

AGENDA

Hardee County Economic Development Council Hardee County Industrial Development Authority

Commission Chambers 412 W. Orange, Room 102, Wauchula, FL 33873 Regular Meeting

11/14/2017 8:30 AM

BOARD MEMBERS

Vanessa Hernandez, Board Member | Gene Davis, Chairman | Monica Reas | Courtney Green | Dorothy Conerly | Lory Durrance | Calli Ward | Tommy Watkins | Bill Lambert

- Item 1. Call to Order
- Item 2. Approval of Agenda
- Item 3. Approval of Minutes
 - Item 3.1. October 2017 EDC/IDA minutes
- Item 4. Agenda Items
 - Item 4.1. Olive Grant update
 - Item 4.2. Department of Economic Opportunity Grants
 - Item 4.3. Steel Equine Sub Grant Agreement
 - Item 4.4. Mauldin & Jenkins Engagement Letter- Audit FYE 2017
 - Item 4.5. CliftonLarsonAllen letter- discussion
- Item 5. Project Updates/Chair Updates
 - Item 5.1. Staff Presentation
- Item 6. Financial Report
 - Item 6.1. October 2017 EDC/IDA Financials
 - Item 6.2. General Fund Budget Amendments FYE 2017

- Item 6.3. Special Revenue Fund Budget Amendments FYE 2017
- Item 6.4. Special Revenue Fund Budget Amendments FYE 2018
- Item 7. Announcements/Other Business/Public Comments
- Item 8. Adjournment

MINUTES

Hardee County Economic Development Council Hardee County Industrial Development Authority

Commission Chambers 412 W. Orange, Room 102, Wauchula, FL 33873 Regular Meeting

10/10/2017 8:30 AM

BOARD MEMBERS

Vanessa Hernandez, Chairwoman | Gene Davis, Vice-Chairman | Monica Reas | Courtney Green | Dorothy Conerly | Lory Durrance | Calli Ward | Tommy Watkins | Bill Lambert

1. Call to Order

Attendee Name	Title	Status	Arrived
Vanessa Hernandez	Chairwoman	Present	
Gene Davis	Vice-Chairman	Present	
Monica Reas	Board Member	Present	
Courtney Green	Board Member	Absent	
Dorothy Conerly	Board Member	Present	
Lory Durrance	Board Member	Present	
Calli Ward	Board Member	Present	
Tommy Watkins	Board Member	Present	
Bill Lambert	Economic Development Director	Present	
Sarah W Pelham	Economic Development Corrdinator	Present	
Kristi Schierling	Economic Development Office Manager	Present	

Present: Tracy Pate, Robert Byrnes, Sudhir Rani, Tomas Endicott, Peter McClure, Bill Huggins, Charlie Cox, Leslie Cantu. Bruce Stayer, Autumn Blum, Kristin Guiliani, Henry Kuhlman, Rhonda Cole, Virginia Brown, Robin Boni, Keith Rupp, Emily Flemer, Sue Birge and Michael Kelly.

2. Approval of Agenda

Item 2.1. Motion to approve agenda with the changes

Director Lambert asked to moved 4.5 and 4.2 to the top and then continue with the rest of the items.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gene Davis, Vice-Chairman
SECONDER:	Dorothy Conerly, Board Member
AYES:	Hernandez, Davis, Conerly, Durrance, Ward, Watkins
ABSENT:	Reas, Green

3. Approval of Minutes

Item 3.1. September 2017 EDC/IDA Minutes

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Calli Ward, Board Member
SECONDER:	Tommy Watkins, Board Member
AYES:	Hernandez, Davis, Conerly, Durrance, Ward, Watkins
ABSENT:	Reas, Green

4. Agenda Items

Item 4.1. Election of Officers

Attorney Evers opened the floor for a nomination for Chair. Calli Ward nominated Gene Davis as Chair. Lory Durrance seconded it. Attorney Evers asked for a vote to cease nominations since no other names for Chair were given. Dottie Conerly made a motion and was seconded by Vanessa Hernandez that nominations cease and close the voting of Chair.

Attorney Evers then opened for Vice Chair nominations. Vanessa Hernandez nominates Tommy Watkins. No other names were given for Vice Chair. Attorney Evers asked for a vote to cease nominations. Calli Ward made a motion and was seconded by Lory Durrance to cease nominations and close for voting of Vice Chair.

Gene Davis is now Chair with Tommy Watkins being Vice Chair.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Calli Ward, Board Member
SECONDER:	Lory Durrance, Board Member
AYES:	Hernandez, Davis, Conerly, Durrance, Ward, Watkins
ABSENT:	Reas, Green

Item 4.2. Debut Development Update

Kristin Guiliani was before the board today to give an update on Debut Development. She introduced one of her clients that Debut has been working with.

Tracy Pate addressed the Board. She is a local stylist. As a stylist in the community she had noticed how expensive the salon products are and she thought she could create something more affordable. Debut helped guide her with her products and came up with her formula. She has been out hitting the pavement and getting her products in multiple stores. Some have

already restocked. She thanked Debut and the IDA board for having a facility like this for the small dreamer. Debut is doing a cooperative with Bees with a local celebrity. This would give Debut and the community recognition and also create another shift. Debut currently has 11 employees and has closed out their grant last month. They are now self sustaining. A household section has been created in the building with additional fill line equipment. A total of 6 more jobs was created for this.

Item 4.3. Stream 2 Sea Update

Autumn Blum was before the board today to give an update on Stream2Sea. At the end of the summer, Stream2Sea had over 600 retail accounts. Autumn gave an update on the lawsuit. It is over and has been dismissed. Her employment is down which is normal during the summer and she is still looking for a bookkeeper.

Item 4.4. Bees and Botanicals Update

Dr. Huggins and Leslie Cantu were before the board today to give an update on Bees & Botanicals. Their new website will launch in few weeks. A new logo, new labels and new products are also coming soon. They are also working with a PR firm out of Clearwater. This PR firm will get them into infomercial's and radio. Dr. Huggins also announced that they are working with a large celebrity group but he is unable to announce them at this time. They will be down here later in the week. This project should be large enough that they create another shift.

Item 4.5. Opportunity Review 40TPD Pongamia Processing Facility-Nebraska Renewable Energy

Peter McClure, Sadir Rani and Tomas Endicott were here on behalf of Terviva. They gave a brief update. There are over 700 acres committed to pongamia and the trees held up well during Hurricane Irma. Robert Byrnes was here from Nebraska Renewable Energy to go over his report that he did on the pongamia processing facility. A copy of his presentation is on file at the EDC office.

