

Orange County Industrial Development Authority

(A component unit of Orange County, Florida)

Financial Report
September 30, 2023

Contents

Independent auditor's report	1-2
Management's discussion and analysis (unaudited)	3-4
Financial statements	
Statements of net position	5
Statements of revenues, expenses and changes in net position	6
Statements of cash flows	7
Notes to financial statements	8
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	9-10
Management letter required by Chapter 10.550, <i>Rules of the Auditor General</i> of the State of Florida	11-12



Independent Auditor's Report

RSM US LLP

Board of Directors
Orange County Industrial Development Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Orange County Industrial Development Authority (the Authority), a component unit of Orange County, Florida, as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 March 25, 2024, on our consideration of the Authority's internal control over financial reporting and on 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 Authority'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 Authority's internal control over financial reporting and compliance.

RSM US LLP

Orlando, Florida
March 25, 2024

**Orange County Industrial Development Authority
(A component unit of Orange County, Florida)**

Management’s Discussion and Analysis (Unaudited)

The Orange County Industrial Development Authority (the Authority) was created January 30, 1979, pursuant to Chapter 159, Part III, Florida Statutes, for the purposes of assisting in financing and refinancing capital projects that will foster economic development in Orange County, Florida (the County).

The Authority contracts with the Orlando Economic Partnership, Inc. (the Partnership) to market industrial revenue bonds and notes to local industries and to assist in the administration of the Authority.

The operations of the Authority are accounted for in a single enterprise fund. Enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Authority has no assets or liabilities. The bonds/notes issued by the Authority are conduit debt obligations issued on behalf of independent third parties, and are, therefore, not reported as liabilities of the Authority.

Revenues (fee for service) of the Authority are based on bond/note applications, issuances and other fees, which can vary from year to year. Revenues are recognized when earned. Application fees are received with an application for an industrial revenue bond/note and are nonrefundable. Issuance fees are received at the closing of a bond/note issue and are generally paid from bond/note proceeds. Other fees are received after services are performed.

Expenses are incurred only when bond/note application, issuance and other fees are received. Expenses of the Authority consist of management fees to the Partnership. The management fee represents application, issuance and other fees remitted directly to the Partnership under this agreement and equals 100% of revenues collected.

The Authority adopted a budget in the current year in compliance with state regulations. Since the Authority is a component unit of the County, the budget was included in the County’s budget.

During the years ended September 30, 2023, 2022 and 2021, the Authority issued \$13,000,000, \$0 and \$69,395,000 in industrial revenue bonds/notes, respectively.

Application fees are generally \$1,500 for each application for an industrial revenue bond/note. Issuance fees are assessed at the closing of a bond/note issue at a rate of 0.5% on the first \$4 million borrowed and .25% on the remainder of the amount borrowed up to a maximum of \$75,000. Fees associated with the reissuance of bonds/notes are determined by the Authority on a case-by-case basis. The Authority received \$54,500, \$0 and \$122,600 in fees during the years ended September 30, 2023, 2022 and 2021, respectively. There was no bond/note activity for the year ended September 30, 2022. The following is a summary of bonds/notes activity for the years ended September 30, 2023 and 2021:

Borrower	2023					Total Fees
	Bond/Note Amount	Application Fee	Issuance Fee	Other Fee		
Trinity Preparatory School of Florida, Inc.	\$ -	\$ -	\$ -	\$ 3,500	\$ 3,500	
Faith Assembly of God of Orlando, Inc.	-	-	-	3,500	3,500	
Vox International Corporation	-	-	-	3,500	3,500	
Foundation Academy of Winter Garden, Inc.	13,000,000	1,500	42,500	-	44,000	
	<u>\$ 13,000,000</u>	<u>\$ 1,500</u>	<u>\$ 42,500</u>	<u>\$ 10,500</u>	<u>\$ 54,500</u>	

**Orange County Industrial Development Authority
(A component unit of Orange County, Florida)**

Management's Discussion and Analysis (Unaudited)

Borrower	2021				
	Bond/Note Amount	Application Fee	Issuance Fee	Other Fee	Total Fees
Orangewood Christian School, Inc.	\$ -	\$ 1,500	\$ -	\$ -	\$ 1,500
HOB I LLC/Golden Pond Communities	-	1,500	-	-	1,500
Catholic Diocese of Orlando	56,755,000	1,500	75,000	-	76,500
Goodwill Industries of Central Florida, Inc.	12,640,000	1,500	41,600	-	43,100
	<u>\$ 69,395,000</u>	<u>\$ 6,000</u>	<u>\$ 116,600</u>	<u>\$ -</u>	<u>\$ 122,600</u>

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Orange County Industrial Development Authority, c/o Orlando Economic Partnership, Inc., 200 S. Orange Avenue, Suite 200, Orlando, FL 32801.

