

**INTERNATIONAL DRIVE MASTER TRANSIT
AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS
IMPROVEMENT DISTRICT
(A COMPONENT UNIT OF ORANGE
COUNTY, FLORIDA)**

FINANCIAL STATEMENTS

As of and for the Year Ended September 30, 2021

*And Reports of Independent Auditor and
Supplementary Reports*

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
TABLE OF CONTENTS**

REPORT OF INDEPENDENT AUDITOR	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
BASIC FINANCIAL STATEMENTS	
Government Activities Financial Statements	
Statement of Net Position	8
Statement of Activities.....	9
General Fund Financial Statements	
Balance Sheet – General Fund.....	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund	11
Notes to Financial Statements.....	12-17
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund	18
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Municipal Service Taxing Units	19-20
SUPPLEMENTARY REPORTS	
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Independent Auditor’s Management Letter	23-24
Report of Independent Accountant on Compliance With Local Government Investment Policies	25

Report of Independent Auditor

The Advisory and Governing Board
International Drive Master Transit and Improvement District
d/b/a International Drive Business Improvement District
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of International Drive Master Transit and Improvement District d/b/a International Drive Business Improvement District (the “District”), a component unit of Orange County, Florida, as of and for the year ended September 30, 2021, and the related notes to the 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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

Our audit was conducted for the purpose of forming opinions on the financial statements of the governmental activities and the General Fund. The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Municipal Service Taxing Units is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Municipal Service Taxing Units is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 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, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Orlando, Florida
January 24, 2022

INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the International Drive Master Transit and Improvement District d/b/a International Drive Business Improvement District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2021.

Overview of the Financial Statements

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

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 of the District's assets and liabilities, 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 District'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. Also, capital assets are capitalized and depreciated on the statement of net position whereas related purchases are expensed on government fund financial statements.

General Fund. The General Fund is 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, the General 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 government's near-term financing requirements.

Because the focus of the General Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund 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 General Fund balance sheet and the General Fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between General Fund and governmental activities.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this 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. The notes to the financial statements are an integral part of the basic financial statements.

Other supplementary information. Budgetary comparison information for Municipal Service Taxing Units is included as other supplementary information.

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$7,763,715 at the close of the most recent fiscal year. This compares with \$4,747,059 at the close of the previous fiscal year, an increase of \$3,016,656. This increase consisted primarily of an increase of \$3,333,478 in current and other assets.

The change in net position can primarily be attributed to the following factors:

- Cash and cash equivalents increased \$3,327,385 during fiscal year 2021 as a result of an increase in the public funds government operating account.
- Accounts receivable decreased \$55,892, primarily as a result of the shutdowns caused by a novel strain of coronavirus ("COVID-19").
- Capital assets decreased \$36,053, primarily as a result of the yearly charge to depreciation expense.

Restricted net position consists of unspent Master Transit Improvement District Taxing Unit public safety program ad valorem tax revenue and unspent International Drive Bus Service Taxing Unit and North International Drive Improvement Municipal Service Taxing Unit ad valorem tax revenue.

	Net Position	
	2021	2020
Assets		
Current and other assets	\$ 7,790,358	\$ 4,456,880
Capital assets	301,394	337,447
Total assets	<u>8,091,752</u>	<u>4,794,327</u>
Liabilities		
Current liabilities	310,165	21,669
Noncurrent liabilities	17,872	25,599
Total liabilities	<u>328,037</u>	<u>47,268</u>
Net position		
Net investment in capital assets	275,795	304,624
Restricted:		
Public safety	1,085,937	983,158
International Drive Bus Service Taxing Unit	3,731,894	1,078,985
North International Drive Improvement Municipal Service Taxing Unit	56,118	35,071
Unrestricted	2,613,971	2,345,221
Total net position	<u>\$ 7,763,715</u>	<u>\$ 4,747,059</u>

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Activities

Governmental activities increased the District's net position by \$3,016,656 in fiscal year 2021, compared to an increase of \$1,881,829 in the prior fiscal year. Total revenues decreased by \$197,662 from last year, primarily as a result of a \$596,840 decrease in charges for services, which was partially offset by a \$447,532 increase in general revenues from master service taxing units. Charges for services consists of pass sales, fare box revenue, advertising revenue and Pedi-cab license revenue. The decrease in charges for services is due to a shut down from October through the first half of December and again in the second half of February through May due to COVID-19.

