

**CITY OF WINDCREST ECONOMIC DEVELOPMENT
CORPORATION**

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2010

TABLE OF CONTENTS

	Page
PRINCIPAL OFFICERS	1
INDEPENDENT AUDITOR'S REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets.....	6
Statement of Activities.....	7
Balance Sheet.....	8
Reconciliation of the Balance Sheet to the Statement of Net Assets	9
Statement of Revenues, Expenditures and Changes in Fund Balance.....	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	11
Notes to Basic Financial Statements.....	12
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual.....	19

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
PRINCIPAL OFFICERS**

PRESIDENT

BOB DUFF

VICE PRESIDENT

MARJORIE GENTET

EXECUTIVE DIRECTOR

RAY WATSON

DIRECTORS

CLAIRE GEIGER

ALBERT GARZA

GARY KING

DOB MYLES

MARK PERRY



INDEPENDENT AUDITOR'S REPORT

Board of Directors
City of Windcrest Economic Development Corporation
City of Windcrest, Texas

We have audited the accompanying basic financial statements of the City of Windcrest Economic Development Corporation (a component unit of the City of Windcrest) as of and for the year September 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Windcrest Economic Development Corporation's management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Windcrest Economic Development Corporation, as of September 30, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas
May 5, 2011

CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the official performance of the City of Windcrest Economic Development Corporation, a component unit of the City of Windcrest, financial performance provides an overview of the Corporation's financial activity for the fiscal year ended September 30, 2010. It should be read in conjunction with the financial statements.

Financial Highlights

- The Corporation's net assets were \$199,468 at September 30, 2010.
- The Corporation's total revenues were \$379,373, while total expenses were \$336,297.
- The Corporation's net assets increased by \$43,076.

Corporation Highlights

The City of Windcrest Economic Development Corporation was formed on September 25, 1998, under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6, Section A. It receives all its proceeds from the ¼ cent sales tax adopted in 1998 for economic development in the City of Windcrest.

The City of Windcrest Economic Development Corporation serves as a conduit to the revitalization of the Walzem Road area including a boundary change to acquire the old Windsor Park Mall and adjacent land offerings of incentives that induced Rackspace Managed Hosting, an internet storage company, to relocate its corporate headquarters and eventually 4,500 employees there after it completes extensive infrastructure improvements. Please refer to Note 4 of the financial statements for more detail.

Using this Annual Report

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements, and Required Supplementary Information. The Statements of Net Assets and Activities provide information on the Corporation as a whole. The Corporation's net assets – the difference between assets and liabilities – are a way to measure financial health or financial position. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Statement of Net Assets

Table 1 shows all of the assets and liabilities of the Corporation and is presented on the accrual basis. The total net assets are \$199,468. The Corporation reports one restricted asset in the amount of \$5 comprised of developer escrow funds on deposit for the purpose of development of infrastructure as part of the Walzem Road Revitalization Project. By the nature of the structure and purpose of the Corporation all its activities are restricted to projects for economic development. The \$199,468 of reported net assets represents resources available to fund the projects and expenses of the Corporation next year.

**TABLE 1
CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NET ASSETS**

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 88,334	\$ 55,001
Accounts receivable	58,045	52,838
Restricted assets	5	154
Capital assets (net of accumulated depreciation)	53,447	67,597
TOTAL ASSETS	\$ 199,831	\$ 175,590
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued expenses	\$ -	\$ 848
Due to primary government	363	13,885
Funds held in escrow	-	154
Noncurrent liabilities		
Capital lease	-	4,311
Total liabilities	363	19,198
Invested in capital assets, net of related debt	53,447	63,286
Unrestricted assets	146,021	93,106
Total net assets	199,468	156,392
TOTAL LIABILITIES AND NET ASSETS	\$ 199,831	\$ 175,590

Statement of Activities

Table 2 shows all of the expenses and revenues of the Corporation and is also presented on the accrual basis. General Revenues consist of the ¼ cent sales tax the Corporation receives for economic development and interest income. Program Revenues consist of grants and miscellaneous revenues. The total cost of all projects and services was \$336,297.

**TABLE 2
CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NET ASSETS**

	2010	2009
REVENUE		
Program revenues	\$ 50,000	\$ 30,110
General revenues	329,373	272,083
Total revenue	379,373	302,193
Total expense	336,297	773,575
CHANGE IN NET ASSETS	\$ 43,076	\$ (471,382)

Balance Sheet

The Balance Sheet shows the assets, liabilities, and fund balances for the Corporation.

Statement of Revenues, Expenditures, and Changes in Fund Balance

This statement shows the revenues and expenditures for the Corporation. The largest income of taxes includes the proceeds from the ¼ cent sales tax adopted in 1995 for economic development in Windcrest.

Description of Current and Expected Conditions

Presently, the Board of Directors is not aware of any significant changes in conditions that would have a significant effect on the financial position or activities of the Corporation in the near future.

Contacting the Corporation's Financial Management

This financial report is designed to provide a general overview of the Corporation's finances and to show the Corporation's accountability to its taxpayers. If you have any questions about this report or need additional financial information, contact the City of Windcrest Municipal Finance Officer.

BASIC FINANCIAL STATEMENTS

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	88,334
Accounts receivable		58,045
Restricted assets		
Cash and cash equivalents		5

Total current assets 146,384

Capital assets (net of accumulated depreciation) 53,447

TOTAL ASSETS 199,831

LIABILITIES

CURRENT LIABILITIES

Due to primary government 363

Total current liabilities 363

NET ASSETS

Invested in capital assets, net of related debt 53,447

Unrestricted assets 146,021

TOTAL NET ASSETS \$ 199,468

The Notes to Basic Financial Statements
are an integral part of this statement.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2010**

GOVERNMENTAL ACTIVITIES

EXPENSES

Support services - administration	\$ 201,963
Contracted services	51,509
Supplies and postage	12,859
Economic development projects	55,816
Depreciation	<u>14,150</u>

Total expenses 336,297

REVENUES

Program revenues	
Charges for services - miscellaneous	<u>50,000</u>

Total program revenues 50,000

**Net (expense) revenue
from governmental activities** (286,297)

NON GOVERNMENTAL ACTIVITIES

General revenues	
Nonproperty taxes	329,006
Interest revenues	<u>367</u>

Total general revenues 329,373

Change in net assets 43,076

NET ASSETS, beginning of year 156,392

NET ASSETS, end of year \$ 199,468

The Notes to Basic Financial Statements
are an integral part of this statement.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2010**

ASSETS

ASSETS

Cash and cash equivalents	\$	88,334
Accounts receivable		58,045
Restricted assets		
Cash and cash equivalents		5

TOTAL ASSETS

\$ 146,384

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to primary government	\$	363
---------------------------	----	-----

Total liabilities

363

FUND BALANCE

Unreserved/undesignated		146,021
-------------------------	--	---------

TOTAL LIABILITIES AND FUND BALANCE

\$ 146,384

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010**

TOTAL FUND BALANCE	\$ 146,021
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	<u>53,447</u>
TOTAL NET ASSETS	<u><u>\$ 199,468</u></u>

The Notes to Basic Financial Statements
are an integral part of this statement.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2010**

REVENUES	
Sales tax	\$ 329,006
Interest	367
Other income - hotel motel	30,000
Miscellaneous	<u>20,000</u>
Total revenues	379,373
 EXPENDITURES	
Current	
Support services - administrative	202,811
Contract services	51,509
Supplies and postage	12,859
Economic development projects	<u>60,127</u>
Total expenditures	<u>327,306</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 52,067
 FUND BALANCE, beginning of year	 <u>93,954</u>
 FUND BALANCE, end of year	 <u><u>\$ 146,021</u></u>

The Notes to Basic Financial Statements
are an integral part of this statement.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2010**

**EXCESS OF REVENUES OVER EXPENDITURES
AS REPORTED IN THE FUND STATEMENTS**

\$ 52,067

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 and reported as depreciation expense.

This is the amount by which depreciation exceeded capital outlays. (14,150)

The issuance of long-term debt (e.g. capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net assets.

Capital lease principal 5,159

CHANGE IN NET ASSETS

\$ 43,076

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

City of Windcrest Economic Development Corporation (the Corporation) is a nonprofit industrial corporation, with powers of taxation, created pursuant to Section 4B Article 5190.6 of Vernon's Texas Civil Statutes as amended. The Corporation was created September 25, 1998, to act on behalf of the City of Windcrest (the City) for promotion, development and enhancement of economic development within the City. The Corporation is a component unit of the City. A component unit is a legally separate corporation for which the elected officials of the governmental unit are financially accountable. The Corporation will be included in the City's financial statements as a discretely presented component unit.

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements present the financial position and results of operations of the Corporation only.

Basis of Presentation

The government-wide financial statements are presented in accordance with GASB 34 which mandates government-wide financial statements of net assets and activities, which are presented on the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. It also requires that fixed assets be recorded at cost less accumulated depreciation.

Governmental funds use the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). In this context "available" means collectible within the current period or the subsequent two months. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Budgets

The Corporation adopts an annual operating budget which is approved by the Corporation's Board of Directors. Formal budgetary accounting is employed as a management control. The budget can be amended by the Board of Directors, subject to City Council approval. Actual expenditures cannot legally exceed budgeted appropriations at the fund level. All budgeted appropriations lapse at the end of each fiscal year. The budget is presented on the modified accrual basis of accounting.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- CONTINUED

Cash and Cash Equivalents

Cash and cash equivalents include cash deposits and investments with a maturity date within three months of the date acquired by the Corporation.

Related Party Transactions

During the course of operations, numerous transactions occur between the Corporation and the City. These receivables and payables are classified as "due from primary government" or "due to primary government" on the balance sheet and statement of net assets.

Sales Tax Revenue

The citizens of the City voted to adopt an additional one-quarter of one percent (1/4 cent or \$0.0025) local sales and use tax to be used by the Corporation for the promotion and development of new and expanded business enterprises and any other purposes authorized by Section 4B, Article 5190.6, V.T.C.S, as amended (the Development Corporation Act of 1979).

Fund Balance Reserves

The unreserved fund balance represents the amount for budgeting future operations.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any loans used to purchase, construct, or improve those assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

At September 30, 2010, the carrying amount of the Corporation deposits in the bank were \$ 88,334 and the bank balance was \$ 126,824. All cash and deposits were insured by the FDIC.

Investments

The Corporation is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (the Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the Corporation adhered to the requirements of the Act. Additionally, investment practices of the Corporation were in accordance with local policies.

The Act determines the types of investments which are allowable for the Corporation. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The Corporation's investments at September 30, 2010 are as shown below:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity</u>	<u>Minimum Legal Rating</u>	<u>Rating as of September 30, 2010</u>
TexPool restricted	<u>\$ 5</u>	34	AAA	AAAm
Total Investments	<u><u>\$ 5</u></u>			

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the Corporation was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures:

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the Corporation was not significantly exposed to credit risk.

At September 30, 2010, the Corporation's investments were in Frost Bank TexPool, a public funds investment pool where all securities held maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Corporation's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Corporation's name.

At year end, the Corporation was not exposed to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the Corporation had no exposure to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the Corporation was not exposed to interest rate risk.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Analysis of Specific Deposit and Investment Risks – Continued

Foreign Currency Risk

Foreign currency risk is the risk that foreign exchange rates will adversely affect the fair value of an investment. At year end, the Corporation was not exposed to foreign currency risk.

Investment Accounting Policy

The Corporation has adopted the investment accounting policy of the City. The policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market rate changes. Non-negotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to : 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. TexPool meets the requirements as defined above.

