KENNEDALE
Kennedale Economic Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION

AGENDA
BOARD OF DIRECTORS - REGULAR MEETING
February 23, 2016
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

REGULAR SESSION - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. MINUTES APPROVAL

A. Consider approval of the minutes from the January 26, 2016 regular meeting

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for January 2016

B. Discuss and consider action for approval of Economic Development Corporation Independent Auditor's Report for year ended September 30, 2015.

V. STAFF ANNOUNCEMENTS/REPORTS

A. Village Creek
B. TownCenter
C. Chamber Report

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. 1200 Block Bowman Springs Road
2. 6900 Block Kennedale Parkway
3. 5400 and 5404 Kennedale Road
4. 5401 High Ridge Road
5. TownCenter Building Pad 5

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

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 the City Secretary at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the February 23, 2016, 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.

Leslie Galloway

Leslie Galloway, City Secretary

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 23, 2016

Agenda Item No: MINUTES APPROVAL - A.

I. Subject:
Consider approval of the minutes from the January 26, 2016 regular meeting

II. Originated by:

III. Summary:
Minutes are prepared by the Deputy City Secretary and ready for approval.

IV. Recommendation:
Approve

V. Alternative Actions:

VI. Attachments:

1.	Economic Development Corporation Meeting Minutes - January 26, 2016	1-26-16.pdf

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ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS - REGULAR MEETING
MINUTES
January 26, 2016

I. CALL TO ORDER

President Mundy called the meeting to order at 7:00 p.m. and introduced the new Library Director, Amanda King.

II. ROLL CALL

Present: Michael Johnson, Rebecca Mowell, Robert Mundy, Pat Turner, Ronald Whitley, Mark Yeary
Absent: Adrienne Kay

III. MINUTES APPROVAL

A. Consider approval of the minutes from the November 17, 2015 regular meeting

Motion To approve the November 17, 2015 regular meeting minutes. **Action** Approve, **Moved By** Pat Turner, **Seconded By** Rebecca Mowell.
Motion passed Unanimously

It was noted that the Economic Development Corporation did not meet in the month of December.

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for November and December 2015.

Finance Director, Krystal Crump provided a brief overview of the November and December 2015 Finance Reports for the Economic Development Corporation Board members. She noted that sales revenue was up; less than this time last year, but better than expected. Additionally, she stated that we have not had any major expenses so far this fiscal year.

Board members, Pat Turned questioned if Red's Roadhouse was current on their payments. Krystal Crump stated that they are currently two months behind. Bob Hart will send a letter reminding them of the terms of their agreement. In closing, Krystal noted that the 2015 EDC Audit Report will be presented at the February meeting.

Motion To approve the November and December 2015 Economic Development Corporation Financial Reports. **Action** Approve, **Moved By** Mark Yeary, **Seconded By** Rebecca Mowell.
Motion passed Unanimously

V. STAFF ANNOUNCEMENTS/REPORTS

A. Village Creek
B. TownCenter
C. Chamber Report

Director Bob Hart stated that he met with the Army Corp of Engineers regarding evaluation alternatives for the Village Creek 205 Study; he expects the preliminary results by March. Bob provided announcement hand-outs from the Kennedale Development Partners with their latest updates for TownCenter. He added that the building permits for buildings 6 and 7 will be issued next week and construction is scheduled to start in March. There was some discussion regarding prospective and new tenants for TownCenter; the status of the vacant Surplus Warehouse space; and the status of the salvage yards.

Jack Thompson, Orasi Development provided an update on Chamber activities noting that MCA sponsored their January luncheon; kicking off the new year with Keep Kennedale Healthy. Jack added that the Chamber's January Lunch and Learn will cover accounting principles/business taxes; the Chamber After Hours event, "Death by Chocolate" will be February 6 at Emerald Hills; and the annual Clay Shoot is scheduled for April 1 at Alpine.

Board members questioned Thompson on what was new on the EDC's side of Jack's responsibilities. Jack stated that he was working with Craig Hughes on TownCenter; he was working with developers on industrial sites; and he plans to attend the ICSC Conference in May.

VI. EXECUTIVE SESSION

President Mundy recessed into executive session at 7:27 p.m.

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. 1200 Block Bowman Springs Road
2. 6900 Block Kennedale Parkway
3. 5400 and 5404 Kennedale Road
4. 5401 High Ridge Road
5. TownCenter Building Pad 5

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

President Mundy reconvened into open session at 8:30 p.m.
No action was necessary pursuant to the Executive Session.

The February meeting is scheduled to be held on February 23, 2016, however it may be necessary to meet earlier on February 16, 2016. Staff will send out a confirmation on the date.

Board member Pat Turner stated that in order to obtain more community support, he would like to take steps to reach out to the community to see what they would like in Kennedale; possibly forming a think tank to generate interest. Director Hart stated that Council is thinking about preparing a strategic plan for the City later this year and the City Council could incorporate this as an element of the plan.

VIII. ADJOURNMENT

The meeting was adjourned at 8:43 p.m.

APPROVED: ATTEST:

____________________________ ____________________________________
President Robert Mundy Deputy City Secretary Kathy E. Moore

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 23, 2016

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Review and accept the KEDC Financial Report for January 2016

II. Originated by:

Finance Director, Director of Finance & IT
Bob Hart

III. Summary:
Finance Director, Krystal Crump will provide an overview of the January 2016 Kennedale Economic Development Corporation Financial Report.

IV. Recommendation:
Approve

V. Alternative Actions:

VI. Attachments:

1.	January Financials	2016_01 Monthly Financials.pdf

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY
JANUARY 2015

Budget Amendment

No amendments.

Monthly Information

Sales Taxes are slightly exceeding budget expectations and prior year numbers to date.
No out of the ordinary expenditures during month.
Functional Grant line item - paid out property taxes for H & O and paying out sales taxes for H20 per 380 agreements.