Total expenses decreased by \$1,332,489, primarily as a result of a \$1,284,521 decrease in transportation services related to a shut down from October through the first half of December and again in the second half of February through May due to COVID-19. The net effect of public safety general revenues and expenses was an increase in net position of \$102,779 and decrease in net position of \$61,441 for the years ended September 30, 2021 and 2020, respectively. Exclusive of these effects, the change in net position was \$2,913,877 and \$1,943,270 for the years ended September 30, 2021 and 2020, respectively.

	Changes in Net Position	
	2021	2020
Revenues		
Program revenues:		
Charges for services	\$ 95,729	\$ 692,569
Special event revenue	3,000	50,245
Total program revenues	<u>98,729</u>	<u>742,814</u>
General revenues:		
Master service taxing units	7,953,751	7,506,219
Other general revenues	619	1,728
Total general revenues	<u>7,954,370</u>	<u>7,507,947</u>
Total revenues	<u>8,053,099</u>	<u>8,250,761</u>
Expenses		
Program expenses:		
Transportation services	1,692,629	2,977,150
General government	1,240,213	1,194,437
Public safety	1,552,883	1,664,643
Planning and development	550,718	532,702
Total program expenses	<u>5,036,443</u>	<u>6,368,932</u>
Changes in net position	3,016,656	1,881,829
Net position beginning	4,747,059	2,865,230
Net position ending	<u>\$ 7,763,715</u>	<u>\$ 4,747,059</u>

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial Analysis of the General Fund

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The purpose of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District's General Fund activities resulted in a \$3,045,485 increase in fund balance during fiscal 2021, as compared to a \$1,912,404 increase in fund balance during fiscal 2020. Revenues decreased from \$8,249,865 to \$8,053,099, primarily due to a decrease in charges for services, net of an increase in general revenue from master service taxing units. Expenditures decreased from \$6,379,512 to \$5,007,614, with transportation services expenditures decreasing \$1,294,745.

General Fund Budgetary Highlights

The original budget was not amended during the current fiscal year. A positive budget variance of \$2,099,518 was experienced for the General Fund as a whole, with the following highlights:

- \$2,007,187 positive variance in transportation expenditures
- \$124,509 positive variance in charges for general government expenditures
- \$27,257 negative variance in public safety
- \$268,424 positive variance in master service taxing units revenue
- \$329,196 negative variance in charges for services revenues

Capital Asset Administration

The District's capital assets as of September 30, 2021 amount to \$301,394, a net decrease of \$36,053 from 2020, after recording \$42,219 in fiscal 2021 depreciation expense. The District invested \$5,166 in new office furniture and equipment, which includes three computers.

	Capital Assets	
	(net of accumulated depreciation)	
	2021	2020
Trolley replacement inventory	\$ 74,507	\$ 74,507
Trolley shelters	179,008	205,714
Trolley markers	8,301	11,748
Office furniture & equipment	39,578	45,478
Total	<u>\$ 301,394</u>	<u>\$ 337,447</u>

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Debt Administration

At the end of the current fiscal year, the District had one outstanding loan payable of \$25,599, a decrease of \$7,224 from the prior year. The loan payable is related to the two District vehicles that were purchased in the previous fiscal year.

Loan Payable	
2020	2021
\$ 32,823	\$ 25,599

Economic Factors and Conditions

The District's major source of revenue, Municipal Service Taxing Units (MSTUs), are based on Orange County's property tax collections, which are affected by property values and millage rates set by the County. MSTUs 1, 2, & 3 had fiscal 2021 tax revenue of \$447,532 over that of fiscal 2020 levels, primarily due to an increase in assessed values of properties.

The District had a fiscal 2021 decrease in pass sale revenue of 77.9% over prior year, due to shutdowns caused by COVID-19, as well as the overall decrease in tourism. Fare box revenue had a 75.4% decrease year over year. Overall, trolley ridership saw a decrease of 85.9% over the prior year.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in such. Questions concerning any of the information should be addressed to the Executive Director, 7081 Grand National Drive, Suite 105, Orlando, FL 32819.

