

McKinney Economic Development Corporation Operating Statement

May 31, 2012

| Revenues | FY12 Budget | Monthly Actual | YTD Actual | Budget Balance | Budget Disbursed |
|-----------------------|---------------------|-------------------|---------------------|---------------------|------------------|
| Sales Tax | \$ 8,000,000 | \$ 837,767 | \$ 5,593,627 | \$ 2,406,373 | 69.9% |
| Interest Income | 500 | 2,988 | 22,943 | (22,443) | |
| Miscellaneous Revenue | 0 | 0 | 127,000 | (127,000) | |
| Total Revenues | \$ 8,000,500 | \$ 840,754 | \$ 5,743,570 | \$ 2,256,930 | 71.8% |

| MEDC Operations | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|--------------------------------|-------------------|------------------|-------------------|-------------------|----------------------|
| Personnel | | | | | |
| Salaries | \$ 369,453 | \$ 17,784 | \$ 183,678 | \$ 185,775 | 49.7% |
| Benefits | 131,310 | 6,789 | 85,696 | 45,614 | 65.3% |
| Total Personnel Expense | \$ 500,763 | \$ 24,573 | \$ 269,374 | \$ 231,389 | 53.8% |

| Supplies | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|-------------------------------|------------------|----------------|------------------|------------------|----------------------|
| General Office Supplies | \$ 5,000 | \$ 70 | \$ 1,927 | \$ 3,073 | 38.5% |
| Food | 5,000 | 107 | 2,150 | 2,850 | 43.0% |
| Minor Tools & Equipment | 15,000 | 119 | 11,305 | 3,695 | 75.4% |
| Postage | 1,000 | 0 | 105 | 895 | 10.5% |
| Hardware/Software Purchases | 4,000 | 0 | 123 | 3,878 | 3.1% |
| Communications | 2,500 | 0 | 2,291 | 209 | 91.6% |
| Total Supplies Expense | \$ 32,500 | \$ 296 | \$ 17,899 | \$ 14,601 | 55.1% |

| Maintenance | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|----------------------------------|-----------------|-----------------|-----------------|-------------------|----------------------|
| Buildings and Structures | 0 | 8,266 | 8,266 | (8,266) | |
| Miscellaneous Maintenance | 3,500 | 0 | 335 | 3,165 | 9.6% |
| Total Maintenance Expense | \$ 3,500 | \$ 8,266 | \$ 8,601 | \$ (5,101) | 245.8% |

| Operations | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|--|-------------------|------------------|-------------------|-------------------|----------------------|
| Communications | \$ 21,352 | \$ (13,359) | \$ 5,001 | \$ 16,351 | 23.4% |
| Mileage | 2,000 | 0 | 352 | 1,648 | 17.6% |
| Insurance or Bonds (WC) | 1,000 | 0 | 885 | 115 | 88.5% |
| Office Rental | 56,246 | 5,542 | 32,753 | 23,493 | 58.2% |
| Travel/Training | 11,000 | 0 | 624 | 10,376 | 5.7% |
| Publications - Subscriptions | 1,500 | 0 | 1,056 | 444 | 70.4% |
| Utilities - Electric | 4,100 | 497 | 2,079 | 2,021 | 50.7% |
| Other | 6,500 | 156 | 5,323 | 1,177 | 81.9% |
| Association Dues | 36,000 | 0 | 27,123 | 8,877 | 75.3% |
| Equipment Rental | 7,000 | 510 | 4,973 | 2,027 | 71.0% |
| Professional Services | 51,224 | 12,199 | 101,023 | (49,799) | 197.2% |
| Temporary Personnel Services | 10,000 | 0 | 9,819 | 181 | 98.2% |
| Other Legal Fees | 19,500 | 912 | 17,514 | 1,986 | 89.8% |
| Total Operations Expense | \$ 227,422 | \$ 6,457 | \$ 208,525 | \$ 18,897 | 91.7% |
| Total MEDC Operational Expenses | \$ 764,185 | \$ 39,592 | \$ 504,399 | \$ 259,786 | 66.0% |

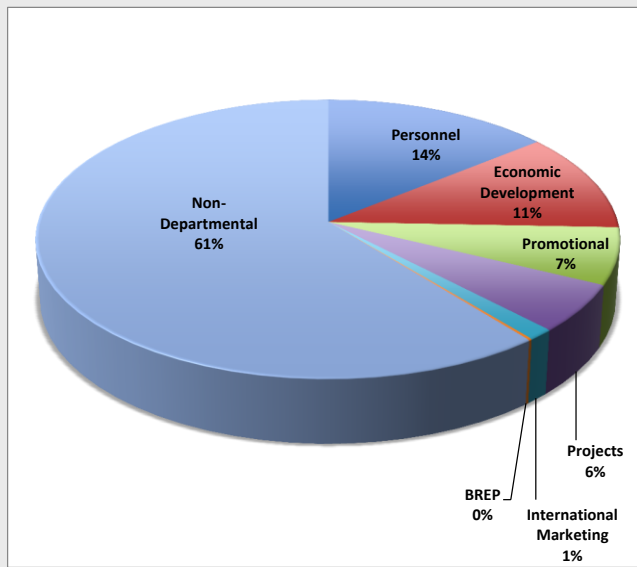
| Promotional | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|-------------------------------|------------------|--------------------|------------------|------------------|----------------------|
| Supplies | | | | | |
| Printed Material | \$ 50,000 | \$ 470 | \$ 11,789 | \$ 38,211 | 23.6% |
| Software/Hardware Maintenance | 3,000 | (27,113) | 2,004 | 996 | 66.8% |
| Total Supplies | \$ 53,000 | \$ (26,643) | \$ 13,793 | \$ 39,207 | 26.0% |

| Operations | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|-----------------------------------|-------------------|------------------|-------------------|-------------------|----------------------|
| Travel & Promotions | \$ 20,000 | \$ 145 | \$ 2,424 | \$ 17,576 | 12.1% |
| Community Relations | 3,000 | 0 | 132 | 2,868 | 4.4% |
| Professional Services | 25,400 | 27,263 | 27,263 | (1,863) | 107.3% |
| Promotional Items | 5,000 | 0 | 2,546 | 2,454 | 50.9% |
| Advertising/PR/Research | 100,000 | 4,000 | 58,199 | 41,801 | 58.2% |
| Airport Marketing | 62,000 | 0 | 20,432 | 41,568 | 33.0% |
| Total Operations | \$ 215,400 | \$ 31,407 | \$ 110,995 | \$ 104,405 | 51.5% |
| Total Promotional Expenses | \$ 268,400 | \$ 4,765 | \$ 124,788 | \$ 143,612 | 46.5% |

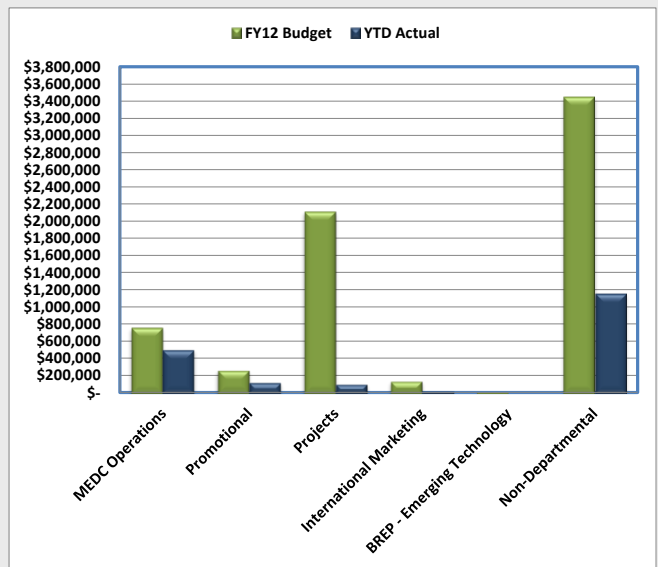
| Projects | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|-------------------------------|---------------------|------------------|-------------------|---------------------|----------------------|
| Committed Projects | \$ 1,804,300 | \$ 16,668 | \$ 83,607 | \$ 1,720,693 | 4.6% |
| Professional Services | 100,000 | 6,230 | 9,270 | 90,730 | 9.3% |
| Auditing/Accounting Fees | 10,000 | 0 | 0 | 10,000 | 0.0% |
| Other Legal Fees | 200,000 | 997 | 13,000 | 187,000 | 6.5% |
| Total Project Expenses | \$ 2,114,300 | \$ 23,895 | \$ 105,877 | \$ 2,008,423 | 5.0% |

