KENNEDALE
Kennedale Economic
Development Corporation
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ECONOMIC DEVELOPMENT CORPORATION

AGENDA
BOARD OF DIRECTORS - REGULAR MEETING
March 27, 2018
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 February 27, 2018 Regular Meeting

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for February 2018
B. Presentation and discussion of independent auditor's report - Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017

V. STAFF ANNOUNCEMENTS/REPORTS

In addition to any specific matters listed below, the Economic Development Corporation Board of Directors may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

A. TownCenter
B. Oak Crest
C. Chamber of Commerce

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. Oak Crest Development
2. TownCenter Property

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 March 27, 2018, 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.

Kathryn Roberson

Kathryn Roberson, Deputy City Secretary

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: March 27, 2018

Agenda Item No: MINUTES APPROVAL - A.

I. Subject:
Consider approval of the minutes from the February 27, 2018 Regular Meeting

II. Summary:
Please see the attached minutes for your approval.

III. Recommendation:
Approve

IV. Alternative Actions:

V. Attachments:

1.	2-27-18	2-27-18.doc

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ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS - REGULAR MEETING MINUTES
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
February 27, 2018 at 7:00 p.m.

I. CALL TO ORDER

President Robert Mundy called the meeting to order at 7:00 p.m.

A. Introduction of new members

This item was taken out of order. It was presented after item IV.A.

New introductions were made; new members Ralph Grimes and Councilmember Sandra Lee were in attendance; Stan Seat arrived at 7:18 p.m.

Following the introductions, President Mundy recessed to Executive Session at 7:27 p.m. Before beginning the closed session, Stan Seat was sworn into his place on the board by City Secretary Leslie Galloway.

II. ROLL CALL

Present: President Robert Mundy, Vice President Mark Yeary, Pat Turner, Councilmember Sandra Lee, Ralph Grimes (*arrived at 7:10 p.m.*), and Stan Seat (*arrived at 7:18 p.m., and was seated in the audience until being sworn in preceding the Executive Session*)
Absent: Ronald Whitley

III. MINUTES APPROVAL

A. Consider approval of the minutes from the January 23, 2018 regular meeting

This item was taken out of order. It was presented as the second item of the meeting, following item V. Staff Announcements/Reports.

In response to a request by Pat Turner, Executive Director George Campbell stated that a detailed spreadsheet of the distribution connected with the sale of the hotel property would be sent to the board via email when available.

Motion To approve the January 23, 2018 Economic Development Corporation regular meeting minutes. **Action** Approve, **Moved By** Pat Turner, **Seconded By** Mark Yeary. **Motion passed Unanimously**

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for January 2018

Finance Director Brady Olson provided a brief overview of the January financial report. He noted that all disbursements associated with the hail damage claim were now complete, and that Sales Tax revenue was about $5,000 more than would be expected in January.

Motion To approve the January 2018 financial report for the Economic Development Corporation. **Action** Approve, **Moved By** Mark Yeary, **Seconded By** Pat Turner. **Motion passed Unanimously**

B. Consider approval for an Executive Director to negotiate and sign a contract for remodeling the remaining vacant space in TownCenter, Building 1.

This item was taken out of order. It was considered following item VI. Executive Session. Action by the Board related to this item appears under item VII.

V. STAFF ANNOUNCEMENTS/REPORTS

A. TownCenter
B. Oak Crest
C. Chamber of Commerce

This item was taken out of order. It was presented as the first item of the meeting, and was followed by item III.A.

Executive Director George Campbell presented the Tru by Hilton information from Al Karmali and stated that he and City Secretary and Communications Coordinator, Leslie Galloway, would issue a press release soon about this new hotel in Oak Crest.

Campbell stated that the signage in Oak Crest should be updated within the next week.

He added that Danielle Clarke has been hired to replace Kelly Cooper as the new Human Resources Director/Economic Development Corporation Manager.

President Mundy requested that newly appointed board member Ralph Grimes, who also serves as an Ambassador for the Kennedale Area Chamber of Commerce, keep both the EDC and Chamber Boards informed about activities and projects of interest, including possible collaborative opportunities.

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. Oak Crest Development
2. TownCenter Property

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

President Robert Mundy reconvened in Regular Session at 9:11 p.m.

Motion To approve an Executive Director to negotiate and sign a contract for remodeling the remaining vacant space in TownCenter, Building 1. **Action** Approve, **Moved By** Robert Mundy, Seconded By Ralph Grimes. **Motion passed Unanimously.**

The next regularly scheduled meeting of the Economic Development Corporation will be Tuesday, March 27, 2018, at 7:00 p.m.

VII. ADJOURNMENT

Motion To adjourn. **Action** Adjourn, **Moved By** Sandra Lee, **Seconded By** Ralph Grimes. **Motion passed Unanimously**

The meeting was adjourned at 9:17 p.m.

APPROVED:

____
President Robert Mundy

ATTEST:

____
Deputy City Secretary Kathryn Roberson

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: March 27, 2018

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Review and accept the KEDC Financial Report for February 2018

II. Summary:
Finance Director Brady Olsen will provide an overview of the previous month's Kennedale Economic Development Corporation Financial Report.

