

Gainesville Economic Development Corporation

Financial Statements

March 31, 2008



SCHALK & SMITH PC
CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL CORPORATION

Thomas E. Schalk, CPA
Judy Smith, CPA

April 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 March 31, 2008 and the related statement of revenues, expenditures and changes in fund balance-cash basis for the One Month and Six 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

MARCH 31, 2008

ASSETS AND OTHER DEBITS ASSETS :	GENERAL	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTALS
	CASH-OPERATING	175,632.78	-	-
CASH FIRST STATE BANK TRUST	-	-	-	-
INVESTMENT - TEXSTAR	2,307,776.85	-	-	2,307,776.85
CHAMBER REIMBURSEMENT	1,597.83	-	-	1,597.83
A/R-LAZART	-	103,819.73	-	103,819.73
SALES TAX RECEIVABLE	-	-	-	-
PREPAID LEASE	-	368,100.02	-	368,100.02
FIXED ASSETS	-	1,709,228.34	-	1,709,228.34
OTHER DEBITS:				
AMT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT	-	-	1,632,484.37	1,632,484.37
TOTAL ASSETS AND OTHER DEBITS	<u>2,485,007.46</u>	<u>2,181,148.09</u>	<u>1,632,484.37</u>	<u>6,298,639.92</u>
LIABILITIES AND EQUITY				
LIABILITIES:				
ACCOUNTS PAYABLE	3,552.89	-	-	3,552.89
DUE TO CITY	39,361.91	-	-	39,361.91
NOTES PAYABLE- FSB	-	-	1,632,484.37	1,632,484.37
TOTAL LIABILITIES	<u>42,914.80</u>		<u>1,632,484.37</u>	<u>1,675,399.17</u>
EQUITY:				
INVESTMENT IN GEN.FIXED FUND BALANCE	-	2,181,148.09	-	2,181,148.09
CURRENT FISCAL YEAR REVENUES OVER (UNDER) EXPENDITURES	281,117.57	-	-	281,117.57
UNRESTRICTED NET ASSETS RETAINED EARNINGS	-	-	-	-
TOTAL EQUITY	<u>2,442,092.66</u>	<u>2,181,148.09</u>	<u>-</u>	<u>4,623,240.75</u>
TOTAL LIABILITIES AND EQUITY	<u>2,485,007.46</u>	<u>2,181,148.09</u>	<u>1,632,484.37</u>	<u>6,298,639.92</u>

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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 SIX MONTHS ENDED MARCH 31, 2008

	1 MONTH ENDED	CURRENT PERIOD		6 MONTHS ENDED	YTD	YTD
	March 31, 2008	BUDGET		March 31, 2008	BUDGET	%
REVENUES						
Sales Tax Revenue	110,234.77	79,166.67		565,617.78	950,000.00	0.60
Insurance Proceeds	-	-		-	-	-
Reimbursement from Chamber	6,071.33	6,553.83		38,023.55	78,646.00	-
Interest Income	5,827.43	4,166.67		43,041.20	50,000.00	0.86
Sale of Lazart Building	-	-		-	-	-
Bell Aerospace Rent Income	28,884.73	26,400.00		173,308.38	316,800.00	0.55
Rent Income- Valenite	-	-		-	-	-
Rent Income- Lazart	-	-		-	-	-
Lazart Repayment	1,373.71	1,373.00		8,242.26	16,476.00	-
Expired Commitment-Univ. Cinema	-	-		-	-	-
TOTAL REVENUES	152,391.97	117,660.17		828,233.17	1,411,922.00	-
EXPENDITURES						
Supervisory Salaries	7,335.08	6,937.50		43,613.08	83,250.00	0.52
Clerical Salaries	2,554.40	2,661.67		16,603.60	31,940.00	0.52
Overtime	-	25.00		47.98	300.00	0.16
Longevity	-	-		120.00	-	-
TMRS Retirement	843.38	781.80		5,037.69	9,381.56	0.54
FICA	787.84	809.42		4,825.13	9,713.04	0.50
Life Insurance	7.20	3.02		43.20	36.20	1.19
Health Insurance	1,402.98	1,325.97		8,421.73	15,911.68	0.53
Worker Compensation	18.63	16.93		114.06	203.16	0.56
Employee Moving Expenses	-	-		-	-	-
Office Supplies	79.80	133.33		470.73	1,600.00	0.29
Postage	378.57	125.00		408.18	1,500.00	0.27
Binding, Printing, & Reproduction	-	208.33		966.13	2,500.00	0.39

Gainesville Economic Development Corporation

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE- GENERAL FUND-CASH BASIS
 FOR THE ONE MONTH AND SIX MONTHS ENDED MARCH 31, 2008

	1 MONTH ENDED	CURRENT PERIOD		6 MONTHS ENDED	YTD	YTD
	March 31, 2008	BUDGET	BUDGET	March 31, 2008	BUDGET	%
Data Processing Supplies	-	41.67	-	-	500.00	-
Minor Office Equipment	-	83.33	66.84	66.84	1,000.00	0.07
Books & Periodicals	363.77	91.67	363.77	363.77	1,100.00	0.33
Miscellaneous Supplies	(297.84)	83.33	258.83	258.83	1,000.00	0.26
Building Maintenance	-	833.33	1,538.70	1,538.70	10,000.00	0.15
Grounds Maintenance	-	416.67	-	-	5,000.00	-
Miscellaneous Maintenance	-	-	99.87	99.87	-	-
Office Equipment Maintenance	-	-	-	-	-	-
Software Maintenance	-	41.67	-	-	500.00	-
Communications	214.33	333.33	1,577.51	1,577.51	4,000.00	0.39
Dues & Subscriptions	27.12	375.00	97.26	97.26	4,500.00	0.02
General Insurance	-	1,666.67	11,346.28	11,346.28	20,000.00	0.57
Professional Fees	3,096.75	1,250.00	7,190.20	7,190.20	15,000.00	0.48
Advertising & Promotions	504.81	2,916.67	2,533.58	2,533.58	35,000.00	0.07
Travel & Training	1,106.60	833.33	3,708.60	3,708.60	10,000.00	0.37
Contractual Services	(2,371.75)	1,250.00	15,000.00	15,000.00	15,000.00	1.00
Bank Charges	-	-	-	-	-	-
Ad Valorem Taxes	53,395.57	5,416.67	53,395.57	53,395.57	65,000.00	0.82
Airport Land Lease	2,775.05	2,916.67	17,136.50	17,136.50	35,000.00	0.49
Auto Allowance	461.54	500.00	3,030.18	3,030.18	6,000.00	0.51
Solid Waste Utility Service	-	-	-	-	-	-
Water/Sewer Utility Service	-	166.67	-	-	2,000.00	-
Office Machinery & Equipment	-	-	216.41	216.41	-	-
City Admin Fee	-	2,083.33	-	-	25,000.00	-
Debt Service	25,476.74	-	152,860.44	152,860.44	-	-
TOTAL OPERATING EXPENSES	98,160.57	34,327.97	351,092.05	351,092.05	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 SIX MONTHS ENDED MARCH 31, 2008

	1 MONTH ENDED March 31, 2008	CURRENT PERIOD BUDGET	6 MONTHS ENDED March 31, 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	2,665.40	-	16,500.12	35,000.00	-
Chamber-Clerical Salaries	1,946.26	-	12,650.69	25,300.00	-
Chamber-TMRS Retirement	354.64	-	2,188.33	3,955.44	-
Chamber-FICA	305.60	-	1,973.77	3,711.96	-
Chamber-Life Insurance	4.80	-	26.40	28.80	-
Chamber-Health Insurance	786.33	-	4,631.77	9,088.32	-
Chamber-Worker Compensation	8.30	-	52.47	96.84	-
Chamber-Professional Fees	-	-	-	-	-
TOTAL CHAMBER EXPENSES	6,071.33	-	38,023.55	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 SIX MONTHS ENDED MARCH 31, 2008

	1 MONTH ENDED March 31, 2008	CURRENT PERIOD BUDGET	6 MONTHS ENDED March 31, 2008	YTD BUDGET	YTD %
TOTAL EXPENDITURES	104,231.90	34,327.97	547,115.60	950,867.00	
EXCESS (DEFICIENCY) REVENUES OVER (UNDER) EXPENDITURES	48,160.07	83,332.20	281,117.57	461,055.00	
FUND BALANCE- BEGINNING OF PERIOD	2,393,932.59		2,160,975.09		
FUND BALANCE- END OF PERIOD	2,442,092.66	83,332.20	2,442,092.66	461,055.00	

GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION
Schedule of Commitments
As of March 31, 2008

Project	Total Commitment	Expense		Total Expense	Expired Commitment	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	-	-	-	151,083.31	107,916.69	41.67%
GAF	203,000.00	-	4,500.00	4,500.00	50,752.00	147,748.00	72.78%
Enhanced Powder Coatings, LLC	227,000.00	16,125.00	86,207.00	102,332.00	50,000.00	74,668.00	32.89%
B29	480,000.00	-	480,000.00	480,000.00	-	-	0.00%
MFG Texas	232,500.00	-	225,000.00	225,000.00	7,500.00	-	0.00%
Lazart	550,000.00	27,000.00	523,000.00	550,000.00	-	-	0.00%
K & D	8,325.00	-	8,325.00	8,325.00	-	-	0.00%
Comfort Suites	8,024.00	-	8,024.00	8,024.00	-	-	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)	-	0.00%
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>1,953,485.50</u>	<u>2,111,485.50</u>	<u>258,453.31</u>	<u>1,210,645.19</u>	