KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION

AGENDA
BOARD OF DIRECTORS - REGULAR MEETING
February 28, 2017
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 24, 2017 regular meeting

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Reports for December 2016 and January 31, 2017.

B. Discuss and consider action for approval of Economic Development Corporation Independent Auditor's Report for year ended September 30, 2016.

C. Discuss and consider approval for the purchase and installation of a "For Sale" sign at 1109 W. Kennedale Parkway

V. STAFF ANNOUNCEMENTS/REPORTS

A. TownCenter
B. Chamber of Commerce 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. Hospitality Project
2. Oak Crest Development

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 28, 2017, 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

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 28, 2017

Agenda Item No: MINUTES APPROVAL - A.

I. Subject:
Consider approval of the minutes from the January 24, 2017 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 24, 2017	1-24-17.pdf

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS - REGULAR MEETING
MINUTES
January 24, 2017
7:00 P.M.

I. CALL TO ORDER

President Mundy called the meeting to order at 7:04 p.m.

II. ROLL CALL

Present: Michael Johnson, Adrienne Kay, Rebecca Carlton, Robert Mundy, Pat Turner, Ronald Whitley, Mark Yeary
Absent: None
Staff Present: Bob Hart, Jack Thompson, Krystal Crump, and Leslie Galloway

III. MINUTES APPROVAL

A. Consider approval of the minutes from the November 22, 2016 regular meeting

Motion To approve the November 22, 2016 Economic Development Corporation meeting minutes. **Action** Approve, **Moved By** Mark Yeary, **Seconded By** Rebecca Carlton

Motion passed Unanimously

There was not a December 2016 Economic Development Corporation Board Meeting.

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for November and December 2016

Finance Director Krystal Crump provided a short overview of the November and December 2016 Financial Reports for the Economic Development Corporation. She noted that there was little activity. Krystal informed the Board that staff will be going out for bids within the next few months for roof repairs at TownCenter, Building One.

In closing, she stated that December revenues were down; however, January revenues were the highest in the past five years.

Motion To approve the November 2016 Finance Report for the Economic Development Corporation. **Action** Approve, **Moved By** Adrienne Kay, **Seconded By** Michael Johnson
Motion passed Unanimously

B. Consider Approval of Hotel Occupancy Agreement

Director Bob Hart reminded the Board that a few years back, City Council approved an ordinance adopting a hotel/motel tax. He added that the ordinance states that the Economic Development Corporation (EDC) will manage those funds; therefore, the EDC will need to prepare an agreement. He stated that the contract in their packet shows that the EDC will be responsible for the administration of the hotel/motel tax.

Motion To approve the Hotel Occupancy Tax Delegation Agreement. **Action** Approve, **Moved By** Pat Turner, **Seconded By** Ronald Whitley.
Motion passed Unanimously

C. Project Review

Director Bob Hart provided a status review of ongoing and upcoming Economic Development Corporation projects and activities.

V. EXECUTIVE SESSION

President Mundy recessed into executive session at 8:07 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. Hospitality Project
2. Oak Crest Redevelopment

B. The Economic Development Corporation will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. Discuss selection of and reassignment of duties for an Interim Executive Director for the Economic Development Corporation

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

President Mundy reconvened into open session at 8:54 p.m.

A. Appoint an Economic Development Director to assist the Interim Executive Director for the Economic Development Corporation

Motion To appoint Orasi Development, LLC as Economic Development Director. **Action** Approve, **Moved By** Adrienne Kay, **Seconded By** Mark Yeary.
Motion passed Unanimously

B. Consider approval of three hospitality related contracts involving a hotel

President Mundy stated that Paragraph 9a: The office of the title company is not stated as it says it should be. He requested that this administrative change be made to the contract.

Motion To authorize the Economic Development Corporation President, Robert Mundy to sign a 380 Agreement with Karmali Holdings, Inc. **Action** Approve, **Moved By** Adrienne Kay, **Seconded By** Ronald Whitley.
Motion passed Unanimously

C. Consider approval of contract to sell a portion of Oak Crest land

No action was taken.

VII. ADJOURNMENT

Motion To adjourn. **Action** Adjourn, **Moved By** Michael Johnson, **Seconded By** Ronald Whitley.
Motion passed Unanimously

The meeting was adjourned at 8:55 p.m.

APPROVED: ATTEST:

President Robert Mundy

Deputy City Secretary Kathy E. Moore

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 28, 2017

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Review and accept the KEDC Financial Reports for December 2016 and January 31, 2017.

II. Originated by:

Finance Director, Director of Finance & IT
Bob Hart
Krystal Crump, Finance Director

III. Summary:
Finance Director, Krystal Crump will provide an overview of the December 31, 2016 and January 31, 2017 Kennedale Economic Development Corporation Financial Report.

IV. Recommendation:
Approve

V. Alternative Actions:

VI. Attachments:

1.	KEDC Financials January 2017	2017_01 Monthly Financials.pdf
2.	KEDC Financials December 2016	2016_12 Monthly Financials.pdf

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JANUARY

ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment
No amendments.

Monthly Information
Sales Taxes are trending over budgeted projections.
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
ANNUAL PROGRAM OF SERVICES
JANUARY

EDC CASH POSITION

CATEGORY	FY15-16 ACTUAL	FY16-17 ADOPTED	CURRENT MONTH	FY16-17 YTD
BEGINNING CASH BALANCE - FUND 15	$ 90,295	$ 45,406	$ 27,385	$ 45,406
BEGINNING TEXPOOL BALANCE - FUND 15	$ 19	$ -	$ -	$ -
BEGINNING TEXPOOL BALANCE - FUND 19	$ 29,444	$ 29,529	$ 29,560	$ 29,529
BEGINNING CASH BALANCE - FUND 95	$ 119,962	$ 120,132	$ 120,183	$ 120,132
TOTAL REVENUES	$ 627,490	$ 933,227	$ 42,365	$ 133,500
TOTAL EXPENDITURES	$ 718,004	$ 803,880	$ 24,066	$ 159,565
CHANGE IN CASH DURING PERIOD	$ (44,653)	$ 200,099	$ 19,169	$ 1,230
ENDING CASH BALANCE - FUND 15	$ 45,406	$ 270,559	$ 46,504	$ 46,504
ENDING TEXPOOL BALANCE - FUND 15	$ -	$ 19	$ -	$ -
ENDING TEXPOOL BALANCE - FUND 19	$ 29,529	$ 4,456	$ 29,574	$ 29,574
ENDING CASH BALANCE - FUND 95	$ 120,132	$ 120,132	$ 120,220	$ 120,220

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JANUARY

COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	OF CY BUDG USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 313,866**	**$ 313,866**	**$ 248,862**	**$ 223,530**	**$ 179,106**	**$ 223,522**				
AD VALOREM TAXES	1,966	34,335	48,462	48,462	393	1,573	400	5.7%	3.2%	46,889
SALES/BEVERAGE TAXES	58,627	376,545	349,351	349,351	29,812	57,580	(649)	15.6%	16.5%	291,772
INVESTMENT EARNINGS	92	333	260	260	62	157	180	27.6%	60.3%	103
MISCELLANEOUS INCOME	9,143	115,841	435,796	435,796	4,100	42,196	51,676	7.9%	9.7%	393,600
SURPLUS SALES/RENTALS	48,326	100,606	99,358	99,358	7,999	31,994	(30,416)	48.0%	32.2%	67,364
TOTAL REVENUES	**$ 118,154**	**$ 627,660**	**$ 933,227**	**$ 933,227**	**$ 42,365**	**$ 133,500**	**$ 21,191**	**18.8%**	**14.3%**	**$ 799,727**
SUPPLIES	-	5,110	3,100	3,100	-	-	-	0.0%	0.0%	3,100
MAINTENANCE	1,945	19,709	95,403	95,403	1,334	6,257	71,811	9.9%	6.6%	89,146
SUNDRY	57,469	353,786	291,959	291,959	18,160	70,783	91,701	16.2%	24.2%	221,175
DEBT	53,663	166,773	168,600	168,600	4,573	47,616	2,226	32.2%	28.2%	120,984
TRANSFERS	35,959	151,919	154,819	154,819	-	34,909	1,300	23.7%	22.5%	119,909
CAPITAL	-	20,707	90,000	90,000	-	-	(75,000)	0.0%	0.0%	90,000
TOTAL EXPENDITURES	**$ 149,037**	**$ 718,004**	**$ 803,880**	**$ 803,880**	**$ 24,066**	**$ 159,565**	**$ 92,038**	**20.8%**	**19.8%**	**$ 644,315**
REVENUES OVER EXPENDITUI	$ (30,883)	$ (90,344)	$ 129,347	$ 129,347	$ 18,299	$ (26,066)				
ENDING FUND BALANCE	**$ 282,983**	**$ 223,522**	**$ 378,209**	**$ 352,877**	**$ 197,405**	**$ 197,456**				
FUND BALANCE AS % OF EXP	**189.9%**	**31.1%**	**47.0%**	**43.9%**	**820.3%**	**123.7%**				
RESERVE ($115,000) REQUIRE	$ -	$ -	$ 115,000	$ -	$ -	$ -				
RESERVE SURPLUS/(SHORTF/	**$ 282,983**	**$ 223,522**	**$ 263,209**	**$ 352,877**	**$ 197,405**	**$ 197,456**				

