



**CERTIFIED AGENDA**  
**THURSDAY, FEBRUARY 16, 2017, 4:00 P.M.**  
**311 W. WOODARD STREET, DENISON, TEXAS**

***PUBLIC NOTICE***

*The Denison Development Alliance will meet in a regular session beginning on Thursday, February 16, 2017, at 4:00 P.M. in the Conference Room at the Denison Development Alliance, 311 West Woodard Street, Denison, Texas. An agenda listing items to be considered at that time is as follows:*

**CALL TO ORDER**  
**ORDER OF BUSINESS**

- I. REVIEW AND CONSIDER APPROVAL THE 2015/2016 DRAFT AUDIT PRESENTED BY ALAN REICH OF MCCLANAHAN AND HOLMES.**
- II. REVIEW AND CONSIDER APPROVAL OF THE REGULAR CALLED MEETING MINUTES HELD JANUARY 19, 2017.**
- III. REVIEW AND CONSIDER APPROVAL OF THE JANUARY FINANCIAL REPORTS.**
- IV. REVIEW MONTHLY INVESTMENT REPORT.**
- V. MONTHLY STAFF REPORTS.**

THE DENISON DEVELOPMENT ALLIANCE OF DENISON, TEXAS, RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE, AS AUTHORIZED BY TEXAS GOVERNMENT CODE SECTIONS 551.071 (CONSULTATION WITH ATTORNEY), 551.072 (DELIBERATIONS ABOUT REAL PROPERTY), 551.073 (DELIBERATIONS ABOUT GIFTS AND DONATIONS), 551.074 DELIBERATIONS ABOUT PERSONNEL MATTERS), 551.075 (DELIBERATIONS ABOUT SECURITY DEVICES), 551.087 (DELIBERATIONS ABOUT ECONOMIC DEVELOPMENT).

**EXECUTIVE SESSION (CLOSED SESSION), SECTION 551.087 OF THE TEXAS GOVERNMENT CODE.**

**I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:**

Consider incentives, if any, for Projects: STEEL, GLASS, IMAGE, JV and HOUSING.

Following the closed Executive Session, the Board will reconvene in open public session and take such action as may be desirable or necessary as a result of the closed deliberation, namely:

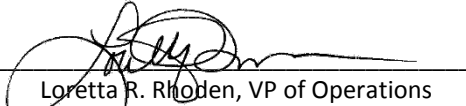
**I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:**

Consider incentives, if any, for Projects: STEEL, GLASS, IMAGE, JV and HOUSING.

**ADJOURN**

**CERTIFICATION**

I, Loretta R. Rhoden, Vice President of Operations of the Denison Development Alliance, do hereby certify the above foregoing notice of public meeting was posted at the entrance of the Denison Development Alliance Building, 311 W. Woodard, Denison, Texas, and online at [www.denisontx.org](http://www.denisontx.org), places readily available to the general public at all times, this the 13<sup>th</sup> day of February, 2017, at 11:00 a.m.

  
Loretta R. Rhoden, VP of Operations

**IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, THE DENISON DEVELOPMENT ALLIANCE WILL PROVIDE FOR REASONABLE ACCOMMODATIONS FOR PERSONS ATTENDING THE BOARD MEETING. TO BETTER SERVE YOU, REQUESTS SHOULD BE RECEIVED 48 HOURS PRIOR TO THE MEETING. PLEASE CONTACT THE VP OF OPERATION'S OFFICE AT 903.464.0883.**

**BUSINESS AND INDUSTRIAL  
CORPORATION OF DENISON, INC.  
D/B/A DENISON DEVELOPMENT ALLIANCE  
(A Component Unit of the City of Denison, Texas)**

**Annual Financial Report**

**September 30, 2016**

DRAFT

**Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
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September 30, 2016**

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DRAFT

**McClanahan and Holmes, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
Denison, Texas

We have audited the accompanying financial statements of the governmental activities and General Fund of Business and Industrial Corporation of Denison, Inc. (BICD) d/b/a Denison Development Alliance, a component unit of the City of Denison, Texas, as of and for the year ended September 30, 2016, and the related notes to financial statements, which collectively comprise BICD's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of BICD, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors  
Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
Denison, Texas  
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**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Certified Public Accountants

Denison, Texas  
January 27, 2017

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Statement of Net Position  
September 30, 2016

	Governmental Activities
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 1,569,303
Cash Held In Trust	270,761
Accounts Receivable	85,199
Sales Tax Receivable	298,313
Capital Assets Not Being Depreciated:	
Land	1,687,842
Capital Assets (Net of Accumulated Depreciation):	
Leasehold Improvements	33,012
Land Improvements	184,861
Buildings	3,050,679
Infrastructure	161,727
	7,341,697
 Total Assets	 7,341,697
<u>LIABILITIES</u>	
Accounts Payable	77,917
Accrued Interest Payable	8,115
Incentive Payable	46,869
Deferred Revenue	33,851
Tenant Deposits	67,702
Noncurrent Liabilities:	
Note Payable, Due within One Year	433,583
Note Payable, Due in More than One Year	1,841,784
Accrued Deferred Compensation	208,144
	2,717,965
 Total Liabilities	 2,717,965
<u>NET POSITION</u>	
Net Investment in Capital Assets	2,842,754
Restricted for Retirement of Long-Term Debt	13,352
Unrestricted	1,767,626
	4,623,732
 Total Net Position	 \$ 4,623,732

The accompanying notes are an integral part of this financial statement.