Item 4.6. Continuing Contract for Miscellaneous Engineering Services

Sarah Pelham told the Board that 6 responses were received for our RFP. She would like for the IDA to go into contract with 5 of them. The scoring of each of the firms is: Chastain Skillman-200, Hunter Engineering-200, AIM Engineering and Surveying-192, Master Consulting-149, Civil Serv-166 and Johnson Engineering-153. Master Consulting is a structural engineer. They are located in Tampa and have no background in doing work in Hardee County or the Heartland. The RFP stated that we would contract with a civil engineer and that they may sub-out the more specialized services such as structural engineering. Sarah recommended the board to drop Master Consulting. There are no legal repercussions in doing this. Sarah also asked the Board if they would like to hear presentations from each of the 5 respondents. The Board did not think we needed to hear from them as we are entering contracts with all of them.

Vanessa Hernandez made a motion and was seconded by Monica Reas that staff negotiate contracts with all 5 and bring the contracts back to the board for approval. A rate schedule will be provided in each of the contracts for the firms.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Vanessa Hernandez, Chairwoman
SECONDER:	Monica Reas, Board Member
AYES:	Hernandez, Davis, Reas, Conerly, Durrance, Ward, Watkins
ABSENT:	Green

5. Project Updates/Chair Report

Director Lambert gave a brief update. There was visitors from Spain here to look at the olives. They were very impressed and provided recommendations. The grafts that were done on the olive trees went from 58 to 20 due to Hurricane Irma. We will re-graft this spring. The hops leaves were stripped from the vine. Director Lambert also mentioned to the Board that Keyplex would like to purchase their building around the first of the year. We have closed on the old Winn Dixie property. There was discussion of Techriver possibly moving into part of this building. Director Lambert will see about having Travis Bond at the next meeting about the possibility of them taking over half of the building. Director Lambert has a meeting in Tampa next week with a company interested in taking over the hospital. The foundry group Director Lambert has been talking to is anxious to come here. They need a 5,000 sq/ft building. The other one we have, Higgins Ag, is leasing because they are starting construction on Hardee Fresh and the installation in the MOBO building.

6. Financial Report

Item 6.1. September 2017 EDC/IDA Financials

Sarah Pelham reviewed the financials with the board. There was nothing to note on the EDC. She did point out expenses in the IDA that were due to damage from Hurrincane Irma. Those were mostly at TechRiver.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Monica Reas, Board Member
SECONDER:	Vanessa Hernandez, Chairwoman
AYES:	Hernandez, Davis, Reas, Conerly, Durrance, Ward, Watkins
ABSENT:	Green

7. Announcements/Other Business/Public Comments

8. Adjournment

Steele Equine Veterinary Services and Performance Horse Center, Inc.

Sub Grant Agreement

THIS AGREEMENT ("Agreement") by and between the Hardee County Industrial Development Authority (the "IDA"), a dependent special district and Steele Equine Veterinary Services and Performance Horse Center, Inc. (Steele Equine), is set forth as follows:

RECITALS

WHEREAS, The Hardee County Economic Development Authority ("EDA"), an Independent Special District was created by the Florida Legislature to solicit, rank and fund grants for economic development for and in the geographic boundaries of Hardee County, Florida; and

WHEREAS, The IDA, a dependent Special District was created by the Florida Legislature to foster and promote economic development in Hardee County, Florida, activated by resolutions 84-10 and 96-31 of the Hardee County Board of County Commissioners; and

WHEREAS, On October 10, 2016 the EDA awarded Steele Equine an economic development grant in the amount of \$555,141.00, for the purposes described in the EDA grant award agreement (See Attached Exhibit A); and amended the agreement on January 31, 2017 to allow Steele Equines funds and EDA grant funds to be expended simultaneously; and

WHEREAS, pursuant to the grant award agreement, the IDA is to administer the distribution of grant funds in accordance with the grant agreement; and

WHEREAS, Steele Equine has agreed to comply with certain conditions and deliver certain performance, including measurable job creation/retention and economic diversity in the local economy, in consideration for receiving these benefits; and

WHEREAS, the parties believe it is in the best public interest to enter into this Agreement for the reasons set forth above; and

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein, the parties agree as follows:

1. RECITALS:

The above stated recitals are hereby incorporated by reference.

2. IDA COMMITMENTS:

The IDA agrees to provide funding consistent with the EDA grant agreement as follows:

- a. To provide reimbursement funding to Steele Equine consistent with the approved EDA grant award agreement in the amount of up to \$555,141.00 (**Exhibit A**).
- b. To make observations and recommendations for overall grant compliance and development progress to the EDA.
- c. To work with the County Staff delegated administrative duties for the EDA.

At any time during the term of this agreement, the commitment to continue advanced funding by the IDA is conditioned upon sufficiency of EDA reimbursements, all as determined by the IDA in its sole and absolute discretion.

3. STEELE EQUINE COMMITMENTS: Spell out she is borrowing money on her own

Steele Equine agrees to adhere to EDA grant award requirements and further agrees as follows:

- a. Steele Equine is committed to developing a positive atmosphere for the orderly development and job creation aspects of this agreement in Hardee County

- b. Steele Equine will execute and deliver necessary loan documents to evidence the construction loan in the amount of \$675,000.00, with Heartland National Bank.
- c. Steele Equine will execute and deliver to the IDA a promissory note and performance based second mortgage in the amount not to exceed \$555,141.00.
- d. Provide for the employment of necessary personnel to effectuate the success of Steele Equine.
- e. Expend funding according to the budgeted appropriations.
- f. Steele Equine, shall create and maintain, in the aggregate, at least four ("4") new employment positions in Hardee County (priority in hiring shall be given to Hardee County residents). The obligation of the company shall be to make its best efforts to maintain or increase employment levels.
- g. Steele Equine shall submit with each funding request, documentation substantiating the request as follows:
 - 1. Draw Reimbursement- detailed description of expenditure by production of redacted receipts, invoices, canceled checks, bank statements, or any other information deemed necessary by the IDA. Draw reimbursement request packages shall be submitted in redacted form (redacting any information Steele Equine deems confidential and proprietary) and in un-redacted form, two copies each.
 - 2. Steele Equine shall maintain such records as are reasonably deemed necessary by the IDA and Hardee County auditors, or such other persons or entities designated by the IDA, to ensure proper accounting for the expenditure of funds provided under this Agreement and for the performance by each of them under this Agreement.

4. COMPLIANCE VERIFICATION

Upon written demand by the IDA, the employment of Steele Equine shall be reported to the IDA office with redacted employment records, reflecting Hardee County employment reported to either the State Unemployment division (RT-6 form) or redacted form 941 quarterly report to the Social Security Administration/IRS; until such time the business or the IDA mutually agrees to terminate this requirement. In no event shall the obligation to provide employment verification records continue beyond 60 months from the date of this agreement.