Orange County Industrial Development Authority
(A component unit of Orange County, Florida)

Statements of Net Position
September 30, 2023 and 2022

	2023	2022
Assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Liabilities and net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

**Orange County Industrial Development Authority
(A component unit of Orange County, Florida)**

**Statements of Revenues, Expenses and Changes in Net Position
Years Ended September 30, 2023 and 2022**

	2023	2022
Operating revenues:		
Application, issuance and other fees	\$ 54,500	\$ -
Operating expenses:		
Management fees (Note 2)	54,500	-
Change in net position	-	-
Net position:		
Beginning	-	-
Ending	\$ -	\$ -

See notes to financial statements.

Orange County Industrial Development Authority
(A component unit of Orange County, Florida)

Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities	\$ -	\$ -
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents:		
Beginning	-	-
Ending	\$ -	\$ -
Supplemental disclosure of cash flow information:		
Application, issuance and other fees remitted directly to the Orlando Economic Partnership, Inc. (the Partnership) as payment for the Partnership's management fees	\$ 54,500	\$ -

See notes to financial statements.

**Orange County Industrial Development Authority
(A component unit of Orange County, Florida)**

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: The Orange County Industrial Development Authority (the Authority) was created January 30, 1979, pursuant to Chapter 159, Part III, Florida Statutes, for the purpose of assisting in financing and refinancing capital projects which will foster economic development in Orange County, Florida (the County). The properties financed or refinanced are pledged as collateral and the bonds/notes are payable solely from payments received from independent third parties on the underlying promissory bonds/notes. In addition, no commitments beyond the collateral, the payments from independent third parties and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Authority for any of those bonds/notes.

Reporting entity: The accompanying financial statements include only the functions and activities of the Authority. As the Authority's five-member board is appointed by the County's Board of County Commissioners, the Authority is a component unit of the County as defined under *Governmental Accounting Standards*, issued by the Governmental Accounting Standards Board (GASB).

A summary of the Authority's significant accounting policies follows:

Basis of accounting: The operations of the Authority are accounted for in a single enterprise fund. Enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. Revenues (fee for service) of the Authority consist of application, issuance and other fees. Application fees are received with an application for industrial revenue bonds/notes and are nonrefundable. Issuance fees are received at the closing of a bond/note issue and are generally paid from the bond/note proceeds. Other fees are received after services are performed.

The Authority has no assets or liabilities.

Budgets: The Authority adopted a budget in the current year in compliance with state regulations. Since the Authority is a component unit of the County, the budget was included in the County's budget.

Note 2. Management Fees

The Authority contracts with the Orlando Economic Partnership, Inc. (the Partnership) to administer the activities of the Authority. All application, issuance and other fees are remitted directly to the Partnership under this agreement. The Partnership's primary activity involves promoting economic development in the central Florida area.

Note 3. Bond/Note Issues

From inception to September 30, 2023, the Authority has issued \$1,155,596,515 in industrial development revenue bonds/notes. During the years ended September 30, 2023 and 2022, the Authority issued \$13,000,000 and \$0 in industrial development revenue bonds/notes, respectively. The aggregate principal amount payable for the bonds/notes is approximately \$174,720,000 and \$167,631,000 at September 30, 2023 and 2022, respectively. The bonds/notes issued by the Authority are conduit debt obligations issued on behalf of independent third parties, and are, therefore, not reported as liabilities of the Authority.



RSM US LLP

**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***

Independent Auditor's Report

Board of Directors
Orange County Industrial Development Authority

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 (*Government Auditing Standards*), the financial statements of the Orange County Industrial Development Authority (the Authority), a component unit of Orange County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Orlando, Florida
March 25, 2024



RSM US LLP

**Management Letter Required by Chapter 10.550, Rules
of the Auditor General of the State of Florida**

Board of Directors
Orange County Industrial Development Authority

Report on the Financial Statements

We have audited the financial statements of the Orange County Industrial Development Authority (the Authority), a component unit of Orange County, Florida (the County), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditor's Responsibility

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 (*Government Auditing Standards*).

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated March 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Special District Component Units

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

- a. The total number of district employees compensated in the last pay period of the fiscal year: **The Authority has no employees.**
- b. The total number of independent contractors compensated in the last month of the fiscal year: **The Authority has no independent contractors.**
- c. All compensation paid or accrued to employees: **No compensation paid or accrued as the Authority has no employees.**
- d. All compensation paid or accrued to independent contractors: **No compensation paid or accrued as the Authority has no independent contractors.**
- e. Each construction project with a total cost of at least \$65,000 approved by the district and scheduled to begin on or after October 1 of the reporting year and total expenditures of such project: **The Authority has no construction projects.**
- f. A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, and the amended budget under Section 189.016(6), Florida Statutes: **The Authority is a component unit of the County, the budget was included in the County's budget.**

Additional Matters

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

Purpose of this Letter

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

RSM US LLP

Orlando, Florida
March 25, 2024