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Statement of Activities  
Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>					
Economic Development	\$ 1,418,468	\$ 500,967	\$ 33,331	\$ 18,251	\$ (865,919)
Interest Expense	132,368	-	-	-	(132,368)
<b>Total Governmental Activities</b>	<b>\$ 1,550,836</b>	<b>\$ 500,967</b>	<b>\$ 33,331</b>	<b>\$ 18,251</b>	<b>(998,287)</b>
<b>General Revenues:</b>					
Sales Tax					1,561,591
Interest on Investments					2,614
Miscellaneous Revenue					2,000
<b>Total General Revenues</b>					<b>1,566,205</b>
<b>Change in Net Position</b>					<b>567,918</b>
<b>Net Position - Beginning</b>					<b>4,055,814</b>
<b>Net Position - End</b>					<b>\$ 4,623,732</b>

The accompanying notes are an integral part of this financial statement.

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Balance Sheet - Governmental Funds  
September 30, 2016

	General Fund
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 1,569,303
Cash Held In Trust	270,761
Accounts Receivable	85,199
Sales Tax Receivable	298,313
	\$ 2,223,576
<b><u>LIABILITIES</u></b>	
Accounts Payable	\$ 77,917
Incentive Payable	46,869
Deferred Revenue	33,851
Tenant Deposits	67,702
	226,339
<b><u>FUND BALANCES</u></b>	
Restricted for Retirement of Long-Term Debt	13,352
Unassigned	1,983,885
	1,997,237
Total Liabilities and Fund Balances	\$ 2,223,576
Fund Balances (above)	\$ 1,997,237
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. The cost of the assets is \$6,400,837 and the accumulated depreciation is \$1,282,716.	5,118,121
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund. Those liabilities consist of:	
Accrued Interest Payable	(8,115)
Note Payable	(2,275,367)
Accrued Deferred Compensation	(208,144)
	\$ 4,623,732

The accompanying notes are an integral part of this financial statement.



Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Governmental Funds  
Year Ended September 30, 2016

	General Fund
Revenues	
Sales Tax	\$ 1,561,591
Lease Income	500,967
Interest on Investments	2,614
Intergovernmental	33,331
Capital Contributions	18,251
Miscellaneous Revenue	2,000
Total Revenues	2,118,754
Expenditures	
Administrative Services	453,816
Consultant Fees	35,990
Grant Expense	33,331
Housing Plan	25,364
Incentives	376,415
Industrial Park Expenses	6,645
Marketing	98,732
Office Lease	15,045
Professional Fees	15,284
Property Taxes	94,753
Capital Reimbursement Expense	102,000
Debt Service:	
Principal Retirement	821,142
Interest Expense	149,604
Total Expenditures	2,228,121
Net Change in Fund Balance	(109,367)
Fund Balance - Beginning	2,106,604
Fund Balance - End	\$ 1,997,237
 Net Change in Fund Balance - Governmental Fund (above)	 \$ (109,367)
 Amounts reported for governmental activities in the Statement Activities are different because:	
 Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$117,686) exceeded capital outlays (\$0) in the current year.	(117,686)
 Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Accrued Deferred Compensation of \$(43,407) and Interest Expense of \$17,236 were incurred in the current period.	(26,171)
 The issuance of long-term debt provides current financial resources to Governmental Funds while the repayment of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has an effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	821,142
 Change in Net Position - Governmental Activities	\$ 567,918

The accompanying notes are an integral part of this financial statement.

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

**Note 1: Organization**

Business and Industrial Corporation of Denison, Inc. (BICD) was chartered April 1, 1996, under the provisions of the Development Corporation Act of 1979, for the purpose of promoting, assisting and enhancing economic development activities for the City of Denison. BICD is a component unit of the City of Denison, and is governed by a board of directors appointed by the City Council. BICD is funded by a one-half percent sales tax levied on taxable sales within the City of Denison.

**Note 2: Summary of Significant Accounting Policies**

The accounting policies of BICD conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Basic Financial Statements – Government-Wide Statements**

BICD's basic financial statements include both government-wide (reporting the unit as a whole) and fund financial statements (reporting BICD's General Fund).

In the Statement of Net Position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations, if any. BICD's net position is reported in three parts – invested in capital assets, net of related debt, restricted for retirement of long-term debt, and unrestricted.

The Statement of Activities reports both the gross and net cost of BICD's function (economic development). Economic development is also supported by general government revenues (sales tax, interest on investments, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of economic development. Revenues not classified as program revenues are presented as general revenues. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The comparison of program revenues and expenses (net costs) identifies the extent to which economic development is self-financing or draws from the general revenues (sales tax, interest income, etc.) of the unit.

This government-wide focus is more on the sustainability of BICD as an entity and the change in BICD's net assets resulting from the current year's activities.

**B. Basic Financial Statements – Fund Financial Statements**

The financial transactions of BICD are reported in an individual fund in the fund financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. This fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses.

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

Note 2: Summary of Significant Accounting Policies (continued)

B. Basic Financial Statements – Fund Financial Statements (cont.)

The accounts of BICD are organized into one fund. The determination of the appropriate fund type is based upon the method used to finance the activities of BICD. The activities of BICD are generally financed by sales tax collected from taxable sales within the City of Denison. The appropriate fund is discussed below:

**GOVERNMENTAL FUND**

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of BICD:

General Fund – The General Fund is the general operating fund of BICD. It is used to account for all financial resources.

C. Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

D. Cash and Cash Equivalents

Cash and cash equivalents include currency on hand and all demand deposits at banks or other financial institutions that are readily convertible to known amounts of cash.

BICD's current Investment Policy was adopted September 2002 (with legislative changes made September 2005). In part, the policy states that "Consistent with the requirements of the Public Funds Collateral Act, it is the policy of BICD to require full collateralization of all BICD funds on deposit with a depository bank."

