

Greenway Improvement District

ANNUAL FINANCIAL REPORT

September 30, 2021

Greenway Improvement District

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2021

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Greenway Improvement District
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Greenway Improvement District as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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 Accounting Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Supervisors
Greenway Improvement District

Opinion

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

Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2022 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 and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenway Improvement District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 23, 2022

**Greenway Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

Management's discussion and analysis of Greenway Improvement District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Greenway Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual**, is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2021.

- ◆ The District's total assets were exceeded by total liabilities by \$(24,712,754) (net position). Restricted net position was \$10,620,078 and unrestricted net position for Governmental Activities was \$(35,332,832).
- ◆ Governmental activities revenues totaled \$22,129,885 while governmental activities expenses totaled \$3,673,108.

**Greenway Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

| | Governmental Activities | |
|----------------------------------|--------------------------------|-----------------|
| | 2021 | 2020 |
| Current assets | \$ 374,140 | \$ 1,010,646 |
| Restricted assets | 14,973,458 | 4,603,829 |
| Capital assets, net | 6,080,592 | 5,969,370 |
| Total Assets | 21,428,190 | 11,583,845 |
| | | |
| Current liabilities | 11,919,425 | 2,853,562 |
| Non-current liabilities | 34,221,519 | 51,899,814 |
| Total Liabilities | 46,140,944 | 54,753,376 |
| | | |
| Net investment in capital assets | - | (318,460) |
| Restricted net position | 10,620,078 | - |
| Net position - unrestricted | (35,332,832) | (42,851,071) |
| Total Net Position | \$ (24,712,754) | \$ (43,169,531) |

The decrease in current assets is mainly related to the decrease in due from other governments for a completed capital project in the prior year.

The increase in restricted assets was related to significant prepayments in the current year.

The increase in current liabilities was primarily the result of a debt service payment due next year.

The decrease in non-current liabilities was primarily the result of principal payments in the current year and the principal payment due next year.

The increase in net position is mainly the result of prepayments received in the current year.

**Greenway Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change in Net Position

| | Governmental Activities | |
|----------------------------------|--------------------------------|------------------------|
| | 2021 | 2020 |
| Program Revenues | | |
| Charges for services | \$ 22,059,972 | \$ 4,439,846 |
| Grants and contributions | 48,406 | 59,419 |
| General Revenues | | |
| Investment earnings | 1,637 | 8,673 |
| Gain on sale of assets | 19,870 | - |
| Miscellaneous | - | 34,192 |
| Total Revenues | <u>22,129,885</u> | <u>4,542,130</u> |
| Expenses | | |
| General government | 172,971 | 140,762 |
| Physical environment | 828,017 | 761,958 |
| Interest and other charges | 2,672,120 | 2,753,080 |
| Total Expenses | <u>3,673,108</u> | <u>3,655,800</u> |
| Conveyance of capital assets | - | (7,398,681) |
| Change in Net Position | 18,456,777 | (6,512,351) |
| Net Position - Beginning of Year | <u>(43,169,531)</u> | <u>(36,657,180)</u> |
| Net Position - End of Year | <u>\$ (24,712,754)</u> | <u>\$ (43,169,531)</u> |

The increase in charges for services is due to the increase in debt service assessments prepayments received in the current year.

The increase in general government is related to the increase in engineering and legal fees in the current year.

The increase in physical environment is related to the increase in landscape maintenance, reclaimed water, plant replacement and leased employee expenses in the current year.

The decrease in conveyances in the current year is related to the completion of a major road improvement project that was conveyed to another governmental entity in the prior year.

**Greenway Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2021 and 2020.

| <u>Description</u> | Governmental Activities | |
|-----------------------------------|--------------------------------|---------------------|
| | 2021 | 2020 |
| Land and improvements | \$ 276,871 | \$ 306,675 |
| Construction in progress | 4,285,742 | 4,013,542 |
| Improvements other than buildings | 1,967,613 | 1,967,613 |
| Accumulated depreciation | (449,634) | (318,460) |
| Total Capital Assets | <u>\$ 6,080,592</u> | <u>\$ 5,969,370</u> |

The activity for the year consisted of \$272,200 in additions to construction in progress, \$29,804 of land sold to other governments and \$131,174 in depreciation.

