CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS

Regular Meeting

June 27, 2013
6:00 P.M.

Windcrest City Hall

NOTICE IS HEREBY GIVEN THAT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WINDCREST ECONOMIC DEVELOPMENT CORPORATION (WEDC) WILL BE HELD AT WINDCREST CITY HALL, 8601 MIDCROWN, WINDCREST, TEXAS ON THE 27th DAY OF JUNE 2013 STARTING APPROXIMATELY 6:00 P.M. DURING THE MEETING, THE BOARD WILL CONSIDER, DELIBERATE AND MAY TAKE ACTION UPON ANY OF THE SUBJECTS LISTED BELOW.

Vision Statement: Nourish and develop a vibrant community that consistently pushes the limits.

Mission Statement: Facilitate interaction between business, city and other community organizations to nourish the economic health and well being of Windcrest, its citizens and the region.

Request all pagers and cell phones be turned off, except emergency on-call personnel. Citizens are asked to refrain from talking during proceedings unless recognized by the Presiding Officer.

CITIZEN COMMUNICATION: AS A COURTESY TO CITIZENS IN ATTENDANCE, AND AT THE DISCRETION OF THE PRESIDING OFFICER OF THE MEETING, CITIZENS WILL BE GIVEN A REASONABLE OPPORTUNITY TO STATE THEIR COMMENTS OR ASK QUESTIONS REGARDING ANY ITEM ON THE AGENDA, AND PRIOR TO THE BOARD TAKING ACTION ON ANY ACTION ITEMS LISTED. THE BOARD REQUESTS COMMENTS BE BRIEF, TO THE POINT, AND NO LONGER THAN 5 MINUTES. TIME CANNOT BE YIELDED TO ANOTHER SPEAKER.

Consistent with Windcrest City Council Resolution No. 292, the WEDC Board elects to audio and video record its meetings. The recordings are preserved electronically as the official minutes of its meetings.

I. Call To Order

1. Determination of a Quorum
2. Pledge of Allegiance
3. Prayer
4. Vote to consider the excuse of absent board member(s), if applicable

II. Visitors/Presentations

1. Sarah Mangham, Municipal Finance Officer, will give an update on the WEDC finances as of May 31, 2013. [Att. 1]
2. The WEDC Board will receive a presentation from Sarah Mangham and Garza and Gonzales regarding the Audit for the year ended September 30, 2012 issued April 19, 2013 for the Windcrest Economic Development Corporation (a component unit of the City of Windcrest). (Att. 2)

3. Jim Bray , Vice President of Don McCrary & Associates, will give a presentation on the current status of the Racker Road project and discuss Change Order #8 and work conducted on Change Order #7.(Att. 5)
4. Robert Colunga, Interim Executive Director, will give an update on the WEDC and director's report (Att. 4)

III. Citizens to be Heard

IV. Discussion

None.

V. Discuss and Act

1. The WEDC Board of Directors will discuss and may take action to formally approve Change Order No. 8 for $81,824.00 as requested by J3 and to be addressed by Jim Bray of Don McCrary & Associates, Inc. [Att. 5]

2. WEDC Board will discuss and may take action on Fiscal Year 2013/2014 Budget Calendar (Att. 3)

VI. Executive Session

VII. General Announcements and Future Agenda Items Requested

VIII. Adjournment

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Board of Directors of the WEDC is a true and correct copy of said Notice and I posted a true and correct copy of said Notice on the bulletin board at the Windcrest City Hall in a convenient place to the public. Said Notice was posted 72 hours prior to the 24th of January 2013.

By:____
Kelly Rodriguez, City Secretary

I certify that the attached notice and agenda of items considered by the WEDC Meeting was removed by me from the City Hall bulletin board on the 27th of June 2013.

By: ____
Kelly Rodriguez, City Secretary

ATTACHMENT

#1

CITY OF WINCREST

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MAY 31ST, 2013

13 -ECONOMIC DEVELOPMENT CORP

FINANCIAL SUMMARY

% OF YEAR COMPLETED: 66.67

	ORIGINAL BUDGET	AMENDED BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YTD BALANCE	TOTAL ENCUMBERED	% OF BUDGET
REVENUE SUMMARY							
ALL REVENUES	382,821	382,821	45,402.05	235,502.26	2,059,755.65	0.00	61.52
TOTAL REVENUES	382,821	382,821	45,402.05	235,502.26	2,059,755.65	0.00	61.52
EXPENDITURE SUMMARY							
00-GENERAL EXPENDITURES							
SALARIES & BENEFITS	148,899	150,837	9,667.73	98,803.91	31,336.51	0.00	65.50
OTHER EXPENSES	102,154	100,216	9,278.01	40,112.69	39,010.63	0.00	40.03
CAPITAL EXPENSES	1,813,541	1,813,541	13,296.70	1,010,408.39	1,150,398.18	0.00	55.71
OTHER INCOME/EXPENSES	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL 00-GENERAL EXPENDITURES	2,064,594	2,064,594	32,242.44	1,149,324.99	1,220,745.32	0.00	55.67
TOTAL EXPENDITURES	2,064,594	2,064,594	32,242.44	1,149,324.99	1,220,745.32	0.00	55.67
REVENUE OVER/(UNDER) EXPENDITURES	(1,681,773)	(1,681,773)	13,159.61	(913,822.73)	839,010.33	0.00	54.34

CITY OF WINCREST

REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: MAY 31ST, 2013

13 -ECONOMIC DEVELOPMENT CORP

% OF YEAR COMPLETED: 66.67

REVENUES	ORIGINAL BUDGET	AMENDED BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YTD BALANCE	TOTAL ENCUMBERED	% OF BUDGET
13-4105 INCOME - OTHER	0	0	0.00	6,936.86	1,625,952.62	0.00	0.00
13-4110 INCOME - OTHER (HOT)	0	0	0.00	0.00	0.00	0.00	0.00
13-4111 INCOME - OTHER (GEN.FUND)	0	0	0.00	0.00	219,185.64	0.00	0.00
13-4112 INCOME-WALZEM RD GRANT	0	0	0.00	0.00	0.00	0.00	0.00
13-4113 INCOME-CORPORATE DONATIONS	0	0	0.00	0.00	0.00	0.00	0.00
13-4115 SALES TAX (.25)	382,571	382,571	45,392.62	228,474.17	214,516.21	0.00	59.72
13-4301 INTEREST	250	250	9.43	91.23	101.18	0.00	36.49
13-4900 PROCEEDS FROM CAPITAL LEASE	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	382,821	382,821	45,402.05	235,502.26	2,059,755.65	0.00	61.52