5. REMUNERATION OBLIGATION

a. JOB REQUIREMENTS

As set forth in Section 3.f. above, annually during the term of this Agreement, through December 31, 2022, Steele Equine must deliver to the IDA an Annual Compliance Verification within 30 days demonstrating its Job Requirements have been met for the year just ended. The consequences to Steele Equine of satisfying, failing to satisfy or exceeding its respective Job Requirements is as follows:

1. COMPLIANCE WITH JOB REQUIREMENTS

If an Annual Compliance Verification demonstrates that Steele Equine's Job Requirement has been met for the year just ended, then Steele Equine will be deemed to have met its obligations for such preceding year and no remuneration shall be due.

2. FAILURE TO MEET JOB REQUIREMENT

- a. If the cumulative Annual Compliance Verification of employment demonstrates that Steele Equine's Job Requirement has not been met for the year just ended, then the IDA may require Steele Equine to pay remuneration in the amount of Two Thousand Five Hundred Dollars (\$2,500) per job for every employment position by which it is short that year.
- b. Any action, event or circumstance resulting in a failure to meet job creation requirements may, at the option of the IDA, result in demand for and legal action to require reimbursement of the grant funds.
- c. Any outstanding remuneration obligation under this agreement shall be paid no later than December 31, 2022.

3. EXCEEDING JOB REQUIREMENT

Exceeding the job requirements is the objective of the grant program. Accelerated reduction in the remuneration obligation may be available upon demonstration of job creation in excess of the requirements in the sole and absolute discretion of the IDA.

6. IDA INSPECTION RIGHTS

(a) DUTY TO MAINTAIN RECORDS/ RECORDS RETENTION

1. Steele Equine shall maintain accounting and business records in accordance with this agreement for a period of five (5) years or until full and final resolution of all inspections, reviews or litigation matters, whichever time period is longer.
2. Appropriate “audit trails” for any ensuing reviews shall be maintained by Steele Equine to provide accountability for updates and changes to personnel and financial systems. “Audit Trails” maintained by the subjects of inspections or reviews, will at a minimum, identify the changes made, the individual making the change and the date the change was made.

An adequate history of transactions shall be maintained by Steele Equine to permit any inspection/review of the system by tracing the activities of individuals through the system.

Steele Equine agrees that failure to maintain adequate “audit trails” and corresponding documentation shall create a presumption that compliance with this agreement was not met.

(b) ACCESS

Steele Equine shall grant access to all paper and electronic records, books, documents, accounting procedures, practices or any other items relevant to the performance of this agreement to the IDA and auditors of the State of Florida and Hardee County, or such other persons or entities designated by

the IDA in accordance with all applicable State and Federal laws, regulations or directives for the purposes of inspecting and reviewing such books and records.

Notwithstanding the foregoing, it is recognized that the purpose for which access is to be granted is to monitor compliance with the express obligations of Steele Equine hereunder, and that it would severely adversely affect the very objectives of this Agreement if confidential, proprietary technical or business data were to be released or become available to the public as a result of any examination by or on behalf of the IDA or State. Accordingly, Steele Equine may require, that the IDA and its representatives, to the extent permitted by law, follow protocols designed to protect such information as confidential pursuant to Florida Statute 288.075.

(c) LOCATION

Any such inspection or review shall be conducted at Steele Equine's principal place of business during normal business hours and at the IDA's expense, provided all costs incurred by the IDA in conducting any such inspection or review shall be reimbursed by Steele Equine as applicable, in the event such inspection or review reveals a material discrepancy in the compliance with this Agreement.

(d) REIMBURSEMENT

If any inspection or review reveals that Steele Equine's reports for the applicable period are not accurate for such period and that additional amounts were owed to the IDA above what was paid or discharged with credits, then Steele Equine shall resolve the deficiency within 30 days with the IDA.

(e) CORRECTIVE ACTION PLAN

If any inspection or review reveals any discrepancies or inadequacies which must be corrected to maintain compliance with this Agreement, Steele Equine agrees within thirty (30) calendar days after its receipt of the findings, to propose and submit to the IDA a corrective action plan. The plan shall identify steps to correct such discrepancies or inadequacies, subject to the approval of the IDA.

Such party shall complete the corrective action approved by IDA within thirty (30) calendar days after the IDA approves the corrective action plan, at the sole cost of the applicable party.

7. REPORTS

Steele Equine shall provide to the IDA and EDA periodic status updates.

8. USE AND RETENTION OF LOCAL SUPPLIERS

Steele Equine and direct subcontractors will use reasonable efforts to use qualified Hardee County, Florida-based suppliers to provide products and services under this Agreement, provided however, Steele Equine and other subcontractors may in its sole discretion, select suppliers and contractors based on program needs, scientific criteria, and industry standards.

9. INDEMNITY AND HOLD HARMLESS

Steele Equine shall defend, acquit, discharge, indemnify, release and hold harmless the IDA its employees, employees of The Hardee County Economic Development Council, Inc., IDA officers, agents and assigns from any and all liability, claims, suits, actions and loss, arising from or otherwise associated with, its occupation and use of Innovation Place, whether the claim be in law or in equity or both, including, but not limited to, litigation costs and attorneys' fees.

10. DEFAULTS AND REMEDIES

Each of the following acts, omissions or occurrences of Steele Equine shall constitute an act of default under this agreement:

a. FAILURE TO ESTABLISH A BUSINESS

If Steele Equine fails to establish a sustainable business for the purposes and in accordance with the terms of this agreement, all funds shall be immediately refunded to the IDA.

b. FAILURE TO PAY FOR JOB REQUIREMENT DEFICIT

Steele Equine as applicable, shall have sixty (60) days after receiving written notice from the IDA demanding payment of outstanding damages owed by such party under "Job Requirement" section of this agreement in which to pay such outstanding damages; provided, that if such damages are the subject of a good faith dispute, such period shall be extended until thirty (30)

days after such dispute is resolved. If the responsible party does not pay after this period, all amounts that could potentially be claimed under Section 5.a.2.a. for such party's failure to meet its future job obligations shall become due and payable immediately on demand of the IDA.

c. FAILURE TO PROVIDE VERIFICATION

If after the end of a calendar year Steele Equine fails to provide an Annual Compliance Verification by the deadline, the IDA may make a good faith estimate, based on information available, of the Employment Positions, as applicable, as of December 31, of that year and, if the estimated Employment Positions fall short of the Job Requirement, the IDA may require corresponding remuneration in accordance with this agreement.

11. INTEREST ON OVERDUE PAYMENTS

Any overdue payment (Pursuant to Section 5.a. 2.a.), owed by Steele Equine, shall accrue interest at 4% per annum.

12. GENERAL PROVISIONS

1. AUTHORITY

Each party represents that it has obtained all necessary authority to enter into this Agreement.

2. RELATIONSHIP OF PARTIES

The parties will perform their respective obligations under this Agreement as independent contractors and not as agents, employees, partners, joint ventures, or representatives of the other party. No party can make representations or commitments that bind any other party.

3. LIMITATION OF LIABILITY

In no event will any party be liable to any other party for any indirect, special, punitive, exemplary, incidental or consequential damages. This limitation will apply regardless of whether or not the other party has been advised of the possibility of such damages.