General Fund Budgetary Highlights

Actual governmental expenditures were less than final budgeted amounts primarily due to lower streetlight and reserve expenditures than were anticipated.

The General Fund budget was amended for reclaimed water, irrigation and landscaping costs that were more than originally anticipated.

Debt Management

Governmental Activities debt includes the following:

- ◆ In April 2013, the District issued \$55,750,000 Series 2013 Special Assessment Revenue Bonds. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. The balance outstanding at September 30, 2021 was \$45,865,000.
- ◆ In November 2018, the District issued a not-to-exceed \$24,000,000 Bond Anticipation Note. The Note was issued to fund a portion of the Series 2018 Project. The note was fully redeemed as of September 30, 2021.

**Greenway Improvement District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Greenway Improvement District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2022.

Request for Information

The financial report is designed to provide a general overview of Greenway Improvement District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Greenway Improvement District, PFM Group Consulting LLC, 3501 Quadrangle Boulevard, Suite 270, Orlando, Florida 32817.

Greenway Improvement District
STATEMENT OF NET POSITION
September 30, 2021

| | Governmental Activities |
|---------------------------------------|------------------------------------|
| ASSETS | |
| Current Assets | |
| Cash | \$ 345,899 |
| Investments | 1,521 |
| Accounts receivable | 2,720 |
| Special assessments receivable | 18,970 |
| Accrued interest receivable | 61 |
| Deposits | 1,626 |
| Prepaid expenses | 3,343 |
| Total Current Assets | 374,140 |
| Non-current Assets | |
| Restricted assets | |
| Cash and investments | 14,973,458 |
| Capital assets, not being depreciated | |
| Land and improvements | 276,871 |
| Construction in progress | 4,285,742 |
| Capital assets, being depreciated | |
| Improvements other than buildings | 1,967,613 |
| Less: accumulated depreciation | (449,634) |
| Total Non-current Assets | 21,054,050 |
| Total Assets | 21,428,190 |
| LIABILITIES | |
| Current Liabilities | |
| Accounts payable and accrued expenses | 36,995 |
| Contracts and retainage payable | 2,890 |
| Due to other governmental units | 10,131 |
| Bonds payable | 10,890,000 |
| Accrued interest payable | 979,409 |
| Total Current Liabilities | 11,919,425 |
| Non-current liabilities | |
| Bonds payable, net | 34,221,519 |
| Total Liabilities | 46,140,944 |
| NET POSITION | |
| Restricted for debt service | 10,620,078 |
| Unrestricted | (35,332,832) |
| Total Net Position | \$ (24,712,754) |

See accompanying notes to financial statements.

Greenway Improvement District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|-----------------------------------|----------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | | |
| General government | \$ (172,971) | \$ 520,336 | \$ 26,818 | \$ - | \$ 374,183 |
| Physical environment | (828,017) | 394,602 | 20,338 | 1,250 | (411,827) |
| Interest and other charges | (2,672,120) | 21,145,034 | - | - | 18,472,914 |
| Total Governmental Activities | \$ (3,673,108) | \$ 22,059,972 | \$ 47,156 | \$ 1,250 | 18,435,270 |
| General Revenues | | | | | |
| Gain on sale of assets | | | | | 19,870 |
| Investment earnings | | | | | 1,637 |
| Total General Revenues | | | | | 21,507 |
| Change in Net Position | | | | | 18,456,777 |
| Net Position - October 1, 2020 | | | | | (43,169,531) |
| Net Position - September 30, 2021 | | | | | \$ (24,712,754) |

See accompanying notes to financial statements.

