KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION

AGENDA
BOARD OF DIRECTORS - REGULAR MEETING
March 25, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

REGULAR SESSION - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. MINUTES APPROVAL

A. Consider approval of minutes from the February 25, 2014 regular meeting.

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for January 2014.

B. Discuss and consider action for approval of Economic Development Corporation Independent Auditor's Report for year ended September 30, 2013.

V. STAFF ANNOUNCEMENTS/REPORTS

A. Updates and information from the Executive Director.

1. Link Street & Oak Crest Development
2. Regional economic development conference plans
3. 12 at 12 meeting on April 23, 2014

VI. EXECUTIVE SESSION

A. The Economic Development Corporation will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, lease, or value of real property.

1. Discuss the sale of Oak Crest pad sites.
2. Discuss lease of Building 1 in Kennedale TownCenter
3. Discuss sale of 1000 E Kennedale Parkway.
4. Discuss the sale of 1083 Bowman Springs Road.

VII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

A. Strategic Plan Discussion.
- Discuss the strategic direction of economic development efforts within the city.

VIII. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact Amethyst Cirmo, City Secretary, at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the March 25, 2014, Kennedale Economic Development Corporation agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.

Amethyst G. Cirmo

Amethyst G. Cirmo, City Secretary

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Staff Report to the Board of Directors

Date: March 25, 2014

Agenda Item No: MINUTES APPROVAL - A.

I. Subject:
Consider approval of minutes from the February 25, 2014 regular meeting.

II. Originated by:

Bob Hart

III. Summary:
Please see the attached minutes for approval.

IV. Recommendation:
Approve

V. Alternative Actions:

VI. Attachments:

1.	minutes	02.25.2014 EDC Minutes.doc

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ECONOMIC DEVELOPMENT CORPORATION

MINUTES
BOARD OF DIRECTORS - REGULAR MEETING
February 25, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

Robert Mundy called the meeting to order at 7:04PM.

II. ROLL CALL

Present: Pat Turner, Robert Mundy, Mark Yeary, Rebecca Mowell, Adrienne Kay, Ronald Whitley, Mike Johnson.
Absent: none

III. MINUTES APPROVAL

A. Consider approval of minutes from the January 28, 2014 regular meeting.

Motion To approve the minutes as presented. **Action** Approve, **Moved By** Rebecca Mowell
Seconded By Mark Yeary
Motion Passed Unanimously

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for December 2013.

Sakura Moten-Dedrick presented the report, noting that the results of the audit would be presented at the City Council meeting on February 27th.

Motion To approve the financial report as presented. **Action** Approve, **Moved By** Adrienne Kay
Seconded By Pat Turner
Motion Passed Unanimously

V. STAFF ANNOUNCEMENTS/REPORTS

A. Updates and information from the Executive Director.

1. Link Street project with Tarrant County
   Bob Hart noted that Tarrant County was in the process of reexamining their funding of the Link Street project, and a meeting with County officials would be held on Thursday, February 27th to discuss the implications of defunding this project.

2. Regional economic development branding efforts.
   Bob Hart noted that in past years Jack Thompson from Orasi Development and several board members have participated in a regional conference to promote Southeast Tarrant County. This year's conference will focus on promoting business and economic development in the region and will be held in Arlington in the Fall of 2014. Mr. Hart asked that the board consider attending the conference again this year.

President Mundy recessed the meeting into executive session at 7:20PM.

VI. EXECUTIVE SESSION

A. The Economic Development Corporation will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, lease, or value of real property.

1. Discuss the sale of Oak Crest pad sites.
2. Discuss lease of Building 1 in Kennedale TownCenter
3. Discuss sale of 1000 E Kennedale Parkway.
4. Discuss the sale of 1083 Bowman Springs Road.

VII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

President Mundy reopened the regular session at 8:41 PM.

No action pursuant to executive session was necessary.

VIII. WORK SESSION

A. Strategic Plan Discussion.
- Discuss the strategic direction of economic development efforts within the city.

Bob Hart and Jack Thompson held a general discussion on the city's overall strategic direction. Topics covered included currently held EDC properties, the availability of grant funding, the pros and cons of manufacturing and retail oriented development, upcoming special use permit expirations and the Board of Adjustment's strategic direction, the development of the TownCenter retail area, cleanup and reclamation of Village Creek, and the pursuit of development in the Tax Increment Refinancing District areas.

IX. ADJOURNMENT

Motion Adjourn. **Action** Adjourn, **Moved By** Mark Yeary, **Seconded By** Ron Whitley.
Motion Passed Unanimously

The meeting was adjourned at 9:11PM.

APPROVED:

____
President Robert Mundy

ATTEST:

____
City Secretary Amethyst G. Sloane

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Development Corporation
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Staff Report to the Board of Directors

Date: March 25, 2014

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Review and accept the KEDC Financial Report for January 2014.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

Please see the attached information.

IV. Recommendation:
Approve

V. Alternative Actions:

VI. Attachments:

1.	Jan 2014 EDC Financials	20140325 EDC Jan 14 Financials.pdf

JAN 2014 ECONOMIC DEVELOPMENT CORPORATION FINANCIALS

Budget/Amendment
No changes.

Year-To-Date

- Ad Valorem Tax: Increase in comparison over this time last year. Based on tax receipts received from assessments.
- Sales/Beverage Tax: Increase in comparison over this time last year (see Monthly Graph, 3-Year Historical Graph, 10-Year Historical Data). Please note, sales tax receipts run two months in arrears.
- Investment Earnings: Decrease in comparison over this time last year. Based on record low earning rates and decrease in cash balance.
- Miscellaneous Income: Increase in comparison over this time last year. We received approximately $12,000 for insurance reimbursements given TownCenter sign.
- Surplus Sales/Rentals: Decrease in comparison over this time last year. Approximately $8400 a month lost due to Surplus Warehouse closure.
- Transfers: No significant change.
- Personnel: No significant change.
- Supplies: Decrease in comparison over this time last year.
- Maintenance: Decrease in comparison over this time last year.
- Sundry: Decrease in comparison over this time last year.
- Debt: No significant change.
- Transfers: No significant change.
- Capital: Decrease in comparison over this time last year.

Estimate

We anticipate a FY12/13 ending fund balance of approximately ($405,767). This is ($555,081) for operations / $29,411 capital bond project / $119,903 reserve bond. The board is due to accept the final year end audit at this month's meeting.

We anticipate a FY13/14 ending fund balance of $254,691. This is $130,350 operations / $4,426 capital bond project / $119,915 reserve bond.

INCOME STATEMENT

15: EDC4B FUND

INCOME STATEMENT	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE
OPERATING REVENUES	1,066,682	1,066,682	122,221	656,760	1,103,880	1,103,880	181,404	1,470,261	37,198
OPERATING EXPENDITURES	(942,275)	(942,275)	(357,565)	(1,096,620)	(612,657)	(612,657)	(115,667)	(629,724)	(329,618)
OPERATING INCOME/(LOSS)	**124,407**	**124,407**	**(235,344)**	**(439,860)**	**491,223**	**491,223**	**65,736**	**840,537**	**(292,420)**
NONOPERATING REVENUES/(EXPENSES)									
INTEREST EARNINGS	250	250	267	471	645	645	3	12	395
TRANSFERS IN	-	-	-	-	-	-	-	-	-
(TRANSFER OUT)	(151,619)	(151,619)	(38,309)	(151,619)	(155,118)	(155,118)	(37,559)	(155,118)	(3,499)
NET OPERATING INCOME/(LOSS)	**(26,962)**	**(26,962)**	**(273,387)**	**(591,008)**	**336,750**	**336,750**	**28,180**	**685,431**	**(295,525)**
BEGINNING FUND BALANCE	**$ 26,452**	**$ 35,926**	**$ 35,926**	**$ 35,926**	**$ (306,400)**	**$ (555,081)**	**$ (555,081)**	**$ (555,081)**	**(342,326)**
ENDING FUND BALANCE (EXCLUDING OTHER FUNDS)	**$ (510)**	**$ 8,964**	**$ (237,460)**	**$ (555,081)**	**$ 30,350**	**$ (218,331)**	**$ (526,901)**	**$ 130,350**	**21,386**
95: EDC4B RESERVE FUND	$ 120,066	$ 120,062	$ 119,882	$ 119,903	$ 119,966	$ 119,955	$ 119,907	$ 119,915	(96)
19: EDC4B CAPITAL BOND FUND	$ -	$ 46,182	$ 46,003	$ 29,411	$ 13,357	$ 4,411	$ 29,423	$ 4,426	(32,825)
ENDING FUND BALANCE (INCLUDING OTHER FUNDS)	**$ 119,556**	**$ 175,208**	**$ (71,575)**	**$ (405,767)**	**$ 163,673**	**$ (93,965)**	**$ (377,571)**	**$ 254,691**	**$ (11,535)**