4. TERM

The term of this Agreement commences on the Effective Date of the Agreement and continues until the later of December 31, 2022, or satisfaction of any remaining remuneration obligation, unless terminated earlier pursuant to the terms of this Agreement.

5. TERMINATION FOR CAUSE

Either party may terminate this Agreement for Cause upon thirty (30) days prior written notice to the other party. "Cause" is any failure to perform a material obligation under this Agreement within the specified time taking into consideration grace periods set forth herein; including a material breach of a Funding Condition. This Agreement may not be terminated if the alleged Cause is cured within the specified period.

6. DISPUTE RESOLUTION AND APPLICABLE LAW

a. INFORMAL MEETINGS

The parties' representatives will meet as needed to implement the terms of this Agreement and will make a good faith attempt to informally resolve any disputes.

b. MEDIATION

In the event a dispute arises under this agreement, either party may request the matter be mediated prior to filing suit in accordance with Florida law.

c. APPLICABLE LAW AND VENUE

This Agreement is made and entered into in the State of Florida, and this Agreement and all disputes arising out of or relating thereto shall be governed by the laws of the state of Florida, without regard to any otherwise applicable conflict of law rules or requirements that would require or permit the application of the law of another jurisdiction.

The parties agree that any action, suit, litigation or other proceeding arising out of or in any way relating to this Agreement, or the matters referred to herein, shall be

commenced exclusively in the Circuit Court in and for Hardee County, Florida and hereby irrevocably and unconditionally consent to the exclusive jurisdiction of this court for the purpose of prosecuting and/or defending such litigation.

13. PUBLICITY

The parties agree to cooperate fully to coordinate with each other in connection with all press releases and publications regarding this Agreement.

14. NO WAIVER OF SOVEREIGN IMMUNITY

Nothing in this agreement may be construed to be a waiver of the sovereign immunity of any government entity to suit.

15. MISCELLANEOUS PROVISIONS

1. COUNTERPARTS

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in establishing proof of this Agreement to produce or account for more than one such counterpart.

2. MERGER

This document constitutes the final entire agreement between the parties and supersedes any and all prior oral or written communication, representation or agreement relating to the subject matter of this Agreement.

3. SEVERABILITY

Any term in this Agreement prohibited by, or unlawful or unenforceable under, any applicable law or jurisdiction is void without invalidating the remaining terms of this said Agreement. However, where the provisions of any such applicable law may be waived, they are hereby waived by a party, as the case may be, to the fullest extent permitted by the law, and

the affected terms are enforceable in accordance with the parties' original intent.

4. SURVIVAL OF PROMISES

Notwithstanding any expiration, termination or cancellation of this Agreement, the rights and obligations pertaining to payment or repayment of funds and/or remuneration obligation, confidentiality, disclaimers and limitation of liability, indemnification, and any other provision implying survivability will remain in effect after this Agreement ends.

5. BINDING EFFECT

This Agreement and all terms, provisions and obligations set forth herein shall be binding upon and shall inure to the benefit of the parties and their successors and assigns and all other agencies, departments, divisions, governmental entities, public corporations and other entities which shall be successors to each of the parties or which shall succeed to or become obligated to perform or become bound by any of the covenants, agreements or obligations hereunder of each of the parties hereto.

6. SUCCESSORS AND ASSIGNS

Steele Equine may assign its rights and obligations under this Agreement, with written consent of the IDA which may not be unreasonably withheld.

7. FORCE MAJEURE

The parties shall not be required to perform any obligation under this Agreement or be liable or responsible for any loss or damage resulting from its failure to perform so long as performance is delayed by force majeure or acts of God, including but not limited to strikes, lockouts or labor shortages, embargo, riot, war, revolution, terrorism, rebellion, insurrection, flood, natural disaster, or interruption of utilities from external causes.

8. NOTICE

All notices, requests, demands and other communications will be in writing and will be deemed given and received (i) on the date of delivery when delivered by hand, (ii) on the following business day when sent by confirmed simultaneous telecopy or email, (iii) on the following business day when sent by receipted overnight courier, or (iv) three (3) business days after deposit in the United States Mail when mailed by registered or certified mail, return receipt requested, first class postage prepaid, as follows:

If to the IDA to:

William R. Lambert Jr. – Director
107 East Main Street
Wauchula, FL 33873
(863)773-4915 fax
bill.lambert@hardeemail.com
info@hardeemail.com

With Copy to:

Kenneth B. Evers
424 West Main Street
Wauchula, FL 33873
(866)547-4362 fax
office@hardeelaw.com

If to Steele Equine:

Elizabeth Y. Steele
7713 State Road 64 East
Zolfo Springs, FL 33890

9. INTELLECTUAL PROPERTY RIGHTS

It is further understood that this Agreement does not grant the IDA any right to acquire intellectual property transferred to or developed by Steele Equine.

10. ATTORNEYS' FEES

In any action or proceeding to enforce or interpret this agreement or any provision hereof, the prevailing party shall be entitled to an award of its reasonable attorneys' fees, including but not limited to bankruptcy and appellate proceedings.

11. EFFECTIVE DATE

The effective date of this agreement is _____,2017.

The parties have caused this Economic Development Agreement to be executed by their duly authorized representatives as of the date first specified above.

Hardee County Industrial Development Authority

By: Gene Davis, Chairman

Steele Equine

By: Elizabeth Y. Steele, Vice President



October 2, 2017

Members of the Authority Board
Hardee County Industrial Development Authority
107 East Main Street
Wauchula, Florida 33873

Attention: Bill Lambert, Economic Development Director
Sarah Pelham, EDC Coordinator

We are pleased to confirm our understanding of the services we are to provide the Hardee County Industrial Development Authority (the "Authority"), for the year ended September 30, 2017. We will audit the financial statements including the related notes to the financial statements which collectively comprise the basic financial statements of the Authority as of and for the year then ended. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's 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. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis (MD&A).

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Authority's financial statements.

Our report will be addressed to the Members of the Authority Board. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states that the purpose of the report is solely to describe the scope of 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 entity's internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

If, during our audit, we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

Management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from: (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Audit Administration, Fees and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory body. If we are aware that a federal awarding agency, pass-through entity or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in February 2018, and to issue our reports no later than March 31, 2018. Trey Scott is the director in charge of the engagement and Wade Sansbury is the supporting engagement partner. They are responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our all-inclusive maximum fee for the performance of the annual financial and compliance audit services for the September 30, 2017, audit will be \$22,600. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings to be prepared annually) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

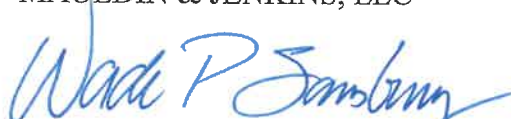
As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed letters and return one to us.