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JANUARY

15: EDC4B FUND

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDGI USED	OF CY BUDGI USED	BUDGET REMAINING
BEGINNING FUND BALANC	**$ 164,460**	**$ 164,460**	**$ 99,198**	**$ 73,861**	**$ 29,414**	**$ 73,861**				
AD VALOREM TAXES	1,966	34,335	48,462	48,462	393	1,573	400	5.7%	3.2%	46,889
SALES/BEVERAGE TAXES	58,627	376,545	349,351	349,351	29,812	57,580	(649)	15.6%	16.5%	291,772
INVESTMENT EARNINGS	32	78	40	40	11	25	-	41.7%	61.6%	15
MISCELLANEOUS INCOME	9,143	115,841	435,796	435,796	4,100	42,196	51,676	7.9%	9.7%	393,600
SURPLUS SALES/RENTALS	48,326	100,606	99,358	99,358	7,999	31,994	(30,416)	48.0%	32.2%	67,364
TOTAL REVENUES	**$ 118,095**	**$ 627,405**	**$ 933,007**	**$ 933,007**	**$ 42,315**	**$ 133,367**	**$ 21,011**	**18.8%**	**14.3%**	**$ 799,640**
SUPPLIES	-	5,110	3,100	3,100	-	-	-	0.0%	0.0%	3,100
MAINTENANCE	1,945	19,709	95,403	95,403	1,334	6,257	71,811	9.9%	6.6%	89,146
SUNDRY	57,469	353,786	291,959	291,959	18,160	70,783	91,701	16.2%	24.2%	221,175
DEBT	53,663	166,773	168,600	168,600	4,573	47,616	2,226	32.2%	28.2%	120,984
TRANSFERS	35,959	151,919	154,819	154,819	-	34,909	1,300	23.7%	22.5%	119,909
CAPITAL	-	20,707	90,000	90,000	-	-	(50,000)	0.0%	0.0%	90,000
TOTAL EXPENDITURES	**$ 149,037**	**$ 718,004**	**$ 803,880**	**$ 803,880**	**$ 24,066**	**$ 159,565**	**$ 117,038**	**20.8%**	**19.8%**	**$ 644,315**
REVENUES OVER EXPENDI	$ (30,942)	$ (90,599)	$ 129,127	$ 129,127	$ 18,248	$ (26,198)				
ENDING FUND BALANCE	**$ 133,518**	**$ 73,861**	**$ 228,324**	**$ 202,987**	**$ 47,662**	**$ 47,662**				
FUND BALANCE AS % OF E	**89.6%**	**10.3%**	**28.4%**	**25.3%**	**198.0%**	**29.9%**				
RESERVE (NO REQUIREME	$ -	$ -	$ -	$ -	$ -	$ -				
RESERVE SURPLUS/(SHOR	**$ 133,518**	**$ 73,861**	**$ 228,324**	**$ 202,987**	**$ 47,662**	**$ 47,662**				

15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDGI USED	OF CY BUDGI USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	1,966	34,335	48,462	48,462	393	1,573	400	5.7%	3.2%	46,889
	AD VALOREM TAXES	**$ 1,966**	**$ 34,335**	**$ 48,462**	**$ 48,462**	**$ 393**	**$ 1,573**	**$ 400**	**5.7%**	**3.2%**	**$ 46,889**
4081-00-00	SALES TAX	58,627	376,545	349,351	349,351	29,812	57,580	(649)	15.6%	16.5%	291,772
	SALES/BEVERAGE TAXES	**$ 58,627**	**$ 376,545**	**$ 349,351**	**$ 349,351**	**$ 29,812**	**$ 57,580**	**$ (649)**	**15.6%**	**16.5%**	**$ 291,772**
4401-00-00	INVESTMENT INCOME	32	78	40	40	11	25	-	41.7%	61.6%	15
	INVESTMENT EARNINGS	**$ 32**	**$ 78**	**$ 40**	**$ 40**	**$ 11**	**$ 25**	**$ -**	**41.7%**	**61.6%**	**$ 15**
4409-00-00	MISCELLANEOUS INCOME	9,143	115,841	435,796	435,796	4,100	42,196	51,676	7.9%	9.7%	393,600
	MISCELLANEOUS INCOME	**$ 9,143**	**$ 115,841**	**$ 435,796**	**$ 435,796**	**$ 4,100**	**$ 42,196**	**$ 51,676**	**7.9%**	**9.7%**	**$ 393,600**
4805-00-00	RENTAL FEES-SHOPPING CENT	48,015	98,580	98,612	98,612	7,938	31,753	(22,662)	48.7%	32.2%	66,859
4806-00-00	RENTAL INSURANCE	311	2,026	746	746	60	241	(7,754)	15.3%	32.3%	505
	SURPLUS SALES/RENTALS	**$ 48,326**	**$ 100,606**	**$ 99,358**	**$ 99,358**	**$ 7,999**	**$ 31,994**	**$ (30,416)**	**48.0%**	**32.2%**	**$ 67,364**
	TOTAL REVENUES	**$ 118,095**	**$ 627,405**	**$ 933,007**	**$ 933,007**	**$ 42,315**	**$ 133,367**	**$ 21,011**	**18.8%**	**14.3%**	**$ 799,640**
	'ENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 118,062**	**$ 627,327**	**$ 932,967**	**$ 932,967**	**$ 42,303**	**$ 133,343**	**$ 21,011**			
	10% ADMIN CHARGE-GENERAL FUND	11,806	62,733	93,297	93,297	4,230	13,334	2,101			