FUND SUMMARY BY CATEGORY

15: EDC4B FUND

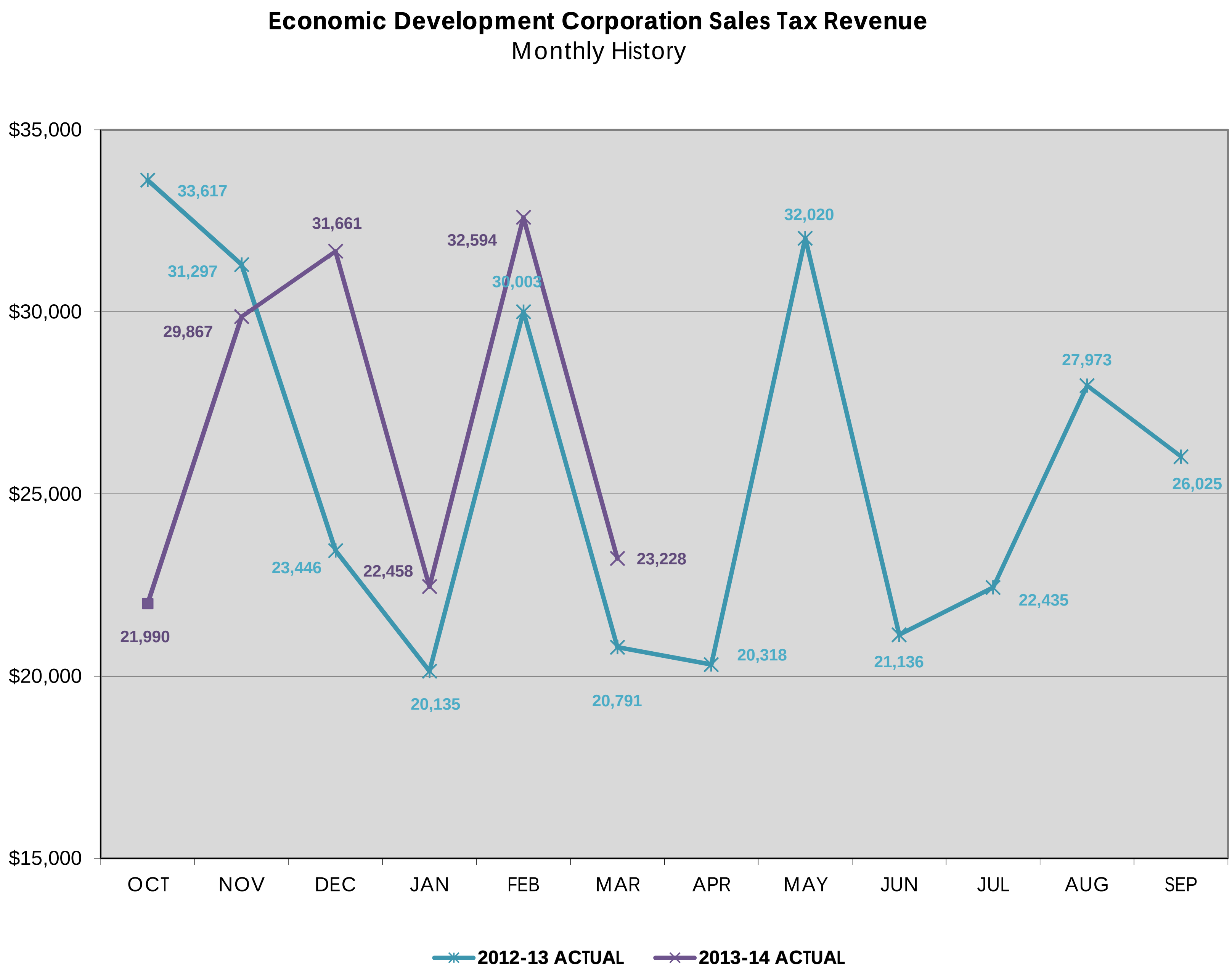
CATEGORY	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
BEGINNING FUND BALANCE	**$ 26,452**	**$ 35,926**	**$ 35,926**	**$ 35,926**	**$ (306,400)**	**$ (555,081)**	**$ (555,081)**	**$ (555,081)**	**$ 323,848**		
AD VALOREM TAXES	42,466	42,466	10,956	42,167	23,132	23,132	45,098	45,098	(19,334)	25.8%	195.0%
SALES/BEVERAGE TAXES	397,660	397,660	43,980	297,348	305,808	305,808	54,492	311,705	(91,852)	11.1%	17.8%
INVESTMENT EARNINGS	250	250	267	471	645	645	3	12	395	106.6%	0.5%
MISCELLANEOUS INCOME	395,000	395,000	-	117,255	600,000	600,000	15,968	936,943	205,000	0.0%	2.7%
SURPLUS SALES/RENTALS	231,556	231,556	67,286	199,990	174,940	174,940	65,846	176,515	(56,616)	29.1%	37.6%
TRANSFERS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%	0.0%
TOTAL REVENUES	**$ 1,066,932**	**$ 1,066,932**	**$ 122,488**	**$ 657,231**	**$ 1,104,525**	**$ 1,104,525**	**$ 181,407**	**$ 1,470,273**	**$ 37,593**	**11.5%**	**16.4%**
PERSONNEL	-	-	-	-	-	-	-	-	-	0.0%	0.0%
SUPPLIES	17,344	17,344	2,056	11,259	3,100	3,100	-	3,100	(14,244)	11.9%	0.0%
MAINTENANCE	22,856	22,856	12,139	32,094	30,240	30,240	7,341	30,240	7,384	53.1%	24.3%
SUNDRY	265,771	265,771	94,395	271,101	213,130	213,130	43,715	222,521	(52,641)	35.5%	20.5%
DEBT	165,757	165,757	59,795	167,188	186,187	186,187	56,935	186,187	20,430	36.1%	30.6%
TRANSFERS	151,619	151,619	38,309	151,619	155,118	155,118	37,559	155,118	3,499	25.3%	24.2%
CAPITAL	470,548	470,548	189,179	614,978	180,000	180,000	7,676	187,676	(290,548)	40.2%	4.3%
TOTAL EXPENDITURES	**$ 1,093,894**	**$ 1,093,894**	**$ 395,875**	**$ 1,248,239**	**$ 767,775**	**$ 767,775**	**$ 153,227**	**$ 784,842**	**$ (326,119)**	**36.2%**	**20.0%**
REVENUES OVER EXPENDITURES	$ (26,962)	$ (26,962)	$ (273,387)	$ (591,008)	$ 336,750	$ 336,750	$ 28,180	$ 685,431			
ENDING FUND BALANCE	**$ (510)**	**$ 8,964**	**$ (237,460)**	**$ (555,081)**	**$ 30,350**	**$ (218,331)**	**$ (526,901)**	**$ 130,350**			
ADJUSTMENTS											
FUND BALANCE AS % OF EXP	**0.0%**	**0.8%**	**-60.0%**	**-44.5%**	**4.0%**	**-28.4%**	**-343.9%**	**16.6%**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ (510)**	**$ 8,964**	**$ (237,460)**	**$ (555,081)**	**$ 30,350**	**$ (218,331)**	**$ (526,901)**	**$ 130,350**			