Sincerely,
MAULDIN & JENKINS, LLC



Trey Scott, CPA



Wade P. Sansbury, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Hardee County Industrial Development Authority.

Management signature: _____

Title: _____

Governance signature: _____

Title: _____



CliftonLarsonAllen

CliftonLarsonAllen LLP
402 South Kentucky Avenue, Suite 600
Lakeland, FL 33801-5354
863-680-5600 | fax 863-680-5650
CLAconnect.com

October 27, 2017

Mr. Bill Lambert
Executive Director
Hardee County Industrial Development Authority
107 East Main Street
P O Box 458
Wauchula, FL 33873-2715

Dear Mr. Lambert:

I wanted to write you to discuss closure on the examination engagement of the Continuum Labs, Inc. Project.

As you know, the period covered was October 11, 2011 through June 30, 2014. The draft report was delivered in December, 2014 and was discussed again during a public meeting in January, 2015. To date, we have not received a representation letter from the Hardee County Industrial Development Authority (IDA) or from Continuum Labs, Inc. Attestation standards require that we receive the representation letter before we can issue an unmodified examination report. I understand your reluctance to sign a representation letter with an ongoing lawsuit. However, this lawsuit has been going on for a quite a while with no end in the foreseeable future.

At this point, almost three years after the draft was presented to the Board, I don't see any benefit to the IDA in CLA issuing a final report for the following reasons:

- Examination engagements are performed under Statements for Attestation Engagements (SSAE) which are promulgated by the American Institute of Certified Public Accountants (AICPA). There has been a new SSAE pronouncement issued since the end of the Continuum Labs, Inc. Project fieldwork. This new standard was effective May 1, 2017 and will require the performance of certain additional procedures before we can issue our report.
- The draft report has already been presented to the IDA Board. Even though there are additional procedures required, I would not anticipate any significant changes to the draft report. Therefore, the IDA would incur additional costs with no corresponding benefit.
- As stated above, the lawsuit does not have any foreseeable end. The longer this goes on, the less relevant a final report is. I would say at this point it is very stale.

Mr. Lambert, we have three options:

1. Issue a report without receiving the letters of representation. This would require us to disclaim an opinion due to a scope limitation.
2. Wait until the lawsuit ends, sign the letters of representation, and issue an unmodified report.
3. Disengage CLA.

Option 1 looks bad and I would not recommend you go this route. Option 2 is not a very good option for the reasons stated above, and I would not recommend. Option 3 make the most sense as there is additional cost to finish the engagement with no benefit to IDA. In addition, the report would be almost three years after the fact.

Also, you have been holding our 6/30/2015 invoice for \$8,100 until the lawsuit is settled. If we are bringing closure to this project, I would appreciate you paying the final invoice.

Thank you for your consideration on this matter and please let me know how you would like to proceed.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in blue ink that reads "Michael E. Carter". The signature is written in a cursive style with a large initial "M" and "C".

Michael E. Carter, CPA
Principal
863-680-5614
Mike.Carter@CLAconnect.com

Hardee County Economic Development
Balance Sheet
As of October 31, 2017

	<u>Oct 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Wauchula State Bank	41,192.13
Total Checking/Savings	<u>41,192.13</u>
Other Current Assets	
1112 · Due from IDA	7,485.98
Total Other Current Assets	<u>7,485.98</u>
Total Current Assets	<u>48,678.11</u>
TOTAL ASSETS	<u>48,678.11</u>
LIABILITIES & EQUITY	
Equity	
3010 · Unrestrict (retained earnings)	70,575.67
Net Income	-21,897.56
Total Equity	<u>48,678.11</u>
TOTAL LIABILITIES & EQUITY	<u>48,678.11</u>

Hardee County Economic Development
Profit & Loss
October 2017

	<u>Oct 17</u>
Ordinary Income/Expense	
Expense	
025-0 · Payroll Expenses	16,477.09
031-0 · Professional Services	614.48
040-0 · Travel	417.46
043-0 · Utilities	820.43
044-0 · Rentals/Leases	2,297.32
046-0 · Repairs & Maintenance	115.00
051-0 · Office Supplies	258.27
052-0 · Operating Supplies	767.50
054-0 · Books, Dues, & Subscriptions	130.01
	<hr/>
Total Expense	21,897.56
	<hr/>
Net Ordinary Income	-21,897.56
	<hr/>
Net Income	<u><u>-21,897.56</u></u>

Hardee County Industrial Development Authority

Balance Sheet

11/09/17

As of October 31, 2017

Accrual Basis

	<u>Oct 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
101009 · WSB Sales (GF)	1,858,890.15
101013 · WSB Mosaic CD	5,991,017.43
101014 · WSB Mosaic Checking	1,636,825.86
101015 · MOBO Deposit	9,767.35
Total Checking/Savings	<u>9,496,500.79</u>
Accounts Receivable	
115001 · Accounts Receivable Rental Inc	15,744.24
Total Accounts Receivable	<u>15,744.24</u>
Other Current Assets	
12000 · Undeposited Funds	10,176.28
133006 · Prepaid Insurance	2,608.98
133012 · Deposit - Fla Hospital Prop SR	826,494.19
Total Other Current Assets	<u>839,279.45</u>
Total Current Assets	<u>10,351,524.48</u>
Fixed Assets	
Land Available for Sale	
161908 · Original Purchase Hwy 62 Propert	887,943.00
161909 · Original Purchase Park Improvem	16,911.87
161910 · Terrell Property	1,141,500.00
161911 · Original Purchase less propsold	-852,300.81
161912 · Contribution of Lot 13B/improv	90,621.74
161913 · Fair value writedown - FYE 2016	-526,600.00
161914 · Fair Value writedown - FYE 2017	-225,000.00
Total Land Available for Sale	<u>533,075.80</u>
Total Fixed Assets	<u>533,075.80</u>
Other Assets	
Due From Other Funds	
140001 · Due from GF	47,531.27
240000 · Due to SR	-47,531.27
Total Due From Other Funds	<u>0.00</u>
Due From Other Governments	
133001 · Due from EDA	165,776.27
Total Due From Other Governments	<u>165,776.27</u>
1330131 · Rapid Systems Note	127,878.00
1330132 · Allowance for Uncollectible Not	-127,878.00
Total Other Assets	<u>165,776.27</u>
TOTAL ASSETS	<u>11,050,376.55</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202000 · Accounts Payable	8,100.00
202002 · Special Revenue A/P	128,021.09
Total Accounts Payable	<u>136,121.09</u>
Other Current Liabilities	
220000 · Prepaid Rent - Keyplex	8,872.00
220004 · Sales Tax Payable	2,674.52
220005 · Rental Deposit - MOBO	10,000.00