15: EDC4B FUND
01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDG USED	OF CY BUDG USED	BUDGET REMAINING
5240-01-00	PRINTED SUPPLIES	-	5,110	3,000	3,000	-	-	-	0.0%	0.0%	3,000
5260-01-00	GENERAL OFFICE SUPPI	-	-	50	50	-	-	-	0.0%	0.0%	50
5261-01-00	POSTAGE	-	-	50	50	-	-	-	0.0%	0.0%	50
	SUPPLIES	**$ -**	**$ 5,110**	**$ 3,100**	**$ 3,100**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ 3,100**
5501-01-00	ADVERTISING	-	210	2,200	2,200	-	-	1,000	0.0%	0.0%	2,200
5510-01-00	ASSOC DUES/PUBLICATI	1,236	5,356	5,320	5,320	-	-	1,300	23.1%	0.0%	5,320
5525-01-00	TRAINING/SEMINARS	-	525	250	250	-	-	-	0.0%	0.0%	250
5565-01-00	LEGAL SERVICES	-	5,662	7,000	7,000	5,250	5,750	6,000	0.0%	82.1%	1,250
5567-01-00	AUDIT SERVICES	-	2,000	2,250	2,250	-	-	250	0.0%	0.0%	2,250
5570-01-00	SPECIAL SERVICES	25,427	140,283	68,650	68,650	5,700	34,615	(3,950)	18.1%	50.4%	34,035
5574-01-00	FILING FEES	-	-	-	-	-	40	-	#DIV/0!	#DIV/0!	(40)
5575-01-00	EQUIPMENT RENTAL	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-
5578-01-00	TRAVEL	-	-	100	100	-	-	-	0.0%	0.0%	100
5580-01-00	ENGINEERING SERVICE	-	55,070	6,000	6,000	-	-	5,000	0.0%	0.0%	6,000
5595-01-00	ADMIN CHARGE-GENER	10,780	56,796	93,297	93,297	4,230	13,334	2,101	19.0%	14.3%	79,962
5610-01-00	VISUAL GRANT	-	11,122	50,000	50,000	-	-	50,000	0.0%	0.0%	50,000
5615-01-00	FUNCTIONAL GRANT	8,577	51,850	32,000	32,000	1,362	4,278	32,000	16.5%	13.4%	27,722
	SUNDRY	**$ 46,019**	**$ 328,873**	**$ 267,067**	**$ 267,067**	**$ 16,542**	**$ 58,017**	**$ 93,701**	**14.0%**	**21.7%**	**$ 209,049**
5800-01-00	LAND	-	1,968	-	-	-	-	-	0.0%	0.0%	-
5813-01-00	KENNEDALE ENTRANCE	-	-	-	-	-	-	-	0.0%	0.0%	-
5820-01-00	BUILDING IMPROVEMEN	-	-	-	-	-	-	-	0.0%	0.0%	-
5875-01-00	CONSTRUCTION	-	-	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ 1,968**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**#DIV/0!**	**$ -**
	TOTAL EXPENDITURES	**$ 46,019**	**$ 335,951**	**$ 270,167**	**$ 270,167**	**$ 16,542**	**$ 58,017**	**$ 93,701**	**13.7%**	**21.5%**	**$ 212,149**

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDGE USED	OF CY BUDGE USED	BUDGET REMAINING
5643-01-03	2007 $1.2M TAX BOND-INTI	31,034	62,135	58,728	58,728	-	29,325	(3,476)	49.9%	49.9%	29,402
5644-01-03	2007 $1.2M TAX BOND-PRII	-	50,000	55,000	55,000	-	-	5,000	0.0%	0.0%	55,000
5645-01-03	2011 $1.7M TX LEVERAGE-	6,153	15,930	15,672	15,672	1,410	5,456	(126)	38.6%	34.8%	10,217
5646-01-03	2011 $1.7M TX LEVERAGE-	16,476	38,709	39,200	39,200	3,163	12,835	827	42.6%	32.7%	26,365
	DEBT	**$ 53,663**	**$ 166,773**	**$ 168,600**	**$ 168,600**	**$ 4,573**	**$ 47,616**	**$ 2,226**	**32.2%**	**28.2%**	**$ 120,984**
5702-01-03	TRANSFER OUT-DEBT SEF	35,959	151,919	154,819	154,819	-	34,909	1,300	23.7%	22.5%	119,909
	TRANSFER	**$ 35,959**	**$ 151,919**	**$ 154,819**	**$ 154,819**	**$ -**	**$ 34,909**	**$ 1,300**	**23.7%**	**22.5%**	**$ 119,909**
	TOTAL EXPENDITURES	**$ 89,623**	**$ 318,692**	**$ 323,419**	**$ 323,419**	**$ 4,573**	**$ 82,525**	**$ 3,526**	**28.1%**	**25.5%**	**$ 240,893**

15: EDC4B FUND
02: TOWN SHOPPING CENTER

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDGI USED	OF CY BUDGI USED	BUDGET REMAINING
5403-02-00	BUILDING MAINTENA	1,945	19,709	95,403	95,403	1,334	6,257	71,811	9.9%	6.6%	89,146
	MAINTENANCE	**$ 1,945**	**$ 19,709**	**$ 95,403**	**$ 95,403**	**$ 1,334**	**$ 6,257**	**$ 71,811**	**9.9%**	**6.6%**	**$ 89,146**
5530-02-00	ELECTRIC SERVICES	1,249	5,401	5,000	5,000	502	1,795	-	23.1%	35.9%	3,205
5545-02-00	INSURANCE-PROPEF	6,121	6,121	6,500	6,500	-	6,507	(2,000)	100.0%	100.1%	(7)
5570-02-00	SPECIAL SERVICES	4,080	13,392	13,392	13,392	1,116	4,464	-	30.5%	33.3%	8,928
	SUNDRY	**$ 11,450**	**$ 24,914**	**$ 24,892**	**$ 24,892**	**$ 1,618**	**$ 12,766**	**$ (2,000)**	**46.0%**	**51.3%**	**$ 12,126**
	TOTAL EXPENDITURES	**$ 13,395**	**$ 44,622**	**$ 120,295**	**$ 120,295**	**$ 2,951**	**$ 19,023**	**$ 69,811**	**30.0%**	**15.8%**	**$ 101,272**

15: EDC4B FUND
03: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDG USED	OF CY BUDG USED	BUDGET REMAINING
5580-03-00	ENGINEERING SERVI	-	-	10,000	10,000	-	-	-	0.0%	0.0%	10,000
5847-03-00	CONSTRUCTION	-	-	80,000	80,000	-	-	-	0.0%	0.0%	80,000
	CAPITAL	**$ -**	**$ -**	**$ 90,000**	**$ 90,000**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ 90,000**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 90,000**	**$ 90,000**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ 90,000**

15: EDC4B FUND
04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDGET USED	OF CY BUDGET USED	BUDGET REMAINING
5800-04-00	LAND	-	18,739	-	-	-	-	(50,000)	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ 18,739**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (50,000)**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ 18,739**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (50,000)**	**0.0%**	**0.0%**	**$ -**

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	FY16-17 PROJECTED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDGI USED	OF CY BUDGI USED	BUDGET REMAINING
BEGINNING FUND BALANC	**$ 29,444**	**$ 29,444**	**$ 29,524**	**$ 29,529**	**$ 29,529**	**$ 29,560**	**$ 29,529**				
INVESTMENT EARNINGS	17	85	60	60	-	14	44	45	19.4%	73.9%	16
TOTAL REVENUES	**$ 17**	**$ 85**	**$ 60**	**$ 60**	**$ -**	**$ 14**	**$ 44**	**$ 45**	**19.4%**	**73.9%**	**$ 16**
CAPITAL	-	-	-	-	-	-	-	(25,000)	0.0%	0.0%	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (25,000)**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPEND	$ 17	$ 85	$ 60	$ 60	$ -	$ 14	$ 44				
ENDING FUND BALANCE	**$ 29,461**	**$ 29,529**	**$ 29,584**	**$ 29,589**	**$ 29,529**	**$ 29,573**	**$ 29,573**				
FUND BALANCE AS % OF I	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**				
RESERVE (NO REQUIREMI	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**				
RESERVE SURPLUS/(SHOI	**$ 29,461**	**$ 29,529**	**$ 29,584**	**$ 29,589**	**$ 29,529**	**$ 29,573**	**$ 29,573**				

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDG USED	OF CY BUDG USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOM	17	85	60	60	14	44	45	19.4%	73.9%	16
	INVESTMENT EARNI	**$ 17**	**$ 85**	**$ 60**	**$ 60**	**$ 14**	**$ 44**	**$ 45**	**19.4%**	**73.9%**	**$ 16**
	TOTAL REVENUES	**$ 17**	**$ 85**	**$ 60**	**$ 60**	**$ 14**	**$ 44**	**$ 45**	**19.4%**	**73.9%**	**$ 16**

19: EDC4B CAPITAL BOND FUND
01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDG USED	OF CY BUDG USED	BUDGET REMAINING
5847-01-00	CONSTRUCTION	-	-	-	-	-	-	(25,000)	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (25,000)**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITUR	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (25,000)**	**0.0%**	**0.0%**	**$ -**

