

AGENDA

Hardee County Economic Development Council Hardee County Industrial Development Authority

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

3/21/2018 8:30 AM

BOARD MEMBERS

Gene Davis, Chairman | Tommy Watkins, Vice-Chairman | Courtney Green | Lory Durrance | Calli Ward | Vanessa Hernandez | |

- Item 1. Call to Order
- Item 2. Approval of Agenda
- Item 3. Approval of Minutes
 - Item 3.1. February 2018 EDC/IDA Minutes
- Item 4. Agenda Items
 - Item 4.1. Mauldin & Jenkins- FYE 2017 Financial Statements
 - Item 4.2. Director Evaluation 2017
 - Item 4.3. Debut Development Lease
 - Item 4.4. Hardee Fresh Discussion
 - Item 4.5. PFM Update
- Item 5. Project Updates/Chair Updates
- Item 6. Financial Reports
 - Item 6.1. February 2018 EDC/IDA Financials
- 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

2/13/2018 8:30 AM

BOARD MEMBERS

Gene Davis, Chairman | Tommy Watkins, Vice-Chairman | Courtney Green | Lory Durrance | Calli Ward | Vanessa Hernandez | Kristi Schierling | |

1. Call to Order

Attendee Name	Title	Status	Arrived
Gene Davis	Chairman	Present	
Tommy Watkins	Vice-Chairman	Present	
Courtney Green	Board Member	Present	
Lory Durrance	Board Member	Present	
Calli Ward	Board Member	Present	
Vanessa Hernandez	Board Member	Present	
Kristi Schierling	Economic Development Office Manager	Present	

Visiting: Skip Durbin, Michael Noel, Bruce Stayer, Win Wei, Jim Turner, Keith Rupp, Charlie Cox, Sharon Moyer, Brian Stufflebean, Kevin Minds (via phone), Bruce Harmon and Keith DeSanto.

County Commissioners: Sue Birge and Mike Thompson

County Manager: Lex Albritton

Press: Michael Kelly

Staff: Bill Lambert, Sarah Pelham and Kristi Schierling

2. Approval of Agenda

Item 2.1. Motion to accept the agenda with the change.

Director Lambert asked to move the financials under the minutes.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Vanessa Hernandez, Board Member
SECONDER:	Tommy Watkins, Vice-Chairman
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

3. Approval of Minutes

Item 3.1. January 2018 EDC/IDA Minutes

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Vanessa Hernandez, Board Member
SECONDER:	Calli Ward, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

4. Agenda Items

Item 4.1. Water/Sewer Corridor Map

Chastain Skillman created a map of the water and sewer corridor. It shows what has been done and what is planned to be done. This map will become part of the record.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lory Durrance, Board Member
SECONDER:	Vanessa Hernandez, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

Item 4.2. PFM Update

Jim Turner and Skip Durbin were present today and Kevin Minds (via phone) were here to give an update and have discussion related to PFM. They all gave their introductions and brief backgrounds. PFM was 18 days away from delivery when Shawn passed away. PFM has delivered 4 500watt generators already. They are requesting gap funding. With this funding, PFM can hire back their key employees, pay certain vendors and purchase inventory. The employee count will start out at 4 and be back up to 16-20 by the end of the year. The first 4 employees will get the rest of the units out. Ten of them will go to MacDill. The funding will be structured like a line of credit and will be paid back with the payments from their customers. PFM has no institutional debt. The debt they do have is owed to Shawn's estate. To date, they have delivered 6 units and 2 of them went to Honeywell as prototypes. The 10 units that go to MacDill should bring in \$300,000 in revenue. Ken Evers mentioned to the Board about doing an assignment of intellectual property if there is a default in the loan.

Item . Negotiate a \$500,000 line of credit with 6% interest with Kevin Minds proxy and assignment of Intellectual Property rights for a period of one year and allow the Chair to sign. There will also be a lein on the equipment and they will need to provide quarterly reports to the Board.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Vanessa Hernandez, Board Member
SECONDER:	Courtney Green, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

Item . Continue the rent at the reduced rate of \$5,000 per month with no job creation credit through this year.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Vanessa Hernandez, Board Member
SECONDER:	Courtney Green, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

Item 4.3. Rhamnolipids Update

Bruce Harmon and Keith DeSanto, with BioSurf Pro, were back before the board today to give an update. They are unable to move forward with the contracts they have until they have a facility. Their needs are for a building like the MOBO building. Bill Lambert suggested using the old Winn Dixie for right now since the MOBO building is currently rented to another party. They are also looking for working capital from us. Bill explained to them why the IDA would not be able to provide any working capital to them. They did mention that they would need the building before they are able to get their financing. Bill will show them the old Winn Dixie building after the meeting today.

Item 4.4. Durango Systems Update

Brian Stufflebean was back before the board today to give an update. A brief background was given for the new board members. Durango Systems is looking at moving their operations here. Their blocks meet all hurricane and seismic standards. They are requesting the IDA to build and lease them a 50,000 sq/ft building and have it constructed with their block. The building will be located in the Commerce Park. The IDA is unable to purchase the blocks from them but they could be donated and that could be Durango Systems "skin in the game". The total cost of the blocks could be somewhere between \$300,000-\$400,000. Brian is working on this information now. This company would bring an estimated 32 jobs to our community. Director Lambert will continue working with Brian and bring back more information at the next board meeting.

Courtney Green made a motion and was seconded by Lory Durrance to go to contract with Durango Systems and bring back to the board with the costs of the blocks.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Courtney Green, Board Member
SECONDER:	Lory Durrance, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

5. Project Updates/Chair Updates

Director Lambert did not provide any additional updates today.

6. Financial Report

Item 6.1. January 2018 EDC/IDA Financials

Sarah Pelham reviewed the financials for both the EDC and the IDA.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Tommy Watkins, Vice-Chairman
SECONDER:	Courtney Green, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

7. Announcements/Other Business/Public Comments

Item 7.1. Legal Update

Due to the meeting running long, this will be done at a later time.

8. Adjournment

**HARDEE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Members of the Authority Board
Hardee County Industrial Development Authority
Wauchula, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hardee County Industrial Development Authority (the "Authority") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 that 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, each major fund, and the aggregate remaining fund information of the Authority as of September 30, 2017, and the respective changes in financial position and the budgetary comparisons 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 (on pages 3 through 8) 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2018, on our consideration of the Authority'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 27, 2018

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Hardee County Industrial Development Authority (the “Authority”), we offer readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2017. The information presented here should be considered in conjunction with the financial statements.

Financial Highlights

At the close of fiscal year 2017, the Authority's assets exceed its liabilities, resulting in net position of \$23,373,160. The Authority's net position decreased \$1,103,200 or 4.5%, in comparison to the prior year. Total revenues decreased \$1,292,616 or 20.7%, in comparison to the prior year. The decrease in revenues is primarily due to decreased grant revenues from the Hardee County Economic Development Authority (EDA). Total expenses increased \$1,807,761 or 42.7%, in comparison to the prior year. The majority of this increase in expenses is the result of the hospital relocation project.

Overview of the Financial Statements

The basic financial statements consist of three components: (1) government-wide financial statements providing information related to the activities of the Authority as a whole; (2) fund financial statements; and (3) notes to the financial statements. In addition to these basic statements, the report also contains other supplemental information in addition to the basic financial statements.

Government-wide Financial Statements – The government-wide financial statements are designed to provide a broad overview of the Authority’s finances in a manner similar to a private-sector business. The government-wide statements provide information about the Authority’s financial status as a whole. These statements include details of income during the year and a breakdown by category of expenses for activities and administration of the Authority. The statements include all assets and liabilities using the full accrual basis of accounting. This means that all of the current year revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide statements report the Authority’s net position and changes in net position. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is an important measure of the Authority’s financial health.

Fund Financial Statements – These statements provide a detailed look at the Authority’s General Fund, Special Revenue Grant Fund and the Economic Development Council (EDC) Fund. The Authority, like all governmental entities, uses fund accounting to ensure and reflect compliance with finance related legal requirements. The Authority uses three governmental funds, a general fund and two special revenue funds, which focus on: (1) how cash and other financial assets, that can readily be converted into cash, flow in and out, and (2) the balances left at year end that are available for spending. Consequently, the fund level financial statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance the Authority’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a detailed reconciliation provides additional information that explains the relationship (or differences) between the statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the Financial Statements – The notes to the financial statements explain in detail some of the data contained in the preceding statements. These notes are essential to a full understanding of data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements were designed so that the user could determine if the Authority is in a better or a worse financial condition from the prior year.

The following is a condensed summary of net position for the Authority.

Statement of Net Position As of September 30, 2017 and 2016

	2017	2016	Increase (Decrease)
Current and other assets	\$ 12,817,688	\$ 10,125,448	\$ 2,692,240
Capital assets	10,858,393	14,911,055	(4,052,662)
Total assets	\$ 23,676,081	\$ 25,036,503	\$ (1,360,422)
Other liabilities	\$ 302,921	\$ 556,200	\$ (253,279)
Long-term liabilities	-	3,943	(3,943)
Total liabilities	302,921	560,143	(257,222)
Net position			
Net investment in capital assets	10,858,393	14,907,112	(4,048,719)
Restricted	9,763,792	8,425,142	1,338,650
Unrestricted	2,750,975	1,144,106	1,606,869
Total net position	23,373,160	24,476,360	(1,103,200)
Total liabilities and net position	\$ 23,676,081	\$ 25,036,503	\$ (1,360,422)

Current and other assets represent 54.1% of total assets. The majority of the Authority's current assets are comprised of cash and cash equivalents of \$11,186,726, amounts due from the EDA in the amount of \$255,673, and inventory (property held for resale) of \$1,359,570. The increase in assets is the result of increased cash and cash equivalents and due from other governments offset by a decrease in inventory as a result of a write down of the property held for resale which occurred during the current year.

Other liabilities represent all of the Authority's current year total liabilities. The Authority's other liabilities consist of accounts payable in the amount of \$284,049 and unearned revenue in the amount of \$18,872. The decrease in other liabilities is the result of decreased accounts payable due to fewer ongoing projects at year end.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule reports the revenues, expenses and changes in net position for the Authority:

Statement of Activities As of September 30, 2017 and 2016

	2017	2016	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 372,680	\$ 328,228	\$ 44,452
Operating grants and contributions	653,568	258,000	395,568
Capital grants and contributions	390,368	2,131,033	(1,740,665)
General revenues:			
Mosaic income	3,500,000	3,500,000	-
Interest income	10,103	9,354	749
Miscellaneous	10,341	3,061	7,280
Total revenues	4,937,060	6,229,676	(1,292,616)
Operating Expenses:			
General government	514,850	502,120	12,730
Economic development	5,525,341	3,730,095	1,795,246
Interest	69	284	(215)
Total operating expenses	6,040,260	4,232,499	1,807,761
Change in net position	(1,103,200)	1,997,177	(3,100,377)
Net position, beginning	24,476,360	22,479,183	1,997,177
Net position, ending	\$ 23,373,160	\$ 24,476,360	\$ (1,103,200)

Total revenues decreased \$1,292,616 or 20.8%, in comparison to the prior year. Total expenses increased \$1,807,761 or 42.7%, in comparison to the prior year. As mentioned previously, the decrease in revenues is primarily due to decreased grant revenues from the Hardee County Economic Development Authority (EDA) and the increase in expenses is primarily the result of the hospital relocation project.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Depreciable assets included land, construction in progress, land improvements, buildings, equipment and roads and bridges. The following is a schedule of the Authority's capital assets as of September 30, 2017:

Capital Assets, Net of Accumulated Depreciation As of September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Land	\$ 1,849,444	\$ 1,960,605
Construction in progress	1,127,262	809,877
Land improvements	299,700	315,017
Buildings	7,188,222	11,391,602
Equipment	79,941	81,307
Roads and bridges	313,824	352,647
Total capital assets	<u>\$ 10,858,393</u>	<u>\$ 14,911,055</u>

Capital assets decreased due to the sale of property and a building to Florikan during the current year.

Additional information on the Authority's capital assets can be found in Note 4.

Debt

Debt of the Authority included a note payable to a financial institution obtained for the purpose of funding a forklift. The Authority paid the remaining balance of \$3,943 off during the year.

Additional information on the Authority's note payable can be found in Note 5.

Budgetary Highlights

Budget and actual comparison schedules are provided in the basic financial statements for the general and special revenue (grant) funds. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and the variance between the final budget and actual results for the general and special revenue (grant) funds. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new grant awards, or other unanticipated revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors

The Authority is a dependent special district, created by Chapter 159 FS and activated by original citizen petition through resolution by the Hardee County Board of Commissioners in 1984. Its purpose, as per Florida Statute and County resolution is to “foster and promote economic development” in Hardee County in concert and conjunction with other entities and agencies as may exist within the County and the State including the Hardee County Board of Commissioners, Hardee County Economic Development Authority, Hardee County Economic Development Council (EDC), Hardee County Chamber of Commerce, Main Street Wauchula, Wauchula Community Redevelopment Authority, Florida’s Heartland Economic Region of Opportunity and Enterprise Florida.

The Hardee County Industrial Development Authority (Authority) and the Hardee County Economic Development Council (EDC) operate as separate legal entities having dual membership of their respective board members. The Authority is a dependent special district of the State of Florida.

The EDC is a 501c3 non-profit but operates as to its membership as a public “sunshine law” governed body with certain operational latitudes exempt or operational procedures performed by staff. Both entities are charged with the directive to “foster and promote economic development” within and outside the definition of “projects” established in Florida Statute Chapter 159.

The Authority is managed by the Economic Development Council staff. Additionally, the sources of the Authority money for its initiatives are:

1. Grant money from the Hardee County Economic Development Authority (EDA) (an independent special district created by local bill SB 3110).
2. A Chapter 163 Development Agreement with the Hardee County Board of County Commissioners for which the Authority is receiving over \$43.2 million (over at least 11 years) expressly for the purpose of economic development as described in the “Economic Development Terms” section of the FS 163 agreement.
3. Income derived or produced from its own operations, including rental income and real estate divestiture revenues.

The County’s traditional economy is vested in citrus, vegetable crops and cattle. Additionally, support industries for citrus and cattle, general commerce ancillary to an agrarian and seasonal tourism economy, phosphate mining, government payrolls and government subsidies all contribute correspondingly to the overall community wealth. Ultimately, the macro objective (of the economic development effort) is independence from subsidies and welfare payments through economic diversity by the creation of entrepreneurial and job placement opportunity for recipients and residents.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors (Continued)

Most urgently though, Hardee County's economic situation continues to be negatively impacted by a reduction in citrus volume due to the ravages of citrus greening. Traditional economic drivers derived from citrus industry segments of growing, harvesting and caretaking, have been severely weakened by Huanglongbing, HLB otherwise more commonly referred to as citrus greening. The disease is known to be caused by the bacterium, *Candidatus Liberibacter asiaticus*.

Unfortunately, efforts to halt the spread of the greening bacterium (generally transmitted by an insect, the Asian Citrus Psyllid) or to provide treatment for infected groves has been ineffective thus far. Citrus greening is greatly impacting the demographic and economic infrastructure of much of "inland" south central Florida and the respective communities' dependent upon the Citrus economy.

The most significant impact on the local economy results from the reduction in "multiplier effect" of the citrus industry revenue stream with negative influences on virtually all sectors of the local economy. Row crop farming has made some re-emergence on former citrus lands but not to a level of economic impact to replace the citrus economic void. Secondly, the loss of traditional agricultural lands to phosphate mining, though currently offset by mining payrolls, continues to be looming concern for the County's economic viability once mining ceases.

The primary goals of the Industrial Development Authority and Economic Development Office have been focused on manufacturing businesses. The objective is to supplement the voids in the agricultural economy and "eventually" the mining economy with full-time sustainable jobs that at least provide minimal benefits of 401k contribution and health care options. Employee census counts of Authority "affiliated" businesses indicate approx. 400-500 direct jobs that have been made available in Hardee County thru the economic development efforts. Housing shortages and labor force deficiencies remain a significant impediment to increasing effectiveness of the economic development efforts.

Despite these challenges, the Authority expects to continue management and deployment of income from the Mosaic Agreement, grants from the Hardee EDA, or revenues produced from its operation with a continued deployment of capital directed at diversifying local economic drivers.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and operating circumstances. Questions concerning budgets or questions related to management of the Authority's operations should be addressed to the Hardee County Industrial Development Authority, William R. Lambert, Director, 107 East Main Street, Wauchula, Florida 33873.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 3,681,868
Investments	7,504,858
Accounts receivables, net	12,240
Due from other governments	255,673
Prepaid items	3,479
Inventory - Property held for resale	1,359,570
Capital assets	
Non-depreciable	2,976,706
Depreciable, net	7,881,687
Total assets	\$ 23,676,081
Liabilities	
Accounts payable and accrued liabilities	\$ 284,049
Unearned revenue	18,872
Total liabilities	302,921
Net position	
Investment in capital assets	10,858,393
Restricted for economic development projects	9,763,792
Unrestricted	2,750,975
Total net position	23,373,160
Total liabilities and net position	\$ 23,676,081

The accompanying notes to financial statements are an integral part of this statement.

HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Special Revenue Grant Fund	EDC Fund (Non Major)	Total Governmental Funds
Assets				
Cash	\$ 1,939,274	\$ 1,740,459	\$ 2,135	\$ 3,681,868
Investments	-	7,504,858	-	7,504,858
Accounts receivable, net	12,240	-	-	12,240
Due from other funds	110,332	-	8,208	118,540
Due from other governments	195,673	-	60,000	255,673
Prepaid items	3,479	-	-	3,479
Inventory - property held for resale	533,076	826,494	-	1,359,570
Total assets	<u>\$ 2,794,074</u>	<u>\$ 10,071,811</u>	<u>\$ 70,343</u>	<u>\$ 12,936,228</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued expenditures	\$ 24,227	\$ 250,558	\$ 9,264	\$ 284,049
Unearned revenue	18,872	-	-	18,872
Due to other funds	-	118,540	-	118,540
Total liabilities	<u>43,099</u>	<u>369,098</u>	<u>9,264</u>	<u>421,461</u>
Deferred inflows of resources				
Unavailable revenue	<u>165,371</u>	<u>-</u>	<u>-</u>	<u>165,371</u>
Fund balances				
Nonspendable	536,555	-	-	536,555
Restricted for economic development projects	-	9,702,713	61,079	9,763,792
Unassigned	2,049,049	-	-	2,049,049
Total fund balances	<u>2,585,604</u>	<u>9,702,713</u>	<u>61,079</u>	<u>12,349,396</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,794,074</u>	<u>\$ 10,071,811</u>	<u>\$ 70,343</u>	<u>\$ 12,936,228</u>

The accompanying notes to financial statements are an integral part of this statement.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)
RECONCILIATION OF THE BALANCE SHEET–
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Fund Balances, total governmental funds	\$ 12,349,396
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Governmental capital assets	12,583,193
Accumulated depreciation	(1,724,800)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
	<u>165,371</u>
Net position of governmental activities	<u><u>\$ 23,373,160</u></u>

The accompanying notes to financial statements are an integral part of this statement.

HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>General Fund</u>	<u>Special Revenue Grant Fund</u>	<u>EDC Fund (Non Major)</u>	<u>Total Governmental Funds</u>
Revenues				
Intergovernmental	\$ 1,784,338	\$ -	\$ 292,000	\$ 2,076,338
Charges for services	360,680	-	12,000	372,680
Mosaic income	-	3,500,000	-	3,500,000
Interest income	1,681	8,422	-	10,103
Miscellaneous	1,340	9,001	-	10,341
Total revenues	<u>2,148,039</u>	<u>3,517,423</u>	<u>304,000</u>	<u>5,969,462</u>
Expenditures				
Current				
General government	514,850	-	-	514,850
Economic development	562,738	216,153	366,068	1,144,959
Capital outlay	442,421	1,868,732	-	2,311,153
Debt service				
Principal retirement	-	3,943	-	3,943
Interest	-	69	-	69
Total expenditures	<u>1,520,009</u>	<u>2,088,897</u>	<u>366,068</u>	<u>3,974,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>628,030</u>	<u>1,428,526</u>	<u>(62,068)</u>	<u>1,994,488</u>
Other financing sources (uses)				
Transfers in	114,873	-	36,082	150,955
Transfers out	-	(150,955)	-	(150,955)
Gain on sale of assets	1,983,433	-	-	1,983,433
Total other financing sources (uses)	<u>2,098,306</u>	<u>(150,955)</u>	<u>36,082</u>	<u>1,983,433</u>
Change in fund balances	2,726,336	1,277,571	(25,986)	3,977,921
Fund balances (deficit), beginning of year	<u>(140,732)</u>	<u>8,425,142</u>	<u>87,065</u>	<u>8,371,475</u>
Fund balances, end of year	<u>\$ 2,585,604</u>	<u>\$ 9,702,713</u>	<u>\$ 61,079</u>	<u>\$ 12,349,396</u>

The accompanying notes to financial statements are an integral part of this statement.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Net Change in Fund Balances – Total Governmental Funds		\$ 3,977,921
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 1,855,095	
Less current year depreciation	<u>(402,100)</u>	1,452,995
<p>The effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.</p>		
Capital contributions to the City of Wauchula	(1,019,597)	
Sale of capital assets	<u>(4,486,060)</u>	(5,505,657)
<p>Governmental funds report unavailable revenues for those amounts not received within 60 days of year end, however, in the Statement of Activities, these amounts are recognized as revenue. This is the amount required to reduce current year Government-wide revenues.</p>		
		(1,032,402)
<p>Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>		
<p>Debt repayments:</p>		
Notes payable		<u>3,943</u>
Change in net position of governmental activities		<u><u>\$ (1,103,200)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 1,372,145	\$ 1,094,845	\$ 1,784,338	\$ 689,493
Charges for services	496,300	496,300	360,680	(135,620)
Interest income	200	200	1,681	1,481
Miscellaneous	-	-	1,340	1,340
Total revenues	<u>1,868,645</u>	<u>1,591,345</u>	<u>2,148,039</u>	<u>556,694</u>
Expenditures				
Current				
General government	525,790	615,890	514,850	101,040
Economic development	657,995	882,995	562,738	320,257
Capital outlay	714,150	511,850	442,421	69,429
Total expenditures	<u>1,897,935</u>	<u>2,010,735</u>	<u>1,520,009</u>	<u>490,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,290)</u>	<u>(419,390)</u>	<u>628,030</u>	<u>1,047,420</u>
Other financing sources				
Transfers in	175,000	200,000	114,873	(85,127)
Gain on sale of assets	-	-	1,983,433	1,983,433
Total other financing sources	<u>175,000</u>	<u>200,000</u>	<u>2,098,306</u>	<u>1,898,306</u>
Change in fund balance	145,710	(219,390)	2,726,336	2,945,726
Fund balance, beginning of year	<u>(140,732)</u>	<u>(140,732)</u>	<u>(140,732)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 4,978</u>	<u>\$ (360,122)</u>	<u>\$ 2,585,604</u>	<u>\$ 2,945,726</u>

The accompanying notes to financial statements are an integral part of this statement.

HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
SPECIAL REVENUE GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Mosaic income	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ -
Interest income	6,000	6,000	8,422	2,422
Miscellaneous	127,828	127,828	9,001	(118,827)
Total revenues	<u>3,633,828</u>	<u>3,633,828</u>	<u>3,517,423</u>	<u>(116,405)</u>
Expenditures				
Current				
Economic development	2,027,000	2,433,100	216,153	2,216,947
Capital outlay	2,810,000	3,768,450	1,868,732	1,899,718
Debt service				
Principal	-	-	3,943	(3,943)
Interest	-	-	69	(69)
Total expenditures	<u>4,837,000</u>	<u>6,201,550</u>	<u>2,088,897</u>	<u>4,112,653</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,203,172)</u>	<u>(2,567,722)</u>	<u>1,428,526</u>	<u>3,996,248</u>
Other financing uses				
Transfers out	<u>(228,000)</u>	<u>(236,200)</u>	<u>(150,955)</u>	<u>85,245</u>
Total other financing uses	<u>(228,000)</u>	<u>(236,200)</u>	<u>(150,955)</u>	<u>85,245</u>
Change in fund balance	(1,431,172)	(2,803,922)	1,277,571	4,081,493
Fund balance, beginning of year	<u>8,425,142</u>	<u>8,425,142</u>	<u>8,425,142</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,993,970</u>	<u>\$ 5,621,220</u>	<u>\$ 9,702,713</u>	<u>\$ 4,081,493</u>

The accompanying notes to financial statements are an integral part of this statement.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Industrial Development Authority (the “Authority”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Authority, as authorized by Chapter 159.44-159.53 of the Florida Statutes, was created for the purpose of financing and refinancing projects for the public purposes in the manner provided by the Florida Industrial Development Financing Act and by Chapter 159.44-159.53 of the Florida Statutes and for the purpose of fostering economic development of Hardee County. The Authority studies the advantages, facilities, resources, products, attractions, and conditions concerning Hardee County with relation to the encouragement of economic development in the County and uses such means and media as the Authority deems advisable to publicize and/or to make known such facts and material to such persons, firms, corporations, agencies, and institutions which, in the discretion of the Authority, reasonably result in encouraging desirable economic development in the County. In carrying out this purpose, the Authority is encouraged to cooperate and work with industrial development agencies, chambers of commerce, and other local, state and federal agencies having responsibilities in the field of industrial development.

The Authority is composed of no less than 5 members with an ideal number of 7 appointed by the Hardee County Board of County Commissioners (BOCC). After completion of the initial staggered terms, each appointed member serves a term of four years. The funds received from Mosaic are derived from an agreement between the BOCC and Mosaic. The agreement creates a component unit relationship because the BOCC appoints the Authority’s board and the receipt of the Mosaic funds creates a burden on the BOCC; therefore, the Authority is considered a component unit of the BOCC.

Accounting principles generally accepted in the United States require that these financial statements include all entities for which the Authority is considered to be financially accountable (component units). The Authority is financially responsible if it appoints a voting majority of the organization's governing body and: (a) is able to impose its will on that organization, or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Authority. The Authority may be financially accountable if an organization is fiscally dependent on the Authority regardless of whether the organization has: (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

If a component unit is, in substance, part of the government's operations, it should be reported as a blended component unit. Otherwise, a component unit should be discretely presented. Based on the criteria, the Authority management determined that the Authority has one blended component unit and no discretely presented component units.

These financial statements present only the funds and blended component unit of the Authority and are not meant to represent Hardee County, Florida, as a whole.

Blended Component Unit

The Hardee County Economic Development Council, Inc. (EDC) is a separate legal entity that was created pursuant to the provisions of section 617.1006, Florida Statutes, *Florida Not for Profit Corporation*. The EDC's purpose is to provide for the orderly, progressive, economic diversification of Hardee County, which will insure a superior quality of life through public and private activities. The EDC provides services for the operations of the Authority. The financial information for this component unit is blended in the financial statements of the Authority because the Authority's board serves as the governing body of the EDC and approves the annual budget. The EDC is reported as a special revenue fund of the Authority.

Basis of Presentation

The Authority complies with accounting standards established by the Governmental Accounting Standards Board (GASB). The Authority has implemented GASB Statement No. 34 as amended, *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments*.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Authority. The Authority reports only governmental activities; it does not have any business-type activities.

Governmental activities are supported by Mosaic income originating from a development contract between Hardee County Board of County Commissioners and Mosaic Fertilizer, LLC, intergovernmental revenues and proceeds received from the sale of inventory and grants received from the Economic Development Authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Payments of other items not properly included as program revenues are reported as general revenues.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The financial transactions of the Authority are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows of resources, fund balance, revenues and expenditures/expenses. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Authority's funds are as follows:

General Fund – This fund is used to account for the accumulation and expenditure of resources that are not restricted in any manner but are used for general purposes of the Authority and do not require the establishment of any other type of fund.

Special Revenue Funds

Grant Fund – This fund is used to account for the accumulation and expenditure of resources that are restricted and used for economic development purposes of the Authority.

EDC Fund – This fund accounts for the activity of the Hardee County Economic Development Council, Inc. (EDC), which is a separate legal entity that is reported as a blended component unit. The activity of the EDC is comprised of receipts and disbursements of grant monies received from the Board of County Commissioners and the Economic Development Authority for operations of the EDC.

Measurement Focus and Basis of Accounting

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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

Under GASB No. 34, budgetary comparison information is required to be presented for the General Fund and each major special revenue fund with a legally adopted budget. The Authority is required to follow the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for governmental fund types in accordance with procedures and time intervals prescribed by law.
- Budgets are prepared for the governmental funds on a basis consistent with accounting principles generally accepted in the United States of America.
- Final budget amounts reported are based upon the final amended budget.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of certain assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority had no items that qualified for reporting in this category.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has only one item that qualified for reporting in this category. Unavailable revenue, which arises only under the modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The General Fund reports unavailable revenue from grants, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. The Authority may report three categories of net position, as follows: invested in capital assets, restricted net position, and unrestricted net position. Invested in capital assets consist of net capital assets less any related debt. Restricted net position represent constraints on resources that are either externally imposed by creditors, granters, contributors, or laws or regulations of other governments or imposed by law through state statute. Unrestricted net position consist of all other net position that do not meet the definition of the other two components and are available for general use by the Authority. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted as needed.

Fund Balance and Spending Policy

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts can be spent for specific purposes because of constraints that are externally imposed by contributors, creditors, grantors, laws or regulations, or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to grant funds awarded and passed by the Board, the Authority's highest level of decision making authority.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority's adopted policy, only the Board may assign amounts for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The Board has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the Board will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

The Authority defines cash and cash equivalents as instruments with an original maturity date of three months or less when purchased. Investments are recorded at fair value.

State statutes authorize the Authority to invest in direct obligations of the US Treasury, the Local Government Surplus Trust Fund, SEC registered money market funds with the highest credit quality rating and savings, the State Treasurer's Investment Pool and certificate of deposit accounts in state certified public depositories.

Due from/to Other Funds

During the course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheets.

Accounts and Note Receivables

Accounts and note receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts.

Inventory, Property Held for Resale

Property held for resale represents property acquired by the Authority for subsequent resale for redevelopment purposes. Property held for resale is reported at the lower of cost or estimated realizable value. These estimates have been based on estimated realizable sales proceeds net of selling expenses.

Capital Assets

Capital assets, which include infrastructure, construction in progress, equipment, and machinery, are reported in the government-wide statement of net position at cost. Capital assets are defined by the Authority as assets with an initial, individual cost of \$1,000 and an estimated useful life in excess of one year. Expenditures for maintenance, repairs and minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized.

Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and gain or loss is recognized.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation commences when a project is ready for its intended use or when equipment is placed in service, and is computed using the straight-line method over the following estimated useful lives of assets.

Land improvements	10 to 20 years
Buildings	10 to 40 years
Infrastructure	7 to 30 years
Equipment	3 to 10 years

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial credit risk is defined as the risk that, in the event of bank failure, the Authority's deposits may not be returned to it. At September 30, 2017, the carrying amount of the Authority's deposits was \$11,186,726 and the balance per the bank was \$11,182,543. The Authority's interest bearing bank balance is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution, a qualified public depository, all participating institutions are obligated to reimburse the governmental entity for the loss.

The Authority reported investments in a certificate of deposit in the amount of \$7,504,858 as of September 30, 2017. The CD matures in January 2018. The Authority does not have a written investment policy and as such, its practice is to follow Florida Statute 218.415.

NOTE 3. NOTE RECEIVABLE

The Authority entered into a promissory note receivable with a private company. The sole purpose of the promissory note was to provide the Authority a security interest in possible litigation proceeds that could be received by the private company from a successful lawsuit. The amounts paid by the Authority to the private company represented the reimbursement of excess costs that were incurred by the private company and were the basis of its litigation. The terms and conditions of the note were such that the Authority would have a receivable based on a contingency of a successful lawsuit. The note receivable balance for the year ended September 30, 2017, is as follows:

General Fund	
Promissory note receivable	\$ 127,878
Allowance for doubtful account	<u>(127,878)</u>
Note receivable, net	<u><u>\$ -</u></u>

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, is as follows:

	<u>Balance</u> <u>October 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30</u>
Capital assets, not being depreciated:				
Land	\$ 1,960,605	\$ -	\$ (111,161)	\$ 1,849,444
Construction in progress	809,877	1,336,982	(1,019,597)	1,127,262
Total capital assets, not being depreciated	<u>2,770,482</u>	<u>1,336,982</u>	<u>(1,130,758)</u>	<u>2,976,706</u>
Capital assets, being depreciated:				
Land improvements	429,602	16,178	-	445,780
Buildings	12,165,961	457,025	(4,576,346)	8,046,640
Equipment	292,683	44,910	-	337,593
Roads and bridges	776,474	-	-	776,474
Total capital assets, being depreciated	<u>13,664,720</u>	<u>518,113</u>	<u>(4,576,346)</u>	<u>9,606,487</u>
Less accumulated depreciation for:				
Land improvements	(114,585)	(31,495)	-	(146,080)
Buildings	(774,359)	(285,506)	201,447	(858,418)
Equipment	(211,376)	(46,276)	-	(257,652)
Roads and bridges	(423,827)	(38,823)	-	(462,650)
Total accumulated depreciation	<u>(1,524,147)</u>	<u>(402,100)</u>	<u>201,447</u>	<u>(1,724,800)</u>
Total capital assets, being depreciated, net	<u>12,140,573</u>	<u>116,013</u>	<u>(4,374,899)</u>	<u>7,881,687</u>
Total capital assets, net	<u>\$ 14,911,055</u>	<u>\$ 1,452,995</u>	<u>\$(5,505,657)</u>	<u>\$ 10,858,393</u>

Depreciation expense for the year ended September 30, 2017, was \$402,100 and was charged to economic development expense.

NOTE 5. NOTE PAYABLE

The Authority entered into a note payable agreement with a financial institution in July 2014, with an original principal amount of \$15,100 to finance equipment. Payments on the note are due monthly in the amount of \$446 and the note bears interest at a rate of 4.234%. The beginning balance of \$3,943 was reduced during the year by current year principal payments of \$3,943. There were no amounts due related to the note as of September 30, 2017.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 6. RELATED PARTY TRANSACTIONS

The Hardee County Board of County Commissioners (BOCC) awarded and paid a grant for operations of the Hardee EDC in the amount of \$150,000. Under the terms of the Mosaic agreement between Hardee County Board of County Commissioners and Mosaic Fertilizer, LLC, the Authority transferred \$500,000 to the Hardee BOCC. This payment was reported as a contra revenue when paid.

An Authority board member is employed at a financial institution where the Authority had \$11,182,543 cash held at September 30, 2017. Additionally, these accounts earned interest revenues in the amount of \$10,103 for the year ended September 30, 2017.

NOTE 7. ECONOMIC DEPENDENCY

The Hardee County Board of County Commissioners entered into a development agreement with Mosaic Fertilizer, LLC (Mosaic) whereby Mosaic is to pay a minimum of \$42,000,000 over a ten year period as long as sufficient mining activity is occurring. The payment schedule has a minimum base amount which escalates, based on tonnage mined, during the contract and provides for \$500,000 per year to be allocated to the Hardee Board of County Commissioners' General Fund. Payments are made directly to the Authority. During the year ended September 30, 2017, the Authority, which is in its eighth year of the ten year contract, received \$4,000,000 from Mosaic and made a payment of \$500,000 to the Hardee County, Florida, Board of County Commissioners. According to the terms of the development agreement, amounts received from Mosaic are restricted for economic development, except for \$100,000 per year that can be used to pay administrative expenses.

The Authority is dependent upon annual contract payments from Mosaic Fertilizer, LLC in order for the Authority to continue funding the economic development of Hardee County at current levels.

The Authority's future existence is not dependent upon future payments beyond the ten year period of the development agreement. For the year ended September 30, 2017, Mosaic provided approximately 59% of the Authority's total revenue.

For the year ended September 30, 2017, the Economic Development Authority provided approximately 35% of the Authority's total revenue.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority purchases commercial insurance coverage related to these risks. There have been no decreases in coverage nor have there been any settlements in excess of coverage in any of the prior three years.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The Authority has contracted with a vendor for the completion of one project funded by the General Fund. The contract amount committed at September 30, 2017, was \$61,865.

The Authority approved the budget for grants awarded for the year ended September 30, 2018. The budget includes additional revenues from Mosaic Fertilizer, LLC in the amount of \$3,500,000, according to the Mosaic Agreement. The projects below were budgeted using the revenues anticipated to be received during 2018 and the \$9,702,713 fund balance included in Restricted for Economic Development Projects. The Authority approved the budget to fund the following projects:

Florida Hospital Relocation	\$ 615,356
Spec Building 8	1,000,000
Ag Test Plot	50,000
Commerce Park Expansion	1,200,000
Winn Dixie	2,000,000
Project Evergreen	1,000,000
Innovation Place	300,000
Hogan Street	250,000
MOBO project	200,000
City of Wauchula CRA	750,000
IDA Marketing Program	350,000
Mote Marine	<u>500,000</u>
Total approved for grants	<u><u>\$ 8,215,356</u></u>

NOTE 10. TRANSFERS

Transfers are used to: (1) move revenues from the fund that state law required to collect them to the fund that state law requires to expend them, (2) provide matching funds for grants, and (3) use unrestricted fund revenues to finance activities which must be accounted for in another fund.

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

NOTE 10. TRANSFERS (CONTINUED)

Transfers during the year ended September 30, 2017, consisted of the following:

Transfers to the General Fund from:	
Special Revenue Grant Fund	<u>\$ 114,873</u>
Transfers to the EDC Fund from:	
Special Revenue Grant Fund	<u>\$ 36,082</u>

This transfer from the Special Revenue Grant Fund represents the payment of awarded grant funds to the EDC fund, a blended component unit, and reimbursement to the General Fund for administrative and other expenditures paid.

NOTE 11. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through February 27, 2018, the date which the financial statements were available to be issued and has determined that no material transactions have occurred that would warrant additional disclosure in the financial statements.

OTHER INDEPENDENT AUDITOR'S REPORTS



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

Members of the Authority Board
Hardee County Industrial Development Authority
Wauchula, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hardee County Industrial Development Authority (the “Authority”), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated February 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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 Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradenton, Florida
February 27, 2018

Mauldin & Jenkins, LLC



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Members of the Authority Board
Hardee County Industrial Development Authority
Wauchula, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Industrial Development Authority (the "Authority") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated February 27, 2018.

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 Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 27, 2018, 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. There were no recommendations 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. See Note 1 in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the Authority 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, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Sections 10.554(1)(i)5.b. 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 the annual financial report for the Authority for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39 (3)(b), Florida Statutes. In connection with our audit, we determined that the Hardee County Economic Development Council component unit provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Bradenton, Florida
February 27, 2018

Mauldin & Jenkins, LLC

**HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF HARDEE COUNTY, FLORIDA)**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

___ yes X no

Significant deficiencies identified not considered
to be material weaknesses?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal and State Financial Assistance

Federal and state single audits were not required as the Authority did not expend greater than \$750,000 of federal or state funds during its fiscal year ended September 30, 2017.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.



INDEPENDENT AUDITOR'S REPORT

Members of the Authority Board
Hardee County Industrial Development Authority
Wauchula, Florida

We have examined the Hardee County Industrial Development Authority's (the "Authority") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2017. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

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

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 27, 2018

Hardee County Economic Development
Employee Evaluation Summary



HARDEE COUNTY
ECONOMIC DEVELOPMENT COUNCIL

A. Performance Factors

#	Question	Evaluator						Total	Average
		1	2	3	4	5	6		
1	<i>Administration</i>	4	4	3	5	4	4	24	4
2	<i>Knowledge of Work</i>	5	5	3	5	5	4	27	4.50
3	<i>Communication</i>	4	4	3	5	4	4	24	4
4	<i>Teamwork</i>	4	4	3	5	4	4	24	4
5	<i>Decision-Making</i>	4	4	3	5	4	4	24	4
6	<i>Financial Management</i>	5	3	3	5	4	4	24	4
7	<i>Human Capital Management</i>	4	4	3	5	4	3	23	3.83
8	<i>Independent Action</i>	4	4	3	5	5	4	25	4.17
9	<i>Job Knowledge</i>	5	4	3	5	5	4	26	4.33
10	<i>Leadership</i>	4	4	3	5	4	4	24	4
11	<i>Managing Change/Improve</i>	4	4	3	5	4	4	24	4
12	<i>Contact Responsiveness</i>	5	4	3	5	4	4	25	4.17
13	<i>Market Study</i>	5	3	3	5	4	4	24	4
14	<i>Dependability</i>	5	4	3	5	4	4	25	4.17
15	<i>Marketing/Public Relations</i>	5	3	3	5	3	4	23	3.83
16	<i>Employee's Responsiveness</i>	4	4	3	5	4	4	24	4
	Total	71	62	48	80	66	63	390	65
	Average	4.44	3.88	3	5	4.13	3.94	24.375	4.06

B. Employee Strength and Accomplishments

- All ratings are "meets expectations" because we have a very high expectation for the
- critical role and what it means for Hardee County's future. Bill is actively engaged in
- fostering Economic Development.
- Vast understanding of the economic needs in Hardee County. Understands and
- addresses the challenges of our county when new businesses are researching our
- area. Strong communication skills and utilizes this ability when speaking with the
- County Commission, County Administrator, business leaders, potential developers,
- the general public and other related departments and divisions of the County to
- develop and implement all economic development related activities. Excels in
- facilitating board meetings and sharing updates. Tirelessly seeks new ideas and
- approaches to job creation in the County.

- Bill has extensive knowledge of the local economy and how to best leverage the opportunities within the County. He has invaluable historic and infrastructure understanding that is vital to the success of Hardee County.
- He has the ability to work through tough circumstances and criticism and sincerely desires to engage any interested party in dialogue that helps grow jobs in Hardee County. His desire to see the county grow and improve motivates him to help economic development succeed.

C. Performance Areas Which Need Improvement

- Increased partnership with Hardee County regulatory departments to facilitate growth targeted by EDC will have a positive impact on development.
- Spend more time with Board Members one on one. Hard for anyone to find time for this.
- Bill is working on improving public relations for Hardee EDC and has even engaged an outside firm to assist but for us to succeed, more work in this area to outline the significant accomplishments and opportunities could be focused on.

D. Plan of Action Toward Improved Performance

- Continue to exercise good judgment, flexibility, creativity, and sensitivity in response to prospects, current businesses and needs for the community.
- As a board member, continue to work with Bill and staff in developing these skills and looking for opportunities to promote achievements.

E. Employee Comments

- Bill's dedication and zeal for the goals of the organization and Hardee County can be clearly seen everyday.

F. Job Description Review Section

Employee job description has been reviewed during this evaluation and **NO** changes need to be made to the job description at this time.

Employee job description has been reviewed during this evaluation and changes **DO NEED** to be made and reviewed.

G. Signatures

Employee: _____

(Signature does not necessarily denote agreement with official review and means only that the employee was given the opportunity to discuss the official review with the Supervisor.)

Reviewed by: _____

Hardee County Economic Development
Balance Sheet
As of February 28, 2018

	<u>Feb 28, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
Wauchula State Bank	62,803.99
Total Checking/Savings	<u>62,803.99</u>
Total Current Assets	<u>62,803.99</u>
TOTAL ASSETS	<u>62,803.99</u>
LIABILITIES & EQUITY	
Equity	
3010 · Unrestrict (retained earnings)	61,078.83
Net Income	1,725.16
Total Equity	<u>62,803.99</u>
TOTAL LIABILITIES & EQUITY	<u>62,803.99</u>

Hardee County Economic Development
Profit & Loss
February 2018

	<u>Feb 18</u>
Ordinary Income/Expense	
Income	
Transfer In - IDA	50,000.00
Total Income	50,000.00
Expense	
023-0 · Life/Health Insurance	4,726.65
025-0 · Payroll Expenses	17,395.05
031-0 · Professional Services	353.18
043-0 · Utilities	564.56
044-0 · Rentals/Leases	2,297.32
046-0 · Repairs & Maintenance	108.10
052-0 · Operating Supplies	10.00
054-0 · Books, Dues, & Subscriptions	297.66
Total Expense	25,752.52
Net Ordinary Income	24,247.48
Net Income	<u><u>24,247.48</u></u>

Hardee County Industrial Development Authority

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Balance Sheet

Accrual Basis

As of February 28, 2018

	Feb 28, 18
ASSETS	
Current Assets	
Checking/Savings	
101009 · WSB Sales (GF)	1,375,940.01
101013 · WSB Mosaic CD	5,991,017.43
101014 · WSB Mosaic Checking	1,278,954.40
101015 · MOBO Deposit	10,007.40
Total Checking/Savings	8,655,919.24
Accounts Receivable	
115001 · Accounts Receivable Rental Inc	26,896.79
Total Accounts Receivable	26,896.79
Other Current Assets	
133012 · Deposit - Fla Hospital Prop SR	826,494.19
Total Other Current Assets	826,494.19
Total Current Assets	9,509,310.22
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	533,075.80
Total Fixed Assets	533,075.80
Other Assets	
Due From Other Funds	
140001 · Due from GF	-67,654.71
240000 · Due to SR	67,654.71
Total Due From Other Funds	0.00
Due From Other Governments	
133001 · Due from EDA	91,509.89
Total Due From Other Governments	91,509.89
1330131 · Rapid Systems Note	127,878.00
1330132 · Allowance for Uncollectible Not	-127,878.00
Total Other Assets	91,509.89
TOTAL ASSETS	10,133,895.91
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
202001 · Deferred Inflow	55,232.03
220000 · Prepaid Rent - Keyplex	8,872.00
220004 · Sales Tax Payable	3,755.67
220005 · Rental Deposit - MOBO	10,007.02
Total Other Current Liabilities	77,866.72
Total Current Liabilities	77,866.72
Total Liabilities	77,866.72
Equity	

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Hardee County Industrial Development Authority

03/14/18

Balance Sheet

Accrual Basis

As of February 28, 2018

	<u>Feb 28, 18</u>
Fund Balance	
3000 · Nonspendable	536,554.44
3001 · Restrictd for Economic Dev Proj	9,702,713.31
3003 · Unassigned	<u>2,049,048.04</u>
Total Fund Balance	12,288,315.79
Net Income	<u>-2,232,286.60</u>
Total Equity	<u>10,056,029.19</u>
TOTAL LIABILITIES & EQUITY	<u><u>10,133,895.91</u></u>

Hardee County Industrial Development Authority

03/14/18

Profit & Loss

Accrual Basis

February 2018

	<u>Feb 18</u>
Ordinary Income/Expense	
Income	
337500 · EDA Proceeds Gen FD	36,357.94
361100 · Interest Income gen fd	413.81
361101 · Interest income Mosaic accts	50.67
362001 · Rental Income	21,412.06
	<hr/>
Total Income	58,234.48
Expense	
5193100 · Professional Fees Legal	11,011.00
519321 · Meeting Security	135.00
519322 · Travel	377.63
5193400 · Landscaping and Grounds	2,430.00
5194301 · Utilities	1,417.67
519450 · Insurance Expense	6,320.00
519460 · Repairs and Maintenance GF	4,825.00
5194601 · Repairs and Maintenance	175.00
519480 · Advertising	60.68
5195206 · Grove Caretaking/Fertilizer	500.00
519840 · Grant expenses	11,360.00
519844 · Grant Expenses- Bees&Botanicals	15,837.00
519845 · Grant expense- Steele Equine	49,994.61
6000 · Capital Outlay	331,313.57
6001 · Transfer to EDC	50,000.00
	<hr/>
Total Expense	485,757.16
Net Ordinary Income	-427,522.68
Other Income/Expense	
Other Income	
Sales Tax Collection Allowance	34.54
	<hr/>
Total Other Income	34.54
Net Other Income	34.54
	<hr/>
Net Income	-427,488.14
	<hr/> <hr/>

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Accrual Basis

Hardee County Industrial Development Authority
Profit & Loss by Class
February 2018

	Steele Equine- EDA Grant (General Fund)	Carlton St. Extension (General Fund)	MLK Water Extension (General Fund)
Ordinary Income/Expense			
Income			
337500 · EDA Proceeds Gen FD	13,500.00	3,471.70	181.25
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	13,500.00	3,471.70	181.25
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	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
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
519840 · Grant expenses	0.00	0.00	0.00
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	0.00
519845 · Grant expense- Steele Equine	49,994.61	0.00	0.00
6000 · Capital Outlay	0.00	3,310.00	315,618.52
6001 · Transfer to EDC	0.00	0.00	0.00
Total Expense	49,994.61	3,310.00	315,618.52
Net Ordinary Income	-36,494.61	161.70	-315,437.27
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	-36,494.61	161.70	-315,437.27

Hardee County Industrial Development Authority
Profit & Loss by Class
February 2018

	Incubator Year 3 (General Fund)	Administrative (General Fund)	Incubator Overhead (General Fund)
Ordinary Income/Expense			
Income			
337500 · EDA Proceeds Gen FD	19,204.99	0.00	0.00
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	19,204.99	0.00	0.00
Expense			
5193100 · Professional Fees Legal	0.00	11,011.00	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	180.00
5194301 · Utilities	0.00	0.00	2,127.49
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	175.00
519480 · Advertising	0.00	0.00	0.00
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
519840 · Grant expenses	0.00	0.00	0.00
519844 · Grant Expenses- Bees&Botanicals	15,837.00	0.00	0.00
519845 · Grant expense- Steele Equine	0.00	0.00	0.00
6000 · Capital Outlay	0.00	0.00	4,875.00
6001 · Transfer to EDC	0.00	0.00	0.00
Total Expense	15,837.00	11,011.00	7,357.49
Net Ordinary Income	3,367.99	-11,011.00	-7,357.49
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	3,367.99	-11,011.00	-7,357.49

Hardee County Industrial Development Authority
Profit & Loss by Class
 February 2018

	Spec Buildings 1 & 3 (Keyplex) (General Fund)	Spec Building 4 (TechRiver) (General Fund)	Property Management (General Fund)
Ordinary Income/Expense			
Income			
337500 · EDA Proceeds Gen FD	0.00	0.00	0.00
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	10,872.46	8,162.04	2,377.56
Total Income	10,872.46	8,162.04	2,377.56
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	1,100.00
5194301 · Utilities	0.00	-780.82	0.00
519450 · Insurance Expense	0.00	0.00	6,320.00
519460 · Repairs and Maintenance GF	0.00	2,500.00	0.00
5194601 · Repairs and Maintenance	0.00	0.00	0.00
519480 · Advertising	0.00	0.00	0.00
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	500.00
519840 · Grant expenses	0.00	0.00	0.00
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	0.00
519845 · Grant expense- Steele Equine	0.00	0.00	0.00
6000 · Capital Outlay	0.00	0.00	0.00
6001 · Transfer to EDC	0.00	0.00	0.00
Total Expense	0.00	1,719.18	7,920.00
Net Ordinary Income	10,872.46	6,442.86	-5,542.44
Other Income/Expense			
Other Income			
Sales Tax Collection Allowance	18.48	13.88	2.18
Total Other Income	18.48	13.88	2.18
Net Other Income	18.48	13.88	2.18
Net Income	10,890.94	6,456.74	-5,540.26

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03/14/18

Accrual Basis

Hardee County Industrial Development Authority
Profit & Loss by Class
February 2018

	General Fund - Other (General Fund)	Total General Fund	Administrative (Special Revenue)
Ordinary Income/Expense			
Income			
337500 · EDA Proceeds Gen FD	0.00	36,357.94	0.00
361100 · Interest Income gen fd	413.81	413.81	0.00
361101 · Interest income Mosaic accts	0.00	0.00	0.00
362001 · Rental Income	0.00	21,412.06	0.00
Total Income	413.81	58,183.81	0.00
Expense			
5193100 · Professional Fees Legal	0.00	11,011.00	0.00
519321 · Meeting Security	135.00	135.00	0.00
519322 · Travel	377.63	377.63	0.00
5193400 · Landscaping and Grounds	0.00	1,280.00	0.00
5194301 · Utilities	0.00	1,346.67	0.00
519450 · Insurance Expense	0.00	6,320.00	0.00
519460 · Repairs and Maintenance GF	0.00	2,500.00	0.00
5194601 · Repairs and Maintenance	0.00	175.00	0.00
519480 · Advertising	60.68	60.68	0.00
5195206 · Grove Caretaking/Fertilizer	0.00	500.00	0.00
519840 · Grant expenses	0.00	0.00	0.00
519844 · Grant Expenses- Bees&Botanicals	0.00	15,837.00	0.00
519845 · Grant expense- Steele Equine	0.00	49,994.61	0.00
6000 · Capital Outlay	0.00	323,803.52	0.00
6001 · Transfer to EDC	0.00	0.00	50,000.00
Total Expense	573.31	413,341.11	50,000.00
Net Ordinary Income	-159.50	-355,157.30	-50,000.00
Other Income/Expense			
Other Income			
Sales Tax Collection Allowance	0.00	34.54	0.00
Total Other Income	0.00	34.54	0.00
Net Other Income	0.00	34.54	0.00
Net Income	-159.50	-355,122.76	-50,000.00

Hardee County Industrial Development Authority
Profit & Loss by Class
 February 2018

	Winn Dixie Property (Special Revenue)	IDA Marketing Program (Special Revenue)	Ag Test Plot (Special Revenue)
Ordinary Income/Expense			
Income			
337500 · EDA Proceeds Gen FD	0.00	0.00	0.00
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	800.00	0.00	0.00
5194301 · Utilities	0.00	0.00	71.00
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
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
519840 · Grant expenses	0.00	11,360.00	0.00
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	0.00
519845 · Grant expense- Steele Equine	0.00	0.00	0.00
6000 · Capital Outlay	0.00	0.00	1,130.05
6001 · Transfer to EDC	0.00	0.00	0.00
Total Expense	800.00	11,360.00	1,201.05
Net Ordinary Income	-800.00	-11,360.00	-1,201.05
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	-800.00	-11,360.00	-1,201.05

Hardee County Industrial Development Authority
Profit & Loss by Class
 February 2018

	Spec Building 7 (MOBO) (Special Revenue)	Special Revenue - Other (Special Revenue)	Total Special Revenue
Ordinary Income/Expense			
Income			
337500 · EDA Proceeds Gen FD	0.00	0.00	0.00
361100 · Interest Income gen fd	0.00	0.00	0.00
361101 · Interest income Mosaic accts	0.00	50.67	50.67
362001 · Rental Income	0.00	0.00	0.00
Total Income	0.00	50.67	50.67
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	350.00	0.00	1,150.00
5194301 · Utilities	0.00	0.00	71.00
519450 · Insurance Expense	0.00	0.00	0.00
519460 · Repairs and Maintenance GF	2,325.00	0.00	2,325.00
5194601 · Repairs and Maintenance	0.00	0.00	0.00
519480 · Advertising	0.00	0.00	0.00
5195206 · Grove Caretaking/Fertilizer	0.00	0.00	0.00
519840 · Grant expenses	0.00	0.00	11,360.00
519844 · Grant Expenses- Bees&Botanicals	0.00	0.00	0.00
519845 · Grant expense- Steele Equine	0.00	0.00	0.00
6000 · Capital Outlay	6,380.00	0.00	7,510.05
6001 · Transfer to EDC	0.00	0.00	50,000.00
Total Expense	9,055.00	0.00	72,416.05
Net Ordinary Income	-9,055.00	50.67	-72,365.38
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	-9,055.00	50.67	-72,365.38

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Accrual Basis

Hardee County Industrial Development Authority
Profit & Loss by Class
February 2018

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
337500 · EDA Proceeds Gen FD	36,357.94
361100 · Interest Income gen fd	413.81
361101 · Interest income Mosaic accts	50.67
362001 · Rental Income	21,412.06
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Total Income	58,234.48
Expense	
5193100 · Professional Fees Legal	11,011.00
519321 · Meeting Security	135.00
519322 · Travel	377.63
5193400 · Landscaping and Grounds	2,430.00
5194301 · Utilities	1,417.67
519450 · Insurance Expense	6,320.00
519460 · Repairs and Maintenance GF	4,825.00
5194601 · Repairs and Maintenance	175.00
519480 · Advertising	60.68
5195206 · Grove Caretaking/Fertilizer	500.00
519840 · Grant expenses	11,360.00
519844 · Grant Expenses- Bees&Botanicals	15,837.00
519845 · Grant expense- Steele Equine	49,994.61
6000 · Capital Outlay	331,313.57
6001 · Transfer to EDC	50,000.00
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Total Expense	485,757.16
Net Ordinary Income	-427,522.68
Other Income/Expense	
Other Income	
Sales Tax Collection Allowance	34.54
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Total Other Income	34.54
Net Other Income	34.54
Net Income	<hr/> <hr/> -427,488.14