

# Audit Committee



## Audit of EDD Prosper West Contract Compliance

Presented by: Buddy Vargas, Audit Manager

October 10, 2023

# Objective and Conclusion

## EDD Prosper West Contract

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### **Audit Objective**

Determine if parties are in compliance with the economic development agreement between the City and Prosper West.

### **Overall Conclusion**

EDD staff is not adequately monitoring the contract.

Prosper West is not in compliance with multiple key terms of the contract.

# Results

## EDD Prosper West Contract

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### **Contract Monitoring**

EDD staff is not adequately monitoring contract compliance

### **Activity Reports**

PW Quarterly reports were not accurate

### **Grants**

PW gave grant to ineligible business

Unused funds not returned to EDD

### **Required Matching Funds**

PW did not provide the 50% required matching funds

# Results

## EDD Prosper West Contract

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### **General Funds Expenditures**

Identified non-allowable expenses paid with general funds

### **Financial Statement/Accounting**

PW is not accounting for City funding separately as required  
Independent audited financial statements have not been  
provided

### **Insurance**

Required insurance coverages not in force

# EDD Prosper West Contract

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EDD management have agreed with the recommendations and have developed action plans to address monitoring issues and work with Prosper West leadership on compliance issues

Anticipated completion: November 2023

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