95: EDC4B RESERVE FUND

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDGI USED	OF CY BUDGI USED	BUDGET REMAINING
BEGINNING FUND BALANCI	**$ 119,962**	**$ 119,962**	**$ 120,141**	**$ 120,141**	**$ 120,132**	**$ 120,132**				
INVESTMENT EARNINGS	43	170	160	160	37	88	135	25.2%	54.9%	72
TOTAL REVENUES	**$ 43**	**$ 170**	**$ 160**	**$ 160**	**$ 37**	**$ 88**	**$ 135**	**25.2%**	**54.9%**	**$ 72**
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDI	$ 43	$ 170	$ 160	$ 160	$ 37	$ 88				
ENDING FUND BALANCE	**$ 120,005**	**$ 120,132**	**$ 120,301**	**$ 120,301**	**$ 120,169**	**$ 120,220**				
FUND BALANCE AS % OF E	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**				
RESERVE ($112,606 REQUIF	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606				
RESERVE SURPLUS/(SHOR	**$ 7,399**	**$ 7,526**	**$ 7,695**	**$ 7,695**	**$ 7,563**	**$ 7,614**				

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDG USED	OF CY BUDG USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOM	43	170	160	160	37	88	135	25.2%	54.9%	72
	INVESTMENT EARNI	**$ 43**	**$ 170**	**$ 160**	**$ 160**	**$ 37**	**$ 88**	**$ 135**	**25.2%**	**54.9%**	**$ 72**
	TOTAL REVENUES	**$ 43**	**$ 170**	**$ 160**	**$ 160**	**$ 37**	**$ 88**	**$ 135**	**25.2%**	**54.9%**	**$ 72**

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	OF PY BUDG USED	OF CY BUDG USED	BUDGET REMAINING
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITUR	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
DECEMBER

ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment
No amendments.

Monthly Information

Sales Taxes received in October and November are accrued back to FY16.
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
ANNUAL PROGRAM OF SERVICES
DECEMBER

EDC CASH POSITION

CATEGORY	FY15-16 ACTUAL	FY16-17 ADOPTED	CURRENT MONTH	FY16-17 YTD
BEGINNING CASH BALANCE - FUND 15	$ 90,295	$ 45,406	$ 13,024	$ 45,406
BEGINNING TEXPOOL BALANCE - FUND 15	$ 19	$ -	$ -	$ -
BEGINNING TEXPOOL BALANCE - FUND 19	$ 29,444	$ 29,529	$ 29,549	$ 29,529
BEGINNING CASH BALANCE - FUND 95	$ 119,962	$ 120,132	$ 120,166	$ 120,132
TOTAL REVENUES	$ 627,490	$ 933,227	$ 42,200	$ 91,135
TOTAL EXPENDITURES	$ 718,004	$ 803,880	$ 26,799	$ 135,499
CHANGE IN CASH DURING PERIOD	$ (44,653)	$ 200,099	$ 14,389	$ (17,939)
ENDING CASH BALANCE - FUND 15	$ 45,406	$ 270,559	$ 27,385	$ 27,385
ENDING TEXPOOL BALANCE - FUND 15	$ -	$ 19	$ -	$ -
ENDING TEXPOOL BALANCE - FUND 19	$ 29,529	$ 4,456	$ 29,560	$ 29,560
ENDING CASH BALANCE - FUND 95	$ 120,132	$ 120,132	$ 120,183	$ 120,183

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
DECEMBER

COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 313,866**	**$ 313,866**	**$ 248,862**	**$ 223,530**	**$ 163,722**	**$ 223,522**				
AD VALOREM TAXES	1,966	34,335	48,462	48,462	393	1,180	400	5.7%	2.4%	47,282
SALES/BEVERAGE TAXES	33,176	376,545	349,351	349,351	27,446	27,768	(649)	8.8%	7.9%	321,583
INVESTMENT EARNINGS	43	333	260	260	31	95	180	12.9%	36.7%	165
MISCELLANEOUS INCOME	6,969	115,841	435,796	435,796	6,331	38,096	51,676	6.0%	8.7%	397,700
SURPLUS SALES/RENTALS	48,326	100,606	99,358	99,358	7,999	23,996	(30,416)	48.0%	24.2%	75,362
TOTAL REVENUES	**$ 90,480**	**$ 627,660**	**$ 933,227**	**$ 933,227**	**$ 42,200**	**$ 91,135**	**$ 21,191**	**14.4%**	**9.8%**	**$ 842,092**
SUPPLIES	-	5,110	3,100	3,100	-	-	-	0.0%	0.0%	3,100
MAINTENANCE	1,945	19,709	95,403	95,403	567	4,923	71,811	9.9%	5.2%	90,480
SUNDRY	39,955	353,786	291,959	291,959	21,659	52,623	91,701	11.3%	18.0%	239,335
DEBT	49,091	166,773	168,600	168,600	4,573	43,043	2,226	29.4%	25.5%	125,557
TRANSFERS	35,959	151,919	154,819	154,819	-	34,909	1,300	23.7%	22.5%	119,909
CAPITAL	-	20,707	90,000	90,000	-	-	(75,000)	0.0%	0.0%	90,000
TOTAL EXPENDITURES	**$ 126,951**	**$ 718,004**	**$ 803,880**	**$ 803,880**	**$ 26,799**	**$ 135,499**	**$ 92,038**	**17.7%**	**16.9%**	**$ 668,381**
REVENUES OVER EXPENDITURES	$ (36,471)	$ (90,344)	$ 129,347	$ 129,347	$ 15,401	$ (44,364)				
ENDING FUND BALANCE	**$ 277,395**	**$ 223,522**	**$ 378,209**	**$ 352,877**	**$ 179,123**	**$ 179,157**				
FUND BALANCE AS % OF EXP	**218.5%**	**31.1%**	**47.0%**	**43.9%**	**668.4%**	**132.2%**				
RESERVE ($115,000) REQUIREMENT)	$ -	$ -	$ 115,000	$ -	$ -	$ -				
RESERVE SURPLUS/(SHORTFALL)	**$ 277,395**	**$ 223,522**	**$ 263,209**	**$ 352,877**	**$ 179,123**	**$ 179,157**				

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
DECEMBER

15: EDC4B FUND

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 164,460**	**$ 164,460**	**$ 99,198**	**$ 73,861**	**$ 14,041**	**$ 73,861**				
AD VALOREM TAXES	1,966	34,335	48,462	48,462	393	1,180	400	5.7%	2.4%	47,282
SALES/BEVERAGE TAXES	33,176	376,545	349,351	349,351	27,446	27,768	(649)	8.8%	7.9%	321,583
INVESTMENT EARNINGS	13	78	40	40	3	13	-	16.5%	33.4%	27
MISCELLANEOUS INCOME	6,969	115,841	435,796	435,796	6,331	38,096	51,676	6.0%	8.7%	397,700
SURPLUS SALES/RENTALS	48,326	100,606	99,358	99,358	7,999	23,996	(30,416)	48.0%	24.2%	75,362
TOTAL REVENUES	**$ 90,450**	**$ 627,405**	**$ 933,007**	**$ 933,007**	**$ 42,171**	**$ 91,053**	**$ 21,011**	**14.4%**	**9.8%**	**$ 841,954**
SUPPLIES	-	5,110	3,100	3,100	-	-	-	0.0%	0.0%	3,100
MAINTENANCE	1,945	19,709	95,403	95,403	567	4,923	71,811	9.9%	5.2%	90,480
SUNDRY	39,955	353,786	291,959	291,959	21,659	52,623	91,701	11.3%	18.0%	239,335
DEBT	49,091	166,773	168,600	168,600	4,573	43,043	2,226	29.4%	25.5%	125,557
TRANSFERS	35,959	151,919	154,819	154,819	-	34,909	1,300	23.7%	22.5%	119,909
CAPITAL	-	20,707	90,000	90,000	-	-	(50,000)	0.0%	0.0%	90,000
TOTAL EXPENDITURES	**$ 126,951**	**$ 718,004**	**$ 803,880**	**$ 803,880**	**$ 26,799**	**$ 135,499**	**$ 117,038**	**17.7%**	**16.9%**	**$ 668,381**
REVENUES OVER EXPENDITURES	$ (36,501)	$ (90,599)	$ 129,127	$ 129,127	$ 15,373	$ (44,446)				
ENDING FUND BALANCE	**$ 127,959**	**$ 73,861**	**$ 228,324**	**$ 202,987**	**$ 29,414**	**$ 29,414**				
FUND BALANCE AS % OF EXP	**100.8%**	**10.3%**	**28.4%**	**25.3%**	**109.8%**	**21.7%**				
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -	$ -				
RESERVE SURPLUS/(SHORTFALL)	**$ 127,959**	**$ 73,861**	**$ 228,324**	**$ 202,987**	**$ 29,414**	**$ 29,414**				