Hardee County Industrial Development Authority

Balance Sheet

11/09/17

As of October 31, 2017

Accrual Basis

	<u>Oct 31, 17</u>
22009 · Due to EDC - SR	7,485.98
Total Other Current Liabilities	<u>29,032.50</u>
Total Current Liabilities	<u>165,153.59</u>
Total Liabilities	165,153.59
Equity	
Fund Balance	
3000 · Nonspendable	798,908.07
3001 · Restrictd for Economic Dev Proj	8,387,971.35
3002 · Assigned	37,171.00
3003 · Unassigned	<u>-939,640.28</u>
Total Fund Balance	8,284,410.14
32000 · Unrestricted Net Assets	4,151,291.60
Net Income	<u>-1,550,478.78</u>
Total Equity	<u>10,885,222.96</u>
TOTAL LIABILITIES & EQUITY	<u><u>11,050,376.55</u></u>

Hardee County Industrial Development Authority

Profit & Loss

11/09/17

October 2017

Accrual Basis

	<u>Oct 17</u>
Ordinary Income/Expense	
Income	
361100 · Interest Income gen fd	566.85
361101 · Interest income Mosaic accts	71.30
362001 · Rental Income	<u>25,147.61</u>
Total Income	25,785.76
Expense	
5193100 · Professional Fees Legal	630.00
519321 · Meeting Security	195.00
519322 · Travel	56.18
5193400 · Landscaping and Grounds	1,090.00
5194301 · Utilities	2,167.37
519450 · Insurance Expense	51,380.19
519460 · Repairs and Maintenance GF	687.16
5194601 · Repairs and Maintenance	1,594.45
519480 · Advertising	57.40
5194903 · Property Taxes	-37,677.62
519510 · Office Supplies	238.49
5195206 · Grove Caretaking/Fertilizer	676.62
51954 · Dues, Subscriptions, Membership	175.00
519843 · Grant expense- Stream 2 Sea	36,584.82
519844 · Grant Expenses- Bees&Botanicals	8,800.00
6000 · Capital Outlay	<u>1,509,653.50</u>
Total Expense	<u>1,576,308.56</u>
Net Ordinary Income	-1,550,522.80
Other Income/Expense	
Other Income	
Sales Tax Collection Allowance	<u>44.02</u>
Total Other Income	<u>44.02</u>
Net Other Income	<u>44.02</u>
Net Income	<u><u>-1,550,478.78</u></u>

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11/09/17

Accrual Basis

Hardee County Industrial Development Authority
Profit & Loss by Class
October 2017

	Winn Dixie Property - GF (General Fund)	Administrative (General Fund)	Incubator Year 3 (General Fund)
Ordinary Income/Expense			
Income			
361100 · Interest Income gen fd	0.00	0.00	0.00
361101 · Interest income Mosaic accts	0.00	0.00	0.00
362001 · Rental Income	0.00	0.00	0.00
Total Income	0.00	0.00	0.00
Expense			
5193100 · Professional Fees Legal	0.00	630.00	0.00
519321 · Meeting Security	0.00	0.00	0.00
519322 · Travel	0.00	0.00	0.00
5193400 · Landscaping and Grounds	0.00	0.00	0.00
5194301 · Utilities	0.00	0.00	0.00
519450 · Insurance Expense	0.00	0.00	0.00
519460 · Repairs and Maintenance GF	0.00	0.00	0.00
5194601 · Repairs and Maintenance	0.00	0.00	0.00
519480 · Advertising	0.00	0.00	0.00
5194903 · Property Taxes	-37,677.62	0.00	0.00
519510 · Office Supplies	0.00	0.00	0.00
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
51954 · Dues, Subscriptions, Membership	0.00	0.00	0.00
519843 · Grant expense- Stream 2 Sea	0.00	0.00	36,584.82
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	8,800.00
6000 · Capital Outlay	0.00	0.00	0.00
Total Expense	-37,677.62	630.00	45,384.82
Net Ordinary Income	37,677.62	-630.00	-45,384.82
Other Income/Expense			
Other Income			
Sales Tax Collection Allowance	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00
Net Income	37,677.62	-630.00	-45,384.82

Hardee County Industrial Development Authority
Profit & Loss by Class
October 2017

	Property Management (General Fund)	Spec Building 4 (TechRiver) (General Fund)	Spec Building 5 (PFM) (General Fund)
Ordinary Income/Expense			
Income			
361100 · Interest Income gen fd	0.00	0.00	0.00
361101 · Interest income Mosaic accts	0.00	0.00	0.00
362001 · Rental Income	1,283.34	7,991.81	5,000.00
Total Income	1,283.34	7,991.81	5,000.00
Expense			
5193100 · Professional Fees Legal	0.00	0.00	0.00
519321 · Meeting Security	0.00	0.00	0.00
519322 · Travel	0.00	0.00	0.00
5193400 · Landscaping and Grounds	0.00	350.00	0.00
5194301 · Utilities	0.00	1,828.20	0.00
519450 · Insurance Expense	34,320.00	0.00	869.66
519460 · Repairs and Maintenance GF	0.00	687.16	0.00
5194601 · Repairs and Maintenance	0.00	0.00	0.00
519480 · Advertising	0.00	0.00	0.00
5194903 · Property Taxes	0.00	0.00	0.00
519510 · Office Supplies	0.00	0.00	0.00
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
51954 · Dues, Subscriptions, Membership	0.00	0.00	0.00
519843 · Grant expense- Stream 2 Sea	0.00	0.00	0.00
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	0.00
6000 · Capital Outlay	0.00	0.00	0.00
Total Expense	34,320.00	2,865.36	869.66
Net Ordinary Income	-33,036.66	5,126.45	4,130.34
Other Income/Expense			
Other Income			
Sales Tax Collection Allowance	2.25	13.99	8.75
Total Other Income	2.25	13.99	8.75
Net Other Income	2.25	13.99	8.75
Net Income	-33,034.41	5,140.44	4,139.09

Hardee County Industrial Development Authority
Profit & Loss by Class
October 2017

	Spec Buildings 1 & 3 (Keyplex) (General Fund)	General Fund - Other (General Fund)	Total General Fund
Ordinary Income/Expense			
Income			
361100 · Interest Income gen fd	0.00	566.85	566.85
361101 · Interest income Mosaic accts	0.00	0.00	0.00
362001 · Rental Income	10,872.46	0.00	25,147.61
Total Income	10,872.46	566.85	25,714.46
Expense			
5193100 · Professional Fees Legal	0.00	0.00	630.00
519321 · Meeting Security	0.00	195.00	195.00
519322 · Travel	0.00	56.18	56.18
5193400 · Landscaping and Grounds	0.00	0.00	350.00
5194301 · Utilities	0.00	0.00	1,828.20
519450 · Insurance Expense	15,215.20	0.00	50,404.86
519460 · Repairs and Maintenance GF	0.00	0.00	687.16
5194601 · Repairs and Maintenance	0.00	0.00	0.00
519480 · Advertising	0.00	57.40	57.40
5194903 · Property Taxes	0.00	0.00	-37,677.62
519510 · Office Supplies	0.00	238.49	238.49
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
51954 · Dues, Subscriptions, Membership	0.00	175.00	175.00
519843 · Grant expense- Stream 2 Sea	0.00	0.00	36,584.82
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	8,800.00
6000 · Capital Outlay	0.00	0.00	0.00
Total Expense	15,215.20	722.07	62,329.49
Net Ordinary Income	-4,342.74	-155.22	-36,615.03
Other Income/Expense			
Other Income			
Sales Tax Collection Allowance	19.03	0.00	44.02
Total Other Income	19.03	0.00	44.02
Net Other Income	19.03	0.00	44.02
Net Income	-4,323.71	-155.22	-36,571.01

