

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH CASH REGISTER SERVICES, INC.**

AGREED-UPON PROCEDURES REPORT

FOR THE PERIOD BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014

LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH CASH REGISTER SERVICES, INC.
AGREED-UPON PROCEDURES
FOR THE PERIOD BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Accountant's Report	1
Procedures and Results	2

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Independent Accountant's Report

To the Board of Directors and
Management of
Lubbock Economic Development Alliance

We have performed the procedures enumerated in the attached supplement, which were agreed to by you, the specified user, solely to assist you with respect to determining the amounts payable pursuant to the Performance Agreement with regard to job creation incentives only, for Cash Register Services, Inc. This agreed upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified user of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the findings as a result thereof, are enumerated in the attached supplement which is an integral part of this report.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

April 24, 2015

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH CASH REGISTER SERVICES, INC.
FOR THE PERIOD BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014**

Procedures and Results

Background:

The Lubbock City Council established the Lubbock Economic Development Alliance, Inc. (hereinafter referred to as LEDA) to promote local economic development and stimulate business and commercial activity in Lubbock and the surrounding area. To this end, LEDA entered into a performance agreement with Cash Register Services, Inc. (hereinafter referred to as Cash Register Services) on May 3, 2010.

The terms of the agreement provide incentives to Cash Register Services for the creation of new jobs. The general terms of the agreement allow Cash Register Services to receive up to 117,500.00 for the creation and maintenance of nineteen (19) new full-time jobs in the City of Lubbock from January 1, 2010 through December 31, 2014. Cash Register Services will earn incentives ranging from \$2,500 to \$10,000 for each job created according to LEDA's sliding scale. The earned incentives are to be paid out in five annual installments.

Objective, Scope and Procedures Performed:

Our objective was to determine if Cash Register Services met the job creation requirements of their agreement with LEDA. A summary of the procedures used is as follows:

- Reviewed the pertinent contract.
- Reviewed employee census data indicating names, dates of hire, dates of termination, work locations and compensation as of December 31, 2014.
- Obtained the Texas Workforce Commissions (TWC) reports for quarters ending March 31, 2014 through December 31, 2014.
- Reviewed wages reported on the TWC to verify annual compensation levels and to corroborate dates of hire and/or termination while comparing to employee census.
- Discussed questions and issues raised as a result of the above steps with Cash Register Services personnel.
- Discussed contract interpretations with LEDA personnel.

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Results and Conclusions:

Per our review of the above data and prior year agreed-upon procedure reports:

- Cash Register Services had forty-one (41) full-time Lubbock employees as of January 1, 2010 (baseline).
- Cash Register Services had forty-six (46) full-time Lubbock employees as of December 31, 2010.

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH CASH REGISTER SERVICES, INC.
FOR THE PERIOD BEGINNING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014**

- Cash Register Services had fifty-four (54) full-time and two (2) part-time Lubbock employees as of December 31, 2011.
- Cash Register Services had sixty-seven (67) full-time and three (3) part-time Lubbock employees as of December 31 2012.
- Cash Register Services had eighty (80) full-time and three (3) part-time Lubbock employees as of December 31 2013.
- Cash Register Services had seventy-four (74) full-time and three (3) part-time Lubbock employees as of December 31 2014.

Of the net increase from the baseline of thirty-three (33) full-time employees in Lubbock, the maximum of nineteen (19) positions are eligible for incentives, as specified in the performance agreement.

Of the nineteen (19) qualifying positions, we selected the employees with the highest levels of compensation for purposes of calculating the total incentives for the period ending December 31, 2014.

<u>Number of Employees</u>	<u>Incentive per Employee</u>	<u>Total Incentive</u>
4	\$ 10,000	\$ 40,000
3	\$ 7,500	\$ 22,500
2	\$ 5,000	\$ 10,000
10	\$ 4,000	\$ 40,000
<u>19</u>		<u>\$ 112,500</u>

Based on the above, Cash Register Services is currently entitled to receive one-fifth (1/5) of the total fifth year earned incentives of \$112,500, or \$22,500.