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
DECEMBER

15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	1,966	34,335	48,462	48,462	393	1,180	400	5.7%	2.4%	47,282
	AD VALOREM TAXES	**$ 1,966**	**$ 34,335**	**$ 48,462**	**$ 48,462**	**$ 393**	**$ 1,180**	**$ 400**	**5.7%**	**2.4%**	**$ 47,282**
4081-00-00	SALES TAX	33,176	376,545	349,351	349,351	27,446	27,768	(649)	8.8%	7.9%	321,583
	SALES/BEVERAGE TAXES	**$ 33,176**	**$ 376,545**	**$ 349,351**	**$ 349,351**	**$ 27,446**	**$ 27,768**	**$ (649)**	**8.8%**	**7.9%**	**$ 321,583**
4401-00-00	INVESTMENT INCOME	13	78	40	40	3	13	-	16.5%	33.4%	27
	INVESTMENT EARNINGS	**$ 13**	**$ 78**	**$ 40**	**$ 40**	**$ 3**	**$ 13**	**$ -**	**16.5%**	**33.4%**	**$ 27**
4409-00-00	MISCELLANEOUS INCOME	6,969	115,841	435,796	435,796	6,331	38,096	51,676	6.0%	8.7%	397,700
	MISCELLANEOUS INCOME	**$ 6,969**	**$ 115,841**	**$ 435,796**	**$ 435,796**	**$ 6,331**	**$ 38,096**	**$ 51,676**	**6.0%**	**8.7%**	**$ 397,700**
4805-00-00	RENTAL FEES-SHOPPING CENTER	48,015	98,580	98,612	98,612	7,938	23,815	(22,662)	48.7%	24.2%	74,797
4806-00-00	RENTAL INSURANCE	311	2,026	746	746	60	180	(7,754)	15.3%	24.2%	565
	SURPLUS SALES/RENTALS	**$ 48,326**	**$ 100,606**	**$ 99,358**	**$ 99,358**	**$ 7,999**	**$ 23,996**	**$ (30,416)**	**48.0%**	**24.2%**	**$ 75,362**
	TOTAL REVENUES	**$ 90,450**	**$ 627,405**	**$ 933,007**	**$ 933,007**	**$ 42,171**	**$ 91,053**	**$ 21,011**	**14.4%**	**9.8%**	**$ 841,954**
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 90,437**	**$ 627,327**	**$ 932,967**	**$ 932,967**	**$ 42,169**	**$ 91,039**	**$ 21,011**			
	10% ADMIN CHARGE-GENERAL FUND	9,044	62,733	93,297	93,297	4,217	9,104	2,101			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
DECEMBER

15: EDC4B FUND
01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5240-01-00	PRINTED SUPPLIES	-	5,110	3,000	3,000	-	-	-	0.0%	0.0%	3,000
5260-01-00	GENERAL OFFICE SUPPLIES	-	-	50	50	-	-	-	0.0%	0.0%	50
5261-01-00	POSTAGE	-	-	50	50	-	-	-	0.0%	0.0%	50
	SUPPLIES	**$ -**	**$ 5,110**	**$ 3,100**	**$ 3,100**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ 3,100**
5501-01-00	ADVERTISING	-	210	2,200	2,200	-	-	1,000	0.0%	0.0%	2,200
5510-01-00	ASSOC DUES/PUBLICATIONS	1,236	5,356	5,320	5,320	-	-	1,300	23.1%	0.0%	5,320
5525-01-00	TRAINING/SEMINARS	-	525	250	250	-	-	-	0.0%	0.0%	250
5565-01-00	LEGAL SERVICES	-	5,662	7,000	7,000	-	500	6,000	0.0%	7.1%	6,500
5567-01-00	AUDIT SERVICES	-	2,000	2,250	2,250	-	-	250	0.0%	0.0%	2,250
5570-01-00	SPECIAL SERVICES	18,730	140,283	68,650	68,650	14,515	28,915	(3,950)	13.4%	42.1%	39,735
5574-01-00	FILING FEES	-	-	-	-	40	40	-	#DIV/0!	#DIV/0!	(40)
5575-01-00	EQUIPMENT RENTAL	-	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-
5578-01-00	TRAVEL	-	-	100	100	-	-	-	0.0%	0.0%	100
5580-01-00	ENGINEERING SERVICES	-	55,070	6,000	6,000	-	-	5,000	0.0%	0.0%	6,000
5595-01-00	ADMIN CHARGE-GENERAL FUND	8,017	56,796	93,297	93,297	4,217	9,104	2,101	14.1%	9.8%	84,193
5610-01-00	VISUAL GRANT	-	11,122	50,000	50,000	-	-	50,000	0.0%	0.0%	50,000
5615-01-00	FUNCTIONAL GRANT	1,754	51,850	32,000	32,000	1,373	2,916	32,000	3.4%	9.1%	29,084
	SUNDRY	**$ 29,738**	**$ 328,873**	**$ 267,067**	**$ 267,067**	**$ 20,145**	**$ 41,475**	**$ 93,701**	**9.0%**	**15.5%**	**$ 146,508**
5800-01-00	LAND	-	1,968	-	-	-	-	-	0.0%	0.0%	-
5813-01-00	KENNEDALE ENTRANCE SIGN	-	-	-	-	-	-	-	0.0%	0.0%	-
5820-01-00	BUILDING IMPROVEMENT	-	-	-	-	-	-	-	0.0%	0.0%	-
5875-01-00	CONSTRUCTION	-	-	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ 1,968**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**#DIV/0!**	**$ -**
	TOTAL EXPENDITURES	**$ 29,738**	**$ 335,951**	**$ 270,167**	**$ 270,167**	**$ 20,145**	**$ 41,475**	**$ 93,701**	**8.9%**	**15.4%**	**$ 149,608**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
DECEMBER

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5643-01-03	2007 $1.2M TAX BOND-INTEREST	31,034	62,135	58,728	58,728	-	29,325	(3,476)	49.9%	49.9%	29,402
5644-01-03	2007 $1.2M TAX BOND-PRINCIPAL	-	50,000	55,000	55,000	-	-	5,000	0.0%	0.0%	55,000
5645-01-03	2011 $1.7M TX LEVERAGE-INT	4,721	15,930	15,672	15,672	1,339	4,046	(126)	29.6%	25.8%	11,626
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	13,336	38,709	39,200	39,200	3,233	9,672	827	34.5%	24.7%	29,528
	DEBT	**$ 49,091**	**$ 166,773**	**$ 168,600**	**$ 168,600**	**$ 4,573**	**$ 43,043**	**$ 2,226**	**29.4%**	**25.5%**	**$ 125,557**
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	35,959	151,919	154,819	154,819	-	34,909	1,300	23.7%	22.5%	119,909
	TRANSFER	**$ 35,959**	**$ 151,919**	**$ 154,819**	**$ 154,819**	**$ -**	**$ 34,909**	**$ 1,300**	**23.7%**	**22.5%**	**$ 119,909**
	TOTAL EXPENDITURES	**$ 85,050**	**$ 318,692**	**$ 323,419**	**$ 323,419**	**$ 4,573**	**$ 77,953**	**$ 3,526**	**26.7%**	**24.1%**	**$ 245,466**

