

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH CUSTOM TELECONNECT, INC**

AGREED-UPON PROCEDURES REPORT

FOR THE PERIOD BEGINNING MAY 1, 2016 AND ENDING APRIL 30, 2017

LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH CUSTOM TELECONNECT, INC
AGREED-UPON PROCEDURES
FOR THE PERIOD BEGINNING MAY 1, 2016 AND ENDING APRIL 30, 2017

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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 Custom Teleconnect, 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

June 7, 2017

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
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FOR THE PERIOD BEGINNING MAY 1, 2016 AND ENDING APRIL 30, 2017**

Procedures and Results

Background:

The Lubbock City Council established the Lubbock Economic Development Alliance, Inc. (hereinafter referred to as LEDA) to stimulate and foster economic activity in Lubbock and the surrounding area. To this end, LEDA entered into a contract with Custom Teleconnect, Inc. (hereinafter referred to as the "Company") on April 15, 2013.

The general terms of the contract allow the Company to receive incentives for Job Creation. Specifically, the Company will receive Job Creation Incentives up to \$15,000 for the creation and maintenance of five (5) new full-time jobs by April 30, 2014. More specifically, the Company will earn incentives ranging from \$2,500 to \$10,000 for each job created according to an annual compensation schedule, and these incentives will be earned in one-fifth (1/5) increments as of each annual measurement date.

Objective, Scope and Procedures Performed:

Our objective was to determine if the Company 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 April 30, 2017.
- Obtained the year-to-date payroll register for the period ending April 30, 2017.
- Reviewed the year-to-date payroll register to verify annual compensation levels and to corroborate dates of hire and/or termination while comparing to employee census.

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

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Results and Conclusions:

Per our review of the above data, prior year agreed-upon procedure report and discussions with Company management:

- The Company had four (4) full-time Lubbock employees as of May 1, 2013. (Baseline)
- The Company had six (6) full-time Lubbock employees as of April 30, 2014.
- The Company had six (6) full-time Lubbock employees as of April 30, 2015.
- The Company had five (5) full-time Lubbock employees as of April 30, 2016.
- The Company had five (5) full-time Lubbock employees as of April 30, 2017.

Based on the above, the Company exceeded the baseline employment by one (1) full-time employee. However, the employee did not meet the specific compensation requirements, and the Company is not currently entitled to receive incentive payment for the fourth-year measurement period.