

COLEMAN COMMUNITY
COALITION TYPE B ECONOMIC
DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S
REPORT

YEAR ENDED

SEPTEMBER 30, 2019



**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Coleman Community Coalition Type B
Economic Development Corporation:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coleman Community Coalition Type B Economic Development Corporation (the Corporation), a component unit of the City of Coleman, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Coleman Community Coalition Type B Economic Development Corporation, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Roberts + McDee, CPA

Abilene, Texas,
August 26, 2021

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

As management of the Coleman Community Coalition Type B Economic Development Corporation (the Corporation), we offer readers of the Coleman Community Coalition Type B Economic Development Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended September 30, 2019.

Financial Highlights

Financial Statement Highlights

- The net position of the Coleman Community Coalition Type B Economic Development Corporation was \$758,972 at year end. Of this amount, \$733,319 (*unrestricted net position*) may be used to meet the government's ongoing obligations. \$25,653 of the Corporation's equity is invested in capital assets.
- The Corporation's net position increased by \$37,121 during the fiscal year.
- As of the close of the current fiscal year, the Corporation's general fund reported an ending fund balances of \$733,319. This fund balance reflects an increase of \$43,768 for the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Coleman Community Coalition Type B Economic Development Corporation's basic financial statements. The Corporation's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private sector business. The Corporation's government-wide financial statements are presented in combination with the fund financial statements due to the allowed reporting format for special purpose governmental entities.

The *statement of net position* presents information on all of the Coleman Community Coalition Type B Economic Development Corporation's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 7-10 of this report.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Coleman Community Coalition Type B Economic Development Corporation utilizes only one governmental fund.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual* basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The governmental fund financial statements can be found on pages 7-10 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

Other information. The Corporation adopts an annual appropriated budget for the general fund. A budgetary comparison statement is *required supplementary information* that is required by accounting principles generally accepted in the United States and can be found on page 16 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Coleman Community Coalition Type B Economic Development Corporation, net position was \$758,972 at the close of the most recent fiscal year.

\$25,653 of the Coleman Community Coalition Type B Economic Development Corporation's net position reflects its investment in capital assets (e.g., equipment). The Corporation uses these capital assets to provide services; consequently, these assets are *not* available for future spending.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

**The Coleman Community Coalition Type B Economic Development Corporation
Summary of the Statement of Net Position**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current Assets	\$ 506,288	\$ 501,238
Noncurrent Assets	263,054	241,988
Total Assets	<u>769,342</u>	<u>743,226</u>
Current Liabilities	<u>10,370</u>	<u>19,775</u>
	10,370	19,775
Net Investment in Capital Assets	25,653	32,300
Unrestricted	<u>733,319</u>	<u>689,551</u>
	<u>\$ 758,972</u>	<u>\$ 721,851</u>

**The Coleman Community Coalition Type B Economic Development Corporation
Statement of Activities
For the Year Ended September 30**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Sales tax revenue	\$ 212,590	\$ 216,009
Refunds and reimbursements	650	6,559
Interest income	<u>2,150</u>	<u>13,872</u>
Total Revenues	<u>215,390</u>	<u>236,440</u>
Expenses		
Economic development	171,622	200,248
Depreciation	<u>6,647</u>	<u>6,840</u>
Total expenses	<u>178,269</u>	<u>207,088</u>
Increase (Decrease) in Net Position	37,121	29,352
Beginning Net Position	723,451	686,702
Prior period adjustment	<u>(1,600)</u>	<u>7,397</u>
Ending Net Position	<u>\$ 758,972</u>	<u>\$ 723,451</u>

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

As previously noted, the Coleman Community Coalition Type B Economic Development Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Coleman Community Coalition Type B Economic Development Corporation's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Corporation's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Coleman Community Coalition Type B Economic Development Corporation's general fund reported an ending fund balance of \$733,319. \$733,319 is unassigned and available for spending at the government's discretion. This reflects an increase of \$43,768 for the current year.