**Greenway Improvement District
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2021**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|--|-------------------|---------------------|---------------------|--------------------------------|
| ASSETS | | | | |
| Cash | \$ 338,824 | \$ - | \$ 7,075 | \$ 345,899 |
| Investments | 1,521 | - | - | 1,521 |
| Accounts receivable | - | - | 2,720 | 2,720 |
| Special assessments receivable | 3,279 | 15,691 | - | 18,970 |
| Accrued interest receivable | - | 58 | 3 | 61 |
| Prepaid expenses | 3,343 | - | - | 3,343 |
| Deposits | 1,626 | - | - | 1,626 |
| Restricted assets | | | | |
| Cash and investments, at fair value | - | 14,304,826 | 668,632 | 14,973,458 |
| Total Assets | \$ 348,593 | \$14,320,575 | \$ 678,430 | \$15,347,598 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 36,995 | \$ - | \$ - | \$ 36,995 |
| Contracts and retainage payable | - | - | 2,890 | 2,890 |
| Due to other governments | 10,131 | - | - | 10,131 |
| Total Liabilities | 47,126 | - | 2,890 | 50,016 |
| Fund Balances | | | | |
| Nonspendable - deposits/prepays | 4,969 | - | - | 4,969 |
| Restricted for debt service | - | 14,320,575 | - | 14,320,575 |
| Restricted for capital projects | - | - | 675,540 | 675,540 |
| Unassigned | 296,498 | - | - | 296,498 |
| Total Fund Balances | 301,467 | 14,320,575 | 675,540 | 15,297,582 |
| Total Liabilities and Fund Balances | \$ 348,593 | \$14,320,575 | \$ 678,430 | \$15,347,598 |

See accompanying notes to financial statements.

Greenway Improvement District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

| | |
|---|-------------------------------|
| Total Governmental Fund Balances | \$ 15,297,582 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets, land, \$276,871, construction in progress, \$4,285,742, and improvements other than buildings, \$1,967,613, net of accumulated depreciation, \$(449,634), are not current financial resources and therefore, are not reported at the governmental fund level. | 6,080,592 |
| Long-term liabilities, including bonds payable, \$(45,865,000), net of bond discounts, net, \$753,481, are not due and payable in the current period and therefore, are not reported at the fund level. | (45,111,519) |
| Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the governmental fund level. | <u>(979,409)</u> |
| Net Position of Governmental Activities | <u><u>\$ (24,712,754)</u></u> |

See accompanying notes to financial statements.

Greenway Improvement District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|-------------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Special assessments | \$ 914,938 | \$21,145,034 | \$ - | \$22,059,972 |
| Developer contributions | 48,989 | - | 2,281 | 51,270 |
| Interest income | 681 | 928 | 28 | 1,637 |
| Total Revenues | <u>964,608</u> | <u>21,145,962</u> | <u>2,309</u> | <u>22,112,879</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 172,971 | - | - | 172,971 |
| Physical environment | 696,843 | - | - | 696,843 |
| Capital outlay | - | - | 272,200 | 272,200 |
| Debt service | | | | |
| Principal | - | 8,966,570 | - | 8,966,570 |
| Interest | - | 2,786,901 | - | 2,786,901 |
| Total Expenditures | <u>869,814</u> | <u>11,753,471</u> | <u>272,200</u> | <u>12,895,485</u> |
| Excess revenues over/(under) expenditures | <u>94,794</u> | <u>9,392,491</u> | <u>(269,891)</u> | <u>9,217,394</u> |
| Other Financing Sources/(uses) | | | | |
| Transfers in | 15,000 | - | 174 | 15,174 |
| Transfers out | - | (174) | (15,000) | (15,174) |
| Proceeds from sale of assets | 49,674 | - | - | 49,674 |
| Issuance of bond anticipation note | - | 404,953 | 643,385 | 1,048,338 |
| Total Other Financing Sources/(Uses) | <u>64,674</u> | <u>404,779</u> | <u>628,559</u> | <u>1,098,012</u> |
| Net Change in Fund Balances | <u>159,468</u> | <u>9,797,270</u> | <u>358,668</u> | <u>10,315,406</u> |
| Fund Balances - October 1, 2020 | <u>141,999</u> | <u>4,523,305</u> | <u>316,872</u> | <u>4,982,176</u> |
| Fund Balances - September 30, 2021 | <u>\$ 301,467</u> | <u>\$14,320,575</u> | <u>\$ 675,540</u> | <u>\$15,297,582</u> |

See accompanying notes to financial statements.

