to the General Fund for the year ended September 30, 2021 totaled approximately \$151,000. In addition, the District paid the Developer for purchase of certain completed infrastructure assets during the current year in an amount totaling approximately \$1.8 million, which is included in capital outlay on the accompanying Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.

## Poitras East Community Development District

### Notes to Financial Statements

#### **NOTE 8: INTERLOCAL AGREEMENT**

During the year ended September 30, 2021, the District entered into an interlocal cost sharing agreement associated with the operation and maintenance of a local alternative mobility network (LAMN). The agreement is made with other districts located in the Lake Nona area of Orlando, FL, including the Boggy Creek Improvement District, Greenway Improvement District, and Myrtle Creek Improvement District. The Districts benefitted by the LAMN will receive a \$20 million Federal grant to support and fund related development costs. The LAMN is comprised of five primary components including a mobility network hub, autonomous vehicle infrastructure, a bicycle transportation network, the Greenlink and the Greenlink bridge. The GreenLink is a linear park connecting a mixed use environment with Lake Nona Town Center, where the Greenlink bridge provides pedestrian access to Lake Nona Town Center and Hub.

The Greenlink and Greenlink bridge within the LAMN represent a combined transportation and regional amenity to all Districts and therefore ongoing operations and maintenance costs will be allocated among the Districts using a specific assessment methodology. Under this methodology, the District will be responsible for 12.7% of the operations and maintenance costs associated with the LAMN. At buildout, the total annual cost to the District is estimated at approximately \$176,000. As of September 30, 2021, no related funding has been received nor have any related costs been incurred.

#### **NOTE 9: COMMITMENTS**

At September 30, 2021, the District has approximately \$12 million remaining on contracts for various construction projects, which are expected to be substantially completed during 2022.

#### **NOTE 10: SUBSEQUENT EVENTS**

In October 2021, the District entered into a construction contract for Pearson Avenue Phase 2. The project is expected to take 150 days from commencement and is expected to cost approximately \$2.2 million. Further, subsequent to year-end, the District has approved various change orders for ongoing construction projects totaling approximately \$1 million.

In December 2021 the District conveyed certain infrastructure assets, including an on-site force main, to Orange County at a total cost of approximately \$357,000. The District entered into a promissory note with the Developer for the cost of this infrastructure, which will be repaid at the time of a future bond issuance at a 0% interest rate.

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

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

*For the year ended September 30,*

**2021**

	Original Budget		Final Budget	Actual Amounts	Variance with Final Budget
Revenue					
Developer contributions	\$	160,225	\$ 361,225	\$ 150,708	\$ (210,517)
Interest and other revenue		-	-	343	343
Total revenue		160,225	361,225	151,051	(210,174)
Expenditures					
General government		67,725	224,325	120,126	104,199
Maintenance and operations		92,500	136,900	-	136,900
Total expenditures		160,225	361,225	120,126	241,099
Excess of revenue over expenditures	\$	-	\$ -	\$ 30,925	\$ 30,925

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Poitras East Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June 27, 2022

## **MANAGEMENT LETTER**

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

### **Report on the Financial Statements**

We have audited the financial statements of the Poitras East Community Development District ("District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 27, 2022.

### **Auditors' Responsibility**

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

### **Other Reports and Schedule**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 27, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Specific Information**

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$80,556.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as infrastructure improvements totaling \$12,670,144.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$40,099.

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

- a. The District did not impose any non-ad valorem special assessments.



b. The District did not collect any special assessments.

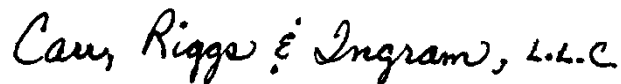
c. The District has no outstanding bonds issued.

### **Other Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 27, 2022

## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined Poitras East Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida  
June 27, 2022