Fund Budgetary Highlights

The original and final budgets for the general fund reflect a deficit budget of \$32,476. The actual expenditures were \$80,354 less than the budgeted amounts, and actual revenues were \$4,110 less than was budgeted.

CAPITAL ASSETS

Capital Assets. The Coleman Community Coalition Type B Economic Development Corporation's investment in capital assets for its governmental activities as of September 30, 2019, amounts to \$25,653 (net of accumulated depreciation). This investment in capital assets includes signs and equipment.

**The Coleman Community Coalition Type B Economic Development Corporation
Capital Assets Schedule**

		2019		2018
Signs and equipment	\$	53,016	\$	53,016
Accumulated depreciation		(27,363)		(20,716)
 Total	 \$	 25,653	 \$	 32,300

Additional information on the Coleman Community Coalition Type B Economic Development Corporation's capital assets can be found in Note 7 on page 15 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Coleman Community Coalition Type B Economic Development Corporation's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Coleman Community Coalition Type B Economic Development Corporation, 200 West Live Oak, Coleman, Texas 76834.

BASIC FINANCIAL STATEMENTS

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2019

	General Fund	Adjustments (Note A)	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 411,322	\$	\$ 411,322
Investments	51,423		51,423
Sales tax receivable	37,473		37,473
Due from the City	6,070		6,070
Note receivable	237,401		237,401
Capital assets, net		25,653	25,653
TOTAL ASSETS	\$ 743,689	25,653	769,342
LIABILITIES			
Accounts Payable	\$ 1,451		1,451
Due to the City	8,919		8,919
TOTAL LIABILITIES	10,370		10,370
FUND BALANCE/NET POSITION			
Fund balance			
Committed			
Unassigned	733,319	(733,319)	
TOTAL FUND BALANCE	733,319	(733,319)	
TOTAL LIABILITIES AND FUND BALANCE	\$ 743,689		
Net Position			
Net investment in capital assets		25,653	25,653
Unrestricted		733,319	733,319
TOTAL NET POSITION		\$ 758,972	\$ 758,972

The accompanying notes are an integral part of the financial statements.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
Adjustments to the Governmental Funds Balance Sheet - Note A
September 30, 2019

Total Fund Balances - Governmental Funds \$ 733,319

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds. At the end of the year, the cost of these assets was \$53,015 and the accumulated depreciation was \$27,362. The net effect of including capital assets (net of depreciation) in the governmental activities is an increase to net position.

25,653

Total Net Position - Statement of Net Position \$ 758,972

The accompanying notes are an integral part of the financial statements.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
Statement of Activities and Governmental Funds Revenues,
Expenditures, and Changes in Fund Balance
Year Ended September 30, 2019

	General Fund	Adjustments (Note B)	Statement of Activities
REVENUES:			
Sales tax revenue	\$ 212,590	\$	\$ 212,590
Other revenue	650		650
Interest income	<u>2,150</u>		<u>2,150</u>
Total Revenues	<u>215,390</u>		<u>215,390</u>
EXPENDITURES:			
Current:			
Economic development	171,622		171,622
Depreciation		<u>6,647</u>	<u>6,647</u>
Total Expenditures	<u>171,622</u>	<u>6,647</u>	<u>178,269</u>
CHANGE IN FUND BALANCE	43,768	(43,768)	
CHANGE IN NET POSITION		37,121	37,121
FUND BALANCE/NET POSITION BEGINNING OF YEAR	691,151	32,300	723,451
PRIOR PERIOD ADJUSTMENT	<u>(1,600)</u>	<u>(1,600)</u>	<u>(1,600)</u>
FUND BALANCE/NET POSITION END OF YEAR	<u>\$ 733,319</u>	<u>\$ 24,053</u>	<u>\$ 758,972</u>

The accompanying notes are an integral part of the financial statements.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**

Adjustments to the Governmental Funds Revenues, Expenditures,
and Changes in Fund Balance - Note B
Year Ended September 30, 2019

Net Change in Fund Balances - Governmental Funds \$ 43,768

Amounts reported for governmental activities in the statement of net position are different because:

Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$6,647 is to decrease net position.

(6,647)

Net Change in Net Position - Statement of Activities \$ 37,121

The accompanying notes are an integral part of the financial statements.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: REPORTING ENTITY

The Coleman Community Coalition Type B Economic Development Corporation (the Corporation) is a non-profit corporation established and governed by the Texas Development Corporation Act of 1979, as amended, Chapter 505 of the Local Government Code. The purpose of the Corporation is to promote economic development within the City of Coleman (the City), to promote and encourage employment and the public welfare of, for, and on behalf of the City, to develop projects allowed under Chapter 505 of the Act including without limitation, new and existing industrial and manufacturing concerns, parks, auditoriums, open space improvements, athletic and exhibition facilities, and other related improvements, and for maintenance and operating cost of the publically owned and operated projects by developing, implementing, providing and financing projects under the Act. These activities are funded by sales tax collected within the city limits of the City of Coleman.

During the year, the Corporation was governed by a 7 member board of directors who were appointed by the City Council. The financial statements of the Corporation consist only of the funds of the Corporation. The financial statements of the Corporation are reported as a discretely presented component unit of the City of Coleman, Texas.

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

NOTE 2: GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net position and the statement activities) report information on all activities of the primary government. The government-wide financial statements are combined with the fund financial statements because this is allowed reporting under a special purpose governmental entity.

NOTE 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION - continued

The Corporation reports the following major governmental fund:

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

NOTE 4: ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

The Corporation's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the Corporation to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States or its agencies, and direct obligations of the State of Texas or its agencies.

Sales Tax Receivable

Sales tax receivable consists of amounts due from the City for sales tax revenue that was outstanding at year end. All amounts are deemed collectible and an allowance has not been established.

Notes Receivable

A note receivable was made in March of 2015 for \$100,000. It is a seven and a year note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note due in 84 payments of \$1,190.48. The balance of the note is \$62,857 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in August of 2016 for \$4,050. It is a three year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$1,350 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in September of 2018 for \$100,000. It is a three year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$100,000 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4: ASSETS, LIABILITIES AND NET POSITION OR EQUITY - continued

A note receivable was made in November of 2018 for \$12,000. It is a three year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$12,000 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in May of 2019 for \$30,000. It is a five year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$30,000 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in January of 2018 for \$6,327. It is a three year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$6,327 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in February of 2017 for \$20,000. It is a three year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$13,333 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in October of 2016 for \$9,800. It is a three year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$6,533 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in October of 2016 for \$7,500. It is a three year forgivable note with no interest. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The note is forgivable based on certain required criteria. The balance of the note is \$5,000 at September 30, 2019. All amounts are deemed collectible and an allowance has not been established.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the statement of net position. In the governmental fund financial statements, capital assets are recorded as expenditures. Capital assets are defined by the Corporation as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Capital assets are stated at historical cost or estimated cost if actual historical cost is not available. The cost of normal maintenance and repairs that does not add to the value of the asset nor materially extend the lives are not capitalized. Capital assets are depreciated on the straight-line method over the estimated useful lives of the respective assets. Depreciation of all exhaustible capital assets is charged as an expense against operations.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4: ASSETS, LIABILITIES AND NET POSITION OR EQUITY - continued

The estimated useful lives of capital assets are as follows:

Signs and equipment	3 to 5 years
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Use of Estimates

The preparation of financial statements in conformity with U.S. 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 revenue and expenditures during the reported period. Actual results could differ from those estimates.

NOTE 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Corporation adopts an annual budget for the general fund consistent with generally accepted accounting principles. The budget was not amended during the year. Expenditures exceeded budgeted amounts in several categories; however, funds were available to cover the variances. Appropriations lapse at year end for the general fund.