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

Note 2: Summary of Significant Accounting Policies (continued)

F. Capital Assets

Capital Assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	15-40	years
Equipment	5-10	years
Furniture and Fixtures	7-10	years
Leasehold Improvements	10-40	years
Infrastructure	10-100	years
Land Improvements	10-20	years

G. Long-Term Debt

In the government-wide financial statements, outstanding debt is reported as a liability. The governmental fund financial statements recognize the proceeds of debt as other financing sources of the current period.

H. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislations adopted by BICD or through external restrictions imposed by creditors, grantors or laws or regulation of other governments.

When both restricted and unrestricted resources are available for use, it is BICD's policy to use restricted resources first, then unrestricted resources as they are needed.

I. Fund Balance

As of September 30, 2016, fund balances of the governmental fund are classified as follows:

**Non-spendable** – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – Amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision making authority for BICD. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

Note 2: Summary of Significant Accounting Policies (continued)

I. Fund Balance (continued)

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purpose. Under BICD’s policy, only the Board, may assign amounts for specific purposes.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, BICD considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, BICD considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

A summary of BICD’s fund balance policy as adopted by the Board follows:

BICD shall maintain an unassigned fund balance between 20% and 30% of General Fund revenues.

Note 3: Stewardship, Compliance and Accountability

By its nature as a local government unit, BICD is subject to various federal, state, and local laws and contractual regulations. The following instances of noncompliance are considered to be material to the financial statements:

For the year ended September 30, 2016, BICD’s expenditures exceeded appropriation at the legal level of control in the General Fund as follows:

<u>Object Category</u>	<u>Expenditures Exceeding</u> <u>Appropriations</u>
Industrial Park Expenses	\$ 4,645
Debt Service	79,867

The over-expenditures were funded by available fund balance.

Note 4: Bank Deposits

Custodial credit risk for bank demand deposits is the risk that in the event of a bank failure, BICD’s deposits may not be returned or BICD will not be able to recover collateral securities in the possession of an outside party. BICD’s Investment Policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in certificates of deposit; however, collateral shall be at 100% of market or par, whichever is lower. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions.

As of September 30, 2016, BICD’s deposits were not exposed to custodial credit risk since they were either insured or collateralized with securities held by the pledging financial institution’s trust department or agent in the name of BICD in the amount of \$2,700,837. The bank balances were \$1,850,268.

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

Note 5: Sales Tax Receivable

BICD receives its sales tax allocation from the City of Denison upon receipt by the City of its payment from the State. At year end, the August and September sales tax payments were outstanding.

Note 6: Capital Assets

Capital asset activity for the year ended September 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Capital Assets, not Being Depreciated:</b>				
Land	\$ 1,687,842	\$ -	\$ -	\$ 1,687,842
<b>Total Capital Assets Not Being Depreciated</b>	<u>1,687,842</u>	<u>-</u>	<u>-</u>	<u>1,687,842</u>
<b>Capital Assets Being Depreciated:</b>				
Leasehold Improvements	51,917	-	-	51,917
Land Improvements	192,564	-	-	192,564
Buildings	4,243,975	-	-	4,243,975
Furniture and Fixtures	6,126	-	-	6,126
Equipment	31,805	-	-	31,805
Infrastructure	186,608	-	-	186,608
<b>Total Capital Assets Being Depreciated</b>	<u>4,712,995</u>	<u>-</u>	<u>-</u>	<u>4,712,995</u>
<b>Less Accumulated Depreciation for:</b>				
Leasehold Improvements	( 16,887)	( 2,018)	-	( 18,905)
Land Improvements	-	( 7,703)	-	( 7,703)
Buildings	( 1,087,197)	( 106,099)	-	( 1,193,296)
Furniture and Fixtures	( 6,126)	( - )	-	( 6,126)
Equipment	( 31,805)	( - )	-	( 31,805)
Infrastructure	( 23,015)	( 1,866)	-	( 24,881)
<b>Total Depreciation</b>	<u>( 1,165,030)</u>	<u>( 117,686)</u>	<u>-</u>	<u>( 1,282,716)</u>
<b>Total Capital Assets Being Depreciated, net</b>	<u>3,547,965</u>	<u>( 117,686)</u>	<u>-</u>	<u>3,430,279</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 5,235,807</u>	<u>\$(117,686)</u>	<u>\$ -</u>	<u>\$ 5,118,121</u>

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

Note 7: Deposits

Per the terms of the Lease Agreement between BICD (Lessor) and Florestone Products Company (Lessee) dated July 27, 2004, upon execution of the lease, Lessee will pay a security deposit in the amount of \$67,702, which is equal to the first and last months rent. Lessor will refund the security deposit to Lessee within a reasonable time after the lease ends.

Note 8: Long-Term Liabilities

Long-Term Liabilities consist of the following:

A \$4,366,217 note dated September 14, 2005, payable to a bank in monthly installments of \$39,490 including interest of 7.00%, and maturing September 2020. The note is secured by a manufacturing facility and land with a total carrying value of \$3,090,486. \$ 1,643,367

A \$744,000 loan dated March 12, 2014, payable to a bank for the purpose of providing funds for constructing and installing a natural gas pipeline for future economic development. The loan bears interest at a rate of 2.85%, and principal payments are due serially in varying amounts to February 1, 2025. Sales and Use Taxes (one-half of one percent) levied by the City of Denison under the Development Corporation Act of 1979 for the benefit of BICD, are pledged for payment of principal and interest. 632,000  
\$ 2,275,367

Activity for notes payable for the year ended September 30, 2016 was as follows:

<u>Balance</u> <u>9-30-15</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9-30-16</u>	<u>Due Within</u> <u>One Year</u>
\$ 3,096,509	\$ -	\$ 821,142	\$ 2,275,367	\$ 433,583

Annual requirements to amortize the notes payable as of September 30, 2016 are as follows:

<u>Year</u> <u>Ending</u> <u>9-30</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 433,583	\$ 122,052
2018	459,994	93,190
2019	491,031	62,300
2020	519,759	33,661
2021	70,000	9,576
2022-2025	<u>301,000</u>	<u>17,485</u>
	<u>\$ 2,275,367</u>	<u>\$ 338,264</u>

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

Note 8: Long-Term Liabilities (continued)

Accrued Deferred Compensation

An Executive Supplemental Compensation Plan was entered into on October 1, 2007 by and between BICD and the President of BICD in order to provide an inducement for continued management services of this employee for the next ten years. On October 1, 2007, BICD transferred \$25,000 to a Certificate of Deposit (the Plan) held in BICD's name. Provided this employee continues to provide management services to BICD, then BICD shall transfer \$25,000 to the Plan each October of each of the nine years following the year of the initial transfer.

