

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE**  
**PERFORMANCE AGREEMENT WITH INDUSTRIAL MOLDING CORPORATION**  
**AGREED-UPON PROCEDURES REPORT**  
**FOR THE PERIOD BEGINNING MARCH 1, 2014 AND ENDING FEBRUARY 28, 2015**

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**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 Industrial Molding Corporation. 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

May 11, 2015

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**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 Industrial Molding Corporation (hereinafter referred to as IMC) on February 28, 2011.

The general terms of the contract allow IMC to receive incentives for Job Creation. Specifically, IMC will receive Job Creation Incentives up to \$250,000 for the creation and maintenance of seventy-two (72) new full-time jobs in Lubbock with an annual aggregate salary of \$2,448,000 within the period from March 1, 2011 through February 29, 2016. IMC will earn Job Creation Incentives ranging from \$2,500 to \$10,000 for each job created according to LEDA's incentive sliding scale schedule. The earned incentives are to be paid out in five annual installments.

**Objective, Scope and Procedures Performed:**

Our objective was to determine if IMC 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 February 28, 2015.
- Obtained the Texas Workforce Commissions (TWC) reports for quarters ending June 30, 2014 through March 31, 2015.
- 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.
- Discuss questions and issues raised as a result of the above steps with IMC 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:

- IMC had one hundred eighty (180) full-time Lubbock employees as of March 1, 2011 (baseline).
- IMC had one hundred eighty-six (186) full-time Lubbock employees as of February 29, 2012.
- IMC had one hundred fifty-two (152) full-time Lubbock employees as of February 28, 2013.
- IMC had one hundred thirty-four (134) full-time Lubbock employees as of February 28, 2014.
- IMC had one hundred nineteen (119) full-time Lubbock employees as of February 28, 2015.

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Based on the above, IMC did not exceed the baseline employment level of one hundred eighty (180) full-time Lubbock employees. Accordingly, IMC is not entitled to receive any fourth year incentive under this performance agreement.

Based on procedures performed, there were no questions or issues raised that needed to be discussed with IMC personnel.