13 -ECONOMIC DEVELOPMENT CORP

% OF YEAR COMPLETED: 66.67

DEPARTMENTAL EXPENDITURES	ORIGINAL BUDGET	AMENDED BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YTD BALANCE	TOTAL ENCUMBERED	% OF BUDGET
00-GENERAL EXPENDITURES							
SALARIES & BENEFITS							
13-500-009 SALARIES - EDC	70,000	70,000	4,705.62	42,397.96	14,000.01	0.00	60.57
13-500-010 ADMINISTRATIVE EXPENSES	0	0	40.20	40.20	0.00	0.00	0.00
13-500-011 EDC LONGEVITY	0	0	0.00	0.00	0.00	0.00	0.00
13-500-013 STIPEND	0	1,938	0.00	1,871.86	0.00	0.00	96.60
13-500-018 EDC EDUCATION PAY	0	0	0.00	0.00	0.00	0.00	0.00
13-500-020 EDC OVERTIME	0	0	0.00	0.00	0.00	0.00	0.00
13-500-030 SOCIAL SECURITY-EDC	5,465	5,465	418.67	3,662.97	1,090.97	0.00	67.03
13-500-040 HEALTH INSURANCE-EDC	876	876	1,564.68	8,329.99	58.68	0.00	950.91
13-500-050 RETIREMENT-EDC	7,140	7,140	338.56	3,165.93	925.86	0.00	44.34
13-500-060 WORKERS COMPENSATION-EDC	283	283	0.00	0.00	0.00	0.00	0.00
13-500-070 UNEMPLOYMENT COMPENSATION	135	135	0.00	135.00	260.99	0.00	100.00
13-500-080 CONTRACT LABOR	65,000	65,000	2,600.00	39,200.00	15,000.00	0.00	60.31
13-500-095 TERMINATION PAYOUT	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL SALARIES & BENEFITS	148,899	150,837	9,667.73	98,803.91	31,336.51	0.00	65.50
OTHER EXPENSES							
13-500-100 PUBLIC RELATION FEES-GENERAL	0	0	0.00	0.00	0.00	0.00	0.00
~~13-500-115 MOBILE TELEPHONE~~	~~1,450~~	~~1,450~~	~~55.39~~	~~830.85~~	~~288.03~~	~~0.00~~	~~57.30~~
13-500-120 DUES & SUBSCRIPTIONS	1,400	1,400	345.00	1,147.00	399.00	0.00	81.93
13-500-130 TRAINING	5,000	5,000	0.00	530.00	175.00	0.00	10.60
13-500-132 TRAVEL	15,000	13,062	8,610.78	9,233.43	202.57	0.00	70.69
13-500-135 MEALS & ENTERTAINMENT	5,000	5,000	266.84	3,511.30	643.63	0.00	70.23
13-500-200 COMPUTER MAINTENANCE	200	200	0.00	291.42	147.35	0.00	145.71
13-500-201 WEBSITE MAINTENANCE	720	720	0.00	313.00	0.00	0.00	43.47
13-500-205 REPAIRS & MAINT OF BUILDING	0	0	0.00	0.00	0.00	0.00	0.00
13-500-250 LEGAL EXPENSES	60,000	60,000	0.00	17,500.00	32,200.00	0.00	29.17
13-500-290 AUDIT	5,500	5,500	0.00	4,900.00	3,000.00	0.00	89.09
13-500-430 SUPPLIES	1,200	1,200	0.00	1,126.93	580.94	0.00	93.91
13-500-440 ELECTION EXPENSES	0	0	0.00	0.00	0.00	0.00	0.00
13-500-510 VEHICLE EXPENSE-EDC	0	0	0.00	0.00	0.00	0.00	0.00
13-500-515 HEALTH EXPENSE ALLOW-DIRECTO	0	0	0.00	0.00	0.00	0.00	0.00
13-500-520 MOVING EXPENSE-DIRECTOR	0	0	0.00	0.00	0.00	0.00	0.00
13-500-540 VEHICLE FUEL	0	0	0.00	28.00	0.00	0.00	0.00
13-500-590 POSTAGE	145	145	0.00	92.00	45.00	0.00	63.45
13-500-630 LEGAL ADVERTISING	476	476	0.00	0.00	276.28	0.00	0.00
13-500-640 COPIER USAGE	1,443	1,443	0.00	0.00	956.83	0.00	0.00
13-500-650 WALZEM RD GRANT EXPENSES	0	0	0.00	0.00	0.00	0.00	0.00
13-500-700 CONTINGENCIES	4,620	4,620	0.00	608.76	96.00	0.00	13.18
TOTAL OTHER EXPENSES	102,154	100,216	9,278.01	40,112.69	39,010.63	0.00	40.03
CAPITAL EXPENSES							
13-500-800 EDC PROJECTS	200,000	200,000	0.00	7,537.50	1,755.41	0.00	3.77
13-500-801 PROMOTING WINDCREST	38,282	38,282	2,050.00	28,952.69	5,120.85	0.00	75.63
13-500-810 CAPITAL EXPENSE	0	0	0.00	0.00	0.00	0.00	0.00

13 -ECONOMIC DEVELOPMENT CORP

% OF YEAR COMPLETED: 66.67

DEPARTMENTAL EXPENDITURES	ORIGINAL BUDGET	AMENDED BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YTD BALANCE	TOTAL ENCUMBERED	% OF BUDGET
13-500-890 TLF LOAN PAYMENTS	659,960	659,960	7,892.88	66,455.13	97,113.43	0.00	10.07
13-500-891 RACKER ROAD PROJECT	915,299	915,299	0.00	883,944.60	1,042,301.62	0.00	96.57
13-500-892 TLF INTEREST	0	0	3,353.82	23,518.47	4,106.87	0.00	0.00
TOTAL CAPITAL EXPENSES	1,813,541	1,813,541	13,296.70	1,010,408.39	1,150,398.18	0.00	55.71
OTHER INCOME/EXPENSES							
13-500-900 PRIOR PERIOD ADJUSTMENT	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER INCOME/EXPENSES	0	0	0.00	0.00	0.00	0.00	0.00
TOTAL 00-GENERAL EXPENDITURES	2,064,594	2,064,594	32,242.44	1,149,324.99	1,220,745.32	0.00	55.67
TOTAL EXPENDITURES	2,064,594	2,064,594	32,242.44	1,149,324.99	1,220,745.32	0.00	55.67
REVENUE OVER/(UNDER) EXPENDITURES	(1,681,773)	(1,681,773)	13,159.61	(913,822.73)	839,010.33	0.00	54.34

ATTACHMENT

#2

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION

(A Component Unit of City of Windcrest, Texas)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

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CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the City of Windcrest, Texas)

PRINCIPAL OFFICERS

SEPTEMBER 30, 2012

President	Tim Maloney
Vice President	Roy E. Wratislaw
Directors	Rebekah Parks Sue Alexander Leonard A. Neeper Irv Gerrow Lisa Pepi
Executive Director	Sherry L. Mosier

INDEPENDENT AUDITORS' REPORT

Board of Directors
City of Windcrest Economic Development Corporation
Windcrest, Texas

We have audited the accompanying basic financial statements of the City of Windcrest Economic Development Corporation (the Corporation), a component unit of the City of Windcrest, as of and for the year ended September 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of September 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or 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.

April 19, 2013

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of the City of Windcrest Economic Development Corporation (Corporation), a component unit of the City of Windcrest (City), provides an overview of the Corporation's financial activity for the fiscal year ended September 30, 2012. It should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Corporation's assets exceeded its liabilities by $2,530,014 (net assets) at September 30, 2012. Of this amount, $1,868,216 is restricted for economic development projects.
- The Corporation's total revenues were $2,487,568, while total expenses were $286,590, thereby increasing the Corporation's net assets by $2,200,978.
- The Corporation reported an ending fund balance of $1,871,601, an increase of $27,552 as a result of the increase in Sales Tax Revenue.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as the introduction to the Corporation's basic financial statements which are comprised of three parts: government-wide financial statements, fund financial statements, and notes to financial statements. In addition to the basic financial statements, required supplementary information is also presented.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the Corporation's net assets changed during the most recent fiscal year. All changes in net assets 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 this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements include functions of the Corporation that are principally supported by sales and use tax revenues (governmental activities).

The government-wide financial statements can be found on pages 9-10.

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 Corporation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The only fund of the Corporation is considered a governmental fund.

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 available for current spending, as well as on balances of resources available for spending 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 the government-wide financial statements, it is useful to compare the information presented for the 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 decisions. Both, the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

As mentioned above, the Corporation maintains one governmental fund, i.e. the general fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance. The Corporation adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 11-14 of this report.

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 on pages 15-25 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Corporation's general fund budgetary comparisons. Required supplementary information can be found on page 26 of this report.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets

Table 1 shows all assets and liabilities of the Corporation and is presented on the accrual basis of accounting. The total net assets are $2,530,014. Of the total net assets $661,798 (26%) represents its investment in capital assets net of related debt. Capital assets include buildings and improvements, furniture and equipment, other improvements and construction in progress. The remaining $1,868,216 represents resources restricted to fund the Corporation's economic development projects. Noncurrent liabilities represent the amount payable on the loan obtained in the prior year in the original issue amount of $1,600,000 from the Texas Leverage Fund, to fund economic development projects.

TABLE 1
CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NET ASSETS

	2012	Restated 2011
ASSETS		
Cash and cash equivalents	$ 2,107,103	$ 1,797,806
Accounts receivable	92,561	71,928
Restricted assets	-	-
Capital assets (net of accumulated Depreciation)	1,954,786	61,896
Total Assets	$ 4,154,450	$ 1,931,630
LIABILITIES		
Current liabilities		
Accounts payable	$ 328,063	$ 25,685
Interest payable	3,385	4,099
Due to other funds	-	-
Noncurrent liabilities		
Due within one year	94,335	92,322
Due in more than one year	1,198,653	1,480,322
Total liabilities	1,624,436	1,602,594
NET ASSETS		
Invested in capital assets net of related debt	661,798	61,896
Restricted for economic development projects	1,868,216	267,140
Total net assets	$ 2,530,014	$ 329,036

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities

Table 2 shows all revenues and expenses of the Corporation and is also presented on the accrual basis of accounting. General revenues consist of the ¼ cent sales tax the Corporation receives for economic development. The total cost of all projects and services was $286,590. The Corporation was able to increase the net assets of its governmental activities by $2,200,978 by the transfer of the escrow funds from the City to the Corporation.

TABLE 2
CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
CHANGES IN NET ASSETS

	2012	Restated 2011
REVENUES		
General revenues	$ 392,242	$ 322,536
Interest income	187	64
Total revenues	392,429	322,600
EXPENSES		
Administrative	221,336	121,992
Economic development projects	2,145	9,623
Depreciation	9,908	13,530
Interest and fees	53,171	21,896
Total expenses	286,590	167,041
CHANGES IN NET ASSETS BEFORE TRANSFERS AND SPECIAL ITEM	105,839	155,559
Transfers from City of Windcrest	219,186	-
Special item-transfer of escrow funds	1,875,953	-
CHANGES IN NET ASSETS	2,200,978	155,559
NET ASSETS – BEGINNING	329,036	173,477
NET ASSETS – ENDING	$ 2,530,014	$ 329,036

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND

As noted earlier, the Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund – The focus of the Corporation's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Corporation's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the Corporation's governmental fund reported an ending fund balance of $1,871,601, an increase of $27,552 from the prior year.

BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to an overall net increase in fund balance of $27,552. The primary changes were as follows:

- Expenditures and other financing sources increased by $2,235,445 and $2,095,139, ~~respectively, as a result of budgeting for a transfer of escrow funds from the City for~~ Economic Projects.

At the end of the current fiscal year, actual revenues were more than budgetary estimates by $24,072 and actual expenditures were less than budgetary estimates by $1,336,940. Below is a brief summary of the major differences between the final amended budget and actual results for both revenues and expenditures.

- Sales tax revenue exceeded the budget by $24,385; however, interest earned was $313 less than the budget.
- As a result of the rain days and other time delays on a construction project, capital expenditures were $1,336,940 less than the budget. These expenditures will be appropriated for in next year's budget.
- Debt service payments exceeded budgets by $198,731.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Corporation's investment in capital assets for its governmental activities as of September 30, 2012 amounted to $1,954,786 (net of accumulated depreciation). This investment in capital assets includes buildings, improvements, furniture and equipment, and construction in progress. The total increase in the Corporation's investment in capital assets for the current fiscal year was $1,865,650, which represents a 2,169% increase.

Please refer to Note III C (page 21) as presented in the notes to the financial statements for more detailed information on the Corporation's capital asset activity.

Long-Term Debt – At the end of the current fiscal year, the Corporation had total debt outstanding of $1,292,988. The loan has a first lien on the Corporation's sales and use-tax revenue.

More detailed information about the Corporation's long-term liabilities is presented in the Note III D (page 22) of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Description of Current and Expected Conditions

Presently, the Board of Directors is not aware of any significant changes in conditions that would have a significant effect on the financial position or activities of the Corporation in the near future.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation's finances and to show the Corporation's accountability to its taxpayers. If you have any questions about this report or need additional financial information, contact the City of Windcrest Municipal Finance Officer.

Basic Financial Statements

Government-Wide Financial Statements

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

		Primary Government
		Governmental Activities
ASSETS		
Cash Held by City of Windcrest	$	2,107,103
Accounts Receivable		92,561
Capital Assets		
Construction in Progress		1,934,451
Buildings and Improvements, Net		17,340
Furniture and Equipment, Net		2,995
Total Assets	$	4,154,450
LIABILITIES		
Accounts Payable	$	108,763
Retainage Payable		179,300
Due to City of Windcrest		40,000
Interest Payable		3,385
Noncurrent Liabilities:		
Due Within One Year		94,335
Due in More Than One Year		1,198,653
Total Liabilities		1,624,436
NET ASSETS		
Invested in Capital Assets, Net of Related Debt		661,798
Restricted for Economic Development Projects		1,868,216
Total Net Assets	$	2,530,014

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

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenue	Net (Expense) Revenue and Changes in Net Assets — Primary Government — Governmental Activities
Primary Government:			
Governmental Activities:			
Salaries and Benefits	$ 81,215	$ -	$ (81,215)
Economic Development Projects	2,145	-	(2,145)
Other	140,151	-	(140,151)
Depreciation on Capital Assets	9,908	-	(9,908)
Debt Service - Interest and Fees	53,171	-	(53,171)
Total Governmental Activities	$ 286,590	$ -	(286,590)
General Revenues:			
Sales and Use Taxes			392,242
Interest Income			187
Transfer from City of Windcrest			219,186
Special Item-Transfer of Escrow Funds			1,875,953
Total General Revenues, Transfer, and Special Item			2,487,568
Change in Net Assets			2,200,978
Net Assets—Beginning (Restated)			329,036
Net Assets—Ending			$ 2,530,014

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

Governmental Fund Financial Statements

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

BALANCE SHEET

SEPTEMBER 30, 2012

		General Fund
ASSETS		
Cash Held by City of Windcrest	$	2,107,103
Accounts Receivable		92,561
Total Assets	$	2,199,664
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	$	108,763
Retainage Payable		179,300
Due to City of Windcrest		40,000
Total Liabilities		328,063
Fund Balance		
Restricted for Economic Development Projects		1,871,601
Total Fund Balance		1,871,601
Total Liabilities and Fund Balance	$	2,199,664

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

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

Total Fund Balance--Governmental Funds	$	1,871,601
Capital assets used in governmental activities are not current financial resources and are therefore not reported in governmental funds. At the beginning of the year, the cost of these assets was $108,446 and the accumulated depreciation was ($46,550), as restated. In addition, long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. At the beginning of the year, loan payable was ($1,572,810) and interest payable was ($4,099). The net effect of including the beginning balances for capital assets (net of depreciation) and long-term liabilities in the governmental activities is to decrease net assets.		(1,515,013)
Transactions related to current year capital outlays and long-term debt are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows: - Capital asset additions totaled $1,902,798 - Principal payments on the loan payable totaled $279,822 - Change in interest payable was $714		
The net effect is to (increase) net assets.		2,183,334
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net assets.		(9,908)
Net Assets of Governmental Activities	$	2,530,014

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

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General Fund
REVENUES	
Sales and Use Taxes	$ 392,242
Interest	187
Total Revenues	392,429
EXPENDITURES	
Current	
Salaries and Benefits	81,215
Economic Development Projects	2,145
Other	126,456
Capital Outlay	1,916,493
Debt Service:	
Principal	279,822
Interest	53,885
Total Expenditures	2,460,016
Excess (Deficit) of Revenues Over Expenditures	(2,067,587)
OTHER FINANCING SOURCES	
Transfer from City of Windcrest	219,186
Special Item-Transfer of Escrow Funds	1,875,953
Net Change in Fund Balance	27,552
Fund Balance - Beginning	1,844,049
Fund Balance - Ending	$ 1,871,601

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

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Total Net Change in Fund Balance--Governmental Funds	$	27,552
Transactions related to current year capital outlays and long-term debt are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows: - Capital asset additions totaled $1,902,798 - Principal payments on the loan payable totaled $279,822 - Change in interest payable was $714		
The net effect is to (incrèase) net assets.		2,183,334
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net assets.		(9,908)
Change in Net Assets of Governmental Activities	$	2,200,978

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Windcrest Economic Development Corporation (the Corporation) is a nonprofit industrial corporation, with powers of taxation, created pursuant to Section 4B Article 5190.6 of Vernon's Texas Civil Statutes as amended. The Corporation was created on September 25, 1998, to act on behalf of the City of Windcrest (the City) for the promotion, development and enhancement of economic development within the City.

The Corporation is considered to be a governmental entity for the purpose of applying accounting and financial reporting standards. Therefore, its basic financial statements are prepared in conformity with generally accepted accounting principles (GAAP) promulgated by the Government Accounting Standards Board (GASB).

A. Reporting Entity

The Corporation is a component unit of the City within the meaning of GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14* and is included in the City's financial statements as a blended component unit since:

- The Board of Directors is comprised of seven (7) members, appointed by City Council.
- The Board has control over and management supervision of all affairs of the Corporation under the guidance and direction of City Council.
- The City Council approves the Corporation's programs and expenditures.

The Corporation does not have any component units.

B. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Corporation's activities. Governmental activities include programs primarily supported by sales and use taxes.

The net assets can be segregated into invested in capital assets, net of related debt; restricted net assets; and, unrestricted net assets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities demonstrates how other parties or entities that participate in programs the Corporation operates have shared in the payment of the direct costs. Thus, the purpose is to show the degree to which the direct expenses of a given function are offset by program revenues, if any. Direct expenses are those that are clearly identifiable with a specific function. However, all of the Corporation's activities and programs are funded by general revenues (i.e. sales and use taxes).

The governmental fund financial statements provide reports on the financial condition and results of operations for the Corporation's general fund, which is its only fund.

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

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

Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and expenditures).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the Corporation considers all revenues available if they are collectible within sixty (60) days after year end. Expenditures generally are recorded in the accounting period in which the fund liability is incurred, if measurable. However, debt service expenditures are recorded only when payment is due.

Sales and use tax revenue is recognized under the susceptible to accrual concept since it is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measureable until actually received. Interest income is recorded as earned, since it is both measureable and available.

D. Fund Accounting

The Corporation reports the general fund as the only governmental fund and it is therefore reported as the major fund. The general fund is the Corporation's primary operating fund that is used to account for all financial resources. Major revenue sources include sales and use tax. Expenditures include all costs associated with the daily operations of the Corporation.

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Other Accounting Policies

1. Cash Held by City of Windcrest

   Cash held by the City of Windcrest represents demand deposits and savings accounts, which are controlled jointly by the City and the Corporation.

2. Investments

   At various times throughout the year the Corporation invested in a local government investment pool. The balance as of September 30, 2012 was $-0-.

   Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Corporation's investment policy limits the weighted average maturities of investment pools to less than 12 months.

   Credit Risk. In accordance with the Corporation's investment policy, investments in investment pools must be rated at least AAA, AAAm, or its equivalent.

   Texas Local Government Investment Pool ("TexPool"): TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pool is the same as the value of the shares in each pool. Financial information for TexPool can be accessed on the internet (http://www.texpool.com).

   TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust company, which is authorized to operate TexPool. Administrative and investment services are provided by Federated Investors, Inc., acting on behalf of the Texas Treasury Safekeeping Trust Company. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

3. Capital Assets

   Capital assets, which include construction in progress and public improvements, are reported in the governmental activities column in the government-wide financial statements. All costs associated with public improvement projects are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets, which include construction in progress, buildings and improvements, vehicles furniture and equipment, and improvements other than buildings, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $2,500 or more or an estimated useful life in excess of three (3) years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

Assets	Years
Building Improvements	5 – 50
Improvements Other than Buildings	20 – 50
Vehicles	3 – 10
Furniture and Fixtures	3 – 10

4. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as non-current liabilities in the statement of net assets.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources.

5. Fund Balance

In accordance with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” the Corporation uses the following criteria when classifying fund balance amounts:

Nonspendable – amounts not in spendable form or that are legally or contractually required to be maintained intact. The Corporation does not have any amounts in this category at September 30, 2012.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted – amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. At September 30, 2012, all of the Corporation's fund balance is classified as restricted, in the amount of $1,871,601.

Committed – amounts that require Board action to be used for a specific purpose. Formal action to commit funds must occur prior to fiscal year end and can only be modified or removed by the same formal action. The Corporation does not have any amounts in this category at September 30, 2012.

Assigned – amounts that do not require Board approval but are intended to be used for a specific purpose, as determined by an official or body to which the Board has delegated authority. These amounts do not meet the criteria to be classified as restricted or committed. The Corporation does not have any amounts in this category at September 30, 2012.

Unassigned – residual amount in the general fund that is available to finance operating expenditures. The Corporation does not have any amounts in this category at September 30, 2012.

6. Spending Order

Fund balance amounts that are restricted, committed, or assigned are considered to have been spent when an expenditure is incurred for the respective purpose. If an expenditure is incurred that meets the criteria for more than one fund balance category, the Corporation relieves fund balance in the following order: restricted, committed, assigned, and then unassigned.

7. Sales and Use Tax

The City's sales and use tax is currently levied at 2.00% of which .25% is allocated to the Corporation. The sales and use tax is used for the promotion and development of new and expanded business enterprises. During the year, the Corporation recognized $392,242 in sales and use taxes.

8. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. BUDGETARY INFORMATION

The Board of Directors adopts an annual operating budget for the Corporation, which is approved by the City Council. Formal budgetary accounting is employed as a management control. The original adopted and final amended budget for revenues and expenditures and a comparison of the actual revenues and expenditures in the accompanying financial statements to the final amended budgeted amount is presented. The budget can be amended by the Board of Directors, subject to City Council approval. At September 30, 2012, although the total budgeted expenditures were not exceeded, two (2) individual line items exceeded their budget.

III. DETAILED NOTES

A. Cash Held by City of Windcrest

At September 30, 2012, cash held by the City is comprised of $2,107,703 in demand accounts.

These deposits at September 30, 2012 and during the year then ended were entirely covered by FDIC ~~insurance or by pledged collateral held in the name of the City.~~

Custodial Credit Risk – Deposits. The risk that in the event of a bank failure, the Corporation may not be able to recover deposits. At September 30, 2012, the deposits of $1,767,951 were held in the City's name and collateralized with pledged securities held in the name of the City. The Federal Reserve Bank is the safekeeping agent.

B. Accounts Receivable

At September 30, 2012, $92,561 is due from the Texas Comptroller of Public Accounts for collected but unremitted sales and use taxes. This amount is expected to be collected within one (1) year.

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

III. DETAILED NOTES (Continued)

C. Capital Assets

Capital asset activity for the governmental activities for the year ended September 30, 2012, was as follows:

	Balance 10/01/11 (Restated)	Additions	Retirements	Balance 09/30/12
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 31,653	$ 1,902,798	$ -	$ 1,934,451
Total Capital Assets, Not Being Depreciated	31,653	1,902,798	-	1,934,451
Capital Assets Being Depreciated:				
Buildings and Improvements	57,430	-	-	57,430
Furnitute and Equipment	19,363	-	-	19,363
Total Capital Assets, Being Depreciated	76,793	-	-	76,793
Less Accumulated Depreciation for:				
Buildings and Improvements	(30,182)	(9,908)	-	(40,090)
Furnitute and Equipment	(16,368)	-	-	(16,368)
	(46,550)	(9,908)	-	(56,458)
Total Capital Assets Being Depreciated, Net	30,243	(9,908)	-	20,335
Governmental Activities Capital Assets, Net	$ 61,896	$ 1,892,890	$ -	$ 1,954,786

Depreciation expense of the governmental activities for the current year totaled $9,908.

III. DETAILED NOTES (Continued)

D. Loan Payable

During 2011, the Corporation obtained a Texas Leverage Fund (TLF) loan from the Office of the Governor Economic Development and Tourism Division in the amount of $1,600,000 for the purpose of building a road for handling the increased employment traffic to the Rackspace location in the City. The interest rate is variable based on the federal fund's rate plus 3%; the federal fund's rate ranged from 0.00%-0.25%. The loan has a first lien on economic development sales and use tax receipts.

A summary of changes in the loan payable for the year ended September 30, 2012 follows:

Description	Final Maturity	Interest Rate Payable	Amount Original Issue	Amount Outstanding 10/01/11	Issued	Retired	Amount Outstanding 09/30/12	Amounts Due within One Year
TLF Loan Payable	4/1/2024	Federal Fund's Rate plus 3%	$1,600,000	$ 1,572,810	$ -	$ 279,822	$ 1,292,988	$ 94,335

Annual debt service requirements to maturity for the loan payable follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2013	$ 94,335	$ 40,625	$ 134,960
2014	97,447	37,513	134,960
2015	100,662	34,298	134,960
2016	103,983	30,977	134,960
2017	107,413	27,547	134,960
2018-2022	592,611	82,191	674,802
2023-2024	196,537	5,049	201,586
Total	$ 1,292,988	$ 258,200	$ 1,551,188

Interest expense of the governmental activities for the current year totaled $53,171, of which $3,385 was accrued as of year end.

III. DETAILED NOTES (Continued)

E. Retirement Plan

The Corporation provides pension benefits for all of its fulltime employees through the City's non-traditional, joint contributory, hybrid defined benefit plan in the Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplemental information for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by TMRS. The report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.tmrs.com.

The disclosures for plan provisions and contributions to the plan; the required actuarial valuation information; and, required schedule of funding progress are included in the City's Annual Financial Report. The Annual Financial Report can be obtained from the City's Finance Department, 8601 Midcrown, Windcrest, Texas 78239 or from the City's website at www.ci.windcrest.tx.us.

F. Other Post-Employment Benefits

The Corporation also participates in the City's cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The disclosures for plan provisions and contributions to the plan are included in the City's Annual Financial Report. The Annual Financial Report can be obtained from the City's Finance Department, 8601 Midcrown, Windcrest, Texas 78239 or from the City's website at www.ci.windcrest.tx.us.

III. DETAILED NOTES (Continued)

G. Contingencies and Commitments

Litigation

The City and the Corporation filed a lawsuit against a former City Manager alleging various causes of action in the nature of fraud and theft of public funds, which is on hold until certain criminal charges, for which he has been indicted, are resolved. The former City Manager filed a counterclaim against the City alleging compensation and benefits. On September 18, 2012, the City's motion for summary judgment was granted which dismissed the former City Manager's counterclaims. The City and the Corporation will vigorously pursue its claims against him.

The City and the Corporation have also intervened in a claim against a former developer of a revitalization project, to recover funds or property to recoup losses that occurred during the former City Manager's tenure. The former developer filed a counterclaim against the City alleging compensation and benefits. On October 11, 2012, the former developer filed a non-suit of his claims against the City and the Corporation. The City and the Corporation will vigorously pursue its claims against the former developer.

The City is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on its financial position.

Commitments

The revitalization and redevelopment of the Walzem Road area includes the redevelopment of Windsor Park Mall (the Mall) for the purpose of providing corporate headquarters to Rackspace U.S., Inc., an internet storage company that plans to relocate a total of 4,500 full-time jobs to the City.

The terms of the agreement call for a long-term direct financing lease to purchase and transfer the Mall to Rackspace U.S., Inc. The Corporation served as a conduit to the transaction and holds title to the Mall in trust for the parties to the transaction, consisting of City of Windcrest, Windcrest Economic Development Company, LLC, (the Developer) and Rackspace U.S., Inc. (the Lessee).

Pursuant to the lease agreement, Rackspace U.S., Inc., advanced $5,000,000 to the Corporation for the purpose of providing funding to the Developer for infrastructure improvements. The Corporation holds the funds pending development of the planned infrastructure, at which time the funds will be reimbursed for such infrastructure. The Corporation and the City liability for infrastructure is limited to the amount of the original escrowed funds, including interest earned less other agreed upon costs.

III. DETAILED NOTES (Continued)

The Corporation also serves as a conduit to facilitate the purchase of various tracts of land in the surrounding region commonly referred to as the "180 Acres", for the purpose of development of multi-family housing, retail, office, restaurant, entertainment facilities, and single-family neighborhoods. The Corporation holds the various tracts of land in trust for the Developer (beneficiary), Buddin Properties, LLC (Buddin). The tracts of land are secured by deeds of trust subject to various liens. The liens do not represent debt of the Corporation or the City, and accordingly, have not been reported in the accompanying financial statements.

H. Restated Net Assets

Beginning net assets reported in the government-wide financial statements were restated, as follows:

Description		Amount
Net Assets – September 30, 2011 (as reported)	$	353,277
Correct capital assets		(24,241)
Net Assets – September 30, 2011 (as restated)	$	329,036

I. Special Items

Funds totaling $1,875,953 were transferred from the City of Windcrest during the year. These funds were previously held in escrow by the City in accordance with an Economic Incentive Agreement. The purpose of the funds is to fund improvements related to the Racker Road project.

Required Supplementary Information

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
REVENUES				
Sales Tax	$ 367,857	$ 367,857	$ 392,242	$ 24,385
Interest	500	500	187	(313)
Other	43,454	-	-	-
Total Revenues	411,811	368,357	392,429	24,072
EXPENDITURES				
Current				
Salaries and Benefits	87,445	86,010	81,215	4,795
Economic Development Projects	46,170	46,170	2,145	44,025
Other	52,018	48,582	126,456	(77,874)
Capital Outlay	1,485,980	3,481,218	1,916,493	1,564,725
Debt Service				
Principal	134,976	134,976	279,822	(144,846)
Interest	-	-	53,885	(53,885)
Total Expenditures	1,806,589	3,796,956	2,460,016	1,336,940
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,394,778)	(3,428,599)	(2,067,587)	1,361,012
OTHER FINANCING SOURCES				
Transfer from City of Windcrest	-	-	219,186	219,186
Special Item-Transfer of Escrow Funds	-	1,845,138	1,875,953	30,815
Net Change in Fund Balance	(1,394,778)	(1,583,461)	27,552	1,611,013
Fund Balance - Beginning	1,844,049	1,844,049	1,844,049	-
Fund Balance - Ending	$ 449,271	$ 260,588	$ 1,871,601	$ 1,611,013

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of City of Windcrest, Texas)

REPORT ON THE CONDUCT OF AUDIT

For The Year Ended September 30, 2012

Board of Directors
City of Windcrest Economic Development Corporation
Windcrest, Texas

We have audited the financial statements of the City of Windcrest Economic Development Corporation (the Corporation), a component unit of the City of Windcrest, Texas (the City) as of and for the year ended September 30, 2012, and have issued our report thereon dated April 19, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

- the conduct of our audit (Parts I – VIII),
- internal control and other matters (Part IX),

This letter does not affect our report dated April 19, 2013, on the financial statements of the Corporation. Our comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure and ensure compliance with state requirements.

This report is intended solely for the use of the Audit Committee, Board of Directors and management of the Corporation and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to acknowledge the courtesy and assistance extended by the personnel of the City during the course of our audit.

April 19, 2013

CITY OF WINDCREST
ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the City of Windcrest, Texas)

REPORT ON THE CONDUCT OF AUDIT

For the Year Ended September 30, 2012

I. The Auditors' Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 20, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit we considered the internal control of the Corporation. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are 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 specifically to identify such matters.

II. Qualitative Aspects of Accounting Practices

Accounting Policies
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note I to the financial statements. We noted no transactions entered into by the Corporation during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates
Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimate affecting the Corporation's financial statements is depreciation, which is based on estimated useful lives of the respective capital asset class.

We evaluated the key factors and assumptions used to develop the above estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures
Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The financial statement disclosures are neutral, consistent, and clear.

III. Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

IV. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. All misstatements, whether identified by us or management, were corrected by the adoption of audit adjustments. These audit adjustments had the net effect of increasing expenditures by $266,136, revenues by $10,777, and liabilities by $255,359. The purpose of these adjustments was to accrue additional sales tax and capital expenditures.

V. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

VI. Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 19, 2013.

VII. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us or determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

VIII. Other Issues

Other Information in Documents Containing Audited Financial Statements
With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management regarding the measurement and presentation to determine that the information complies with accounting principles generally accepted in the United States of America. However, we did not audit the information and express no opinion on it.

Matters Discussed with Management Prior to Appointment
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to appointment as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our appointment.

IX. Internal Control and Other Matters

PRIOR YEAR COMMENT

All comments from the prior year were satisfactorily resolved except for the following:

Capital Assets

Our review of internal controls over capital assets indicated the following:

- The capital asset policy does not identify the different types of capital asset classes (i.e. land, buildings, etc.) which are considered capital assets or their useful lives.
- A physical count of capital assets was not performed in the current year and staff is unaware of the date the latest one occurred. As a result, the capital asset subsidiary list may not include all capital assets and may include items that are no longer present.
- Useful lives for furniture and equipment, including vehicles, may not be reasonable since a significant portion of these assets are fully depreciated and yet are still in use.

We recommend the Corporation:

- Include the various capital asset classes and their descriptions and useful lives in the City's asset policy.
- Perform a complete physical inventory count of capital assets at least every two years and reconcile the subsidiary list to the control accounts.
- Review the useful lives of asset classes to ensure the useful lives are reasonable.

Management's Response

- The Capital Asset Policy will be pulled out of the other policies (references in the Purchasing Policy and the City Charter), and will be expanded to include the different types of assets, and the use life of the asset. ·
- Management is currently looking for a vendor who will come in and physically count each items (fixed and capital assets), and will take them electronically. There will be a cost for an electronic system that will import directly into INCODE.
- As part of the Capital Asset Policy, the useful life will be addressed, and each item will be reviewed as we verify them to determine how many useful years are remaining.

CURRENT YEAR COMMENT

Depository Accounts/Investments

Section 4.4(b) of the Corporation's charter and bylaws state: "Subject to the requirements of contracts, loan agreements, indentures or other agreements securing obligations, all other money of the Corporation, if any, shall be deposited, secured, and/or invested in the manner consistent with, but separated from, the deposits, securities, financial accounts, depositories and/or investments of the public funds of the City." Currently, all Corporation's funds are held by and are in the name of the City of Windcrest, but are identified as belonging to the Corporation.

We recommend the Corporation establish depository/investments accounts in its own name, subject to City Council approval, to comply with its charter and by-laws.

Management's Response

Management will begin working to separate the depository/investment accounts into its own name, subject to City Council approval, and to comply with its charter and by-laws.

ATTACHMENT

#3

13 -ECONOMIC DEVELOPMENT CORP
REVENUES

		2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	(------ 2012-2013 CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END ------)	(--- 2013-2014 REQUESTED BUDGET	APPROVED BUDGET ---)
	BEGINNING FUND BALANCE	93,954	146,020	1,844,049 ~~1,855,289~~	1,871,601 ~~1,880,838~~	~~1,880,838~~	1,891,601 ~~1,880,838~~	~~242,431~~ 233,194	~~242,431~~
4105	INCOME - OTHER	0	1,600,000	1,875,953	0	6,937	0	0	
4110	INCOME - OTHER (HOT)	30,000	0	0	0	0	0	0	
4111	INCOME - OTHER (GEN.FUND)	20,000	0	219,186	0	0	0	0	
4112	INCOME-WALZEM RD GRANT	0	0	0	0	0	0	0	
4113	INCOME-CORPORATE DONATIONS	0	0	0	0	0	0	0	
4115	SALES TAX (.25)	329,006	322,537	392,242	382,571	275,329	440,921	440,921	
4301	INTEREST	367	64	188	250	91	250	250	
4900	PROCEEDS FROM CAPITAL LEASE	0	0	0	0	0	0	0	
	TOTAL REVENUES	379,373	1,922,601	2,487,568	382,821	282,357	441,171	441,171	

6-24-2013 08:15 AM

CITY OF WINDCREST
APPROVED BUDGET
AS OF: JUNE 30TH, 2013

13 -ECONOMIC DEVELOPMENT CORP
00-GENERAL EXPENDITURES
DEPARTMENT EXPENSES

	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 CURRENT BUDGET	2012-2013 Y-T-D ACTUAL	2012-2013 PROJECTED YEAR END	2013-2014 REQUESTED BUDGET	2013-2014 APPROVED BUDGET
SALARIES & BENEFITS								
500-009 SALARIES - EDC	159,123	37,497	40,385	70,000	42,398	42,398	0	
500-010 ADMINISTRATIVE EXPENSES	1,544	133	0	0	40	4,000	4,000	
500-011 EDC LONGEVITY	1,316	0	0	0	0	0	0	
500-013 STIPEND	0	0	0	1,938	1,872	1,872	0	
500-018 EDC EDUCATION PAY	900	492	0	0	0	0	0	
500-020 EDC OVERTIME	268	63	0	0	0	0	0	
500-030 SOCIAL SECURITY-EDC	12,719	6,307	2,938	5,465	3,663	3,663	0	
500-040 HEALTH INSURANCE-EDC	12,601	1,441	137	876	8,330	8,086	0	
500-050 RETIREMENT-EDC	12,936	7,803	2,494	7,140	3,166	3,166	0	
500-060 WORKERS COMPENSATION-EDC	776	1,279	0	283	0	283	283	
500-070 UNEMPLOYMENT COMPENSATION	628	72	261	135	135	135	135	
500-080 CONTRACT LABOR	0	0	35,000	65,000	42,800	65,000	86,000	
500-095 TERMINATION PAYOUT	0	19,963	0	0	0	0	0	
TOTAL SALARIES & BENEFITS	202,811	75,051	81,214	150,837	102,404	128,603	90,418	
OTHER EXPENSES								
500-100 PUBLIC RELATION FEES-GENERAL	0	0	0	0	0	0	0	
500-115 MOBILE TELEPHONE	2,128	0	842	1,450	831	1,450	1,450	
500-120 DUES & SUBSCRIPTIONS	1,402	3,499	937	1,400	2,397	1,400	2,000	
500-130 TRAINING	3,955	(1,150)	1,931	5,000	530	5,000	5,000	
500-132 TRAVEL	2,231	271	629	13,062	9,244	13,062	13,062	
500-135 MEALS & ENTERTAINMENT	2,628	36	1,078	5,000	3,630	5,000	5,000	
500-200 COMPUTER MAINTENANCE	0	42	147	200	717	291	200	
500-201 WEBSITE MAINTENANCE	0	440	735	720	313	720	720	
500-205 REPAIRS & MAINT OF BUILDING	0	0	798	0	0	0	0	
500-250 LEGAL EXPENSES	35,165	30,745	110,940	60,000	17,500	60,000	40,000	
500-290 AUDIT	4,000	0	5,500	5,500	4,900	5,500	5,500	
500-430 SUPPLIES	2,268	(1,112)	1,533	1,200	1,127	1,200	3,250	
500-440 ELECTION EXPENSES	0	0	0	0	0	0	0	
500-510 VEHICLE EXPENSE-EDC	0	0	0	0	0	0	0	
500-515 HEALTH EXPENSE ALLOW-DIRECTOR	3,600	1,968	0	0	0	0	0	
500-520 MOVING EXPENSE-DIRECTOR	0	0	0	0	0	0	0	
500-540 VEHICLE FUEL	246	26	0	0	28	28	0	
500-590 POSTAGE	168	0	45	145	92	145	250	
500-630 LEGAL ADVERTISING	59	60	276	476	0	476	776	
500-640 COPIER USAGE	1,000	0	957	1,443	0	1,443	1,443	
500-650 WALZEM RD GRANT EXPENSES	0	0	0	0	0	0	0	
500-700 CONTINGENCIES	5,518	937	110	4,620	934	4,620	4,620	
TOTAL OTHER EXPENSES	64,369	35,761	126,456	100,216	42,243	100,335	83,271	

500-250 LEGAL EXPENSES

PERMANENT NOTES:
30,000 for regular legal, 10,000 for special legal services

	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 CURRENT BUDGET	2012-2013 Y-T-D ACTUAL	2012-2013 PROJECTED YEAR END	2013-2014 REQUESTED BUDGET	2013-2014 APPROVED BUDGET
CAPITAL EXPENSES								
500-800 EDC PROJECTS	60,127	9,623	2,145	200,000	7,538	200,000	200,000	
500-801 PROMOTING WINDCREST	0	0	13,694	38,282	29,255	38,282	38,282	
500-810 CAPITAL EXPENSE	0	18,261	0	0	0	0	50,000	

2

13 -ECONOMIC DEVELOPMENT CORP
00-GENERAL EXPENDITURES
DEPARTMENT EXPENSES

	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 CURRENT BUDGET	2012-2013 Y-T-D ACTUAL	2012-2013 PROJECTED YEAR END	2013-2014 REQUESTED BUDGET	2013-2014 APPROVED BUDGET
500-890 TLF LOAN PAYMENTS	0	27,190	279,822	659,960	74,369	350,000	97,450	
500-891 RACKER ROAD PROJECT	0	31,653	1,902,798	915,299	884,850	1,222,358	0	
500-892 TLF INTEREST	0	17,797	53,885	0	26,851	40,000	37,513	
TOTAL CAPITAL EXPENSES	60,127	104,524	2,252,345	1,813,541	1,022,863	1,850,640	423,245	

500-810 CAPITAL EXPENSE

PERMANENT NOTES:
Department is requesting a Chevy Tahoe, Expedition or similar vehicle that seats comfortably 6 to 8.

500-890 TLF LOAN PAYMENTS

PERMANENT NOTES:
$97,447.23 annual principle
$250,000 additional pay down of principle of possible

	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 CURRENT BUDGET	2012-2013 Y-T-D ACTUAL	2012-2013 PROJECTED YEAR END	2013-2014 REQUESTED BUDGET	2013-2014 APPROVED BUDGET
OTHER INCOME/EXPENSES								
500-900 PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	
TOTAL OTHER INCOME/EXPENSES	0	0	0	0	0	0	0	
TOTAL 00-GENERAL EXPENDITURES	327,307	215,336	2,460,016	2,064,594	1,167,509	2,079,578	596,934	
TOTAL EXPENDITURES	327,307	215,336	2,460,016	2,064,594	1,167,509	2,079,578	596,934	
REVENUE OVER/(UNDER) EXPENDITURES	52,066	1,707,265	27,552	(1,681,773)	(885,152)	(1,638,407)	(155,763)	
OTHER SOURCES/(USES)								
900-500 ????NSFER TO GEN. FUND	0	(9,236)	0	0	0	0	0	(23,000)
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	52,066	1,698,030	27,552	(1,681,773)	(885,152)	(1,638,407)	(155,763)	
PROJECTED ENDING FUND BALANCE	146,020	1,844,049	~~1,880,838~~ 1,871,601	199,065	995,685	~~242,431~~ 233,194	~~86,667~~ 77,431	

*** END OF REPORT ***

3

ATTACHMENT

#4

WINDCREST
ECONOMIC DEVELOPMENT CORPORATION

Windcrest Economic Development Corporation
8601 Midcrown
Windcrest, Texas 78239
210.655.0022 x2160

Robert Colunga WEDC Executive Director(Interim)

WEDC Report for Month of May, 2013

1. Development issues with the 111 acres to ensure we have as much commercial utilization as possible and if at all possible no multi-family and to work with local governmental agencies and state agencies to ensure success of the development.
2. Working on completing the Racker Road project and to ensure that all request of the WEDC board are being met as to the completion and working with Rackspace to ensure that all aspects of our involvement in the Rackspace Campus are completed.
3. Working with TX DOT on road issues and on the IH35 expansion scheduled for later 2013
4. Working with the City of San Antonio on sync issues with Walzem Road and Racker Road as they are contracted by TX DOT for synchronization and maintenance and working with them and the City of Windcrest to create a contract for future maintenance of the City of Windcrest Street lights.
5. Working with Mr, Ferrara owner of the Dunkin Donuts/Baskin Robbins and assisting them whenever possible to ensure utilities and permits are completed as quickly as possible. Scheduled soft opening for the first part of July and grand opening at the end of July.
6. Working with the City of San Antonio and Bexar County on changing the Annexation Agreement to make it more acceptable financially to support development and the maintenance of the annexed areas. Working with the San Antonio City Council and Bexar County Commissioners on a change in areas that are applicable
7. Working with the City of San Antonio to clean up boundary issues which are a hindrance to future development both on the 111 acres and on lots along the IH35 access road.
8. Working with our Governor, Lt. Governor, Speaker of the House, elected and newly elected legislative officials to ensure we give the city the best opportunity to have funds allocated to our areas of concern, real and desire such as but not limited to Parks, Water, IH 35corridor, etc.
9. Assist the City of Windcrest on housing developments such as multi-use and multi-family developments but limited to, in the City of Windcrest as most of this is outside the scope of the WEDC but has a direct effect on business development and quality of life.
10. Working with Katye Brought on the July 25th launch of the GoWindcrest.com DevelopWindcrest.com & the WindcrestWindfall Application to be held at Rackspace.
11. Working with the MPO, Alamo RMA, NEP, ACCOG, CPS, SAWS, TX DOT on projects that effect our Cities development and growth and working with again with our legislators in Austin to ensure that our needs our presented and have a voice. Also work with our City Boards when needed to assist in Government Relations, i.e. Parks and Rec, Zoning, etc.
12. Work hands on with the Mayor and City Manager on the Rackspace development of the employee initiative program to relocate Rackspace employees to the City of Windcrest and work with them to ensure we are able to address the concerns and desires of these prospective citizens who also happened to be employed at Rackspace. Work with SABOR(San Antonio Board of Realtors) and other related groups to promote the city and our improvements, and ensure they are educated in our development, incentives, events and programs

WINDCREST ECONOMIC DEVELOPMENT CORPORATION

Windcrest Economic Development Corporation
8601 Midcrown
Windcrest, Texas 78239
210.655.0022 x2160

13. Working with governing bodies to ensure that the City of Windcrest has an involvement in boards or committees that have a direct effect on our City.
14. Create and Develop a strategic marketing plan for the City, WEDC and other governing boards that coincides with what the City Council, WEDC Board and other boards envision for the short and long term goals with Katye Brought. This would entail a schedule of events for the year with planning and committees, looking at events for educations, business development, community, governmental, etc.
15. Working on several projects concerning the 111 acres for development as well as several locations on IH35 access and around the Home Depot area.

ATTACHMENT

#5

Construction Contract Change Order #8
Item Information

Racker Road

1) **J3's CO #12:** This is a deductive change order to traffic signal modifications.

2) **J3's CO #17:** This work was completed, as directed by TxDot, at the entrance of Conn's Dr. in the Txdot R.O.W. The existing concrete approach located under the asphalt had to be removed, exposing an existing gas line which had to be encased and then the new road installed with the same design section as the remainder of the street. This was also required at Applebee's and Windsor Dr.

3) **J3's CO #19:** A portion of the newly laid 12" sanitary sewer line needed to be re moved and reinstalled do to an existing utility conflict.

4) **J3's CO #20:** Addition curb wall on Racker Road between the R.O.W. & Rack-space parking lot. Approved 500LF @ $16.00 per. I still need to verify the location of any addition.

5) **J3's CO #22:** Item 10: Relocation of Sewer manhole at Old Fourwinds and Walzen Road.
Item 20: This item was completed, however the costs are still under review.
Item 30: When installing the foundation for a light standard, a hole was broken through and existing storm water drain, then which needed to be repaired.
Item: 40: This work was completed, However the costs are still under review.
Item 50: This work was completed, However the costs are still under review.
Item 60: When reconstructing the old Conn's Dr., it was necessary to remove an extended portion of an existing curb, in order to allow continued traffic flow into Rackspace.
Item 70: Addition barricades were provided, However there costs are still under review.
Item 80: The installation of the new tree beds, for the trees removed from Fourwinds Drive and placed in the tree farm.

Construction Contract Change Order #8
Item Information

Racker Road

<u>Item 90:</u> Do to a utility conflict with the installation of the 12" water line, over the existing underground drainage channel, at the Conn's intersection. An excavation under the channel was required in order to complete the installation.

<u>Item 100:</u> Installation of the intersection at Applebee's and the old loop road. (as per Rackspace).

<u>Item 110:</u> Installation of the intersection at Windsor Dr. and the old loop road. (as per Rackspace).

These are the change order amounts that I have verified and approved to date. The others ~~as listed will be presented to the board upon verification of the amounts being invoiced.~~

Please find attached copies of J3's Exhibits along with the WEDC's official Change Order #8.

If you should have any questions, I will be at the next meeting and hopefully be able to address your concerns.

CONTRACTOR CONTRACT
CHANGE ORDER

PROJECT: Racker Road Project PROJECT NO: 09021

CONTRACTOR: J3 Company LLC CHANGE ORDER NO.: 8

In accordance with the terms of the contract for the construction of improvements, dated December 7, 2012, between the Windcrest Economic Development Corporation. (OWNER) and J3 Company LLC. (Contractor). The Contractor is hereby directed to make additions or alterations in the work with details and costs as follows:

Additional work to be completed
See Attached

Adjustment in payment shall be as follows:

The original Contract Sum was	$ 2,805,671.00
Net Change by previous Change Orders	$ 206,442.00
The Contract Sum prior to this Change Order was	$ 3,012,113.00
The Contract Sum will be **increased** by this Change Order	$ 81,824.00
The new Contract Sum including this Change Order will be	$ 3,093,937.00

The Contract Time will be **increased** by (25) days

The Date of Completion as of the date of this Change Order is 101 additional days from notice to proceed completion date.

The parties to these presents have executed this Supplemental Agreement on this 17th day of June, 2013.

WEDC Director
Robert Colunga

WEDC President
Tim Maloney

Engineers Office
J.R. Bray, Vice President
Don McCrary & Assoc. Inc.

Contractor
Joey Stewart
J3 Company LLC

EXHIBIT A

RACKER ROAD - TRAFFIC SIGNAL CHANGE ORDER #12

J3 COMPANY , LLC

P.O. BOX 129

COMFORT, TEXAS 78013

Contact: P.J. JONS OR HUGH JONS

Phone: 830-995-5100

Fax: 830-995-5199

Quote To:

Phone:

Fax:

Job Name: RACKER RD. C.O. #12

Date of Plans: 06/25/2012

Job Number: 1206251

Revision Date:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	TRAFFIC SIGNALIZATION (ORIGNAL BID) (DELETE)	1.00	LS	-116,000.00	-116,000.00
20	TRAFFIC SIGNALIZATION (REVISED BID) (ADD)	1.00	LS	113,854.00	113,854.00
GRAND TOTAL					($-2,146.00)

Approved: [illegible]

Deduct @ traffic signal

EXHIBIT A

RACKER ROAD - CONNS DRIVE APPROACH REPLACEMENT C.O. #17

J3 COMPANY , LLC
P.O. BOX 129
COMFORT, TEXAS 78013
Contact: P.J. JONS OR HUGH JONS
Phone: 830-995-5100
Fax: 830-995-5199

Quote To:

Phone:
Fax:

Job Name: RACKER ROAD C.O. #17
Date of Plans: 06/20/2012
Job Number: 1208201
Revision Date:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	DEMO CONCRETE DRIVE APPROACH	1.00	LS	4,660.00	4,660.00
20	REPLACE DRIVE APPROACH PER TXDOT	1.00	LS	12,750.00	12,750.00
GRAND TOTAL					$17,410.00

This work was at IH-35 and Conn's in the TxDOT R.O.W. - Same as was required by TxDOT at Applyby and Windsor Drive.

Approved [signature]

EXHIBIT A

RACKER RD. - 12" SEWER CHANGE ORDER #19

J3 CO.

J3 COMPANY , LLC

P.O. BOX 129
COMFORT, TEXAS 78013
Contact: P.J. JONS OR HUGH JONS
Phone: 830-995-5100
Fax: 830-995-5199

Quote To:

Phone:
Fax:

Job Name:	RACKER RD. C.O. #19
Proposal Date:	09/25/2012
Job Number:	1209251
Revision Date:	

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	REMOVE & RELAY 12" SAN.SEWER	100.00	LF	45.00	4,500.00
GRAND TOTAL					$4,500.00

NOTES:
APPROVED:

Client/Owner: ____________________ Date: ____________
Print Name: ____________________
Contractor: ____________________ Date: ____________
Print Name: ____________________

A portion of the newly laid 12" S.S. needed to be removed and reinstalled do to an existing utility conflict.

Approved: [signature] VP Omc

EXHIBIT A

RACKER RD. - CURB/WALL CHANGE ORDER #20

J3 CO.

J3 COMPANY , LLC

P.O. BOX 129
COMFORT, TEXAS 78013
Contact: P.J. JONS OR HUGH JONS
Phone: 830-995-5100
Fax: 830-995-5199

Quote To:

Phone:
Fax:

Job Name: RACKER GRANITE WALK C.O. #18
Date of Plans: 1/4/2013
Job Number: 1301041
Revision Date:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
30	CONCRETE CURB/WALL @ WALKWAY (ADD)	1,532.00	LF	16.00	24,512.00
GRAND TOTAL					$24,512.00

ADDitional CURB WALL ON Racker Road
BETWEEN R.O.W AND EXISTING Parkspace
Parking Lot.

Approved 500 LF @ $16.00 = $8,000.00

NEED TO VERIFY ANY ADDitional.

RACKSPACE CHANGE ORDER #22

J3 CO.

J3 COMPANY , LLC

P.O. BOX 129

COMFORT, TEXAS 78013

Contact: P.J. JONS OR HUGH JONS

Phone: 830-995-5100

Fax: 830-995-5199

Quote To:

Phone:

Fax:

Job Name: RACKSPACE CHANGE ORDER #22

Proposal Date: 5/28/2013

Job Number: 1305283

Revision Date:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
JRB 10	SEWER MANHOLE @ FIRESTONE	1.00	EA	6,000.00	6,000.00
* 20	RELOCATE 2 LIGHT POLES ON WINDSOR DRIVE	1.00	LS	3,400.00	3,400.00
JRB 30	REPAIR STORM DRAIN DUE TO LIGHT POLE LOCATION	1.00	LS	3,600.00	3,600.00
* 40	WATER TIE-IN @ IH35 ACCESS ROAD & CONN'S DRIVE	1.00	LS	18,500.00	18,500.00
* 50	2 1/2" CONDUIT CROSSING FOR CPS ENERGY	480.00	LF	25.00	12,000.00
JRB 60	DEMO CONCRETE ISLAND AT CONN'S DRIVE	1.00	LS	3,100.00	3,100.00
* 70	ADDITIONAL BARRICADES	1.00	LS	13,500.00	13,500.00
JRB 80	TREE BEDS	8.00	EA	1,020.00	8,160.00
JRB 90	TUNNEL UNDER 2-10X10 BOX CULVERT	1.00	LS	12,700.00	12,700.00
JRB 100	APPLEBEE'S INTERSECTION AT LOOP ROAD	1.00	LS	10,250.00	10,250.00
JRB 110	WINDSOR DRIVE INTERSECTION AT LOOP ROAD	1.00	LS	10,250.00	10,250.00

GRAND TOTAL ~~**$101,460.00**~~

$54,000.00

APPROVED ITEM: JRB

* ITEMS FOR REVIEW W/ CWEDC.

J3 CO.

J3 Company, LLC
PO Box 129
Comfort, TX 78013

Change Order

Order # CO-13

Order Date: 31-Jul-12

To: City of Windcrest

Job # 11-038
Project: Racker Road

The Contractor agrees to perform and the owner agrees to pay for the following changes to this contract.

Plans Attached
Specifications Attached

Ordered By:

Customer Order:

COST CODE	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	Delay Damages	1.000	LS		200,000.00
	Additional Contract days	72.000	DAY		
GRAND TOTAL					200,000.00

Notes:

Total Change Order $200,000.00

Negative changes will lower the overall contract price requiring no additional payment by owner.

Client/Owner: ______________________ Date: ______

Print Name: ______________________

Contractor: ______________________ Date: ______

Print Name: ______________________

* NOT APPROVED —

this is what they ARE asking for, for the Delays at Rackspaces Convenience of operations

No. | DATE

CHECKED
DRAWN
DATED
SHEET
CAD FILE

Don McCrary & Associates, Inc.
Engineers & Surveyors

RACKER ROAD - OLD WINDSOR PARK MALL

OVERALL SITE PLAN

CITY OF WINDCREST, TEXAS

SHEET
C1
OF 1

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