

# Midtown Improvement District

3501 Quadrangle Boulevard, Suite 270, Orlando, FL 32817; Phone: 407-723-5900

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The following is the proposed agenda for the upcoming Meeting of the Board of Supervisors for the Midtown Improvement District ("District"), scheduled to be held at **3:30 p.m. on Tuesday, June 20, 2023, at Courtyard Orlando Lake Nona, 6955 Lake Nona Blvd., Orlando, FL 32827**. A quorum will be confirmed prior to the start of the meeting.

District Staff, please use the following information to join via the computer or the conference line:

Phone: 1-844-621-3956

Computer: pfmgroup.webex.com

Participant Code: 796 580 192#

## BOARD OF SUPERVISORS' MEETING AGENDA

### Organizational Matters

- Roll Call to Confirm Quorum
- Public Comment Period
- 1. **Consideration of the Minutes of the May 9, 2023, Board of Supervisors' Meeting**
- 2. **Consideration of Resolution 2023-04, Extending Terms of Office** (*Note: this extension is authorized by Florida law to allow the terms to expire in even years to coincide with the State and local general election cycle*) (*provided under separate cover*)

### Business Matters

- 3. **Discussion of Construction Committee Member Vacancy**
- 4. **Consideration of Non-Ad Valorem Assessment Administration Agreement with Orange County Property Appraiser**
- 5. **Review and Acceptance of Fiscal Year 2022 Audit**
- 6. **Presentation of the Public Facilities Report** (*provided under separate cover*)
- 7. **Ratification of Payment Authorization Nos. 80 – 85**
- 8. **Recommendation of Work Authorization/Proposed Services** (*if applicable*)
- 9. **Review of District's Financials** (*provided under separate cover*)

### Other Business

- A. Staff Reports
  - 1. District Counsel
  - 2. District Manager
  - 3. District Engineer
  - 4. Construction Supervisor
  - 5. Landscape Supervisor
  - 6. Irrigation Supervisor
- B. Supervisor Requests

### Adjournment



# **Midtown Improvement District**

**Minutes of the May 9, 2023,  
Board of Supervisor's Meeting**

**MIDTOWN IMPROVEMENT DISTRICT  
BOARD OF SUPERVISORS' MEETING MINUTES**

**FIRST ORDER OF BUSINESS**

**Roll Call to Confirm a Quorum**

The Board of Supervisors' Meeting for the Midtown Improvement District was called to order on Tuesday, May 9, 2023, at 3:33 p.m. at the Courtyard Orlando Lake Nona, 6955 Lake Nona Blvd., Orlando, FL 32827.

Present:

Rob Adams	Vice Chairman
Damon Ventura	Assistant Secretary
Brent Schademan	Assistant Secretary
Julie Salvo	Assistant Secretary

Also Attending:

Jennifer Walden	PFM	
Lynne Mullins	PFM	(via phone)
Amanda Lane	PFM	(via phone)
Tucker Mackie	Kutak Rock	
Ryan Dugan	Kutak Rock	(via phone)
Jeffrey Newton	Donald W. McIntosh Associates	
Larry Kaufmann	Construction Supervisor	(via phone)
Matt McDermott	Construction Committee Member	
Katie Harmer	Berman	
Samantha Sharenow	Berman	

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Ms. Walden called for public comments and noted there was no one in attendance from the public.

**THIRD ORDER OF BUSINESS**

**Consideration of the Minutes of the  
April 18, 2023, Board of Supervisors'  
Meeting**

The Board reviewed the minutes of the April 18, 2023, Board of Supervisors' Meeting.

On motion by Mr. Adams, seconded by Mr. Schademan, with all in favor, the Board of Supervisors for the Midtown Improvement District approved the Minutes of the April 18, 2023, Board of Supervisors' Meeting.

**FOURTH ORDER OF BUSINESS**

**Letter from Supervisor of Elections –  
Orange County**

Ms. Walden stated each year District staff is required to state on the record the number of registered voters, and as of April 15, 2023, the District has 322. She noted that the District has met the first threshold for switching two seats over to the General Election and the second threshold will not happen until the District has been established for six years. As the District was established in 2021, the second threshold would take effect in 2027. She added that the District would end up extending the seats in the future so that the expiration date of the seats would take place on even years to coincide with the General Election.

#### **FIFTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2023-02, Designating a Date, Time, and Location for the 2023 Landowners' Meeting**

Ms. Mackie stated that instead of approving this Resolution today, District staff could bring back a Resolution that extends the current terms of the Board by one year. This would mean the District is not holding the Landowner election this year and will be pushing it to an even year, which would also put the Landowner election schedule on the same year as its sister Districts.

This item was tabled and District staff agreed to bring to the next meeting a Resolution extending terms of office by one year.