Rental Fees, MMD Tax and Rental Insurance are reported on the Accrual Basis of Accounting, while all other revenues and expenditures are reported on the Cash Basis. This procedure has been in effect for several years, but can be changed should the Board wish.

Krystal Crump
Finance Director

ADDITIONAL INFORMATION

FUND 15- OPERATING FUND (ALL BILLS AND REVENUE RECEIVED IN THIS FUND)
FUND 19- CAPITAL BOND FUND (REMAINING CAPITAL MONEY)
FUND 95- RESERVE FUND FOR DEBT REQUIREMENTS

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

EDC CASH POSITION

CATEGORY	FY14-15 ACTUAL	FY15-16 PROPOSED	CURRENT MONTH	FY15-16 YTD
BEGINNING CASH BALANCE - FUND 15	**$ 177,198**	**$ 90,295**	**$ 86,899**	**$ 90,295**
BEGINNING TEXPOOL BALANCE - FUND 15	**$ 19**	**$ 19**	**$ 19**	**$ 19**
BEGINNING TEXPOOL BALANCE - FUND 19	**$ 29,429**	**$ 29,444**	**$ 29,449**	**$ 29,444**
BEGINNING CASH BALANCE - FUND 95	**$ 119,922**	**$ 119,962**	**$ 119,970**	**$ 119,962**
TOTAL REVENUES	**$ 650,469**	**$ 912,036**	**$ 27,668**	**$ 118,149**
TOTAL EXPENDITURES	**$ 694,023**	**$ 711,842**	**$ 15,264**	**$ 140,460**
CHANGE IN CASH DURING PERIOD	$ (86,848)	$ 200,166	$ 20,640	$ (3,382)
ENDING CASH BALANCE - FUND 15	**$ 90,295**	**$ 315,449**	**$ 107,494**	**$ 86,899**
ENDING TEXPOOL BALANCE - FUND 15	**$ 19**	**$ 19**	**$ 19**	**$ 19**
ENDING TEXPOOL BALANCE - FUND 19	**$ 29,444**	**$ 4,456**	**$ 29,461**	**$ 29,449**
ENDING CASH BALANCE - FUND 95	**$ 119,962**	**$ 119,962**	**$ 120,004**	**$ 119,970**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

ALL EDC FUNDS

CATEGORY	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 376,091**	**$ 376,091**	**$ 258,442**	**$ 297,821**	**$ 332,537**			
AD VALOREM TAXES	35,322	38,075	48,062	-	1,966	0	4.1%	46,096
SALES/BEVERAGE TAXES	52,506	457,222	350,000	25,451	58,627	15,209	16.8%	291,373
INVESTMENT EARNINGS	37	112	80	43	86	40	108.1%	(6)
MISCELLANEOUS INCOME	22,750	57,546	384,120	2,174	9,143	-	2.4%	374,977
SURPLUS SALES/RENTALS	28,996	97,515	129,774	-	48,326	(4,918)	37.2%	81,448
TOTAL REVENUES	**$ 139,610**	**$ 650,469**	**$ 912,036**	**$ 27,668**	**$ 118,149**	**$ 10,331**	**13.0%**	**$ 793,888**
SUPPLIES	-	4,625	3,100	-	-	-	0.0%	3,100
MAINTENANCE	8,899	39,375	23,592	-	1,945	-	8.2%	21,647
SUNDRY	55,294	204,629	210,258	10,691	48,892	(19,764)	23.3%	161,365
DEBT	55,358	169,796	166,374	4,573	53,663	(3,475)	32.3%	112,711
TRANSFERS	36,759	153,519	153,519	-	35,959	(0)	23.4%	117,559
CAPITAL	6,540	122,078	155,000	-	-	(887)	0.0%	155,000
TOTAL EXPENDITURES	**$ 162,850**	**$ 694,023**	**$ 711,842**	**$ 15,264**	**$ 140,460**	**$ (24,127)**	**19.7%**	**$ 571,382**
REVENUES OVER EXPENDITURES	$ (23,240)	$ (43,553)	$ 200,194	$ 12,405	$ (22,312)			
ENDING FUND BALANCE	**$ 352,850**	**$ 332,537**	**$ 458,635**	**$ 310,225**	**$ 310,225**			
ADJUSTMENTS								
FUND BALANCE AS % OF EXP	**216.7%**	**47.9%**	**64.4%**	**2032.4%**	**220.9%**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 352,850**	**$ 332,537**	**$ 458,635**	**$ 310,225**	**$ 310,225**			

15: EDC4B FUND

INCOME STATEMENT	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
OPERATING REVENUES	139,573	650,357	911,956	27,625	118,062	10,291	-61.9%	793,894
OPERATING EXPENDITURES	(126,091)	(540,504)	(533,324)	(15,264)	(104,501)	24,126	3.0%	(428,823)
OPERATING INCOME/(LOSS)	**13,482**	**109,853**	**378,633**	**12,361**	**13,561**	**34,418**		
NONOPERATING REVENUES/(EXPENSES)								
INTEREST EARNINGS	22	57	40	17	30	36	74.8%	10
TRANSFERS IN	-	-	-	-	-	-	0.0%	-
(TRANSFER OUT)	(36,759)	(153,519)	(153,519)	-	(35,959)	0	-23.4%	(117,559)
NET OPERATING INCOME/(LOSS)	**(23,255)**	**(43,609)**	**225,154**	**12,378**	**(22,368)**	**34,454**		
BEGINNING FUND BALANCE	**$ 226,740**	**$ 226,740**	**$ 109,049**	**$ 148,385**	**$ 183,131**			
ENDING FUND BALANCE (EXCLUDING OTHER FUNDS)	**$ 203,485**	**$ 183,131**	**$ 334,203**	**$ 160,763**	**$ 160,763**			
95: EDC4B RESERVE FUND	$ 119,938	$ 119,977	$ 119,977	$ 120,002	$ 120,002			
19: EDC4B CAPITAL BOND FUND	$ 54,449	$ 4,456	$ 4,456	$ 29,461	$ 29,461			
ENDING FUND BALANCE (INCLUDING OTHER FUNDS)	**$ 377,871**	**$ 307,564**	**$ 458,635**	**$ 310,225**	**$ 310,225**			