15: EDC4B FUND
02: TOWN SHOPPING CENTER

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5403-02-00	BUILDING MAINTENANCE	1,945	19,709	95,403	95,403	567	4,923	71,811	9.9%	5.2%	90,480
	MAINTENANCE	**$ 1,945**	**$ 19,709**	**$ 95,403**	**$ 95,403**	**$ 567**	**$ 4,923**	**$ 71,811**	**9.9%**	**5.2%**	**$ 90,480**
5530-02-00	ELECTRIC SERVICES	1,249	5,401	5,000	5,000	398	1,293	-	23.1%	25.9%	3,707
5545-02-00	INSURANCE-PROPERTY	6,121	6,121	6,500	6,500	-	6,507	(2,000)	100.0%	100.1%	(7)
5570-02-00	SPECIAL SERVICES	2,848	13,392	13,392	13,392	1,116	3,348	-	21.3%	25.0%	10,044
	SUNDRY	**$ 10,218**	**$ 24,914**	**$ 24,892**	**$ 24,892**	**$ 1,514**	**$ 11,148**	**$ (2,000)**	**41.0%**	**44.8%**	**$ 13,744**
	TOTAL EXPENDITURES	**$ 12,163**	**$ 44,622**	**$ 120,295**	**$ 120,295**	**$ 2,081**	**$ 16,072**	**$ 69,811**	**27.3%**	**13.4%**	**$ 104,224**

15: EDC4B FUND
03: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-03-00	ENGINEERING SERVICES	-	-	10,000	10,000	-	-	-	0.0%	0.0%	10,000
5847-03-00	CONSTRUCTION	-	-	80,000	80,000	-	-	-	0.0%	0.0%	80,000
	CAPITAL	**$ -**	**$ -**	**$ 90,000**	**$ 90,000**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ 90,000**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 90,000**	**$ 90,000**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ 90,000**

15: EDC4B FUND
04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5800-04-00	LAND	-	18,739	-	-	-	-	(50,000)	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ 18,739**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (50,000)**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ 18,739**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (50,000)**	**0.0%**	**0.0%**	**$ -**

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 29,444**	**$ 29,444**	$ 29,524	**$ 29,529**	**$ 29,548**	**$ 29,529**				
INVESTMENT EARNINGS	10	85	60	60	11	31	45	11.6%	51.3%	29
TOTAL REVENUES	**$ 10**	**$ 85**	$ 60	**$ 60**	**$ 11**	**$ 31**	**$ 45**	**11.6%**	**51.3%**	**$ 29**
CAPITAL	-	-	-	-	-	-	(25,000)	0.0%	0.0%	-
TOTAL EXPENDITURES	**$ -**	**$ -**	$ -	**$ -**	**$ -**	**$ -**	**$ (25,000)**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 10	$ 85	$ 60	$ 60	$ 11	$ 31				
ENDING FUND BALANCE	**$ 29,454**	**$ 29,529**	$ 29,584	**$ 29,589**	**$ 29,560**	**$ 29,560**				
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	N/A	**N/A**	**N/A**	**N/A**				
RESERVE (NO REQUIREMENT)	**$ -**	**$ -**	$ -	**$ -**	**$ -**	**$ -**				
RESERVE SURPLUS/(SHORTFALL)	**$ 29,454**	**$ 29,529**	$ 29,584	**$ 29,589**	**$ 29,560**	**$ 29,560**				

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	10	85	60	60	11	31	45	11.6%	51.3%	29
	INVESTMENT EARNINGS	**$ 10**	**$ 85**	**$ 60**	**$ 60**	**$ 11**	**$ 31**	**$ 45**	**11.6%**	**51.3%**	**$ 29**
	TOTAL REVENUES	**$ 10**	**$ 85**	**$ 60**	**$ 60**	**$ 11**	**$ 31**	**$ 45**	**11.6%**	**51.3%**	**$ 29**

19: EDC4B CAPITAL BOND FUND
01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5847-01-00	CONSTRUCTION	-	-	-	-	-	-	(25,000)	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (25,000)**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (25,000)**	**0.0%**	**0.0%**	**$ -**

95: EDC4B RESERVE FUND

CATEGORY	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 119,962**	**$ 119,962**	**$ 120,141**	**$ 120,141**	**$ 120,132**	**$ 120,132**				
INVESTMENT EARNINGS	20	170	160	160	17	51	135	11.9%	32.0%	109
TOTAL REVENUES	**$ 20**	**$ 170**	**$ 160**	**$ 160**	**$ 17**	**$ 51**	**$ 135**	**11.9%**	**32.0%**	**$ 109**
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 20	$ 170	$ 160	$ 160	$ 17	$ 51				
ENDING FUND BALANCE	**$ 119,982**	**$ 120,132**	**$ 120,301**	**$ 120,301**	**$ 120,149**	**$ 120,184**				
FUND BALANCE AS % OF EXP	**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				
RESERVE SURPLUS/(SHORTFALL)	**$ 7,376**	**$ 7,526**	**$ 7,695**	**$ 7,695**	**$ 7,543**	**$ 7,578**				

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	20	170	160	160	17	51	135	11.9%	32.0%	109
	INVESTMENT EARNINGS	**$ 20**	**$ 170**	**$ 160**	**$ 160**	**$ 17**	**$ 51**	**$ 135**	**11.9%**	**32.0%**	**$ 109**
	TOTAL REVENUES	**$ 20**	**$ 170**	**$ 160**	**$ 160**	**$ 17**	**$ 51**	**$ 135**	**11.9%**	**32.0%**	**$ 109**

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY15-16 YTD	FY15-16 ACTUAL	FY16-17 ADOPTED	FY16-17 AMENDED	CURRENT MONTH	FY16-17 YTD	CY - PY CHANGE	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
	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: February 28, 2017

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, 2016.

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

The 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:

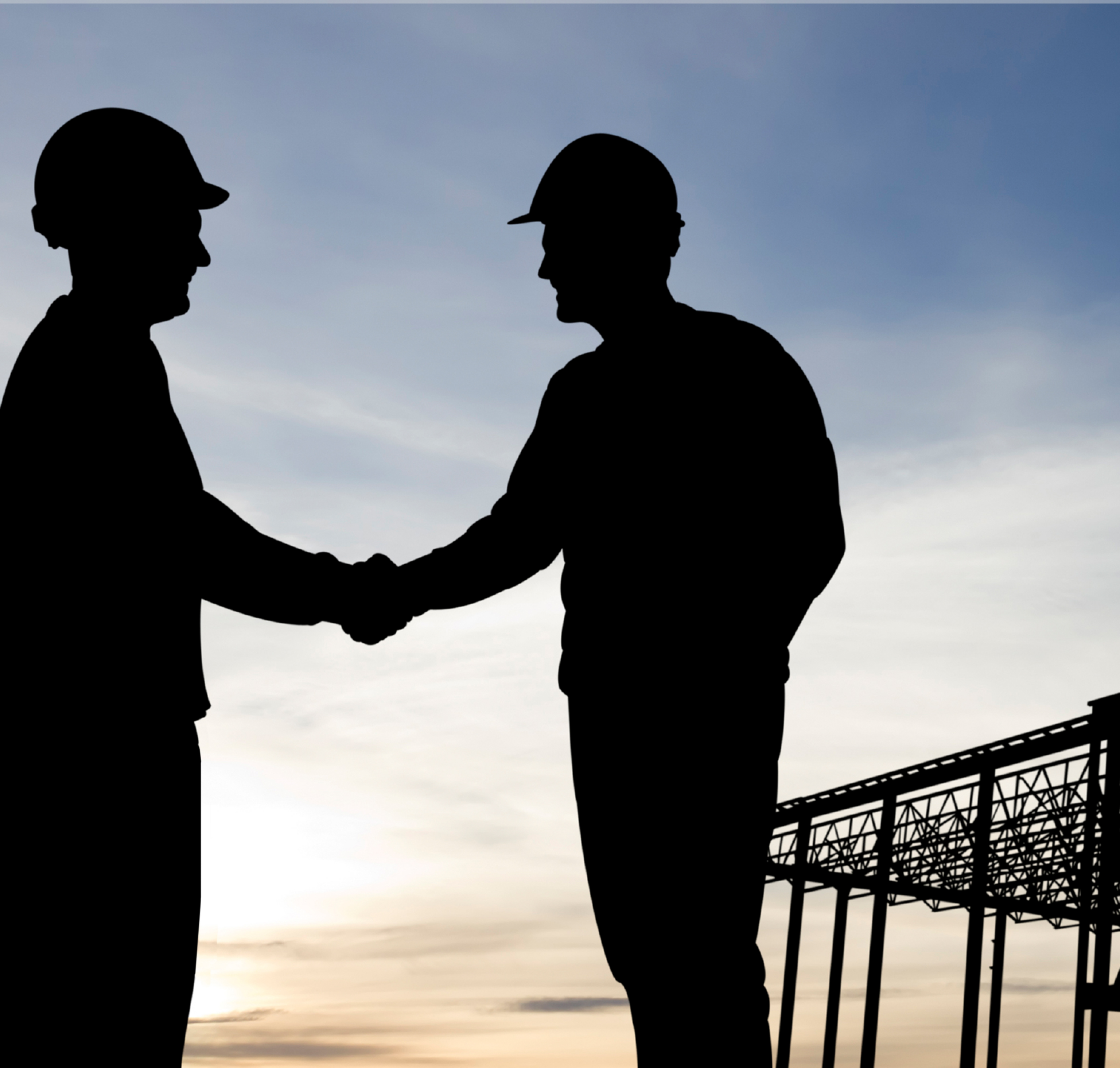
Staff recommends Directors accept and approve the Independent Auditor's Report as presented by Patillo, Brown, & Hill, LLP.