#### **SIXTH ORDER OF BUSINESS**

#### **Discussion of Construction Committee Members**

Mr. Kaufmann stated currently the Construction Committee consists of himself, Chris Wilson, and Matt McDermott. The Developer has asked that the Board consider reconstituting the Committee to include Dan Young and Drew Dawson. This would be effective immediately upon the Board's approval. He noted his last meeting with the Committee will be June 15<sup>th</sup> as he will be retiring.

On motion by Mr. Adams, seconded by Ms. Salvo, with all in favor, the Board of Supervisors for the Midtown Improvement District approved the reconstituting of the Construction Committee with keeping Larry Kaufmann, Matt McDermott and Chris Wilson, and adding Dan Young and Drew Dawson.

#### **SEVENTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2023-03, Approving a Preliminary Budget for Fiscal Year 2024 and Setting a Public Hearing Date**

Ms. Walden stated the O&M budget is listed as an exhibit and the overall budget is at \$550,173.73. She added the budget is still going to stay Developer funded for Fiscal Year 2024.

On motion by Ms. Salvo, seconded by Mr. Adams, with all in favor, the Board of Supervisors for the Midtown Improvement District approved Resolution 2023-03, Approving a Preliminary Budget for Fiscal Year 2024 and Setting a Public Hearing Date for August 15, 2023, at 3:30 p.m. at the Courtyard Orlando Lake Nona, 6955 Lake Nona Blvd., Orlando, FL 32827.

#### **EIGHTH ORDER OF BUSINESS**

#### **Ratification of Payment Authorization No. 79**

Ms. Walden noted that this Payment Authorization has been approved and needs to be ratified by the Board.

On motion by Mr. Adams, seconded by Mr. Ventura, with all in favor, the Board of Supervisors for the Midtown Improvement District ratified Payment Authorization No.79.

#### **NINTH ORDER OF BUSINESS**

#### **Recommendation of Work Authorization/Proposed Services**

Ms. Walden stated there is a Work Authorization from Berman for a new lane directional sign that was damaged. The cost to get a new sign and put it up is \$830.70. Ms. Harmer added that the sign will be new, but the post is able to be reused.

On motion by Mr. Schademan, seconded by Mr. Adams, with all in favor, the Board of Supervisors for the Midtown Improvement District approved the Work Authorization from Berman for lane directional signage in the amount of \$830.70.

#### **TENTH ORDER OF BUSINESS**

#### **Review of District's Financials**

Ms. Walden noted these are the financials through the end of April. The District has spent \$165,000.00 of the budget of just under \$500,000.00, so the District has spent 33% of the adopted budget so far.

#### **ELEVENTH ORDER OF BUSINESS**

#### **Staff Reports**

District Counsel – No report.

District Manager – Ms. Walden noted that the Board meetings are going back to the third Tuesday of the month with the next meeting scheduled for Tuesday, June 20, 2023.

District Engineer –

Mr. Newton reviewed the Construction Status Memorandum (Minutes Exhibit A).

For Centerline Drive Segment F, the project is in the process of close out and the certificate of completion should be received within the coming weeks.

For Centerline Drive Segments C & D, the project went out to bid and the bids were received on April 28, 2023. The Developer has asked that the District delay this project for 60 to 90 days. As such, there is no current action for the Board.

Construction Supervisor –

No report.

Landscape Supervisor –

No report.

Irrigation Supervisor –

No report.

#### **TWELFTH ORDER OF BUSINESS**

#### **Supervisor Requests**

There were no Supervisor requests.

#### **THIRTEENTH ORDER OF BUSINESS**

#### **Adjournment**

On motion by Mr. Adams, seconded by Mr. Schademan, with all in favor, the May 9, 2023, Meeting of the Board of Supervisors for the Midtown Improvement District was adjourned.

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**Secretary/Assistant Secretary**

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**Chair/Vice Chair**



## MEMORANDUM

**DONALD W. MCINTOSH  
ASSOCIATES, INC.**

DATE: May 9, 2023  
TO: Midtown Improvement District  
Board of Supervisors  
FROM: Donald W. McIntosh Associates, Inc.  
District Engineer  
RE: Construction Contract Status

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Dear Board Members,

Please accept this correspondence as a current summary of our construction contract status. Listed below by project is a brief summary of recent contract activity.

CIVIL ENGINEERS

**Centerline Drive Segment F – Jr. Davis Construction Company, Inc.:**

(Note: this construction project is being managed by Poitras East CDD)

LAND PLANNERS

**Construction Status:** The project is substantially complete, with as built drawings submitted to the City for review and approval. Final close-out is in process.

SURVEYORS

**Change Order (C.O.) Status:** None.

**Recommended Motion:** None.

**Centerline Drive Segments C & D:**

**Construction Status:** Bids for this project were received on 4/28/23. The Developer has requested that this project be deferred for 60-90 days.