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND

CATEGORY	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 226,740**	**$ 226,740**	**$ 109,049**	**$ 148,385**	**$ 183,131**			
AD VALOREM TAXES	35,322	38,075	48,062	-	1,966	0	4.1%	46,096
SALES/BEVERAGE TAXES	52,506	457,222	350,000	25,451	58,627	15,209	16.8%	291,373
INVESTMENT EARNINGS	22	57	40	17	30	36	74.8%	10
MISCELLANEOUS INCOME	22,750	57,546	384,120	2,174	9,143	-	2.4%	374,977
SURPLUS SALES/RENTALS	28,996	97,515	129,774	-	48,326	(4,918)	37.2%	81,448
TOTAL REVENUES	**$ 139,595**	**$ 650,414**	**$ 911,996**	**$ 27,642**	**$ 118,092**	**$ 10,327**	**12.9%**	**$ 793,904**
SUPPLIES	-	4,625	3,100	-	-	-	0.0%	3,100
MAINTENANCE	8,899	39,375	23,592	-	1,945	-	8.2%	21,647
SUNDRY	55,294	204,629	210,258	10,691	48,892	(19,764)	23.3%	161,365
DEBT	55,358	169,796	166,374	4,573	53,663	(3,475)	32.3%	112,711
TRANSFERS	36,759	153,519	153,519	-	35,959	(0)	23.4%	117,559
CAPITAL	6,540	122,078	130,000	-	-	(887)	0.0%	130,000
TOTAL EXPENDITURES	**$ 162,850**	**$ 694,023**	**$ 686,842**	**$ 15,264**	**$ 140,460**	**$ (24,127)**	**20.5%**	**$ 546,382**
REVENUES OVER EXPENDITURES	$ (23,255)	$ (43,609)	$ 225,154	$ 12,378	$ (22,368)			
ENDING FUND BALANCE	**$ 203,485**	**$ 183,131**	**$ 334,203**	**$ 160,763**	**$ 160,763**			
ADJUSTMENTS								
FUND BALANCE AS % OF EXP	**125.0%**	**26.4%**	**48.7%**	**1053.2%**	**114.5%**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 203,485**	**$ 183,131**	**$ 334,203**	**$ 160,763**	**$ 160,763**			

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	35,322	38,075	48,062	-	1,966	0	4.1%	46,096
	AD VALOREM TAXES	**$ 35,322**	**$ 38,075**	**$ 48,062**	**$ -**	**$ 1,966**	**$ 0**	**4.1%**	**$ 46,096**
4081-00-00	SALES TAX	52,506	457,222	350,000	25,451	58,627	15,209	16.8%	291,373
	SALES/BEVERAGE TAXES	**$ 52,506**	**$ 457,222**	**$ 350,000**	**$ 25,451**	**$ 58,627**	**$ 15,209**	**16.8%**	**$ 291,373**
4401-00-00	INVESTMENT INCOME	22	57	40	17	30	36	74.8%	10
	INVESTMENT EARNINGS	**$ 22**	**$ 57**	**$ 40**	**$ 17**	**$ 30**	**$ 36**	**74.8%**	**$ 10**
4409-00-00	MISCELLANEOUS INCOME	22,750	57,546	384,120	2,174	9,143	-	2.4%	374,977
	MISCELLANEOUS INCOME	**$ 22,750**	**$ 57,546**	**$ 384,120**	**$ 2,174**	**$ 9,143**	**$ -**	**2.4%**	**$ 374,977**
4805-00-00	RENTAL FEES-SHOPPING CENTER	28,922	97,271	121,274	-	48,015	(4,918)	39.6%	73,259
4806-00-00	RENTAL INSURANCE	73	244	8,500	-	311	-	3.7%	8,189
	SURPLUS SALES/RENTALS	**$ 28,996**	**$ 97,515**	**$ 129,774**	**$ -**	**$ 48,326**	**$ (4,918)**	**37.2%**	**$ 81,448**
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
	TOTAL REVENUES	**$ 139,595**	**$ 650,414**	**$ 911,996**	**$ 27,642**	**$ 118,092**	**$ 10,327**	**12.9%**	**$ 793,904**
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 139,573**	**$ 650,357**	**$ 911,956**	**$ 27,625**	**$ 118,062**	**$ 10,291**		
	10% ADMIN CHARGE-GENERAL FUND	13,957	65,036	91,196	2,763	11,806	1,029		

