

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Mr. Rodney Gonzales, Deputy Director  
City of Austin  
Economic Growth and Redevelopment Services Office  
301 West 2nd Street, Suite 2030  
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We have performed the procedures enumerated below, which were agreed to by the City of Austin (the "City") solely to assist the specified user in evaluating the City's assertion that HelioVolt Corporation ("HelioVolt") has complied for the reporting year 2010 with certain provisions, as described below, of the Chapter 380 Economic Development Agreement (the "Agreement"), approved by the City Council on October 18, 2007, through Ordinance No. 20071018-002 and executed by the Assistant City Manager on January 2, 2008. The City is the specified user of this report. The City's management is responsible for the determination of compliance by HelioVolt with the Agreement. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified user of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- 1) With reference to Section 3.01(c) of the Agreement:
  - a. We obtained from HelioVolt a copy of the invoice from the Capital City African American Chamber of Commerce ("CCAACC") for its 2010 membership fees and HelioVolt's proof of payment for CCAACC 2010 membership fees. We inspected these documents and confirmed HelioVolt's membership in CCAACC. No exceptions were found as a result of the foregoing procedures.

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- b. We obtained from HelioVolt a copy of the invoice for its Greater Austin Hispanic Chamber of Commerce ("GAHCC") 2010 membership fees. We inspected the document and confirmed HelioVolt's 2010 membership in GAHCC. No exceptions were found as a result of the foregoing procedures.
- c. We obtained from HelioVolt copies of the August 26, 2010; October 27, 2010; October 29, 2010 and November 1, 2010 emails between HelioVolt and GAHCC personnel. We inspected the documents and confirmed the e-mails include discussions regarding job openings that HelioVolt posted on the GAHCC website. No exceptions were found as a result of the foregoing procedures.
- d. We obtained from HelioVolt a copy of the August 19, 2010 email from HelioVolt to the Texas Asian Chamber of Commerce ("TACC") staff. We inspected the document and confirmed the e-mail stated that HelioVolt became a member of the TACC in August 2010. No exceptions were found as a result of the foregoing procedures.
- e. We obtained from HelioVolt a copy of the TACC November 2010 newsletter. We inspected the document and confirmed it included notices of job openings at HelioVolt. No exceptions were found as a result of the foregoing procedures.
- f. We obtained from HelioVolt a copy of the invoice from the Society of Women Engineers ("SWE"). We inspected the document and confirmed it was for the expense of posting job openings by HelioVolt on SWE's Career Center Website. No exceptions were found as a result of the foregoing procedures.
- g. We obtained from HelioVolt a copy of reports dated August 11, 2010 and August 12, 2010 from Jobing.com. We inspected and confirmed that the reports showed that HelioVolt job openings were posted at Jobing.com, who partners with the Austin Asian American Chamber of Commerce ("AAACC") and the GAHCC. No exceptions were found as a result of the foregoing procedures.

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2) With reference to Section 3.01(d) of the Agreement, we obtained from the City HelioVolt's acknowledgement to EGRSO signed by Steve Darnell, Vice President Finance at HelioVolt. We inspected the document and confirmed that during the term of the Chapter 380 agreement HelioVolt had complied with the following requirements:

- (1) has not been notified of any complaint alleging it has employed undocumented workers
- (2) agreed that if it is notified of any such complaint during the term of the Chapter 380 agreement it will notify the City, and
- (3) has not been convicted of any violation under 8 U.S.C. Section 1324a(f).

No exceptions were found as a result of the foregoing procedures.