**Change Order (C.O.) Status:** None.

**Recommended Motion:** None.

Should there be any questions, please do not hesitate to call.

Thank you.

2200 Park Ave. North

Winter Park, FL

32789-2355

Fax 407-644-8318

407-644-4068

c: Larry Kaufmann  
Matt McDermott  
Chris Wilson  
Dan Young  
Hudson Larson  
Tarek Fahmy

# **Midtown Improvement District**

**Resolution 2023-04,  
Extending Terms of Office**  
*(provided under separate cover)*

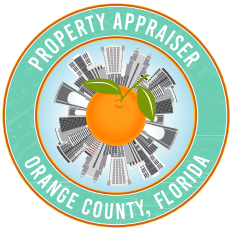


# **Midtown Improvement District**

## **Discussion of Construction Committee Member Vacancy**

# **Midtown Improvement District**

**Non-Ad Valorem Assessment  
Administration Agreement with  
Orange County Property Appraiser**



## **NON-AD VALOREM ASSESSMENT ADMINISTRATION AGREEMENT**

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An AGREEMENT made this 31 day of May 2023 between **AMY MERCADO** as Orange County Property Appraiser (Property Appraiser) and, **Midtown Improvement District** (Taxing Authority), and is effective upon acceptance by both parties and through, September 30, 2023.

1. The Taxing Authority desires to use the services of the Property Appraiser to maintain non-ad valorem assessments on the tax roll and the Property Appraiser is prepared to do so, on behalf of the Taxing Authority. Each party represents that it has satisfied all conditions precedent to enter into this agreement.
2. The Property Appraiser agrees to perform the following service for the Taxing Authority:
  - A. Create a Non-Ad Valorem Assessment Roll for the Taxing Authority for the 2023 tax roll year using data provided annually to the Property Appraiser's Office by the Taxing Authority per attached Calendar for Implementation of Non- Ad Valorem Assessment Roll.
  - B. Provide the Taxing Authority with a data file in a compatible format on or before April 1, containing all parcels within the boundaries of the Taxing Authority to be used for the Taxing Authority's planning purposes in establishing its non-ad valorem assessments.
  - C. Receive from the Taxing Authority its proposed or adopted non-ad valorem assessment levy for each type of property and apply that amount to each parcel of real property as stipulated by Taxing Authority.
  - D. Include the Taxing Authority's non-ad valorem assessments on the Notice of Proposed Property Taxes and Proposed or Adopted Non-Ad Valorem Assessments mailed to all property owners in August of each year.
  - E. Receive from the Taxing Authority, corrections or changes to the roll and update the Non-Ad Valorem Assessment Roll for tax bills on or before September 15 of each year, the statutory deadline for certification of non-ad valorem assessments.
  - F. Deliver the Taxing Authority's Non-Ad Valorem Assessment Roll to the Orange County Tax Collector's Office so that tax bills mailed on or about November 1 will include the Taxing Authority's non-ad valorem assessment levies.

3. Taxing Authority agrees to perform the following acts in connection with this agreement:
  - A. Advise the property owners within the Taxing Authority in an appropriate and lawful manner of the Taxing Authority's intention to utilize the Uniform non-ad valorem assessment method described in Sections 197.3631 through 197.3635, Florida Statutes, and any other applicable Florida statute, and carry out its responsibilities under said sections.
  - B. Timely provide the Property Appraiser with information required to prepare the Uniform Non-Ad Valorem Assessment Roll per the Calendar for Implementation of Non-Ad Valorem Assessment Roll.
  - C. Advise the property owners within the Taxing Authority as appropriate that the Property Appraiser's office is acting in a ministerial capacity for the Taxing Authority in connection with the non-ad valorem assessments.
  - D. Preparation and delivery of certificate of corrections directly to Tax Collector, with copy to Property Appraiser, for any corrections to a certified final tax roll.
4. The Taxing Authority shall use its best efforts in furnishing the Property Appraiser with up-to-date and accurate data concerning its boundaries, proposed assessments, and other information as requested from time to time by the Property Appraiser and necessary to facilitate his making the assessment in question. The Property Appraiser shall, using the information provided by the Taxing Authority, place the district's non-ad valorem assessments, as made from time to time and certified to him, on properties within the district.
5. The Property Appraiser shall be compensated by the Taxing Authority for the administrative costs incurred in carrying out this Agreement. These costs include, but are not limited to labor, printing, forms, office supplies, computer equipment usage, postage, programming, or any other associated costs.
6. On 1st day of October of each applicable year, the administrative fee will be invoiced to the Taxing Authority equivalent to **\$0** per parcel assessed with a non-ad valorem tax. Parcel counts supporting the invoiced fee will be determined based upon the most current certified non-ad valorem assessment roll. Any new assessments added to the tax roll that were not previously certified and invoiced an administrative fee, will be separately invoiced on or around July 15 and prior to mailing of the Notice of Proposed Property Taxes in August.
7. The specific duties to be performed under this agreement and their respective timeframes are contained in the Calendar for Implementation of Non-Ad Valorem Assessment Roll, which is incorporated herein by reference.
8. This agreement constitutes the entire agreement between the parties and can only be modified in writing and signed by both parties.
9. All parts of this Agreement not held unenforceable for any reason shall be given full force and effect.
10. All communications required by this agreement shall be in writing and sent by first class mail, email, or facsimile to the other party.