BASIC FINANCIAL STATEMENTS

INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

ASSETS

Cash	\$ 7,720,759
Accounts receivable (no allowance for doubtful accounts)	29,541
Prepaid items and other assets	40,058
Capital assets:	
Trolley replacement inventory	74,507
Trolley shelter and marker infrastructure	1,042,675
Office furniture and equipment	129,538
Accumulated depreciation	(945,326)
Total Assets	<u>8,091,752</u>

LIABILITIES

Current Liabilities:

Accounts payable	294,410
Accrued liabilities	8,028
Loans payable, current	7,727
Total Current Liabilities	<u>310,165</u>

Noncurrent Liabilities:

Loans payable, long-term	17,872
Total Noncurrent Liabilities	<u>17,872</u>
Total Liabilities	<u>328,037</u>

NET POSITION

Net investment in capital assets	275,795
Restricted for:	
Public safety	1,085,937
International Drive Bus Service Taxing Unit	3,731,894
North International Drive Improvement Municipal Service Taxing Unit	56,118
Unrestricted	2,613,971
Total Net Position	<u>\$ 7,763,715</u>

INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2021

Program Expenses:	
Transportation services	\$ 1,692,629
General government	1,240,213
Public safety	1,552,883
Planning and development	550,718
Total Program Expenses	<u>5,036,443</u>
Program Revenues:	
Charges for services	95,729
Special event revenue	3,000
Total Program Revenues	<u>98,729</u>
Net Program Expenses	<u>(4,937,714)</u>
General Revenues:	
Master service taxing units	7,953,751
Interest income	619
Total General Revenues	<u>7,954,370</u>
Change in net position	3,016,656
Net position - beginning of the year	<u>4,747,059</u>
Net position - end of the year	<u><u>\$ 7,763,715</u></u>

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

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET – GENERAL FUND**

SEPTEMBER 30, 2021

ASSETS

Cash	\$ 7,720,759
Accounts receivable (no allowance for doubtful accounts)	29,541
Prepaid items and other assets	40,058
Total Assets	\$ 7,790,358

LIABILITIES

Accounts payable	294,410
Accrued liabilities	8,028
Total Liabilities	302,438

FUND BALANCE

Nonspendable	
Prepaid items and other assets	40,058
Spendable:	
Restricted for:	
Public safety	1,085,937
International Drive Bus Service Taxing Unit	3,731,894
North International Drive Improvement Municipal Service Taxing Unit	56,118
Unassigned	2,573,913
Total Fund Balance	7,487,920
Total Liabilities and Fund Balance	\$ 7,790,358

Amounts reported in the statement of net position differ from amounts reported above as follows:

Fund Balance - General Fund	\$ 7,487,920
Capital assets used in governmental activities are not financial resources and, therefore, are not reported above.	301,394
Loans payable are not due and payable in the current period and, therefore, are not reported in the funds.	(25,599)
Net Position of Governmental Activities	\$ 7,763,715

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2021

Revenues:	
Master service taxing units	\$ 7,953,751
Charges for services	95,729
Intergovernmental revenues	-
Special event revenue	3,000
Interest income	619
Total Revenues	<u>8,053,099</u>
Expenditures:	
Current:	
Transportation services	1,623,213
General government	1,215,547
Public safety	1,551,686
Planning and development	556,703
Capital outlay	51,246
Debt Service:	
Principal	7,224
Interest	1,995
Total Expenditures	<u>5,007,614</u>
Change in fund balance	3,045,485
Fund balance, beginning of year	<u>4,442,435</u>
Fund balance, end of year	<u><u>\$ 7,487,920</u></u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balance - General Fund	\$ 3,045,485
Repayment of loan principal is an expenditure in governmental funds, but repayment reduces long-term liabilities in the statement of net position. This is the amount of loan repayment during the current period.	7,224
Governmental funds report all capital outlays as expenditures. In the statement of activities, the costs of capitalized assets are allocated over asset estimated useful life and reported as depreciation expense. This is the amount by which depreciation exceeded capitalized capital outlays.	<u>(36,053)</u>
Change in net position of governmental activities	<u><u>\$ 3,016,656</u></u>

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

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

Note 1—Summary of significant accounting policies

International Drive Master Transit and Improvement District d/b/a International Drive Business Improvement District (the “District”) is an independent special district created pursuant to Article VII of the Florida constitution and Section 125.01(5) of the Florida Statutes through ordinances passed by Orange County, Florida and the City of Orlando, Florida. It was created by Orange County ordinance 92-37 dated November 10, 1992. Its primary activity is the administration of transportation and capital planning projects along certain segments of International Drive.