III. Recommendation:
Approve

IV. Alternative Actions:

V. Attachments:

1.	2018_02 Monthly Financials - EDC	2018_02 Monthly Financials - EDC.pdf
2.	Sales Tax Update- February EDC	Sales Tax Update- February EDC.pdf

CITY OF KENNEDALE
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ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment

Monthly Information

1. $54,501 Sales Tax higher than what we would usually expect due to a one time payment from a local business
2. Due to staff turnover, this month's report does not have every typical end of month journal entry. We will work to get caught up by the April meeting
3. Engaged with a contractor for the renovation of building one and parking lot repair
4. EDC continues to explore findings tenants to fill out the town center.
5. You should expect proposed budget amendments for the April meeting to add the hotel sale revenue and several construciton projects authorized.

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.

Brady Olsen
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

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EDC CASH POSITION

CATEGORY	DESCRIPTION		FY17-18 YTD
FROM PREVIOUS MONTHS REPORT:			
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	$	249,682
BEGINNING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
BEGINNING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	29,849
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	$	120,942
BEGINNING CASH BALANCE - TOTAL		**$**	**400,473**
BEGINNING AVAILABLE CASH - TOTAL			**249,682**
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		$	61,561 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	$	307,412
ENDING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
ENDING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	29,849
ENDING CASH BALANCE - FUND 95	(Required reserves)	$	120,942
ENDING CASH BALANCE - TOTAL		**$**	**458,203**
UNAVAILABLE CASH - EARMARKED			
COMMITTED TO BUILDING ONE RENOVATION		$	121,000
2010 $2.0M BOND SALE REMAINING CASH	(Unspent bond proceeds)	$	29,849
RESERVES FOR LEVERAGE NOTE	(Required reserves)	$	120,942
TOTAL UNAVAILABLE CASH		**$**	**271,791**
AVAILABLE CASH		**$**	**186,412**

*Due to prior period adjustments, beginning cash balance plus monthly income will not always be an exact match for ending cash balance

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COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 313,866**	**$ 313,866**	**$ 134,784**		**$ 302,131**			
AD VALOREM TAXES	1,966	2,360	35,000	-	-	83.3%	0.0%	35,000
SALES/BEVERAGE TAXES	92,846	361,319	373,835	54,501	113,469	25.7%	30.4%	260,366
INVESTMENT EARNINGS	223	790	65	-	973	28.2%	1496.8%	(908)
MISCELLANEOUS INCOME	46,691	76,716	45,120	12,208	23,502	60.9%	52.1%	21,618
SURPLUS SALES/RENTALS	39,993	82,071	121,858	9,752	379,507	48.7%	311.4%	(257,649)
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
TOTAL REVENUES	**$ 181,719**	**$ 523,257**	**$ 605,597**	**$ 76,461**	**$ 517,451**	**34.7%**	**85.4%**	**$ 58,427**
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	7,967	44,464	25,112	4,821	88,438	17.9%	352.2%	(63,326)
SUNDRY	84,309	201,042	213,667	5,263	58,004	41.9%	27.1%	155,663
DEBT	52,242	169,431	169,777	4,816	51,260	30.8%	30.2%	118,517
TRANSFERS	34,909	154,819	182,307	-	33,794	22.5%	18.5%	148,513
CAPITAL	1,274	14,621	-	-	22,000	8.7%	#DIV/0!	(22,000)
TOTAL EXPENDITURES	**$ 180,702**	**$ 584,377**	**$ 592,963**	**$ 14,900**	**$ 253,495**	**30.9%**	**42.8%**	**$ 339,468**
REVENUES OVER EXPENDITURES	$ 1,017	$ (61,120)	$ 12,634	$ 61,561	$ 263,956			
ENDING FUND BALANCE	**$ 314,883**	**$ 252,746**	**$ 147,418**		**$ 566,086**			
FUND BALANCE AS % OF EXP	**174.3%**	**43.3%**	**24.9%**	**0.0%**	**223.3%**			
RESERVE ($115,000) REQUIREMENT)	$ -	$ -	$ 115,000	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 314,883**	**$ 252,746**	**$ 32,418**	**$ -**	**$ 566,086**			

"YOU'RE HERE. YOUR HOME."