Notices to the Taxing Authority shall be addressed to:

Midtown Improvement District  
Lynne Mullins  
PFM Group Consulting LLC  
3501 Quadrangle Blvd., Ste. 270  
Orlando, FL 32817  
[mullinsl@pfm.com](mailto:mullinsl@pfm.com)  
(407)723-5935

Notices to the Property Appraiser shall be addressed to:

Carmen Crespo, Director, Accounting and Finance  
Orange County Property Appraiser  
200 S. Orange Ave., Suite 1700  
Orlando, FL 32801  
[ccrespo@ocpafl.org](mailto:ccrespo@ocpafl.org)  
(407) 836-5353

11. TERMINATION. This Agreement may be terminated by either party upon written notice. Property Appraiser will perform no further work after the written termination notice is received.
12. TERM. This Agreement shall continue until such time as either party terminates the Agreement pursuant to Paragraph 11, above.
13. GOVERNING LAW; VENUE. This Agreement shall be governed by the laws of the State of Florida. Any action to interpret or enforce any provision of this Agreement shall be brought in the State and Federal courts for Orange County, Florida.

ORANGE COUNTY PROPERTY APPRAISER

Signed \_\_\_\_\_  
AMY MERCADO, MBA

Date \_\_\_\_\_

MIDTOWN IMPROVEMENT DISTRICT

Name \_\_\_\_\_

Signed \_\_\_\_\_

Date \_\_\_\_\_

## **CALENDAR FOR IMPLEMENTATION OF NON-AD VALOREM ASSESSMENTS**

On or about April 1st, Property Appraiser to provide the Taxing Authority with an electronic file that includes parcel ID and any other information applicable or requested. Taxing Authority may request this file at any time after January 1st, but must understand that many splits/ combos, annexations, etc., may not be reflected early in the tax year and subsequent files may be necessary. If any additional information is required at any time by Taxing Authority, it should be requested of the Property Appraiser by Taxing Authority, allowing for a reasonable turnaround time. The file shall be in an ascii file, text or excel file, unless another format is requested and agreed upon between parties.

### **June 1**

- Property Appraiser distributes Best Estimate of Taxable Value to all Taxing Authorities.

### **July 1**

- Property Appraiser certifies Preliminary tax roll to all taxing authorities.
- Taxing Authority reviews all assessments and provides final approval for Notice of Proposed Property Taxes (TRIM)

### **July 15**

- Property Appraiser to invoice Administrative Fee for new parcels, if any, assessed and in excess of prior year certified non-ad valorem assessment roll parcel count.

### **August 4**

- The Taxing Authority adopts its proposed millage rate and submits to the Property Appraiser for TRIM.

### **August 24**

- Last day Property Appraiser can mail TRIM notices to all property owners on the tax roll.

### **September 3 – October 3**

- Taxing Authority holds initial and final public budget hearing.

### **September 15**

- Taxing Authority certifies final non-ad valorem assessment roll to Property Appraiser on or before September 15 with any changes, additions, or deletions to the non-ad valorem assessment roll since the TRIM notices.

## **October**

- Property Appraiser to mail Non-Ad Valorem Assessment Administration Agreement and invoice for non-ad valorem assessment processing for subsequent tax roll, based upon most recent certified non-ad valorem assessment roll parcel count.
- Property Appraiser delivers the Taxing Authority non-ad valorem assessment roll to the Tax Collector for collection of taxes on November 1 tax bills.

# **Midtown Improvement District**

**Fiscal Year 2022 Audit**



**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2022**

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA**

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# Grau & Associates

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Midtown Improvement District  
City of Orlando, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of Midtown Improvement District, City of Orlando, Florida ("District") as of and for the fiscal year ended September 30, 2022, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position thereof for the fiscal year ended September 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

### ***Other Information Included in the Financial Report***

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2023, 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, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

June 12, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Midtown Improvement District, City of Orlando, Florida ("District") would like to offer the readers of the District's financial statements this discussion and analysis of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

The District was created on June 28, 2021 by Ordinance 2021-33 of the City of Orlando, Florida pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. As a result, the balances as of and for the period ended September 30, 2021 are for less than an twelve month period.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the fiscal year ended September 30, 2022 resulting in a net position deficit balance of (\$151,296).
- The change in the District's total net position in comparison with the prior fiscal year was (\$101,139), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2022, the District's governmental funds reported combined ending fund balances of (\$3,538,55), a decrease of (\$213,911) in comparison with the prior fiscal year. The total fund balance is non-spendable for prepaid items and the remainder is unassigned deficit fund balance.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by Developer contributions. The District does not have any business-type activities. The governmental activities of the District include the general government (management), and maintenance functions.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements

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

### Governmental Funds

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

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

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects fund, both of which are considered major funds.

