

**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**

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

CERTIFIED PUBLIC ACCOUNTANTS

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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 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

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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 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 new jobs. The general terms of the agreement allow Monsanto to receive up to \$60,000 for the creation and maintenance of forty (40) new primary full-time jobs from January 1, 2018 through December 31, 2021. The earned 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 Monsanto 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, 2018.
- Obtained the Texas Workforce Commissions (TWC) reports for quarters ending January 1, 2018 through December 31, 2018 and payroll register run for the period January 1, 2018 through December 31, 2018.
- Reviewed wages reported on the TWC and payroll reports 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.

**Results and Conclusions:**

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

- Monsanto used a baseline of zero (0) full-time Lubbock employees due to this being a new project as of December 31, 2017.
- Monsanto had fifty-four (54) primary full-time Lubbock employees and nine (9) part-time / on-call employees as of December 31, 2018.

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Based on the net increase of fifty-four (54) primary full-time employees since the beginning of the contract period, the Company earned the maximum \$60,000 for year one incentives.

Based on the above, the Company is currently entitled to receive one-fifth (1/5) of the first-year earned incentives of \$60,000, or \$12,000.

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