

REPORT PROCESSING CHECKLIST

Client: Lubbock Economic Development Alliance Account # 47180.0

AUP for: Monsanto Company - Capital Investment

<u>Individual or Department</u>	<u>Procedure</u>	<u>Initials</u>	<u>Date Completed</u>
Accountant	Draft Report	<u>PE</u>	<u>4/8/2019</u>
Cold Partner Review	Review Report	<u>NP</u>	<u>4/12</u>
	Review File	<u>NP</u>	<u>4/12</u>
Engagement Partner	Sign Report	<u>DL</u>	<u>4/12</u>

Report Date: 4/8/2019

Report Release Date: _____

Document Completion Date:
(60 days from Report Release Date) _____

LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE

PERFORMANCE AGREEMENT WITH MONSANTO COMPANY

AGREED-UPON PROCEDURES REPORT

FOR THE PERIOD BEGINNING JANUARY 1, 2018 AND ENDING DECEMBER 31, 2018

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH MONSANTO COMPANY
AGREED-UPON PROCEDURES
FOR THE PERIOD BEGINNING JANUARY 1, 2018 AND ENDING DECEMBER 31, 2018**

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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 capital investment incentives only, for Monsanto Company. 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 L.L.P.

Certified Public Accountants

Lubbock, Texas

April 8, 2019

**LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH MONSANTO COMPANY
FOR THE PERIOD BEGINNING JANUARY 1, 2018 AND ENDING DECEMBER 31, 2018**

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 contract with Monsanto Company (hereinafter referred to as "Monsanto") on January 13, 2016.

The terms of the agreement provide incentives to Monsanto for the creation of a new Lubbock operating facility. The general terms of the agreement allow Monsanto to receive \$750,000 for capital investment of at least \$50 million and less than \$70 million, \$1.2 million for capital investment of at least \$70 million but less than \$100 million, or \$1.7 million for capital investment equal to or greater than \$100 million. Monsanto will earn incentives ranging from \$50,000 and \$400,000 depending on the amount of capital expenditures invested by the contract date. The earned incentives will be earned in accordance with the payment schedule outlined in the performance agreement.

Objective, Scope and Procedures Performed:

Our objective was to determine if Monsanto met the capital investment requirements of their agreement with LEDA. A summary of the procedures used is as follows:

- Reviewed the pertinent contract.
- Obtain a schedule of project costs.
- Vouch same of invoices selected by LEDA pertaining to project costs and tie them back to the schedule of project costs.

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:

- Monsanto had capital investments exceeding \$100 million.

Based on the above, Monsanto is currently entitled to receive \$1.7 million over five years in accordance with the payment schedule outlined in the performance agreement. The first-year incentives of \$400,000 has been earned in accordance with the performance agreement.

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