Hardee County Industrial Development Authority

Profit & Loss by Class

October 2017

	Winn Dixie Property (Special Revenue)	Hidden Creek (Special Revenue)	Incubator (Special Revenue)
Ordinary Income/Expense			
Income			
361100 · Interest Income gen fd	0.00	0.00	0.00
361101 · Interest income Mosaic accts	0.00	0.00	0.00
362001 · Rental Income	0.00	0.00	0.00
Total Income	0.00	0.00	0.00
Expense			
5193100 · Professional Fees Legal	0.00	0.00	0.00
519321 · Meeting Security	0.00	0.00	0.00
519322 · Travel	0.00	0.00	0.00
5193400 · Landscaping and Grounds	0.00	0.00	390.00
5194301 · Utilities	0.00	0.00	290.17
519450 · Insurance Expense	0.00	0.00	0.00
519460 · Repairs and Maintenance GF	0.00	0.00	0.00
5194601 · Repairs and Maintenance	0.00	0.00	1,300.00
519480 · Advertising	0.00	0.00	0.00
5194903 · Property Taxes	0.00	0.00	0.00
519510 · Office Supplies	0.00	0.00	0.00
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
51954 · Dues, Subscriptions, Membership	0.00	0.00	0.00
519843 · Grant expense- Stream 2 Sea	0.00	0.00	0.00
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	0.00
6000 · Capital Outlay	1,551,518.50	-41,865.00	0.00
Total Expense	1,551,518.50	-41,865.00	1,980.17
Net Ordinary Income	-1,551,518.50	41,865.00	-1,980.17
Other Income/Expense			
Other Income			
Sales Tax Collection Allowance	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00
Net Income	-1,551,518.50	41,865.00	-1,980.17

Hardee County Industrial Development Authority

Profit & Loss by Class

October 2017

	Project Olive (Special Revenue)	Spec Building 7 (MOBO) (Special Revenue)	Special Revenue - Other (Special Revenue)
Ordinary Income/Expense			
Income			
361100 · Interest Income gen fd	0.00	0.00	0.00
361101 · Interest income Mosaic accts	0.00	0.00	71.30
362001 · Rental Income	0.00	0.00	0.00
Total Income	0.00	0.00	71.30
Expense			
5193100 · Professional Fees Legal	0.00	0.00	0.00
519321 · Meeting Security	0.00	0.00	0.00
519322 · Travel	0.00	0.00	0.00
5193400 · Landscaping and Grounds	0.00	350.00	0.00
5194301 · Utilities	49.00	0.00	0.00
519450 · Insurance Expense	975.33	0.00	0.00
519460 · Repairs and Maintenance GF	0.00	0.00	0.00
5194601 · Repairs and Maintenance	294.45	0.00	0.00
519480 · Advertising	0.00	0.00	0.00
5194903 · Property Taxes	0.00	0.00	0.00
519510 · Office Supplies	0.00	0.00	0.00
5195206 · Grove Caretaking/Fertilizer	676.62	0.00	0.00
51954 · Dues, Subscriptions, Membership	0.00	0.00	0.00
519843 · Grant expense- Stream 2 Sea	0.00	0.00	0.00
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	0.00
6000 · Capital Outlay	0.00	0.00	0.00
Total Expense	1,995.40	350.00	0.00
Net Ordinary Income	-1,995.40	-350.00	71.30
Other Income/Expense			
Other Income			
Sales Tax Collection Allowance	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00
Net Income	-1,995.40	-350.00	71.30

Hardee County Industrial Development Authority
Profit & Loss by Class
October 2017

	Total Special Revenue	TOTAL
Ordinary Income/Expense		
Income		
361100 · Interest Income gen fd	0.00	566.85
361101 · Interest income Mosaic accts	71.30	71.30
362001 · Rental Income	0.00	25,147.61
Total Income	71.30	25,785.76
Expense		
5193100 · Professional Fees Legal	0.00	630.00
519321 · Meeting Security	0.00	195.00
519322 · Travel	0.00	56.18
5193400 · Landscaping and Grounds	740.00	1,090.00
5194301 · Utilities	339.17	2,167.37
519450 · Insurance Expense	975.33	51,380.19
519460 · Repairs and Maintenance GF	0.00	687.16
5194601 · Repairs and Maintenance	1,594.45	1,594.45
519480 · Advertising	0.00	57.40
5194903 · Property Taxes	0.00	-37,677.62
519510 · Office Supplies	0.00	238.49
5195206 · Grove Caretaking/Fertilizer	676.62	676.62
51954 · Dues, Subscriptions, Membership	0.00	175.00
519843 · Grant expense- Stream 2 Sea	0.00	36,584.82
519844 · Grant Expenses- Bees&Botanicals	0.00	8,800.00
6000 · Capital Outlay	1,509,653.50	1,509,653.50
Total Expense	1,513,979.07	1,576,308.56
Net Ordinary Income	-1,513,907.77	-1,550,522.80
Other Income/Expense		
Other Income		
Sales Tax Collection Allowance	0.00	44.02
Total Other Income	0.00	44.02
Net Other Income	0.00	44.02
Net Income	-1,513,907.77	-1,550,478.78

Hardee County Industrial Development Authority
General Fund (Including EDA Grant Activity) - Budget Amendment November 14, 2017
For Fiscal Year October 1, 2016 through September 30, 2017

	Increase / (Decrease)
Utilization of General Fund Balance Carry Forward	
Unassigned	\$ 5,100
Nonspendable	225,000 (2)
Revenue Increases (Decrease):	
Incubator Capital - FYE 2016 EDA Grant	22,700 (1)
Total Fund Balance Carry Forward and Additional Revenues	\$ 252,800
Appropriations:	
Capital Outlay:	
Incubator	\$ 22,700 (1)
Expenditures:	
Sales Tax	2,500 (3)
Grove caretaking/fertilizer/fuel	1,700 (3)
Office expense	500 (3)
Landscaping and Grounds	400 (4)
Write down to fair value of inventory	225,000 (2)
Total Appropriations	\$ 252,800

(1) - Appropriation of additional grant award carryforward available in FYE 2017 on the Incubator Capital - FYE 2016 EDA Grant

(2) - Write down of inventory to fair value.

(3) - These expenditures were not included on the originally adopted budget.

(4) - This expenditure was estimated too low on the originally adopted budget.

Hardee County Industrial Development Authority
General Fund (Including EDA Grant Activity) - Budget Reconciliation
For Fiscal Year October 1, 2016 through September 30, 2017

	Original Budget	Budget Amendments by Board Vote						Final Budget
		Nov-16	Dec-16	Jan-17	Mar-17	Jun-17	Nov-17	
Estimated Unassigned Fund Balance Carry Forward	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Nonspendable	-	-	-	-	-	-	225,000	225,000
Revenues:								
EDA grant proceeds:								
Commerce Park Pretreatment Facility - FYE 17	300,000	-	-	-	-	(300,000)	-	-
Bees and Botanicals - FYE 2016 Grant	224,575	-	-	-	-	-	-	224,575
Debut Development - FYE 2016 Grant	154,220	-	-	-	-	-	-	154,220
Stream to Sea - FYE 2016 Grant	222,000	-	-	-	-	-	-	222,000
Peace River Paddle Sports - FYE 2016 Grant	57,200	-	-	-	-	-	-	57,200
Water/Sewer Will Duke Ext - FYE 2016 Grant	150,000	-	-	-	-	-	-	150,000
Water/Sewer MLK Ext - FYE 2017 Grant	100,000	-	-	-	-	-	-	100,000
Incubator Capital - FYE 2016 Grant	3,350	-	-	-	-	-	22,700	26,050
Incubator Capital - FYE 2017 Grant	160,800	-	-	-	-	-	-	160,800
Interest Income	200	-	-	-	-	-	-	200
Rental Income	496,300	-	-	-	-	-	-	496,300
Transfer In- From Mosaic	200,000	-	-	-	-	-	-	200,000
Total Fund Balance Carry Forward and Revenues	\$ 3,068,645	\$ -	\$ -	\$ -	\$ -	\$ (300,000)	\$ 247,700	\$ 3,016,345
Appropriations:								
Professional Fees	200,000	-	-	-	-	-	-	200,000
Meeting Security	2,500	-	-	-	-	-	-	2,500
Landscaping and Grounds	16,700	-	-	-	-	-	400	17,100
Property Management Fees	2,090	-	-	-	-	-	-	2,090
Utilities	52,000	-	-	-	-	-	-	52,000
Insurance Expense	116,000	-	-	-	-	-	-	116,000
Repairs and Maintenance	35,000	-	-	-	-	-	-	35,000
Grove Caretaking	-	-	-	-	-	-	1,700	1,700
Advertising	1,500	-	-	-	-	-	-	1,500
Property Taxes	100,000	-	80,000	-	-	-	-	180,000
Sales Tax	-	-	-	-	-	-	2,500	2,500
Office Expense	-	-	-	-	-	-	500	500
Travel	-	5,000	-	-	-	-	-	5,000
Grant Expenses:								-
Bees and Botanicals	224,575	-	-	-	-	-	-	224,575
Debut Development	154,220	-	-	-	-	-	-	154,220
Stream to Sea	222,000	-	-	-	-	-	-	222,000
Peace River Paddle Sports	57,200	-	-	-	-	-	-	57,200
Sheriff Command Center Addition	-	-	-	25,000	(25,000)	-	-	-
Capital Outlay:								-
Commerce Park Pretreatment Facility	300,000	-	-	-	-	(300,000)	-	-
Water/Sewer Will Duke Ext	150,000	-	-	-	-	-	-	150,000
Water/Sewer MLK Ext	100,000	-	-	-	-	-	-	100,000
Incubator Capital - FYE 2016 Grant	3,350	-	-	-	-	-	22,700	26,050
Incubator Capital - FYE 2017 Grant	160,800	-	-	-	-	-	-	160,800
Property Management - Commerce Park PFM	-	25,000	-	-	-	-	-	25,000
PFM	-	-	50,000	-	-	-	-	50,000
Transfer to BOCC	25,000	-	-	(25,000)	-	-	-	-
Write down to fair value of inventory	-	-	-	-	-	-	225,000	225,000
Fund Balance Reserve Carryforward	1,145,710	(30,000)	(130,000)	-	25,000	-	(5,100)	1,005,610
Total Appropriations	\$ 3,068,645	\$ -	\$ -	\$ -	\$ -	\$ (300,000)	\$ 247,700	\$ 3,016,345

Hardee County Industrial Development Authority
Mosaic Special Revenue Fund - Budget Amendment November 14, 2017
For Fiscal Year October 1, 2016 through September 30, 2017

		Increase / (Decrease)
Utilization and adjustment of Grant Fund Balance Carry forward - Mosaic Fund Allocation:		
Winn Dixie Property	\$	7,050 (1)
MOBO		40,000 (2)
Project Olive		5,700 (3)
Total Fund Balance Carry forward adjustments for Mosaic Fund Allocations	\$	52,750
 Adjustments:		
Grant Expenditures:		
Professional Fees - Winn Dixie Property	\$	7,050 (1)
Project Olive		37,500 (3)
Innovation Place - Operating Expenditures		57,530 (4)
Innovation Place - Principal Payments (Forklift)		3,950 (4)
Innovation Place - Interest Payments (Forklift)		70 (4)
Capital Outlay:		
Innovation Place		(61,550) (4)
Project Olive		(40,000) (3)
MOBO		40,000 (2)
Transfer Out - EDC		8,200 (3)
Total Adjustments	\$	52,750

(1) - Appropriate grant expenditures incurred for the Winn Dixie property purchase incurred in FYE 2017 (corresponding decrease to FYE 2018 budget)

(2) - Appropriate additional capital outlay incurred for the MOBO building in FYE 2017 (corresponding decrease to FYE 2018 budget)

(3) - Appropriate additional grant expenditures due to Hurricane Irma and reclass grant expenditures, capital outlay, and transfer to EDC for salaries to actual.

(4) - Reclass portion of Innovation Place capital outlay budget to grant expenditures.

Hardee County Industrial Development Authority
Mosaic Special Revenue Fund - Budget Amendment November 14, 2017
For Fiscal Year October 1, 2017 through September 30, 2018

		Increase / (Decrease)	
Utilization and adjustment of Grant Fund Balance Carry forward - Mosaic Fund Allocation:			
Winn Dixie Property	\$	(7,050)	(1)
MOBO		(40,000)	(2)
Total Fund Balance Carry forward adjustments for Mosaic Fund Allocations	\$	(47,050)	
 Adjustments:			
Capital Outlay:			
Winn Dixie Property		(7,050)	(1)
MOBO		(40,000)	(2)
Total Adjustments	\$	(47,050)	

(1) - Decrease capital outlay for grant expenditures incurred for the Winn Dixie property purchase incurred in FYE 2017.

(2) - Decrease capital outlay for amounts incurred for the MOBO building in FYE 2017.