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

### Notes to the Financial Statements

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,		
	2022	2021
Assets	\$ 45,375	\$ 13,920
Capital assets, not being depreciated	1,244,018	451,840
Total assets	1,289,393	465,760
Liabilities	399,230	153,864
Long-term liabilities	1,041,459	362,053
Total liabilities	1,440,689	515,917
Net Position		
Net investment in capital assets	202,559	89,787
Unrestricted	(353,855)	(139,944)
Total net position	\$ (151,296)	\$ (50,157)

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations exceeded ongoing program revenues.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2022	2021
Revenues:		
Program revenues		
Operating grants and contributions	\$ 304,637	\$ 29,030
General revenues		
Unrestricted investment earnings	8	-
Total revenues	304,645	29,030
Expenses:		
General government	193,065	79,187
Maintenance and operations	212,719	-
Total expenses	405,784	79,187
Change in net position	(101,139)	(50,157)
Net position - beginning	(50,157)	-
Net position - ending	\$ (151,296)	\$ (50,157)

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2022 was \$405,784. The costs of the District's activities were funded primarily by Developer contributions.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2022.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2022, the District had \$1,244,018 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$0 has been taken, which resulted in a net book value of \$1,244,018. More detailed information about the District's capital assets is presented in the notes of the financial statements.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

### Capital Debt

At September 30, 2022, the District had \$538,659 Developer advances and \$502,800 Developer promissory notes outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District anticipates an increase in its general operations for the subsequent year.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide property owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Midtown Improvement District's Finance Department at 3501 Quadrangle Boulevard, Suite 270, Orlando, FL 32817.



**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 11,707
Due from Developer	33,668
Capital assets:	
Nondepreciable	<u>1,244,018</u>
Total assets	<u>1,289,393</u>
 <b>LIABILITIES</b>	
Accounts payable	389,676
Due to other governments	9,554
Non-current liabilities:	
Due in more than one year	<u>1,041,459</u>
Total liabilities	<u>1,440,689</u>
 <b>NET POSITION</b>	
Net investment in capital assets	202,559
Unrestricted	<u>(353,855)</u>
Total net position	<u>\$ (151,296)</u>

See notes to the financial statements

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating</u>	<u>Governmental</u>	
		<u>Grants and</u>	<u>Activities</u>	
		<u>Contributions</u>		
Primary government:				
Governmental activities:				
General government	\$ 193,065	\$ 193,065	\$ -	
Maintenance and operations	212,719	111,572	(101,147)	
Total governmental activities	405,784	304,637	(101,147)	
General Revenues:				
Unrestricted investment earnings			8	
Total general revenues			8	
Change in net position			(101,139)	
Net position - beginning			(50,157)	
Net position - ending			\$ (151,296)	

See notes to the financial statements

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	Major Funds		Total
	General	Capital Projects	Governmental Funds
<b>ASSETS</b>			
Cash	\$ 11,707	\$ -	\$ 11,707
Due from Developer	33,668	-	33,668
Total assets	<u>\$ 45,375</u>	<u>\$ -</u>	<u>\$ 45,375</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 35,821	\$ 353,855	\$ 389,676
Due to other governments	9,554	-	9,554
Total liabilities	<u>45,375</u>	<u>353,855</u>	<u>399,230</u>
Fund balances:			
Unassigned	-	(353,855)	(353,855)
Total fund balances	<u>-</u>	<u>(353,855)</u>	<u>(353,855)</u>
Total liabilities and fund balances	<u>\$ 45,375</u>	<u>\$ -</u>	<u>\$ 45,375</u>

See notes to the financial statements

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

Total fund balances - governmental funds	\$	(353,855)
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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 as assets in the governmental funds. The statement of net position includes those capital assets in the net position of the government as a whole.