The principal and all earnings attributable to such funds are collectively referred to herein as the "Accumulated Benefits," and are reflected as Cash Held in Trust in the accompanying financial statements. If this employee continues to provide management services to BICD until October 1, 2017, then he shall be fully vested in the Accumulated Benefits and he shall be entitled to such Accumulated Benefits upon termination of his services to BICD. On October 1 of each year, this employee shall become vested in an additional ten percent of the Accumulated Benefits. The vested amount is reflected as a liability in the accompanying financial statements titled Accrued Deferred Compensation. In the event that this employee's services are terminated by BICD for reasonable cause (other than death or disability), or should this employee resign from employment prior to October 1, 2017, then he shall receive his vested percentage of the Accumulated Benefits and shall forfeit his right to receive any other payments under this Plan. Any assets acquired by or held by BICD to fund the benefits under this plan shall not be deemed to be held as security for the performance of the obligations of BICD, but shall be a general asset of BICD. As of September 30, 2016, \$208,144 of the Accumulated Benefits has been recorded as Accrued Deferred Compensation.

Note 9: Office Lease

BICD rents office space and records this as an operating lease. The lease is renewable in one-year increments beginning March 31 of each year and is subject to 3% escalation at the beginning of each renewal term. The current monthly rent payment for the lease is \$1,254 through March 31, 2017.

Note 10: The International City Management Association Retirement Corp. (ICMA)

BICD provides retirement benefits for all of its salaried employees through ICMA Retirement Corporation Governmental Money Purchase Plan & Trust. There is no minimum age requirement for eligibility to participate. BICD shall contribute on behalf of each participant 14% of earnings for the plan year. A participant is required to contribute 7% of earnings for the plan year as a condition of participation in the Plan. The plan year commences on October 1<sup>st</sup> of each year. Earnings shall not include overtime or bonuses. Participants are immediately 100% vested in the Plan. Retirement expense for the year ended September 30, 2016 is \$41,824.

Note 11: Commitments/Contingent Liabilities

Grants

BICD participated in a state-assisted grant program which is subject to program compliance audits by the grantor or its representatives. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although BICD expects such amounts, if any, to be immaterial.



Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Financial Statements  
September 30, 2016

Note 11: Commitments/Contingent Liabilities (continued)

Incentives

BICD offers support in the form of incentive payments to various industries in the City of Denison. These payments are implemented by executed agreements between BICD and the recipients. Depending on the approved agreement, recipients must complete specific requirements and be able to provide evidence of its completion in order for BICD to honor the incentives. Due to the uncertainty of the completion of all specific requirements, the obligated incentive payments will be recorded in the financial statements only as the specific requirements are met. As of September 30, 2016, \$307,608 in obligated incentives remain as unrecorded contingent liabilities.

Note 12: Risk Management

BICD is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. BICD manages these various risks of loss by purchasing commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to BICD. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

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Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Required Supplementary Information  
Budgetary Comparison Schedule - Budget and Actual  
General Fund  
Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Sales Tax	\$ 1,453,032	\$ 1,453,032	\$ 1,561,591	\$ 108,559
Lease Income	502,330	502,330	500,967	(1,363)
Interest on Investments	2,728	2,575	2,614	39
Grant Revenue	37,400	37,400	33,331	(4,069)
Capital Contributions	18,500	18,500	18,251	(249)
Miscellaneous Revenue	-	-	2,000	2,000
<b>Total Revenues</b>	<u>2,013,990</u>	<u>2,013,837</u>	<u>2,118,754</u>	<u>104,917</u>
<b>Expenditures</b>				
Administrative Services	470,094	470,094	453,816	16,278
Building Insurance - Florestone	395	395	-	395
Consultant Fees	50,000	50,000	35,990	14,010
Grant Expense	37,400	37,400	33,331	4,069
Housing Plan	30,000	30,000	25,364	4,636
Incentives	467,275	467,275	376,415	90,860
Industrial Park Expenses	2,000	2,000	6,645	(4,645)
Marketing	283,750	283,750	98,732	185,018
Office Lease	15,046	15,046	15,045	1
Professional Fees	15,300	15,300	15,284	16
Property Taxes	96,116	96,116	94,753	1,363
Capital Reimbursement Expense	79,882	181,882	102,000	79,882
Debt Service:				
Principal Retirement	760,475	760,475	821,142	(60,667)
Interest Expense	130,404	130,404	149,604	(19,200)
<b>Total Expenditures</b>	<u>2,438,137</u>	<u>2,540,137</u>	<u>2,228,121</u>	<u>312,016</u>
<b>Net Change in Fund Balance</b>	(424,147)	(526,300)	(109,367)	416,933
<b>Fund Balance - Beginning</b>	2,106,604	2,106,604	2,106,604	-
<b>Fund Balance - End</b>	<u>\$ 1,682,457</u>	<u>\$ 1,580,304</u>	<u>\$ 1,997,237</u>	<u>\$ 416,933</u>

Business and Industrial Corporation of Denison, Inc.  
d/b/a Denison Development Alliance  
(A Component Unit of the City of Denison, Texas)  
Notes to Required Supplementary Information  
September 30, 2016

Note 1: **Budgetary Data**

BICD's fiscal year commences October 1 and ends September 30. At least sixty (60) days prior to the commencement of each fiscal year, BICD's Board adopts a proposed budget of expected revenues and expenditures.

The proposed budget contains such classifications and is in such form as prescribed by the Council of the City of Denison. The budget is not effective until it has been approved by the City Council.

The Budgetary Comparison Schedule – Budget and Actual that is Required Supplementary Information for the General Fund is presented to provide a meaningful comparison of actual results with the budget.

Note 2: **Excess of Expenditures over Appropriations**

<u>Object Category</u>	<u>Expenditures Exceeding</u> <u>Appropriations</u>
Industrial Park Expenses	\$ 4,645
Debt Service	79,867

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**MINUTES OF MEETING  
THURSDAY, JANUARY 19, 2017, 4:00 P.M.  
DENISON DEVELOPMENT ALLIANCE  
311 W. WOODARD STREET, DENISON, TEXAS**

**MEMBERS PRESENT:** Robert Brady, Matthew Looney, Richard Munson, David Spindle, Robert Sylvester

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Tony Kaai, CEcD – President, Loretta Rhoden – VP of Operations, William Myers – VP of Business Development

**MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 4:03 P.M.**

- I. AWARD PRESENTATION TO RICHARD MUNSON FOR HIS SERVICE AS DDA'S CHAIRMAN
- II. **REVIEW AND CONSIDER APPROVAL OF THE REGULAR CALLED MEETING MINUTES HELD DECEMBER 15, 2016:** Reviewed by members. Richard Munson motioned to approve the minutes as submitted. Robert Brady seconded. Motion was unanimously approved.
- III. **REVIEW AND CONSIDER APPROVALS OF THE DECEMBER FINANCIAL REPORTS:** Robert Brady moved to approve the December financial reports as submitted by Veronica Davis, CPA. Matthew Looney seconded, and the motion was unanimously approved.
- IV. **REVIEW MONTHLY INVESTMENT REPORT:** Loretta Rhoden reported to members the only changes to this month's investment report was the accrued interest and obligated incentive payments made during the month. Reviewed by Board members. No action needed.
- V. **MONTHLY STAFF REPORT:** Presented by DDA staff members. No action needed.

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**ANNOUNCEMENT BY PRESIDING OFFICER:** “As authorized by Article 551.087 of the Texas Government Code, the Denison Development Alliance adjourned into closed Executive Session on the 19<sup>th</sup> day of January, 2017, at 4:27 P.M. to consider the following:

**I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

Consider incentives, if any, for Projects: STEEL, GLASS, IMAGE, JV and HOUSING.

Following the closed Executive Session the Board reconvened in open and public session at 4:53 P.M.

**I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

Consider incentives, if any, for Projects: STEEL, GLASS, IMAGE, JV and HOUSING.

No action taken.

**THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 4:53 P.M.**

---

David Spindle, Chairman

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Date Approved

**Denison Development Alliance**

**Financial Statements**

**January 31, 2017**

See Independent Accountant's Compilation Report  
Veronica Brown Davis, CPA

**Veronica Brown Davis, CPA**

123 W. Main PO Box 1218 Denison, TX 75021-1218  
Phone 903-463-3765 Fax 903-463-7262

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors  
Denison Development Alliance  
Denison, Texas

Management is responsible for the accompanying financial statements of the Denison Development Alliance (a nonprofit organization and component unit of the City of Denison, Texas), which comprise the statement of financial position as of January 31, 2017, and the related statements of activities, budgeted and actual, for the one month and year-to-date then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying budget of the Denison Development Alliance for the one month and four months ended January 31, 2017, have not been compiled or examined by me and, accordingly, I do not express an opinion or any other form of assurance on it.

Management has elected to omit the statement of cash flows, and substantially all of the disclosures required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted statement and disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Management has also elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the organization's budgeted information. Accordingly, these financial statements and budget information are not designed for those who are not informed about such matters.

As explained in note 2 to the financial statements, generally accepted accounting principles require that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase to reduction of a liability. The organization's management has elected to budget current year loan proceeds as income and certain capital purchases and loan payments as expenses. The effect of these departures from generally accepted accounting principles on financial position and results of operations has not been determined.

*Veronica Brown Davis, CPA*

Denison, Texas  
February 8, 2017

**Denison Development Alliance  
Statement of Financial Position  
January 31, 2017**

**ASSETS**

**Current Assets**

Cash on hand	\$	174.66
Checking account		103,892.10
Money market account		1,574,041.47
MMA 4416 - Def Comp		295,913.95
Accounts Receivable		14,484.25
Sales tax receivable		<u>178,724.07</u>

**Total Current Assets** \$ 2,167,230.50

**Fixed Assets**

Equipment	\$	31,804.92
---less depreciation		(31,804.92)
Furniture & fixtures		6,125.94
---less depreciation		(6,125.94)
Buildings		4,243,974.77
---less depreciation		(1,228,663.96)
Leasehold improvements		51,916.64
---less depreciation		(19,577.05)
Ind Park Infrs/streets		186,608.00
---less depreciation		(25,503.11)
Land		437,842.73
Hwy 75/84 Property		1,250,000.00
Land improvements		<u>192,564.42</u>

**Total Fixed Assets** 5,089,162.44

**Total Assets** \$ 7,256,392.94



**Denison Development Alliance  
Statement of Financial Position  
January 31, 2017**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Security Deposit - Florestone	\$	67,702.46
Payroll taxes payable		126.82
Accrued Interest Payable		25,350.98
Deferred Revenue		35,517.23
Accrued Deferred Compensation		164,736.60
CP - Note Pay - ABT Florestone		<u>379,305.59</u>

**Total Current Liabilities** \$ 672,739.68

**Long-term Liabilities**

American Bank- Florestone Note	1,523,408.69
Woodforest Nat. Bk. Loan	569,000.00
Less current portion	<u>(379,305.59)</u>

**Total Long-term Liabilities** \$ 1,713,103.10

**Net Assets**

Unrestricted	2,381,610.52
Restricted for long-term debt	13,314.00
Net invested in capital assets	2,139,298.00
Current yr rev over(under) expenses	<u>336,327.64</u>

**Total Net Assets** 4,870,550.16

**Total Liabilities & Net Assets** \$ 7,256,392.94

**Denison Development Alliance**  
**Statement of Activities - Budgeted and Actual**  
**For the One Month and Year to Date Periods Ended January 31, 2017**

	Current Month	Current Month Budget	Variance	YTD Actual	YTD Budget	YTD Variance	Annual Budget
<b>Revenues</b>							
4a Sales Tax Revenue	\$ 178,724.07	\$ 124,329.00	\$ 54,395.07	\$ 608,757.32	\$ 497,316.00	\$ 111,441.32	\$ 1,491,948.00
Billboard Reimbursement	1,666.00	-	1,666.00	6,664.00	-	6,664.00	-
Interest Income	242.28	181.08	61.20	881.61	724.33	157.28	2,173.00
Lease Income - Florestone	33,851.23	33,851.17	0.06	135,404.92	135,404.67	0.25	406,214.00
Property Tax Income - Florestone	94,285.97	7,933.75	86,352.22	94,285.97	31,735.00	62,550.97	95,205.00
<b>Total Revenues</b>	<b>\$ 308,769.55</b>	<b>\$ 166,295.00</b>	<b>\$ 142,474.55</b>	<b>\$ 845,993.82</b>	<b>\$ 665,180.00</b>	<b>\$ 180,813.82</b>	<b>\$ 1,995,540.00</b>
<b>Expenses</b>							
<b>Administrative</b>							
Annual Meeting (Summit)	\$ 3,874.50	\$ 833.33	\$ (3,041.17)	\$ 4,038.40	\$ 3,333.33	\$ (705.07)	\$ 10,000.00
Audit/Accounting	950.00	1,358.33	408.33	3,036.99	5,433.33	2,396.34	16,300.00
Automotive Allowance	950.00	950.00	-	3,460.26	3,800.00	339.74	11,400.00
Bank Fees	-	4.17	4.17	-	16.67	16.67	50.00
Computer Expenses	245.02	333.33	88.31	1,765.89	1,333.33	(432.56)	4,000.00
Consultant Fees	-	4,166.67	4,166.67	8,610.00	16,666.67	8,056.67	50,000.00
Copier/Maintenance	106.73	50.00	(56.73)	261.42	200.00	(61.42)	600.00
Deferred Compensation Trust	-	2,083.33	2,083.33	-	8,333.33	8,333.33	25,000.00
Employee Insurance	2,071.77	2,597.50	525.73	8,238.44	10,390.00	2,151.56	31,170.00
Equip Rent/Maint/Purchase	17.99	100.00	82.01	232.75	400.00	167.25	1,200.00
Janitorial/Office Maintenance	207.95	83.33	(124.62)	1,247.02	333.33	(913.69)	1,000.00
Legal Services	-	416.67	416.67	-	1,666.67	1,666.67	5,000.00
Liability Insurance	1,778.00	441.67	(1,336.33)	2,173.00	1,766.67	(406.33)	5,300.00
Meeting Refreshments	15.46	116.67	101.21	471.71	466.67	(5.04)	1,400.00
Miscellaneous Expense	11.55	125.00	113.45	348.17	500.00	151.83	1,500.00
Office Furnishings	-	83.33	83.33	-	333.33	333.33	1,000.00
Office Lease	1,291.40	1,291.42	0.02	5,165.60	5,165.67	0.07	15,497.00
Office Supplies	248.60	458.33	209.73	846.43	1,833.33	986.90	5,500.00
Payroll Taxes	1,907.08	1,852.58	(54.50)	9,111.12	7,410.33	(1,700.79)	22,231.00
Postage	276.27	183.33	(92.94)	1,005.08	733.33	(271.75)	2,200.00
Professional Development	218.00	1,083.33	865.33	1,839.14	4,333.33	2,494.19	13,000.00
Retirement	3,719.88	3,204.67	(515.21)	14,414.28	12,818.67	(1,595.61)	38,456.00
Salaries	23,715.28	23,890.33	175.05	82,343.48	95,561.33	13,217.85	286,684.00
Subscriptions/Dues	-	129.58	129.58	767.99	518.33	(249.66)	1,555.00
Telephone/Communications	1,775.84	710.25	(1,065.59)	2,912.86	2,841.00	(71.86)	8,523.00
Travel	162.10	250.00	87.90	1,136.64	1,000.00	(136.64)	3,000.00
Utilities	858.06	575.50	(282.56)	1,708.01	2,302.00	593.99	6,906.00
Workers Comp	-	81.42	81.42	-	325.67	325.67	977.00
<b>Subtotal Administrative</b>	<b>44,401.48</b>	<b>47,454.07</b>	<b>3,052.59</b>	<b>155,134.68</b>	<b>189,816.32</b>	<b>34,681.64</b>	<b>569,449.00</b>

**Denison Development Alliance**  
**Statement of Activities - Budgeted and Actual**  
**For the One Month and Year to Date Periods Ended January 31, 2017**

	Current Month	Current Month <u>Budget</u>	<u>Variance</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD <u>Variance</u>	Annual <u>Budget</u>
<b>Program Expenses</b>							
Briefing Center Equipment/Presentations	\$ 188.00	\$ 291.67	\$ 103.67	\$ 4,897.37	\$ 1,166.67	\$ (3,730.70)	\$ 3,500.00
ESRI Business Analyst	-	250.00	250.00	-	1,000.00	1,000.00	3,000.00
Geographic Information System	-	729.17	729.17	-	2,916.67	2,916.67	8,750.00
Retail Lease Trac	-	100.00	100.00	-	400.00	400.00	1,200.00
Retail Market Analysis	-	416.67	416.67	-	1,666.67	1,666.67	5,000.00
Workforce Development	4,835.88	8,041.67	3,205.79	10,138.18	32,166.67	22,028.49	96,500.00
Subtotal Program Exp.	5,023.88	9,829.18	4,805.30	15,035.55	39,316.68	24,281.13	117,950.00
<b>Property Mgmt. Expenses</b>							
Business Park Note (75/84)	-	-	-	-	-	-	-
Florestone Building (Interest on Note)	18,570.48	39,489.92	20,919.44	47,207.45	157,959.67	110,752.22	473,879.00
Florestone Insurance (Liability)	-	32.92	32.92	-	131.67	131.67	395.00
Florestone Bldg. Taxes (Property)	94,285.97	7,933.75	(86,352.22)	94,285.97	31,735.00	(62,550.97)	95,205.00
Industrial Park/30 Acres Maint.	-	583.33	583.33	-	2,333.33	2,333.33	7,000.00
Subtotal Property Mgmt. Exp.	112,856.45	48,039.92	(64,816.53)	141,493.42	192,159.67	50,666.25	576,479.00
<b>Marketing</b>							
<b>Materials/Activities</b>							
Advertising	780.62	1,666.67	886.05	3,375.10	6,666.67	3,291.57	20,000.00
Behavioral Marketing	-	2,083.33	2,083.33	4,500.00	8,333.33	3,833.33	25,000.00
Billboard (Hwy 75)	-	25.00	25.00	-	100.00	100.00	300.00
Business Retention Activities	-	250.00	250.00	284.38	1,000.00	715.62	3,000.00
Corporate Visitation	-	250.00	250.00	-	1,000.00	1,000.00	3,000.00
Direct Mail Program	-	166.67	166.67	-	666.67	666.67	2,000.00
Mailing Lists	-	166.67	166.67	-	666.67	666.67	2,000.00
Maps & Photos	7.80	416.67	408.87	31.51	1,666.67	1,635.16	5,000.00
Meeting Expense	93.10	250.00	156.90	530.25	1,000.00	469.75	3,000.00
Meeting Sponsorship	-	208.33	208.33	274.62	833.33	558.71	2,500.00
NTRA Cooperative Advertising	8,250.00	2,750.00	(5,500.00)	8,250.00	11,000.00	2,750.00	33,000.00
PR Firm	584.00	833.33	249.33	1,411.48	3,333.33	1,921.85	10,000.00
Prospect Hosting	-	250.00	250.00	74.72	1,000.00	925.28	3,000.00
Recruitment Missions	-	5,000.00	5,000.00	-	20,000.00	20,000.00	60,000.00
Special Events	-	416.67	416.67	509.45	1,666.67	1,157.22	5,000.00
Team Texas/DFW Marketing	3,500.00	1,666.67	(1,833.33)	4,637.35	6,666.67	2,029.32	20,000.00
Trade Shows	-	250.00	250.00	1,000.00	1,000.00	-	3,000.00
Website Update	-	2,083.33	2,083.33	-	8,333.33	8,333.33	25,000.00
Website/Email Hosting	678.87	133.33	(545.54)	952.90	533.33	(419.57)	1,600.00
Subtotal Marketing	13,894.39	18,866.67	4,972.28	25,831.76	75,466.67	49,634.91	226,400.00
Total Admin, Prog., Mgmt, & Mkt	176,176.20	124,189.84	(51,986.36)	337,495.41	496,759.34	159,263.93	1,490,278.00
<b>Revenue over (under) expenses after administration, property management, and marketing</b>	<b>132,593.35</b>	<b>42,105.16</b>	<b>90,488.19</b>	<b>508,498.41</b>	<b>168,420.66</b>	<b>340,077.75</b>	<b>505,262.00</b>

**Denison Development Alliance**  
**Statement of Activities - Budgeted and Actual**  
**For the One Month and Year to Date Periods Ended January 31, 2017**

	Current Month	Current Month <u>Budget</u>	<u>Variance</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD <u>Variance</u>	Annual <u>Budget</u>
<b>One-Time Expenses/Obligated Incentives</b>							
Downtown TIF/Planning	28,536.00	\$ 5,000.00	(23,536.00)	\$ 60,000.00	\$ 20,000.00	\$(40,000.00)	\$ 60,000.00
Gas Line Extension (75/91)	-	6,676.17	6,676.17	200.00	26,704.67	26,504.67	80,114.00
Infrastructure (Morton Overpass)	3,410.70	33,333.33	29,922.63	3,585.70	133,333.33	129,747.63	400,000.00
Facade Incentive	5,751.38	4,166.67	(1,584.71)	5,751.38	16,666.67	10,915.29	50,000.00
Bent Leaf, LLC	-	1,516.67	1,516.67	3,450.00	6,066.67	2,616.67	18,200.00
Hilton Garden Inn/Texoma Event Center	-	4,166.67	4,166.67	10,992.50	16,666.67	5,674.17	50,000.00
National Govt. Services Incentive	-	6,419.58	6,419.58	24,969.01	25,678.33	709.32	77,035.00
Novo1/Dialog Direct Incentives	(40,409.33)	2,160.42	42,569.75	(14,484.25)	8,641.67	23,125.92	25,925.00
Ruiz Foods Incentive	-	2,170.00	2,170.00	-	8,680.00	8,680.00	26,040.00
Texas Turbines, Inc. Incentive	-	-	-	7,457.38	-	(7,457.38)	-
US Aviation Group Incentives	33,587.89	2,799.00	(30,788.89)	33,587.89	11,196.00	(22,391.89)	33,588.00
Subtotal one-time expenses	30,876.64	68,408.51	37,531.87	135,509.61	273,634.00	138,124.40	820,902.00
<b>Revenue (over) under before other non-budgeted items</b>	<b>101,716.71</b>	<b>(26,303.35)</b>	<b>128,020.06</b>	<b>372,988.80</b>	<b>(105,213.34)</b>	<b>478,202.15</b>	<b>(315,640.00)</b>
Depreciation	9,165.29	-	(9,165.29)	36,661.16	-	(36,661.16)	-
<b>Revenue(over) under expenses</b>	<b>\$ 92,551.42</b>	<b>\$ (26,303.35)</b>	<b>(118,854.77)</b>	<b>\$ 336,327.64</b>	<b>\$ (105,213.34)</b>	<b>\$ 441,540.99</b>	<b>\$ (315,640.00)</b>

**DENISON DEVELOPMENT ALLIANCE**  
**Selected Information**  
**Substantially All Disclosures Required by Accounting Principles**  
**Generally Accepted in the United States are Not Included**  
**January 31, 2017**

Note 1 - Organization and Business

Business and Industrial Corporation of Denison, Inc. is a component unit of the City of Denison, Texas, doing business as Denison Development Alliance. Their mission is to stimulate growth of the local economy by locating, inducing and assisting businesses making investment decisions.

Note 2 - Accounting Policies

The financial statements have been prepared on the accrual basis of accounting.

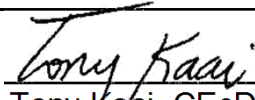
The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

The basis of accounting used by the organization requires that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase in or reduction of a liability. The organization's budgeted revenues and expenses include loan proceeds as revenue and capital improvements and loan payments as expenses.

**Investment Report  
Denison Development Alliance  
January 31, 2017**

<b>Bank/Money Market</b>	<b>Type</b>	<b>Date Opened</b>	<b>Maturity Date</b>	<b>Current Yield</b>	<b>Beginning Balance</b>	<b>Accrued Interest</b>	<b>Ending Balance</b>
American Bank Checking	Commercial Checking			0.000	\$143,282.34	\$0.00	\$221,797.58
American Bank of Texas	Money Market	10/27/03		0.150	\$1,443,839.31	\$202.16	\$1,574,041.47
American Bank of Texas	Deferred Comp Trust MM	10/01/11		0.150	\$295,873.83	\$40.12	\$295,913.95
<b>Total</b>							<b>\$2,091,753.00</b>

<i>October 2016 Total</i>	<i>\$1,936,828.02</i>
<i>November 2016 Total</i>	<i>\$1,984,268.74</i>
<i>December 2016 Total</i>	<i>\$1,882,995.48</i>
<i>January 2017 Total</i>	<i>\$2,091,753.00</i>
<i>February 2017 Total</i>	
<i>March 2017 Total</i>	
<i>April 2017 Total</i>	
<i>May 2017 Total</i>	
<i>June 2017 Total</i>	
<i>July 2017 Total</i>	
<i>August 2017 Total</i>	
<i>September 2017 Total</i>	

  
 \_\_\_\_\_  
 Tony Kaai, CEcD  
 President

400 · 4A Sales Tax Revenue

2014/2015			2015/2016			2016/2017			Annual	
Date	Memo	Amount	Date	Memo	Amount	Date	Memo	Amount	Difference	
09/23/14	September	\$ 110,004.61	09/21/15	September	\$ 109,408.44	09/20/16	September	\$ 123,027.32	\$ 13,618.88	
10/27/14	October	\$ 109,964.86	10/20/15	October	\$ 112,579.97	10/21/16	October	\$ 135,352.31	\$ 22,772.34	
11/14/14	November	\$ 136,973.86	11/19/15	November	\$ 145,108.38	11/28/16	November	\$ 162,960.47	\$ 17,852.09	
12/23/14	December	\$ 128,575.42	12/02/15	December	\$ 118,014.96	12/21/16	December	\$ 131,531.77	\$ 13,516.81	
01/26/15	January	\$ 103,633.45	01/20/16	January	\$ 108,636.35	01/31/17	January	\$ 135,541.01	\$ 26,904.66	
02/27/15	February	\$ 163,146.55	02/22/16	February	\$ 155,624.88		February			
03/23/15	March	\$ 100,425.77	03/21/16	March	\$ 110,058.49		March			
04/24/15	April	\$ 100,085.26	04/15/16	April	\$ 107,656.27		April			
05/18/15	May	\$ 149,691.52	05/27/16	May	\$ 143,863.19		May			
06/22/15	June	\$ 112,738.37	06/20/16	June	\$ 119,444.26		June			
07/21/15	July	\$ 111,038.35	07/18/16	July	\$ 114,018.14		July			
08/26/15	August	\$ 148,145.26	08/24/16	August	\$ 162,934.29		August			
Total to Date Comparison		\$ 589,152.20	Total to Date Comparison		\$ 593,748.10	Total to Date Comparison		\$ 688,412.88		
<b>2014/2015 Grand Total</b>		<b>\$ 1,474,423.28</b>	<b>2015/2016 Grand Total</b>		<b>\$ 1,507,347.62</b>	<b>2016/2017 Grand Total</b>		<b>\$ 688,412.88</b>		
									<b>To Date Difference from Previous Year</b>	<b>\$ 94,664.78</b>