CITY OF KENNEDALE
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15: EDC4B FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 164,460**	**$ 164,460**	**$ (15,517)**		**$ 152,017**			
AD VALOREM TAXES	1,966	2,360	35,000	-	-	83.3%	0.0%	35,000
SALES/BEVERAGE TAXES	92,846	361,319	373,835	54,501	113,469	25.7%	30.4%	260,366
INVESTMENT EARNINGS	43	82	65	-	551	51.7%	847.5%	(486)
MISCELLANEOUS INCOME	46,691	76,716	45,120	12,208	23,502	60.9%	52.1%	21,618
SURPLUS SALES/RENTALS	39,993	82,071	121,858	9,752	379,507	48.7%	311.4%	(257,649)
TOTAL REVENUES	**$ 181,538**	**$ 522,549**	**$ 575,878**	**$ 76,461**	**$ 517,029**	**34.7%**	**89.8%**	**$ 58,849**
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	7,967	44,464	25,112	4,821	88,438	17.9%	352.2%	(63,326)
SUNDRY	84,309	201,042	213,667	5,263	58,004	41.9%	27.1%	155,663
DEBT	52,242	169,431	169,777	4,816	51,260	30.8%	30.2%	118,517
TRANSFERS	34,909	154,819	152,588	-	33,794	22.5%	22.1%	118,794
CAPITAL	1,274	14,621	-	-	22,000	8.7%	#DIV/0!	(22,000)
TOTAL EXPENDITURES	**$ 180,702**	**$ 584,377**	**$ 563,244**	**$ 14,900**	**$ 253,495**	**30.9%**	**45.0%**	**$ 309,749**
REVENUES OVER EXPENDITURES	$ 836	$ (61,828)	$ 12,634	$ 61,561	$ 263,534			
ENDING FUND BALANCE	**$ 165,296**	**$ 152,017**	**$ (2,883)**		**$ 415,551**			
FUND BALANCE AS % OF EXP	**91.5%**	**26.0%**	**-0.5%**	**0.0%**	**163.9%**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 165,296**	**$ 152,017**	**$ (2,883)**	**$ -**	**$ 415,551**			

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15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	1,966	2,360	35,000	-	-	83.3%	0.0%	35,000
	AD VALOREM TAXES	**$ 1,966**	**$ 2,360**	**$ 35,000**	**$ -**	**$ -**	**83.3%**	**0.0%**	**$ 35,000**
4081-00-00	SALES TAX	92,846	361,319	373,835	54,501	113,469	25.7%	30.4%	260,366
	SALES/BEVERAGE TAXES	**$ 92,846**	**$ 361,319**	**$ 373,835**	**$ 54,501**	**$ 113,469**	**25.7%**	**30.4%**	**$ 260,366**
4401-00-00	INVESTMENT INCOME	43	82	65	-	551	51.7%	847.5%	(486)
	INVESTMENT EARNINGS	**$ 43**	**$ 82**	**$ 65**	**$ -**	**$ 551**	**51.7%**	**847.5%**	**$ (486)**
4409-00-00	MISCELLANEOUS INCOME	46,691	76,716	45,120	12,208	23,502	60.9%	52.1%	21,618
	MISCELLANEOUS INCOME	**$ 46,691**	**$ 76,716**	**$ 45,120**	**$ 12,208**	**$ 23,502**	**60.9%**	**52.1%**	**$ 21,618**
4805-00-00	RENTAL FEES-SHOPPING CENTER	39,692	81,710	121,112	9,752	30,328	48.6%	25.0%	90,784
4806-00-00	RENTAL INSURANCE	301	361	746	-	-	83.3%	0.0%	746
4884-00-01	SALE OF ASSETS	-	-	-	-	349,179	#DIV/0!	#DIV/0!	(349,179)
	SURPLUS SALES/RENTALS	**$ 39,993**	**$ 82,071**	**$ 121,858**	**$ 9,752**	**$ 379,507**	**#DIV/0!**	**#DIV/0!**	**$ (257,649)**
	TOTAL REVENUES	**$ 181,538**	**$ 522,549**	**$ 575,878**	**$ 76,461**	**$ 517,029**	**34.7%**	**89.8%**	**$ 58,849**
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 181,496**	**$ 522,467**	**$ 575,813**	**$ 76,461**	**$ 516,478**			
	10% ADMIN CHARGE-GENERAL FUND	18,150	52,247	57,581	7,646	51,648			

