

Capital Trust Agency, Inc.

Monday, September 30, 2021

2:30 P.M.

Meeting of the Board of Directors

315 Fairpoint Drive
Gulf Breeze, FL 32561

As Manager of CTA CDE, LLC and CTA CDE – Sub
1,2,3,4,5

Meeting called by: Denis A. McKinnon, III

Type of meeting: Regular

Facilitator: Burt Snooks
Chairman

Note Taker: Connie Presnell
Office Administrator

Attendees: Burt Snooks (Chairman), Gary Michaels (Vice Chairman), Bob Cleveland (Secretary), Tom Naile (Councilman), Kareem Spratling (Bond Counsel), Michael Stebbins (Counsel), Samantha Abell (City Manager), and Denis McKinnon (Executive Director).

Absent:

Please read: Attached supplements

Please bring: Attached supplements

Agenda

Item: Description:

Presenter:

- | | | |
|----|---|---------------------|
| 1. | Call to Order | Burt Snooks |
| 2. | Approval of Minutes: 9-20-21 | Denis McKinnon, III |
| 3. | Inducement Resolution #18-21 – Legends Academy | Denis McKinnon, III |
| 4. | Inducement Resolution #19-21 – Imagine Schools at North Manatee | Denis McKinnon, III |
| 5. | Bond Resolution #20-21 – College Park | Denis McKinnon, III |
| 6. | Homeownership Initiative | Denis McKinnon, III |
| 7. | Adjourn | Burt Snooks |

**MINUTES OF THE
CAPITAL TRUST AGENCY, INC.**

The 215th meeting of the Capital Trust Agency, Inc., Gulf Breeze, Florida, was held at the Capital Trust Agency office at 315 Fairpoint Drive, Gulf Breeze, Florida and on Monday, September 20, 2021 at 2:30 p.m.

The following Board Members were present: Burt Snooks (Chairman), Bob Cleveland (Secretary), Chris Kemp (Assistant Secretary), Deborah Roche (Board Member), Harry Wilder (Board Member), and Tom Naile (Board Member). Also attending was Denis McKinnon (Executive Director), Michael Stebbins (Counsel) and Kareem Spratling (Bond Counsel). Attending via Zoom conference was Phil Guistolise (Trinity Partners). Also present was Matt Dannheisser (Attorney, Town of Century).

AGENDA ITEM:

Approval of Minutes: 8/26/2021

DISCUSSION:

No Discussion

MOTION/ACTION:

Tom Naile made a motion to approve the 8/26/2021 minutes as presented. Harry Wilder seconded the motion. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution #17-21 – Marie Selby Botanical Gardens

DISCUSSION:

Marie Selby Botanical Gardens (MSBG) was founded 45 years ago in Sarasota, Florida. The purpose of the bonds is for the financing of infrastructure improvements and a new visitor center for education, gift shops, and stores for gardeners. MSBG will provide \$17,000,000 in equity contributions they have received in the form of donations and contributions from the people of Sarasota who strongly believe in this project and its success.

Denis McKinnon stated that many of the bond purchasers are Sarasota citizens who qualify as Qualified Institutional Buyers (QIB). Another unique feature contemplated is a 5-year callable option due to the nature of the capital campaign. It is anticipated that as pledges are fulfilled, bonds will be redeemed.

Harry Wilder asked why these bonds will be non-rated bonds. Denis McKinnon replied that S&P has not historically provided ratings for this type of transaction. According to the Underwriter, it may cost prohibitive.

Kareem Spratling stated he conducted a site visit recently with the CEO and CFO and found the property to be exceptional. Denis stated he would be conducting a site visit and invited any board member who wanted to see the property.

MOTION/ACTION:

Bob Cleveland made a motion to approve Resolution #17-21 as presented. Deborah Roche seconded the motion. Vote for approval was 6-0.

AGENDA ITEM:

Wynwood Bay – Preliminary Approval

DISCUSSION:

Wynwood Bay is an existing apartment complex in Miami, Florida to be converted into a Workforce Housing project. CTA would be the borrower of this entity, using the Miami Dade County Industrial Development Authority (the IDA) as issuer of the bonds.

Denis McKinnon requested board approval to begin the process of seeking Borrower's Counsel, begin developing a subsidiary special purpose entity, and submitting an application for tax-exempt bonds to the IDA.

Bob Cleveland stated he is not comfortable with the ownership aspect of this project. Bob stated three red flags: why we would want to be the first in Florida to close on this type of financing, why we would start with such a large project and why we would consider a project where the average median income is at 100 – 140%.

Chris Kemp indicated this structure is far removed from our normal business structure and that a workshop would be necessary to be fully informed. Denis McKinnon stated a workshop would be held in order to understand our involvement as Borrower, including all startup costs, and forming the subsidiary entity.

Kareem Spratling stated we would have two fees immediately upon preliminary approval: the application fee to Miami Date IDA and the forming of the special purpose entity.

MOTION/ACTION:

Deborah Roche made a motion to pass on the Wynwood Bay project as presented, however, CTA will conduct a Workforce Housing Project workshop in the near future in order to learn more about this financing structure. Chris Kemp seconded the motion. Vote for approval was 6-0.

AGENDA ITEM:

Antares of Ormond Beach – Bond Counsel Fee

DISCUSSION:

Antares of Ormond Beach was a proposed assisted living facility to be located in Ormond Beach, Florida, however, due to construction setbacks and other concerns, the project never closed. Foley & Lardner served as bond counsel to CTA and incurred almost \$300,000 in legal fees before the project terminated. Foley & Lardner has approached CTA for assistance in recovering these fees.

Mike Stebbins stated his firm has unrecoverable fees due to projects not closing and CTA's assistance in this matter could set a precedence for future attempts from other parties who have fees they would like to recover. Kareem Spratling stated his firm also has unrecoverable expenses.

Harry Wilder asked for clarification of what our inducement letter says about bond counsel fees. Denis replied the letter states that the borrower agrees to pay the out-of-pocket expenses of counsel for the agency, specifically, Foley & Lardner LLP, as bond counsel, and Bryant Miller Olive, special counsel to CTA, whether or not the financing actually closes. Denis further indicated that based on his conversations with the borrower, they are willing to pay the fees if and when CTA provides an invoice for Foley & Lardner's legal time and expenses.

Bob Cleveland asked if our letter states we are responsible for these fees. Denis McKinnon stated that no, CTA is not responsible for the fees. Denis, Mike Stebbins, and Foley & Lardner will discuss today's meeting.

MOTION/ACTION:

No Action Required.

AGENDA ITEM:

Pipeline Report

DISCUSSION:

No Discussion

MOTION/ACTION:

No Action Required.

No other formal business of the board was taken and the meeting adjourned at approximately 3:30 pm.

Minutes submitted by: _____ Connie Beargie, Office Administrator

Approved by: _____ Burt Snooks, Chairman

To: CTA Board of Directors
From: Denis McKinnon, III

RE: Nap Ford Community School, Inc. d/b/a Legends Academy, Inc.
Inducement Resolution 18-21

The following memo, application and resolution relate to Legends Academy's application to the CTA to finance the acquisition of currently leased facilities. Legends Academy has submitted an application to the CTA for a not to exceed \$14,500,000 bond issuance.

According to the application, Legends Academy will be purchasing currently leased facilities and land for \$3,500,000. The financing will provide for the existing buildings to be renovated to fit the school's needs as well as new construction. Proceeds of the bonds will be used to finance costs of issuance and a debt service reserve fund.

Legends Academy was founded in 2001 and serves communities in Orlando's Urban Core. No Florida schools received grades in the 2019-20 school year. Legends received a C grade from the state in 2018-19. The school serves students in grades K-8 and has approximately 331 students as of the 2020-21 school year. Since 2017, Legends Academy's minority enrollment has been 100%. Approximately 25% higher than the district. 71% of the students qualify for the Free Lunch program; 22% higher than the district.

Nap Ford Community School was founded as a response to the desegregation movement which closed 2 community schools in Orlando's Urban Core. In 2001, the 866 elementary students in this community were bussed to 8 different schools. That year, the school began and students were given an opportunity for the first time in 30 years to attend school in their neighborhood. The school is focused on Science, Technology, Engineering, and Math.

The school's most recent audit is from 2020. In 2020, the school received donations and fundraising revenues of \$667,434. In prior years, the school has received approximately \$250,000 in donations.

CTA Staff respectfully recommends approval of inducement resolution 18-21 for not to exceed \$14,500,000 on behalf of Legends Academy, Inc. We look forward to seeing you at the 9/30/2021 meeting.

RESOLUTION NO. 18-21

A RESOLUTION OF THE CAPITAL TRUST AGENCY EXPRESSING ITS INTENT TO ISSUE CAPITAL TRUST AGENCY EDUCATIONAL FACILITIES REVENUE BONDS, IN ONE OR MORE SERIES OF TAX-EXEMPT QUALIFIED 501(C)(3) BONDS OR TAXABLE BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$14,500,000 FOR THE PURPOSE OF FINANCING OR REFINANCING, INCLUDING THROUGH REIMBURSEMENT, THE COSTS OF THE PROJECT (AS HEREINAFTER DEFINED) AND PAYING THE COSTS OF ISSUANCE OF THE BONDS; AND APPROVING AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Nap Ford Community School, Inc. d/b/a Legends Academy, a Florida not for profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and/or one or more related and/or affiliated entities (collectively, the "Borrower"), plans to acquire, renovate, construct, install and equip the charter school facilities fully described on Schedule I attached hereto, which, by this reference thereto, is incorporated herein (collectively, the "Facilities"), such Facilities being located in Orlando, Orange County, Florida (the "Host Jurisdiction"); and

WHEREAS, the Capital Trust Agency (the "Agency") is a legal entity and public agency of the State of Florida (the "State"), organized and existing under the provisions of Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes; Ordinance No. 5-97 duly enacted by the City Council of the City of Gulf Breeze, Florida (the "City"), on July 7, 1997, as amended, restated and supplemented; Ordinance No. 2-00 duly enacted by the Town Council of the Town of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented; and an Interlocal Agreement dated as of August 2, 1999, between the City and the Town, as amended and supplemented, with powers as a "local agency" under Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and is empowered pursuant to the Act to issue revenue bonds for the purpose of providing funds to finance or refinance, including through reimbursement, all or any part of the cost of any "project" (as defined in the Act); and

WHEREAS, the Borrower has requested the Agency issue its Educational Facilities Revenue Bonds in an aggregate principal amount not to exceed \$14,500,000 (the "Bonds") in one or more series of tax-exempt qualified 501(c)(3) bonds or taxable bonds, and loan the proceeds thereof to the Borrower for the purpose of financing or refinancing, including through reimbursement (i) the acquisition, renovation, construction, installation and equipping of the Facilities; (ii) the funding of a debt service reserve fund for the Bonds; (iii) the funding of capitalized interest for the Bonds, if deemed necessary or desirable; and (iv) the payment of certain costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, subject to final approval of the Agency prior to such issuance, the Agency desires to issue the Bonds and desires to authorize certain officers to take certain actions in

preparation for the marketing, sale and issuance of such Bonds; and

WHEREAS, it is the Agency's intent that this Resolution constitute an "official intent" within the meaning of Treasury Regulations Section 1.150-2 for the Agency to declare its intent to use proceeds of the Bonds to reimburse prior capital expenditures of the Borrower in connection with financing the Facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE AGENCY THAT:

Section 1. The Agency hereby expresses its intent to issue the Bonds in one or more series of tax-exempt qualified 501(c)(3) bonds or taxable bonds, in an aggregate principal amount not to exceed \$14,500,000 under and pursuant to the Act, and to loan the proceeds thereof to the Borrower, for the purpose of financing or refinancing, including through reimbursement, the Project, subject to the final approval of the terms and conditions thereof by the Agency.

Section 2. The officers, officials, the Executive Director and Bryant Miller Olive P.A., as bond counsel ("Bond Counsel"), are hereby authorized, jointly and severally, to cooperate with the Borrower in obtaining the required approval of the Bonds by or on behalf of the applicable elected representative of the Host Jurisdictions in which the Facilities are located, after notice and a public hearing for the purposes of Section 147(f) of the Code. The Executive Director or his designee is hereby approved as the hearing officer for hearings held on behalf of the Agency, the Governor of the State, as an applicable elected representative of the State or any host jurisdiction.

Section 3. The Bonds shall be sold at negotiated sale to B.C. Ziegler and Company, or such other purchaser or underwriter selected by the Borrower and approved by the Agency as purchaser or underwriter with respect to the Bonds (the "Underwriter"). There is hereby acknowledged at the appropriate time, if necessary, the distribution of a preliminary offering document to potential purchasers of the Bonds, upon approval of the information attributable to the Agency in the form thereof by the Chairman, the Executive Director or each of their designees. If the Borrower and the Underwriter desire to distribute a preliminary offering document prior to the adoption of a final bond resolution by the Agency, the Chairman, the Executive Director or each of their designees are hereby authorized and empowered, on behalf of the Agency, to authorize the inclusion of one or more additional co-managing underwriters in the preliminary offering document.

Section 4. The officers, officials, attorneys and agents of the Agency are hereby authorized and directed, jointly and severally, to take such actions as they may deem necessary or advisable to assist in the marketing, sale, issuance and administration of the Bonds and otherwise effectuate the purposes of this Resolution. All actions heretofore taken by the officers of the Agency for such purposes are hereby confirmed and ratified.

Section 5. Nothing herein shall obligate the Agency to issue the Bonds if, at any time prior to the sale thereof by the Agency to the purchaser or underwriter thereof, the Agency shall determine that it is not in the public interest or the interest of the Agency to proceed with the issuance

of the Bonds for any reason whatsoever, including, without limitation, the marketing plan for the sale of the Bonds to investors.

Section 6. It is the intention of the Agency to issue the Bonds pursuant to the Act to create a financing program to make loans to assist in financing or refinancing projects meeting the criteria set forth in the Act, which loans shall mature not later than the final maturity of the applicable series of the Bonds. The amounts to be held in any reserve fund, any loan fund, amounts to be received from the repayment of principal of and interest on the loans, the income to be derived from the investment thereof and any other available moneys under the financing program for the Project are expected to be sufficient to pay the debt service on the Bonds.

Section 7. The Executive Director of the Agency is hereby authorized to execute the Agency's letter or letters addressed to the Borrower in substantially the form attached to this Resolution as Exhibit A, which by this reference thereto, is incorporated herein, with such changes therein, whether made prior to the execution thereof or thereafter, as shall be approved from time to time by the Executive Director on behalf of the Agency.

Section 8. The Agency hereby authorizes Bond Counsel and the attorneys for the Agency to take all necessary action to validate the Bonds under Chapter 75, Florida Statutes, if such action shall be deemed necessary or appropriate by such counsel. The appropriate officials of the Agency are hereby authorized to provide such assistance, take such action, and execute and deliver on behalf of the Agency such documents or instruments as may be necessary or required in connection with any validation of the Bonds or satisfaction of any conditions therefor. Notwithstanding the foregoing, the Agency acknowledges that it has validated bonds for qualifying purposes, and a portion of such validated bonds may be allocated to the Bonds.

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Section 9. This Resolution shall take effect immediately upon its adoption.

Adopted on September 30, 2021.

CAPITAL TRUST AGENCY

(SEAL)

By: _____
Its: Chairman

ATTEST:

By: _____
Its: Secretary

CERTIFICATE OF SECRETARY

I, Robert F. Cleveland, Secretary of the Capital Trust Agency, Santa Rosa County, Florida, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 18-21 and its supporting exhibit and schedule as the same was duly adopted and passed at a public meeting of the Board of Directors of the Capital Trust Agency on the 30th day of September, 2021, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this ____ day of September, 2021.

CAPITAL TRUST AGENCY

(SEAL)

By: _____
Its: Secretary

EXHIBIT A

FORM OF LETTER

[CTA Letterhead]

_____, 2021

Nap Ford Community School, Inc.
d/b/a Legends Academy
P.O. Box 2031
Orlando, Florida 32802

Re: Proposed (i) acquisition, renovation, construction, installation and equipping by the Borrower of the Facilities (as defined and described in the hereinafter defined Inducement Resolution); (ii) funding of a debt service reserve fund for the Bonds; (iii) funding of capitalized interest for the Bonds, if deemed necessary or desirable; and (iv) payment of certain costs of issuing the Bonds (collectively, the "Project") with revenue bonds issued by the Capital Trust Agency.

Ladies and Gentlemen:

Based upon recent discussions with representatives of Nap Ford Community School, Inc. d/b/a Legends Academy, a Florida not for profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and/or one or more related and/or affiliated entities (collectively, the "Borrower"), it is the understanding of the officials and representatives of the Capital Trust Agency (the "Agency"), that: (i) the Borrower is currently undertaking the acquisition, renovation, construction, installation and equipping of the Facilities, as more fully described on Schedule I to Resolution No. 18-21 adopted by the Agency on September 30, 2021 (the "Inducement Resolution"), with a portion of the cost of the Facilities to be financed or refinanced, including through reimbursement, with revenue bonds of the Agency in an aggregate principal amount not to exceed \$14,500,000 (the "Bonds"); (ii) the acquisition, renovation, construction, installation and equipping of the Facilities by the Borrower will provide educational facilities within the meaning of the Act (as defined in the Inducement Resolution), advance the public purposes of the Act, improve education and provide or preserve employment in the communities where the Facilities are located, and (iii) the willingness of the Agency to issue and sell the Bonds for the purpose of financing or refinancing, including through reimbursement, the Project are important factors under consideration by the Borrower in determining the extent of the feasibility of the Project.