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3. CAPITAL ASSETS

Activity for assets capitalized by the Corporation is summarized below:

	October 1, 2009	Additions	Disposals	September 30, 2010
Furniture and fixtures	\$ 29,678	\$ -	\$ -	\$ 29,678
Vehicles	16,368	-	-	16,368
Buildings and improvements	57,430	-	-	57,430
Improvements other than buildings	1,820	-	-	1,820
Accumulated depreciation	(37,699)	(14,150)	-	(51,849)
	<u>\$ 67,597</u>	<u>\$ (14,150)</u>	<u>\$ -</u>	<u>\$ 53,447</u>

Capital assets, which include furniture and fixtures, vehicles, buildings and improvements and improvements other than buildings, are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20 to 50 years
Improvements other than buildings	20 to 50 years
Vehicles	5 to 10 years
Furniture and fixtures	5 to 10 years

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 4. CONDUIT DEBT OBLIGATIONS

The revitalization and redevelopment of the Walzem Road area includes the redevelopment of Windsor Park Mall (the Mall) for the purpose of providing corporate headquarters to Rackspace U.S., Inc., an internet storage company that plans to relocate a total of 4,500 full-time jobs to the City.

The terms of the agreement call for a long-term direct financing lease to purchase and transfer the Mall to Rackspace U.S., Inc. The Corporation served as a conduit to the transaction and holds title to the Mall in trust for the parties to the transaction, consisting of City of Windcrest, Windcrest Economic Development Company, LLC, (the Developer) and Rackspace U.S., Inc. (the Leasee).

Pursuant to the lease agreement, Rackspace U.S., Inc., advanced \$5,000,000 to the Corporation, for the purpose of providing funding to the Developer for infrastructure improvements. The Corporation held the funds in escrow pending development of the planned infrastructure, at which time the funds will be reimbursed for such infrastructure. The Corporation and the City liability for infrastructure is limited to the amount of the original escrowed funds, including interest earned minus other agreed upon costs. As of September 30, 2010 there was a balance of \$1,806,107 remaining in the Frost Bank of this amount.

The Corporation has also served as a conduit to facilitate the purchase of various tracts of land in the surrounding region for the purpose of development of multi-family housing, retail, office, restaurant, entertainment facilities, and single-family neighborhoods. The Corporation holds the various tracts in trust for the Developer (beneficiary). The tracts are secured by deeds of trust subject to various liens. The liens do not represent debt of the Corporation or the City and, accordingly, have not been reported in the accompanying financial statements. As of September 30, 2010, outstanding liens on the various tracts from the Walzem Road Revitalization Program were \$ 32,483,737.

NOTE 5. RELATED PARTY TRANSACTIONS

A former City Manager, Ronnie Cain, is the brother to one of the previous principles of the Corporation which is the developer of the Walzem Road Revitalization Program (see note 4). The current acting City Manager has no relation to the Walzem Road Revitalization Program.

NOTE 6. SUBSEQUENT EVENTS

Subsequent to year end the City of Windcrest and the City of Windcrest Economic Development Corporation filed a legal petition for cause of action and for declaratory judgments against a former City Manager.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WINDCREST ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2009)**

	<u>Budgeted Amounts</u>		<u>Actual 2010</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual 2009</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
Sales tax	\$ 275,000	\$ 300,000	\$ 329,006	\$ 29,006	\$ 268,104
Contributions from primary government	50,000	50,000	50,000	-	-
Grants	-	-	-		30,000
Interest	4,500	1,500	367	(1,133)	3,979
Miscellaneous	500	500	-	(500)	110
Total revenues	330,000	352,000	379,373	27,373	302,193
EXPENDITURES					
Support services - admin	217,278	221,825	202,811	19,014	183,450
Contract services	27,500	55,300	51,509	3,791	86,778
Supplies and postage	40,750	18,750	12,859	5,891	35,217
Grant expenses	-	-	-	-	30,000
Economic development projects	368,050	106,050	60,127	45,923	427,060
Total expenditures	653,578	401,925	327,306	74,619	762,505
Excess (deficiency) of revenues Over (under) expenditures	(323,578)	(49,925)	52,067	101,992	(460,312)
FUND BALANCE, beginning of year	410,286	93,954	93,954	-	554,266
FUND BALANCE, end of year	\$ 86,708	\$ 44,029	\$ 146,021	\$ 101,992	\$ 93,954



WEAVER AND TIDWELL LLP
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

WWW.WEAVERLLP.COM

AN INDEPENDENT MEMBER OF
BAKER TILLY
INTERNATIONAL