REVENUE LINE ITEM SUMMARY

15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
4001-00-00	PROPERTY TAX-CURRENT YEAR	-	-	-	-	-	-	-	-		0.0%	0.0%
4002-00-00	MMD TAX-CURRENT YEAR	42,466	42,466	10,956	42,167	23,132	23,132	45,098	45,098	(19,334)	25.8%	195.0%
	AD VALOREM TAXES	**$ 42,466**	**$ 42,466**	**$ 10,956**	**$ 42,167**	**$ 23,132**	**$ 23,132**	**$ 45,098**	**$ 45,098**	**$ (19,334)**	**25.8%**	**195.0%**
4081-00-00	SALES TAX	397,660	397,660	43,980	297,348	305,808	305,808	54,492	311,705	(91,852)	11.1%	17.8%
4082-00-00	MIXED BEVERAGE TAX	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	SALES/BEVERAGE TAXES	**$ 397,660**	**$ 397,660**	**$ 43,980**	**$ 297,348**	**$ 305,808**	**$ 305,808**	**$ 54,492**	**$ 311,705**	**$ (91,852)**	**11.1%**	**17.8%**
4401-00-00	INVESTMENT INCOME	250	250	267	471	645	645	3	12	395	106.6%	0.5%
	INVESTMENT EARNINGS	**$ 250**	**$ 250**	**$ 267**	**$ 471**	**$ 645**	**$ 645**	**$ 3**	**$ 12**	**$ 395**	**106.6%**	**0.5%**
4409-00-00	MISCELLANEOUS INCOME	395,000	395,000	-	106,313	600,000	600,000	4,026	925,000	205,000	0.0%	0.7%
4411-00-00	TEXAS LEVERAGE FUND PROGRAM	-	-	-	-	-	-	-	-	-	0.0%	0.0%
4415-00-00	INSURANCE REIMBURSEMENTS	-	-	-	10,943	-	-	11,943	11,943	-	0.0%	#DIV/0!
	MISCELLANEOUS INCOME	**$ 395,000**	**$ 395,000**	**$ -**	**$ 117,255**	**$ 600,000**	**$ 600,000**	**$ 15,968**	**$ 936,943**	**$ 205,000**	**0.0%**	**2.7%**
4805-00-00	RENTAL FEES-SHOPPING CENTER	227,556	227,556	67,213	198,206	166,440	166,440	65,748	166,440	(61,116)	29.5%	39.5%
4806-00-00	RENTAL INSURANCE	4,000	4,000	73	1,784	8,500	8,500	97	10,075	4,500	1.8%	1.1%
	SURPLUS SALES/RENTALS	**$ 231,556**	**$ 231,556**	**$ 67,286**	**$ 199,990**	**$ 174,940**	**$ 174,940**	**$ 65,846**	**$ 176,515**	**$ (56,616)**	**29.1%**	**37.6%**
4902-00-00	PROCEEDS - DEBT/LOAN/LEASE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
	TOTAL REVENUES	**$ 1,066,932**	**$1,066,932**	**$122,488**	**$ 657,231**	**$ 1,104,525**	**$1,104,525**	**$181,407**	**$1,470,273**	**$ 37,593**	**11.5%**	**16.4%**
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 1,066,682**	**$1,066,682**	**$122,221**	**$ 645,818**	**$ 1,103,880**	**$1,103,880**	**$169,461**	**$1,458,318**	**$ 37,198**		
	10% ADMIN CHARGE-GENERAL FUND	106,668	106,668	12,222	-	110,388	110,388	16,946	145,832	3,720	ZERO OUT ADMIN CH/	

Economic Development Corporation Sales Tax Revenue
Three Year History
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
2010-11 ACTUAL
2011-12 ACTUAL
2012-13 ACTUAL
2013-14 ACTUAL



Economic Development Corporation Sales Tax Revenue
Monthly History
$35,000
$30,000
$25,000
$20,000
$15,000
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
33,617
31,297
23,446
20,135
30,003
20,791
20,318
32,020
21,136
22,435
27,973
26,025
21,990
29,867
31,661
22,458
32,594
23,228
2012-13 ACTUAL
2013-14 ACTUAL

Sales Tax Collections

ECONOMIC DEVELOPMENT CORPORATION 4B
SALES TAX - $0.005

	2003-04 ACTUAL	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ACTUAL	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 ACTUAL	2012-13 YTD	2013-14 BUDGET	2013-14 ACTUAL	2013-14 YTD	GAIN/ LOSS	GAIN/ LOSS	YTD CUM	2013-14 ESTIMATE
OCT	26,737	27,574	30,493	26,719	21,880	22,001	19,568	24,368	31,540	33,287	33,617	33,617	33,617	21,990	21,990	(11,626)	-34.6%	-34.6%	21,990
NOV	33,807	28,806	33,284	41,109	30,548	33,732	27,081	39,515	37,196	37,693	31,297	64,913	31,297	29,867	51,857	(1,430)	-4.6%	-20.1%	29,867
DEC	26,428	23,373	24,372	23,107	23,438	30,093	18,417	24,331	38,349	38,847	23,446	88,359	23,446	31,661	83,518	8,215	35.0%	-5.5%	31,661
JAN	21,991	22,728	23,443	26,331	22,677	19,433	18,102	28,700	29,926	30,424	20,135	108,495	20,135	22,458	105,975	2,322	11.5%	-2.3%	22,458
FEB	35,744	33,862	35,625	29,751	29,839	33,556	24,379	38,020	30,992	31,490	30,003	138,498	30,003	32,594	138,569	2,591	8.6%	0.1%	32,594
MAR	22,465	21,345	24,975	16,997	21,830	17,063	18,010	25,672	24,484	24,982	20,791	159,289	20,791	23,228	161,797	2,437	11.7%	1.6%	23,228
APR	23,465	21,936	24,036	25,672	24,231	22,636	18,030	27,583	37,230	37,727	20,318	179,608	20,318	20,318	182,116	-	0.0%	1.4%	20,318
MAY	36,121	36,355	35,851	32,194	31,278	30,806	55,683	37,335	41,230	41,728	32,020	211,628	32,020	32,020	214,136	-	0.0%	1.2%	32,020
JUN	33,889	24,011	27,616	26,993	24,985	21,608	29,762	24,899	24,369	24,866	21,136	232,764	21,136	21,136	235,272	-	0.0%	1.1%	21,136
JUL	25,928	25,987	24,299	27,477	30,517	17,906	141,681	25,572	40,830	41,327	22,435	255,199	22,435	22,435	257,707	-	0.0%	1.0%	22,435
AUG	30,767	34,222	35,983	28,340	38,499	33,664	34,381	28,137	26,679	27,177	27,973	283,172	27,973	27,973	285,680	-	0.0%	0.9%	27,973
SEP	25,710	22,677	27,368	30,430	23,534	24,245	27,457	36,010	27,612	28,112	26,025	309,197	26,025	26,025	311,705	-	0.0%	0.8%	26,025
	343,051	**322,876**	**347,346**	**335,121**	**323,256**	**306,744**	**432,550**	**360,141**	**390,438**	**397,660**	**309,197**		**309,197**	**311,705**		**2,508**			**311,705**
	5.41%	**-5.88%**	**7.58%**	**-3.52%**	**-3.54%**	**-5.11%**	**41.01%**	**-16.74%**	**8.41%**	**1.85%**	**-20.81%**		**0.00%**	**0.81%**					**0.81%**