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND

				FY15-16 PROPOSED
4002-00-00	**MMD TAX-CURRENT YEAR**	BASED ON FY13/14 ASSESSED VALUE OF $2,783,693 AND TOTAL TAX RATE OF 2.880965 PER $100 (MINUS TRACT 1R FOR SURPLUS) CITY OF KENNEDALE: $0.747500 KENNEDALE ISD: $1.492068 TARRANT COUNTY: $0.264000 TARRANT HOSPITAL: $0.227897 TARRANT COLLEGE: $0.14950C	48,062	**48,062**
4081-00-00	**SALES TAX**	GENERALLY BUDGET BASED ON PRIOR 3 YEARS OF HISTORY	350,000	**350,000**
4401-00-00	**INVESTMENT INCOME**	EARNING BASED UPON AVERAGE BALANCE/INTEREST RATES	40	**40**
4409-00-00	**MISCELLANEOUS INCOME**	SALE OF 1121 WEST KENNEDALE PARKWAY (APACHE/NACHO/FOX/WHEELER/HUNDE PURCHASED FY09/10) - 3RD PADSITE, 4TH PADSITE REMAINING	360,000	**384,120**
		MONTHLY FEE FROM CHAMBER FOR SERVICES ($2000 MONTH)	24,000	
		MONTHLY FEE FROM CHAMBER PER RENTAL AGREEMENT ($10 MONTH) PLUS $100 DEPOSIT	120	
4411-00-00	**TX LEVERAGE PROG REIMBURSEMENTS**	PRINCIPAL & INTEREST PAYMENTS RECEIVED FROM GROVER TO REIMBURSE THE STATE EDC FOR $1.7M LOAN	-	**-**
4805-00-00	**RENTAL FEES-SHOPPING CENTER**	CHICKEN EXPRESS ($2518 MONTH, RELOCATION JUL 2013, LEASE EXPIRES 05/31/17, GOES TO $0 UPON MOVE)	22,662	**121,274**
		DOLLAR GENERAL ($4719 MONTH, LEASE EXPIRES 07/31/17, 2% MANAGEMENT FEE FOR AT RENEWA	56,628	
		BUILDING ONE VACANT ($8400 MONTH, LEASE EXPIRES 05/31/16, 2% MANAGEMENT FEE FOR AT RENEWAL)	-	
		PREPAID TENANT FEES RECEIVED BUT CORRESPONDING OFFSET OCCURS WHEN BOOKED AGAINST CAM EXPENSES (EXCLUDES RENTAL INSURANCE CAM)	41,984	
4806-00-00	**RENTAL INSURANCE**	RENTAL CAM COLLECTED ON LEASE AGREEMENTS AND THEN USED TO PAY TML INSURANCE (OFFSETTING EXPENSE UNDER TOWN SHOPPING CENTER)	8,500	**8,500**

TOTAL REVENUES **$ 911,996**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
	PERSONNEL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
5240-01-00	PRINTED SUPPLIES	-	4,505	3,000	-	-	-	0.0%	3,000
5260-01-00	GENERAL OFFICE SUPPLIES	-	-	50	-	-	-	0.0%	50
5261-01-00	POSTAGE	-	120	50	-	-	-	0.0%	50
	SUPPLIES	**$ -**	**$ 4,625**	**$ 3,100**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ 3,100**
5403-01-00	BUILDING MAINTENANCE	285	-	-	-	-	-	0.0%	-
	MAINTENANCE	**$ 285**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
5501-01-00	ADVERTISING	-	359	1,200	-	-	-	0.0%	1,200
5510-01-00	ASSOC DUES/PUBLICATIONS	905	4,755	4,020	-	1,236	-	30.7%	2,784
5525-01-00	TRAINING/SEMINARS	-	-	250	-	-	-	0.0%	250
5565-01-00	LEGAL SERVICES	-	9,700	1,000	-	-	(8,700)	0.0%	1,000
5567-01-00	AUDIT SERVICES	-	2,000	2,000	-	-	-	0.0%	2,000
5570-01-00	SPECIAL SERVICES	24,200	82,708	72,600	6,697	25,427	(15,000)	35.0%	47,173
5578-01-00	TRAVEL	-	70	100	-	-	-	0.0%	100
5580-01-00	ENGINEERING SERVICES	4,115	17,038	1,000	-	-	(10,000)	0.0%	1,000
5595-01-00	ADMIN CHARGE-GENERAL FUND	13,957	60,557	91,196	2,763	10,780	6,336	11.8%	80,416
	SUNDRY	**$ 43,177**	**$ 177,187**	**$ 173,366**	**$ 9,459**	**$ 37,442**	**$ (27,364)**	**21.6%**	**$ 135,923**
5615-01-00	FUNCTIONAL GRANT	-	39,097	-	6,822	8,577	(37,744)	0.0%	(8,577)
	DEBT	**$ -**	**$ 39,097**	**$ -**	**$ 6,822**	**$ 8,577**	**$ (37,744)**	**0.0%**	**$ (8,577)**
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
5800-01-00	LAND	6,540	20,887	-	-	-	(20,887)	0.0%	-
	CAPITAL	**$ 6,540**	**$ 20,887**	**$ -**	**$ -**	**$ -**	**$ (20,887)**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ 50,003**	**$ 241,795**	**$ 176,466**	**$ 16,281**	**$ 46,019**	**$ (85,995)**	**26.1%**	**$ 130,447**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
01: ADMINISTRATION