Greenway Improvement District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

| | |
|--|-----------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 10,315,406 |
| 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 allocated over their estimated useful lives as depreciation. This is the amount that capital outlay, \$272,200, and gain on sale of assets, \$19,870, less proceeds, \$(49,674) exceeded depreciation, \$(131,174), in the current period. | 111,222 |
| Repayments of bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. | 8,966,570 |
| Bond anticipation note proceeds are reflected as an other financing source at the fund level, however, they are reflected as an addition to liabilities at the government-wide level. | (1,048,338) |
| Unavailable revenues are recognized as a deferred inflow at the fund level. However, at the government-wide level revenue is recognized when earned. | (2,864) |
| Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost is allocated as amortization expense. | (34,937) |
| In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and current year accruals. | <u>149,718</u> |
| Change in Net Position of Governmental Activities | <u><u>\$ 18,456,777</u></u> |

See accompanying notes to financial statements.

Greenway Improvement District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues | | | | |
| Special assessments | \$ 911,168 | \$ 911,168 | \$ 914,938 | \$ 3,770 |
| Developer contributions | - | - | 48,989 | 48,989 |
| Interest income | 10,000 | 10,000 | 681 | (9,319) |
| Total revenues | <u>921,168</u> | <u>921,168</u> | <u>964,608</u> | <u>43,440</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 146,600 | 152,010 | 172,971 | (20,961) |
| Physical environment | 774,568 | 769,158 | 696,843 | 72,315 |
| Total Expenditures | <u>921,168</u> | <u>921,168</u> | <u>869,814</u> | <u>51,354</u> |
| Excess revenues over/(under) expenditures | <u>-</u> | <u>-</u> | <u>94,794</u> | <u>94,794</u> |
| Other Financing Sources/(Uses) | | | | |
| Proceeds from sale of assets | - | - | 49,674 | 49,674 |
| Transfers in | - | - | 15,000 | 15,000 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>64,674</u> | <u>64,674</u> |
| Net Change in Fund Balances | - | - | 159,468 | 159,468 |
| Fund Balances - October 1, 2020 | <u>-</u> | <u>-</u> | <u>141,999</u> | <u>141,999</u> |
| Fund Balances - September 30, 2021 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 301,467</u> | <u>\$ 301,467</u> |

See accompanying notes to financial statements.

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Greenway Improvement District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established, as a Community Development District, in 2003, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance 2003022470 of the City Council of Orlando, Florida. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or without the boundaries of the Greenway Improvement District. The District is governed by a five-member Board of Supervisors who are elected for four year terms. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Greenway Improvement District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 61, The Financial Reporting Entity, the District has identified no component units.

2. Measurement Focus and Basis of Accounting

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

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

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

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

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District has implemented the Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by the state constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – Accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

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

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as special assessment bonds, be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash equivalents include time deposits and certificates of deposit with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities and Net Position or Equity (Continued)

b. Restricted Assets

Certain net position of the District are classified as restricted assets on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which include land and improvements, construction in progress, and improvements other than buildings, are reported in the applicable governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Improvements other than buildings 15 years

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget variance columns of the accompanying financial statements may occur.

e. Bond Discounts

Bond discounts associated with the issuance of bonds are amortized over the life of the bonds using the straight-line method of accounting.

**Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities and Net Position or Equity (Continued)

f. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in this category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds, \$15,297,582, differs from “net position” of governmental activities, \$(24,712,754), reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated as follows.

Capital related items

When capital assets (that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the District as a whole.

| | | |
|-----------------------------------|----|---------------------|
| Land | \$ | 276,871 |
| Construction in progress | | 4,285,742 |
| Improvements other than buildings | | 1,967,613 |
| Less: accumulated depreciation | | (449,634) |
| Total | | <u>\$ 6,080,592</u> |

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Balances at September 30, 2021 were:

| | | |
|--------------------|----|------------------------|
| Bonds payable | \$ | (45,865,000) |
| Bond discount, net | | 753,481 |
| Total | | <u>\$ (45,111,519)</u> |

**Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to accrued interest on bonds.

| | |
|------------------|---------------------|
| Accrued interest | \$ <u>(979,409)</u> |
|------------------|---------------------|

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$10,315,406, differs from the “change in net position” for governmental activities, \$18,456,777, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, the cost of those assets are capitalized at the government wide level and allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas, net position changes by the amount of capital additions net of any depreciation charged for the year.

| | |
|----------------|-------------------|
| Capital outlay | \$ 272,200 |
| Sale of assets | (29,804) |
| Depreciation | <u>(131,174)</u> |
| Total | <u>\$ 111,222</u> |

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)

Long-term debt transactions

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

| | |
|--|---------------------|
| Debt principal payments | \$ 8,966,570 |
| Proceeds from bond anticipation note payable | (1,048,338) |
| Bond discount amortization | <u>(34,937)</u> |
| Total | <u>\$ 7,883,295</u> |

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

| | |
|--|-------------------|
| Net change in accrued interest payable | <u>\$ 149,718</u> |
|--|-------------------|

Deferred inflows of resources

Unavailable revenues are recognized as deferred inflows of resources at the fund level. Revenues are recognized when earned at the government-wide level.

| | |
|----------------------|-------------------|
| Unavailable revenues | <u>\$ (2,864)</u> |
|----------------------|-------------------|

**Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2021, the District's bank balance was \$373,767 and the carrying value was \$345,899. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2021, the District had the following investments and maturities:

| <u>Investment</u> | <u>Maturities</u> | <u>Fair Value</u> |
|--------------------------------|-------------------|----------------------|
| Money Market Account - Managed | N/A | \$ 14,973,458 |
| Florida PRIME | 49 Days* | 1,521 |
| Total | | <u>\$ 14,974,979</u> |

*Weighted Average Maturity

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted prices for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, Managed Money Market Funds are Level 1 assets.

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirement that would limit daily access to 100 percent of the account value.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2021, the District's investments in Florida PRIME were rated AAAM by Standards & Poor's. The Managed Money Market Funds are not rated by any nationally recognized agency.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investment in the Managed Money Markets Funds are approximately 99% of the District's total investments. The investments in Florida PRIME are less than one percent of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2021 were typical of these items during the fiscal year then ended.

The District considers any decline in fair value for certain investments to be temporary.

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE D – SPECIAL ASSESSMENT REVENUES

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. Operations and maintenance assessments are levied on an annual basis and debt service assessments are levied at the issuance of bonds and certified for collection on an annual basis. The fiscal year for which annual assessments are levied begins October 1 and, if collected using the Uniform Method of Collection, with the discounts available for payments through February 28 and become delinquent on April 1. Alternatively, the District adopts a resolution provided for the collection dates and directly collects the assessments.

NOTE E – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2021 was as follows:

| | Balance October 1, 2020 | Additions | Deletions | Balance September 30, 2021 |
|--|-------------------------------|-------------------|--------------------|----------------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and improvements | \$ 306,675 | \$ - | \$ (29,804) | \$ 276,871 |
| Construction in progress | 4,013,542 | 272,200 | - | 4,285,742 |
| Total Capital Assets, Not Depreciated | <u>4,320,217</u> | <u>272,200</u> | <u>(29,804)</u> | <u>4,562,613</u> |
| Capital assets, being depreciated: | | | | |
| Improvements other than buildings | <u>1,967,613</u> | <u>-</u> | <u>-</u> | <u>1,967,613</u> |
| Less accumulated depreciation for: | | | | |
| Improvements other than buildings | <u>(318,460)</u> | <u>(131,174)</u> | <u>-</u> | <u>(449,634)</u> |
| Total Accumulated Depreciation | <u>(318,460)</u> | <u>(131,174)</u> | <u>-</u> | <u>(449,634)</u> |
| Total Capital Assets Depreciated, Net | <u>1,649,153</u> | <u>(131,174)</u> | <u>-</u> | <u>1,517,979</u> |
| Governmental Activities Capital Assets | <u>\$ 5,969,370</u> | <u>\$ 141,026</u> | <u>\$ (29,804)</u> | <u>\$ 6,080,592</u> |

Current year depreciation, \$131,174, is charged to physical environment.

Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE F – LONG-TERM DEBT

| | |
|---|----------------------|
| Long-term debt at October 1, 2020 | \$ 53,783,232 |
| Note proceeds | 1,048,338 |
| Principal payments | <u>(8,966,570)</u> |
| Long-term Debt at September 30, 2021 | 45,865,000 |
| Less: bond discount, net | <u>(753,481)</u> |
| Total Long-term Debt, Net at September 30, 2021 | <u>\$ 45,111,519</u> |

The following is a summary of debt activity for the District for the year ended September 30, 2021:

\$55,750,000 Series 2013 Special Assessment Revenue Bonds due in annual installments beginning May 2014 and maturing May 2043 with interest at 5.125% due in May and November and starting in November 2013. Current portion is \$10,890,000. \$ 45,865,000

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2021 are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|------------------------------|----------------------|----------------------|----------------------|
| 2022 | \$ 10,890,000 | \$ 2,094,716 | \$ 12,984,716 |
| 2023 | 950,000 | 1,792,468 | 2,742,468 |
| 2024 | 1,000,000 | 1,743,782 | 2,743,782 |
| 2025 | 1,055,000 | 1,692,532 | 2,747,532 |
| 2026 | 1,110,000 | 1,638,462 | 2,748,462 |
| 2027-2031 | 6,485,000 | 7,277,500 | 13,762,500 |
| 2032-2036 | 8,380,000 | 5,430,706 | 13,810,706 |
| 2037-2041 | 10,825,000 | 3,045,788 | 13,870,788 |
| 2042-2043 | <u>5,170,000</u> | <u>400,774</u> | <u>5,570,774</u> |
| Totals | <u>\$ 45,865,000</u> | <u>\$ 25,116,728</u> | <u>\$ 70,981,728</u> |

The bond anticipation note was fully redeemed as of September 30, 2021.

**Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE F – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bonds Resolution Terms and Covenants

The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. Payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The Bonds are subject to redemption at the option of the District and are also subject to extraordinary mandatory redemption prior to maturity as outlined in the Trust Indenture.

The bond indenture requires that the District maintain adequate funds in the reserve account to meet the debt service requirements as defined in the Trust Indenture. The District is in compliance with the requirements as of September 30, 2021.

| | Reserve Balance | Reserve Requirement |
|--|----------------------------|--------------------------------|
| Series 2013, Special Assessment Revenue Bonds | \$ 3,478,503 | \$ 27,210 |

NOTE G – INTERLOCAL AGREEMENTS

The District previously entered into an interlocal agreement related to cost sharing for certain infrastructure projects with Myrtle Creek Improvement District ("Myrtle Creek") and Boggy Creek Improvement District ("Boggy Creek"). These districts are related through a common developer. The agreement provides for the improvement to be constructed, acquired or otherwise provided by Boggy Creek and that Boggy Creek will be reimbursed for these costs from the District and Myrtle Creek. The projected costs related to the agreement total approximately \$33.8 million, with costs to be split 31.5% for Myrtle Creek, 32.5% for Boggy Creek and 36% for the District. The District, Myrtle Creek and Boggy Creek also previously entered into an agreement regarding interchange maintenance costs based on the same cost allocation.

In August 2016, the District entered into an interlocal agreement with Boggy Creek regarding the shared construction costs of Nemours Parkway (phase 7). Upon Greenway Improvement District's receipt of an invoice from the contractor, the Engineer will review it and make a determination as to the portion that will be due to the District from Boggy Creek.

**Greenway Improvement District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2021, consisted of the following:

| <u>Transfers In</u> | <u>Transfers Out</u> | | <u>Total</u> |
|-----------------------|------------------------------|----------------------------------|------------------|
| | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | |
| General Fund | \$ - | \$ 15,000 | \$ 15,000 |
| Capital Projects Fund | 174 | - | 174 |
| Total | <u>\$ 174</u> | <u>\$ 15,000</u> | <u>\$ 15,174</u> |

Interfund transfers between the Debt Service Fund and the Capital Projects Fund is related to decreases in reserve requirements in accordance with the Trust Indenture. Interfund transfer between the General Fund and Capital Projects Fund is related to funding provided to the General Fund.