The Agency has determined that the Agency's issuance of the Bonds to assist the Borrower by financing or refinancing, including through reimbursement, such Project will promote the public purposes for which the Agency was created, will enable the Borrower to serve a public purpose by providing needed educational facilities and increasing the bargaining power of the Borrower to obtain favorable financing for its educational programs, and will promote and advance the economic prosperity, education and the general welfare of the State of Florida (the "State") and its people. Neither this letter nor the Inducement Resolution constitutes final authorization to issue the Bonds. Final approval will be in the form of an authorizing resolution that must be approved upon receipt of the finalized plan of finance and substantially complete bond and offering documents acceptable to the Agency.

Accordingly, in order to induce the Borrower to incur expenses for the initiation of such Facilities and their financing or refinancing, the Agency hereby makes the following proposal:

1. The Agency will, subject to the requirements of applicable law and financial feasibility, issue the Bonds in one or more series or installments, either taxable or tax-exempt, or both, totaling in the aggregate a principal amount not to exceed \$14,500,000 for the purpose of paying, financing or refinancing the cost of the Project. The Bonds will be secured by the source of security provided for in the financing documents for the Bonds, and will be issued in one or more series, either taxable or tax exempt, in such aggregate principal amount, mature at such times, bear interest at such rates and be subject to such other terms and have such security as shall be agreed upon between the Agency and the Borrower.

2. The Agency and the Borrower will enter one or more loan agreements (the "Agreement") which shall provide for the loan of the proceeds from the sale of the Bonds to the Borrower, for the acquisition, renovation, construction, installation and equipping of the Facilities (including eligible reimbursement to the Borrower for costs of the Facilities incurred prior to the delivery of the Agreement) and repayment of such loan by the Borrower. The installment payments to be made by the Borrower in repayment of the loan pursuant to the Agreement shall be pledged to the payment of the principal of, interest on and redemption premium, if any, applicable to the Bonds and the fees and expenses of the trustee. The loan installments shall be fully sufficient to pay the cost of the Facilities, the cost and expenses of financing or refinancing the same and the fees and expenses of the Borrower, the trustee and the Agency related thereto.

3. The Agency will cooperate in the prompt preparation of the Agreement and the necessary resolutions for the authorization and sale of the Bonds and, to the extent the Bonds are not allocated to any series of Bonds already validated, will promptly proceed with validation of the Bonds in the appropriate Circuit Court, pursuant to the provisions of Chapter 75, Florida Statutes, if, in the opinion of Bryant Miller Olive P.A., bond counsel, or the Agency's attorneys,

such validation proceedings are necessary or desirable.

4. Upon delivery of the Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Borrower shall have no further effect, and in the event of any inconsistency between the terms of this proposal and the terms of the Agreement in the form in which it shall be finally approved by resolution of the Agency, the provisions of the Agreement as so approved shall control.

5. Upon acceptance by the Borrower, the Agency shall keep open and outstanding this commitment and inducement to the Borrower for a reasonable time so long as the Borrower shall be proceeding with appropriate efforts toward conclusion of any arrangements necessary to the financing or refinancing, including through reimbursement, of the Facilities; provided, however, if for any reason (other than that which shall be the fault of the Agency) the Bonds are not delivered to the purchaser or purchasers thereof by September 1, 2022, then the provisions of this proposal and the agreement resulting from its acceptance by the Borrower may be cancelled at any time thereafter, at the option of the Agency and without notice to the Borrower, by resolution of the Agency, duly adopted. In such event, or in the event of its earlier cancellation by agreement between the Borrower and the Agency, neither party shall have any rights against the other and no third party shall have any rights against either party except:

(a) the Borrower will pay to the Agency the amount of all expenses which shall have been incurred by the Agency in connection with the Project (expenses incurred related to travel to project sites and TEFRA hearings will be invoiced monthly for payment upon receipt);

(b) the Borrower will assume and be responsible for all contracts entered into by the Agency at the request of the Borrower in connection with the Project; and

(c) the Borrower will pay the out-of-pocket expenses of officials and representatives of the Agency and counsel for the Agency incurred in connection with the financing or refinancing of the Facilities and will pay counsel for the Agency and bond counsel, a reasonable retainer and legal fees for legal services related to the issuance of the Bonds or the financing or refinancing of the Facilities, whether or not the financing or refinancing actually closes.

6. The Borrower shall have responsibility to arrange for the purchase of the Bonds by investors or an underwriter acceptable to the Agency and the payment of all costs of issuing the Bonds, and such Bonds shall only be offered and marketed in accordance with the applicable securities laws and such offering limitations as may be approved by the Agency.

7. The Agency shall not be obligated to pay any of the Bonds or the interest thereon from any funds of the Agency derived from any source other than the Agreement, and each Bond shall contain a statement to that effect upon its face. The Agency shall not be required to incur any expense with respect to the Facilities or the Bonds unless requested to do so by the Borrower,

in which event the Borrower hereby agrees to reimburse the full amount of such expense to the Agency; and the Agency may require payment to it of such amount as a prerequisite to its incurring any such expense. The Borrower, in accepting this proposal, hereby agrees to pay the annual fees of the Agency and agrees to indemnify and defend the Agency and its officials, employees, attorneys and agents and the members of the governing board of the Agency, and hold the Agency and its officials, employees, attorneys and agents and the members of the governing board of the Agency, harmless against any and all claims, losses, liabilities or damages to property or any injury or death of any person or persons occurring in connection with the acquisition, renovation, construction, installation and equipping of and the operation of the Facilities by or on behalf of the Borrower, or in any way growing out of or resulting from this proposal (upon its becoming an agreement if accepted) or from the issuance, sale or delivery of the Bonds, including, but not limited to, liabilities arising under the Code, the Securities Act of 1933, the Securities Exchange Act of 1934 or any applicable securities law of the State, including, without limitation, all costs and expenses of the Agency, including reasonable attorneys' fees, incurred in the enforcement of any agreement of the Borrower herein contained or in the Agreement. Any provision hereof to the contrary notwithstanding, the obligations of the Borrower under this section or Section 6 of the Inducement Resolution shall survive the termination of this agreement.

8. The Borrower shall comply with all requirements and pay all costs and expenses as may be required of the Borrower or the Agency pursuant to all applicable approvals by, or any interlocal agreements between, the Agency and any applicable public agencies having jurisdiction over the Facilities.

9. As a condition of any future submittal to the Agency for an authorizing resolution to issue the Bonds, substantially final documents must be delivered to the Agency 14 calendar days before a scheduled board meeting date. When applicable, the Agency will require a feasibility study, sources and uses of funds, historical financial statements, if any, and pro forma statements in addition to the indenture, loan or financing agreement and preliminary offering document in substantially completed forms.

If this proposal shall be satisfactory to the Borrower, please have the acceptance statement which follows this proposal executed by the proper officers of the Borrower on behalf of itself duly authorized and provide an executed copy to the Agency, whereupon this proposal will constitute an agreement in principle with respect to the matters herein contained.

Yours very truly,

CAPITAL TRUST AGENCY

(SEAL)

By: _____
Denis A. McKinnon, III
Executive Director

[Acceptance by Borrower Follows]

Acceptance by Borrower

The terms and conditions contained in the foregoing proposal by the governing board of the Agency are hereby accepted as obligations of the Borrower, as of this ____ day of _____, 2021.

NAP FORD COMMUNITY SCHOOL, INC. D/B/A
LEGENDS ACADEMY

By: _____
Name: _____
Title: _____

SCHEDULE I

DESCRIPTION OF THE FACILITIES

The Facilities consist of: (i) the land and existing buildings located on an approximately 2.22-acre parcel located at 3099 Orange Center Boulevard, Orlando, Florida 32805, including the renovation of an existing approximately 8,500 square foot building to provide for use as administrative space and a cafeteria for students and the construction of an approximately 20,000 square foot, two-story classroom building, and (ii) the land and existing buildings located on an approximately 3.01-acre parcel located at 3000 C.R. Smith Street, Orlando, Florida 32805, including the renovation of an existing 40,000 square foot building to provide for use as classrooms, a gym and a cafeteria for students, and an existing pool and tennis/soccer courts; each to accommodate approximately 550 students in grades K – 8 for an existing educational institution known as "Legends Academy," including related facilities, fixtures, furnishings and equipment.

To: CTA Board of Directors
From: Denis McKinnon, III

RE: Imagine School at North Manatee.
Inducement Resolution 19-21

The following memo, attachments and resolution relate Imagine School at North Manatee's second request for tax exempt bond financing through the CTA.

You may recall on June 25 of this year, CTA issued \$11,640,000 in tax exempt and taxable bonds on behalf of Imagine School at North Manatee. The bonds were issued in order for the school to purchase its then leased facilities. The school now owns the property and operates it, as anticipated, as a K-8.

At the time of issuance, the school had discussed the possibility of financing a gym construction. CTA staff has waived the application requirement for the school as the application submitted this year still applies. The Financial Advisor to the school, Building Hope, has, instead, submitted an addendum to the application with a narrative summary of the new financing and this year's audit. You will notice a loss this year on the income statement. This is the only year that the school will have had to pay rent and debt service. Total rent for the year was approximately \$1,100,000. This will be \$0 going forward.

Proceeds of the bonds will be used to construct a 20,000 square foot gym, 8 additional classrooms, and installation of an artificial turf football/soccer field. The summary provided by the school is attached herein. The attachment includes renderings of the proposed new facilities.

CTA Staff respectfully recommends approval of inducement resolution 19-21 for not to exceed \$5,000,000 on behalf of Imagine School at North Manatee. We look forward to seeing you at the 9/30/2021 meeting.

IMAGINE NORTH MANATEE

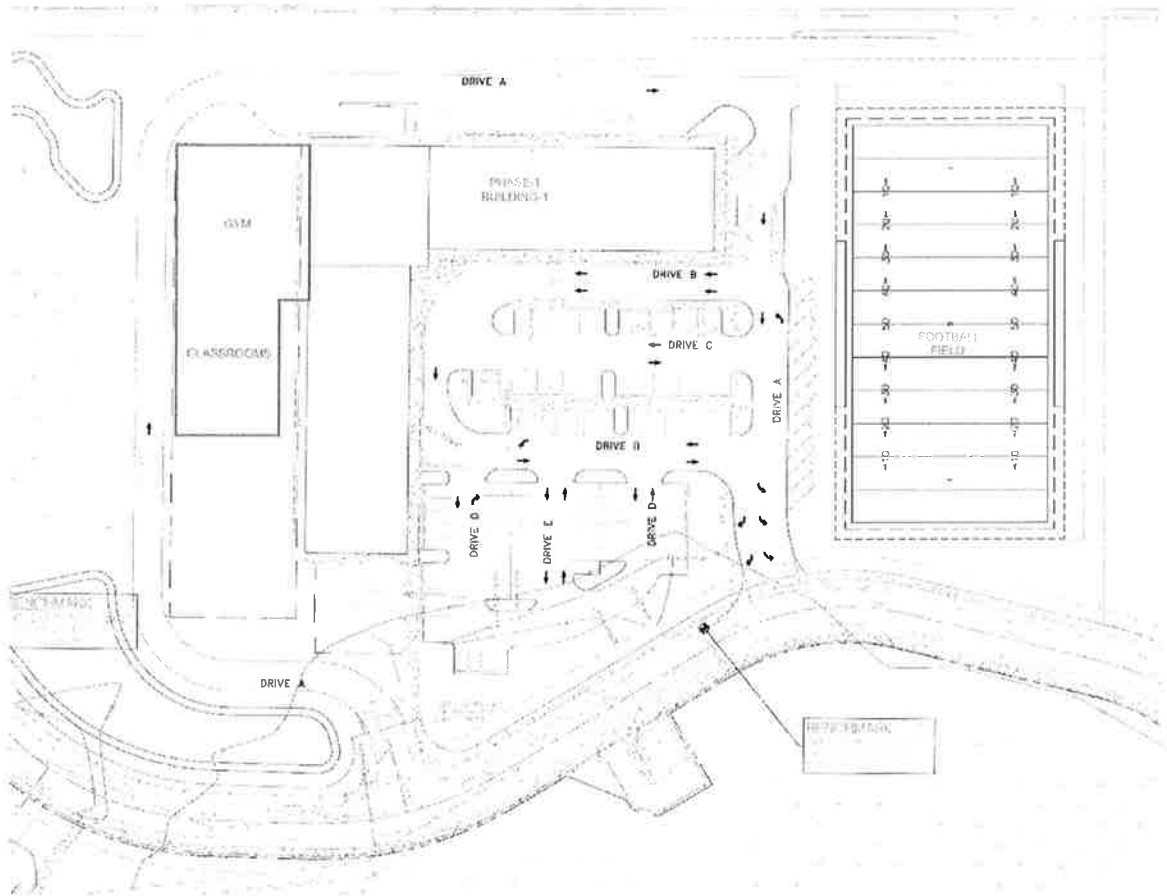
Imagine School at North Manatee (the "School") is a tuition-free public charter school located in the City of Palmetto, Florida that is operated by Imagine - Manatee County, LLC, a limited liability company duly organized and existing under the laws of the State of Florida and currently d/b/a as "Imagine Charter School at North Manatee," which was formed by filing its Articles of Organization with the Florida Secretary of State on August 26, 2005. The City is located in northwest Manatee County, Florida, which is in the southwestern portion of the State of Florida approximately 30 miles south of Tampa, Florida.

The School's campus currently is located at 9275 49th Avenue East, Palmetto, Florida 34221, and consists of nearly 7.6 acres and includes one building comprised of two wings that was originally constructed in 2009, encompassing approximately 39,000 square feet. Currently, the Campus includes, among other things, approximately 46 classrooms, a media center, an art room, a music room, a cafeteria, a teacher's lounge, a gymnasium with locker rooms, a playground, a multi-purpose athletic field, restrooms, conference rooms, office space and other related educational areas. The Campus can physically accommodate between approximately 695-700 students given current classroom configurations.

Due to accelerated population growth and projected demand for additional K-8 student capacity and the need to improve its operational facility and amenities, the School is proposing a gymnasium and classroom expansion for completion in July 2022 to be ready for the 2022-2023 school year. The expansion will include a gymnasium, 8-10 classrooms, restrooms and administrative space comprising between approximately 16,000-20,000 square feet with an estimated cost not to exceed \$4,000,000. The project design and permitting is expected to be completed by December 2021 and construction is expected to be completed by August 2022.

The proceeds of the Bonds will be loaned to the Borrower by the CTA for the purposes of (i) financing, including through reimbursement, all or a portion of the costs of acquiring, developing and equipping of an approximately 20,000 square foot gym/multipurpose building and eight classrooms with associated offices and restroom along with common area atrium space and an outdoor sports complex including the installation of an artificial turf football/soccer field, all as an addition to an existing charter school facility known as Imagine Charter School at North Manatee, located at 9275 49th Avenue East, Palmetto, Florida 34221, including related facilities, fixtures, furnishings and equipment; (ii) funding a debt service reserve fund; and (iii) paying all or a portion of certain costs associated with the acquisition and certain costs of issuance of the Bonds.

IMAGINE NORTH MANATEE



IMAGINE NORTH MANATEE

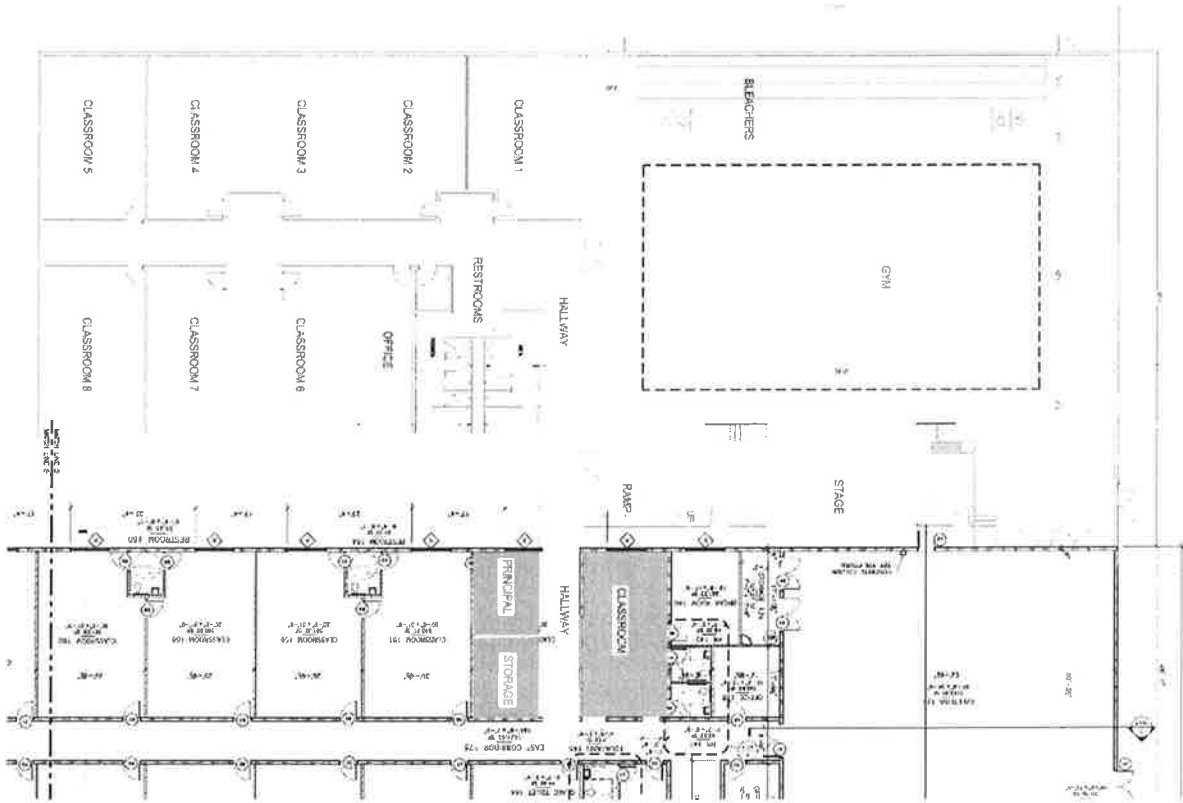




EXHIBIT B

PROJECT: Imagine School of North Manatee MS Gym and 8 Classroom Expansion

includes one storage / office room

Main Gymnasium Space: 9,420

Storage / Office Space: 390

Restroom Area: 560

Classroom and Hallway: 6,430

Common Gathering Area and Clerestory:

TOTAL Project: 16,800

Construction Phase

DIVISION CATEGORY	DESCRIPTION	Cost Basis	Cost per Square Foot	Comment
1300	General Conditions & Liability Insurance	132,000	\$7.86	
1310	Office Trailer & Generator	5,750	\$0.34	
1311	Temporary Facilities - Portable Toilets	5,700	\$0.34	
1312	Trash Removal	11,550	\$0.69	
1314	Permit Box, O&M Manuals and Blue Printing	9,000	\$0.54	
1315	Daily Clean-Up and Final Clean	28,000	\$1.67	
1320	Surveys, Stake-out and As-Builts	18,000	\$1.07	
1330	Temporary Power and Water	0	\$0.00	From Existing School
1340	Soil and Material Testing & Treatment	14,860	\$0.88	
1400	Architectural & Structural	85,000	\$5.06	
1450	MEP & F Engineering	58,000	\$3.45	
1500	Civil Engineering	60,000	\$3.57	
1600	Land Planning and Concept Designs	25,000	\$1.49	
1700	Direct Project Construction Staffing	117,776	\$7.01	
1730	Staffing Costs and Hourly Labor	39,464	\$2.35	
1800	Permit Fees	8,400	\$0.50	ALLOWANCE
1800	Impact Fees	0	\$0.00	BY OWNER
1900	Water Meter and FIF Fees	0	\$0.00	ALLOWANCE
2110	Site Work & Drive Aisles Expansion	185,000	\$11.01	
2120	Site Utilities	85,000	\$5.06	
2480	Under Drains, Field Prep and Associated work	222,000	\$13.21	
2480	Artificial Field - Soccer, Track & Football	290,000	\$17.26	
2491	Outdoor Bleachers	40,000	\$2.38	ALLOWANCE
2492	Outdoor Scoreboard	0	\$0.00	ALLOWANCE
2900	Fencing - Field Renovation	30,000	\$1.79	ALLOWANCE
2990	Signage	15,000	\$0.89	ALLOWANCE
2999	Field Goalposts, Signage, Netting	35,000	\$2.08	ALLOWANCE
2500	Concrete Sidewalks	34,048	\$2.03	ALLOWANCE
2800	Landscape & 100% Coverage Irrigation	25,000	\$1.49	ALLOWANCE
3050	Concrete	130,200	\$7.75	
3150	Concrete Tie-Beam at top of masonry wall	40,200	\$2.39	
4050	Masonry	64,320	\$3.83	
4050	Stucco and/or EIFS	49,312	\$2.94	
4900	Refuse Containment (Dumpster)	0	\$0.00	None
5050	PEMB Metal Building	175,042	\$10.42	Includes Insulation
5050	Erection of Metal Buildings	70,650	\$4.21	
5051	Off-Loading and Temp Storage of PEMB	8,000	\$0.48	
5052	Anchor Bolts with Nuts, Washers	5,618	\$0.33	
5100	Structural Steel	100,615	\$5.99	
5700	Canopies and Exterior Architectural Features	23,400	\$1.39	ALLOWANCE
6400	Millwork Cabinetry & interior trim - Office	0	\$0.00	None
7050	Roofing	59,040	\$3.51	
7090	Fall Protection for Insulation	14,601	\$0.87	
7100	Insulation PEMB R-38 Roof / R-21 Walls	0	\$0.00	Included in PEMB (Steel Wall Area Only)
7100	Insulation at Block Walls	12,864	\$0.77	
7150	Sound Proofing Insulation - Baths & Classrooms	6,458	\$0.38	
8300	Doors/frames/door hardware	23,625	\$1.41	
8500	Glass & Glazing	340,000	\$20.24	ALLOWANCE - Finalizing Design
9200	Drywall	51,660	\$3.08	
9400	Acoustical Ceiling System	26,775	\$1.59	



EXHIBIT B

PROJECT: Imagine School of North Manatee MS Gym and 8 Classroom Expansion				
includes one storage / office room		Main Gymnasium Space: 9,420		
		Storage / Office Space: 390		
		Restroom Area: 560		
		Classroom and Hallway: 6,430		
		Common Gathering Area and Clerestory:		
		TOTAL Project: 16,800		
9600	Wall Tile Bathroom Walls, 8' high	12,960	\$0.77	ALLOWANCE
9680	Gym Flooring (Polished, Painted and Sealed)	44,745	\$2.66	ALLOWANCE
9680	Hallway and Bathroom Flooring (Polished & Sealed)	4,513	\$0.27	ALLOWANCE
9680	Classroom Flooring (Carpet)	28,935	\$1.72	ALLOWANCE
9685	Vinyl Cove Base	8,576	\$0.51	
9900	Painting	50,400	\$3.00	ALLOWANCE
10600	Architectural Specialties & Dividers	12,000	\$0.71	ALLOWANCE
10800	Toilet Accessories	2,940	\$0.18	
10940	Gym Bleachers - 4 risers	18,000	\$1.07	ALLOWANCE
10950	Gym Equipment	21,000	\$1.25	ALLOWANCE
15300	Fire Protection & Fire Riser	63,000	\$3.75	
15320	Fire Extinguishers and Knox Box	3,430	\$0.20	
15400	Plumbing	54,000	\$3.21	
15700	HVAC Offices, Restrooms and Classrooms	73,800	\$4.39	
15700	HVAC Gym	106,000	\$6.31	Allowanced Two 20 ton Units
16050	Electrical	151,200	\$9.00	
16100	Light Fixtures and Lighting Control	40,493	\$2.41	
16200	Site Lighting	20,000	\$1.19	ALLOWANCE
16300	Low Voltage	8,890	\$0.53	Conduits and Wall Boxes Only
16400	Fire Alarm	15,791	\$0.94	
SUBTOTALS		3,522,600	\$209.68	
Contingency at 5%		175,000	\$10.42	
Construction Fee		290,000	\$17.26	
Administrative Fee		35,000	\$2.08	
PROJECT TOTAL		4,022,600	\$239.44	

OPTIONS:				
2490	Outdoor Lighting	140,000	\$8.33	ALLOWANCE
5350	Steel Stairs (2)	24,800	\$1.48	For access to 2nd Floor Storage
5500	Drywall and Ceiling for 2nd Floor Offices	12,970	\$0.77	
5700	Canopies and Exterior Architectural Features	30,600	\$1.82	ALLOWANCE
16200	Additional Site Lighting at Existing Parking Area	40,000	\$2.38	ALLOWANCE
Total Option Costs		248,370		
Total ALL		4,270,970		

* Owner and Contractor to Agree on Schedule 1 - Specifications to Exhibit B on or before September 30, 2021.



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TOTAL Project: 16,800

SCHEDULE 1 - SPECIFICATIONS

**IMAGINE – MANATEE COUNTY, LLC D/B/A
IMAGINE CHARTER SCHOOL
AT NORTH MANATEE**

A Charter School and Component Unit of the
District School Board of Manatee County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2021

King & Walker, CPAs, PL

Certified Public Accountants

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**IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE**

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KING & WALKER
CERTIFIED PUBLIC ACCOUNTANTS

Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

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office (813) 892-4274 fax (813) 932-1913
www.KingandWalker.com

Independent Auditor's Report

To the Board of Directors of Imagine - Manatee County, LLC
d/b/a Imagine Charter School at North Manatee,
a Charter School and Component Unit of the District
School Board of Manatee County, 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 Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee ("School"), a charter school and component unit of the District School Board of Manatee County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School'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 *Governmental 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 School'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 School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee, as of June 30, 2021, and the respective changes in financial position thereof for the year 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, the Budgetary Comparison Schedule and the Note to Supplementary Information, as shown in the table of contents, 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 historic 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 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 September 9, 2021, on our consideration of Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee 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 Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee internal control over financial reporting and compliance.

Respectfully submitted,



September 9, 2021
Tampa, Florida

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE

A Charter School and Component Unit of the District School Board of Manatee County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of the Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee (“School”) provides an overview of the School’s activities for the fiscal year ended June 30, 2021.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements, as shown in the table of contents.

FINANCIAL HIGHLIGHTS

- The School reported an Unrestricted Net Position balance of \$192,132, as shown on the Statement of Net Position.
- For the fiscal year ended June 30, 2021, the School’s expenses exceeded revenue by \$426,200, as shown on the School’s Statement of Activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School’s overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of Net Position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of Net Position provides information about the government’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the Net Position, is a measure of the financial health of the School.

The statement of activities presents information about the change in the School’s Net Position and the results of operations, during the fiscal year. An increase or decrease in Net Position is an indication of whether the School’s financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School’s financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund financial statements provide a detailed short-term view that may be used to evaluate the School’s near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School’s most significant funds. The School operates four funds: a General Fund, Special Revenue Fund, Debt Service Fund, and a Capital Projects Fund. The School has elected to show each fund as a major fund.

The School adopts an annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School’s current year and prior year net position:

Net Position, End of Year

	Governmental Activities		
	6-30-20	6-30-21	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 302,844	\$ 1,688,628	\$ 1,385,784
Capital Assets, Net	308,883	10,607,906	10,299,023
Total Assets	611,727	12,296,534	11,684,807
LIABILITIES			
Current Liabilities	298,492	373,319	74,827
Noncurrent Liabilities	189,127	12,225,307	12,036,180
Total Liabilities	487,619	12,598,626	12,111,007
NET POSITION			
Net Investment in Capital Assets	119,756	(1,570,181)	(1,689,937)
Restricted for Debt Service	-	739,177	739,177
Restricted for Capital Projects	-	336,780	336,780
Unrestricted	4,352	192,132	187,780
Total Net Position	\$ 124,108	\$ (302,092)	\$ (426,200)

Current assets consist primarily of cash and cash equivalents and amounts due from other agencies. The School’s investment in capital assets consists of land, buildings & fixed equipment, furniture, fixtures and equipment, IT equipment, vehicles, improvements other than buildings and construction in progress, net of accumulated depreciation. Liabilities are comprised of salaries and benefits payable, accounts payable, a net due to/from management company, bonds payable and a long term note payable.

Total Net Position amounted to deficit \$302,092 as of June 30, 2021, representing a decrease of \$426,200 over the prior fiscal year.

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School’s change in net position for the current year and prior year:

	Operating Results for the Year		
	<u>Governmental Activities</u>		
	<u>6-30-20</u>	<u>6-30-21</u>	<u>Increase (Decrease)</u>
Revenues:			
Federal Through State and Local State	\$ 18,969	\$ 145,862	\$ 126,893
Local and Other Contributions	4,930,510	4,798,571	(131,939)
	228,674	864,082	635,408
	<u>363,354</u>	<u>-</u>	<u>(363,354)</u>
Total Revenues	<u>5,541,507</u>	<u>5,808,515</u>	<u>267,008</u>
Expenses:			
Instruction	2,403,294	2,353,582	(49,712)
Student Support Services	6,960	-	(6,960)
Instructional Media	14,791	19,539	4,748
Instruction & Curriculum Development	73,162	86,644	13,482
Instructional Staff Training	2,530	404	(2,126)
Instructional Related Technology Board	45,925	129,267	83,342
	9,500	17,175	7,675
General Administration	673,772	727,046	53,274
School Administration	408,209	381,070	(27,139)
Fiscal Services	66,651	67,306	655
Food Services	52,362	84,539	32,177
Central Services	871	1,023	152
Student Transportation	175,378	192,161	16,783
Operation of Plant	1,135,885	1,444,460	308,575
Maintenance of Plant	276,194	120,111	(156,083)
Community Service	73,749	50,597	(23,152)
Debt Service - Interest	8,707	497,397	488,690
Unallocated Depreciation	<u>55,383</u>	<u>62,394</u>	<u>7,011</u>
Total Expenses	<u>5,483,323</u>	<u>6,234,715</u>	<u>751,392</u>
Increase/(Decrease) in Net Position	<u>\$ 58,184</u>	<u>\$ (426,200)</u>	<u>\$ (484,384)</u>

The largest revenue source for the School is the State of Florida (83%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. Both sources utilize student enrollment data to determine the funds available for the School.

The largest concentrations of expenses during the year were for instruction (38%) and operation of plant (23%).

IMAGINE – MANATEE COUNTY, LLC
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A Charter School and Component Unit of the District School Board of Manatee County, Florida
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL’S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$1,315,309.

BUDGETARY HIGHLIGHTS

The General Fund and Special Revenue Fund budgets for the fiscal year ended June 30, 2021, were developed based on the School’s anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, the school revised the budgets several times. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets

The School’s investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$10,607,906 (net of accumulated depreciation). This investment in capital assets includes land, buildings & fixed equipment, improvements other than buildings, vehicles, furniture, fixtures, and equipment, IT equipment, and construction in progress. Additional information regarding the School’s capital assets is presented in a subsequent note to the financial statements.

Long-Term Debt

During the 2021 fiscal year, the School issued bonded debt, net of the bond premium, of \$12,178,087. At June 30, 2021, the School had \$12,225,307 in long-term debt outstanding, a net increase of \$12,036,180 from the prior fiscal year. Additional information about the School’s long-term debt is presented in subsequent notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee, 9275 49th Street East, Palmetto, Florida 34221.

**IMAGINE - MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA**

**STATEMENT OF NET POSITION
June 30, 2021**

	Government Activities
ASSETS	
Cash & Cash Equivalents	\$ 1,509,434
Due From Other Agencies	176,181
Accounts Receivable	1,013
Prepaid Items & Deposits	2,000
Capital Assets:	
Land	1,380,613
Buildings & Fixed Equipment, Net	8,869,387
Improvements Other Than Buildings, Net	154,165
Furniture, Fixtures, and Equipment, Net	23,563
Vehicles, Net	147,876
IT Equipment, Net	28,152
Construction in Progress	4,150
Total Capital Assets	10,607,906
TOTAL ASSETS	12,296,534
LIABILITIES	
Salaries and Benefits Payable	283,453
Accounts Payable	22,798
Net Due To/ From Management Company	67,068
Noncurrent Liabilities:	
Due After One Year:	
Bonds Payable	12,178,087
Note Payable	47,220
TOTAL LIABILITIES	12,598,626
NET POSITION	
Net Investment in Capital Assets	(1,570,181)
Restricted:	
Debt Service	739,177
Capital Projects	336,780
Unrestricted	192,132
TOTAL NET POSITION	\$ (302,092)

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

**IMAGINE - MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021**

	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes Net Position Governmental Activities
Governmental Activities:					
Instruction	\$ 2,353,582	\$ 28,309	\$ 60,506	\$ -	\$ (2,264,767)
Instructional Media	19,539	-	-	-	(19,539)
Instruction & Curriculum Development	86,644	-	840	-	(85,804)
Instructional Staff Training	404	-	-	-	(404)
Instructional Related Technology	129,267	-	26,250	-	(103,017)
Board	17,175	-	-	-	(17,175)
General Administration	727,046	-	-	-	(727,046)
School Administration	381,070	-	-	-	(381,070)
Fiscal Services	67,306	-	-	-	(67,306)
Food Services	84,539	109	-	-	(84,430)
Central Services	1,023	-	-	-	(1,023)
Student Transportation	192,161	-	18,720	-	(173,441)
Operation of Plant	1,444,460	-	39,546	302,617	(1,102,297)
Maintenance of Plant	120,111	-	-	-	(120,111)
Community Service	50,597	66,372	-	-	15,775
Debt Service - Interest	497,397	-	-	-	(497,397)
Unallocated Depreciation	62,394	-	-	-	(62,394)
Total Governmental Activities	<u>\$ 6,234,715</u>	<u>\$ 94,790</u>	<u>\$ 145,862</u>	<u>\$ 302,617</u>	<u>(5,691,446)</u>
General Revenue					
State Sources					4,495,954
Local and Other					769,292
Total General Revenues					<u>5,265,246</u>
Change in Net Position					(426,200)
Net Position - July 1, 2020					124,108
Net Position - June 30, 2021					<u>\$ (302,092)</u>

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

**IMAGINE - MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 433,477	\$ -	\$ 336,780	\$ 739,177	\$ 1,509,434
Due From Other Agencies	129,482	46,699	-	-	176,181
Accounts Receivable	1,013	-	-	-	1,013
Prepaid Items & Deposits	2,000	-	-	-	2,000
Due from Other Funds	46,699	-	-	-	46,699
Total Assets	<u>\$ 612,671</u>	<u>\$ 46,699</u>	<u>\$ 336,780</u>	<u>\$ 739,177</u>	<u>\$ 1,735,327</u>
LIABILITIES					
Salaries and Benefits Payable	\$ 283,453	\$ -	\$ -	\$ -	\$ 283,453
Accounts Payable	22,798	-	-	-	22,798
Net Due To/ From Management Company	67,068	-	-	-	67,068
Due to Other Funds	-	46,699	-	-	46,699
Total Liabilities	<u>373,319</u>	<u>46,699</u>	<u>-</u>	<u>-</u>	<u>420,018</u>
FUND BALANCES					
Nonspendable	2,000	-	-	-	2,000
Restricted:					
Debt Service	-	-	-	739,177	739,177
Capital Projects	-	-	336,780	-	336,780
Unassigned	237,352	-	-	-	237,352
Total Fund Balances	<u>239,352</u>	<u>-</u>	<u>336,780</u>	<u>739,177</u>	<u>1,315,309</u>
Total Liabilities and Fund Balances	<u>\$ 612,671</u>	<u>\$ 46,699</u>	<u>\$ 336,780</u>	<u>\$ 739,177</u>	<u>\$ 1,735,327</u>

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

**IMAGINE - MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2021

Total Fund Balances - Governmental Funds		\$ 1,315,309
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.</p>		10,607,906
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.</p>		
	Bonds Payable	(12,178,087)
	Note Payable	(47,220)
		(12,225,307)
Total Net Position - Governmental Activities		\$ (302,092)

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

IMAGINE - MANATEE COUNTY, LLC
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues					
Intergovernmental:					
Federal Through State and Local State	\$ -	\$ 145,862	\$ -	\$ -	\$ 145,862
Local and Other	4,495,954	-	302,617	-	4,798,571
Total Revenues	<u>5,183,596</u>	<u>145,862</u>	<u>479,057</u>	<u>-</u>	<u>5,808,515</u>
Expenditures					
Current - Education:					
Instruction	2,293,076	60,506	-	-	2,353,582
Instructional Media	19,539	-	-	-	19,539
Instruction & Curriculum Development	85,804	840	-	-	86,644
Instructional Staff Training	404	-	-	-	404
Instructional Related Technology	10,606	26,250	92,411	-	129,267
Board	17,175	-	-	-	17,175
General Administration	727,046	-	-	-	727,046
School Administration	381,070	-	-	-	381,070
Fiscal Services	67,306	-	-	-	67,306
Food Services	84,539	-	-	-	84,539
Central Services	1,023	-	-	-	1,023
Student Transportation	173,441	18,720	-	-	192,161
Operation of Plant	1,404,914	39,546	-	-	1,444,460
Maintenance of Plant	120,111	-	-	-	120,111
Community Service	50,597	-	-	-	50,597
Fixed Capital Outlay:					
Facilities Acquisition & Construction	-	-	10,250,000	-	10,250,000
Other Capital Outlay	27,388	-	84,029	-	111,417
Debt Service:					
Principal	-	-	-	141,907	141,907
Interest	-	-	-	497,397	497,397
Total Expenditures	<u>5,464,039</u>	<u>145,862</u>	<u>10,426,440</u>	<u>639,304</u>	<u>16,675,645</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	<u>(280,443)</u>	<u>-</u>	<u>(9,947,383)</u>	<u>(639,304)</u>	<u>(10,867,130)</u>
Other Financing Sources (Uses):					
Proceeds from Debt	-	-	12,178,087	-	12,178,087
Transfers In/(Out)	515,443	-	(1,893,924)	1,378,481	-
Total Other Financing Sources (Uses)	<u>515,443</u>	<u>-</u>	<u>10,284,163</u>	<u>1,378,481</u>	<u>12,178,087</u>
Net Change in Fund Balances	235,000	-	336,780	739,177	1,310,957
Fund Balances, July 1, 2020	4,352	-	-	-	4,352
Fund Balances, June 30, 2021	<u>\$ 239,352</u>	<u>\$ -</u>	<u>\$ 336,780</u>	<u>\$ 739,177</u>	<u>\$ 1,315,309</u>

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

**IMAGINE - MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Governmental Funds \$ 1,310,957

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlays	10,361,417	
Depreciation Expense	<u>(62,394)</u>	10,299,023

The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.

141,907

Long-term debt proceeds are reported as other financing sources in the Governmental Funds and as long-term liabilities in the Statement of Net Position.

(12,178,087)

Change in Net Position - Governmental Activities

\$ (426,200)

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

IMAGINE – MANATEE COUNTY, LLC
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A Charter School and Component Unit of the District School Board of Manatee County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee (“School”), is a limited liability company organized pursuant to Chapter 608.407, Florida Statutes. The School qualifies for derivative exempt status within the meaning of Section 501(c)(3) of the Internal Revenue Code by virtue of its relationship with its single member, Imagine Schools Non-Profit, Inc. (“the Management Company”), a Virginia non-stock corporation. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Manatee County, Florida, (“District”). The current charter is effective until June 30, 2022, and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a division of the Charter holder, and a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

Government-wide Financial Statements: Government-wide financial statements, including the statement of Net Position and the statement of activities, present information about the School as a whole. Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School’s governmental activities. Direct expenses

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements: Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliations are presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for federal grant programs and food service operations.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be

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available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Fixed Equipment	39 years
Furniture, Fixtures and Equipment	3 - 7 years
IT Equipment	3 - 7 years
Vehicles	3 - 7 years
Improvements Other than Buildings	10 years

Current-year information relative to changes in capital assets is described in a subsequent note.

➤ **Noncurrent Liabilities**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Capital improvement debt is reported net of unamortized discount. The School amortizes debt discounts over the life of the debt using the straight-line method. Current-year information relative to changes in long-term debt is described in subsequent notes.

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NOTES TO FINANCIAL STATEMENTS

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➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- **Net Investment in Capital Assets** – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- **Restricted Net Position** – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- **Unrestricted Net Position** – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- **Nonspendable** – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.

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- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School’s compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made. The District receives a 5% administrative fee from the School, which is

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NOTES TO FINANCIAL STATEMENTS

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reflected in the accompanying statement of activities and statement of revenues, expenditures and change in fund balances – governmental funds.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) weighed FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the Legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2021, the School reported 590 unweighted FTE and 627.964 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for Weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School also receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections. The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. A schedule of revenue sources for the current year is presented in a subsequent note.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of Net Position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

3. DUE FROM OTHER AGENCIES

Amounts Due From Other Agencies included in the accompanying statement of Net Position and balance sheet – governmental funds consist of amounts due from the District School Board of Manatee County for grant expenditures awaiting reimbursement. These receivables are considered to be fully collectible and as such, no allowance for uncollectible is accrued.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2021

4. INVESTMENTS

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All of the School's recurring fair value measurements as of June 30, 2021, are valued using quoted market prices (Level 1 inputs). The School's investments at June 30, 2021, are reported as follows:

Investments (1)	Amount
U.S. Bank - Money Market Funds	\$ 1,075,957
Total	\$ 1,075,957

Notes (1) - This investment is reported as a cash equivalent for financial statement reporting purposes.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Land	\$ -	\$ 1,380,613	\$ -	\$ 1,380,613
Construction in Progress	-	4,150	-	4,150
Buildings & Fixed Equipment	-	8,869,387	-	8,869,387
Improvements Other Than Buildings	118,280	66,293	-	184,573
Furniture, Fixtures and Equipment	85,458	22,794	-	108,252
Vehicles	370,750	-	(59,975)	310,775
IT Equipment	62,243	18,180	-	80,423
Total Capital Assets	636,731	10,361,417	(59,975)	10,938,173
Less Accumulated Depreciation for:				
Buildings & Fixed Equipment	-	-	-	-
Improvements Other Than Buildings	(12,057)	(18,351)	-	(30,408)
Furniture, Fixtures and Equipment	(81,051)	(3,638)	-	(84,689)
Vehicles	(187,045)	(35,829)	59,975	(162,899)
IT Equipment	(47,695)	(4,576)	-	(52,271)
Total Accumulated Depreciation	(327,848)	(62,394)	59,975	(330,267)
Governmental Activities Capital Assets, net	\$ 308,883	\$ 10,299,023	\$ -	\$ 10,607,906

All depreciation expense was shown as unallocated on the Statement of Activities.

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NOTES TO FINANCIAL STATEMENTS

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6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2021, the Special Revenue Fund owed the General Fund \$46,699 for grant expenditures awaiting reimbursement. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

During the 2021 fiscal year, the Capital Projects Fund transferred \$515,443 to the General Fund to assist with the School’s facility rent, and \$1,378,481 to the Debt Service Fund to assist with the School’s debt service requirements. The amounts of interfund transfers are netted together and not reported in the statement of activities.

7. BONDS PAYABLE

Bonds payable at June 30, 2021, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Annual Maturity To</u>
Series 2021A	\$10,985,000	3.25% - 5%	2056
Series 2021B	265,000	5.00%	2025
Unamortized Bond Premium	<u>928,087</u>		
	<u>\$12,178,087</u>		

Revenue Bonds Series 2021A and Series 2021B – On June 17, 2021, the School issued tax-exempt educational facilities revenue bonds (Series 2021A) for \$10,985,000 and taxable educational facilities revenue bonds (Series 2021B) for \$265,000, secured by a mortgage on the School’s property and buildings. The bonds were issued for the purpose of financing the costs acquiring, renovating and equipping the existing building to be used as a nonprofit charter school educational facility.

Series 2021A bonds are term bonds paying interest semi-annually at a rate of 3.25-5% with maturities starting June 1, 2031, and ending June 1, 2056. Series 2021B bonds are term bonds paying interest semi-annually at a rate of 5%, maturing on June 1, 2025.

As required by the bond resolution, the School has established the following funds: principal funds, interest funds, cost of issuance funds, reserve funds, and a project fund. The School has accumulated and maintained adequate resources in each of the funds.

In the event of default, the trustee may take any and all steps, actions and proceedings to enforce any or all rights, without limitation, to declare the unpaid indebtedness on the Series 2021 Bonds and all amounts then due and payable under the loan agreement to be immediately due and payable.

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June 30, 2021

Commencing on June 30, 2022, and each fiscal year thereafter, the School is required to disclose its debt service coverage ratio and days cash on hand as described in the Loan Agreement.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2021, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2022	\$ 505,972	\$ -	\$ 505,972
2023	542,113	-	542,113
2024	702,113	160,000	542,113
2025	699,113	165,000	534,113
2026	696,913	170,000	526,913
2027-2031	3,483,275	935,000	2,548,275
2032-2036	3,482,250	1,135,000	2,347,250
2037-2041	3,487,750	1,455,000	2,032,750
2042-2046	3,481,500	1,850,000	1,631,500
2047-2051	3,484,750	2,365,000	1,119,750
2052-2056	3,482,000	3,015,000	467,000
<i>Unamortized Bond Premium</i>	<u>928,087</u>	<u>928,087</u>	<u> </u>
Total	<u>\$ 24,975,836</u>	<u>\$ 12,178,087</u>	<u>\$ 12,797,749</u>

8. NOTE PAYABLE

The note payable consist of the following:

<u>Promissory Note</u>	<u>Balance at 6-30-21</u>
<u>Imagine Schools, Inc.</u>	
\$135,746 Borrowed November 1, 2010 for operating advances. Deferral letters have been received from the Management Company agreeing to the deferral of payments on the note for the fiscal year 2021 without any additional interest or penalty. Payments are to resume after agreement with both parties.	
	<u>\$ 47,220</u>
Total Note Payable	<u>\$ 47,220</u>

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A Charter School and Component Unit of the District School Board of Manatee County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

9. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Note Payable	\$ 189,127	\$ -	\$ (141,907)	\$ 47,220	\$ -
Bonds Payable	-	11,250,000	-	11,250,000	-
Unamortized Bond Premium	-	928,087	-	928,087	-
Total Governmental Activities	<u>\$ 189,127</u>	<u>\$ 12,178,087</u>	<u>\$ (141,907)</u>	<u>\$ 12,225,307</u>	<u>\$ -</u>

10. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 3,679,941
Categorical Programs:	
Class Size Reduction	683,470
Charter School Capital Outlay	302,617
Miscellaneous	132,543
Total State Revenue	<u>\$ 4,798,571</u>

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$92,309.

Accounting policies relating to certain State revenue sources are described in Note 1.

11. FUNDING AND CREDIT CONCENTRATIONS

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

12. RELATED PARTY TRANSACTIONS

a) **Management Service Contract:**

The School entered into a service agreement with Imagine Schools Non-Profit, Inc. (the management company), commencing August 2008, and effective for twenty years (240 months), and may be cancelled or terminated pursuant to the terms and conditions set forth in the charter. This agreement has been amended and was effective as of July 1, 2011.

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE

A Charter School and Component Unit of the District School Board of Manatee County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

This agreement calls for a Development Allocation for the pre-opening charter school development support. On September 1, of the first year of operation of the Charter School, the Development Allocation amount of \$2,500 shall be paid to the management company on the first of each month thereafter for the period of 240 months. Current year Development Allocation fees charged to operations totaled \$30,000.

This agreement also calls for an Indirect Cost Allocation, for performance of its responsibilities, equal to twelve percent (12%) of State revenue. The Indirect Cost Allocation shall be paid monthly in an amount equal to one-twelfth of the annual budgeted allocation. Current year Indirect Cost Allocation fees charged to operations totaled \$604,737.

In the event there are not sufficient funds to pay operating expenses, the operating company will provide Operating Advances to cover such shortfalls. The operating company shall be reimbursed for such advances on the first date of each month in which funds reside in the School's operating account for which not otherwise reserved by the operating budget.

If, at the end of a fiscal year, the School's defined fund balance, as determined prior to final completion of the School's annual audit, is not sufficiently positive, consistent with Section 218.503(1), F.S. (2011), and the fund balance requirements of the District School Board of Manatee County (the "Authorizer"), if any, to reimburse the management company for all Operating Advances made during such fiscal year, the management company shall forgive the amount of outstanding Operating Advances that will enable the Defined Fund Balance to reflect a net surplus as of the end of such fiscal year equal to at least one dollar (\$1.00) or, if greater, the fund balance required by the Authorizer, if any. In no event shall the management company be required to make any Operating Advances, which, if forgiven, may result in a cumulative Operating Advance forgiveness in excess of two million five hundred dollars (\$2,500,000).

The management company shall be entitled to payment of a fee for services, including for providing Operating Advances (the "Fund Balance Assistance Fee"), in any year in which (i) no amounts were required to be forgiven pursuant to the previous paragraph, and (ii) the Defined Fund Balance, after consideration of the repayments of all outstanding Operating Advances, exceeds the fund balance required by the Authorizer, if any. The Fund Balance Assistance Fee for such year shall equal the lesser of (x) the amount which, when recorded for such year would cause the Defined Fund Balance to equal at least one dollar (\$1.00) or, if greater, the Fund Balance required by the Authorizer, if any, and (y) 2% of State revenues. The Fund Balance Assistance fee shall be due and payable as of the 15th day of December following the fiscal year of such determination, to allow for time to complete the School's annual audit. "Defined Fund Balance" for purposes of this agreement, shall mean that portion of the School's fund balance not classified as restricted, committed, or nonspendable, as reported on the fund financial statements.

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A Charter School and Component Unit of the District School Board of Manatee County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

b) Facilities Lease:

On November 2009, the School entered an operating sublease agreement with an affiliated entity of the Management Company for its facilities through July 31, 2024. The lease calls for an annual base rent payable in advance in monthly installments. Total rent expense charged to operations for the year ended June 30, 2021, was \$1,105,234. On June 17, 2021, the School issued educational facilities revenue bonds and purchased the School facility.

c) Net Due to/from Management Company:

The School has entered into multiple agreements with the management company as described in Note 12 of the notes to financial statements. The ending balance of \$67,068 is the net amount due to the management company, and consists of the following:

	Net due (to)/from management company
Balance due (to)/from at July 1, 2020	\$ 86,829
Payments	2,158,343
Invoiced	(2,312,240)
Balance due (to)/from at June 30, 2021	\$ (67,068)

13. RETIREMENT PLAN

The School participates in a 401(k) Retirement Savings Plan for employees with more than three months of service with the School. Contributions are directed to individual employee’s accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The School is currently making matching contributions up to 5% for participating employees. The rate of contribution is set annually by the School’s Board of Directors.

14. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2021, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A Charter School and Component Unit of the District School Board of Manatee County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

15. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

16. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

**IMAGINE - MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MANATEE COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2021**

	General Fund				Special Revenue Fund		
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original/ Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:							
Intergovernmental:							
Federal Through State and Local	\$ -	\$ -	\$ -	\$ -	\$ 145,862	\$ 145,862	\$ -
State	3,605,196	4,495,954	4,495,954	-	-	-	-
Local and Other	1,296,353	687,642	687,642	-	-	-	-
Total Revenues	4,901,549	5,183,596	5,183,596	-	145,862	145,862	-
Expenditures:							
Current - Education:							
Instruction	2,511,268	2,293,076	2,293,076	-	60,506	60,506	-
Instructional Media	-	19,539	19,539	-	-	-	-
Instruction & Curriculum Development	109,120	85,804	85,804	-	840	840	-
Instructional Staff Training	-	404	404	-	-	-	-
Instructional Related Technology	-	10,606	10,606	-	26,250	26,250	-
Board	9,500	17,175	17,175	-	-	-	-
General Administration	538,259	727,046	727,046	-	-	-	-
School Administration	375,914	381,070	381,070	-	-	-	-
Fiscal Services	59,578	67,306	67,306	-	-	-	-
Food Services	35,254	84,539	84,539	-	-	-	-
Central Services	808	1,023	1,023	-	-	-	-
Student Transportation	135,414	173,441	173,441	-	18,720	18,720	-
Operation of Plant	903,051	1,404,914	1,404,914	-	39,546	39,546	-
Maintenance of Plant	138,613	120,111	120,111	-	-	-	-
Community Service	36,088	50,597	50,597	-	-	-	-
Fixed Capital Outlay:							
Other Capital Outlay	-	27,388	27,388	-	-	-	-
Total Expenditures	4,852,867	5,464,039	5,464,039	-	145,862	145,862	-
Excess (Deficiency) of Revenues Over Expenditures	48,682	(280,443)	(280,443)	-	-	-	-
Other Financing Sources (Uses):							
Transfers In/(Out)	(48,708)	515,443	515,443	-	-	-	-
Total Other Financing Sources (Uses)	(48,708)	515,443	515,443	-	-	-	-
Net Change in Fund Balances	(26)	235,000	235,000	-	-	-	-
Fund Balances, July 1, 2020	4,352	4,352	4,352	-	-	-	-
Fund Balances, June 30, 2021	\$ 4,326	\$ 239,352	\$ 239,352	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

IMAGINE – MANATEE COUNTY, LLC
D/B/A IMAGINE CHARTER SCHOOL AT NORTH MANATEE
A Charter School and Component Unit of the District School Board of Manatee County, Florida

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

KING & WALKER
CERTIFIED PUBLIC ACCOUNTANT!

Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

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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*

To the Board of Directors of Imagine - Manatee County, LLC
d/b/a Imagine Charter School at North Manatee,
a Charter School and Component Unit of the District
School Board of Manatee County, 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 Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee ("School"), a charter school and component unit of the District School Board of Manatee County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 School's financial statements are free from material misstatement, we performed tests of 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, professional style.

September 9, 2021
Tampa, Florida

KING & WALKER
CERTIFIED PUBLIC ACCOUNTANTS

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**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of the Imagine - Manatee County, LLC
d/b/a Imagine Charter School at North Manatee,
a Charter School and Component Unit of the
District School Board of Manatee County, Florida

Report on the Financial Statements

We have audited the financial statements of Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee ("School"), a charter school and component unit of the District School Board of Manatee County, Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 9, 2021.

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 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 9, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)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 prior audit findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Imagine Charter School at North Manatee, 412123.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School 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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854(1)(e)4., 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 have 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 Directors, applicable management, and District School Board of Manatee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

King & Walker, CPAs

September 9, 2021
Tampa, Florida

RESOLUTION NO. 19-21

A RESOLUTION OF THE CAPITAL TRUST AGENCY EXPRESSING ITS INTENT TO ISSUE CAPITAL TRUST AGENCY EDUCATIONAL FACILITIES REVENUE BONDS, IN ONE OR MORE SERIES OF TAX-EXEMPT QUALIFIED 501(C)(3) BONDS OR TAXABLE BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING, INCLUDING THROUGH REIMBURSEMENT, THE COSTS OF THE PROJECT (AS HEREINAFTER DEFINED) AND PAYING THE COSTS OF ISSUANCE OF THE BONDS; AND APPROVING AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee, a limited liability company of the State of Florida, whose sole member is Imagine Schools Non-Profit, Inc., a not for profit corporation of the State of Virginia, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and/or one or more related and/or affiliated entities (collectively, the "Borrower"), plans to acquire, develop and equip the charter school facilities fully described on Schedule I attached hereto, which, by this reference thereto, is incorporated herein, including related facilities, fixtures, furnishings and equipment (collectively, the "Facilities"), such Facilities being located in Manatee County, Florida (the "Host Jurisdiction"); and

WHEREAS, the Capital Trust Agency (the "Agency") is a legal entity and public agency of the State of Florida (the "State"), organized and existing under the provisions of Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes; Ordinance No. 5-97 duly enacted by the City Council of the City of Gulf Breeze, Florida (the "City"), on July 7, 1997, as amended, restated and supplemented; Ordinance No. 2-00 duly enacted by the Town Council of the Town of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented; and an Interlocal Agreement dated as of August 2, 1999, between the City and the Town, as amended and supplemented, with powers as a "local agency" under Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and is empowered pursuant to the Act to issue revenue bonds for the purpose of providing funds to finance or refinance, including through reimbursement, all or any part of the cost of any "project" (as defined in the Act); and

WHEREAS, the Borrower has requested the Agency issue its Educational Facilities Revenue Bonds in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds") in one or more series of tax-exempt qualified 501(c)(3) bonds or taxable bonds, and loan the proceeds thereof to the Borrower for the purposes of (i) financing, including through reimbursement, all or a portion of the costs of acquiring, developing and equipping of the Facilities; (ii) funding a debt service reserve fund; and (iii) paying all or a portion of certain costs associated with the acquisition and certain costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, subject to final approval of the Agency prior to such issuance, the Agency desires to issue the Bonds and desires to authorize certain officers to take certain actions in preparation for the marketing, sale and issuance of such Bonds; and

WHEREAS, it is the Agency's intent that this Resolution constitute an "official intent" within the meaning of Treasury Regulations Section 1.150-2 for the Agency to declare its intent to use proceeds of the Bonds to reimburse prior capital expenditures of the Borrower in connection with financing the Facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE AGENCY THAT:

Section 1. The Agency hereby expresses its intent to issue the Bonds in one or more series of tax-exempt qualified 501(c)(3) bonds or taxable bonds, in an aggregate principal amount not to exceed \$5,000,000 under and pursuant to the Act, and to loan the proceeds thereof to the Borrower, for the purpose of financing or refinancing, including through reimbursement, the Project, subject to the final approval of the terms and conditions thereof by the Agency.

Section 2. The officers, officials, the Executive Director and the attorney for the Agency, Nabors, Giblin & Nickerson, P.A., bond counsel ("Bond Counsel"), and Bryant Miller Olive P.A., special counsel to the Agency, are hereby authorized, jointly and severally, to cooperate with the Borrower in obtaining the required approval of the Bonds by the applicable elected representative by or on behalf of the Host Jurisdiction, after notice and a public hearing for the purposes of Section 147(f) of the Code. The Executive Director or his designee is hereby approved as the hearing officer for hearings held on behalf of the Agency, the Governor of the State, as an applicable elected representative of the State or any host jurisdiction.

Section 3. The Bonds shall be sold at negotiated sale to D. A. Davidson & Co., or such other purchaser or underwriter selected by the Borrower and approved by the Agency as purchaser or underwriter with respect to the Bonds (the "Underwriter"). There is hereby acknowledged at the appropriate time, if necessary, the distribution of a preliminary offering document to potential purchasers of the Bonds, upon approval of the information attributable to the Agency in the form thereof by the Chairman, the Executive Director or each of their designees. If the Borrower and the Underwriter desire to distribute a preliminary offering document prior to the adoption of a final bond resolution by the Agency, the Chairman, the Executive Director or each of their designees are hereby authorized and empowered, on behalf of the Agency, to authorize the inclusion of one or more additional co-managing underwriters in the preliminary offering document.

Section 4. The officers, officials, attorneys and agents of the Agency are hereby authorized and directed, jointly and severally, to take such actions as they may deem necessary or advisable to assist in the marketing, sale, issuance and administration of the Bonds and otherwise effectuate the purposes of this Resolution. All actions heretofore taken by the officers of the Agency

for such purposes are hereby confirmed and ratified.

Section 5. Nothing herein shall obligate the Agency to issue the Bonds if, at any time prior to the sale thereof by the Agency to the purchaser or underwriter thereof, the Agency shall determine that it is not in the public interest or the interest of the Agency to proceed with the issuance of the Bonds for any reason whatsoever, including, without limitation, the marketing plan for the sale of the Bonds to investors.

Section 6. It is the intention of the Agency to issue the Bonds pursuant to the Act to create a financing program to make loans to assist in financing or refinancing projects meeting the criteria set forth in the Act, which loans shall mature not later than the final maturity of the applicable series of the Bonds. The amounts to be held in any reserve fund, any loan fund, amounts to be received from the repayment of principal of and interest on the loans, the income to be derived from the investment thereof and any other available moneys under the financing program for the Project are expected to be sufficient to pay the debt service on the Bonds.

Section 7. The Executive Director of the Agency is hereby authorized to execute the Agency's letter or letters addressed to the Borrower in substantially the form attached to this Resolution as Exhibit A, which by this reference thereto, is incorporated herein, with such changes therein, whether made prior to the execution thereof or thereafter, as shall be approved from time to time by the Executive Director on behalf of the Agency.

Section 8. The Agency hereby authorizes Bond Counsel and the attorneys for the Agency to take all necessary action to validate the Bonds under Chapter 75, Florida Statutes, if such action shall be deemed necessary or appropriate by such counsel. The appropriate officials of the Agency are hereby authorized to provide such assistance, take such action, and execute and deliver on behalf of the Agency such documents or instruments as may be necessary or required in connection with any validation of the Bonds or satisfaction of any conditions therefor. Notwithstanding the foregoing, the Agency acknowledges that it has validated bonds for qualifying purposes, and a portion of such validated bonds may be allocated to the Bonds.

Section 9. This Resolution shall take effect immediately upon its adoption.

Adopted on September 30, 2021.

CAPITAL TRUST AGENCY

(SEAL)

By: _____
Its: Chairman

ATTEST:

By: _____
Its: Secretary

CERTIFICATE OF SECRETARY

I, Robert F. Cleveland, Secretary of the Capital Trust Agency, Santa Rosa County, Florida, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 19-21 and its supporting exhibit and schedule as the same was duly adopted and passed at a public meeting of the Board of Directors of the Capital Trust Agency on the 30th day of September, 2021, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this ____ day of September, 2021.

CAPITAL TRUST AGENCY

(SEAL)

By: _____
Its: Secretary

EXHIBIT A

FORM OF LETTER

[CTA Letterhead]

_____, 2021

Imagine - Manatee County, LLC
d/b/a Imagine Charter School at North Manatee
9275 49th Avenue East
Palmetto, Florida 34221

Re: Proposed (i) financing, including through reimbursement, all or a portion of the costs of acquiring, developing and equipping of the Facilities; (ii) funding a debt service reserve fund; and (iii) paying all or a portion of certain costs associated with the acquisition and certain costs of issuance of the Bonds (collectively, the "Project")

Ladies and Gentlemen:

Based upon recent discussions with representatives of Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee, a limited liability company of the State of Florida, whose sole member is Imagine Schools Non-Profit, Inc., a not for profit corporation of the State of Virginia, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and/or one or more related and/or affiliated entities (collectively, the "Borrower"), it is the understanding of the officials and representatives of the Capital Trust Agency (the "Agency"), that: (i) the Borrower is currently undertaking the acquisition, developing and equipping of the Facilities, as more fully described on Schedule I to Resolution No. 19-21 adopted by the Agency on September 30, 2021 (the "Inducement Resolution"), with a portion of the cost of the Facilities to be financed or refinanced, including through reimbursement, with revenue bonds of the Agency in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds"); (ii) the acquisition, developing and equipping of the Facilities by the Borrower will provide educational facilities within the meaning of the Act (as defined in the Inducement Resolution), advance the public purposes of the Act, improve education and provide or preserve employment in the community where the Facilities are located, and (iii) the willingness of the Agency to issue and sell the Bonds for the purpose of financing or refinancing, including through reimbursement, the Project are important factors under consideration by the Borrower in determining the extent of the feasibility of the Project.

The Agency has determined that the Agency's issuance of the Bonds to assist the Borrower by financing or refinancing, including through reimbursement, such Project will promote the public purposes for which the Agency was created, will enable the Borrower to serve a public purpose by providing a needed educational facility and increasing the bargaining power of the Borrower to obtain favorable financing for its educational programs, and will promote and advance the economic prosperity, education and the general welfare of the State of Florida (the "State") and its people. Neither this letter nor the Inducement Resolution constitutes final authorization to issue the Bonds. Final approval will be in the form of an authorizing resolution that must be approved upon receipt of the finalized plan of finance and substantially complete bond and offering documents acceptable to the Agency.

Accordingly, in order to induce the Borrower to incur expenses for the initiation of such Project and the financing or refinancing relating thereto, the Agency hereby makes the following proposal:

1. The Agency will, subject to the requirements of applicable law and financial feasibility, issue the Bonds in one or more series or installments, either taxable or tax-exempt, or both, totaling in the aggregate a principal amount not to exceed \$5,000,000 for the purpose of paying, financing or refinancing the cost of the Project. The Bonds will be secured by the source of security provided for in the financing documents for the Bonds, and will be issued in one or more series, either taxable or tax exempt, in such aggregate principal amount, mature at such times, bear interest at such rates and be subject to such other terms and have such security as shall be agreed upon between the Agency and the Borrower.

2. The Agency and the Borrower will enter one or more loan agreements (the "Agreement") which shall provide for the loan of the proceeds from the sale of the Bonds to the Borrower, for the acquisition, developing and equipping of the Facilities (including eligible reimbursement to the Borrower for costs of the Facilities incurred prior to the delivery of the Agreement) and repayment of such loan by the Borrower. The installment payments to be made by the Borrower in repayment of the loan pursuant to the Agreement shall be pledged to the payment of the principal of, interest on and redemption premium, if any, applicable to the Bonds and the fees and expenses of the trustee. The loan installments shall be fully sufficient to pay the cost of the Facilities, the cost and expenses of financing or refinancing the same and the fees and expenses of the Borrower, the trustee and the Agency related thereto.

3. The Agency will cooperate in the prompt preparation of the Agreement and the necessary resolutions for the authorization and sale of the Bonds and, to the extent the Bonds are not allocated to any series of Bonds already validated, will promptly proceed with validation of the Bonds in the appropriate Circuit Court, pursuant to the provisions of Chapter 75, Florida Statutes, if, in the opinion of bond counsel for the Agency or the Agency's attorneys, such validation proceedings are necessary or desirable.

4. Upon delivery of the Bonds, the provisions of this proposal and the agreement

resulting from its acceptance by the Borrower shall have no further effect, and in the event of any inconsistency between the terms of this proposal and the terms of the Agreement in the form in which it shall be finally approved by resolution of the Agency, the provisions of the Agreement as so approved shall control.

5. Upon acceptance by the Borrower, the Agency shall keep open and outstanding this commitment and inducement to the Borrower for a reasonable time so long as the Borrower shall be proceeding with appropriate efforts toward conclusion of any arrangements necessary to the financing or refinancing, including through reimbursement, of the Facilities; provided, however, if for any reason (other than that which shall be the fault of the Agency) the Bonds are not delivered to the purchaser or purchasers thereof by September 1, 2022, then the provisions of this proposal and the agreement resulting from its acceptance by the Borrower may be cancelled at any time thereafter, at the option of the Agency and without notice to the Borrower, by resolution of the Agency, duly adopted. In such event, or in the event of its earlier cancellation by agreement between the Borrower and the Agency, neither party shall have any rights against the other and no third party shall have any rights against either party except:

(a) the Borrower will pay to the Agency the amount of all expenses which shall have been incurred by the Agency in connection with the Project (expenses incurred related to travel to project sites and TEFRA hearings will be invoiced monthly for payment upon receipt);

(b) the Borrower will assume and be responsible for all contracts entered into by the Agency at the request of the Borrower in connection with the Project; and

(c) the Borrower will pay the out-of-pocket expenses of officials and representatives of the Agency and counsel for the Agency incurred in connection with the financing or refinancing of the Facilities and will pay counsel for the Agency, Nabors, Giblin & Nickerson, P.A., bond counsel, and Bryant Miller Olive P.A., special counsel to the Agency, a reasonable retainer and legal fees for legal services related to the issuance of the Bonds or the financing or refinancing of the Facilities, whether or not the financing or refinancing actually closes.

6. The Borrower shall have responsibility to arrange for the purchase of the Bonds by investors or an underwriter acceptable to the Agency and the payment of all costs of issuing the Bonds, and such Bonds shall only be offered and marketed in accordance with the applicable securities laws and such offering limitations as may be approved by the Agency.

7. The Agency shall not be obligated to pay any of the Bonds or the interest thereon from any funds of the Agency derived from any source other than the Agreement, and each Bond shall contain a statement to that effect upon its face. The Agency shall not be required to incur any expense with respect to the Facilities or the Bonds unless requested to do so by the Borrower, in which event the Borrower hereby agrees to reimburse the full amount of such expense to the Agency; and the Agency may require payment to it of such amount as a prerequisite to its

incurring any such expense. The Borrower, in accepting this proposal, hereby agrees to pay the annual fees of the Agency and agrees to indemnify and defend the Agency and its officials, employees, attorneys and agents and the members of the governing board of the Agency, and hold the Agency and its officials, employees, attorneys and agents and the members of the governing board of the Agency, harmless against any and all claims, losses, liabilities or damages to property or any injury or death of any person or persons occurring in connection with the acquisition, developing and equipping and the operation of the Facilities by or on behalf of the Borrower, or in any way growing out of or resulting from this proposal (upon its becoming an agreement if accepted) or from the issuance, sale or delivery of the Bonds, including, but not limited to, liabilities arising under the Code, the Securities Act of 1933, the Securities Exchange Act of 1934 or any applicable securities law of the State, including, without limitation, all costs and expenses of the Agency, including reasonable attorneys' fees, incurred in the enforcement of any agreement of the Borrower herein contained or in the Agreement. Any provision hereof to the contrary notwithstanding, the obligations of the Borrower under this section or Section 6 of the Inducement Resolution shall survive the termination of this agreement.

8. The Borrower shall comply with all requirements and pay all costs and expenses as may be required of the Borrower or the Agency pursuant to all applicable approvals by, or any interlocal agreements between, the Agency and any applicable public agencies having jurisdiction over the Facilities.

9. As a condition of any future submittal to the Agency for an authorizing resolution to issue the Bonds, substantially final documents must be delivered to the Agency 14 calendar days before a scheduled board meeting date. When applicable, the Agency will require a feasibility study, sources and uses of funds, historical financial statements, if any, and pro forma statements in addition to the indenture, loan or financing agreement and preliminary offering document in substantially completed forms.

If this proposal shall be satisfactory to the Borrower, please have the acceptance statement which follows this proposal executed by the proper officers of the Borrower on behalf of itself duly authorized and provide an executed copy to the Agency, whereupon this proposal will constitute an agreement in principle with respect to the matters herein contained.

Yours very truly,

CAPITAL TRUST AGENCY

(SEAL)

By: _____
Denis A. McKinnon, III
Executive Director

[Acceptance by Borrower Follows]

Acceptance by Borrower

The terms and conditions contained in the foregoing proposal by the governing board of the Agency are hereby accepted as obligations of the Borrower, as of this ____ day of _____, 2021.

IMAGINE - MANATEE COUNTY, LLC D/B/A
IMAGINE CHARTER SCHOOL AT NORTH
MANATEE

By: _____
Name: _____
Title: _____

SCHEDULE I

DESCRIPTION OF THE FACILITIES

The Facilities consist of an approximately 20,000 square foot gym/multipurpose building and eight classrooms with associated offices and restroom along with common area atrium space and an outdoor sports complex including the installation of an artificial turf football/soccer field, all as an addition to an existing charter school facility known as Imagine Charter School at North Manatee, located at 9275 49th Avenue East, Palmetto, Florida 34221, including related facilities, fixtures, furnishings and equipment.

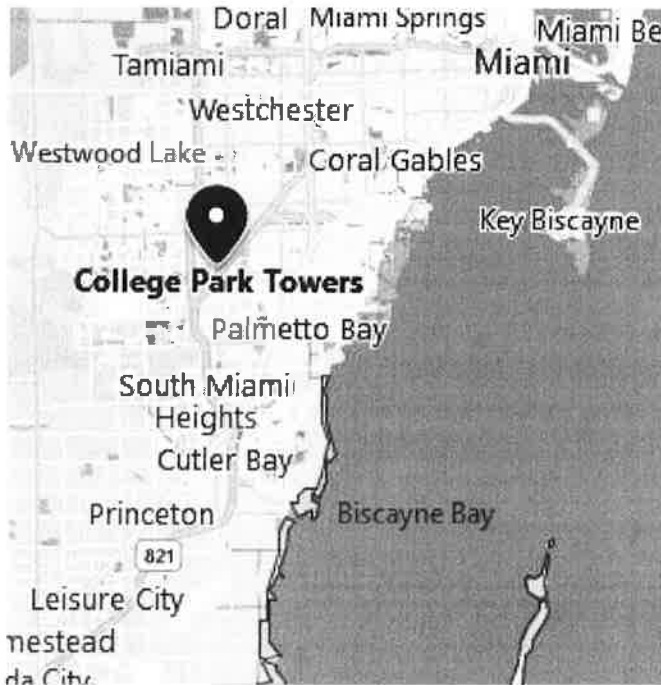
TO: Capital Trust Agency Board of Directors
FROM: Denis McKinnon, III
RE: College Park Towers Apartments LP – Award Resolution 20-21
DATE: September 30, 2021

Introduction

College Park Towers Apartments LP. (“College Park” or the “Borrower”) has submitted an application to the Capital Trust Agency (the “Agency”) for the issuance of not to exceed \$44,000,000 of tax-exempt bonds to finance the land acquisition, construction, and equipping of an affordable housing facility in Miami Beach, FL.

Description of the Applicant

College Park is a 501(c)(3) not for profit corporation organized to manage, construct, and operate affordable housing for senior citizens across the United States.



Description of the Project

The issuance of not more than \$44,000,000 in bonds for College Park will be used to finance the acquisition of an affordable housing facilities dedicated to senior citizens in Miami-Dade County, FL.

Summary of Proposed Financing

The Applicant requests the issuance of not to exceed \$44,000,000 in fixed rate, tax-exempt bonds, to be underwritten by The Sturges Company (the “Underwriter”). Proceeds of the Bonds will be used to finance the acquisition and equipping of the facilities, fund capitalized interest reserves, and pay costs of issuance of the Bonds.

Proceeds of the bonds will be used to finance improvements to the facilities and to each apartment. The facility has open air hallways that will be closed and air conditioned after renovation. Additionally, all new stainless-steel appliances, LTV flooring, kitchens with quartz countertops, and other improvements will be made.

The bonds will be cash collateralized and redeemed after 2 years. Moody’s will provide its highest rating on the deal. An FHA loan will be used to pay off the bonds at the end of 2 years.

In this issuance, the bonds will be issued on a short-term basis with the expectation that they will be redeemed within 3 years. CTA staff believes that the short-term nature of the bonds reduces the risk typically associated with having bonds outstanding for 30-35 years. Additionally, the total sources of uses will include 4% Low Income Housing Tax Credits.

A Sources and Uses is below.

College Park Towers
Construction Period Sources & Uses

		<u>TOTAL</u>
Sources of Funds		
LIHTC Equity, Federal		\$22,887,729
Tax Exempt Bond Proceeds Series A - 223(F)		35,000,000
Equity Bridge Loan - Series B Bonds		6,500,000
223(F) Loan Proceeds		46,000,000
Interest Earned		0
Deferred Developer Fee		9,067,750
Total Sources of Funds		<u>\$ 119,455,479</u>
Uses of Funds		
Acquisition Costs		\$ 46,100,000
Construction Costs		
Direct Costs	7,513,000	
General Conditions	450,780	
General Contractor Fee	0	
Construction Overhead	300,520	
Contingency	<u>751,300</u>	
Total Construction Costs		9,015,600
Architectural & Engineering		600,000
Other Soft Costs		465,000
Construction Financing Costs		3,243,400
Bond Issuance Costs		578,450
FHA Loan Origination Costs		510,000
Soft Second Financing Costs		585,000
Bridge Loan Financing Costs		0
LIHTC Costs		294,248
Leaseup & Third Party Costs		1,838,822
Taxes, Title Insurance, FF&E		235,000
Developer Fee		10,847,794
Reserves & Soft Cost Contingency		2,048,486
Series A & B Tax-Exempt Bond Repayment		41,500,000
Total Uses of Funds		<u>\$ 117,861,779</u>
Total Bridge Loan Required During Construction		\$ -

It is anticipated that the Bonds will be rated investment grade rated. As such, the Bonds will be sold in \$5,000 denominations and any integral multiple of \$5,000 in excess thereof. This comports with CTA policy regarding bonds receiving investment grade rating.

Questions from Inducement

The CTA Board requested further clarification to the structure of the Borrowing entity, College Park Apartments, LP. Further detail answering this question will be provided during the Thursday board meeting.

Recommendation

It is the recommendation of CTA staff that the Board adopt Resolution 20-21, approving the issuance of not to exceed \$44,000,000 on behalf of the Borrower. We look forward to seeing you at our meeting on 9/30.

Attachments

CTA Checklist
Sources & Uses
Resolution 20-21

Key Data

Project Type:
Affordable Senior Housing

Rating:
Short Term Investment Grade

Source of Repayment:
Rental Revenue

Credit Enhancement:
Cash Collateralized

Debt Authorization:
Up to \$44,000,000

Sale Type:
Negotiated Sale to the Underwriter

Compliance Issue Highlights

- **Public purpose:** Financing the acquisition, renovation, installation, and equipping of an approximately 210-unit multi-family rental housing facility for persons of low income in Miami-Dade County, FL
- **Legal authorization:** CTA will rely on the bond counsel opinion stating the bonds meet the requirements that will qualify this transaction for tax-exempt financing. At this time, bond counsel feels no need for further bond validation. All necessary TEFRA notices and approvals will have been obtained prior to closing.
- **Project's expected success:** The project is located in a prime location in Miami. HUD inspectors have consistently awarded the property with a score well above the average. CTA staff visited the site and found the facilities to be in good repair. Management was professional and proud of the community's successes. The project has a positive cash flow from operations.
- **OS preparation responsibilities:** Squire Patton Boggs will be preparing the Offering Statement and other transactional documents, is known to CTA, and has a successful history working with the agency. We have worked previously with these firms and deem them to be qualified and having adequate bond law experience to prepare the offering document. Squire Patton Boggs has a positive history in properly representing the participants in publicly traded transactions. Bryant Miller Olive has been hired to serve as Issuer's Review Counsel to represent CTA and review documents. All parties involved have been reviewing and commenting on the documents during the drafting process. The Sturges Company is serving as Underwriter.
- **Offering Statement:** The information for the OS has been and is continually reviewed by staff, consultants and counsels and appears to be reasonable and conservative. The bonds are being sold to Greenwich Investment management, a sophisticated buyer. The bonds will be issued in minimum denominations of \$5,000 and integral multiples of \$5,000 in excess thereof; conforming to CTA's policy regarding investment grade rated debt.
- **Material events:** There have been no material changes to the transaction as it was presented at the time of inducement.
- **Outside professional selection, reliability and compensation:** The underwriter, borrower, consultants and their respective legal counsels are all reputable parties that have established and known practices in their field. Each of the professionals engaged in the financing are persons or entities having no known reasons to question their ethical standards. We believe them to be capable in their roles and reputable parties to properly structure this debt issuance. Compensation is within acceptable ranges for a financing of this type in the judgment of the Executive Director based on comparisons to other recent and similar project financings.

- **Conflicts of interest:** There are not currently, nor are there expected to be, any conflicts of interest in this transaction. Should this change, the relationships will be fully disclosed and steps will be taken to ensure such relationships are acceptable with the proposed financing. The transaction related to this financing will all be done fairly and without imbedded costs outside of what is required.
- **Continuing disclosure duty assumptions:** The Borrower will enter into a Disclosure Dissemination Agreement with Digital Assurance Certification, LLC as the Dissemination Agent prior to closing. The Borrower is obligated to send, or cause to be sent, all continuing disclosures. CTA has no obligation to provide any updated information related to itself or the Project pursuant to the Disclosure Agreement or otherwise.

College Park Towers

Summary Sources & Uses

	TOTAL
Sources of Funds	
LIHTC Equity, Federal	\$ 28,804,089
223(F) Loan	46,000,000
Tax Exempt Bond Proceeds Series A - 223(F)	35,000,000
Equity Bridge Loan - Series B Bonds	6,500,000
Interest Earned	0
Deferred Developer Fee	1,557,690
Total Sources of Funds	\$ 117,861,779
Uses of Funds	
Acquisition Costs	\$ 46,100,000
Construction Costs	
Direct Costs	7,513,000
General Conditions	450,780
General Contractor Fee	0
Construction Overhead	300,520
Contingency	751,300
Total Construction Costs	<u>9,015,600</u>
Architectural & Engineering	600,000
Other Soft Costs	465,000
Construction Financing Costs	3,243,400
Bond Issuance Costs	578,450
FHA Loan Origination Costs	510,000
Soft Second Financing Costs	585,000
Bridge Loan Financing Costs	0
LIHTC Costs	294,248
Leaseup & Third Party Costs	1,838,822
Taxes, Title Insurance, FF&E	235,000
Developer Fee	10,847,794
Reserves & Soft Cost Contingency	2,048,466
Series A & B Tax-Exempt Bond Repayment	41,500,000
Total Uses of Funds	\$ 117,861,779
Total Bridge Loan Required During Construction	\$ -

**College Park Towers
Annual Cash Flow Proforma**

PROPERTY CASH FLOWS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Income															
Gross Potential Rent	4,460,400	4,549,608	4,640,600	4,733,412	4,828,080	4,924,642	5,023,135	5,123,598	5,226,070	5,330,591	5,437,203	5,545,947	5,656,866	5,770,003	5,885,403
Other Income	161,604	164,836	168,133	171,495	174,925	178,424	181,992	185,632	189,345	193,132	196,994	200,934	204,953	209,052	213,233
Gross Income	4,622,004	4,714,444	4,808,733	4,904,908	5,003,006	5,103,066	5,205,127	5,309,230	5,415,414	5,523,723	5,634,197	5,746,881	5,861,819	5,979,055	6,098,636
Less: Vacancy	(231,100)	(235,722)	(240,437)	(245,245)	(250,150)	(255,153)	(260,256)	(265,461)	(270,771)	(276,186)	(281,710)	(287,344)	(293,091)	(298,953)	(304,932)
Less: Collection Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	4,390,904	4,478,722	4,568,296	4,659,662	4,752,855	4,847,913	4,944,871	5,043,768	5,144,644	5,247,537	5,352,487	5,459,537	5,568,728	5,680,102	5,793,704
Expenses															
Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	154,938	159,586	164,374	169,305	174,384	179,616	185,004	190,554	196,271	202,159	208,224	214,470	220,905	227,532	234,358
General & Administrative	90,300	93,009	95,799	98,673	101,633	104,682	107,823	111,058	114,389	117,821	121,356	124,996	128,746	132,609	136,587
Management Fee	219,545	226,132	232,915	239,903	247,100	254,513	262,148	270,013	278,113	286,457	295,050	303,902	313,019	322,410	332,082
Payroll & Taxes	250,774	258,297	266,046	274,027	282,248	290,715	299,437	308,420	317,672	327,203	337,019	347,129	357,543	368,269	379,318
Utilities	80,010	82,410	84,883	87,429	90,052	92,754	95,536	98,402	101,354	104,395	107,527	110,753	114,075	117,497	121,022
Repairs & Maintenance	210,000	216,300	222,789	229,473	236,357	243,448	250,751	258,274	266,022	274,002	282,222	290,689	299,410	308,392	317,644
General Misc	105,000	108,150	111,395	114,736	118,178	121,724	125,375	129,137	133,011	137,001	141,111	145,345	149,705	154,196	158,822
Total Expenses	1,110,567	1,143,984	1,178,200	1,213,546	1,249,953	1,287,451	1,326,075	1,365,857	1,406,833	1,449,038	1,492,509	1,537,284	1,583,403	1,630,905	1,679,832
Net Operating Income	3,280,337	3,334,838	3,390,096	3,446,116	3,502,903	3,560,461	3,618,796	3,677,911	3,737,811	3,798,499	3,859,978	3,922,253	3,985,325	4,049,197	4,113,872
Reserves for Replacement	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)
Cash Avail for Debt Service	3,175,337	3,229,838	3,285,096	3,341,116	3,397,903	3,455,461	3,513,796	3,572,911	3,632,811	3,693,499	3,754,978	3,817,253	3,880,325	3,944,197	4,008,872
1st Mortgage Debt Svc Cov	1.39	1.42	1.44	1.46	1.49	1.51	1.54	1.57	1.59	1.62	1.65	1.67	1.70	1.73	1.76
Total Debt Svc Cov	1.39	1.42	1.44	1.46	1.49	1.51	1.54	1.57	1.59	1.62	1.65	1.67	1.70	1.73	1.76
1st Mortgage Debt Service	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)	(2,281,364)
2nd Mortgage Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

College Park Towers

Direct Construction Cost Detail

	<u>Budget</u>	<u>Subtotals</u>
1000 GENERAL CONDITIONS		\$ 450,780
Exterior and Building System Improvements		\$ 1,709,000
Modernize Exteriro Façade with new color scheme and finishes	\$ 450,000	
New EPDM Roofing System	\$ 400,000	
New Main Enxtrance with an automated Double Door Entry system	\$ 55,000	
Replacement of all windows and exterior doors (Energy rated)	\$ 357,000	
Install new Alartm System (Upgraded to Code)	\$ 120,000	
Install new Surveaillance Camera Systemw Key fob system	\$ 45,000	
repace Nurse Call System with wireless Pendant System	\$ 40,000	
New modernized H/C Common Area bathrooms	\$ 42,000	
Upgraded & Modernized Laundry Facilities	\$ 50,000	
Upgraded Landscaping, Walkways, seating areas	\$ 100,000	
New Site Lighting	\$ 50,000	
MECHANICAL UPGRADES		\$ 1,458,000
Replace all HVAC w Energy Efficient Systems	\$ 924,000	
Replaced all Hot Water Heaters	\$ 294,000	
install New Building Fresh Air System	\$ 240,000	
	\$ -	
	\$ -	
MASONRY		\$ -
INTERIOR IMPROVEMENTS		\$ 1,221,000
Repaint all Common Areas	\$ 200,000	
New LVT Flooring in Common Areas/Hallways	\$ 225,000	
New LED Fixtures Throughout	\$ 126,000	
Reconfigure First Floor Entry to Grand Entrance, Open to New Onsite Offices. Create Tenant Amenities (Game Room, Fitness Room ,Office Center), and New Community Room with TV Lounge	\$ 500,000	
Remove and Replace Existing Hallway Handraislw ith New Wood Handrails FF&E	\$ 120,000	
	\$ 50,000	
	\$ -	
	\$ -	
APARTMENT INTERIORS		\$ 2,625,000
New Kitchens with Quartz Countertops	\$ 1,050,000	
Stainless Steel Appliances	\$ 315,000	

College Park Towers

Direct Construction Cost Detail

	<u>Budget</u>	<u>Subtotals</u>
Add Built-In Microwaves	\$ 252,000	
New LVT Flooring in Kitchen and Living Area	\$ 378,000	
New Bathroom Finishes (sink, vanity, toilet, medicine cabinet w mirror, towel bar, toile paper dispenser, grab bars, curtain rod, shower faucet, showerhead)	\$ 420,000	
New Lighting Fixtures in Units	\$ 210,000	
New Blinds	\$ 42,000	
Convert 11 Units (5%) to HC Accessible and 2 units to HVI Units	\$ 495,000	
MISCELLANEOUS		<u>\$ 500,000</u>
Subtotal, less General Conditions		\$ 7,513,000
General Conditions	6.00%	\$ 450,780
Overhead	4.00%	\$ 300,520
Profit (GC Fee)	0.00%	<u>\$ -</u>
Total, less Contingency		\$ 8,264,300
Contingency		\$ 751,300
TOTAL CONSTRUCTION COSTS		<u><u>\$ 9,015,600</u></u>
	Per Unit	42,931
	Per Rentable SF	61.33

**\$41,500,000 Capital Trust Agency Multifamily Housing Revenue
Bonds (College Park Towers Project), Series 2021 Executive
Summary of Project & Proposed Bond Issue**

Sponsor: **Capital Realty Group. (“CRG”)** of Spring Valley, NY is the developer. CRG is a leading real estate company focused on preservation, redevelopment and management of affordable housing communities across the United States, currently managing over 15,000 units in over 25 States. Affiliates of the Sponsor will serve as General Contractor and Property Manager.

Project:

Project Name:	College Park Towers
Address:	10700 SW 109 th Court
City/State:	Miami, FL
ZIP Code:	33176
County:	Miami Dade
Legal Description:	Little Sunshine Acres PB 108-93 Tract B
Tax Parcel #:	Pin: 2601510022
Sq. ft of Lot:	271,344 sq ft

This project consists of a four-story elevator-served apartment building located at 10700 SW 109th Court, Kendall FL. Project is located off Killian Parkway and is adjacent to the Miami Dade College Kendall 185-acre Campus.

This Section 8 senior property was originally built in 1979 and is a masonry and brick four story building, exteriors are finished with stucco, roof is lay flat rubber over concrete decking. The building contains two hundred and ten (210) one-bedroom units. The building has front and side entries from street level parking accessing the central lobby. The ground floor houses the on-site management offices and community rooms, laundry facilities and mail. The apartments have a kitchen, living/dining room, bedroom and one full bathroom. Each unit is conditioned by electric forced air HVAC

central AC, Hot water is provided by individual in-unit electric water heaters, and separate electric panels for each unit.

To qualify for a property tax exemption allowed for in Florida statute the transaction's general partner will be an affiliate of the nonprofit House of David Preservation Inc. An affiliate of Capital Realty Group will be a Special Limited Partner and retain control rights in the ownership entity. Another affiliate of Capital Realty Group be the developer.

The proposed scope of work will modernize the property and ensure long-term physical viability of the asset. Work proposed includes renovations of the interior and exterior common areas to expand, integrate, and modernize the lobby, community room, activity areas, and offices for better utilization and functionality. Common areas will be upgraded for ADA compliance. Exterior areas and walkways will be evaluated and updated as needed to ensure ADA compliance. Landscaping improvements are proposed including redesign of the fountain area. Building envelope work will include new paint, replacement of all windows, and a new roof.

All the units will feature a full update including all new kitchen and bathroom cabinets and countertops, new Energy Star appliances, lighting package. New interior finishes will include new LVT Flooring and Base, Paint, Lighting and electrical fixture devices/covers. All HVAC units and water heaters will be replaced.

Structure: CRG has applied for a FHA 223(f) Insured Mortgage Loan of approximately \$46,000,000 that is expected to be issued by the end of October. The property will be sold to a new limited partnership in which College Park Towers HOD, LLC an affiliate of the nonprofit House of David Preservation Inc., will be the General Partner. An affiliate of Capital Realty Group will be a Special Limited Partner and retain control rights in the ownership entity. It is anticipated that

Private Activity Tax-Exempt Bonds will be secured such that the 4% Low Income Housing Tax Credits (“LIHTC”) will be received. With the LIHTCs, the limited partnership is expected to raise additional capital for the project. College Park Towers HOD, LLC has secured equity commitments from Wells Fargo in the approximate amount of \$29,066,958 for the 99.98% limited partnership equity.

The Tax-Exempt Bonds (“TEB”) must remain outstanding until the property is “placed-in-service” under current IRS rules. In addition, those TEBs must finance at least 50% of the Aggregate Basis of the Land & Buildings. CRG has engaged The Sturges Company to underwrite the Aaa rated TEBs under a structure they helped create over 10 years ago and have closed over 90 such issues since the program’s inception. The FHA loan/GNMA Security will be placed in the taxable mortgage market at interest rates approximately 50 basis points below the corresponding TEB rates for long-term securities collateralized by a FHA loan/GNMA security. The TEBs will be issued with a 31-month maturity date, a mandatory tender in the 19th month and at all times will be collateralized by US Treasury Bonds that mature on the Mandatory Tender Date.

The structure of the Series A TEB is as follows: The FHA Mortgage Lender sells their conventional GNMA Security to a third party investor (rather than delivering the GNMA Security to the Bond Trustee as we used to do until about 10 years ago), and then deliver the proceeds from the sale of the GNMA Security (rather than the actual GNMA Security) to the Bond Trustee. The Bond Trustee can then use those funds to cash collateralize a short-term tax-exempt Series A bond issue by depositing those proceeds in an escrow fund that gets invested in accordance with the provisions of the Bond Documents. The proceeds of the Series A Bonds would be used to finance the costs of the Project, and at the Mandatory Tender Date (or if remarketed a later date prior to the Maturity Date), the Bond Trustee would use the escrowed cash collateral to retire the Series A

Bonds, which in our case will be 31 months or less from the issue date.

The TEB issuance will total \$41,500,000 consisting of a publicly marketed Series A of \$35,000,000 and a Series B equity bridge TEB of \$6,500,000 sold directly to an affiliate of Capital Realty Group.

The A piece, cash collateralized by the 223(f) loan, will carry an interest rate estimated at 2.25%. The interest rate will be locked once HUD issues the firm commitment.

The B piece to be purchased by CRG will carry an interest rate of 6% and will be a construction-period loan only, repaid from equity upon construction completion.

RESOLUTION NO. 20-21

A RESOLUTION OF THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY AWARDDING SALE OF NOT TO EXCEED \$44,000,000 CAPITAL TRUST AGENCY HOUSING REVENUE BONDS (COLLEGE PARK TOWERS APARTMENTS PROJECT), IN ONE OR MORE SERIES OF TAX-EXEMPT OR TAXABLE BONDS, FOR THE PURPOSE OF FINANCING A LOAN PROGRAM TO FINANCE OR REFINANCE ALL OR A PORTION OF THE COSTS OF THE ACQUISITION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF THE HEREIN DESCRIBED PROJECT; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE, A LOAN AGREEMENT AND A BOND FINANCING AGREEMENT FOR SUCH BONDS; ACKNOWLEDGING THE USE OF OFFERING MATERIALS IN CONNECTION WITH MARKETING SUCH BONDS AND OTHER ACTIONS IN CONNECTION WITH DELIVERY OF SUCH BONDS; PROVIDING CERTAIN OTHER DETAILS IN CONNECTION WITH THE BONDS; PROVIDING FOR A SEVERABILITY CLAUSE AND A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Capital Trust Agency (the "Issuer") is a legal entity and public agency of the State of Florida (the "State"), organized and existing under the provisions of Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes, as amended; Ordinance No. 05-97 duly enacted by the City Council of the City of Gulf Breeze, Florida (the "City"), on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11 duly enacted on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance No. 2-00, duly enacted by the Town Council of the Town of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11 duly enacted on May 7, 2001 and October 3, 2011, respectively, and an Interlocal Agreement, dated as of August 2, 1999, between the City and the Town, as amended and supplemented, particularly as amended and supplemented by Amendment No. 137 to the Interlocal Agreement, dated as of June 7, 2021, with powers as a "local agency" under Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and is empowered pursuant to the Act to sell and deliver its revenue bonds for the purpose of financing or refinancing, including through reimbursement, and advancing the general welfare of the State and its people by providing for, affordable housing for seniors of low or moderate income, as defined by the Act; and

WHEREAS, pursuant to the Act, the Issuer may issue its revenue bonds for the purpose of developing and maintaining the public welfare and relieving the burdens of government, by financing capital facilities for for-profit and non-profit organizations and for participating public agencies within and without the State, including the Issuer; and

WHEREAS, the Issuer has been requested by College Park Towers Apartments, LP, a Florida limited partnership (the "Borrower"), whose principal place of business is 10700 SW 109th

Court, Miami, Florida 33176, to issue its revenue bonds to finance the Project (as hereinafter defined) on behalf of the Borrower and fund the loan program herein described (collectively, the "Plan of Finance") for the purpose, among other things, of financing or refinancing, including through reimbursement, the acquisition, rehabilitation, improving and equipping of the Project hereinafter described; and

WHEREAS, pursuant to the Act and the Plan of Finance, the Issuer did on April 29, 2021, duly adopt Resolution No. 08-21 (the "Inducement Resolution") expressing its intent to issue its not to exceed \$44,000,000 revenue bonds (the "Series A Bonds" or "Series B Bonds," as applicable) in one or more tax-exempt or taxable series (collectively, the "Bonds") to authorize a loan program (the "Program") to loan the proceeds thereof to the Borrower for the primary purpose of financing or refinancing, including through reimbursement, (i) the acquisition, rehabilitation, improving and equipping of an affordable rental housing project for low and moderate income seniors referred to as College Park Towers, located on an approximately 271,344 square foot site at 10700 SW 109th Court, Miami, Miami-Dade County, Florida 33176 including the land, four-story apartment buildings housing approximately 210 units, that are elevator served, with street-level parking that accesses a centrally located lobby, an on-site management office, community rooms, laundry facilities and mail facilities, including related facilities, fixtures, furnishings and equipment, in order to provide a residential rental facility for low and moderate income seniors (collectively, the "Project"); (ii) the funding of capitalized interest on the Bonds, to the extent necessary or desirable; (iii) the funding of one or more reserve funds for the Bonds; and (iv) the payment of certain costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, pursuant to Section 147(f) of the Code, a telephonic public hearing was scheduled and held on behalf of the county in which the Project is located (the "County") on May 27, 2021, and elected representative approval was received from the Governor of the State, as an applicable elected representative of the State on July 1, 2021 (the "Host Jurisdiction"), no later than the execution and delivery of the Bonds (the "Host Jurisdiction TEFRA Approval"); and

WHEREAS, pursuant to Section 147(f) of the Code, a public hearing was scheduled and held on behalf of the Issuer on June 7, 2021, in the City Council Chambers located at 1070 Shoreline Drive, Gulf Breeze, Florida 32561, and the elected representative approval was received on June 7, 2021; and

WHEREAS, by Resolution No. 18-2021, duly adopted by the City Council of the City on June 7, 2021, Resolution No. 04-2021 duly adopted by the Town Council of the Town on June 7, 2021, the Inducement Resolution, this Resolution and receipt of the Host Jurisdiction TEFRA Approval, approvals will have been duly and validly provided for pursuant to the Act to issue revenue bonds for the purpose of providing funds to finance or refinance all or any part of the cost of the Project, and the Issuer now desires to issue, sell and deliver the Bonds in an aggregate principal amount of not to exceed \$44,000,000; and

WHEREAS, the Series A Bonds are being issued pursuant to a Trust Indenture more particularly described herein (the "Indenture") between the Issuer and The Huntington National

Bank (the "Trustee") and the Series B Bonds are being issued pursuant to a Bond Financing Agreement more particularly described herein (the "Bond Financing Agreement") among the Issuer, the Borrower and CRG Capital LLC (the "Series B Bondholder"); and

WHEREAS, the Issuer has determined that issuing its Bonds for the purposes of financing or refinancing the Project serves a public purpose and is in the best interest of the citizens and residents of the County, the Host Jurisdiction and the people of the State, to implement the Program through the financing or refinancing of the Project, and to loan the proceeds of the Series A Bonds to the Borrower pursuant to the hereafter described Loan Agreement (the "Loan Agreement") and to loan the proceeds of the Series B Bonds to the Borrower pursuant to the Bond Financing Agreement; and

WHEREAS, the Issuer hereby finds that the timing, size and complexity of the financing and the present volatility of the municipal bond market require that the terms of each series of the Bonds being hereby sold be negotiated at private sale to a purchaser selected by the Borrower and approved by the Issuer rather than offered by competitive bid at public sale in order to assure the most favorable terms in the bond market and, therefore, has determined to sell such Bonds at private, negotiated sale; and

WHEREAS, the Issuer desires to acknowledge the use and distribution of a Preliminary Official Statement (the "Preliminary Official Statement") and a Official Statement (the "Official Statement") in connection with the marketing of the Series A Bonds and to authorize the taking of all other necessary action in connection with the issuance and delivery of the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE CAPITAL TRUST AGENCY:

Section 1. Issuance of Bonds.

The Bonds shall be issued in one or more series designated "Housing Revenue Bonds (College Park Towers Apartments Project)," with such priority among series and additional descriptive titles as may be set forth in the Indenture, the aggregate principal amount of all of the Bonds being not to exceed \$44,000,000. The proceeds of the Series A Bonds shall be used to fund the financing or refinancing, including through reimbursement, of a portion of the Project by making a loan to the Borrower, in the manner described in the Indenture and the Loan Agreement. The proceeds of the Series B Bonds shall be used to fund the financing or refinancing, including through reimbursement, of a portion of the Project by making a loan to the Borrower, in the manner described in the Bond Financing Agreement.

Section 2. Award of Bonds; Bond Purchase Agreement.

The matters set forth in the penultimate preamble hereof, require that the Bonds be a negotiated sale to the purchasers selected by the Borrower and approved by the Issuer rather than offered by competitive bid at public sale, in order to assure the necessary flexibility to obtain the most favorable terms in the bond market. The Issuer finds that a competitive sale of the Bonds would in all likelihood not result in better terms or interest rates than the negotiated sale of the Bonds. The sale of the Series A Bonds to and by The Sturges Company (the "Underwriter") and the sale of the Series B Bonds to the Series B Bondholder is hereby authorized pursuant to Section 218.385, Florida Statutes, as amended. Further, the Chairman, the Executive Director or each of their designees are hereby authorized and empowered, on behalf of the Issuer, to authorize the inclusion of one or more additional co-managing underwriters in the marketing and sale of the Series A Bonds.

