

Gainesville Economic Development Corporation

Financial Statements

February 29, 2008



SCHALK & SMITH PC
CERTIFIED PUBLIC ACCOUNTANTS

Thomas E. Schalk, CPA
Judy Smith, CPA

A PROFESSIONAL CORPORATION

March 18, 2008

To the Board of Directors

Gainesville Economic Development Corporation
Gainesville, TX 76241

We have compiled the accompanying statement of assets, liabilities, and equity-all fund types and account groups-cash basis of Gainesville Economic Development Corporation (a non-profit corporation) as of February 29, 2008 and the related statement of revenues, expenditures and changes in fund balance-cash basis for the One Month and Five Months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements they might influence the user's conclusions about the corporation's assets, liabilities, equity, revenue, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Schalk & Smith, PC

Gainesville Economic Development Corporation

STATEMENT OF ASSETS, LIABILITIES, AND EQUITY-

ALL FUND TYPES AND ACCOUNT GROUPS-CASH BASIS

FEBRUARY 29, 2008

ASSETS AND OTHER DEBITS ASSETS :	GENERAL	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTALS
	CASH-OPERATING	114,302.29	-	-
CASH FIRST STATE BANK TRUST	-	-	-	-
INVESTMENT - TEXSTAR	2,301,949.42	-	-	2,301,949.42
CHAMBER REIMBURSEMENT	720.07	-	-	720.07
A/R-LAZART	-	104,475.17	-	104,475.17
SALES TAX RECEIVABLE	-	-	-	-
PREPAID LEASE	-	367,245.85	-	367,245.85
FIXED ASSETS	-	1,709,228.34	-	1,709,228.34
OTHER DEBITS:				
AMT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT	-	-	1,668,037.03	1,668,037.03
TOTAL ASSETS AND OTHER DEBITS	2,416,971.78	2,180,949.36	1,668,037.03	6,265,958.17
LIABILITIES AND EQUITY				
LIABILITIES:				
ACCOUNTS PAYABLE	3,408.33	-	-	3,408.33
DUE TO CITY	19,630.86	-	-	19,630.86
NOTES PAYABLE- FSB	-	-	1,668,037.03	1,668,037.03
TOTAL LIABILITIES	23,039.19		1,668,037.03	1,691,076.22
EQUITY:				
INVESTMENT IN GEN.FIXED FUND BALANCE	-	2,180,949.36	-	2,180,949.36
CURRENT FISCAL YEAR REVENUES OVER (UNDER) EXPENDITURES	2,160,975.09	-	-	2,160,975.09
UNRESTRICTED NET ASSETS RETAINED EARNINGS	232,957.50	-	-	232,957.50
TOTAL EQUITY	2,393,932.59	2,180,949.36	-	4,574,881.95
TOTAL LIABILITIES AND EQUITY	2,416,971.78	2,180,949.36	1,668,037.03	6,265,958.17

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Gainesville Economic Development Corporation

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE- GENERAL FUND-CASH BASIS
 FOR THE ONE MONTH AND FIVE MONTHS ENDED FEBRUARY 29, 2008

	1 MONTH ENDED	CURRENT PERIOD		5 MONTHS ENDED	YTD	YTD
	February 29, 2008	BUDGET		February 29, 2008	BUDGET	%
REVENUES						
Sales Tax Revenue	129,821.49	79,166.67		455,383.01	950,000.00	0.48
Insurance Proceeds	-	-		-	-	-
Reimbursement from Chamber	5,778.10	6,553.83		31,952.22	78,646.00	-
Interest Income	6,242.47	4,166.67		37,213.77	50,000.00	0.74
Sale of Lazart Building	-	-		-	-	-
Bell Aerospace Rent Income	28,884.73	26,400.00		144,423.65	316,800.00	0.46
Rent Income- Valenite	-	-		-	-	-
Rent Income- Lazart	-	-		-	-	-
Lazart Repayment	1,373.71	1,373.00		6,868.55	16,476.00	-
Expired Commitment-Univ. Cinema	-	-		-	-	-
TOTAL REVENUES	<u>172,100.50</u>	<u>117,660.17</u>		<u>675,841.20</u>	<u>1,411,922.00</u>	-
EXPENDITURES						
Supervisory Salaries	6,596.00	6,937.50		36,278.00	83,250.00	0.44
Clerical Salaries	2,554.40	2,661.67		14,049.20	31,940.00	0.44
Overtime	-	25.00		47.98	300.00	0.16
Longevity	-	-		120.00	-	-
TMRS Retirement	786.56	781.80		4,194.31	9,381.56	0.45
FICA	731.30	809.42		4,037.29	9,713.04	0.42
Life Insurance	7.20	3.02		36.00	36.20	0.99
Health Insurance	1,402.98	1,325.97		7,018.75	15,911.68	0.44
Worker Compensation	17.30	16.93		95.43	203.16	0.47
Employee Moving Expenses	-	-		-	-	-
Office Supplies	-	133.33		390.93	1,600.00	0.24
Postage	-	125.00		29.61	1,500.00	0.02
Binding, Printing, & Reproduction	-	208.33		966.13	2,500.00	0.39

Gainesville Economic Development Corporation

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 CHANGES IN FUND BALANCE- GENERAL FUND-CASH BASIS
 FOR THE ONE MONTH AND FIVE MONTHS ENDED FEBRUARY 29, 2008

	1 MONTH ENDED		CURRENT PERIOD		5 MONTHS ENDED		YTD	
	February 29, 2008	BUDGET		BUDGET	February 29, 2008	BUDGET	BUDGET	%
Data Processing Supplies	-	41.67	-	-	-	500.00	-	-
Minor Office Equipment	-	83.33	66.84	-	66.84	1,000.00	1,000.00	0.07
Books & Periodicals	-	91.67	-	-	-	1,100.00	1,100.00	-
Miscellaneous Supplies	28.36	83.33	556.67	-	556.67	1,000.00	1,000.00	0.56
Building Maintenance	-	833.33	1,538.70	-	1,538.70	10,000.00	10,000.00	0.15
Grounds Maintenance	-	416.67	-	-	-	5,000.00	5,000.00	-
Miscellaneous Maintenance	-	-	99.87	-	99.87	-	-	-
Office Equipment Maintenance	-	-	-	-	-	-	-	-
Software Maintenance	-	41.67	-	-	-	500.00	500.00	-
Communications	211.03	333.33	1,363.18	-	1,363.18	4,000.00	4,000.00	0.34
Dues & Subscriptions	65.00	375.00	70.14	-	70.14	4,500.00	4,500.00	0.02
General Insurance	-	1,666.67	11,346.28	-	11,346.28	20,000.00	20,000.00	0.57
Professional Fees	1,500.00	1,250.00	4,093.45	-	4,093.45	15,000.00	15,000.00	0.27
Advertising & Promotions	359.59	2,916.67	2,028.77	-	2,028.77	35,000.00	35,000.00	0.06
Travel & Training	326.71	833.33	2,602.00	-	2,602.00	10,000.00	10,000.00	0.26
Contractual Services	1,149.25	1,250.00	17,371.75	-	17,371.75	15,000.00	15,000.00	1.16
Bank Charges	-	-	-	-	-	-	-	-
Ad Valorem Taxes	-	5,416.67	-	-	-	65,000.00	65,000.00	-
Airport Land Lease	2,775.05	2,916.67	14,361.45	-	14,361.45	35,000.00	35,000.00	0.41
Auto Allowance	461.54	500.00	2,568.64	-	2,568.64	6,000.00	6,000.00	0.43
Solid Waste Utility Service	-	-	-	-	-	-	-	-
Water/Sewer Utility Service	-	166.67	-	-	-	2,000.00	2,000.00	-
Office Machinery & Equipment	-	-	216.41	-	216.41	-	-	-
City Admin Fee	-	2,083.33	-	-	-	25,000.00	25,000.00	-
Debt Service	25,476.74	-	127,383.70	-	127,383.70	-	-	-
TOTAL OPERATING EXPENSES	44,449.01	34,327.97	252,931.48	34,327.97	252,931.48	411,935.64	411,935.64	

Gainesville Economic Development Corporation

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE- GENERAL FUND-CASH BASIS
 FOR THE ONE MONTH AND FIVE MONTHS ENDED FEBRUARY 29, 2008

	1 MONTH ENDED February 29, 2008	CURRENT PERIOD BUDGET	5 MONTHS ENDED February 29, 2008	YTD BUDGET	YTD %
Commitment-Impact Project	-	-	-	-	-
Commitment-EPC	-	-	16,125.00	50,000.00	-
Commitment-B29 Project	-	-	-	-	-
Commitment-MFG Texas Expansion	-	-	-	-	-
Commitment-Lazart Project	-	-	27,000.00	30,000.00	-
Commitment-NCTC	-	-	-	-	-
Commitment-Complete Production	-	-	93,750.00	187,500.00	-
Commitment-I35 & California	-	-	-	-	-
Commitment-GAF	-	-	-	42,252.00	-
Commitment-Comfort Inn Suites	-	-	-	-	-
Commitment-NTQuality Chrome	-	-	-	129,498.00	-
Commitment-Major Rig Project	-	-	21,125.00	22,500.00	-
Commitment-Allied Production	-	-	-	-	-
TOTAL COMMITMENTS	-	-	158,000.00	461,750.00	
Chamber-Supervisory Salaries	2,411.56		13,834.72	35,000.00	
Chamber-Clerical Salaries	1,946.26		10,704.43	25,300.00	
Chamber-TMRS Retirement	335.11		1,833.69	3,955.44	
Chamber-FICA	286.19		1,668.17	3,711.96	
Chamber-Life Insurance	4.80		21.60	28.80	
Chamber-Health Insurance	786.33		3,845.44	9,088.32	
Chamber-Worker Compensation	7.85		44.17	96.84	
Chamber-Professional Fees	-		-	-	
TOTAL CHAMBER EXPENSES	5,778.10	-	31,952.22	77,181.36	

Gainesville Economic Development Corporation

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE- GENERAL FUND-CASH BASIS
 FOR THE ONE MONTH AND FIVE MONTHS ENDED FEBRUARY 29, 2008

	1 MONTH ENDED February 29, 2008	CURRENT PERIOD BUDGET	5 MONTHS ENDED February 29, 2008	YTD BUDGET	YTD %
TOTAL EXPENDITURES	50,227.11	34,327.97	442,883.70	950,867.00	
EXCESS (DEFICIENCY) REVENUES OVER (UNDER) EXPENDITURES	121,873.39	83,332.20	232,957.50	461,055.00	
FUND BALANCE- BEGINNING OF PERIOD	2,272,059.20		2,160,975.09		
FUND BALANCE- END OF PERIOD	2,393,932.59	83,332.20	2,393,932.59	461,055.00	

GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION

Schedule of Commitments

As of February 29, 2008

Project	Total Commitment	Expense		Total Expense	Balance of Commitment	Percentage Left
		This Fiscal Year	Prior Years			
R & D Plastics, Inc.	2,500.00	-	2,500.00	2,500.00	-	0.00%
North Texas Quality Chrome	259,000.00	-	-	-	259,000.00	100.00%
GAF	203,000.00	-	4,500.00	4,500.00	198,500.00	97.78%
Enhanced Powder Coatings, LLC	227,000.00	16,125.00	89,750.00	105,875.00	121,125.00	53.36%
B29	480,000.00	-	514,552.75	514,552.75	(34,552.75)	-7.20%
MFG Texas	232,500.00	-	175,000.00	175,000.00	57,500.00	24.73%
Lazart	550,000.00	27,000.00	571,700.24	598,700.24	(48,700.24)	-8.85%
K & D	8,325.00	-	8,325.00	8,325.00	-	0.00%
Comfort Suites	8,024.00	-	8,023.80	8,023.80	0.20	0.00%
Innovative Pain & Wellness	15,215.00	-	15,215.00	15,215.00	-	0.00%
Complete Production Services	850,000.00	93,750.00	375,000.00	468,750.00	381,250.00	44.85%
I35 & California Entryway	25,000.00	-	25,000.00	25,000.00	-	0.00%
Major Rig	60,000.00	21,125.00	37,312.50	58,437.50	1,562.50	2.60%
Impact Energy Services	160,000.00	-	160,882.00	160,882.00	(882.00)	-0.55%
NCTC	2,520.00	-	2,520.00	2,520.00	-	0.00%
Allied Production	500,000.00	-	-	-	500,000.00	100.00%
	<u>3,580,584.00</u>	<u>158,000.00</u>	<u>1,990,281.29</u>	<u>2,148,281.29</u>	<u>1,434,802.71</u>	