Cost of capital assets	1,244,018	
Accumulated depreciation	-	1,244,018

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Developer advances	(538,659)	
Developer promissory note	(502,800)	(1,041,459)

Net position of governmental activities	\$	(151,296)

See notes to the financial statement

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Major Funds		Total
	General	Capital Projects	Governmental Funds
REVENUES			
Developer contributions	\$ 304,637	\$ -	\$ 304,637
Interest income	8	-	8
Total revenues	304,645	-	304,645
EXPENDITURES			
Current:			
General government	91,926	101,139	193,065
Maintenance and operations	212,719	-	212,719
Capital outlay	-	644,128	644,128
Total expenditures	304,645	745,267	1,049,912
Excess (deficiency) of revenues over (under) expenditures	-	(745,267)	(745,267)
OTHER FINANCING SOURCES (USES)			
Developer advances	-	531,356	531,356
Total other financing sources (uses)	-	531,356	531,356
Net change in fund balances	-	(213,911)	(213,911)
Fund balances - beginning	-	(139,944)	(139,944)
Fund balances - ending	\$ -	\$ (353,855)	\$ (353,855)

See notes to the financial statement

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Net change in fund balances - total governmental funds	\$ (213,911)
--	--------------

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is eliminated and is capitalized in the statement of net position as capital assets.	644,128
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Governmental funds report Developer advances as financial resources when cash is received, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	<u>(531,356)</u>
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Change in net position of governmental activities	<u><u>\$ (101,139)</u></u>
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See notes to the financial statements

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Midtown Improvement District ("District") was created on June 28, 2021 by Ordinance 2021-33 of the City of Orlando, Florida pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, 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 the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board exercises all general powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2022, all of the Board members are affiliated with Lake Nona Land Company, LLC ("Developer").

The Board has the final responsibility for:

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

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

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on all assessable property within the District. Assessments are levied to pay for the operations and maintenance and debt service of the District. The fiscal year for which annual assessments are levied begins on October 1 and, if collected using the Uniform Method of Collection, with discounts available for payments through February 28 and become delinquent on April 1. Alternatively, the District adopts a resolution providing for the collection dates and directly collects the assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

### **Capital Projects Fund**

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.



## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Deposits and Investments**

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

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### **Prepaid Items**

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

#### **Capital Assets**

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 completed and placed in service.

No depreciation has been taken in the current fiscal year as the District's infrastructure and other capital assets are under construction.

#### **Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **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 ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of 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 debt service expenditures.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### **Fund Equity/Net Position**

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Other Disclosures**

#### **Use of Estimates**

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

## **NOTE 3 – BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

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) Public hearings are conducted to obtain public 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) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

## **NOTE 4 – DEPOSITS**

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

## **NOTE 5 – INTERLOCAL AGREEMENT**

On July 20, 2021, the District entered into an interlocal agreement (the "interlocal agreement") with Poitras East Community Development District ("Poitras") regarding the construction of the District's Centerline Drive Segment F which is an extension of a roadway known as "Centerline Drive Segment G" which is part of a Poitras project known as "Poitras East Master Infrastructure Phase 1C". To ensure the timely, efficient and cost-effective provision of construction services, the Districts determined that the Centerline Drive Segment F and Poitras East Master Infrastructure Phase 1C should be constructed as one coordinated effort. The interlocal agreement provides that Poitras shall be responsible for the construction, including construction management, of Centerline Drive Segment F through final acceptance by any applicable governmental body or authority with jurisdiction and that the projected costs for the provision of Centerline Drive Segment F shall be borne fully by the District. The District agrees to reimburse Poitras for actual costs associated with Centerline Drive Segment F as confirmed by the project engineer.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 354,750	\$ 148,050	\$ -	\$ 502,800
Construction in progress	97,090	644,128	-	741,218
Total capital assets, not being depreciated	451,840	792,178	-	1,244,018
Governmental activities capital assets	\$ 451,840	\$ 792,178	\$ -	\$ 1,244,018

In fiscal year 2021, the Developer conveyed Centerline Drive Segments B, C, & D in exchange for a 0% interest promissory note of \$354,750 that is expected to be paid back with Bond proceeds. In the current fiscal year, the Developer conveyed Centerline Drive Segments F in exchange for a 0% interest promissory note of \$148,050 that is expected to be paid back with Bond proceeds.

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$15,900,000. The infrastructure will include roadways, potable water, sanitary sewer and reclaimed water systems, street lights, drainage and land improvements.

## NOTE 7 – LONG-TERM LIABILITIES

### Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Direct borrowings:					
Developer advances	\$ 7,303	\$ 531,356	\$ -	\$ 538,659	\$ -
Developer promissory notes	354,750	148,050	-	502,800	-
Total	\$ 362,053	\$ 679,406	\$ -	\$ 1,041,459	\$ -

The District's outstanding notes from direct borrowings includes Developer advances related to a construction funding agreement and Developer Promissory notes related to Centerline Drive Segments B, C, D and F. On July 7, 2021, the District entered into a construction funding agreement with Lake Nona Land Company, LLC. As of fiscal year September 30, 2022, Developer advances of \$502,800 were provided in connection with the agreement. On September 23, 2021 and October 7, 2021, the District entered into Developer Promissory notes with Lake Nona Land Company, LLC of \$354,750 and \$148,050, respectively, both with 0% interest. Amounts are expected to be paid upon the issuance of Bonds. No Bonds have been issued as of the date of this report.