3) With reference to Section 3.02(a) of the Agreement:

- a. We obtained copies of reports from the City of the City of Austin Small & Minority Business Resource ("SMBR") Department's database of SMBR Certified Vendors. We inspected these reports and confirmed that each of the ten businesses HelioVolt identified as a supplier during 2010 was a certified minority-owned or woman-owned vendor. No exceptions were found as a result of the foregoing procedures.
- b. We obtained from HelioVolt a copy of the schedule of its 2010 expenditures for each of the ten vendors identified at procedure 3a. We verified the mathematical accuracy of the schedule. We inspected the schedule and confirmed the total of the schedule agreed to the total expenditures reported by HelioVolt. No exceptions were found as a result of the foregoing procedures.
- c. Using the schedule obtained in procedure 3b, we selected a sample of businesses representing at least 10% of the reported 2010 expenditures with the ten companies. For each of those businesses selected, we obtained from HelioVolt a list of invoices representing its reported 2010 expenditures with these companies. We inspected the list and selected a sample of invoices or other supporting documentation representing at least 10% of HelioVolt's reported 2010 expenditures. For the sample selected, we inspected each invoice or other supporting documentation and confirmed that each invoice or other supporting documentation agrees to the report provided by HelioVolt. No exceptions were found as a result of the foregoing procedures.

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- 4) With reference to Section 3.04 of the Agreement, we obtained and inspected screen shots provided by the City of the City of Austin Interactive Development Review Permitting and Inspection Database search for records that included “HelioVolt” in the “Project Name” for the period from January 1, 2008 through April 4, 2011. We inspected such documents and confirmed that the database contained no record of any site plan or subdivision application or amendment filed by HelioVolt during that period. No exceptions were noted as a result of the foregoing procedures.
- 5) With reference to Section 3.05 of the Agreement, we obtained the Economic Development Reporting Form e-mailed on March 1, 2011 to EGRSO. We inspected this document and confirmed HelioVolt provided the completed and signed Economic Development Reporting Form to the City on March 1, 2011. No exceptions were noted as a result of the foregoing procedures.
- 6) With reference to Section 4.01 of the Agreement:
  - a. We obtained from the City the Travis Central Appraisal District’s (“TCAD”) 2010 report for parcel 767878. We inspected this document and confirmed the 2010 certified value of parcel 767878 was \$7,892,790. No exceptions were noted as a result of the foregoing procedures.
  - b. We obtained from the City the Travis County Tax Statement showing taxes due January 31, 2011 for parcel 9767878. We inspected such statement and confirmed the City of Austin taxes owed for parcel 9767878 were \$36,077.94. We recalculated and confirmed that 60% of \$36,077.94 is \$21,646.76. No exceptions were found as a result of the foregoing procedures.
  - c. We obtained from the City the Travis County Tax Statement printed January 31, 2011 for parcel 9767878. We inspected such statement and confirmed that it shows no taxes due for the property. No exceptions were found as a result of the foregoing procedures.
  - d. We obtained from the City the TCAD 2010 report for parcel 0318100109 (PID 785778). We inspected such report and confirmed it shows the 2010 certified value of the land was \$1,060,146, the 2010 certified value of the improvements was \$5,199,740, and the total 2010 certified value was \$6,259,886. No exceptions were found as a result of the foregoing procedures.
  - e. We recalculated and confirmed the sum of \$390,000 and \$375,250 is \$765,250 and the difference between \$6,259,886 and \$765,250 is \$5,494,636. No exceptions were found as a result of the foregoing procedures.

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- f. We obtained from the City the Travis County Tax Statement showing taxes due January 31, 2011 for parcel 0318100109. We inspected such statement and confirmed that the City of Austin tax rate was \$0.4571 per \$100 of property value. No exceptions were found as a result of the foregoing procedures.
- g. We recalculated and confirmed that the product of \$5,494,636 and \$0.004571 is \$25,115.98 and that 60% of \$25,115.98 is \$15,069.59. No exceptions were found as a result of the foregoing procedures.
- h. We obtained from the City the Travis County Tax Statement for parcel 0318100109 printed January 31, 2011. We inspected such statement and confirmed it shows no taxes are owed for parcel 0318100109. No exceptions were found as a result of the foregoing procedures.
- i. We recalculated and confirmed the sum of \$15,069.59 and \$21,646.76 is \$36,716.35. No exceptions were found as a result of the foregoing procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City and is not intended to be and should not be used by anyone other than this specified party.

*Padgett, Stratemann + Co., LLP*

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