CYPRESS HISTORY FOR KENNEDALE TOWN SHOPPING CENTER
FY2013-2014

ACCOUNT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
INCOME													
Rental Income	$ 15,888.80	$ 15,637.00	$ 15,645.00	$ 15,637.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 62,807.80**
Tax Escrows	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 10,955.80**
Insurance Escrows	$ 24.37	$ 24.37	$ 24.37	$ 24.37	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 97.48**
CAM Escrows	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 2,948.64**
Security Deposit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL INCOME	**$ 19,389.28**	**$ 19,137.48**	**$ 19,145.48**	**$ 19,137.48**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 76,809.72**
EXPENSES													
General & Admin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Property Mgmt	$ 500.00	$ 500.00	$ 504.00	$ 500.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 2,004.00**
Office Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Legal Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Rental Commissions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Electricity	$ 384.24	$ 278.51	$ 416.56	$ 285.95	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,365.26**
Sweeping	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Porter service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Landscape	$ 1,165.35	$ 1,165.35	$ 1,165.35	$ 1,165.35	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 4,661.40**
Fire Sprinkler/Alarm	$ 150.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 150.00**
Asphalt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Water	$ 609.05	$ 408.73	$ 452.62	$ 359.51	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,829.91**
Landscape Materials	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Maintenance/Construction	$ 275.00	$ -	$ 275.00	$ 150.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 700.00**
Roofing Repair	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Signage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL EXPENSES	**$ 3,083.64**	**$ 2,352.59**	**$ 2,813.53**	**$ 2,460.81**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 10,710.57**
ADJUSTMENTS													
Operating Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL ADJUSTMENTS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
NET PROFIT/(LOSS) - CHECK	**$ 16,305.64**	**$ 16,784.89**	**$ 16,331.95**	**$ 16,676.67**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 66,099.15**
Total Rental Income Posted	$ 16,625.96	$ 16,374.16	$ 16,382.16	$ 16,374.16	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 65,756.44**

CYPRESS HISTORY FOR KENNEDALE TOWN SHOPPING CENTER
FY2012-2013

ACCOUNT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
INCOME													
Rental Income	$ 16,059.92	$ 16,059.92	$ 16,059.92	$ 16,059.92	$ 15,637.00	$ 15,637.00	$ 15,637.00	$ 15,637.00	$ 15,637.00	$ 15,637.00	$ 15,637.00	$ 15,637.00	**$ 189,335.68**
Tax Escrows	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ 2,738.95	$ 12,038.82	$ 2,738.95	$ 2,738.95	$ 2,738.95	**$ 42,167.27**
Insurance Escrows	$ 24.37	$ 24.37	$ 24.37	$ 24.37	$ 24.37	$ 24.37	$ 24.37	$ 24.37	$ 1,539.83	$ 24.37	$ 24.37	$ 24.37	**$ 1,807.90**
CAM Escrows	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	$ 737.16	**$ 8,845.92**
Security Deposit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL INCOME	**$ 19,560.40**	**$ 19,560.40**	**$ 19,560.40**	**$ 19,560.40**	**$ 19,137.48**	**$ 19,137.48**	**$ 19,137.48**	**$ 19,137.48**	**$ 29,952.81**	**$ 19,137.48**	**$ 19,137.48**	**$ 19,137.48**	**$ 242,156.77**
EXPENSES													
General & Admin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Property Mgmt	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	**$ 6,000.00**
Office Expenses	$ -	$ 46.31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 46.31**
Legal Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Rental Commissions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Electricity	$ 142.05	$ 391.20	$ 493.36	$ 493.36	$ 885.72	$ 429.18	$ 414.88	$ 456.46	$ 414.28	$ 425.43	$ 408.86	$ 448.04	**$ 5,402.82**
Sweeping	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Porter service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Landscape	$ 638.28	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,165.35	$ 1,165.35	**$ 2,968.98**
Fire Sprinkler/Alarm	$ 150.00	$ -	$ -	$ -	$ -	$ -	$ 150.00	$ -	$ -	$ -	$ 150.00	$ -	**$ 450.00**
Asphalt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Water	$ 767.50	$ 1,075.26	$ 841.11	$ 272.78	$ 100.76	$ 210.69	$ 129.52	$ 365.67	$ 58.45	$ 272.83	$ 524.08	$ 799.19	**$ 5,417.84**
Landscape Materials	$ -	$ 1,165.35	$ 1,165.00	$ 1,165.35	$ 1,165.35	$ 1,165.35	$ 1,165.35	$ 1,665.35	$ 1,875.35	$ 1,516.13	$ -	$ -	**$ 12,048.58**
Maintenance/Construction	$ 550.00	$ 2,776.18	$ 475.00	$ 706.43	$ 985.00	$ 275.00	$ 275.00	$ 275.00	$ 940.00	$ 3,010.00	$ 275.00	$ 275.00	**$ 10,817.61**
Roofing Repair	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Signage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL EXPENSES	**$ 2,747.83**	**$ 5,954.30**	**$ 3,474.47**	**$ 3,137.92**	**$ 3,636.83**	**$ 2,580.22**	**$ 2,634.75**	**$ 3,262.48**	**$ 3,788.08**	**$ 5,724.39**	**$ 3,023.29**	**$ 3,187.58**	**$ 43,152.14**
ADJUSTMENTS													
Operating Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL ADJUSTMENTS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
NET PROFIT/(LOSS) - CHECK	**$ 16,812.57**	**$ 13,606.10**	**$ 16,085.93**	**$ 16,422.48**	**$ 15,500.65**	**$ 16,557.26**	**$ 16,502.73**	**$ 15,875.00**	**$ 26,164.73**	**$ 13,413.09**	**$ 16,114.19**	**$ 15,949.90**	**$ 199,004.63**
Total Rental Income Posted	$ 16,797.08	$ 16,797.08	$ 16,797.08	$ 16,797.08	$ 16,374.16	$ 16,374.16	$ 16,374.16	$ 16,374.16	$ 16,374.16	$ 16,374.16	$ 16,374.16	$ 16,374.16	**$ 198,181.60**