CITY OF KENNEDALE
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15: EDC4B FUND
01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5240-01-00	PRINTED SUPPLIES	-	-	2,000	-	-	#DIV/0!	0.0%	2,000
5260-01-00	GENERAL OFFICE SUPPLIES	-	-	50	-	-	0.0%	0.0%	50
5261-01-00	POSTAGE	-	-	50	-	-	0.0%	0.0%	50
	SUPPLIES	**$ -**	**$ -**	**$ 2,100**	**$ -**	**$ -**	**#DIV/0!**	**0.0%**	**$ 2,100**
5501-01-00	ADVERTISING	-	390	1,200	-	-	0.0%	0.0%	1,200
5510-01-00	ASSOC DUES/PUBLICATIONS	-	4,855	5,320	-	-	0.0%	0.0%	5,320
5512-01-00	CONTRACTUAL SERVICES	-							
5525-01-00	TRAINING/SEMINARS	-	175	250	-	-	0.0%	0.0%	250
5565-01-00	LEGAL SERVICES	5,750	17,252	10,000	300	4,200	33.3%	42.0%	5,800
5567-01-00	AUDIT SERVICES	-	2,250	2,250	2,250	2,250	0.0%	100.0%	-
5570-01-00	SPECIAL SERVICES	39,745	81,145	68,650	-	5,700	49.0%	8.3%	62,950
5574-01-00	FILING FEES	40	40			-			-
5578-01-00	TRAVEL	-	-	100	-	-	0.0%	0.0%	100
5580-01-00	ENGINEERING SERVICES	1,903	2,128	-	-	-	89.4%	#DIV/0!	-
5595-01-00	ADMIN CHARGE-GENERAL FUND	18,150	44,926	81,647	-	27,216	40.4%	33.3%	54,431
5615-01-00	FUNCTIONAL GRANT	4,278	17,137	24,000	1,612	5,411	25.0%	22.5%	18,589
	SUNDRY	**$ 69,905**	**$ 170,298**	**$ 193,417**	**$ 4,162**	**$ 44,777**	**41.0%**	**23.2%**	**$ 148,640**
5800-01-00	LAND	1,274	1,968	-	-	22,000	64.7%	0.0%	(22,000)
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	**$ 1,274**	**$ 1,968**	**$ -**	**$ -**	**$ 22,000**	**64.7%**	**#DIV/0!**	**$ (22,000)**
	TOTAL EXPENDITURES	**$ 71,178**	**$ 172,266**	**$ 195,517**	**$ 4,162**	**$ 66,777**	**41.3%**	**34.2%**	**$ 128,740**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5643-01-03	2007 $1.2M TAX BOND-INTEREST	29,325	58,689	54,905	-	27,378	50.0%	49.9%	27,527
5644-01-03	2007 $1.2M TAX BOND-PRINCIPAL	-	55,000	60,000	-	-	0.0%	0.0%	60,000
5645-01-03	2011 $1.7M TX LEVERAGE-INT	6,871	15,879	14,278	1,553	6,984	43.3%	48.9%	7,294
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	16,047	39,863	40,594	3,263	16,897	40.3%	41.6%	23,697
	DEBT	**$ 52,242**	**$ 169,431**	**$ 169,777**	**$ 4,816**	**$ 51,260**	**30.8%**	**30.2%**	**$ 118,517**
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	34,909	154,819	152,588	-	33,794	22.5%	22.1%	118,794
	TRANSFER	**$ 34,909**	**$ 154,819**	**$ 152,588**	**$ -**	**$ 33,794**	**22.5%**	**22.1%**	**$ 118,794**
	TOTAL EXPENDITURES	**$ 87,152**	**$ 324,250**	**$ 322,365**	**$ 4,816**	**$ 85,053**	**26.9%**	**26.4%**	**$ 237,312**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

15: EDC4B FUND
02: TOWN SHOPPING CENTER

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5403-02-00	BUILDING MAINTENANCE	7,967	44,464	25,112	4,821	88,438	17.9%	352.2%	(63,326)
	MAINTENANCE	**$ 7,967**	**$ 44,464**	**$ 25,112**	**$ 4,821**	**$ 88,438**	**17.9%**	**352.2%**	**$ (63,326)**
5530-02-00	ELECTRIC SERVICES	2,317	5,924	6,700	601	2,246	39.1%	33.5%	4,454
5545-02-00	INSURANCE-PROPERTY	6,507	6,507	6,500	-	8,341	100.0%	128.3%	(1,841)
5570-02-00	SPECIAL SERVICES	5,580	18,312	7,050	500	2,641	30.5%	37.5%	4,409
	SUNDRY	**$ 14,405**	**$ 30,744**	**$ 20,250**	**$ 1,101**	**$ 13,227**	**46.9%**	**65.3%**	**$ 7,023**
	TOTAL EXPENDITURES	**$ 22,372**	**$ 75,209**	**$ 45,362**	**$ 5,921**	**$ 101,665**	**29.7%**	**224.1%**	**$ (56,303)**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

15: EDC4B FUND
03: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-03-00	ENGINEERING SERVICES	-	2,573	-	-	-	0.0%	#DIV/0!	-
5847-03-00	CONSTRUCTION	-	10,080	-	-	-	0.0%	#DIV/0!	-
	CAPITAL	**$ -**	**$ 12,653**	**$ -**	**$ -**	**$ -**	**0.0%**	**#DIV/0!**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ 12,653**	**$ -**	**$ -**	**$ -**	**0.0%**	**#DIV/0!**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

15: EDC4B FUND
04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5800-04-00	LAND	-	-	-	-	-	#DIV/0!	0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**#DIV/0!**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**#DIV/0!**	**0.0%**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 29,444**	**$ 29,444**	**$ 29,719**		**$ 29,649**			
INVESTMENT EARNINGS	57	205	-	-	114	27.7%	#DIV/0!	(114)
TOTAL REVENUES	**$ 57**	**$ 205**	**$ -**	**$ -**	**$ 114**	**27.7%**	**#DIV/0!**	**$ (114)**
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
CAPITAL	-	-	-	-	-	0.0%	0.0%	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 29,719**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 57	$ 205	$ (29,719)	$ -	$ 114			
ENDING FUND BALANCE	**$ 29,501**	**$ 29,649**	**$ 0**		**$ 29,764**			
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 29,501**	**$ 29,649**	**$ 0**	**$ -**	**$ 29,764**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	57	205	-	-	114	27.7%	#DIV/0!	(114)
	INVESTMENT EARNINGS	**$ 57**	**$ 205**	**$ -**	**$ -**	**$ 114**	**27.7%**	**#DIV/0!**	**$ (114)**
	TOTAL REVENUES	**$ 57**	**$ 205**	**$ -**	**$ -**	**$ 114**	**27.7%**	**#DIV/0!**	**$ (114)**

19: EDC4B CAPITAL BOND FUND
01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-01-00	TRANSFER OUT	-	-	-	-	-	0.0%	0.0%	-
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
5800-01-00	LAND	-	-	-	-	-	0.0%	0.0%	-
5847-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

95: EDC4B RESERVE FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 119,962**	**$ 119,962**	**$ 120,582**		**$ 120,464**			
INVESTMENT EARNINGS	123	502	-	-	308	24.5%	#DIV/0!	(308)
TOTAL REVENUES	**$ 123**	**$ 502**	**$ -**	**$ -**	**$ 308**	**24.5%**	**#DIV/0!**	**$ (308)**
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 123	$ 502	$ -	$ -	$ 308			
ENDING FUND BALANCE	**$ 120,085**	**$ 120,464**	**$ 120,582**		**$ 120,772**			
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)	**$ 7,479**	**$ 7,858**	**$ 7,976**	**$ (112,606)**	**$ 8,166**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
February 2018

95: EDC4B RESERVE FUND

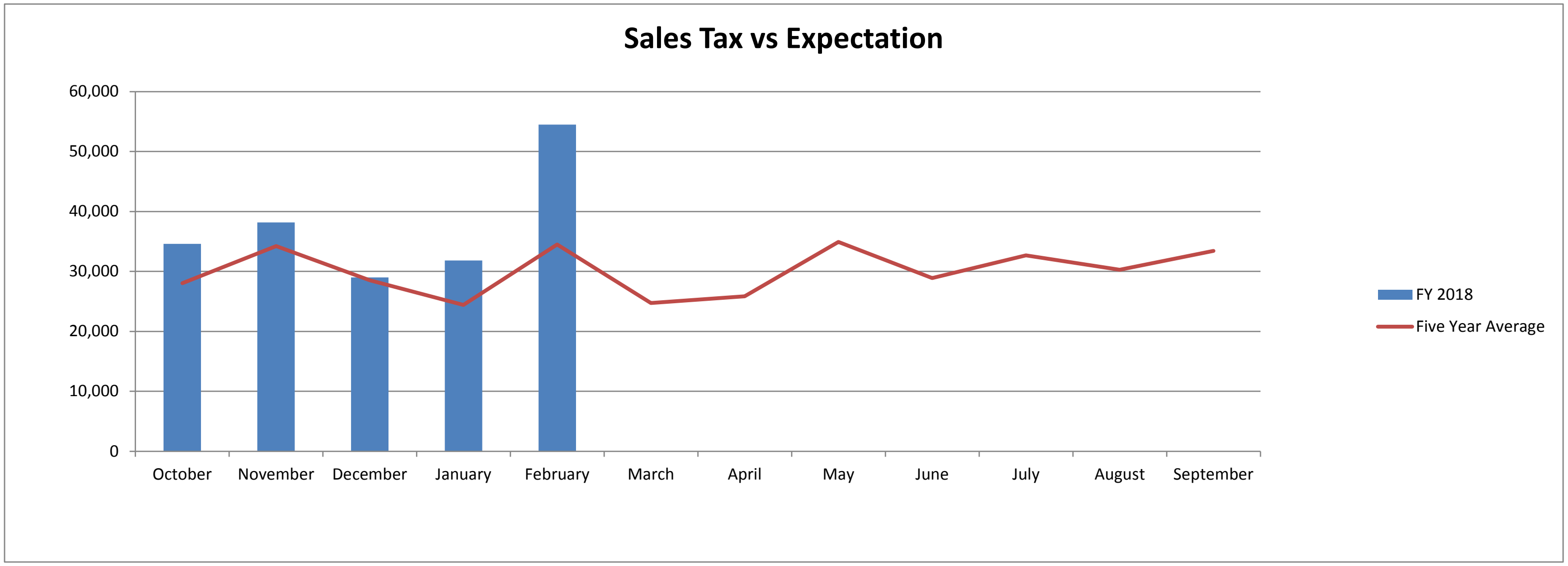
ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	123	502	-	-	308	24.5%	#DIV/0!	(308)
	INVESTMENT EARNINGS	**$ 123**	**$ 502**	**$ -**	**$ -**	**$ 308**	**24.5%**	**#DIV/0!**	**$ (308)**
	TOTAL REVENUES	**$ 123**	**$ 502**	**$ -**	**$ -**	**$ 308**	**24.5%**	**#DIV/0!**	**$ (308)**

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**

Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2018	$ 34,607	$ 38,169	$ 28,985	$ 31,808	$ 54,501	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 188,070**
FY2017	$ 29,583	$ 38,719	$ 27,285	$ 29,652	$ 35,265	$ 26,215	$ 29,043	$ 33,374	$ 26,747	$ 33,648	$ 16,530	$ 28,850	**$ 354,908**
FY2016	$ 31,046	$ 39,712	$ 32,662	$ 25,293	$ 38,669	$ 29,196	$ 26,505	$ 38,181	$ 27,906	$ 28,195	$ 29,231	$ 30,459	**$ 377,055**
FY2015	$ 23,985	$ 31,479	$ 27,515	$ 24,594	$ 35,857	$ 24,104	$ 27,064	$ 39,783	$ 42,821	$ 55,252	$ 48,766	$ 59,232	**$ 440,453**
FY2014	$ 21,990	$ 29,867	$ 31,661	$ 22,458	$ 32,594	$ 23,228	$ 26,412	$ 31,319	$ 25,832	$ 23,976	$ 28,866	$ 22,659	**$ 320,861**
FY2013	$ 33,617	$ 31,297	$ 23,446	$ 20,135	$ 30,003	$ 20,791	$ 20,318	$ 32,020	$ 21,136	$ 22,435	$ 27,973	$ 26,025	**$ 309,197**
FY2012	$ 31,540	$ 37,196	$ 38,349	$ 29,926	$ 30,992	$ 24,484	$ 37,230	$ 41,230	$ 24,369	$ 40,830	$ 26,679	$ 27,612	**$ 390,438**
	*Net payment after correcting an audit error. Payment would have been $~34K												$ -



Industry	Amount	% Change	YTD	FYTD	FYTD2
Manufacturing	$15,923.35	393.63%	$18,036.67	$23,371.61	$10,424.86
General Services	$11,242.23	21.93%	$17,790.91	$43,771.19	$8,681.34
Retail	$10,147.57	33.81%	$18,720.57	$41,423.63	$10,842.99
Wholesale	$8,481.84	105.62%	$15,487.38	$34,525.86	$7,158.83
Professional Services	$5,632.09	-2.60%	$10,771.37	$27,108.89	$3,712.09
Food	$2,875.43	39.01%	$5,759.40	$14,011.70	$2,482.75
Miscellaneous	$58.83	-85.35%	$106.14	$371.40	$1,111.31
Agricultural	$17.50	-79.36%	$111.61	$3,351.43	$104.78
Accomodation	$0.00	-100.00%	$0.00	$0.00	$0.00

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: March 27, 2018

Agenda Item No: REGULAR ITEMS - B.

I. Subject:
Presentation and discussion of independent auditor's report - Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017

II. Summary:
Brady Olsen will present the annual EDC financial report and answer any questions regarding the contents.

Of note, the "Unassigned Fund Balance" of $170,017 includes TML insurance proceeds which were targeted for roof repair. This money was technically unassigned, but it was committed to the repairs. In addition, we began reporting the 2010 CO debt as a commitment of the EDC.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	CAFR_ KEDC Representation Letter	CAFR_ KEDC Representation Letter.pdf
2.	Annual Financial Report 2017	Annual Financial Report 2017.pdf

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Economic Development Corporation
Executive Director

Thursday, March 15, 2018

Pattillo, Brown & Hill, L.L.P.
401 West State Highway 6
Waco, Texas 76710

This representation letter is provided in connection with your audit of the financial statements of the Kennedale Economic Development Corporation (KEDC) as of September 30, 2017, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations of the various opinion units of the KEDC in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 15, 2018:

FINANCIAL STATEMENTS

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 7, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.

- We acknowledge our responsibility for 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.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

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Economic Development Corporation
Executive Director

- We have reviewed, approved, and taken responsibility for the financial statements and related notes.

- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

- We have a process to track the status of audit findings and recommendations.

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification™ (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.

- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.

- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34 (GASB-34), *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* GASB Statement No. 37 (GASB-37), *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65 (GASB-65), *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.

- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

- All interfund and intra-entity transactions and balances have been properly classified and reported.

- Special items and extraordinary items have been properly classified and reported.

- Deposit and investment risks have been properly and fully disclosed.

- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

- The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes and are in accordance with the provisions of GASB Statement No. 72 (GASB-72), *Fair Value Measurement and Application.*

- We agree with the findings of specialists in evaluating the valuation of the net pension liability and related deferred inflows and outflows and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

- Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.

- Provisions for uncollectible receivables have been properly identified and recorded.

- All required supplementary information is measured and presented within the prescribed guidelines.

- With respect to the required budgetary schedule in the accompanying the financial statements:

  – We acknowledge our responsibility for the presentation of the required budgetary schedule in accordance with accounting principles generally accepted in the United States of America.
  – We believe the required budgetary schedule, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  – The methods of measurement or presentation have not changed from those used in the prior period.
  – We believe the significant assumptions or interpretations underlying the measurement or presentation of the required budgetary schedules and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

- As part of your audit, you assisted with preparation of the financial statements, related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, who possesses suitable skill, knowledge, experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and the related notes.

INFORMATION PROVIDED

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- KEDC has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

- We have disclosed to you all guarantees, whether written or oral, under which KEDC is contingently liable.

- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70 (GASB-70), *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.

- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- We have taken timely and appropriate steps to remedy fraud, noncompliance with laws, regulations, provisions of contracts or grant agreements, or abuse reported to us.

- There are no:

- Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

▪ KEDC has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

▪ We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

GEORGE CAMPBELL, CITY MANAGER

BRADY OLSEN, FINANCE DIRECTOR

KENNEDALE EDC FINANCIAL REPORT

FOR THE YEAR ENDING SEPTEMBER 30, 2017

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2017

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KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

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SEPTEMBER 30, 2017

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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, 2017, 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.

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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, 2017, 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
March 15, 2018

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, 2017. 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 $4,397,812.

- The Kennedale Economic Development Corporation's net position decreased by $63,060. The decrease was due to decreases in miscellaneous revenue from a delay in a land sale. This was offset by the decreases in overall expenses.

- As of the close of the current fiscal year, the Kennedale Economic Development Corporation's governmental fund reported an ending fund balance of $312,385, an increase of $88,865 in comparison with the prior year. The increase is primarily related to the decrease in sales tax revenue and rental income offset by insurance proceeds for roof repairs and decreased expenditures.

- At the end of the current fiscal year, the restricted fund balance for the General Fund was $142,368, and total fund balance was $312,385.

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 $4,397,812 at the close of the most recent fiscal year.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S NET POSITION

	Governmental Activities	
	2017	2016
General Revenues:		
Sales tax	$ 363,679	$ 410,880
Rental	82,071	100,606
Miscellaneous	246,733	59,999
Investment earnings	789	333
Total general revenues	693,272	571,818
Expenses:		
Economic development:		
Administration	683,343	533,335
Interest and other	72,989	228,549
Total expenses	756,332	761,884
Changes in net position	(63,060)	(190,066)
Net position, beginning	4,460,872	5,061,055
Prior period adjustment	-	(410,117)
Net position, ending	$ 4,397,812	$ 4,460,872

The Corporation's net position decreased by $63,060 during the current fiscal year. The decrease was due to decreases in sales tax revenue and rental income. This was offset by the decreases in overall expenses.

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION'S CHANGES IN NET POSITION

	Governmental Activities	
	2017	2016
General Revenues:		
Sales tax	$ 363,679	$ 410,880
Rental	82,071	100,606
Miscellaneous	246,733	59,999
Investment earnings	789	333
Total general revenues	693,272	571,818
Expenses:		
Economic development:		
Administration	683,343	533,335
Interest and other	72,989	228,549
Total expenses	756,332	761,884
Changes in net position	(63,060)	(190,066)
Net position, beginning	4,460,872	5,061,055
Prior period adjustment	-	(410,117)
Net position, ending	$ 4,397,812	$ 4,460,872

General Fund. The Corporation's general revenues increased by $121,454 or 21% from last year. The increase was a result of insurance proceeds in the amount of $170,017. Miscellaneous revenue increased by $186,734 or 311% to $246,733.

General Fund budgetary highlights. The actual expenditures for the year were $604,407, which was $199,474 under budget.

For fiscal year 2017, the actual revenues were $523,255, as compared to the budgeted amount of $933,227. Contributing to the variance was lower than anticipated rental revenue ($359,080 less than the budget).

With the receipt of insurance proceeds in the amount of $170,017 and expenditures below appropriations, the fund balance in the General Fund increased by $88,865, which was $40,481 lower than the final budgeted increase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The investment in capital assets for its governmental as of September 30, 2017, amounts to $4,108,105 (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 14.

Long-term debt. At year-end, the KEDC had revenue bonds, and a loan in the amount of $790,000 and $425,017, respectively.

Additional information on the long-term debt can be found in the notes to the financial statements on pages 14 and 16.

DISCUSSION OF CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS IN FISCAL YEAR 2017

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

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KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION
AND GOVERNMENTAL FUND BALANCE SHEET

SEPTEMBER 30, 2017

	General	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	$ 270,350	$ -	$ 270,350
Sales taxes receivable	72,775	-	72,775
Accounts receivable	1,691	-	1,691
Deposits held for tenants	10,000	-	10,000
Capital assets:			
Land	-	1,107,147	1,107,147
Buildings and improvements	-	5,967,485	5,967,485
Less: accumulated depreciation	-	(1,751,510)	(1,751,510)
Total capital assets	-	5,323,122	5,323,122
Total assets	354,816	5,323,122	5,677,938
LIABILITIES			
Accounts payable	3,532	-	3,532
Accrued interest	-	22,678	22,678
Unearned revenue	20,000	-	20,000
Customer deposits	18,899	-	18,899
Noncurrent liabilities:			
Due within one year	-	99,176	99,176
Due in more than one year	-	1,115,841	1,115,841
Total liabilities	42,431	1,237,695	1,280,126
FUND BALANCE/NET POSITION			
Fund balance:			
Restricted for economic development	142,368	(142,368)	-
Unassigned	170,017	(170,017)	-
Total fund balance	312,385	(312,385)	-
Total liabilities and fund balance	$ 354,816		
Net position:			
Net investment in capital assets		4,108,105	4,108,105
Restricted for economic development		119,690	119,690
Unrestricted		170,017	170,017
Total net position		$ 4,397,812	$ 4,397,812

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

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KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General	Adjustments	Statement of Activities
Expenditures/expenses:			
Current:			
Economic development	$ 434,976	$ 248,367	$ 683,343
Debt service:			
Principal	94,863	(94,863)	-
Interest and other	74,568	(1,579)	72,989
Total expenditures/expenses	604,407	151,925	756,332
General revenues:			
Sales taxes	363,679	-	363,679
Rental	82,071	-	82,071
Miscellaneous	76,716	170,017	246,733
Investment earnings	789	-	789
Total general revenues	523,255	170,017	693,272
Excess of revenues over expenditures	(81,152)	18,092	(63,060)
Other financing sources:			
Insurance proceeds	170,017	(170,017)	-
Total other financing sources	170,017	(170,017)	-
Net change in fund balance	88,865	(88,865)	-
Change in net position	-	(63,060)	(63,060)
Fund balance/net position:			
Beginning	223,520	4,237,352	4,460,872
Ending	$ 312,385	$ 4,085,427	$ 4,397,812

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.

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 in government pools are recorded at amortized cost. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current traction between willing parties.

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, 2017, 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, 2017, the carrying amounts of the Corporation's investments were as follows:

Balances in public funds investment pools:	
State Treasurer's Investment Pool (TexPool)	$ 280,350
	$ 280,350

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, 2017, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases / Reclassifications	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,085,147	$ 22,000	$ -	$ 1,107,147
Total capital assets not being depreciated	1,085,147	22,000	-	1,107,147
Capital assets, being depreciated:				
Buildings	4,718,369	21,716	-	4,740,085
Improvements	1,017,693	-	-	1,017,693
Infrastructure	209,707	-	-	209,707
Total capital assets being depreciated	5,945,769	21,716	-	5,967,485
Less accumulated depreciation:				
Buildings	1,172,854	237,004	-	1,409,858
Improvements	278,685	50,885	-	329,570
Infrastructure	7,888	4,194	-	12,082
Total accumulated depreciation	1,459,427	292,083	-	1,751,510
Total capital assets, being depreciated, net	4,486,342	(270,367)	-	4,215,975
Governmental activities capital assets, net	$ 5,571,489	$(248,367)	$ -	$ 5,323,122

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	$ 845,000	$ -	$ 55,000	$ 790,000	$ 60,000
Texas leverage fund loan	464,880	-	39,863	425,017	39,176
Governmental activities Long-term liabilities	$ 1,309,880	$ -	$ 94,863	$ 1,215,017	$ 99,176

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

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest
2018	$ 99,176	$ 69,183
2019	102,038	63,569
2020	108,533	57,904
2021	115,081	51,838
2022	121,685	45,370
2023-2027	668,504	115,985
Totals	$ 1,215,017	$ 403,849

F. Commitment

The EDC has committed to pay the City of Kennedale debt service payments for the Certificates of Obligation, Series 2010 when the payments become due. The following commitment is anticipated to be funded with future sales tax revenue.

Year Ending September 30,	
2018	$ 168,359
2019	165,607
2020	166,437
2021	166,919
2022	167,055
2023-2027	784,489
Totals	$ 1,618,866

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REQUIRED SUPPLEMENTARY INFORMATION

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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, 2017

(With Comparative Actual Amounts for the Year Ended September 30, 2016)

	2017				2016
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Sales tax	$ 397,813	$ 397,813	$ 363,679	$(34,134)	$ 410,880
Rental income	99,358	99,358	82,071	(17,287)	100,606
Miscellaneous income	435,796	435,796	76,716	(359,080)	59,999
Investment earnings	260	260	789	529	333
Total revenues	933,227	933,227	523,255	(409,972)	571,818
EXPENDITURES					
Current:					
Economic development	635,281	635,281	434,976	200,305	399,312
Debt Service:					
Principal	94,200	94,200	94,863	(663)	173,709
Interest and other	74,400	74,400	74,568	(168)	144,984
Total expenditures	803,881	803,881	604,407	199,474	718,005
EXCESS OF REVENUES OVER EXPENDITURES	129,346	129,346	(81,152)	(210,498)	(146,187)
OTHER FINANCING SOURCES					
Insurance proceeds	-	-	170,017	170,017	-
Total other financing sources	-	-	170,017	170,017	-
NET CHANGE IN FUND BALANCES	129,346	129,346	88,865	(40,481)	(90,345)
FUND BALANCES, BEGINNING	223,520	223,520	223,520	-	313,865
FUND BALANCES, ENDING	$ 352,866	$ 352,866	$ 312,385	$(40,481)	$ 223,520

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Development Corporation
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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: March 27, 2018

Agenda Item No: STAFF ANNOUNCEMENTS/REPORTS - A.

I. Subject:
A. TownCenter
B. Oak Crest
C. Chamber of Commerce

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

III. Recommendation:
None

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: March 27, 2018

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. Oak Crest Development
2. TownCenter Property

II. Summary:
The Economic Development Corporation will meet in Executive Session.

III. Recommendation:

IV. Alternative Actions:

V. Attachments: