



North & East Lubbock
 Community Development Corporation
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Board of Directors

January 7, 2015

Rick Dykes
 Chairperson

Cheryl Brock
 Executive Director of Budget
 City of Lubbock
 P.O. Box 2000
 Lubbock, TX 79457

Vernita Holmes
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Vacancy

Vacancy

Vacancy

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David Langston

Greg Jones

Rob Allison

Carolyn Thompson
 Conwright

Irasema Velaquez

Dear Ms. Brock:

Please find a summary of North & East Lubbock CDC (“NELCDC”) activities which have occurred from July 2014 – September 2014. Following the summary you will also find:

- Section 380 Budget vs. Actual Report;
- Non-Section 380 (King’s Dominion) Budget vs. Actual Report;
- Parkway Place, LLC Budget vs. Actual Report;
- The NELCDC Profit Loss (P&L) Report;
- The Parkway Place, LLC Profit Loss (P&L) Report;
- The NELCDC Operating Budget Balance Sheet; and
- The NELCDC Parkway Place Balance Sheet.

First-Time Homebuyers

The NELCDC assisted one (1) first-time homebuyer with the purchasing of single-family home in King’s Dominion Phase II. The home was purchased for \$159,000 in July 2014. The homebuyer was eligible for and received \$10,000 in down-payment and closing cost (DPCC) assistance. These funds are provided as a result of the NELCDC’s community housing development organization (CHDO) status.

Homebuyer Education & Financial Literacy (HUD-Certified Contract Housing Counselor)

The NELCDC conducted a homebuyer education and financial literacy training seminar September 2014 with a total of **21 participants**. Each participant received a completion certificate. The NELCDC’s HUD-certified contract housing counselor offers an online homebuyer education training, where clients are able to go online to complete an 8-hour online course; this service is made available to NELCDC clients. Upon completion of the course, the counselor verifies the courses are complete and provides the certificate. This process has proven to be convenient for clients with schedule conflicts.

Homebuyer Education & Financial Literacy (NELCDC Program Manager)

During the 4th quarter, Mr. Dial conducted an intake consultation and/or provided preliminary counseling to **7 clients**. As a newly certified housing counselor, Mr. Dial will be providing all counseling services to all NELCDC clients. One client counseled by Mr. Dial is a prospective homebuyer for the new home being constructed in 2015 at 1822 E Harvard in King's Dominion Phase II. The Executive Director will become certified to provide housing counseling in 2015. To-date, the NELCDC does not plan to use contract counseling services.

Parkway Place Shopping Center

During the 4th Quarter, negotiations were closing and on October 23, 2014 the NELCDC and U.S. Renal Care (referred to as the Innovative Dialysis Center of Lubbock) executed a 10 year lease for 7,100 s.f. at 1826 Parkway Drive. Build out of the space is currently underway and the construction is slated to be complete by February 2015. This development puts Parkway Place occupancy at approximately 80%. Pictures of construction as well as additional updates will be provided in the NELCDC's monthly e-newsletter.

The NELCDC staff has received three (3) inquiries to lease the remaining space at Parkway Place. Since an eatery is highly desirable the NELCDC staff will work with its legal counsel to develop a brochure to advertise the remaining space at the Parkway Place Shopping Center. This promotional brochure will be highly distributed by the NELCDC and its partners to promote and hopefully lease the remaining space in the current fiscal year.

Governance

The NELCDC Board of Directors continues to have oversight and formulate goals and objectives for the Corporation. During the 4th quarter, the NELCDC Board of Directors met July 23, August 27, and September 24 (quorum was not established at the September board meeting). Although not implemented in the 4th quarter, the NELCDC will begin presenting a treasurer's report at each monthly meeting beginning in January 2015. The NELCDC accountant completed the first monthly reconciliation for all bank accounts and entities, which will be provided in quarterly reports upon the anticipated execution of the FY 14-15 Section 380 agreement between the NELCDC and the City of Lubbock. On Nov. 25, 2014 the NELCDC will hold a strategic planning session to set future goals and objectives for the organization.

Management

The NELCDC Executive Director will provide an annual report of accomplishments for 2014 in February 2015. The report will also contain historical data and facts about the organization and will be published on the NELCDC website.

Fundraising

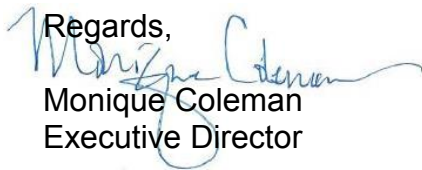
The NELCDC Community Champion Awards (CCA) Banquet is the organization's annual fundraising event. This year's Community Champion recipient was Maggie Trejo. Entrepreneur of the Year was Reagor-Dykes Auto Group and Visionary Award recipient was Dr. Scott Ridley. The event was held at the Lubbock Memorial Civic Center on September 15, 2014 from 11:30 a.m. – 1:00 p.m. United States Small Business Administration District Director, Calvin Davis, was the keynote speaker. \$32,975 was raised at the 2014 (10th Annual) CCA Banquet.

General Comments

Please also note the following pertaining to the 4th quarterly reports:

1. Any change from the 3rd quarter report is likely the result of some costs being reallocated for proper accounting. NELCDC management is now working with a local CPA, who is conducting monthly reconciliations to remedy this concern.
2. Although Thomas Harris' payroll and taxes are shown in the King's Dominion Budget vs. Actual spreadsheet, these associated expenses were accounted for in the NELCDC general ledger with all other payroll expenses. Instead of manipulating the line items, I want the 4th quarter to reflect a consistent format with previous reports submitted and offer supplemental information to help explain the anomaly.
3. Only income and expenses are shown on the P&L statement; assets and liabilities are not shown.
4. The deferred LEDA income is not shown on the P&L because this income was likely on a previous profit and loss statement.
5. There are a few items that are showing as income on the P & L that are not shown on any budget vs. actual documents. This is likely do to a misclassification. Again, I did not want to manipulate the worksheets and wanted each line item to remain as was shown in previous reports; we are working to properly classify each budget items so moving forward expenses are clear. The following items will only appear on the P&L:
 - a. \$127.43 of earning interest (revenue) was accrued from NELCDC savings accounts. There should be an income line item on the budget. We will add this in for the current fiscal year.
 - b. \$314.60 is comprised of revenue generated from an accidental \$200 deposit that was intended for Parkway Place, which was reconciled. Remaining are monies received from sandstorm Scholar for documentation and staff time used to satisfy open records requests in April and May 2014. A line item may also need to be created for other unanticipated income.
 - c. The IRS was paid \$2,580 and the expense was classified as a tax. A line item may also need to be created for this type of expense in the future. NELCDC management is working to ascertain the purpose of this charge.
 - d. A floral arrangement was purchased for \$54.98. This expense should have been added to office supplies or perhaps a general administration expense line should be added to properly accommodate for these types of expenses.

Please let me know if you have questions or concerns.

Regards,

Monique Coleman
Executive Director

North & East Lubbock CDC Operating Budget

Budget vs. Actual FY 2013-14

(Section 380 Funds)

October 2013 - September 2014

	Budget	Actual Year-To-Date	Variance (Remaining Balance)
Income			
City of Lubbock Grant	\$ 251,068.00	251,068.00	-
Total Income	\$ 251,068.00	251,068.00	-
Expenses			
Personnel			
Salaries	\$ 108,700.00	69,497.32	39,202.68
HUD Certified Counselor - Sub Contractor	42,000.00	44,536.00	(2,536.00)
Car Allowances	2,400.00	3,568.39	(1,168.39)
Health Coverage	9,400.00	4,381.33	5,018.67
Total Personnel	\$ 162,500.00	121,983.04	40,516.96
Payroll Taxes			
Payroll Taxes	\$ 8,568.00	7,064.68	1,503.32
Total Payroll Taxes	\$ 8,568.00	7,064.68	1,503.32
Credit/Housing Counseling Program			
Credit Reports (300 clients @ \$50 per person = \$15,000)	\$ 15,000.00	150.82	14,849.18
Supplies, postage, etc	5,000.00	282.32	4,717.68
Training	10,000.00	19,891.89	(9,891.89)
Total Credit/Housing Counseling Program	\$ 30,000.00	20,325.03	9,674.97
Other Operational Expenses			
Supplies	\$ 3,400.00	7,086.66	(3,686.66)
Phone	7,000.00	5,313.79	1,686.21
Copier Lease	8,000.00	3,366.64	4,633.36
Membership	1,000.00	749.79	250.21
Bank Charges	500.00	224.51	275.49
Board Community Meetings	3,600.00	3,845.39	(245.39)
Travel	1,500.00	2,129.00	(629.00)
Officer & Liability Insurance	4,000.00	1,717.00	2,283.00
Legal	10,000.00	18,304.69	(8,304.69)
Auditing & Bookkeeping Services	6,000.00	-	6,000.00
Professional Services	5,000.00	520.96	4,479.04
Total Operational Expenses	\$ 50,000.00	43,258.43	6,741.57
Total Expenses	\$ 251,068.00	192,631.18	58,436.82