EXPENDITURE LINE ITEM SUMMARY

15: EDC4B FUND
01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
5101-01-00	SALARIES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5107-01-00	OVERTIME	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5111-01-00	AUTO ALLOWANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5114-01-00	LONGEVITY	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5115-01-00	RETIREMENT	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5116-01-00	UNEMPLOYMENT INSURANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5117-01-00	FICA	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5118-01-00	MEDICAL INSURANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5120-01-00	LIFE INSURANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5121-01-00	DENTAL INSURANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5122-01-00	VISION INSURANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5190-01-00	VACATION/SICK/TERM/LEAVE ADJ	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	PERSONNEL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5220-01-00	UNIFORMS	300	300	-	-	-	-	-	-	(300)	0.0%	0.0%
5240-01-00	PRINTED SUPPLIES	16,544	16,544	2,056	11,259	3,000	3,000	-	3,000	(13,544)	12.4%	0.0%
5260-01-00	GENERAL OFFICE SUPPLIES	250	250	-	-	50	50	-	50	(200)	0.0%	0.0%
5261-01-00	POSTAGE	250	250	-	-	50	50	-	50	(200)	0.0%	0.0%
5280-01-00	MINOR EQUIP/SMALL TOOLS<$5K	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5290-01-00	EXPENDABLE SUPPLIES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	SUPPLIES	**$ 17,344**	**$ 17,344**	**$ 2,056**	**$ 11,259**	**$ 3,100**	**$ 3,100**	**$ -**	**$ 3,100**	**$ (14,244)**	**11.9%**	**0.0%**
5403-01-00	BUILDING MAINTENANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5440-01-00	OFFICE EQUIP/SOFTWARE MAINT	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	MAINTENANCE	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5501-01-00	ADVERTISING	5,000	5,000	2,626	6,604	-	-	2,200	2,200	(5,000)	52.5%	#DIV/0!
5510-01-00	ASSOC DUES/PUBLICATIONS	9,775	9,775	1,157	10,985	3,150	3,150	-	3,150	(6,625)	11.8%	0.0%
5512-01-00	CONTRACTUAL SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5525-01-00	TRAINING/SEMINARS	1,000	1,000	270	270	1,000	1,000	-	1,000	-	27.0%	0.0%
5565-01-00	LEGAL SERVICES	16,000	16,000	100	100	5,000	5,000	-	5,000	(11,000)	0.6%	0.0%
5567-01-00	AUDIT SERVICES	1,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000	500	100.0%	100.0%
5569-01-00	IT SUPPORT	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5570-01-00	SPECIAL SERVICES	49,036	49,036	34,132	74,304	51,600	51,600	16,200	51,600	2,564	69.6%	31.4%
5575-01-00	EQUIPMENT RENTAL	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5578-01-00	TRAVEL	700	700	164	186	700	700	-	700	-	23.4%	0.0%
5580-01-00	ENGINEERING SERVICES	50,000	50,000	18,999	18,999	10,000	10,000	-	10,000	(40,000)	38.0%	0.0%
5585-01-00	TELEPHONE SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5595-01-00	ADMIN CHARGE-GENERAL FUND	106,668	106,668	12,222	-	110,388	110,388	-	110,388	3,720	11.5%	0.0%
	SUNDRY	**$ 239,679**	**$ 239,679**	**$ 71,170**	**$ 112,948**	**$ 183,838**	**$ 183,838**	**$ 20,400**	**$ 186,038**	**$ (55,841)**	**29.7%**	**11.1%**
5610-01-00	VISUAL GRANT	-	-	6,000	6,000	-	-	-	-	-	#DIV/0!	0.0%
5615-01-00	FUNCTIONAL GRANT	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5625-01-00	ISSUANCE COST	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	DEBT	**$ -**	**$ -**	**$ 6,000**	**$ 6,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**#DIV/0!**	**0.0%**
5701-01-00	TRANSFER OUT-GENERAL FUND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5714-01-00	TRANSFER OUT-DEDICATION FUND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5795-01-00	TRANSFER OUT-EDC RESERVE FUND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5800-01-00	LAND	-	-	1,662	1,662	-	-	7,676	7,676	-	#DIV/0!	#DIV/0!
5813-01-00	KENNEDALE ENTRANCE SIGN	45,000	45,000	-	-	-	-	-	-	(45,000)	0.0%	0.0%
5820-01-00	BUILDING IMPROVEMENT	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5875-01-00	CONSTRUCTION	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	CAPITAL	**$ 45,000**	**$ 45,000**	**$ 1,662**	**$ 1,662**	**$ -**	**$ -**	**$ 7,676**	**$ 7,676**	**$ (45,000)**	**3.7%**	**#DIV/0!**
	TOTAL EXPENDITURES	**$ 302,022**	**$ 302,022**	**$ 80,889**	**$ 131,869**	**$ 186,938**	**$ 186,938**	**$ 28,076**	**$ 196,814**	**$ (115,084)**	**26.8%**	**15.0%**

EXPENDITURE LINE ITEM SUMMARY

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
5620-01-03	ISSUANCE COSTS	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5621-01-03	PAYING AGENT FEES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5643-01-03	2007 $1.2M TAX BOND-INTEREST	71,585	71,585	35,738	71,531	68,806	68,806	34,364	68,806	(2,779)	49.9%	49.9%
5644-01-03	2007 $1.2M TAX BOND-PRINCIPAL	40,000	40,000	-	40,000	45,000	45,000	-	45,000	5,000	0.0%	0.0%
5645-01-03	2011 $1.7M TX LEVERAGE-INT	19,359	19,359	6,547	17,702	18,210	18,210	7,737	18,210	(1,149)	33.8%	42.5%
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	34,813	34,813	11,510	31,954	54,171	54,171	14,834	54,171	19,358	33.1%	27.4%
	DEBT	**$ 165,757**	**$ 165,757**	**$ 53,795**	**$ 161,188**	**$ 186,187**	**$ 186,187**	**$ 56,935**	**$ 186,187**	**$ 20,430**	**32.5%**	**30.6%**
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	151,619	151,619	38,309	151,619	155,118	155,118	37,559	155,118	3,499	25.3%	24.2%
	TRANSFER	**$ 151,619**	**$ 151,619**	**$ 38,309**	**$ 151,619**	**$ 155,118**	**$ 155,118**	**$ 37,559**	**$ 155,118**	**$ 3,499**	**25.3%**	**24.2%**
	TOTAL EXPENDITURES	**$ 317,376**	**$ 317,376**	**$ 92,105**	**$ 312,806**	**$ 341,305**	**$ 341,305**	**$ 94,495**	**$ 341,305**	**$ 23,929**	**29.0%**	**27.7%**

EXPENDITURE LINE ITEM SUMMARY

15: EDC4B FUND
02: TOWN SHOPPING CENTER

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
5280-02-00	MINOR EQUIP/SMALL TOOLS<$5K	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	SUPPLIES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5403-02-00	BUILDING MAINTENANCE	22,856	22,856	12,139	32,094	30,240	30,240	7,341	30,240	7,384	53.1%	24.3%
	MAINTENANCE	**$ 22,856**	**$ 22,856**	**$ 12,139**	**$ 32,094**	**$ 30,240**	**$ 30,240**	**$ 7,341**	**$ 30,240**	**$ 7,384**	**53.1%**	**24.3%**
5501-02-00	ADVERTISING	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5510-02-00	ASSOC DUES/PUBLICATIONS	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5512-02-00	CONTRACTUAL SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5530-02-00	ELECTRIC SERVICES	4,200	4,200	1,129	5,012	5,000	5,000	1,365	5,000	800	26.9%	27.3%
5545-02-00	INSURANCE-PROPERTY	4,000	4,000	8,476	8,476	8,500	8,500	10,075	10,075	4,500	211.9%	118.5%
5565-02-00	LEGAL SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5570-02-00	SPECIAL SERVICES	17,892	17,892	2,046	17,938	15,792	15,792	6,259	15,792	(2,100)	11.4%	39.6%
	SUNDRY	**$ 26,092**	**$ 26,092**	**$ 11,652**	**$ 31,426**	**$ 29,292**	**$ 29,292**	**$ 17,699**	**$ 30,867**	**$ 3,200**	**44.7%**	**60.4%**
	TOTAL EXPENDITURES	**$ 48,948**	**$ 48,948**	**$ 23,791**	**$ 63,521**	**$ 59,532**	**$ 59,532**	**$ 25,041**	**$ 61,107**	**$ 10,584**	**48.6%**	**42.1%**

15: EDC4B FUND
03: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
5570-03-00	SPECIAL SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5579-03-00	ARCHITECT/DESIGN SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5580-03-00	ENGINEERING SERVICES	-	-	-	2,550	-	-	-	-	-	0.0%	0.0%
	SUNDRY	**$ -**	**$ -**	**$ -**	**$ 2,550**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5800-03-00	LAND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5847-03-00	CONSTRUCTION	30,000	30,000	(1,734)	44,632	30,000	30,000	-	30,000	-	-5.8%	0.0%
	CAPITAL	**$ 30,000**	**$ 30,000**	**$ (1,734)**	**$ 44,632**	**$ 30,000**	**$ 30,000**	**$ -**	**$ 30,000**	**$ -**	**-5.8%**	**0.0%**
		$ 30,000	**$ 30,000**	**$ (1,734)**	**$ 47,182**	**$ 30,000**	**$ 30,000**	**$ -**	**$ 30,000**	**$ -**	**-5.8%**	**0.0%**

15: EDC4B FUND
04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
5580-04-00	ENGINEERING SERVICES	-	-	11,573	124,177	-	-	5,616	5,616	-	#DIV/0!	#DIV/0!
	SUNDRY	**$ -**	**$ -**	**$ 11,573**	**$ 124,177**	**$ -**	**$ -**	**$ 5,616**	**$ 5,616**	**$ -**	**#DIV/0!**	**#DIV/0!**
5615-04-00	FUNCTIONAL GRANT	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5620-04-00	ISSUANCE COSTS	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	DEBT	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5800-04-00	LAND	-	-	189,251	568,684	150,000	150,000	-	150,000	150,000	#DIV/0!	0.0%
5847-04-00	CONSTRUCTION	395,548	395,548	-	-	-	-	-	-	(395,548)	0.0%	0.0%
	CAPITAL	**$ 395,548**	**$ 395,548**	**$ 189,251**	**$ 568,684**	**$ 150,000**	**$ 150,000**	**$ -**	**$ 150,000**	**$ (245,548)**	**47.8%**	**0.0%**
		$ 395,548	**$ 395,548**	**$ 200,824**	**$ 692,861**	**$ 150,000**	**$ 150,000**	**$ 5,616**	**$ 155,616**	**$ (245,548)**	**50.8%**	**3.7%**