| International Marketing | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|---|---------------------|-------------------|---------------------|---------------------|----------------------|
| Supplies | | | | | |
| General Office Supplies | \$ 1,000 | \$ - | \$ 541 | \$ 459 | 54.1% |
| Food | 2,500 | 119 | 859 | 1,641 | 34.4% |
| Postage | 1,500 | 0 | 1,295 | 205 | 86.3% |
| Printed Material | 2,000 | 230 | 1,024 | 976 | 51.2% |
| Total Supplies | \$ 7,000 | \$ 349 | \$ 3,718 | \$ 3,282 | 53.1% |
| Operations | | | | | |
| Mileage | \$ 4,000 | \$ - | \$ 667 | \$ 3,333 | 16.7% |
| Travel/Training | 79,500 | 936 | 17,637 | 61,863 | 22.2% |
| Associations | 2,000 | 0 | 450 | 1,550 | 22.5% |
| Rental | 500 | (427) | 0 | 500 | 0.0% |
| Professional Services | 1,000 | (230) | 120 | 880 | 12.0% |
| Promotional | 42,000 | 718 | 1,591 | 40,409 | 3.8% |
| Advertising | 4,000 | 0 | 300 | 3,700 | 7.5% |
| Total Operations | \$ 133,000 | \$ 997 | \$ 20,765 | \$ 112,235 | 15.6% |
| Total International Marketing Expenses | \$ 140,000 | \$ 1,347 | \$ 24,484 | \$ 115,516 | 17.5% |
| BREP - Emerging Technology | | | | | |
| Supplies | | | | | |
| Office Supplies | \$ 500 | \$ - | \$ 71 | \$ 429 | 14.3% |
| Food | 1,000 | 113 | 113 | 888 | 11.3% |
| Total Supplies | \$ 1,500 | \$ 113 | \$ 184 | \$ 1,316 | 12.3% |
| Operations | | | | | |
| Mileage | \$ 1,500 | \$ 142 | \$ 478 | \$ 1,022 | 31.9% |
| Travel/Training | 9,000 | 708 | 1,845 | 7,155 | 20.5% |
| Other | 2,000 | 0 | 398 | 1,602 | 19.9% |
| Promotional | 1,000 | 0 | 450 | 550 | 45.0% |
| Total Operations | \$ 13,500 | \$ 850 | \$ 3,170 | \$ 10,330 | 23.5% |
| Total BREP Expenses | \$ 15,000 | \$ 962 | \$ 3,354 | \$ 11,646 | 22.4% |
| Non-Departmental | | | | | |
| Operations | | | | | |
| Other - Adm Fee | \$ 74,197 | \$ 6,183 | \$ 49,465 | \$ 24,732 | 66.7% |
| Transfer to Main Street | 25,000 | 2,083 | 16,667 | 8,333 | 66.7% |
| MEDC I&S Fund | 3,346,819 | 136,154 | 1,089,229 | 2,257,590 | 32.5% |
| Total Operations | \$3,446,016 | \$ 144,420 | \$1,155,361 | \$2,290,655 | 33.5% |
| Total Non-Departmental Expenses | \$ 3,446,016 | \$ 144,420 | \$ 1,155,361 | \$ 2,290,655 | 33.5% |
| Total Expenses | \$ 6,747,901 | \$ 214,981 | \$ 1,918,263 | \$ 4,829,638 | 28.4% |
| Net | \$ 1,252,599 | \$ 625,773 | \$ 3,825,306 | | |