NOTE I – BOUNDARY AMENDMENT

On June 28, 2021, the City of Orlando, Florida, adopted Ordinance No. 2021-32, amending the boundaries of the Greenway Improvement District resulting in a net contraction of approximately 388.955 acres. The District now encompasses approximately 817.369 acres. There was no land value on the District's books for the land removed from the District. In June 2021, the District received a debt service prepayment of \$9,984,459, and the District made a principal prepayment on the Series 2013 Bonds of \$9,985,000 in November 2021. The Bond Anticipation Note issued in November 2018 to fund a portion of the Series 2018 Project was fully redeemed as of September 30, 2021.

NOTE J – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. The District has not filed any insurance claims in any of the previous three fiscal years.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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

To the Board of Supervisors
Greenway Improvement District
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greenway Improvement District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2022.

Internal Control Over Financial Reporting

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

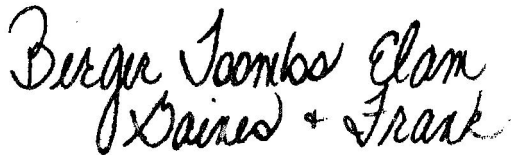
To the Board of Supervisors
Greenway Improvement District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greenway Improvement District'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 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.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 23, 2022



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Greenway Improvement District
Orlando, Florida

Report on the Financial Statements

We have audited the financial statements of the Greenway Improvement District as of and for the year ended September 30, 2021, and have issued our report thereon dated June 23, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals 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 23, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

To the Board of Supervisors
Greenway Improvement District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Greenway Improvement District. It is management's responsibility to monitor the Greenway Improvement District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2021.

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

Specific Information

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

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

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 4
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: N/A
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: 169,443
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2020, together with the total expenditures for such project: No projects started during the current fiscal year.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was amended, see the following page.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Greenway Improvement District reported:

- 7) The rate or rates of non-ad valorem special assessments imposed by the District. \$0 - \$79,365.70.
- 8) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$22,059,972.
- 9) The total amount of outstanding bonds issued by the District and the terms of such bonds. Series 2013 Bonds, \$45,865,000 maturing in May 2043.

To the Board of Supervisors
Greenway Improvement District

| | <u>Original Budget</u> | <u>Actual</u> | Variance with Original Budget Positive (Negative) |
|---|----------------------------|-------------------|--|
| Revenues | | | |
| Special assessments | \$ 911,168 | \$ 914,938 | \$ 3,770 |
| Interest earning | 10,000 | 681 | (9,319) |
| Developer contributions | - | 48,989 | 48,989 |
| Total Revenues | <u>921,168</u> | <u>964,608</u> | <u>43,440</u> |
| Expenditures | | | |
| Current | | | |
| General government | 146,600 | 172,971 | (26,371) |
| Physical environment | 774,568 | 696,843 | 77,725 |
| Total Expenditures | <u>921,168</u> | <u>869,814</u> | <u>51,354</u> |
| Other Financing Sources/(uses) | | | |
| Proceeds from sale of assets | - | 49,674 | 49,674 |
| Transfers in | - | 15,000 | 15,000 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>64,674</u> | <u>64,674</u> |
| Net changes in fund balance | <u>-</u> | <u>159,468</u> | <u>159,468</u> |
| Fund Balances - October 1, 2020 | <u>-</u> | <u>141,999</u> | <u>141,999</u> |
| Fund Balances - September 30, 2021 | <u>\$ -</u> | <u>\$ 301,467</u> | <u>\$ 301,467</u> |

Additional Matters

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



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Gaines & Frank
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To the Board of Supervisors
Greenway Improvement District

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

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Fort Pierce, Florida

June 23, 2022



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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Greenway Improvement District
Orlando, Florida

We have examined Greenway Improvement District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2021. Management is responsible for Greenway Improvement District's compliance with those requirements. Our responsibility is to express an opinion on Greenway Improvement District's compliance based on our examination.

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

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

*Berger Toombs Elam
Gaines & Frank*

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June 23, 2022