NOTE 6: DEPOSITS AND INVESTMENTS

As of September 30, 2019, the Corporation had the following investments and original maturities:

	<u>Fair Value</u>	
Certificate of Deposit	\$ 51,423	6 Months

Custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At September 30, 2019, the Corporation had cash and cash investments, which represents demand deposits and time deposits at federally insured local banks that were fully insured by federal depository insurance and by securities pledged to the Corporation and held by an agent of the Corporation in the Corporation's name.

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7: CAPITAL ASSETS

A summary of changes in governmental type capital assets is as follows:

<u>Government Activities:</u>	Balance September 30 2018	Additions/ <u>Completions</u>	Retirements/ <u>Adjustments</u>	Balance September 30 2019
Depreciable capital assets:				
Signs and equipment	\$ 53,015	\$ _____	\$ _____	\$ 53,015
Total assets being depreciated	<u>53,015</u>	<u> </u>	<u> </u>	<u>53,015</u>
Less accumulated depreciation for:				
Signs and equipment	(20,715)	(6,647)		(27,362)
Total accumulated depreciation	<u>(20,715)</u>	<u>(6,647)</u>	<u> </u>	<u>(27,362)</u>
Governmental activities capital assets, net	<u>\$ 32,300</u>	<u>\$ (6,647)</u>	<u>\$ _____</u>	<u>\$ 25,653</u>

Depreciation expense was charged to functions/programs of the government as follows:

Economic development	\$ 6,647
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NOTE 8: RISK FINANCING

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The Corporation has purchased commercial insurance to insure against these losses. There were no significant reduction in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

NOTE 9: CONCENTRATION OF RISK

Substantially all of the Corporation's revenues are from the ½ cent sales tax levied by the City of Coleman. As a result, the Corporation's overall exposure to risk is contingent upon future funding from the City's sales tax revenue and fluctuations in the sales tax revenue.

REQUIRED SUPPLEMENTARY INFORMATION

**COLEMAN COMMUNITY COALITION TYPE B
ECONOMIC DEVELOPMENT CORPORATION**

Budgetary Comparison Schedule

General Fund

Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Sales tax revenue	\$ 205,000	\$ 205,000	\$ 212,590	\$ 7,590
Refunds and reimbursements	13,500	13,500	650	(12,850)
Interest income	<u>1,000</u>	<u>1,000</u>	<u>2,150</u>	<u>1,150</u>
 Total Revenues	 <u>219,500</u>	 <u>219,500</u>	 <u>215,390</u>	 <u>(4,110)</u>
EXPENDITURES:				
Current:				
Salaries, taxes and benefits	54,000	54,000	46,041	7,959
Accounting fees	10,000	10,000	10,000	-
Advertising, marketing and promotions	10,500	10,500	11,283	(783)
Dues and memberships	1,000	1,000	3,717	(2,717)
Grants, projects and incentives	144,226	144,226	76,697	67,529
Insurance	300	300	241	59
Legal fees	5,000	5,000	4,006	994
Meals	3,000	3,000	1,134	1,866
Office expenses	450	450	1,455	(1,005)
Professional services	4,000	4,000	500	3,500
Rent, parking and utilities	12,000	12,000	11,038	962
Supplies	1,500	1,500	2,191	(691)
Telephone and telecommunications	3,000	3,000	870	2,130
Training	-	-	635	(635)
Travel	<u>3,000</u>	<u>3,000</u>	<u>1,814</u>	<u>1,186</u>
 Total Expenditures	 <u>251,976</u>	 <u>251,976</u>	 <u>171,622</u>	 <u>80,354</u>
 CHANGE IN FUND BALANCE	 (32,476)	 (32,476)	 43,768	 76,244
 FUND BALANCE BEGINNING OF YEAR	 691,151	 691,151	 691,151	 -
 PRIOR PERIOD ADJUSTMENT	 <u>(1,600)</u>	 <u>(1,600)</u>	 <u>(1,600)</u>	 <u>-</u>
 FUND BALANCE END OF YEAR	 <u>\$ 657,075</u>	 <u>\$ 657,075</u>	 <u>\$ 733,319</u>	 <u>\$ 76,244</u>