

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

Financial Statements
Years Ended September 30, 2011 and 2010

Orange County Industrial Development Authority

(a component unit of Orange County, Florida)

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Orange County Industrial Development Authority

(a component unit of Orange County, Florida)

Management's Discussion and Analysis

Years Ended September 30, 2011 and 2010

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 Authority contracts with the Economic Development Commission of Mid-Florida, Inc. (the "Commission") to market industrial revenue bonds to local industries and to assist in the administration of the Authority.

The Authority uses a financial resources measurement focus and the modified accrual basis of accounting. The Authority has no assets or liabilities. The bonds issued by the Authority constitute "no-commitment debt," and are, therefore, not reported as liabilities of the Authority.

Revenues of the Authority are based on bond applications and issuances, which can vary from year to year. Revenues are recognized when they are measurable and available. Application fees are received with an application for an industrial revenue bond and are nonrefundable. Issuance fees are received at the closing of a bond issue and are generally paid from bond proceeds.

Expenditures are incurred only when bond application and issuance fees are received. Expenditures of the Authority consist of management fees to the Commission. The management fee represents application and issuance fees remitted directly to the Commission under this agreement.

The Authority does not adopt an annual budget due to the nature of its operations, and there is no legal requirement to adopt an annual budget.

During the years ended September 30, 2011 and 2010, the Authority issued \$63,960,000 and \$30,500,000, respectively, in industrial revenue bonds.

Application fees are generally \$1,500 for each application for an industrial revenue bond. Issuance fees are assessed at the closing of a bond 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. The Authority received \$176,388 and \$109,250 during the years ended September 30, 2011 and 2010, respectively. The following is a summary of bond activity for the year ended September 30, 2011:

<i>Borrower</i>	<i>Bond Amount</i>	<i>Application Fee</i>	<i>Issuance Fee</i>
Catholic Diocese of Orlando	\$ 22,280,000	\$ 1,500	\$ 65,700
Foundation Academy of Winter Garden	9,075,000	—	32,688
Lake Highland Preparatory School	\$ 32,605,000	\$ 1,500	\$ 75,000
	\$ 63,960,000	\$ 3,000	\$ 173,388



Independent Auditors' Report

To the Board of Directors
Orange County Industrial Development Authority

We have audited the accompanying statements of net assets of the Orange County Industrial Development Authority (the "Authority"), a component unit of Orange County, Florida, as of September 30, 2011 and 2010 and the statements of revenues, expenditures and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Authority as of September 30, 2011 and 2010 and its revenues, expenditures, and changes in net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on page 3 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Authority's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2011 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Cross, Fernandez & Riley, LLP

Certified Public Accountants

December 19, 2011

Orange County Industrial Development Authority

(a component unit of Orange County, Florida)

Statements of Net Assets

<i>September 30,</i>	2011	2010
Assets	\$ -	\$ -
Liabilities and net assets	\$ -	\$ -

See accompanying notes to financial statements.

Orange County Industrial Development Authority

(a component unit of Orange County, Florida)

Statements of Revenues, Expenditures and Changes in Net Assets

<i>Year ended September 30,</i>	2011	2010
Operating revenues		
Application and issuance fees	\$ 176,388	\$ 109,250
Operating expenditures		
Management fees (Note 2)	176,388	109,250
Change in net assets	–	–
Net assets, beginning of year	–	–
Net assets, end of year	\$ –	\$ –

See accompanying notes to financial statements.

Orange County Industrial Development Authority

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Statements of Cash Flows

<i>Year ended September 30,</i>	2011	2010
Cash flows from operating activities	\$ —	\$ —
Cash flows from investing activities	—	—
Cash flows from financing activities	—	—
Net increase (decrease) in cash and cash equivalents	—	—
Cash and cash equivalents, beginning of year	—	—
Cash and cash equivalents, end of year	\$ —	\$ —
Noncash information:		
Application and issuance fees remitted directly to the Economic Development Commission (the “Commission”) as payment for the Commission’s management fees	\$ 176,388	\$ 109,250

See accompanying notes to financial statements.

Orange County Industrial Development Authority

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Notes to Financial Statements

1. General Statement and Summary of Significant Accounting Policies

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”).

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 Statement of Governmental Accounting Standards No. 14, “The Financial Reporting Entity.”

Basis of Accounting

The Authority uses a financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). Revenues of the Authority consist of application and issuance fees. Application fees are received with an application for industrial revenue bonds and are nonrefundable. Issuance fees are received at the closing of a bond issue and are generally paid from the bond proceeds.

The Authority has no assets or liabilities.

Budgets

The Authority does not adopt an annual budget due to the nature of its operations. There is no legal requirement that a budget be adopted.

2. Management Fees

The Authority contracts with the Economic Development Commission of Mid-Florida, Inc. (the “Commission”) to administer the activities of the Authority. All application and issuance fees are remitted directly to the Commission under this agreement. The Commission’s primary activity involves promoting economic development in the mid-Florida area.


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Notes to Financial Statements

3. Bond Issues

From inception to September 30, 2011, the Authority has issued \$689,297,500 in industrial development revenue bonds. During the years ended September 30, 2011 and 2010, the Authority issued \$63,960,000 and \$30,500,000 in industrial development revenue bonds, respectively. The aggregate principal amount payable for the bonds issued after October 1, 1996 is approximately \$226,577,000 at September 30, 2011. The bonds issued by the Authority constitute “no-commitment debt,” and are, therefore, not reported as liabilities of the Authority.



**Reports Required by Government
Auditing Standards**



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Orange County Industrial Development Authority

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 year ended September 30, 2011, and have issued our report thereon dated December 19, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Directors of the Authority, the State of Florida Office of the Auditor General and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Cross, Fernandez & Riley, LLP

Certified Public Accountants

December 19, 2011



Independent Auditors' Management Letter

To the Board of Directors
Orange County Industrial Development Authority

We have audited the accompanying 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 year ended September 30, 2011, and have issued our report thereon dated December 19, 2011.

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. We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, dated December 19, 2011, and it should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(i) 1.) state that a management letter shall include a statement as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554(1)(i) 2.) state that a management letter shall have a statement as to whether or not the Authority complied with Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit of the financial statements of the Authority, the results of our tests did not indicate the Authority was in noncompliance with Section 218.415 regarding the investment of public funds. However, our audit was not directed toward obtaining knowledge regarding the Authority's compliance with this requirement.

The Rules of the Auditor General (Section 10.554(1)(i) 3.) state that a management letter shall include recommendations to improve the Authority's financial management, accounting procedures, and internal controls. There were no recommendations made to improve the Authority's financial management, accounting procedures, and internal controls.

The Rules of the Auditor General (Section 10.554(1)(i) 4.) require that we address violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(i) 5.) state that a management letter shall include the following matters that are not clearly inconsequential: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. There were no such matters discovered in the scope of our audit.

The Rules of the Auditor General (Section 10.554(1)(i)7.a.) state that a management letter shall include a statement as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to The Rules of the Auditor General (Sections 10.554(1)(i)7.c. and 10.556(7), we applied financial condition assessment procedures. 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 the review of financial information provided by same.

This management letter is intended solely for the information and use of management, the Board of Directors of the Authority, the State of Florida Office of the Auditor General, and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Cross, Fernandez & Riley, LLP

Certified Public Accountants

December 19, 2011