## NOTE 8 – DEFICIT FUND EQUITY

The capital projects fund had a deficit fund balance of (\$353,855) at September 30, 2022. The deficit will be covered by advances from the Developer in the subsequent period.

## NOTE 9 – DEVELOPER TRANSACTIONS AND CONCENTRATION

The Developer has agreed to fund the general operations of the District. In connection therewith, Developer contribution revenue reflected in the general fund for the current fiscal year was \$304,637, which includes a receivable of \$33,668.

The District's activity is dependent upon the continued involvement of the Developer Landowner, the loss of which could have a material adverse effect on the District's operations.

**NOTE 10 – 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 11 – 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 has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There have been no claims since inception of the District.

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts <u>Original &amp; Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Developer contributions	\$ 456,186	\$ 304,637	\$ (151,549)
Interest income	-	8	8
Total revenues	<u>456,186</u>	<u>304,645</u>	<u>(151,541)</u>
<b>EXPENDITURES</b>			
Current:			
General government	140,160	91,926	48,234
Maintenance and operations	316,026	212,719	103,307
Total expenditures	<u>456,186</u>	<u>304,645</u>	<u>151,541</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>\$ -</u>	 -	 <u>\$ -</u>
 Fund balance - beginning		 <u>-</u>	
 Fund balance - ending		 <u>\$ -</u>	

See notes to required supplementary information

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the General Fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2022.

**MIDTOWN IMPROVEMENT DISTRICT  
CITY OF ORLANDO, FLORIDA  
OTHER INFORMATION – DATA ELEMENTS  
REQUIRED BY FL STATUTE 218.39(3)(C)  
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of district employees compensated at 9/30/2022	0
Number of independent contractors compensated in September 2022	0
Employee compensation for FYE 9/30/2022 (paid/accrued)	\$0
Independent contractor compensation for FYE 9/30/2022	\$64,391
Construction projects to begin on or after October 1, 2021 (FY 2022); (>\$65K)	N/A
Budget variance report	See page 20 of annual financial report
Ad Valorem taxes;	Not applicable
Millage rate FYE 9/30/2022	Not applicable
Ad valorem taxes collected FYE 9/30/2022	Not applicable
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2022	Operations and maintenance - N/A
	Debt service - N/A
Special assessments collected FYE 9/30/2022	Operations and maintenance - N/A
	Debt service - N/A
Outstanding Bonds:	N/A





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

To the Board of Supervisors  
Midtown Improvement District  
City of 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 Midtown Improvement District, City of Orlando, Florida ("District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 12, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine 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.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

June 12, 2023



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
[www.graucpa.com](http://www.graucpa.com)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Midtown Improvement District  
City of Orlando, Florida

We have examined Midtown Improvement District, City of Orlando, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2022. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. 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 judgment, 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 fiscal year ended September 30, 2022.

This report 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, management, and the Board of Supervisors of Midtown Improvement District, City of Orlando, Florida and is not intended to be and should not be used by anyone other than these specified parties.

June 12, 2023



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Midtown Improvement District  
City of Orlando, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Midtown Improvement District, City of Orlando, Florida ("District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 12, 2023.

**Auditor's Responsibility**

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

**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*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 2022, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Midtown Improvement District, City of Orlando, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Midtown Improvement District, City of Orlando, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

June 12, 2023

## **REPORT TO MANAGEMENT**

### **I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

None

### **II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

None

### **III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2021.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2022.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2022.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met any of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2022. It is management's responsibility to monitor 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.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 22.

# **Midtown Improvement District**

**Public Facilities Report**  
*(provided under separate cover)*

# **Midtown Improvement District**

**Payment Authorizations  
Nos. 80 – 85**

## MIDTOWN IMPROVEMENT DISTRICT

### Payment Authorization #080

4/28/2023

Item No.	Payee	Invoice Number	General Fund
1	<b>Kutak Rock</b> General Counsel Through 03/31/2023	3210390	\$ 1,671.20
2	<b>Orlando Sentinel</b> Legal Advertising on 03/27/2023 (Ad: 7404882) Legal Advertising on 04/10/2023 (Ad: 7409443)	OSC70763286 OSC71479830	\$ 440.76 \$ 223.25
3	<b>PFM Group Consulting</b> March Billable Expenses	124501	\$ 64.25
4	<b>Supervisor Fees - 04/18/2023 Meeting</b> Richard Levey	--	\$ 200.00