North & East Lubbock CDC King's Dominion Budget

Budget vs. Actual FY 2013-14
(Non-Section 380 Funds)
October 2013 - September 2014

	Budget	Actual Year-To- Date	Variance (Remaining Balance)
Income			
Lot Sales	\$ 87,010.00	24,670.00	(62,340.00)
National Church Residence	6,687.50	6,687.50	-
Community Champion Awards Banquet (+other/general donations)	35,000.00	34,875.00	(125.00)
Total Income	\$ 128,697.50	66,232.50	(62,465.00)
Expenses			
Operating Expenses			
Legal	\$ 11,444.17	-	11,444.17
Development	20,400.00	20,390.40	9.60
Maintenance	5,000.00	225.00	4,775.00
CCA Banquet Expenses	18,000.00	11,006.80	6,993.20
Payroll - Thomas Harris, III	20,000.00	20,000.00	-
Payroll Taxes - Thomas Harris, III	6,333.33	1,507.52	4,825.81
Total Operating Expenses	\$ 81,177.50	53,129.72	28,047.78
Other Expenses			
Western Bank Loan	\$ 47,520.00	50,885.76	(3,365.76)
Total Loan Expense	\$ 47,520.00	50,885.76	(3,365.76)
Total Expenses	\$ 128,697.50	104,015.48	24,682.02

North & East Lubbock CDC / Parkway Place, LLC Budget

Budget vs. Actual FY 2013-14
(Non-Section 380 Funds)
October 2013 - September 2014

	Budget	Actual Year-To-Date	Variance (Remaining Balance)
Income			
Lease Revenue	\$ 125,520.00	156,525.64	31,005.64
Total Income	\$ 125,520.00	156,525.64	31,005.64
Expenses			
Operating Expenses			
Audit	\$ 2,000.00	1,800.00	200.00
Insurance	15,000.00	15,010.72	(10.72)
Legal	4,000.00	5,566.35	(1,566.35)
Maintenance	8,000.00	18,465.80	(10,465.80)
Printing/Copying	500.00	99.99	400.01
Property Taxes	21,000.00	20,247.04	752.96
Utilities	13,000.00	11,143.71	1,856.29
Total Operating Expenses	\$ 63,500.00	72,333.61	(8,833.61)
Other Expenses			
Construction Cost Parkway Pharmacy	\$ 80,000.00	78,155.15	1,844.85
Plains Capital Bank Loan Payment	35,000.00	35,393.79	(393.79)
Total "Other" Expenses	\$ 115,000.00	113,548.94	1,451.06
Total Expenses	\$ 178,500.00	185,882.55	(7,382.55)

North & East Lubbock CDC Operating Budget

Budget vs. Actual FY 2013-14

(Section 380 Funds)

October 2013 - September 2014

	Budget	Actual Year-To-Date	Variance (Remaining Balance)
Income			
City of Lubbock Grant	\$ 251,068.00	251,068.00	-
Total Income	\$ 251,068.00	251,068.00	-
Expenses			
Personnel			
Salaries	\$ 108,700.00	69,497.32	39,202.68
HUD Certified Counselor - Sub Contractor	42,000.00	44,536.00	(2,536.00)
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Total Loan Expense	\$ 47,520.00	50,885.76	(3,365.76)
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North & East Lubbock CDC / Parkway Place, LLC Budget

Budget vs. Actual FY 2013-14
(Non-Section 380 Funds)
October 2013 - September 2014

	Budget	Actual Year-To-Date	Variance (Remaining Balance)
Income			
Lease Revenue	\$ 125,520.00	156,525.64	31,005.64
Total Income	\$ 125,520.00	156,525.64	31,005.64
Expenses			
Operating Expenses			
Audit	\$ 2,000.00	1,800.00	200.00
Insurance	15,000.00	15,010.72	(10.72)
Legal	4,000.00	5,566.35	(1,566.35)
Maintenance	8,000.00	18,465.80	(10,465.80)
Printing/Copying	500.00	99.99	400.01
Property Taxes	21,000.00	20,247.04	752.96
Utilities	13,000.00	11,143.71	1,856.29
Total Operating Expenses	\$ 63,500.00	72,333.61	(8,833.61)
Other Expenses			
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Total "Other" Expenses	\$ 115,000.00	113,548.94	1,451.06
Total Expenses	\$ 178,500.00	185,882.55	(7,382.55)