VI. Attachments:

1.	2016 EDC Annual Financials	2016 EDC Annual Financials.pdf
2.	Required Comminication	2016 Required Communication.pdf

KENNEDALE EDC FINANCIAL REPORT

FOR THE YEAR ENDING SEPTEMBER 30, 2016



KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2016

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

TABLE OF CONTENTS

SEPTEMBER 30, 2016

THIS PAGE LEFT BLANK INTENTIONALLY

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, 2016, 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.

WACO, TX
401 West Highway 6
Waco, Texas 76710
254.772.4901
www.pbhcpa.com

HOUSTON, TX
281.671.6850

RIO GRANDE VALLEY, TX
956.544.7778

TEMPLE, TX
254.791.3460

ALBUQUERQUE, NM
505.266.5904

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Corporation, as of September 30, 2016, 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, and budgetary information on pages 3 through 6 and page 16 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.

Waco, Texas
February 21, 2017

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, 2016. 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 $4,460,872.

- The Kennedale Economic Development Corporation's net position decreased by $190,066. The decrease was due to decreases in sales tax revenue and rental income. This was offset by the decreases in overall expenses. Net position was further decreased by a prior period adjustment for land sold in a prior year.

- As of the close of the current fiscal year, the Kennedale Economic Development Corporation's governmental fund reported an ending fund balance of $223,520, a decrease of $90,345 in comparison with the prior year. The decrease is primarily related to the decrease in sales tax revenue and rental income offset by increased miscellaneous income and decreased expenditures in economic development.

- At the end of the current fiscal year, the restricted fund balance for the General Fund was $223,520.

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 $4,460,872 at the close of the most recent fiscal year.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S NET POSITION

	Governmental Activities	
	2016	2015
Current assets	$ 279,453	$ 329,468
Capital assets	5,571,489	6,171,472
Total assets	5,850,942	6,500,940
Current liabilities	80,190	41,296
Noncurrent liabilities	1,309,880	1,398,589
Total liabilities	1,390,070	1,439,885
Net position:		
Net investment in capital assets	4,261,609	4,772,883
Unrestricted	199,263	288,172
Total net position	$ 4,460,872	$ 5,061,055

The Corporation's net position decreased by $190,066 during the current fiscal year. This decrease is primarily due to decreases in sales tax revenue, rental income, and a prior period adjustment for land sold in a prior year. This was offset by the decreases in overall expenses.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S CHANGES IN NET POSITION

	Governmental Activities	
	2016	2015
General Revenues:		
Sales tax	$ 410,880	$ 496,083
Rental	100,606	116,845
Miscellaneous	59,999	57,855
Investment earnings	333	112
Total general revenues	571,818	670,895
Expenses:		
Economic development:		
Administration	533,335	568,814
Payment to City for debt	151,919	153,519
Interest and other	76,630	81,213
Total expenses	761,884	803,546
Changes in net position	(190,066)	(132,651)
Net position, beginning	5,061,055	5,220,834
Prior period adjustment	(410,117)	(27,128)
Net position, ending	$ 4,460,872	$ 5,061,055

General Fund. The Corporation's general revenues decreased by $43,235 or 6.44% from last year. The decrease was due to a decrease in sales tax revenue and rental income. Sales tax revenue decreased by $85,203 or 17.18% to $410,880.

General Fund budgetary highlights. The actual expenditures for the year were $718,005, which was $28,392 under budget.

For fiscal year 2016, the actual revenues were $627,660, as compared to the budgeted amount of $649,854. Contributing to the variance was lower than anticipated rental revenue ($29,168 less than the budget).

With revenues lower than expectation and expenditures below appropriations, the fund balance in the General Fund decreased by $90,345, which was $6,198 higher than the final budgeted decrease.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The investment in capital assets for its governmental as of September 30, 2016, amounts to $4,261,609 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and infrastructure.

Additional information on the capital assets can be found in the notes to the financial statements on page 15.

Long-term debt. At year-end, the KEDC had revenue bonds and a loan in the amount of $845,000 and $464,880, respectively.

Additional information on the long-term debt can be found in the notes to the financial statements on page 16.

DISCUSSION OF CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS IN FISCAL YEAR 2016

The Kennedale Economic Development Corporation's projects for the fiscal year and beyond include: 1) Opening a "sit-down" restaurant in the Oak Crest development, 2) Building a hotel in the Oak Crest development, 3) Continuing the development of the Kennedale Town Center, and 4) 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 Finance Director, Kennedale Economic Development Corporation, 405 Municipal Dr., Kennedale, Texas 76060.

BASIC FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION
AND GOVERNMENTAL FUND BALANCE SHEET

SEPTEMBER 30, 2016

	General	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	$ 205,067	$ -	$ 205,067
Sales taxes receivable	68,301	-	68,301
Accounts receivable	6,085	-	6,085
Capital assets:			
Land	-	1,085,147	1,085,147
Buildings and improvements	-	5,945,769	5,945,769
Construction in progress	-	-	-
Less: accumulated depreciation	-	(1,459,427)	(1,459,427)
Total capital assets	-	5,571,489	5,571,489
Total assets	279,453	5,571,489	5,850,942
LIABILITIES			
Accounts payable	41,034	-	41,034
Accrued interest payable	-	24,257	24,257
Customer deposits	14,899	-	14,899
Noncurrent liabilities:			
Due within one year	-	94,200	94,200
Due in more than one year	-	1,215,680	1,215,680
Total liabilities	55,933	1,334,137	1,390,070
FUND BALANCE/NET POSITION			
Fund balance:			
Restricted for economic development	223,520	(223,520)	-
Total fund balance	223,520	(223,520)	-
Total liabilities and fund balance	$ 279,453		
Net position:			
Net investment in capital assets		4,261,609	4,261,609
Restricted for economic development		199,263	199,263
Total net position		$ 4,460,872	$ 4,460,872

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

THIS PAGE LEFT BLANK INTENTIONALLY

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General	Adjustments	Statement of Activities
Expenditures/expenses:			
Current:			
Economic development	$ 399,312	$ 134,023	$ 533,335
Payment to City for debt	151,919	-	151,919
Debt service:			
Principal	88,709	(88,709)	-
Interest and fiscal charges	78,065	(1,435)	76,630
Total expenditures/expenses	718,005	43,879	761,884
General revenues:			
Sales taxes	410,880	-	410,880
Rental	100,606	-	100,606
Miscellaneous	115,841	(55,842)	59,999
Investment earnings	333	-	333
Total general revenues	627,660	(55,842)	571,818
Excess of revenues over expenditures	(90,345)	(99,721)	(190,066)
Net change in fund balance	(90,345)	90,345	-
Change in net position	-	(190,066)	(190,066)
Fund balance/net position:			
Beginning	313,865	4,747,190	5,061,055
Prior period adjustment	-	(410,117)	(410,117)
Ending	$ 223,520	$ 4,237,352	$ 4,460,872

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

THIS PAGE LEFT BLANK INTENTIONALLY

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. <u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u>

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 ***<u>General Fund</u>*** 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. <u>Assets, Liabilities and Net Position or Fund Balance</u>

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. Investment income on investments is allocated to the Corporation based upon its pro rata participation in the pool.

Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools are 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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 will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

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.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

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 ON FUNDS AND ACTIVITIES

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, 2016, 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, 2016, the carrying amounts of the Corporation's investments were as follows:

Balances in public funds investment pools:	
State Treasurer's Investment Pool (TexPool)	$ 205,067
	$ 205,067

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.

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. Agreement with City

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.

D. Capital Assets

Capital asset activity for the year ended September 30, 2016, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,457,391	$ 93,716	$ 465,960	$ 1,085,147
Total capital assets not being depreciated	1,457,391	93,716	465,960	1,085,147
Capital assets, being depreciated:				
Buildings	4,680,139	38,230	-	4,718,369
Improvements	1,017,693	-	-	1,017,693
Infrastructure	184,679	25,028	-	209,707
Total capital assets being depreciated	5,882,511	63,258	-	5,945,769
Less accumulated depreciation:				
Buildings	936,936	235,918	-	1,172,854
Improvements	227,800	50,885	-	278,685
Infrastructure	3,694	4,194	-	7,888
Total accumulated depreciation	1,168,430	290,997	-	1,459,427
Total capital assets, being depreciated, net	4,714,081	(227,739)	-	4,486,342
Governmental activities capital assets, net	$ 6,171,472	$(134,023)	$ 465,960	$ 5,571,489

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. During the fiscal year 2011, $1,047,000 of the loan issued was returned to the lender netting a balance of $653,000. 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	$ 895,000	$ -	$ 50,000	$ 845,000	$ 55,000
Texas leverage fund loan	503,589	-	38,709	464,880	39,200
Governmental activity Long-term liabilities	$ 1,398,589	$ -	$ 88,709	$ 1,309,880	$ 94,200

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

Year Ending September 30,	Governmental Activities Principal	Interest
2017	$ 94,200	$ 74,400
2018	100,594	69,183
2019	102,038	63,570
2020	108,533	57,904
2021	115,081	51,838
2022-2026	680,630	154,044
2027-2031	108,804	7,311
Total	$ 1,309,880	$ 478,250

F. Prior Period Adjustment

Net position at the beginning of the year was restated to reflect the disposal of land in a prior period.

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE LEFT BLANK INTENTIONALLY

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

COMPONENT UNIT - GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016
(With Comparative Actual Amounts for the Year Ended September 30, 2015)

	2016				2015
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Sales tax	$ 398,062	$ 405,000	$ 410,880	$ 5,880	$ 496,083
Rental income	129,774	129,774	100,606	(29,168)	116,845
Miscellaneous income	384,120	115,000	115,841	841	57,855
Investment earnings	80	80	333	253	112
Total revenues	912,036	649,854	627,660	(22,194)	670,895
EXPENDITURES					
Current:					
Economic development	391,950	426,504	399,312	27,192	409,805
Payment to city for debt	153,519	153,519	151,919	1,600	153,519
Debt Service:					
Principal	88,373	88,373	88,709	(336)	87,147
Interest and fiscal charges	78,001	78,001	78,065	(64)	82,649
Total expenditures	711,843	746,397	718,005	28,392	733,120
NET CHANGE IN FUND BALANCES	200,193	(96,543)	(90,345)	6,198	(62,225)
FUND BALANCES, BEGINNING	313,865	313,865	313,865	-	376,090
FUND BALANCES, ENDING	$ 514,058	$ 217,322	$ 223,520	$ 6,198	$ 313,865

THIS PAGE LEFT BLANK INTENTIONALLY

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

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

We have audited the financial statements of the Kennedale Economic Development Corporation as of and for the year ended September 30, 2016, and have issued our report thereon date February 21, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 25, 2016, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

WACO, TX
401 West Highway 6
Waco, Texas 76710
254.772.4901
www.pbhcpa.com

HOUSTON, TX
281.671.6850

RIO GRANDE VALLEY, TX
956.544.7778

TEMPLE, TX
254.791.3460

ALBUQUERQUE, NM
505.266.5904

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and, as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

As a part of the engagement we assisted in preparing the financial statements, and related notes to the financial statements of the Corporation in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services were not conducted in accordance with *Government Auditing Services.*

In order to ensure we maintain our independence for performing these nonaudit services certain safeguards were applied to this engagement. Management assumed responsibility for the financial statements and related notes to the financial statements and any other nonaudit services we provided. Management acknowledged in the management representation letter our assistance with the preparation of the financial statements and related notes to the financial statements and that these items were reviewed and approved prior to their issuance and accepted responsibility for them. Further, the nonaudit services were oversaw by an individual within management that has the suitable skill, knowledge, or experience; evaluated the adequacy and results of the services; and accepted responsibility for them.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Corporation is included in Note I to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of capital assets is based on the expected lifespan of the asset in accordance with standard guidelines. We evaluated the key factors and assumptions used to develop the estimate of useful lives in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Management’s estimate of the net pension liability is based on actuarial assumptions which are determined by the demographics of the plan and future projections that the actuarial makes based on historical information of the plan and the investment market. We evaluated the key factors and assumptions used to develop the net pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management’s estimate of the allowance for uncollectible accounts is based on historical collection rates. We evaluated the key factors and assumptions used to develop the estimates listed above in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Corporation’s financial statements relate to depreciation of capital assets. The disclosures in the financial statements are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Corporation’s financial statements or the auditor’s report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated February 21, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Corporation's auditors.

This report is intended solely for the information and use of the Corporation Board of Directors and management of the Kennedale Economic Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

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

Waco, Texas
February 21, 2017

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 28, 2017

Agenda Item No: REGULAR ITEMS - C.

I. Subject:
Discuss and consider approval for the purchase and installation of a "For Sale" sign at 1109 W. Kennedale Parkway

II. Originated by:

III. Summary:
Economic Development Corporation Director Jack Thompson will provide information regarding the proposed sale and sign for property located at 1109 W. Kennedale Parkway.

IV. Recommendation:
Approve

V. Alternative Actions:

VI. Attachments:

1.	Sign Quotes	For Sale Sign Quotes.pdf

For Sale Sign Quotes

Real Estate Media
Design, production and installation of 4'x8' sign

- Single side - $350.00
- 2 side V-shape sign $550.00

Fort Worth HighTech Signs Co.
Design, production and installation of 4'x8' sign

- Single side sign - $390
- 2 side V-shape sign -$595

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 28, 2017

Agenda Item No: STAFF ANNOUNCEMENTS/REPORTS - A.

I. Subject:
TownCenter
B. Chamber of Commerce Report

II. Originated by:

Bob Hart

III. Summary:
The Director will provide an update on these items.
• TownCenter
• Chamber of Commerce Report

IV. Recommendation:
None

V. Alternative Actions:

VI. Attachments:

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: February 28, 2017

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. Hospitality Project
2. Oak Crest Development

II. Originated by:

III. Summary:

IV. Recommendation:

V. Alternative Actions:

VI. Attachments: