

SUMTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Chairman - John Calandro
Vice Chairman - Peter Wahl
Secretary - Ben Byers
Assistant Secretary - Donald Hand
Gerard Lachnicht

January 16, 2020
4:00 PM

PLEASE TURN OFF ALL CELL PHONES AND ELECTRONIC DEVICES

ANY PERSON WHO MAY FEEL THE NEED TO APPEAL A SUMTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY DECISION IS HEREBY NOTIFIED THAT IT WILL BE NECESSARY FOR YOU TO PROVIDE YOU OWN VERBATIM RECORDING OF THIS MEETING OR ANY PORTION THEREOF FOR PURPOSES OF THE MEETING

Any person requiring reasonable accommodation at this meeting because of a disability or physical impairment should contact the County Administrator's Office,
7375 Powell Road, Wildwood, FL 34785 (352) 689-4400 at least two days before the meeting.

The Villages Sumter County Service Center (7375 Powell Road, Room 162, Wildwood, FL 34785)

AGENDA

MEETING IS CALLED TO ORDER

Call to Order

Notice of Meeting

Documents:

[Proof of Publication.pdf](#)

Determination of Quorum

Public Forum

New Business

Minutes

- a. Minutes From Regular Meeting Held March 28, 2019 (Staff Recommends Approval).

Documents:

Applications

Reports

- a. Global Tire Balance Sheets

Documents:

[Global Tire Recycling Balance Sheets_May, July, November 2019 Statements.pdf](#)

- b. Open Meetings/Open Records Briefing
- c. Economic Development Activities Briefing

Documents:

[SCED_IDA_Presentation_2019_FC.pdf](#)

Adjourn



SUMMARY INVOICE

The Villages® MEDIA GROUP

1100 Main Street
The Villages, FL 32159
Phone 352-753-1119 Fax 352-750-2381

INVOICE #923287
DATE: JANUARY 3, 2020

TO:
Sumter Co Board of Comm.
Accounts Payable
7375 POWELL ROAD
Wildwood, FL 34785

PLEASE REMIT PAYMENTS TO: THE VILLAGES DAILY SUN
1100 Main Street
The Villages, FL 32159

Reference:	DESCRIPTION	UNIT PRICE	TOTAL
923287	NOTICE OF MEETING JANUARY 3, 2020 Customer # 01116977		36.10
		SUBTOTAL	36.10
		SALES TAX	
		CREDIT	
		TOTAL DUE	36.10

Make all checks payable to **The Villages Daily Sun**

If you have any questions concerning this invoice, contact Robin.Baldeschiwiler@thevillagesmedia.com.

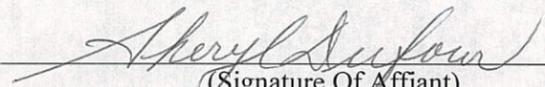
The Villages
DAILY SUN

Published Daily
Lady Lake, Florida
State of Florida
County Of Lake

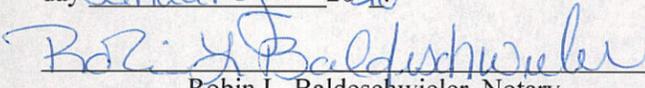
Before the undersigned authority personally appeared **Sheryl Dufour** who on oath says that she is Legal Ad Coordinator of the DAILY SUN, a daily newspaper published at Lady Lake in Lake County, Florida with circulation in Lake, Sumter and Marion Counties; that the attached copy of advertisement, being a **Legal Ad # 923287** in the matter of **NOTICE OF MEETING**, was published in said newspaper in the issues of

JANUARY 3, 2020

Affiant further says that the said Daily Sun is a newspaper published at Lady Lake in said Lake County, Florida, and that the said newspaper has heretofore been continuously published in said Lake County, Florida each week and has been entered as second class mail matter at the post office in Lady Lake, in said Lake County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisements; and affiant further says that he has neither paid nor promised any person, firm, or Corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

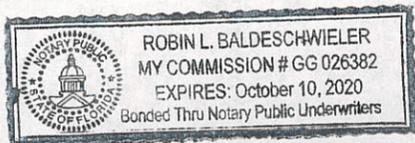

(Signature Of Affiant)

Sworn to and subscribed before me this 3
day January 2020


Robin L. Baldeschwieler, Notary

Personally Known X or
Production Identification _____
Type of Identification Produced _____

Attach Notice Here



NOTICE OF MEETING
Thursday, January 16, 2020

NOTICE IS HEREBY GIVEN that the Sumter County Industrial Development Authority Council will hold a meeting at The Villages Sumter County Service Center, 7375 Powell Road, Room 208, Wildwood, FL 34785 on Thursday, January 16, 2020, at 4:00 p.m.

Notice is given if any person desires to appeal any action taken by the Sumter County Industrial Development Authority (IDA) at the above meeting, verbatim record of the proceedings may be necessary and is not prepared or furnished by the IDA.

Persons needing special assistance gaining access to the meeting or to be heard at the meeting should call 352-689-4400 to make any special arrangements.

The public is invited and encouraged to attend.

SUMTER COUNTY BOARD OF
COUNTY COMMISSIONERS,
INDUSTRIAL DEVELOPMENT
AUTHORITY COUNCIL
#923287 January 03, 2020

The Sumter County Industrial Development Authority (IDA) convened for a regular meeting on Thursday, March 28, 2019, at 4:00 P.M. at The Villages Sumter County Service Center, located at 7375 Powell Road, Room 208, Wildwood, FL 34785, with the following members present to wit: John Calandro, Peter Wahl and Gerard Lachnicht. The following individuals were also present: Bradley Arnold, County Administrator/Recording Secretary; Kristy Russell Economic Development Specialist. The following individuals called-in: Jennifer Rey, County Attorney; Mike Williams, Bond Counsel; Timothy Bramwell and Chauncey Lever, Applicant's Counsel; Peter Griffith, Jim Swan, Michael Zukerman, Nader Kameli and Taher Kameli.

1. John Calandro, Chairman, called the meeting to order
2. [Proof of publication of the notice of the meeting was entered into the record](#)
3. John Calandro, Chairman, made a determination of a quorum
4. Public Forum

NONE

5. [Minutes of Meeting held on October 11, 2018](#)

Pete Wahl made the motion to approve the meeting minutes of October 11, 2018, with a second by Gerard Lachnicht. The motion passed unanimously.

6. Sumter County IDA Revenue Bond Note Application (First American Assisted Living, Inc. - Bright Oaks of Wildwood Project) and set the date for the TEFRA Public Hearing to be held April 4, 2019.

[Sumter IDA Resolution](#)
[First Amendment](#)

Pete Wahl made the motion to approve the resolution and set the TEFRA Public Hearing date with second by Gerard Lachnicht. The motion passed unanimously.

7. [Investment Banking Engagement Agreement](#)

Pete Wahl made the motion to approve the agreement with a second By Gerard Lachnicht. The motion passed unanimously.

****Pete Wahl departed at 4:32 pm. No Quorum Necessary.**

8. The Global Tire Balance Sheets for 2018 entered into the record.

[Global Tire Quarter 3](#)

[Global Tire Quarter 4](#)

9. The Opinion of Counsel Central Florida Health, Inc. entered into the record.

[Central Florida Health Correspondence](#)

10. The Economic Development Activities Briefing entered into the record.

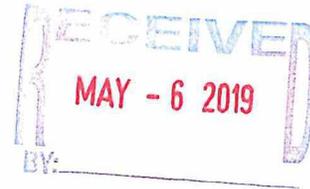
[March 2019 ED Update IDA](#)



1201 Industrial Drive
Wildwood, FL 34785
Phone: (352) 330-2213
Fax: (352) 330-2214

May 1, 2019

Bradley Arnold
Sumter County Industrial Development Authority
7375 Powell Road
Wildwood, FL 34785



Re: Sumter County Industrial Development Authority
Global Tire Recycling of Sumter County, Inc., Borrower

Dear Mr. Arnold:

Enclosed is the compiled Profit & Loss Statement along with the Balance Sheet for the 1st Quarter of 2019. I have reviewed all financial transactions for the period from January 1, 2019 to March 31, 2019 and certify that:

1. The enclosed financial statements fairly present in all material respects the financial condition and results of operations for the period presented.
2. Due to the continued lower level of sales and related unavailable cash, the Company has not been able to remit past due Class 12 bondholder distribution payments to the Trustee. It is unknown at this time when the Company will be able to remit these past due payments.
3. Other than noted above, I have obtained no knowledge of the occurrence of any condition, event or act which could constitute an event of default under any of the 2005 Documents or the Indentures.

I will continue to monitor financial transactions, reconcile all bank accounts, develop all financial statements and submit all periodic reports for the foreseeable future.

Sincerely,
Robert L. Björk

Robert L. Björk
**Independent Accountant; and,
Acting Controller & Chief Administrative Officer**

C:
Ms Terri Pulley, Assistant Vice President, BOK Financial, N.A.

Global Tire Recycling
Profit & Loss Statement

For the three months ended March 31, 2019

	<i>Unaudited</i>		<i>Unaudited</i>		
	<u>2019</u>	<u>%</u>	<u>2018</u>	<u>%</u>	<u>Change</u>
Income					
Tip Fees	292,199		203,031		89,168
Larger Grinds	308,237		196,782		111,455
Micro Grinds	7,680	1	11,360		(3,680)
Shipping Revenues	14,235		13,595		640
Total Income	<u>\$ 622,351</u>	<u>100%</u>	<u>\$ 424,768</u>	<u>100%</u>	<u>\$ 197,583</u>
Cost of Goods Sold					
Labor & Related	157,501		129,686		27,815
Material	11,355		(5,738)		17,093
Supplies, maintenances, Expenses	257,582		209,335		48,247
Depreciation	24,904	2	21,975		2,929
Total Cost of Goods Sold	<u>451,342</u>	<u>73%</u>	<u>355,258</u>	<u>84%</u>	<u>96,084</u>
Gross Profit	171,009	27%	69,510	16%	101,499
Operating Expenses					
Salaries, Wages and Related	64,174		95,167		(30,993)
Administrative Expenses	58,854		51,390		7,464
Selling Expenses	75		72		3
Depreciation	368		2,862		(2,494)
Total Operating Expenses	<u>123,470</u>	<u>20%</u>	<u>149,491</u>	<u>35%</u>	<u>(26,021)</u>
Ordinary Income (loss)	47,539	8%	(79,981)	-19%	127,520
Other Misc Income	644		703		(59)
Interest Expense	233,173		222,070		11,103
Total Other	<u>(232,529)</u>	<u>-37%</u>	<u>(221,367)</u>	<u>-52%</u>	<u>(11,162)</u>
Net Income (loss)	<u>\$ (184,991)</u>	<u>-30%</u>	<u>\$ (301,348)</u>	<u>-71%</u>	<u>\$ 116,357</u>
EBITDA	73,455	12%	(54,441)	-13%	127,896
Total Production (1000Lbs)	3,993		3,014		979
Total Labor Cost/Lb Produced	\$ 39		43		(4)
COGS/Lb Produced	\$ 113		118		(5)
Admin Expense/Lb Produced	\$ 31		50		(19)
					-
Total Shipped (1000Lbs)	3,771		2,677		1,094
Total Revenue/Lb Shipped	\$ 165		159		6
Production Days	54		51		3
Revenue/Production Day	\$ 11,525		8,329		3,196
COGS/Production Day	\$ 8,358		6,966		1,392

* Note 1: Microgrind material is too expensive to produce with low demand. Will eventually be phased out.

* Note 2: Increase in depreciation from major refurb of machinery and purchase of trailers for tire pickup

Global Tire Recycling
Profit & Loss Statement

For the 1st Quarter ended March 31, 2019

	<u>Jan - Mar 19</u>	<u>Jan - Mar 18</u>	<u>Change</u>
Income			
4100 · Tip Fees	292,199	203,031	89,168
4200 · Scrap Sales	53,893	61,932	(8,039)
4310 · Chip Sales/TDF	181,003	67,078	113,925
4320 · 3/8"- 1-3mm Sales	11,509	2,628	8,881
4440 · 1014 Mesh Sales	61,832	65,144	(3,312)
4460 · 20 to 40 Microgrind Sale	7,680	11,360	(3,680)
4800 · Shipping Revenue	14,235	13,595	640
Total Income	<u>\$ 622,351 100%</u>	<u>424,768 100%</u>	<u>\$ 197,583</u>
Cost of Goods Sold			
5100 · Labor	121,778	97,081	24,697
5200 · Labor Related	35,723	32,605	3,118
5300 · Direct Material & Costs	11,355	(5,738)	17,093
5400 · Plant Supplies & Expenses	38,049	27,309	10,740
5500 · Maintenance	166,194	126,084	40,110
5600 · Facilities - Plant	78,243	77,917	326
Total Cost of Goods Sold	<u>451,342 73%</u>	<u>355,258 84%</u>	<u>96,084</u>
Gross Profit	<u>171,009 27%</u>	<u>69,510 16%</u>	<u>101,499</u>
Operating Expenses			
8100 · Salaries & Wages	50,718	82,216	(31,498)
8200 · Wage Related	13,456	12,951	505
8600 · Administrative Expenses	58,854	51,390	7,464
8700 · Selling Expenses	75	72	3
8900 · Depreciation & Amortization	368	2,862	(2,494)
Total Operating Expense	<u>123,470 20%</u>	<u>149,491 35%</u>	<u>(26,021)</u>
Net Ordinary Income (Loss)	<u>47,539</u>	<u>(79,981)</u>	<u>127,520</u>
Other Income & Expense			
Other Income			
Other Income	644	291	353
Total Other Income	<u>644</u>	<u>291</u>	<u>353</u>
Other Expense			
Other Expenses	233,173	222,070	11,103
Total Other Expense	<u>233,173</u>	<u>222,070</u>	<u>11,103</u>
Net Other Income	<u>(232,529) -37%</u>	<u>(221,779) -52%</u>	<u>(10,750)</u>
Net Income (Loss)	<u><u>\$ (184,991) -30%</u></u>	<u><u>(301,760) -71%</u></u>	<u><u>\$ 116,769</u></u>

Global Tire Recycling

Balance Sheet

As of March 31, 2019

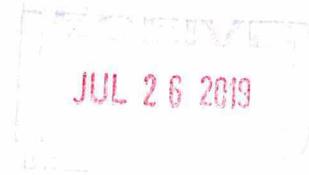
ASSETS	<i>Unaudited</i> 2019	<i>Unaudited</i> 2018	Change
Current Assets			
Checking/Savings			
Cash, Unrestricted	796,455	778,472	17,983
Cash, Restricted	131,754	130,353	1,401
Total Checking/Savings	<u>928,209</u>	<u>908,825</u>	19,384
Accounts Receivable			
Accounts Receivable, Trade	194,364	108,412	85,952
Total Accounts Receivable	<u>194,364</u>	<u>108,412</u>	85,952
Other Current Assets			
Inventory	97,767	82,162	15,605
Prepaid Expenses	36,980	27,350	9,630
Total Other Current Assets	<u>134,747</u>	<u>109,512</u>	25,235
Total Current Assets	1,257,320	1,126,749	130,571
Fixed Assets			
Property, Plant & Equipment	3,819,243	3,532,998	286,245
Accumulated Depreciation	<u>(3,467,406)</u>	<u>(3,354,582)</u>	<u>(112,824)</u>
Total Fixed Assets	<u>351,837</u>	<u>178,416</u>	173,421
TOTAL ASSETS	<u>\$ 1,609,157</u>	<u>\$ 1,305,165</u>	<u>\$ 303,992</u>
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable			
Accounts Payable Trade	330,052	274,010	56,042
Total Accounts Payable	<u>330,052</u>	<u>274,010</u>	56,042
Other Current Liabilities			
Other Payables	2,336	845	1,491
Withheld Payroll Expenses	223	262	(39)
Accrued Payroll Expenses	16,917	14,752	2,165
Accrued Expenses, Other	10,000	40,500	(30,500)
Total Other Current Liabilities	<u>29,476</u>	<u>56,359</u>	<u>(26,883)</u>
Total Current Liabilities	359,528	330,369	29,159
Long Term Liabilities			
Long Term Debt	<u>19,112,695</u>	<u>18,202,566</u>	<u>910,129</u>
Total Long Term Liabilities	19,112,695	18,202,566	910,129
Total Liabilities	19,472,223	18,532,935	939,288
Equity			
Capital Stock	6	6	-
Retained Earnings	(17,678,085)	(16,976,432)	(701,653)
Treasury Stock	4	4	-
Net Income	<u>(184,991)</u>	<u>(301,348)</u>	<u>116,357</u>
Total Equity	<u>(17,863,066)</u>	<u>(17,277,770)</u>	<u>(585,296)</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 1,609,157</u>	<u>\$ 1,255,165</u>	<u>\$ 353,992</u>



1201 Industrial Drive
Wildwood, FL 34785
Phone: (352) 330-2213
Fax: (352) 330-2214

July 19, 2019

Bradley Arnold
Sumter County Industrial Development Authority
7375 Powell Road
Wildwood, FL 34785



Re: Sumter County Industrial Development Authority
Global Tire Recycling of Sumter County, Inc., Borrower

Dear Mr. Arnold:

Enclosed is the compiled Profit & Loss Statement along with the Balance Sheet for the 2nd Quarter of 2019. I have reviewed all financial transactions for the period from January 1, 2019 to June 30, 2019 and certify that:

1. The enclosed financial statements fairly present in all material respects the financial condition and results of operations for the period presented.
2. Due to the continued lower level of sales and related unavailable cash, the Company has not been able to remit past due Class 12 bondholder distribution payments to the Trustee. It is unknown at this time when the Company will be able to remit these past due payments.
3. Other than noted above, I have obtained no knowledge of the occurrence of any condition, event or act which could constitute an event of default under any of the 2005 Documents or the Indentures.

I will continue to monitor financial transactions, reconcile all bank accounts, develop all financial statements and submit all periodic reports for the foreseeable future.

Sincerely,
Robert L. Björk

A handwritten signature in black ink, appearing to be 'Robert L. Björk', written over a horizontal line.

**Independent Accountant; and,
Acting Controller & Chief Administrative Officer**

C:
Ms Terri Pulley, Assistant Vice President, BOK Financial, N.A.

Global Tire Recycling
Profit & Loss Statement

For the six months ended June 30, 2019

	<i>Unaudited</i>		<i>Unaudited</i>		<u>Change</u>
	<u>2019</u>	<u>%</u>	<u>2018</u>	<u>%</u>	
Income					
Tip Fees	675,450		442,098		233,352
Larger Grinds	720,467		494,669		225,798
Micro Grinds	15,360	1	44,420		(29,060)
Shipping Revenues	32,484		33,348		(864)
Total Income	<u>\$1,443,760</u>	<u>100%</u>	<u>\$ 1,014,535</u>	<u>100%</u>	<u>\$ 429,225</u>
Cost of Goods Sold					
Labor & Related	361,988		270,964		91,024
Material	(20,585)		(20,027)		(558)
Supplies, maintenances, Expenses	575,144		453,981		121,164
Depreciation	49,809	2	45,531		4,278
Total Cost of Goods Sold	<u>966,356</u>	<u>67%</u>	<u>750,449</u>	<u>74%</u>	<u>215,907</u>
Gross Profit	477,404	33%	264,086	26%	213,318
Operating Expenses					
Salaries, Wages and Related	128,971		158,057		(29,085)
Administrative Expenses	111,799		76,752		35,047
Selling Expenses	216		208		8
Depreciation	735		5,722		(4,986)
Total Operating Expenses	<u>241,722</u>	<u>17%</u>	<u>240,738</u>	<u>24%</u>	<u>983</u>
Ordinary Income (loss)	235,682	16%	23,348	2%	212,335
Other Misc Income	1,279		6,064		(4,785)
Interest Expense	470,108		447,722		22,386
Total Other	<u>(468,828)</u>	<u>-32%</u>	<u>(441,658)</u>	<u>-44%</u>	<u>(27,171)</u>
Net Income (loss)	<u>\$ (233,146)</u>	<u>-16%</u>	<u>\$ (418,310)</u>	<u>-41%</u>	<u>\$ 185,164</u>
EBITDA	287,506	20%	80,664	8%	206,841
Total Production (1000Lbs)	9,595		6,426		3,169
Total Labor Cost/Lb Produced	\$ 38		42		(4)
COGS/Lb Produced	\$ 101		117		(16)
Admin Expense/Lb Produced	\$ 25		37		(12)
Total Shipped (1000Lbs)	8,938		6,047		2,891
Total Revenue/Lb Shipped	\$ 162		168		(6)
Production Days	127		101		26
Revenue/Production Day	\$ 11,368		10,045		1,323
COGS/Production Day	\$ 7,609		7,430		179

* Note 1: Microgrind material is too expensive to produce with low demand. Will eventually be phased out.

* Note 2: Increase in depreciation from major refurb of machinery and purchase of trailers for tire pickup

Global Tire Recycling
Profit & Loss Statement

For the 2nd Quarter ended June 30, 2019

	<u>Apr - Jun 19</u>		<u>Apr - Jun18</u>		<u>Change</u>
Revenue					
4100 · Tip Fees	383,251		239,067		144,184
4200 · Scrap Sales	63,042		79,326		(16,284)
4310 · Chip Sales/TDF	255,882		130,000		125,882
4320 · 3/8"- 1-3mm Sales	-		16,432		(16,432)
4440 · 1014 Mesh Sales	93,306		72,130		21,176
4460 · 20 to 40 Microgrind Sale	7,680		33,060		(25,380)
4800 · Shipping Revenue	18,249		19,753		(1,504)
Total Income	\$ 821,410	100%	589,767	100%	\$ 231,642
Cost of Goods Sold					
5100 · Labor	175,072		113,576		61,496
5200 · Labor Related	29,415		27,703		1,712
5300 · Direct Material & Costs	(31,939)		(14,289)		(17,650)
5400 · Plant Supplies & Expenses	45,067		31,830		13,236
5500 · Maintenance	213,210		150,755		62,455
5600 · Facilities - Plant	84,191		85,616		(1,425)
Total Cost of Goods Sold	515,015	63%	395,191	67%	119,824
Gross Profit	306,395	37%	194,576	33%	111,819
Operating Expenses					
8100 · Salaries & Wages	56,256		51,839		4,416
8200 · Wage Related	8,542		11,050		(2,508)
8600 · Administrative Expenses	52,945		25,362		27,583
8700 · Selling Expenses	141		135		6
8900 · Depreciation & Amortization	368		2,861		(2,493)
Total Operating Expense	118,252	14%	91,247	15%	27,004
Net Ordinary Income (Loss)	188,144		103,329		84,815
Other Income & Expense					
Other Income					
Other Income	635		5,361		(4,726)
Total Other Income	635		5,361		(4,726)
Other Expense					
Other Expenses	236,934		225,652		11,283
Total Other Expense	236,934		225,652		11,283
Net Other Income	(236,299)	-29%	(220,291)	-37%	(16,009)
Net Income (Loss)	\$ (48,155)	-6%	(116,962)	-20%	\$ 68,806

Global Tire Recycling

Balance Sheet

As of June 30, 2019

ASSETS	Unaudited 2019	Unaudited 2018	Change
Current Assets			
Checking/Savings			
Cash, Unrestricted	810,092	778,716	31,377
Cash, Restricted	132,175	130,627	1,549
Total Checking/Savings	942,268	909,342	32,925
Accounts Receivable			
Accounts Receivable, Trade	332,634	188,712	143,922
Total Accounts Receivable	332,634	188,712	143,922
Other Current Assets			
Inventory	154,315	98,918	55,397
Prepaid Expenses	7,496	4,588	2,908
Total Other Current Assets	161,811	103,506	58,305
Total Current Assets	1,436,713	1,201,561	235,153
Fixed Assets			
Property, Plant & Equipment	3,822,111	3,546,745	275,365
Accumulated Depreciation	(3,492,678)	(3,380,998)	(111,680)
Total Fixed Assets	329,432	165,747	163,685
TOTAL ASSETS	\$ 1,766,146	\$ 1,367,308	\$ 398,838
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable			
Accounts Payable Trade	291,490	286,785	4,705
Total Accounts Payable	291,490	286,785	4,705
Other Current Liabilities			
Other Payables	490	2,702	(2,212)
Withheld Payroll Expenses	1,959	179	1,780
Accrued Payroll Expenses	16,298	14,156	2,143
Accrued Expenses, Other	17,500	30,000	(12,500)
Total Other Current Liabilities	36,248	47,037	(10,789)
Total Current Liabilities	327,738	333,822	(6,084)
Long Term Liabilities			
Long Term Debt	19,349,629	18,428,218	921,411
Total Long Term Liabilities	19,349,629	18,428,218	921,411
Total Liabilities	19,677,367	18,762,040	915,327
Equity			
Capital Stock	6	6	-
Retained Earnings	(17,678,085)	(16,976,432)	(701,653)
Treasury Stock	4	4	-
Net Income	(233,146)	(418,310)	185,164
Total Equity	(17,911,222)	(17,394,732)	(516,489)
TOTAL LIABILITIES & EQUITY	\$ 1,766,146	\$ 1,367,308	\$ 398,838



1201 Industrial Drive
Wildwood, FL 34785
Phone: (352) 330-2213
Fax: (352) 330-2214

November 4, 2019

RECEIVED
NOV 07 2019

BY: _____

Bradley Arnold
Sumter County Industrial Development Authority
7375 Powell Road
Wildwood, FL 34785

Re: Sumter County Industrial Development Authority
Global Tire Recycling of Sumter County, Inc., Borrower

Dear Mr. Arnold:

Enclosed is the compiled Profit & Loss Statement along with the Balance Sheet for the 3rd Quarter of 2019. I have reviewed all financial transactions for the period from January 1, 2019 to September 30, 2019 and certify that:

1. The enclosed financial statements fairly present in all material respects the financial condition and results of operations for the period presented.
2. Due to the continued lower level of sales and related unavailable cash, the Company has not been able to remit past due Class 12 bondholder distribution payments to the Trustee. It is unknown at this time when the Company will be able to remit these past due payments.
3. Other than noted above, I have obtained no knowledge of the occurrence of any condition, event or act which could constitute an event of default under any of the 2005 Documents or the Indentures.

I will continue to monitor financial transactions, reconcile all bank accounts, develop all financial statements and submit all periodic reports for the foreseeable future.

Sincerely,
Robert L. Björk

A handwritten signature in black ink, appearing to read "Robert L. Björk", written over a horizontal line.

**Independent Accountant; and,
Acting Controller & Chief Administrative Officer**

C:
Ms Terri Pulley, Assistant Vice President, BOK Financial, N.A.

Global Tire Recycling

Profit & Loss Statement

For the nine months ended September 30, 2019

	<i>Unaudited</i>		<i>Unaudited</i>		
	<u>2019</u>	<u>%</u>	<u>2018</u>	<u>%</u>	<u>Change</u>
Income					
Tip Fees	1,082,642		665,072		417,570
Larger Grinds	1,219,704		1,026,174		193,530
Micro Grinds	15,360	1	69,636		(54,276)
Shipping Revenues	49,918		64,286		(14,368)
Total Income	<u>\$2,367,624</u>	<u>100%</u>	<u>\$ 1,825,168</u>	<u>100%</u>	<u>\$ 542,456</u>
Cost of Goods Sold					
Labor & Related	598,880		439,771		159,109
Material	83,039		100,798		(17,759)
Supplies, maintenances, Expenses	835,646		712,702		122,944
Depreciation	74,713	2	72,245		2,468
Total Cost of Goods Sold	<u>1,592,278</u>	<u>67%</u>	<u>1,325,516</u>	<u>73%</u>	<u>266,762</u>
Gross Profit	775,346	33%	499,652	27%	275,694
Operating Expenses					
Salaries, Wages and Related	193,958		221,576		(27,618)
Administrative Expenses	172,923		130,435		42,488
Selling Expenses	11,891	3	288		11,603
Depreciation	1,103		8,583		(7,480)
Total Operating Expenses	<u>379,876</u>	<u>16%</u>	<u>360,882</u>	<u>20%</u>	<u>18,994</u>
Ordinary Income (loss)	395,470	17%	138,770	8%	256,700
Other					
Misc Income	9,674		6,590		3,084
Interest Expense	707,042		673,373		33,669
Total Other	<u>(697,368)</u>	<u>-29%</u>	<u>(666,783)</u>	<u>-37%</u>	<u>(30,585)</u>
Net Income (loss)	<u>\$ (301,898)</u>	<u>-13%</u>	<u>\$ (528,013)</u>	<u>-29%</u>	<u>\$ 226,115</u>
EBITDA	480,960	20%	226,188	12%	254,772
Total Production (1000Lbs)	18,535		11,295		7,240
Total Labor Cost/Lb Produced	\$ 32		\$ 39		(7)
COGS/Lb Produced	\$ 86		\$ 117		(31)
Admin Expense/Lb Produced	\$ 20		\$ 32		(11)
Total Shipped (1000Lbs)	14,689		11,680		3,009
Total Revenue/Lb Shipped	\$ 161		\$ 156		5
Production Days	198		167		31
Revenue/Production Day	\$ 11,958		\$ 10,929		1,029
COGS/Production Day	\$ 8,042		\$ 7,937		105

* Note 1: Microgrind material is too expensive to produce with low demand. Will eventually be phased out.

* Note 2: Increase in depreciation from major refurb of machinery and purchase of trailers for tire pickup.

* Note 3: Increase in selling expense due to commissions paid to boost 3rd Qtr sale.

Global Tire Recycling
Profit & Loss Statement

For the 3rd Quarter ended September 30, 2019

	<u>Jul - Sep 19</u>	<u>Jul - Sep 18</u>	<u>Change</u>
Income			
4100 · Tip Fees	407,192	239,067	168,125
4200 · Scrap Sales	55,414	79,326	(23,911)
4310 · Chip Sales/TDF	249,833	130,000	119,833
4320 · 3/8" - 1-3mm Sales	4,080	16,432	(12,352)
4440 · 1014 Mesh Sales	189,910	72,130	117,780
4460 · 20 to 40 Microgrind Sale	-	33,060	(33,060)
4800 · Shipping Revenue	17,434	19,753	(2,319)
Total Income	\$ 923,864 100%	\$ 589,767 100%	\$ 334,096
Cost of Goods Sold			
5100 · Labor	210,612	113,576	97,037
5200 · Labor Related	26,280	27,703	(1,423)
5300 · Direct Material & Costs	103,624	(14,289)	117,912
5400 · Plant Supplies & Expenses	42,986	31,830	11,155
5500 · Maintenance	156,292	150,755	5,537
5600 · Facilities - Plant	86,128	85,616	512
Total Cost of Goods Sold	625,922 68%	395,191 67%	230,731
Gross Profit	297,942 32%	194,576 33%	103,365
Operating Expenses			
8100 · Salaries & Wages	51,711	51,839	(128)
8200 · Wage Related	13,276	11,050	2,226
8600 · Administrative Expenses	61,125	25,362	35,763
8700 · Selling Expenses	11,675	135	11,540
8900 · Depreciation & Amortization	368	2,861	(2,493)
Total Operating Expense	138,154 15%	91,247 15%	46,907
Net Ordinary Income (Loss)	159,787	103,329	56,458
Other Income & Expense			
Other Income			
Other Income	8,395	5,361	3,034
Total Other Income	8,395	5,361	3,034
Other Expense			
Other Expenses	236,934	225,652	11,283
Total Other Expense	236,934	225,652	11,283
Net Other Income	(228,540) -25%	(220,291) -37%	(8,249)
Net Income (Loss)	\$ (68,752) -7%	\$ (116,962) -20%	\$ 48,210

Global Tire Recycling

Balance Sheet

As of September 30, 2019

ASSETS	Unaudited 2019	Unaudited 2018	Change
Current Assets			
Checking/Savings			
Cash, Unrestricted	1,049,622	828,749	220,873
Cash, Restricted	132,557	130,948	1,609
Total Checking/Savings	1,182,179	959,697	222,482
Accounts Receivable			
Accounts Receivable, Trade	282,286	234,353	47,933
Total Accounts Receivable	282,286	234,353	47,933
Other Current Assets			
Inventory	98,815	65,473	33,342
Prepaid Expenses	82,689	75,037	7,652
Total Other Current Assets	181,504	140,510	40,994
Total Current Assets	1,645,970	1,334,560	311,410
Fixed Assets			
Property, Plant & Equipment	3,824,506	3,561,083	263,423
Accumulated Depreciation	(3,517,950)	(3,410,573)	(107,377)
Total Fixed Assets	306,555	150,510	156,045
TOTAL ASSETS	\$ 1,952,525	\$ 1,485,070	\$ 467,455
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable			
Accounts Payable Trade	302,721	290,964	11,757
Total Accounts Payable	302,721	290,964	11,757
Other Current Liabilities			
Other Payables	79	389	(310)
Withheld Payroll Expenses	1,843	109	1,734
Accrued Payroll Expenses	16,293	14,173	2,120
Accrued Expenses, Other	25,000	30,000	(5,000)
Total Other Current Liabilities	43,215	44,671	(1,456)
Total Current Liabilities	345,936	335,635	10,301
Long Term Liabilities			
Long Term Debt	19,586,563	18,653,870	932,693
Total Long Term Liabilities	19,586,563	18,653,870	932,693
Total Liabilities	19,932,499	18,989,505	942,994
Equity			
Capital Stock	6	6	-
Retained Earnings	(17,678,085)	(16,976,432)	(701,653)
Treasury Stock	4	4	-
Net Income	(301,898)	(528,013)	226,115
Total Equity	(17,979,974)	(17,504,435)	(475,539)
TOTAL LIABILITIES & EQUITY	\$ 1,952,525	\$ 1,485,070	\$ 467,455



Sumter County Economic Development
December 2019

Sumter County Economic Development

- Targeted Industries
 - Manufacturing
 - Distribution
 - Agribusiness- Ag R&D
- Business Retention and Expansion-(BRE) Primary Focus
- Industrial Development Authority for tax-exempt bond issuance
- Limited Tourism Marketing
- Limited Housing Support

MANUFACTURING & DISTRIBUTION

- Suwannee American
- Blacklidge
- Charlotte Pipe
- Crevalle Boats
- Eagle Roofing
- Great Southern Wood
- Highway Systems
- Kottke Trucking
- MEMCO-Envirosafe
- Metal Industries
- Salty Boats
- Primus Pipe & Tube
- T&D Distribution
- Time Definite Services



AGRIBUSINESS



- Agromillora of Florida
- Brantley Nursery
- BriteLeaf Nursery
- Cal-Maine Foods
- Cutrale Farms
- Florida Beef, Inc.
- Florida Fish Farms
- Flowerwood Nursery
- Robbins Manufacturing Co.
- Speedling
- United Agricultural Services
- Whispering Oaks Winery

Current Business Expansions / Recruitment

- Primus Pipe & Tube \$30M, manufacturing
- MAPEI \$15M, manufacturing
- Highway Systems \$1.5M, manufacturing
- Great Southern Wood \$8M, manufacturing
- Blacklidge \$5M, manufacturing (new business location)
- Brite Leaf Citrus Nursery \$780K expansion, agribusiness-R&D
- The Villages® development expansion– 4TH downtown commitment

Residential and Commercial Development January 2019 – December 2019



Residential Construction

- The Villages[®] community – 2,224 New Home Permits
- Outside The Villages[®] community – 396 New Home Permits



Commercial Construction

- The Villages[®] community – 1,712,741 SF
- Outside The Villages[®] community – 583,665 SF

Industrial Infrastructure Developments

- Great Southern Wood- CR 527S improvements
- Site Readiness GRS Industrial Park completed
- Spring Flow Avenue improvements and fire station at MidFlorida Industrial Property
- SR 471 Waterline extension to serve Beville's Corner
- The Villages® development expansion – Regional Road Agreement
- CR 525E- Phase 2 (CR 525 to US 301) improvements
- Anderson Columbia driveway realignment completed

Multifamily Housing Developments

Over 2,000 planned multifamily housing units

- The Lofts at Brownwood (265 units)
- The Wilds of Trailwinds Village (398 units)
- Charter Oaks Real Estate LLC (282 units)
- Sumter LLC of Sarasota (750 units)
- Lake Sumter Apt. Homes (332 units)

Affordable Housing local match SAIL application

Planning Studies

- CR 229 PES
- Buena Vista Extension PES
- US 301 PD&E (FDOT)
- C-470 PD&E (FDOT)
- I-75 / CR 514 Interchange PD&E (FDOT)
- SR 50 PD&E / Design (FDOT)
- Coast to Coast Trail PD&E (FDOT)

Thank you!