YTD Expenses



Budget vs. YTD Actual Expenses



McKinney Economic Development Corporation Project Allocations

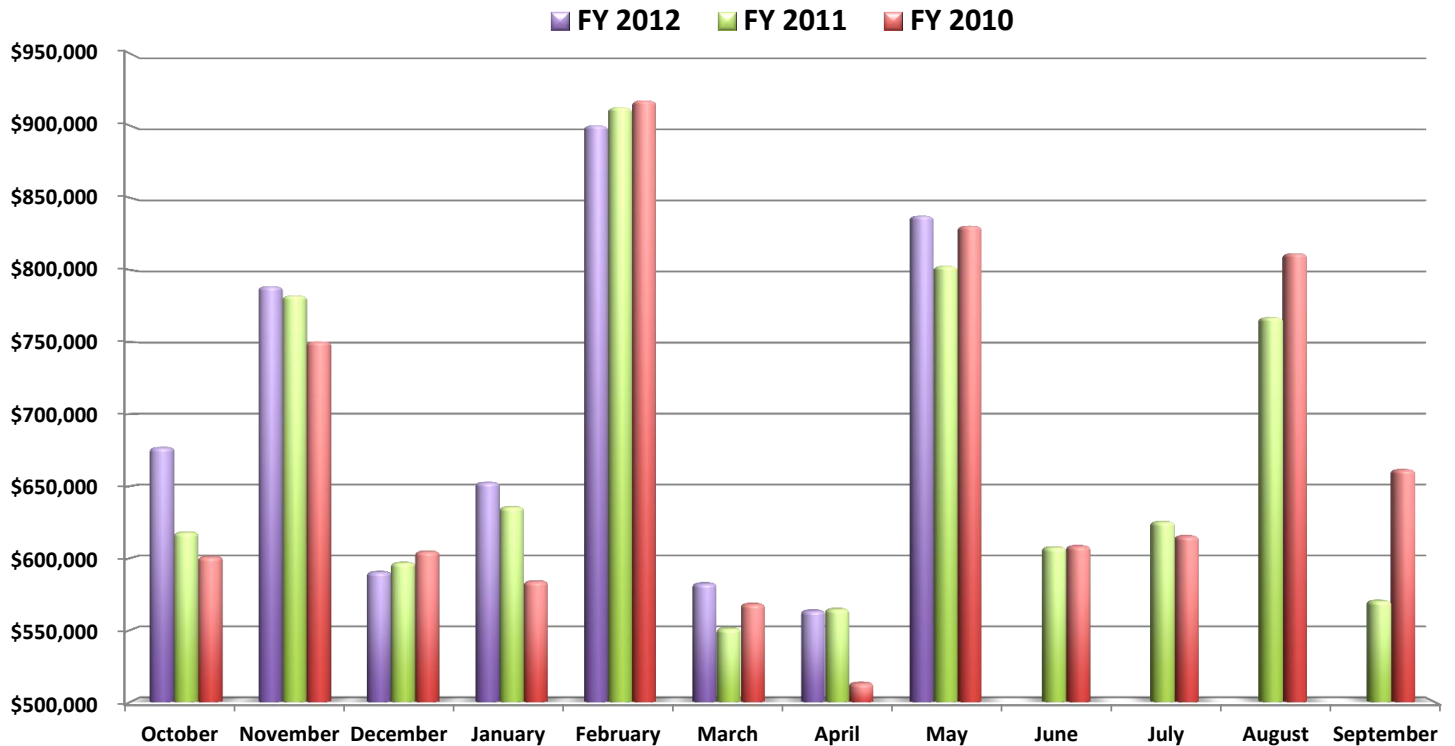
May 31, 2012

| Project Fund Disbursements | FY 12 Budget | Monthly Actual | YTD Actual | Budget Balance | YTD Budget Disbursed |
|------------------------------------|---------------------|-------------------|---------------------|---------------------|----------------------|
| Debt Service Payments | | | | | |
| Texas Instruments | \$ 76,094 | \$ 6,341 | \$ 50,729 | \$ 25,365 | 66.7% |
| Gateway 65 Acre Project | 1,395,063 | 116,255 | 930,042 | 465,021 | 66.7% |
| 52-Acre Industrial Park | 162,687 | 13,557 | 108,458 | 54,229 | 66.7% |
| Total Debt Service Payments | \$ 1,633,844 | \$ 136,154 | \$ 1,089,229 | \$ 544,615 | 66.7% |
| Committed Projects | | | | | |
| 06-21 Experian | \$ 500,000 | \$ - | \$ 33,603 | \$ 466,397 | 6.7% |
| 07-13 Tong Yang | 33,000 | 0 | 0 | 33,000 | 0.0% |
| 07-25 McKinney Village | 150,000 | 0 | 0 | 150,000 | 0.0% |
| 10-03 New Toy | 50,000 | 0 | 0 | 50,000 | 0.0% |
| 10-04 Cutter | 100,000 | 0 | 0 | 100,000 | 0.0% |
| 10-11 Workhorse | 50,000 | 0 | 0 | 50,000 | 0.0% |
| 10-16 Servergy | 30,000 | 12,501 | 33,336 | (3,336) | 111.1% |
| 11-06 Veneerstone | 50,000 | 0 | 0 | 50,000 | 0.0% |
| 11-10 Main Street | 25,000 | 0 | 0 | 25,000 | 0.0% |
| 11-14 Ueber Music | 50,000 | 0 | 0 | 50,000 | 0.0% |
| 11-17 Biscotti | 50,000 | 4,167 | 16,668 | 33,332 | 33.3% |
| 11-21 USP&E | 50,000 | 0 | 0 | 50,000 | 0.0% |