North & East Lubbock CDC Profit & Loss

Oct '13 - Sep 14

Ordinary Income/Expense

Income	
5036 · Other Revenue	314.60
4000 · Contributed Support	
4010 · Donations - General	13,850.00
4020 · Donation - CCA	21,025.00
Total 4000 · Contributed Support	<u>34,875.00</u>
5000 · Earned Revenue	
5010 · Interest Income	127.43
5020 · Grants Income	
5025 · City of Lubbock Operating Grant	251,068.00
5028 · Downpayment&Closing Cost Grant	0.00
5020 · Grants Income - Other	0.00
Total 5020 · Grants Income	<u>251,068.00</u>
Total 5000 · Earned Revenue	251,195.43
5500 · King's Dominion Income	
5510 · KD-Lot Sales	24,670.00
Total 5500 · King's Dominion Income	<u>24,670.00</u>
Total Income	<u>311,055.03</u>
Gross Profit	311,055.03
Expense	
69800 · Uncategorized Expenses	0.00
6560 · Payroll (including Thomas Harris)	
6590 · Payroll Taxes	8,572.20
6595 · Car Allowance	3,568.39
6560 · Payroll - Other	89,497.35
Total 6560 · Payroll	<u>101,637.94</u>
6600 · Financial Literacy	
6690 · Financial Literacy - Travel/Lod	1,119.97
6610 · Supplies - Programs	282.32
6640 · Meals - Programs	173.62
6650 · Credit Reports	150.82
Total 6600 · Financial Literacy	<u>1,726.73</u>
7000 · Contract Labor	
7040 · Vanessa Perez - Contract Labor	42,336.00
7000 · Contract Labor - Other	2,200.00
Total 7000 · Contract Labor	<u>44,536.00</u>
7510 · Professional Services	
7515 · Legal	18,304.69
7550 · Professional Services	520.96
Total 7510 · Professional Services	<u>18,825.65</u>
7700 · Insurance	
7710 · Staff Health Insurance	4,283.77

7720 · Dental Insurance	97.56
7740 · General Liability Insurance	1,629.00
7750 · Board of Directors Insurance	88.00
Total 7700 · Insurance	6,098.33
7800 · Continued Education	
7810 · Training Dues - Continued Edu	3,144.76
7820 · Travel - Continued Education	11,384.71
7830 · Meals - Continued Education	1,086.59
7840 · Lodging - Continued Education	2,968.43
7800 · Continued Education - Other	13.81
Total 7800 · Continued Education	18,598.30
8000 · Kings Dominion	
8030 · Development - Kings Dominion	20,390.40
8093 · King's Lot Expenses	0.00
8096 · KD - Maintenance	225.00
Total 8000 · Kings Dominion	20,615.40
8100 · Non-personnel expenses	
8110 · Supplies	4,619.43
8140 · Postage, shipping, delivery	666.19
8170 · Printing & copying	1,801.04
Total 8100 · Non-personnel expenses	7,086.66
8200 · Occupancy expenses	
8230 · Telephone & telecommunications	5,313.79
8250 · Xerox Copier Lease	3,366.64
8260 · Taxes	2,580.00
Total 8200 · Occupancy expenses	11,260.43
8300 · Travel & meetings expenses	
8310 · Ground Transportation	379.00
8330 · Meals (Business Luncheons)	10,666.32
8344 · Meals-Professional Functions	1,750.00
Total 8300 · Travel & meetings expenses	12,795.32
8500 · Misc expenses	
8520 · Bank Charges	224.51
8530 · Professional Memberships	749.79
8577 · Marketing	54.98
Total 8500 · Misc expenses	1,029.28
8900 · CCA Fundraising	
8930 · Printing/Copying - CCA	654.87
8950 · Meals - CCA	50.70
8970 · Banquet Hall - CCA	163.34
8971 · Award - CCA Expense	881.96
8972 · Professional Expenses - CCA	2,435.00
Total 8900 · CCA Fundraising	4,185.87
Total Expense	248,395.91
Net Ordinary Income	62,659.12
Net Income	62,659.12

Parkway Place Lubbock, LLC
Profit & Loss
October 2013 through September 2014

Oct '13 - Sep 14

Ordinary Income/Expense	
Income	
Lease Revenue	156,525.64
Total Income	<u>156,525.64</u>
Expense	
Audit Expense	1,800.00
Construction Costs Pharmacy	78,155.15
Insurance Expense	15,010.72
Legal Fees	5,566.35
Maintenance Parkway Place	18,465.80
Printing/Copying	99.99
Tax Expense	20,247.04
Utilities	11,143.71
Total Expense	<u>150,488.76</u>
Net Ordinary Income	<u>6,036.88</u>
Net Income	<u><u>6,036.88</u></u>

North & East Lubbock CDC
Balance Sheet

As of September 30, 2014

Sep 30, 14

ASSETS

Current Assets

Checking/Savings

1016 · NELCDC (NEW) Operation Account	83,712.19
1015 · N & E CDC ASB Payroll (NEW)	3,995.17
1020 · N & E CDC ASB Savings Account	76,408.28
1040 · Petty Cash Account	0.30
1050 · N & E CDC - WF Savings	19,072.20
1060 · ASB Savings - Micro	6,197.17

Total Checking/Savings 189,385.31

Accounts Receivable

1131 · Account Receivable - HC	-125,534.00
1137 · Accounts Receivable - Opr. Camp	125,534.00
1110 · Accounts receivable	62,767.00
1120 · Accounts Receivable - Kings Dom	-12,340.00
1125 · Accounts Receivables - Fundrais	-124,534.00
1127 · Accounts Receivable -Consultant	12,340.00

Total Accounts Receivable -61,767.00

Other Current Assets

1450 · North & East Lubbock Invest. *	786,827.95
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Total Other Current Assets 786,827.95

Total Current Assets 914,446.26

Fixed Assets

1500 · Land

1520 · King's Dominion

1521 · King's Dominio-Land	164,737.20
1522 · King's Dominio-Res. Lot Sales	63,025.05

Total 1520 · King's Dominion 227,762.25

Total 1500 · Land 227,762.25

1633 · Equipment 25,211.66

1699 · Accumulated Depreciation -16,036.70

Total Fixed Assets 236,937.21

TOTAL ASSETS 1,151,383.47

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · Accounts payable	5,240.91
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Total Accounts Payable 5,240.91

Other Current Liabilities

2250 · Accrued Interest	3,500.00
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2300 · Western Bank Loan	233,409.05
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2100 · Payroll Liabilities	587.68
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2200 · Deferred Revenue LEDA	5,687.50
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Total Other Current Liabilities 243,184.23

North & East Lubbock CDC Balance Sheet

As of September 30, 2014

	<u>Sep 30, 14</u>
Total Current Liabilities	248,425.14
Total Liabilities	248,425.14
Equity	
3001 - Opening Bal Equity	414,908.05
3010 - Unrestrict (retained earnings)	487,433.61
Net Income	616.67
Total Equity	902,958.33
TOTAL LIABILITIES & EQUITY	<u>1,151,383.47</u>

Parkway Place Lubbock, LLC
Balance Sheet

As of September 30, 2014

Sep 30, 14

ASSETS

Current Assets

Checking/Savings

Western Bank Account - 14,717.18

Total Checking/Savings 14,717.18

Accounts Receivable

Accounts Receivable 76,173.50

Total Accounts Receivable 76,173.50

Other Current Assets

Undeposited Funds 29,640.00

Total Other Current Assets 29,640.00

Total Current Assets 120,530.68

Fixed Assets

Land 67,500.00

Parkway Place Shopping Center 1,980,966.97

Total Fixed Assets 2,048,466.97

Other Assets

Accum. Amort. Organ. Costs -210.00

Accum. Depreciation/Parkway -66,456.00

Organizational Costs 1,078.35

Total Other Assets -65,587.65

TOTAL ASSETS 2,103,410.00

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 8,999.38

Total Accounts Payable 8,999.38

Other Current Liabilities

Plains Capital Loan 18,718.32

Western Bank Loan -26,868.16

Total Other Current Liabilities -8,149.84

Total Current Liabilities 849.54

Total Liabilities 849.54

Equity

Gill Holdings Equity Investment 1,086,121.83

NELI Capital Contribution 873,703.37

Retained Earnings 172,549.39

Net Income -29,814.13

Total Equity 2,102,560.46

TOTAL LIABILITIES & EQUITY 2,103,410.00