The District is funded primarily by ad valorem tax revenues collected and remitted by the Orange County Florida Tax Collector. The ad valorem taxes are assessed through three Municipal Service Taxing Units, described below, created in the International Drive area through ordinances by Orange County, Florida and the City of Orlando, Florida:

Master Transit Improvement District Taxing Unit, which may levy up to 0.3 mill per year; of this levy, 0.1 mill is used for general administration and operations of the District and 0.2 mill is used for funding public safety programs.

International Drive Bus Service Taxing Unit, which may levy up to 1.0 mill per year, is used to provide public transit services in the International Drive area.

North International Drive Improvement Municipal Service Taxing Unit, which may levy up to 0.2 mill per year, is used to improve and beautify portions of the International Drive area.

Each Municipal Service Taxing Unit described above may use funding for the purpose of funding other facilities and services for the benefit of its stakeholders and taxpayers.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to independent special districts. The following is a summary of the more significant policies:

Reporting Entity – The District is a legally separate entity with no component units. However, two of its three governing board members are members from Orange County Board of County Commissioners and one member is from the City of Orlando; three of the five members of the District’s Advisory Board are appointed by Orange County Board of County Commissioners and two are appointed by the City of Orlando. A major portion of the District’s funding is derived from Orange County Municipal Service Taxing Units. Therefore, the District, for financial reporting purposes, is considered a component unit of Orange County, Florida. The financial statements of the District are included in Orange County, Florida’s comprehensive annual financial report under a discrete presentation format.

Basis of Accounting – Government fund financial statements are organized for reporting purposes on the basis of a General Fund, the District’s major fund, which accounts for all activities of the District and is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if collected within 60 days after year-end. Expenditures are recognized when the related fund liability is incurred.

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

Note 1—Summary of significant accounting policies (continued)

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.

Restricted Net Position – Assets restricted by an agreement with Orange County for specific purposes, net of related liabilities, are identified as restricted fund balance on the balance sheet and restricted net position on the statement of net position. When both restricted and unrestricted resources are available for use, the District's policy is to use restricted resources first, then unrestricted resources as they are needed.

Capital Assets – The District defines capital assets as assets with an initial, individual cost of \$750 or more and an estimated useful life of two years or more. Such assets are recorded at cost in the government-wide financial statements. The District does not have donated capital assets.

Infrastructure capital assets (such as bus stop markers and shelters and other assets that are immovable and of value only to the District) have been capitalized and depreciated in the same manner as other capital assets.

Capital assets are depreciated using the straight-line method over estimated lives ranging from 3 to 15 years. Accumulated depreciation has been recorded based on estimated depreciation since the date each capital asset was available for service.

Budget – On or before September 30 of each year, the District's Advisory and Governing Board adopts an annual budget sufficient to support the anticipated work program for the year. The budget includes revenues from all sources, including contracts, fees, and other fund sources legitimately available to the District. The District's Advisory and Governing Board can legally amend the budget to the extent deemed necessary, provided the budget remains in balance at the fund level. District management other than the Advisory and Governing Board cannot amend or transfer appropriations.

Use of Estimates – The preparation of the financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from those estimates.

Note 2—Cash and investments

The District's cash consists of demand deposits of \$7,720,759 at September 30, 2021.

The District's investment policy allows for investments in Local Governmental Surplus Funds Investment Pool, Securities and Exchange Commission registered money market funds, savings accounts, certificates of deposit, repurchase agreements, and direct obligations of the United States government or its agencies and instrumentalities. The District's investment policy also limits the maturity of all purchased securities to no more than one year.

INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

Note 3—Changes in capital assets

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

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Governmental Activities				
Capital assets not depreciated:				
Trolley replacement inventory	\$ 74,507	\$ -	\$ -	\$ 74,507
Total capital assets not being depreciated	<u>74,507</u>	<u>-</u>	<u>-</u>	<u>74,507</u>
Capital assets being depreciated:				
Office furniture and equipment	124,372	5,166	-	129,538
Trolley shelters	773,879	-	-	773,879
Trolley markers	268,796	-	-	268,796
Total capital assets being depreciated	<u>1,167,047</u>	<u>5,166</u>	<u>-</u>	<u>1,172,213</u>
Less accumulated depreciation for:				
Office furniture and equipment	78,894	11,066	-	89,960
Trolley shelters	568,165	26,706	-	594,871
Trolley markers	257,048	3,447	-	260,495
Total accumulated depreciation	<u>904,107</u>	<u>41,219</u>	<u>-</u>	<u>945,326</u>
Governmental activities capital assets	<u>\$ 337,447</u>	<u>\$ (36,053)</u>	<u>\$ -</u>	<u>\$ 301,394</u>

Depreciation expense amounted to \$41,219 during fiscal 2021. Of this amount, \$30,153 is included in transportation services expense and \$11,066 is included in general government expense on the statement of activities.

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

Note 4—Loans payable

On November 4, 2019, the District entered into a loan agreement with Ford Credit for the purchase of two new vehicles, which serve as collateral for the respective loans. The term of each loan is for 60 months at an interest rate of 6.75%. Monthly payments are \$768 in total.

Loans payable activity during the fiscal year ending September 30, 2021 was as follows:

Loans Payable					Amount due
September 30, 2021					within one
	Beginning	Additions	Deletions	Ending Balance	year
	Balance				
Loan #1	\$ 32,823	\$ -	\$ (7,224)	\$ 25,599	\$ 7,727
Total	<u>\$ 32,823</u>	<u>\$ -</u>	<u>\$ (7,224)</u>	<u>\$ 25,599</u>	<u>\$ 7,727</u>

This is the schedule of loan payable activity in future years based on existing loans:

Fiscal Year	Principal	Interest	Total
2022	\$ 7,727	\$ 1,492	\$ 9,219
2023	8,265	954	9,219
2024	8,841	378	9,219
2025	766	4	770
	<u>\$ 25,599</u>	<u>\$ 2,828</u>	<u>\$ 28,427</u>

Note 5—Risk management

The District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District purchases commercial insurance.

The District did not reduce insurance coverages during the year ended September 30, 2021. No settlements have exceeded coverage levels in place during the last three fiscal years.

All health insurance claims are covered by Orange County, Florida's Self-Insurance Fund, a risk management pool to which risk is transferred in exchange for annual premium payments.

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

Note 6—Commitments and contingencies

Operating Leases – The District is currently committed to various operating leases with terms in excess of one year. For the year ended September 30, 2021, the total lease expenditures were \$113,671. The following is the schedule of future minimum lease payments based on existing leases:

Fiscal year ending September 30:	Amount
2022	\$ 116,665
2023	119,354
2024	120,188
2025	122,068
2026	125,762
Thereafter	107,139
Total future minimum lease payments	<u>\$ 711,176</u>

Trolley Transportation Service – The District has an agreement to pay the Mears Transportation Group through November 6, 2026 for trolley transportation service within the bus service area of International Drive. The agreement provides for hourly rates that increase or decrease by 85% of the annual percentage change in the Consumer Price Index on November 6th of each year. In addition, the hourly rates are subject to periodic fuel price adjustments not to exceed 4.75%.

Law Enforcement Services – The District has an agreement to pay the Orange County Sheriff’s Office through September 30, 2021 for the TOPS Program. This program provides law enforcement services in the portion of the District that lies within the unincorporated area of Orange County. The agreement is amended and extended on an annual basis. For fiscal year 2022, the annual fee is \$1,268,949.

Coronavirus – During 2020 the outbreak of COVID-19 emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the District’s revenue and operations for an indeterminable time period. Other financial impacts could occur that are unknown at this time.

Note 7—Governmental fund balances

Fund balance for the District is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts of the fund can be spent. Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. As of September 30, 2021, the District had a nonspendable fund balance of \$40,058 related to prepaid items and other assets which are not expected to be converted to cash.

Spendable fund balances are classified based on a hierarchy of the District’s ability to control the spending of these fund balances.

**INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

Note 7—Governmental fund balances (continued)

Restricted fund balances are fund balance amounts that are constrained for specific purposes by external parties, such as creditors, grantors or contributors; constitutional provisions; or enabling legislation. As of September 30, 2021, the District had restricted fund balances as summarized below:

Public Safety	\$ 1,085,937
International Drive Bus Service Taxing Unit	3,731,894
North International Drive Improvement Municipal Service Taxing Unit	<u>56,118</u>
Total restricted fund balances	<u>\$ 4,873,949</u>

Committed fund balances are fund balances constrained for specific purposes by formal action of the District’s highest level of decision making authority. Committed fund balances are reported pursuant to resolutions approved by the Governing Board and can only be modified or rescinded through resolutions approved by the Governing Board. As of September 30, 2021, the District had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2021, the District had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. As of September 30, 2021, the District’s unassigned fund balance was \$2,573,913.

For purposes of fund balance classification, the District considers restricted funds to have been spent first when both restricted and unrestricted fund balance is available, followed in order by committed, assigned and unassigned amounts, as applicable.

REQUIRED SUPPLEMENTARY INFORMATION

INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Master service taxing units	\$ 7,685,327	\$ 7,685,327	\$ 7,953,751	\$ 268,424
Charges for services	424,925	424,925	95,729	(329,196)
Special event revenue	-	-	3,000	3,000
Interest income	600	600	619	19
Total Revenues	8,110,852	8,110,852	8,053,099	(57,753)
Expenditures:				
Current:				
Transportation services	3,630,400	3,630,400	1,623,213	2,007,187
General government	1,340,056	1,340,056	1,215,547	124,509
Public safety	1,524,429	1,524,429	1,551,686	(27,257)
Planning and development	593,000	593,000	556,703	36,297
Capital outlay	77,000	77,000	51,246	25,754
Debt service	-	-	9,219	(9,219)
Total Expenditures	7,164,885	7,164,885	5,007,614	2,157,271
Change in fund balance	945,967	945,967	3,045,485	2,099,518
Fund balance, beginning of year	4,442,435	4,442,435	4,442,435	-
Fund balance, end of year	\$ 5,388,402	\$ 5,388,402	\$ 7,487,920	\$ 2,099,518

OTHER SUPPLEMENTARY INFORMATION

INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – MUNICIPAL SERVICE TAXING UNITS

YEAR ENDED SEPTEMBER 30, 2021

	Master Transit Improvement District			International Drive Bus Service		
	Taxing Unit		Variance- Positive (Negative)	Taxing Unit		Variance- Positive (Negative)
	Budget	Actual		Budget	Actual	
Revenues:						
Master service taxing units	\$ 2,460,964	\$ 2,499,351	\$ 38,387	\$ 5,045,670	\$ 5,284,800	\$ 239,130
Charges for services	-	5,625	5,625	424,925	90,104	(334,821)
Special event revenue	-	3,000	3,000	-	-	-
Interest income	150	101	(49)	375	428	53
Total Revenues	<u>2,461,114</u>	<u>2,508,077</u>	<u>46,963</u>	<u>5,470,970</u>	<u>5,375,332</u>	<u>(95,638)</u>
Expenditures:						
Current:						
Transportation services	-	-	-	3,630,400	1,623,213	2,007,187
General government	617,336	623,430	(6,094)	566,668	449,459	117,209
Public safety	1,524,429	1,551,686	(27,257)	-	-	-
Planning and development	29,000	30,762	(1,762)	551,500	519,956	31,544
Capital outlay	12,000	11,983	17	65,000	39,263	25,737
Debt service	-	9,219	(9,219)	-	-	-
Total Expenditures	<u>2,182,765</u>	<u>2,227,080</u>	<u>(44,315)</u>	<u>4,813,568</u>	<u>2,631,891</u>	<u>2,181,677</u>
Changes in fund balances	278,349	280,997	2,648	657,402	2,743,441	2,086,039
Fund balance, beginning of year	<u>311,637</u>	<u>311,637</u>	-	<u>4,095,727</u>	<u>4,095,727</u>	-
Fund balance, end of year	<u>\$ 589,986</u>	<u>\$ 592,634</u>	<u>\$ 2,648</u>	<u>\$ 4,753,129</u>	<u>\$ 6,839,168</u>	<u>\$ 2,086,039</u>

INTERNATIONAL DRIVE MASTER TRANSIT AND IMPROVEMENT DISTRICT
d/b/a INTERNATIONAL DRIVE BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – MUNICIPAL SERVICE TAXING UNITS

YEAR ENDED SEPTEMBER 30, 2021

	North International Drive Improvement Municipal Service Taxing Unit			Totals		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
Revenues:						
Master service taxing units	\$ 178,693	\$ 169,600	\$ (9,093)	\$ 7,685,327	\$ 7,953,751	\$ 268,424
Charges for services	-	-	-	424,925	95,729	(329,196)
Special event revenue	-	-	-	-	3,000	3,000
Interest income	75	90	15	600	619	19
Total Revenues	178,768	169,690	(9,078)	8,110,852	8,053,099	(57,753)
Expenditures:						
Current:						
Transportation services	-	-	-	3,630,400	1,623,213	2,007,187
General government	156,052	142,658	13,394	1,340,056	1,215,547	124,509
Public safety	-	-	-	1,524,429	1,551,686	(27,257)
Planning and development	12,500	5,985	6,515	593,000	556,703	36,297
Capital outlay	-	-	-	77,000	51,246	25,754
Debt service	-	-	-	-	9,219	(9,219)
Total Expenditures	168,552	148,643	19,909	7,164,885	5,007,614	2,157,271
Changes in fund balances	10,216	21,047	10,831	945,967	3,045,485	2,099,518
Fund balance, beginning of year	35,071	35,071	-	4,442,435	4,442,435	-
Fund balance, end of year	\$ 45,287	\$ 56,118	\$ 10,831	\$ 5,388,402	\$ 7,487,920	\$ 2,099,518

SUPPLEMENTARY REPORTS

**Report of Independent Auditor 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 Advisory and Governing Board
International Drive Master Transit and Improvement District
d/b/a International Drive Business Improvement District
Orlando, Florida

We have audited, 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, the financial statements of the governmental activities and the General Fund of International Drive Master Transit and Improvement District d/b/a International Drive Business Improvement District (the "District"), a component unit of Orange County, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Cheryl Behrman CPA". The signature is written in a cursive style.

Orlando, Florida
January 24, 2022

Independent Auditor's Management Letter

To the Advisory and Governing Board
International Drive Master Transit and Improvement District
d/b/a International Drive Business Improvement District
Orlando, Florida

Report of the Financial Statements

We have audited the financial statements of the International Drive Master Transit and Improvement District d/b/a International Drive Business Improvement District (the "District"), as of and for the year ended September 30, 2021, and have issued our report thereon dated January 24, 2022.

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 Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor 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 Report of Independent Accountant on Compliance with Local Government Investment Policies. Disclosures in those reports, which are dated January 24, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements. There were no component units related to the entity.

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 the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, the results of our tests did not indicate the District met any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District provided the following information (unaudited):

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 12.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as two.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 799,620.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$90,046.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 159.016(6), Florida Statutes, as zero. There were no budget amendments during the fiscal year.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District provided the following information (unaudited):

- a. The mileage rate or rates imposed by the District as 0.2334 mill within the District MSTU, 0.7523 mills within the Bus Service MSTU and 0.1601 mill within the North I-Drive MSTU.
- b. The total amount of ad valorem taxes collected by or on behalf of the District as \$7,953,751.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as zero.

Additional Matters

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

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.



Orlando, Florida
January 24, 2022

**Report of Independent Accountant on Compliance
With Local Government Investment Policies**

To the Advisory and Governing Board
International Drive Master Transit and Improvement District
d/b/a International Drive Business Improvement District
Orlando, Florida

We have examined International Drive Master Transit and Improvement District d/b/a International Drive Business Improvement District's (the "District") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

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

In our opinion, the District complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.



Orlando, Florida
January 24, 2022