The interest rates on the Series A Bonds and the Series B Bonds shall be established as provided in the Indenture and the Bond Financing Agreement, respectively, but in any event shall not exceed 12% (except upon the occurrence and continuance of an event of default thereunder, as applicable) and in no event shall the interest rates on the Bonds exceed the maximum rates permitted by law. The Bonds shall be sold for a price not less than 95% of the principal amount thereof, plus accrued interest, if any, with the exact price to be set forth in the final bond purchase agreement and the Bond Financing Agreement, as applicable. The forms of Negotiated Sale Disclosure Statement attached hereto as Exhibit A-1 and Exhibit A-2, which, by this reference thereto, are incorporated herein, are hereby accepted and placed on record in the minutes of the Issuer.

The Chairman, Vice-Chairman or Executive Director of the Issuer is hereby authorized to enter into such bond purchase agreement for the sale of the Series A Bonds and the Bond Financing Agreement for the sale of the Series B Bonds as the Borrower may recommend and the Executive Director of the Issuer may approve, with such provisions or modifications not inconsistent with this Resolution as may be approved by the officer executing the same, such approval to be presumed by his execution thereof.

Section 3. Description of Bonds.

The Series A Bonds shall be issued in fully registered form, shall be dated, shall mature on the date or dates, and shall bear interest in the manner as shall be set forth in the Indenture. The Series B Bonds shall be issued in fully registered form, shall be dated, shall mature on the date or dates, and shall bear interest in the manner as shall be set forth in the Bond Financing Agreement.

Section 4. Redemption Provisions.

The Series A Bonds and the Series B Bonds shall be subject to redemption prior to maturity

upon the terms and in the manner as shall be set forth in the Indenture and the Bond Financing Agreement, respectively.

Section 5. Approval of Documents.

The Indenture in substantially the form attached hereto as Exhibit B, which, by this reference thereto, is incorporated herein, the other documents referred to therein, the Loan Agreement in substantially the form attached hereto as Exhibit C, which, by this reference thereto, is incorporated herein, the Bond Financing Agreement in substantially the form attached hereto as Exhibit D, which, by this reference thereto, is incorporated herein, a tax certificate, and other documents necessary or desirable to implement the financing or refinancing of the Project (collectively, the "Bond Documents"), are hereby approved and shall be executed by the Chairman, Vice-Chairman, or Executive Director of the Issuer, with such provisions or modifications not inconsistent with this Resolution as may be approved by the officers executing the same, such approval to be presumed by their execution thereof.

Section 6. Preliminary and Final Official Statement.

The use and distribution by the Underwriter of a Preliminary Official Statement substantially in the form attached hereto as Exhibit E, which, by this reference thereto, is incorporated herein, in connection with the offering and sale of the Series A Bonds is hereby acknowledged. The sections of the Preliminary Official Statement relating to the Issuer shall be subject to such changes, modifications, insertions or omissions as may be approved by the authorized officers of the Issuer including incorporation of the provisions recommended by legal counsel to the Issuer to comply with applicable securities laws, and the sections of the Preliminary Official Statement relating to the Issuer are hereby approved and adopted by the Issuer. The Issuer is acting solely as a conduit issuer of the Bonds. The Issuer is authorized to deem the information contained in the Preliminary Official Statement under the headings "THE ISSUER" and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" and "ABSENCE OF LITIGATION," as approved by this Resolution, "final" as of the date hereof, solely for the purposes and within the meaning of paragraph (b)(1) of Rule 15c2-12 of the United States Securities and Exchange Commission in effect from time to time, and any successor provisions to such rule. The final Official Statement shall be substantially in the form of the attached Preliminary Official Statement, with such changes, modifications, insertions and omissions as may be determined by the Underwriter and the Borrower. The use and distribution by the Underwriter of the final Official Statement in connection with the offering and sale of the Series A Bonds is hereby acknowledged.

In adopting this Resolution, the Issuer hereby disclaims any responsibility for the Official Statement except for the information described as having been provided by the Issuer and expressly disclaims any responsibility for any other information included as part of the Official Statement.

Section 7. Designation of Professional Advisors.

The Issuer hereby designates and approves Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Michael J. Stebbins, P.L., Pensacola, Florida, as Issuer's Counsel; Bryant Miller Olive P.A., Tampa, Florida, as Special Counsel and such other professional advisors as the Chairman, Vice-Chairman or Executive Director may designate.

Section 8. Designation of Trustee, Paying Agent and Registrar.

The Huntington National Bank, is hereby designated and approved as Trustee, Paying Agent and Registrar for the Series A Bonds.

Section 9. Authorization of all Other Necessary Action.

(a) The Chairman, Vice-Chairman, Secretary, Assistant Secretary, Executive Director, Issuer's Counsel, Bond Counsel and Special Counsel are each designated agents of the Issuer in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, investments or contracts on behalf of the Issuer which are necessary or desirable in connection with the sale, execution and delivery of the Bonds and the Bond Documents, including, but not limited to a land use restriction agreement, which are not inconsistent with the terms and provisions of this Resolution and other actions relating to the Bonds and the Bond Documents heretofore taken by the Issuer.

(b) In addition, subsequent to the issuance of the Bonds, the Chairman, Vice-Chairman, Secretary, Executive Director, Issuer's Counsel, Bond Counsel and Special Counsel for the Issuer are each designated agents of the Issuer in connection with refunding or refinancing of the Bonds, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, investments or contracts on behalf of the Issuer which are necessary or desirable in connection with the refunding or refinancing of the Bonds which comply with the terms of the Bond Documents. Notwithstanding the foregoing, the authority granted in this Section 9(b) shall not be construed as authority for the issuance of new debt by the Issuer to be applied to the refunding or refinancing of the Bonds.

Section 10. Public Purpose Determinations.

Based solely upon information provided by the Borrower, the Issuer, as a "local agency" pursuant to Chapter 159, Part II, Florida Statutes, hereby makes the following determinations:

(i) the Project is appropriate to the needs and circumstances of, and makes a significant contribution to the economic growth of the County and the State, provides or preserves gainful employment, promotes commerce within the State of Florida, serves a public purpose by providing affordable housing for seniors of low or moderate income

within the meaning of Chapter 159, Part II, Florida Statutes, and advances the economic prosperity and the general welfare of the State of Florida and its people;

(ii) the Borrower is the financially responsible party and is fully capable and willing to fulfill (A) its obligations under the financing documents, including the obligation of the Borrower to make loan repayments under the Loan Agreement and the Bond Financing Agreement in the amounts and at the times required to provide for the timely payment of the principal of, premium, if any, and interest on the Series A Bonds and Series B Bonds, respectively, herein authorized, and (B) all other obligations and responsibilities imposed under the financing documents;

(iii) the County is able to cope satisfactorily with the impact of the Project and is able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, necessary for the Project, including operation, repair and maintenance thereof and on account of any increase in population or other circumstances resulting therefrom;

(iv) adequate provision will be made in the financing documents for the operation, repair and maintenance of the Project at the expense of the Borrower and for the payment by the Borrower of certain fees and expenses incurred in connection with the issuance of the Bonds, and that the loan repayments under the Loan Agreement and Bond Financing Agreement are sufficient to pay the principal of, premium, if any, and interest on the Series A Bonds and Series B Bonds, respectively, herein authorized;

(v) the Project constitutes a "project" within the meaning of the Act; and

(vi) all or a portion of the Project will be operated exclusively for low or moderate income seniors, and will be financed with tax-exempt bonds under applicable provisions of the Code, as well as any necessary taxable bonds.

In accordance with Section 159.29, Florida Statutes, the foregoing determinations of public purpose shall be final and conclusive.

Section 11. No Third Party Beneficiaries.

Unless specifically noted, nothing in this Resolution or in the Bond Documents, express or implied, is intended or shall be construed to confer upon any person other than the Issuer, the Borrower, the holders of the Bonds, the Underwriter and the Trustee any right, remedy or claim, legal or equitable, under and by reason of any provision of this Resolution or of the Bond Documents. This Resolution and the Bond Documents are for the sole and exclusive benefit of the Issuer, the Borrower, the holders of the Bonds, the Underwriter and the Trustee.

Section 12. Severability.

In case any one or more of the provisions of this Resolution, the Bond Documents or the

Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution, the Bond Documents or the Bonds, as the case may be, and they shall be construed and enforced without consideration of such illegal or invalid provisions.

Section 13. No Personal Liability.

No covenant, stipulation, obligation or agreement contained in this Resolution or contained in the Bond Documents, the Bonds, or any instrument contemplated by each shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, member, agent or employee of the Issuer in his or her individual capacity, and no member of the Issuer executing the Bonds or other documents related to the issuance of the Bonds including those approved by this Resolution shall be liable personally for such documents or the obligations under each, or be subject to any personal accountability by reason of his or her delivery or execution of such documents on behalf of the Issuer.

Section 14. Repealer. All provisions of resolutions of the Issuer in conflict with the provisions of this Resolution are, to the extent of such conflict, superseded and repealed.

[Remainder of Page Intentionally Left Blank]

Section 15. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 30th day of September, 2021.

CAPITAL TRUST AGENCY

By: _____
Rupert J. Snooks, Chairman

Attested this 30th day of September, 2021.

By: _____
Robert F. Cleveland, Secretary

CERTIFICATE OF SECRETARY

I, Robert F. Cleveland, Secretary to the Capital Trust Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 20-21 and supporting exhibits as the same were duly adopted and passed at a public meeting of the Capital Trust Agency on the 30th day of September, 2021, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this ___ day of September, 2021.

(SEAL)

By: _____
Secretary

EXHIBIT A-1

FORM OF NEGOTIATED SALE DISCLOSURE STATEMENT
SERIES A BONDS

[DATE]

Capital Trust Agency
Gulf Breeze, Florida

College Park Towers Apartments, LP
Miami, Florida

Re: \$_____ Capital Trust Agency Revenue Bonds (College Park Towers Apartments Project), Series 2021A (the "Series A Bonds")

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and in reference to the issuance of Bonds as set forth above, The Sturges Company (the "Underwriter") makes the following disclosures to Capital Trust Agency (the "Issuer") and by College Park Towers Apartments, LP, a Florida limited partnership (the "Borrower"). All capitalized terms not otherwise defined herein shall have the respective meanings specified in the Bond Purchase Agreement dated the date hereof among the Underwriter, the Issuer and the Borrower (the "Bond Purchase Agreement"). The Underwriter is acting as underwriter in connection with the offering or sale of the Series A Bonds. The underwriting fees to be paid to the Underwriter in the Bond Purchase Agreement are equal to [_____] % of the total face amount of the Series A Bonds.

(a) The expenses estimated to be incurred by the Underwriter in connection with the issuance of the Bonds are itemized on Schedule A hereto.

(b) Names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter and who enters into an understanding with either the Issuer or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the Issuer and the Underwriter for the purpose of influencing any transaction in the purchase of the Bonds:

[None]

(c) The amount of underwriting spread expected to be realized is \$[____] per \$1,000 of the Bonds and consists of the following components including the management fee indicated:

	<u>Per \$1,000</u>
Management Fee	
Average Takedown	
Expenses	
Total	

(d) No fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Bonds, to any persons not regularly employed or retained by the Underwriter (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Underwriter, as set forth in Schedule A attached hereto.

(e) The name and address of the Underwriter connected with the Bonds is:

The Sturges Company
8787 Bay Colony Drive #1002
Naples, FL, 34108
Michael R. Sturges, President

(f) *Truth in Bonding Statement.* The Bonds are being issued for the purpose of financing or refinancing, including through reimbursement, (i) the acquisition, rehabilitation, improving and equipping of an affordable rental housing project for low and moderate income seniors referred to as College Park Towers, located on an approximately 271,344 square foot site at 10700 SW 109th Court, Miami, Miami-Dade County, Florida 33176 including the land, four-story apartment buildings housing approximately 210 units, that are elevator served, with street-level parking that accesses a centrally located lobby, an on-site management office, community rooms, laundry facilities and mail facilities, including related facilities, fixtures, furnishings and equipment, in order to provide a residential rental facility for low and moderate income seniors; (ii) the funding of capitalized interest on the Bonds, to the extent necessary or desirable; (iii) the funding of one or more reserve funds for the Bonds; and (iv) the payment of certain costs of issuing the Bonds. This debt or obligation is expected to be repaid over a period of [__] years. Total interest paid over the life of the debt or obligation, assuming an interest rate (total interest cost) of [____]% per annum, will be approximately \$[_____].

The source of repayment and security for this proposal to issue the Bonds is exclusively limited to certain revenues derived from the Borrower pursuant to the Loan Agreement. Because (a) such revenues may not be used by the Issuer for any purpose other than the purposes set forth in the Indenture, (b) the Issuer has no taxing power and the taxing power of the Issuer and the State of Florida is not pledged or involved in the Bonds, (c) the Bonds and the interest thereon do not constitute a debt of the Issuer within the meaning of any constitutional or statutory provision,

and (d) the faith and credit of the Issuer are not pledged to the payment of the principal of or the interest on the Bonds, authorizing this debt or obligation will not result in any moneys not being available to the Issuer to finance other transactions each year for the [] year term of the Bonds. We understand that the Issuer does not require any further disclosure from the Underwriter pursuant to Section 218.385, Florida Statutes.

This statement is for informational purposes only and shall not affect or control the actual terms and conditions of the Bonds.

THE STURGES COMPANY

By: _____
Name: _____
Title: _____

SCHEDULE A

[INSERT SCHEDULE OF EXPENSES]

EXHIBIT A-2

**FORM OF NEGOTIATED SALE DISCLOSURE CERTIFICATE
SERIES B BONDS**

CRG Capital LLC (the "Purchaser"), as purchaser of the herein defined Bonds, has negotiated with the Capital Trust Agency for the private purchase of its Housing Revenue Bonds (College Park Towers Apartments Project), Series 2021B (the "Series B Bonds"), in the principal amount of \$_____. Prior to the award of the Series B Bonds, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to the Purchaser in connection with its purchase of the Series B Bonds (such fees and expenses to be paid by the Borrower):

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with its purchase of the Series B Bonds to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer, the Borrower and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series B Bonds.

3. The origination fee to be charged by the Purchaser is \$_____.

4. [No underwriting spread is expected to be realized by the Purchaser].

5. [No management fee is to be charged by the Purchaser].

6. Truth-in-Bonding Statement:

The Series B Bonds are being issued for the purpose of financing or refinancing, including through reimbursement, (i) the acquisition, rehabilitation, improving and equipping of an affordable rental housing project for low and moderate income seniors referred to as College Park Towers, located on an approximately 271,344 square foot site at 10700 SW 109th Court, Miami, Miami-Dade County, Florida 33176 including the land, four-story apartment buildings housing

approximately 210 units, that are elevator served, with street-level parking that accesses a centrally located lobby, an on-site management office, community rooms, laundry facilities and mail facilities, including related facilities, fixtures, furnishings and equipment, in order to provide a residential rental facility for low and moderate income seniors; (ii) the funding of capitalized interest on the Series B Bonds, to the extent necessary or desirable; (iii) the funding of one or more reserve funds for the Series B Bonds; and (iv) the payment of certain costs of issuing the Series B Bonds. This debt or obligation is expected to be repaid over a period of [__] years. Total interest paid over the life of the debt or obligation, assuming an interest rate (total interest cost) of [_____] % per annum, will be approximately \$[_____].

The source of repayment and security for this proposal to issue the Series B Bonds is exclusively limited to certain revenues derived from the Borrower pursuant to the Bond Financing Agreement. Because (a) such revenues may not be used by the Issuer for any purpose other than the purposes set forth in the Bond Financing Agreement, (b) the Issuer has no taxing power and the taxing power of the Issuer and the State of Florida is not pledged or involved in the Series B Bonds, (c) the Series B Bonds and the interest thereon do not constitute a debt of the Issuer within the meaning of any constitutional or statutory provision, and (d) the faith and credit of the Issuer are not pledged to the payment of the principal of or the interest on the Series B Bonds, authorizing this debt or obligation will not result in any moneys not being available to the Issuer to finance other transactions each year for the [__] year term of the Series B Bonds. We understand that the Issuer does not require any further disclosure from the Underwriter pursuant to Section 218.385, Florida Statutes.

7. The name and address of the Purchaser is as follows:

CRG Capital LLC

[ADDRESS]

[ADDRESS]

Attention: _____

IN WITNESS WHEREOF, the undersigned has executed this Negotiated Sale Disclosure Statement on behalf of the Purchaser this ____ day of _____, 2018.

CRG CAPITAL LLC

By: _____

Name:

Title:

EXHIBIT B
FORM OF TRUST INDENTURE

EXHIBIT C

FORM OF LOAN AGREEMENT

EXHIBIT D

FORM OF BOND FINANCING AGREEMENT

EXHIBIT E

FORM OF PRELIMINARY OFFICIAL STATEMENT