**TOTAL \$ 2,599.46**

  
Secretary/Assistant Secretary

  
Chairperson

  
Midtown Improvement District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**

By Amanda Lane at 4:22 pm, May 11, 2023

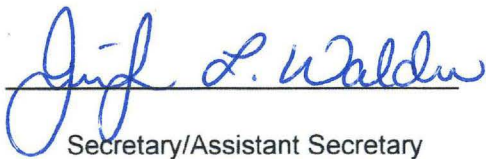



## MIDTOWN IMPROVEMENT DISTRICT

### Payment Authorization #081

5/5/2023

Item No.	Payee	Invoice Number	General Fund
1	<b>Berman Construction</b> May Administrator & Irrigation Specialist	36293	\$ 1,139.99
2	<b>Boggy Creek Improvement District</b> April ICM Expenses	ICM2023-07	\$ 3,099.88
3	<b>BrightView Landscape Services</b> May Sec. 2 Landscaping	8384907	\$ 5,554.98
4	<b>Cepa Landscape</b> May Section 1 Landscaping May Section 3 Landscaping	O-S4261 O-S4262	\$ 1,722.25 \$ 1,428.59
5	<b>Grau and Associates</b> FY 2022 Audit	24082	\$ 1,500.00
<b>TOTAL</b>			<b>\$ 14,445.69</b>

  
Secretary/Assistant Secretary

  
Chairperson

  
Midtown Improvement District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**

By Amanda Lane at 4:22 pm, May 11, 2023

## MIDTOWN IMPROVEMENT DISTRICT

### Payment Authorization #082

5/12/2023

Item No.	Payee	Invoice Number	General Fund
1	<b>Donald W McIntosh Associates</b> Engineering Services Through 04/21/2023	44133	\$ 503.52
2	<b>OUC</b> Acct: 5032993173 ; Service 04/03/2023 - 05/02/2023	--	\$ 4,103.81
<b>TOTAL</b>			<b>\$ 4,607.33</b>

  
Secretary/Assistant Secretary

  
Chairperson



Midtown Improvement District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**

By Amanda Lane at 9:25 am, May 15, 2023

## MIDTOWN IMPROVEMENT DISTRICT

### Payment Authorization #083

5/19/2023

Item No.	Payee	Invoice Number	General Fund
1	<b>Deluxe</b> 200 Print+Mail Checks	586918	\$ 265.00
2	<b>DWC Outdoors &amp; Hauling</b> Prunce Right of Way Clearance	2304	\$ 7,600.00
3	<b>Orlando Sentinel</b> Legal Advertising on 05/01/2023 (Ad: 7421738)	OSC72609820	\$ 219.50
4	<b>PFM Group Consulting</b> April Billable Expenses	124949	\$ 51.40
<b>TOTAL</b>			<b>\$ 8,135.90</b>

  
Secretary/Assistant Secretary

  
Chairperson



Midtown Improvement District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**  
By Amanda Lane at 5:06 pm, May 24, 2023


## MIDTOWN IMPROVEMENT DISTRICT

### Payment Authorization #084

5/26/2023

Item No.	Payee	Invoice Number	General Fund
1	<b>Berman Construction</b> Street Sign Replacement	36667	\$ 830.70
2	<b>PFM Group Consulting</b> DM Fee: May 2023	DM-05-2023-30	\$ 2,916.67
<b>TOTAL</b>			<b>\$ 3,747.37</b>

  
Secretary/Assistant Secretary

  
Chairperson

  
5/28/23

Midtown Improvement District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**  
By Amanda Lane at 8:14 am, May 31, 2023


## MIDTOWN IMPROVEMENT DISTRICT

### Payment Authorization #085

6/2/2023

Item No.	Payee	Invoice Number	General Fund
1	<b>Berman Construction</b> June Administrator & Irrigation Specialist	36977	\$ 1,139.99
2	<b>Cepra Landscape</b> June Section 1 Landscaping June Section 3 Landscaping	O-S4385 O-S4386	\$ 1,722.25 \$ 1,428.59
3	<b>Kutak Rock</b> General Counsel Through 04/30/2023	3225488	\$ 2,028.57
4	<b>VGlobalTech</b> May Website Maintenance	4994	\$ 160.00
TOTAL			\$ 6,479.40

  
Secretary/Assistant Secretary

  
Chairperson

  
Midtown Improvement District  
c/o PFM Group Consulting  
3501 Quadrangle Boulevard, Ste. 270  
Orlando, FL 32817  
LaneA@pfm.com // (407) 723-5925

**RECEIVED**

By Amanda Lane at 8:21 am, Jun 07, 2023

# **Midtown Improvement District**

**Work Authorization/Proposed Services**  
***(if applicable)***

# **Midtown Improvement District**

**District's Financials**  
*(provided under separate cover)*