				FY15-16 PROPOSED
5240-01-00	PRINTED SUPPLIES	PRINTED MAPS OF ENTIRE CITY	-	3,000
		EDC COPIES/BROCHURES	3,000	
		CITY MARKETING FLYERS/AERIAL PHOTOS	-	
5260-01-00	GENERAL OFFICE SUPPLIES	FILES/FOLDERS/PAPER/PENCILS	50	50
5261-01-00	POSTAGE	FOR MAIL OUTS/MARKETING PACKAGES	50	50
5280-01-00	MINOR EQUIP/SMALL TOOLS<$5K	ADDITIONAL EQUIPMENT ASSOCIATED WITH PRESENTATIONS/MARKETING	-	-
5290-01-00	EXPENDABLE SUPPLIES	TOWN CENTER GRAND OPENING	-	-
		9/11 MEMORIAL	-	
5440-01-00	OFFICE EQUIP/SOFTWARE MAINT		-	-
5501-01-00	ADVERTISING	PROMOTIONAL ADVERTISING, LEGAL NOTICES AND BUDGET HEARING AD ($1200	1,200	1,200
5510-01-00	ASSOC DUES/PUBLICATIONS	TEXAS ECONOMIC DEVELOPMENT COMMISSION	200	4,020
		CITY ($1875) & EDC ($675) KENNEDALE CHAMBER MEMBERSHIP	2,550	
		DALLAS CHAMBER ($870) & TX MONTHLY ECONOMIC GUIDE AD ($0), DALLAS CHAMBER MAP ADD ($400)	1,270	
5525-01-00	TRAINING/SEMINARS	EDC TRAINING THROUGH VARIOUS ASSOCIATIONS BY BOARD	250	250
5565-01-00	LEGAL SERVICES	BILLABLE HOURS FOR CITY ATTORNEY ON EDC RELATED PROJECTS (I.E., HOTEL, OTHER POTENTIAL OPPORTUNITIES)	1,000	1,000
5567-01-00	AUDIT SERVICES	PATILLO, BROWN & HILL SERVICES FOR INDEPENDENT ANNUAL AUDIT (FY11/12 $1500, FY12/13 $1500, FY13/14 $2K, FY14/15 $2K, FY15/16 $2250)	2,000	2,000
5570-01-00	SPECIAL SERVICES	TOWN CENTER CONSULTING FIRM (APPROXIMATELY $5500/MONTH BEGINNING JUL 2014, TO INCLUDE $3500 FOR EDC SERVICES, $2000 FOR CHAMBER SERVICES) - $2000 DIRECT REVENUE OFFSET FROM CHAMBER EACH MONTH	66,000	72,600
		CONTRACT WITH MUNISERVICES FOR SALES TAX AUDIT SERVICES, 35% CONTINGENCY IF REALLOCATIONS ARE UNCOVERED DUE TO REPORTING ERRORS (APPLIES TO FIRST 8 CONSECUTIVE REPORTING QUARTERS FOLLOWING CORRECTION, SHARED 75% CITY/%25 EDC)	-	
		WEBSITE MAINTENANCE BY CONSULTANT ($550/MONTH)	6,600	
5575-01-00	EQUIPMENT RENTAL		-	-
5578-01-00	TRAVEL	TRAVEL RELATED TO OTHER EDC TRAINING/SEMINARS BY STAFF/BOARD	100	100
5580-01-00	ENGINEERING	TIED TO POTENTIAL ACTIVITIES/PROJECTS (I.E., HOTEL, ETC.)	1,000	1,000
5585-01-00	TELEPHONE SERVICES		-	-
5595-01-00	ADMIN CHARGE-GENERAL FUND	CHARGE FOR SERVICES PROVIDED BY GENERAL FUND RESOURCES (10% TOTAL REVENUES EXCLUDING INTEREST/TRANSFERS	91,196	91,196
5615-01-00	FUNCTIONAL GRANT		-	-
5701-01-00	TRANSFER OUT-GENERAL FUND		-	-
5800-01-00	LAND		-	-

TOTAL EXPENDITURES $ 176,466

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
5643-01-03	2007 $1.2M TAX BOND-INTEREST	32,787	65,625	62,203	-	31,034	(3,475)	49.9%	31,169
5644-01-03	2007 $1.2M TAX BOND-PRINCIPAL	-	50,000	50,000	-	-	-	0.0%	50,000
5645-01-03	2011 $1.7M TX LEVERAGE-INT	7,240	17,024	15,798	1,432	6,153	(1,226)	38.9%	9,645
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	15,332	37,147	38,373	3,141	16,476	1,226	42.9%	21,896
	DEBT	**$ 55,358**	**$ 169,796**	**$ 166,374**	**$ 4,573**	**$ 53,663**	**$ (3,475)**	**32.3%**	**$ 112,711**
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	36,759	153,519	153,519	-	35,959	(0)	23.4%	117,559
	TRANSFER	**$ 36,759**	**$ 153,519**	**$ 153,519**	**$ -**	**$ 35,959**	**$ (0)**	**23.4%**	**$ 117,559**
	TOTAL EXPENDITURES	**$ 92,117**	**$ 323,315**	**$ 319,893**	**$ 4,573**	**$ 89,623**	**$ (3,475)**	**28.0%**	**$ 230,270**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

				FY15-16 PROPOSED
5620-01-03	**ISSUANCE COSTS**	AGENT FEES TO HANDLE BOND AMORTIZATIONS	-	-
5621-01-03	**PAYING AGENT FEES**	FEES RELATED TO THE ACQUISITION OF NEW DEBT (BANK/BOND ATTORNEY/FINANCIAL ADVISOR). BANK IS PAYING AGENT IN PRIVATE PLACEMENT AND GENERALLY DOES NOT CHARGE.	-	-
5643-01-03	**2007 $1.2M TAX BOND-INTEREST**	DUE 11/01	31,102	**62,203**
		DUE 05/01	31,102	
5644-01-03	**2007 $1.2M TAX BOND-PRINCIPAL**	DUE 05/01	50,000	**50,000**
5645-01-03	**2011 $1.7M TX LEVERAGE-INT**	DUE BY 1ST OF EACH MONTH (BEGINS 11/01/2011)	15,798	**15,798**
5646-01-03	**2011 $1.7M TX LEVERAGE-PRI**	DUE BY 1ST OF EACH MONTH (BEGINS 11/01/2011)	38,373	**38,373**
5702-01-03	**TRANSFER OUT-DEBT SERVICE FUND**	DUE 11/01 INTEREST : 2010 $2.0M CO BOND	36,759	**153,519**
		DUE 05/01 INTEREST : 2010 $2.0M CO BOND	36,759	
		DUE 05/01 PRINCIPAL : 2010 $2.0M CO BOND	80,000	

TOTAL EXPENDITURES $ 319,893

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
02: TOWN SHOPPING CENTER

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
	SUPPLIES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
5403-02-00	BUILDING MAINTENANCE	8,614	39,375	23,592	-	1,945	-	8.2%	21,647
	MAINTENANCE	**$ 8,614**	**$ 39,375**	**$ 23,592**	**$ -**	**$ 1,945**	**$ -**	**8.2%**	**$ 21,647**
5530-02-00	ELECTRIC SERVICES	1,005	5,297	5,000	-	1,249	-	25.0%	3,751
5545-02-00	INSURANCE-PROPERTY	6,347	6,347	8,500	-	6,121	-	72.0%	2,379
5570-02-00	SPECIAL SERVICES	4,764	15,797	13,392	1,232	4,080	-	30.5%	9,312
	SUNDRY	**$ 12,117**	**$ 27,442**	**$ 26,892**	**$ 1,232**	**$ 11,450**	**$ -**	**42.6%**	**$ 15,442**
	TOTAL EXPENDITURES	**$ 20,730**	**$ 66,817**	**$ 50,484**	**$ 1,232**	**$ 13,395**	**$ -**	**26.5%**	**$ 37,089**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
02: TOWN SHOPPING CENTER

				FY15-16 PROPOSED
5403-02-00	BUILDING MAINTENANCE	WATER ($350/MONTH)	4,200	23,592
		FIRE SPRINKLER-CAM ($150/QUARTER)	600	
		LANDSCAPE/MATERIALS-CAM ($1166/MONTH)	13,992	
		MAINTENANCE-CAM ($400/MONTH)	4,800	
5530-02-00	ELECTRIC SERVICES	ELECTRICITY-CAM	5,000	5,000
5545-02-00	INSURANCE-PROPERTY	COVERAGE THROUGH TEXAS MUNICIPAL LEAGUE (CHICKEN EXPRESS/DOLLAR GENERAL BUILDING ON TML SCHEDULE, ALL OTHER BUILDINGS CARRIED ON CYPRESS INSURANCE)	8,500	8,500
5570-02-00	SPECIAL SERVICES	PROPERTY/ASSET MANAGEMENT ($500 PER MONTH)	6,000	13,392
		SEP 2015 - FEB 2017: SUBWAY $150, ACE $466 OR $7392 FY15/16 - FY16/17 ANNUAL	7,392	
		MAR 2017 - AUG 2018: SUBWAY $150 OR $1800 FY17/18 ANNUAL	-	

TOTAL EXPENDITURES $ 50,484

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
03: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
5580-03-00	ENGINEERING SERVICES	-	-	10,000	-	-	10,000	0.0%	10,000
	SUNDRY	**$ -**	**$ -**	**$ 10,000**	**$ -**	**$ -**	**$ 10,000**	**0.0%**	**$ 10,000**
5847-03-00	CONSTRUCTION	-	-	80,000	-	-	80,000	0.0%	80,000
	CAPITAL	**$ -**	**$ -**	**$ 80,000**	**$ -**	**$ -**	**$ 80,000**	**0.0%**	**$ 80,000**
		$ -	**$ -**	**$ 90,000**	**$ -**	**$ -**	**$ 90,000**	**0.0%**	**$ 90,000**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
03: TOWN CENTER REDEVELOPMENT

				FY15-16 PROPOSED
5580-03-00	**ENGINEERING SERVICES**	PARKING LOT MODIFICATION	10,000	**10,000**
5847-03-00	**CONSTRUCTION**	CHICKEN EXPRESS BUILDING HEALTH INSPECTIONS/ASBESTOS SURVEY	5,000	**80,000**
		CHICKEN EXPRESS TEAR DOWN/DEMOLITION	25,000	
		CHICKEN EXPRESS PARKING LOT MODIFICATION	50,000	

TOTAL EXPENDITURES $ 90,000

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
	SUNDRY	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
	DEBT	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
5800-04-00	LAND	-	101,192	50,000	-	-	(60,000)	0.0%	50,000
	CAPITAL	**$ -**	**$ 101,192**	**$ 50,000**	**$ -**	**$ -**	**$ (60,000)**	**0.0%**	**$ 50,000**
		$ -	**$ 101,192**	**$ 50,000**	**$ -**	**$ -**	**$ (60,000)**	**0.0%**	**$ 50,000**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

15: EDC4B FUND
04: TEXAS LEVERAGE PROGRAM

				FY15-16 PROPOSED
5800-00-00	**LAND**	HOTELPROPERTY	50,000	**50,000**
			TOTAL EXPENDITURES	**$ 50,000**

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 29,429**	**$ 29,429**	**$ 29,441**	**$ 29,454**	**$ 29,444**			
INVESTMENT EARNINGS	4	15	15	7	17	(5)	110.2%	(2)
TOTAL REVENUES	**$ 4**	**$ 15**	**$ 15**	**$ 7**	**$ 17**	**$ (5)**	**110.2%**	**$ (2)**
CAPITAL	-	-	25,000	-	-	-	0.0%	25,000
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 25,000**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ 25,000**
REVENUES OVER EXPENDITURES	$ 4	$ 15	$ (24,985)	$ 7	$ 17			
ENDING FUND BALANCE	**$ 29,433**	**$ 29,444**	**$ 4,456**	**$ 29,461**	**$ 29,461**			
ADJUSTMENTS								
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**17.8%**	**N/A**	**N/A**			
RESERVE (NO REQUIREMENT)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**			
RESERVE SURPLUS/(SHORTFALL)	**$ 29,433**	**$ 29,444**	**$ 4,456**	**$ 29,461**	**$ 29,461**			

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	4	15	15	7	17	(5)	110.2%	(2)
	INVESTMENT EARNINGS	**$ 4**	**$ 15**	**$ 15**	**$ 7**	**$ 17**	**$ (5)**	**110.2%**	**$ (2)**
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
	TOTAL REVENUES	**$ 4**	**$ 15**	**$ 15**	**$ 7**	**$ 17**	**$ (5)**	**110.2%**	**$ (2)**

19: EDC4B CAPITAL BOND FUND
01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
	MAINTENANCE	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
	SUNDRY	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
5847-01-00	CONSTRUCTION	-	-	25,000	-	-	-	0.0%	25,000
	CAPITAL	**$ -**	**$ -**	**$ 25,000**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ 25,000**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 25,000**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ 25,000**

19: EDC4B CAPITAL BOND FUND

				FY15-16 PROPOSED
4401-00-00	**INVESTMENT INCOME**	EARNING BASED UPON AVERAGE BALANCE/INTEREST RATES	15	**15**

TOTAL REVENUES $ 15

19: EDC4B CAPITAL BOND FUND

01: TOWN CENTER REDEVELOPMENT

				FY15-16 PROPOSED
5847-01-00	**CONSTRUCTION**	WATER TANK IN TOWNCENTER	25,000	**25,000**

TOTAL EXPENDITURES $ 25,000

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

95: EDC4B RESERVE FUND

CATEGORY	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 119,922**	**$ 119,922**	**$ 119,952**	**$ 119,982**	**$ 119,962**			
INVESTMENT EARNINGS	12	40	25	20	40	9	160.0%	(15)
TOTAL REVENUES	**$ 12**	**$ 40**	**$ 25**	**$ 20**	**$ 40**	**$ 9**	**160.0%**	**$ (15)**
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 12	$ 40	$ 25	$ 20	$ 40			
ENDING FUND BALANCE	**$ 119,933**	**$ 119,962**	**$ 119,977**	**$ 120,002**	**$ 120,002**			
ADJUSTMENTS				-	-			
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**			
RESERVE ($112,606 REQUIREMENT)	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606			
RESERVE SURPLUS/(SHORTFALL)	**$ 7,327**	**$ 7,356**	**$ 7,371**	**$ 7,396**	**$ 7,396**			

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES
MONTHLY FINANCIALS

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	12	40	25	20	40	9	160.0%	(15)
	INVESTMENT EARNINGS	**$ 12**	**$ 40**	**$ 25**	**$ 20**	**$ 40**	**$ 9**	**160.0%**	**$ (15)**
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
	TOTAL REVENUES	**$ 12**	**$ 40**	**$ 25**	**$ 20**	**$ 40**	**$ 9**	**160.0%**	**$ (15)**

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY14-15 YTD	FY14-15 ACTUAL	FY15-16 ADOPTED	CURRENT MONTH	FY15-16 YTD	CY - PY CHANGE	% OF BUDGET USED	BUDGET REMAINING
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**

95: EDC4B RESERVE FUND

				FY15-16 PROPOSED
4401-00-00	INVESTMENT INCOME	EARNING BASED UPON AVERAGE BALANCE/INTEREST RATES	25	25

TOTAL REVENUES	$	25

		FY15-16 PROPOSED
TOTAL EXPENDITURES	$	-

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 23, 2016

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, 2015.

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

5The auditor's opinion on the financial statements for the year ended September 30, 2014 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, 2015. 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.	2015 EDC Audit Report	EDC Financials 2015.pdf

KENNEDALE ECONOMIC DEVELOPEMENT CORPORATION

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KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

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KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

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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, 2015, 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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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, 2015, 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.

Pattillo, Brown & Hill, L.L.P.

February 5, 2016

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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, 2015. 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 $5,061,055.
- The Kennedale Economic Development Corporation's net position decreased by $132,651. The decrease was due to decreases in miscellaneous income from the sale of property. This was offset by the increase 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 $313,865, a decrease of $62,225 in comparison with the prior year. The decrease is primarily related to the sale of property in the prior year offset by increased sales tax revenue.
- At the end of the current fiscal year, the restricted fund balance for the General Fund was $313,865.

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 $5,061,055 at the close of the most recent fiscal year.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S NET POSITION

	Governmental Activities 2015	Governmental Activities 2014
Current assets	$ 329,468	$ 394,344
Capital assets	6,171,472	6,330,481
Total assets	6,500,940	6,724,825
Current liabilities	41,296	18,254
Noncurrent liabilities	1,398,589	1,485,737
Total liabilities	1,439,885	1,503,991
Net position:		
Net investment in capital assets	4,772,883	4,844,744
Unrestricted	288,172	376,090
Total net position	$ 5,061,055	$ 5,220,834

The Corporation's net position decreased by $132,651 during the current fiscal year. This decrease is primarily due to a decrease in miscellaneous income offsetting the increase in sales tax revenue.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S CHANGES IN NET POSITION

	Governmental Activities 2015	Governmental Activities 2014
General Revenues:		
Sales tax	$ 496,083	$ 377,959
Rental Income	116,845	149,950
Miscellaneous income	57,855	601,337
Investment earnings	112	49
Total general revenues	670,895	1,129,295
Expenses:		
Economic development:		
Administration	568,814	624,286
Payment to city for debt	153,519	155,119
Interest and fiscal charges	81,213	86,977
Total expenses	803,546	866,382
Changes in net position	(132,651)	262,913
Net position, beginning	5,220,834	4,980,558
Prior period adjustment	(27,128)	(22,637)
Net position, ending	$ 5,061,055	$ 5,220,834

Governmental activities. The Corporation's general revenues decreased by $62,225 or 16.55% from last year. The decrease was due to a decrease in miscellaneous income from the sale of land in the prior year. Sales tax revenue increased by $118,124 or 31.25% to $496,083.

DISCUSSION OF CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS IN FISCAL YEAR 2015

The Kennedale Economic Development Corporation's projects for the fiscal year and beyond include: 1) Development of residential subdivisions within the TIRZ, 2) Developing restaurants in the Oak Crest development, 3) Securing a commitment from a hotel developer for the Oak Crest re-development, 4) Securing land for development of Oak Crest re-development, 5) Continuing the development of the Kennedale TownCenter, 6) Identifying potential tracts of land to acquire, consolidate, clear and resell for light manufacturing/warehouse uses, and 7) Development of a fast-food restaurant adjacent to Oak Crest.

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, 2015

	General	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	$ 249,720	$ -	$ 249,720
Sales taxes receivable	70,758	-	70,758
Accounts receivable	7,963	-	7,963
Prepaid items	1,027	-	1,027
Capital assets:			
Land	-	1,457,391	1,457,391
Buildings and improvements	-	5,882,511	5,882,511
Construction in progress	-	-	-
Less: accumulated depreciation	-	(1,168,430)	(1,168,430)
Total capital assets	-	6,171,472	6,171,472
Total assets	329,468	6,171,472	6,500,940
LIABILITIES			
Accounts payable	704	-	704
Accrued interest payable	-	25,693	25,693
Customer deposits	14,899	-	14,899
Noncurrent liabilities:			
Due within one year	-	88,372	88,372
Due in more than one year	-	1,310,217	1,310,217
Total liabilities	15,603	1,424,282	1,439,885
FUND BALANCE/NET POSITION			
Fund balance:			
Restricted for economic development	313,865	(313,865)	-
Total fund balance	313,865	(313,865)	-
Total liabilities and fund balance	$ 329,468		
Net position:			
Net investment in capital assets		4,772,883	4,772,883
Restricted for economic development		288,172	288,172
Total net position		$ 5,061,055	$ 5,061,055

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, 2015

	General	Adjustments	Statement of Activities
Expenditures/expenses:			
Current:			
Economic development	$ 409,805	$ 159,009	$ 568,814
Payment to city for debt	153,519	-	153,519
Debt service:			
Principal	87,147	(87,147)	-
Interest and fiscal charges	82,649	(1,436)	81,213
Total expenditures/expenses	733,120	70,426	803,546
General revenues:			
Sales taxes	496,083	-	496,083
Rental income	116,845	-	116,845
Miscellaneous income	57,855	-	57,855
Investment earnings	112	-	112
Total general revenues	670,895	-	670,895
Excess of revenues over expenditures	(62,225)	(70,426)	(132,651)
Net change in fund balance	(62,225)	62,225	-
Change in net position	-	(132,651)	(132,651)
Fund balance/net position:			
Beginning	376,090	4,844,744	5,220,834
Prior period adjustment	-	(27,128)	(27,128)
Ending	$ 313,865	$ 4,747,190	$ 5,061,055

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

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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, 2015

(With Comparative Actual Amounts for the Year Ended September 30, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Sales tax	$ 382,853	$ 382,853	$ 496,083	$ 113,230	$ 377,959
Rental income	134,692	134,692	116,845	(17,847)	149,950
Miscellaneous income	384,120	384,120	57,855	(326,265)	1,008,095
Investment earnings	40	40	112	72	49
Total revenues	901,705	901,705	670,895	(230,810)	1,536,053
EXPENDITURES					
Current:					
Economic development	433,321	450,345	409,805	40,540	431,142
Payment to city for debt	153,519	153,519	153,519	-	155,119
Debt Service:					
Principal	104,171	87,147	87,147	-	80,961
Interest and fiscal charges	82,702	82,702	82,649	53	86,976
Total expenditures	773,713	773,713	733,120	40,593	754,198
NET CHANGE IN FUND BALANCES	127,992	127,992	(62,225)	(190,217)	781,855
FUND BALANCES, BEGINNING	376,090	376,090	376,090	-	(405,765)
FUND BALANCES, ENDING	$ 504,082	$ 504,082	$ 313,865	$(190,217)	$ 376,090

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

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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 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. 61.

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 Position 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.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Net Position

Net positions represent the difference between assets, deferred inflows/outflows of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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, 2015, 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, 2015, the carrying amounts of the Corporation's investments were as follows:

Balances in public funds investment pools:	
State Treasurer's Investment Pool (TexPool)	249,720
	$ 249,720

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case, they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

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, 2015, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,340,853	$ 116,538	$ -	$ 1,457,391
Construction in progress	171,641	-	171,641	-
Total capital assets not being depreciated	1,512,494	116,538	171,641	1,457,391
Capital assets, being depreciated:				
Buildings	4,680,139	-	-	4,680,139
Improvements	1,017,693	-	-	1,017,693
Infrastructure	-	184,679	-	184,679
Total capital assets being depreciated	5,697,832	184,679	-	5,882,511
Less accumulated depreciation:				
Buildings	702,929	234,007	-	936,936
Improvements	176,916	50,884	-	227,800
Infrastructure	-	3,694	-	3,694
Total accumulated depreciation	879,845	288,585	-	1,168,430
Total capital assets, being depreciated, net	4,817,987	(103,906)	-	4,714,081
Governmental activities capital assets, net	$ 6,330,481	$ 12,632	$ 171,641	$ 6,171,472

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	$ 945,000	$ -	$ 50,000	$ 895,000	$ 50,000
Texas leverage fund loan	540,737	-	37,148	503,589	38,372
Governmental activity Long-term liabilities	$ 1,485,737	$ -	$ 87,148	$ 1,398,589	$ 88,372

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2016	$ 88,372	$ 78,001
2017	94,638	73,260
2018	100,946	68,130
2019	102,297	62,609
2020	108,692	57,044
2021-2025	641,055	187,912
2026-2030	262,589	22,642
Total	$ 1,398,589	$ 549,598

F. **Prior Period Adjustment**

A prior period adjustment was made to the government-wide financial statements to recognize the accrued interest payable at September 30, 2014. This was a $27,128 decrease adjusting beginning net position to $5,193,706.

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 23, 2016

Agenda Item No: STAFF ANNOUNCEMENTS/REPORTS - A.

I. Subject:
Village Creek
B. TownCenter
C. Chamber Report

II. Originated by:

Bob Hart

III. Summary:
The Director will provide an update on these items.
• Village Creek
• TownCenter
• ICSC Meeting
• Chamber Report

IV. Recommendation:
None

V. Alternative Actions:

VI. Attachments:

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Development Corporation
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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 23, 2016

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. 1200 Block Bowman Springs Road
2. 6900 Block Kennedale Parkway
3. 5400 and 5404 Kennedale Road
4. 5401 High Ridge Road
5. TownCenter Building Pad 5

II. Originated by:

Bob Hart

III. Summary:
These items will be discussed during the Executive Session.

- 1200 Block Bowman Springs Road
- 6900 Block Kennedale Parkway
- 5400 and 5404 Kennedale Road
- 5401 High Ridge Road
- TownCenter Building Pad 5

IV. Recommendation:

V. Alternative Actions:

VI. Attachments: