

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE  
PERFORMANCE AGREEMENT WITH AMPLISINE LABS, LLC**

**AGREED-UPON PROCEDURES REPORT**

**FOR THE PERIOD BEGINNING MARCH 1, 2017 AND ENDING FEBRUARY 28, 2018**

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE**  
**PERFORMANCE AGREEMENT WITH AMPLISINE LABS, LLC**  
**AGREED-UPON PROCEDURES**

**FOR THE PERIOD BEGINNING MARCH 1, 2017 AND ENDING FEBRUARY 28, 2018**

**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 Amplisine Labs, LLC. 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 26, 2018

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE  
PERFORMANCE AGREEMENT WITH AMPLISINE LABS, LLC  
FOR THE PERIOD BEGINNING MARCH 1, 2017 AND ENDING FEBRUARY 28, 2018**

**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 Amplisine Labs, LLC (hereinafter referred to as Amplisine) on June 17, 2013.

The general terms of the contract allow Amplisine to receive incentives for Job Creation. Specifically, Amplisine will receive Job Creation Incentives up to \$528,500 for the creation and maintenance of One-hundred fifteen (115) new full-time jobs in Lubbock over a five year period from March 1, 2013 through February 28, 2018. The incentive payout per job will be \$4,595.65 and will be paid out only for the year the job is created. Thus, Amplisine will be able to earn the following incentives based on the projected job creation timeline:

- Year 1 – eighteen (18) jobs created = \$82,721.70 incentive payout
- Year 2 – nineteen (19) jobs created = \$87,317.60 incentive payout
- Year 3 – twenty-six (26) jobs created = \$119,486.90 incentive payout
- Year 4 – twenty-six (26) jobs created = \$119,486.90 incentive payout
- Year 5 – twenty-six (26) jobs created = \$119,486.90 incentive payout

Should Amplisine fail to attain the Target Job Positions on any measurement date, the incentive payout will be reduced by \$4,595.65 per job not created. Should Amplisine exceed the projected Target Job Positions on any measurement date, the incentive payout will be increased by \$4,595.65 per job created. Total five year payout will not exceed \$528,500.

**Objective, Scope and Procedures Performed:**

Our objective was to determine if Amplisine 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, 2018.
- Obtained the Texas Workforce Commissions (TWC) reports for quarters ending June 30, 2017 through March 31, 2018.
- 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.

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

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE  
PERFORMANCE AGREEMENT WITH AMPLISINE LABS, LLC  
FOR THE PERIOD BEGINNING MARCH 1, 2017 AND ENDING FEBRUARY 28, 2018**

**Results and Conclusions:**

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

- Amplisine had nine (9) full-time Lubbock employees as of the March 1, 2013 baseline measurement date.
- Amplisine had thirteen (13) full-time Lubbock employees as of February 28, 2014.
- Amplisine had eighteen (18) full-time Lubbock employees as of February 28, 2015.
- Amplisine had twelve (12) full-time Lubbock employees as of February 29, 2016.
- Amplisine had a decrease in full-time Lubbock employees as of February 28, 2017, and as a result, opted out of testing for that year.
- Amplisine had nineteen (19) full-time Lubbock employees as of February 28, 2018.

Based on the above, Amplisine created one (1) new Target Position in the fifth measurement period. In accordance with the Performance Agreement, Amplisine earns \$4,595.65 in incentives for each of the new Target Positions; thus, Amplisine has earned \$4,595.65 in year five incentives.

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