| Undesignated | 666,300 | 0 | 0 | 666,300 | 0.0% |
| Total Committed Projects | \$ 1,804,300 | \$ 16,668 | \$ 83,607 | \$ 1,720,693 | 4.6% |

McKinney Economic Development Corporation Sales Tax - Cash Basis

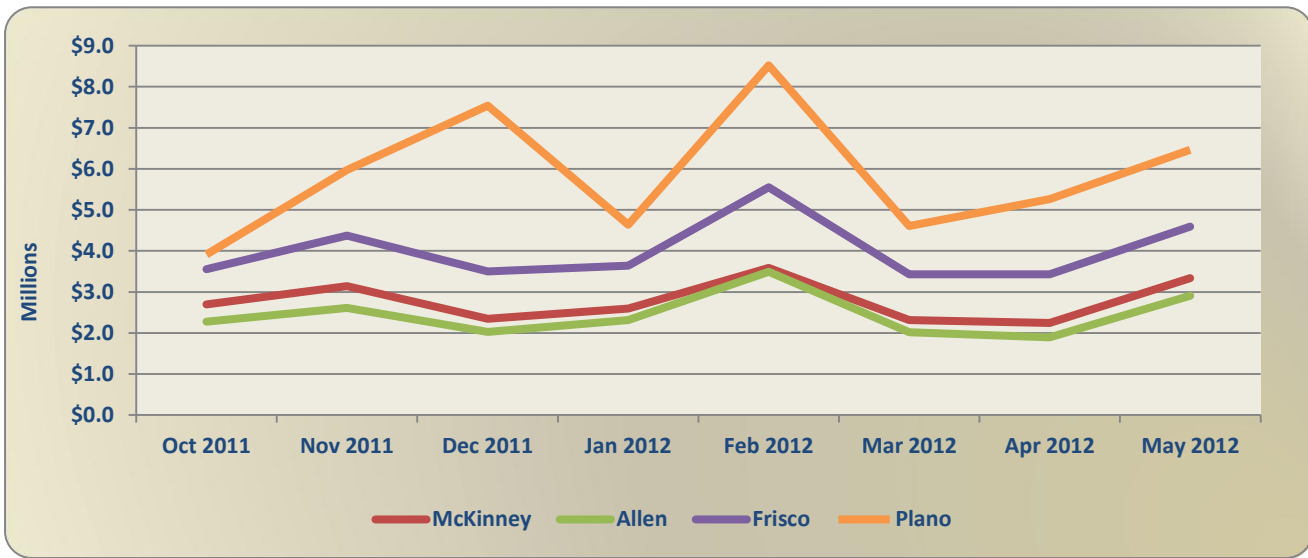
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| MONTH | FY 2009 Received | FY 2010 Received | FY 2011 Received | FY 2012 Received | Difference to FY 2011 | Variance to FY 2011 | Received % of FY12 Budget |
|--------------|---------------------|---------------------|---------------------|---------------------|--------------------------|------------------------|------------------------------|
| October | \$635,933 | \$601,060 | \$618,027 | \$677,019 | \$58,992 | 9.5% | 8.5% |
| November | 800,981 | 750,551 | 782,350 | 788,763 | 6,412 | 0.8% | 18.3% |
| December | 662,747 | 604,719 | 596,953 | 590,569 | (6,384) | -1.1% | 25.7% |
| January | 597,722 | 583,944 | 635,746 | 652,773 | 17,026 | 2.7% | 33.9% |
| February | 952,014 | 917,764 | 913,054 | 900,507 | (12,547) | -1.4% | 45.1% |
| March | 577,054 | 568,249 | 551,228 | 582,592 | 31,364 | 5.7% | 52.4% |
| April | 535,705 | 513,268 | 564,781 | 563,639 | (1,143) | -0.2% | 59.4% |
| May | 792,418 | 830,760 | 802,920 | 837,767 | 34,846 | 4.3% | 69.9% |
| June | 621,456 | 608,551 | 607,652 | | | | |
| July | 607,275 | 615,496 | 625,389 | | | | |
| August | 851,645 | 811,705 | 767,331 | | | | |
| September | 520,335 | 661,540 | 570,452 | | | | |
| Total | \$8,155,285 | \$8,067,609 | \$8,035,886 | \$5,593,627 | \$128,566 | 2.4% | |



Sales Tax Sister City Comparison

May 31, 2012



| | McKinney | Allen | Frisco | Plano |
|----------------------|---------------------|---------------------|---------------------|---------------------|
| Oct 2010 | 2,461,072 | 1,877,586 | 3,183,595 | 4,263,519 |
| Nov 2010 | 3,116,960 | 2,420,335 | 3,893,132 | 6,164,279 |
| Dec 2010 | 2,375,374 | 1,724,765 | 2,926,429 | 4,218,416 |
| Jan 2011 | 2,530,469 | 2,136,770 | 3,141,612 | 4,893,156 |
| Feb 2011 | 3,639,673 | 3,138,091 | 5,233,928 | 7,149,432 |
| Mar 2011 | 2,192,389 | 1,730,001 | 2,878,995 | 4,784,306 |
| Apr 2011 | 2,246,590 | 1,578,504 | 2,878,991 | 4,534,160 |
| May 2011 | 3,198,995 | 2,738,910 | 4,247,202 | 6,603,413 |
| June 2011 | 2,417,903 | 2,131,057 | 3,208,067 | 5,392,638 |
| July 2011 | 2,488,806 | 2,162,726 | 3,313,526 | 4,405,703 |
| Aug 2011 | 3,056,544 | 2,814,472 | 4,401,177 | 6,530,082 |
| Sep 2011 | 7,614,770 | 2,155,815 | 3,553,146 | 4,600,767 |
| FY 2011 Total | \$37,339,546 | \$26,609,032 | \$42,859,800 | \$63,539,871 |
| Oct 2011 | 2,695,235 | 2,273,152 | 3,556,044 | 3,914,237 |
| Nov 2011 | 3,143,117 | 2,613,427 | 4,370,704 | 5,975,185 |
| Dec 2011 | 2,349,361 | 2,026,610 | 3,497,198 | 7,542,484 |
| Jan 2012 | 2,598,189 | 2,316,571 | 3,640,120 | 4,636,676 |
| Feb 2012 | 3,588,971 | 3,495,776 | 5,549,946 | 8,523,992 |
| Mar 2012 | 2,317,467 | 2,021,048 | 3,427,402 | 4,604,584 |
| Apr 2012 | 2,241,564 | 1,892,375 | 3,427,296 | 5,260,580 |
| May 2012 | 3,338,002 | 2,904,381 | 4,590,910 | 6,462,037 |
| FY 2012 Total | \$22,271,906 | \$19,543,339 | \$32,059,620 | \$46,919,773 |

May-12

| | | | | |
|------------|-----------|-----------|-----------|-------------|
| Diff to LY | \$139,007 | \$165,472 | \$343,708 | (\$141,376) |
| Var to LY | 4.3% | 6.0% | 8.1% | -2.1% |

McKinney Economic Development Corporation

Balance Sheet

May 31, 2012

| | MEDC Operations | Interest and Sinking | Reserve Fund | Long-Term Debt | General Fixed Assets | Total |
|---|----------------------|-------------------------|---------------------|----------------------|-------------------------|----------------------|
| Assets | | | | | | |
| Cash & Investments | \$ 1,174,934 | \$ 977,680 | \$ 3,369 | \$ - | \$ - | \$ 2,155,983 |
| Petty Cash | 200 | 0 | 0 | 0 | 0 | 200 |
| Investment Pools | 8,504,873 | 0 | 1,580,227 | 0 | 0 | 10,085,100 |
| Other Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Receivable - Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts Receivable | 1,462,798 | 0 | 0 | 0 | 0 | 1,462,798 |
| Deposits/Security Deposits | 5,528 | 0 | 0 | 0 | 0 | 5,528 |
| Prepaid Items | 0 | 0 | 0 | 0 | 0 | 0 |
| Land | 0 | 0 | 0 | 0 | 23,327,475 | 23,327,475 |
| Buildings & Structures | 0 | 0 | 0 | 0 | 25,434 | 25,434 |
| Land Improvements | 0 | 0 | 0 | 0 | 257,783 | 257,783 |
| Machinery & Equipment | 0 | 0 | 0 | 0 | 29,795 | 29,795 |
| Total Assets | \$ 11,148,333 | \$ 977,680 | \$ 1,583,595 | \$ - | \$ 23,640,487 | \$ 37,350,096 |
| Other Debits | | | | | | |
| Amount Available for Debt Service | \$ - | \$ - | \$ - | \$ 1,319,983 | \$ - | \$ 1,319,983 |
| Amount to be Provided for Retirement of Lon | 0 | 0 | 0 | 31,714,100 | 0 | 31,714,100 |
| Total Other Debits | \$ - | \$ - | \$ - | \$ 33,034,083 | \$ - | \$ 33,034,083 |
| Total Assets and Other Debits | \$ 11,148,333 | \$ 977,680 | \$ 1,583,595 | \$ 33,034,083 | \$ 23,640,487 | \$ 70,384,179 |
| Liabilities | | | | | | |
| Vouchers Payable | \$ 4,703 | \$ - | \$ - | \$ - | \$ - | \$ 4,703 |
| Compensated Absences Payable | 0 | 0 | 0 | 24,837 | 0 | 24,837 |
| Accrued Interest Payable | 0 | 0 | 0 | 85,559 | 0 | 85,559 |
| Note Payable to O&S Holding | 0 | 0 | 0 | 8,454,246 | 0 | 8,454,246 |
| Note Payable to Primary Government | 0 | 0 | 0 | 8,095,000 | 0 | 8,095,000 |
| Bonds Payable | 0 | 0 | 0 | 16,460,000 | 0 | 16,460,000 |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 | 23,639,404 | 23,639,404 |
| Total Liabilities | \$ 4,703 | \$ - | \$ - | \$ 33,119,642 | \$ 23,639,404 | \$ 56,763,749 |
| Fund Balances | | | | | | |
| Reserved for Special Projects | \$ 3,560,135 | \$ - | \$ - | \$ - | \$ - | \$ 3,560,135 |
| Reserved for Encumbrances | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved for Debt Service | 0 | 977,680 | 1,583,595 | 0 | 0 | 2,561,276 |
| Undesignated | 7,583,495 | 0 | 0 | (85,559) | 1,083 | 7,499,019 |
| Total Fund Balances | \$ 11,143,630 | \$ 977,680 | \$ 1,583,595 | \$ (85,559) | \$ 1,083 | \$ 13,620,430 |
| Total Liabilities and Fund Balances | \$ 11,148,333 | \$ 977,680 | \$ 1,583,595 | \$ 33,034,083 | \$ 23,640,487 | \$ 70,384,179 |