FUND SUMMARY BY CATEGORY

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
BEGINNING FUND BALANCE	**$ -**	**$ 46,182**	**$ 46,182**	**$ 46,182**	**$ 38,357**	**$ 29,411**	**$ 29,411**	**$ 29,411**			
INVESTMENT EARNINGS	-	-	56	100	-	-	12	15	-	#DIV/0!	#DIV/0!
TRANSFERS	-	-	-	-	-	-	-	-	-	0.0%	0.0%
TOTAL REVENUES	**$ -**	**$ -**	**$ 56**	**$ 100**	**$ -**	**$ -**	**$ 12**	**$ 15**	**$ -**	**#DIV/0!**	**#DIV/0!**
MAINTENANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
SUNDRY	-	-	-	6,779	-	-	-	-	-	0.0%	0.0%
CAPITAL	-	-	234	10,091	25,000	25,000	-	25,000	25,000	#DIV/0!	0.0%
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 234**	**$ 16,871**	**$ 25,000**	**$ 25,000**	**$ -**	**$ 25,000**	**$ 25,000**	**#DIV/0!**	**0.0%**
REVENUES OVER EXPENDITURES	$ -	$ -	$ (178)	$ (16,770)	$ (25,000)	$ (25,000)	$ 12	$ (24,985)			
ENDING FUND BALANCE	**$ -**	**$ 46,182**	**$ 46,003**	**$ 29,411**	**$ 13,357**	**$ 4,411**	**$ 29,423**	**$ 4,426**			
ADJUSTMENTS											
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**19642.7%**	**174.3%**	**53.4%**	**17.6%**	**N/A**	**17.7%**			
RESERVE (NO REQUIREMENT)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**			
RESERVE SURPLUS/(SHORTFALL)	**$ -**	**$ 46,182**	**$ 46,003**	**$ 29,411**	**$ 13,357**	**$ 4,411**	**$ 29,423**	**$ 4,426**			

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
4401-00-00	INVESTMENT INCOME	-	-	56	100	-	-	12	15	-	#DIV/0!	#DIV/0!
	INVESTMENT EARNINGS	**$ -**	**$ -**	**$ 56**	**$ 100**	**$ -**	**$ -**	**$ 12**	**$ 15**	**$ -**	**#DIV/0!**	**#DIV/0!**
4913-00-00	TRANSFER IN-CAPITAL BOND FUND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
	TOTAL REVENUES	**$ -**	**$ -**	**$ 56**	**$ 100**	**$ -**	**$ -**	**$ 12**	**$ 15**	**$ (250)**	**#DIV/0!**	**#DIV/0!**

19: EDC4B CAPITAL BOND FUND
01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
5403-01-00	BUILDING MAINTENANCE	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	MAINTENANCE	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5525-01-00	TRAINING/SEMINARS	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5570-01-00	SPECIAL SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5579-01-00	ARCHITECT/DESIGN SERVICES	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5580-01-00	ENGINEERING SERVICES	-	-	-	6,779	-	-	-	-	-	0.0%	0.0%
	SUNDRY	**$ -**	**$ -**	**$ -**	**$ 6,779**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
5800-01-00	LAND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
5847-01-00	CONSTRUCTION	-	-	234	10,091	25,000	25,000	-	25,000	25,000	#DIV/0!	0.0%
	CAPITAL	**$ -**	**$ -**	**$ 234**	**$ 10,091**	**$ 25,000**	**$ 25,000**	**$ -**	**$ 25,000**	**$ 25,000**	**#DIV/0!**	**0.0%**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 234**	**$ 16,871**	**$ 25,000**	**$ 25,000**	**$ -**	**$ 25,000**	**$ 25,000**	**#DIV/0!**	**0.0%**

95: EDC4B RESERVE FUND

CATEGORY	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
BEGINNING FUND BALANCE	**$ 119,866**	**$ 119,862**	**$ 119,862**	**$ 119,862**	**$ 119,914**	**$ 119,903**	**$ 119,903**	**$ 119,903**			
INVESTMENT EARNINGS	200	200	21	41	52	52	4	12	(148)	10.3%	8.6%
TRANSFERS	-	-	-	-	-	-	-	-	-	0.0%	0.0%
TOTAL REVENUES	**$ 200**	**$ 200**	**$ 21**	**$ 41**	**$ 52**	**$ 52**	**$ 4**	**$ 12**	**$ (148)**	**10.3%**	**8.6%**
TRANSFERS	-	-	-	-	-	-	-	-	-	0.0%	0.0%
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
REVENUES OVER EXPENDITURES	$ 200	$ 200	$ 21	$ 41	$ 52	$ 52	$ 4	$ 12			
ENDING FUND BALANCE	**$ 120,066**	**$ 120,062**	**$ 119,882**	**$ 119,903**	**$ 119,966**	**$ 119,955**	**$ 119,907**	**$ 119,915**			
ADJUSTMENTS		-	-	-		-	-	-			
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**			
RESERVE ($112,606 REQUIREMENT)	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606			
RESERVE SURPLUS/(SHORTFALL)	**$ 7,460**	**$ 7,456**	**$ 7,276**	**$ 7,297**	**$ 7,360**	**$ 7,349**	**$ 7,301**	**$ 7,309**			

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
4401-00-00	INVESTMENT INCOME	200	200	21	41	52	52	4	12	(148)	10.3%	8.6%
	INVESTMENT EARNINGS	**$ 200**	**$ 200**	**$ 21**	**$ 41**	**$ 52**	**$ 52**	**$ 4**	**$ 12**	**$ (148)**	**10.3%**	**8.6%**
4915-00-00	TRANSFER IN-EDC FUND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
4920-00-00	TRANSFER IN	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	OTHER AGENCY	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
	TOTAL REVENUES	**$ 200**	**$ 200**	**$ 21**	**$ 41**	**$ 52**	**$ 52**	**$ 4**	**$ 12**	**$ (148)**	**10.3%**	**8.6%**

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY12-13 BUDGET	FY12-13 AMENDED	FY12-13 YTD JAN	FY12-13 ESTIMATE	FY13-14 PROPOSED	FY13-14 AMENDED	FY13-14 YTD JAN	FY13-14 ESTIMATE	CY - PY CHANGE	FY12-13 YTD %	FY13-14 YTD %
5715-00-00	TRANSFER OUT-EDC FUND	-	-	-	-	-	-	-	-	-	0.0%	0.0%
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

Staff Report to the Board of Directors

Date: March 25, 2014

Agenda Item No: REGULAR ITEMS - B.

I. Subject:
Discuss and consider action for approval of Economic Development Corporation Independent Auditor's Report for year ended September 30, 2013.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The auditor’s opinion on the financial statements for the year ended September 30, 2013 is that the statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely-presented component unit, each major fund, and the aggregate remaining fund information of the Kennedale Economic Development Corporation (KEDC) as of September 30, 2013. The statements also present the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for major fund-types, thus demonstrating the KEDC end of year financial report is in conformity with the Generally Accepted Accounting Principles (GAAP) as provided by the Governmental Accounting Standard Boards (GASB) of America.

Our auditors will be present to review their findings with the Board, as well as provide bound copies of the report.

IV. Recommendation:
Approve

V. Alternative Actions:

Staff recommends Directors accept and approve the Independent Auditor’s Report as presented by Patillo, Brown, & Hill, LLP.

VI. Attachments:

1.	EDC Audit Report Ending Sep 30, 2013	2013 Draft EDC Audit.pdf

KENNEDALE ECONOMIC DEVELOPEMENT CORPORATION

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KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2013

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

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SEPTEMBER 30, 2013

PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Of Kennedale Economic Development Corporation
Kennedale, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Kennedale Economic Development Corporation (the "Corporation"), a component unit of the City of Kennedale, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Corporation'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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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TEMPLE, TX (254) 791-3460 ■ ALBUQUERQUE, NM (505) 266-5904

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Corporation, as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

February 26, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Kennedale Economic Development Corporation, we offer readers of the Kennedale Economic Development Corporation financial statements, this narrative overview, and analysis of the financial activities of the Kennedale Economic Development Corporation for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Kennedale Economic Development Corporation exceeded its liabilities at the close of the most recent fiscal year by $4,980,558.

- The Kennedale Economic Development Corporation's net position increased by $94,175. The increase was due to decreases in economic development expenses and interest and fiscal charges. There was also an increase in miscellaneous income that offset the decrease in sales tax revenue.

- As of the close of the current fiscal year, the Kennedale Economic Development Corporation's governmental fund reported an ending fund balance of $(405,765, a decrease of $607,737 in comparison with the prior year. All of the fund balance is restricted for economic development.

- At the end of the current fiscal year, the restricted fund balance for the General Fund was $(405,765). The Corporation is planning the sale of certain assets in fiscal year 2014 to bring the fund balance back to a positive amount.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Kennedale Economic Development Corporation's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Kennedale Economic Development Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Kennedale Economic Development Corporation is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

Governmental activities – Most of the Corporation's basic expenditures are reported here, including administrative and incentive grants. Sales taxes and investment earnings finance these activities.

Fund 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. The Kennedale Economic Development Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Corporation uses the following fund type:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Kennedale Economic Development Corporation maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The Kennedale Economic Development Corporation adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for General Fund component unit to demonstrate compliance with the budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the financial section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time, net position may serve as a useful indicator of the Corporation's financial position. In the case of the Kennedale Economic Development Corporation, assets exceeded liabilities by $4,980,558 at the close of the most recent fiscal year.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S NET POSITION

	Governmental Activities	
	2013	2012
Current assets	$ 275,105	$ 323,095
Capital assets	6,930,383	6,298,809
Total assets	7,205,488	6,621,904
Current liabilities	658,233	96,869
Noncurrent liabilities	1,566,697	1,638,652
Total liabilities	2,224,930	1,735,521
Net position:		
Net investment in capital assets	5,363,686	4,660,157
Unrestricted	(383,128)	226,226
Total net position	$ 4,980,558	$ 4,886,383

The Corporation's net position increased by $94,175 during the current fiscal year. This increase is primarily due to decreases in administration expenses and interest and fiscal charges.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S CHANGES IN NET POSITION

	Governmental Activities	
	2013	2012
General Revenues:		
Sales tax	$ 339,515	$ 442,012
Rental Income	199,990	202,935
Miscellaneous income	117,255	5,251
Investment earnings	612	1,330
Total general revenues	657,372	651,528
Expenses:		
Economic development:		
Administration	322,345	461,217
Payment to city for debt	151,619	153,119
Interest and fiscal charges	89,233	123,326
Total expenses	563,197	737,662
Changes in net assets	94,175	(86,134)
Net assets, beginning	4,886,383	4,972,517
Net assets, ending	$ 4,980,558	$ 4,886,383

Governmental activities. The Corporation's general revenues increased by $5,844 or .9% from last year. The slight increase was due to an increase in miscellaneous income offset by a decrease in sales tax revenue. Sales tax revenue decreased by $102,497 or 23.19% to $339,515.

DISCUSSION OF CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS IN FISCAL YEAR 2013

The Kennedale Economic Development Corporation's projects for the fiscal year and beyond include: 1) Securing development agreements with the racetracks providing for the orderly conversion to residential subdivisions, 2) Opening two fast food restaurants in the Oak Crest development, 3) Securing a commitment from a hotel developer for the Oak Crest development, 4) Continuing the development of the Kennedale TownCenter with the second retail building to be built in 2014, and 5) Identifying potential tracts of land to acquire, consolidate, clear and resell for light manufacturing uses.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Kennedale Economic Development Corporation's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, Kennedale Economic Development Corporation, 405 Municipal Dr., Kennedale, Texas 76060.

BASIC
FINANCIAL STATEMENTS

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

SEPTEMBER 30, 2013

	General	Adjustments	Statement of Net Assets
ASSETS			
Cash and investments	$ 200,611	$ -	$ 200,611
Sales taxes receivable	51,857	-	51,857
Deferred charges	-	22,637	22,637
Capital assets:			
Land	-	1,703,328	1,703,328
Buildings and improvements	-	2,824,042	2,824,042
Construction in progress	-	2,997,966	2,997,966
Less: accumulated depreciation	-	(594,953)	(594,953)
Total capital assets	-	6,930,383	6,930,383
Total assets	252,468	6,953,020	7,205,488
LIABILITIES			
Accounts payable	36,334	-	36,334
Due to other governments	607,000	-	607,000
Customer deposits	14,899	-	14,899
Noncurrent liabilities:			
Due within one year	-	80,960	80,960
Due in more than one year	-	1,485,737	1,485,737
Total liabilities	658,233	1,566,697	2,224,930
FUND BALANCE/NET POSITION			
Fund balance:			
Restricted for economic development	(405,765)	405,765	-
Total fund balance	(405,765)	405,765	-
Total liabilities and fund balance	$ 252,468		
Net position:			
Invested in capital assets, net of related debt		5,363,686	5,363,686
Restricted for economic development		(383,128)	(383,128)
Total net position		$ 4,980,558	$ 4,980,558

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

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES
AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General	Adjustments	Statement of Activities
Expenditures/expenses:			
Current:			
Economic development	$ 952,303	$(629,958)	$ 322,345
Payment to city for debt	151,619	-	151,619
Debt service:			
Principal	71,954	(71,954)	-
Interest and fiscal charges	89,233	-	89,233
Total expenditures/expenses	1,265,109	(701,912)	563,197
General revenues:			
Sales taxes	339,515	-	339,515
Rental income	199,990	-	199,990
Miscellaneous income	117,255	-	117,255
Investment earnings	612	-	612
Total general revenues	657,372	-	657,372
Excess of revenues over expenditures	(607,737)	701,912	94,175
Net change in fund balance	(607,737)	607,737	-
Change in net position	-	94,175	94,175
Fund balance/net position:			
Beginning	201,972	4,684,411	4,886,383
Ending	$(405,765)	$ 5,386,323	$ 4,980,558

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

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

COMPONENT UNIT - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2013

(With Comparative Actual Amounts for the Year Ended September 30, 2012)

	2013				2012
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Actual Amounts
	Original	Final			
REVENUES					
Sales tax	$ 440,126	$ 440,126	$ 339,515	$(100,611)	$ 442,012
Rental income	231,556	231,556	199,990	(31,566)	202,935
Miscellaneous income	395,000	395,000	117,255	(277,745)	5,251
Investment earnings	450	450	612	162	1,330
Total revenues	1,067,132	1,067,132	657,372	(409,760)	651,528
EXPENDITURES					
Current:					
Economic development	776,518	952,307	952,303	4	1,223,203
Payment to city for debt	151,619	151,619	151,619	-	153,119
Debt Service:					
Principal	74,813	74,813	71,954	2,859	1,131,348
Interest and fiscal charges	90,944	90,944	89,233	1,711	123,326
Total expenditures	1,093,894	1,269,683	1,265,109	4,574	2,630,996
EXCESS OF REVENUES OVER EXPENDITURES	(26,762)	(202,551)	(607,737)	(405,186)	(1,979,468)
OTHER FINANCING SOURCES					
Debt issuance	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(26,762)	(202,551)	(607,737)	(405,186)	(1,979,468)
FUND BALANCES, BEGINNING	201,972	201,972	201,972	-	2,181,440
FUND BALANCES, ENDING	$ 175,210	$(579)	$(405,765)	$(405,186)	$ 201,972

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

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kennedale Economic Development Corporation (the "Corporation") have been prepared in conformity with generally accepted accounting principles ("GAAP") for local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB's jurisdiction includes nonprofit corporations that are in substance part of a governmental unit. The most significant accounting and reporting policies of the Corporation are described in the following notes to the financial statements.

A. Reporting Entity

The Kennedale Economic Development Corporation (KEDC) was incorporated on December 2, 1996. The Corporation is a nonprofit corporation organized and operating under the laws of the State of Texas, particularly Section 4B of the Development Corporation Act of 1979, as amended and Article 5190.6, Vernon's Texas Civil Statutes, (the "Act"), as amended. The Corporation was created following an election held by the City of Kennedale, Texas (the "City"), on August 10, 1996, to levy 0.5% local sales and use tax in the City for the benefit of the Corporation. The Corporation, as currently organized, is to promote economic development within the City, including, but not limited to, construction, operation and administration, as permitted by Section 4B of the Act, as amended. The Corporation is a discretely presented component unit of the City under the provisions of Governmental Accounting Standards Board Statement No. 14.

As required by generally accepted accounting principles, these financial statements present the Kennedale Economic Development Corporation and do not include any component units, entities for which the Corporation is considered to be financially accountable. The Corporation did not have any entities which meet the component unit criteria. Therefore, the reporting entity is limited to those departments which comprise the Corporation's legally adopted jurisdiction. However, the Corporation is considered to be, and is reported as, a component unit of the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the government. *Governmental activities* are supported by taxes, rent and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as *general revenue.*

The government-wide and fund financial statements are provided for the governmental fund of the Corporation with a column for adjustments between the two statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Interest income associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Corporation.

The Corporation reports the following major governmental fund:

> The ***General Fund*** is the government's primary operating fund. It accounts for all financial resources of the Corporation. There are no other funds of the Corporation.

D. Assets, Liabilities and Net Assets or Equity

Cash and Investments

The City of Kennedale, Texas, pools substantially all cash and investments except for separate cash and investment accounts which are maintained in accordance with legal restrictions. The Corporation participates in the City's cash and investment pool. Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in current transactions between willing parties. Investment income on investments is allocated to the Corporation based upon its pro rata participation in the pool.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Economic Development Board of Directors and the City Council of the City of Kennedale, Texas, follow these procedures in establishing budgets reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the Executive Director submits a proposed budget to the Corporation's Board of Directors for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the Corporation's Board of Directors and ratified by the City Council of the City.
4. The Board of Directors and the City Council must approve any budget amendments. At the end of each fiscal year, all appropriations lapse.
5. Annual budgets adopted for the Economic Development Fund are adopted on a basis consistent with generally accepted accounting principles.

3. DETAIL NOTES

A. Cash and Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Corporation to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the Corporation to invest in (1) obligations of the U. S. Treasury, certain U. S. Agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the Corporation to have independent auditors perform test procedures related to investment practices as provided by the Act. The Corporation is in substantial compliance with the requirements of the Act and with local policies

In compliance with the **Public Funds Investment Act**, the Corporation has adopted the deposit and investment policy used by the City of Kennedale. That policy does address the following risks:

a. ***Custodial Credit Risk -*** Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2013, all of the Corporation's deposits were in the TexPool accounts held by the City of Kennedale.

b. ***Credit Risk:*** It is the Corporation's policy to limit investments to investment types with an investment quality rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days. The Corporation's investments were rated AAAm by Standard and Poor's Investors Services.

c. ***Interest Rate Risk:*** In accordance with the Corporation's investment policy, the Corporation manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 90 days or less, dependent on market conditions.

d. ***Concentration of Credit Risk:*** The Corporation's investment policy states the maximum percentage allowed for each different investment instrument that can be used to make up the portfolio.

At September 30, 2013, the carrying amounts of the Corporation's investments were as follows:

Balances in public funds investment pools:	
State Treasurer's Investment Pool (TexPool)	200,611
	$ 200,611

Balances in public funds investment pools noted above are not evidenced by underlying securities that exist in physical or book entry form and, therefore, are not subject to credit risk categorization.

B. Risk Management

The City of Kennedale, Texas, carries its general insurance risks with a public entity risk pool by transferring all risks to the insurance carrier except for small deductible amounts.

C. Employee Plans

The Corporation has no employees. The personnel duties for the Corporation are performed by employees of the City of Kennedale, and the Corporation is charged for expenses related to these duties. For complete "Employee Plan" disclosures, reference is made to the basic financial statements of the City of Kennedale, Texas.

D. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,136,614	$ 566,714	$ -	$ 1,703,328
Construction in progress	2,798,683	199,283	-	2,997,966
Total capital assets not being depreciated	3,935,297	765,997	-	4,701,294
Capital assets, being depreciated:				
Buildings	1,937,215	-	-	1,937,215
Improvements	880,048	6,779	-	886,827
Total capital assets being depreciated	2,817,263	6,779	-	2,824,042
Less accumulated depreciation:				
Buildings	372,061	96,861	-	468,922
Improvements	81,690	44,341	-	126,031
Total accumulated depreciation	453,751	141,202	-	594,953
Total capital assets, being depreciated, net	2,363,512	(134,423)	-	2,229,089
Governmental activities capital assets, net	$ 6,298,809	$ 631,574	$ -	$ 6,930,383

E. Long-term Debt

During fiscal year 2011, a loan was issued for $1,700,000 for the purpose of financing new projects in addition to the revenue bonds issued fiscal year 2007 of $1,200,000 also for the purpose of financing new projects. Revenue bonds and loans outstanding at year end are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities					
Revenue bonds	$ 1,030,000	$ -	$ 40,000	$ 990,000	$ 45,000
Texas leverage fund loan	608,652	-	31,955	576,697	35,960
Governmental activity Long-term liabilities	$ 1,638,652	$ -	$ 71,955	$ 1,566,697	$ 80,960

Annual debt service requirements to maturity for the revenue bonds are as follows:

Year Ending September 30	Governmental Activities Principal	Governmental Activities Interest
2014	$ 80,960	$ 87,015
2015	87,147	82,701
2016	88,373	78,001
2017	94,638	73,260
2018	100,946	68,130
2019-2023	575,905	253,450
2024-2028	538,728	76,757
Total	$ 1,566,697	$ 719,314

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Staff Report to the Board of Directors

Date: March 25, 2014

Agenda Item No: STAFF ANNOUNCEMENTS/REPORTS - A.

I. Subject:
Updates and information from the Executive Director.

1. Link Street & Oak Crest Development
2. Regional economic development conference plans
3. 12 at 12 meeting on April 23, 2014

II. Originated by:

Bob Hart

III. Summary:
At this time Executive Director Bob Hart and Jack Thompson from Orasi Development will provide updates on the listed topics.

IV. Recommendation:
None

V. Alternative Actions:

VI. Attachments:

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Staff Report to the Board of Directors

Date: March 25, 2014

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:
The Economic Development Corporation will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, lease, or value of real property.

1. Discuss the sale of Oak Crest pad sites.
2. Discuss lease of Building 1 in Kennedale TownCenter
3. Discuss sale of 1000 E Kennedale Parkway.
4. Discuss the sale of 1083 Bowman Springs Road.

II. Originated by:

Bob Hart

III. Summary:
This discussion will be held during executive session.

IV. Recommendation:

V. Alternative Actions:

VI. Attachments:

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Staff Report to the Board of Directors

Date: March 25, 2014

Agenda Item No: RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED - A.

I. Subject:
Strategic Plan Discussion.
- Discuss the strategic direction of economic development efforts within the city.

II. Originated by:

Bob Hart

III. Summary:
The EDC will have a general discussion on strategic initiatives.

IV. Recommendation:
None

V. Alternative Actions:

VI. Attachments: