

COLEMAN ECONOMIC  
DEVELOPMENT CORPORATION

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FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S  
REPORT

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YEAR ENDED

SEPTEMBER 30, 2020



**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Coleman Economic Development Corporation:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coleman Economic Development Corporation (the Corporation), component unit of the City of Coleman, Texas, as of and for the year ended September 30, 2020, 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 Economic Development Corporation, as of September 30, 2020, 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 15 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 + McGee, CPA*

Abilene, Texas,  
January 28, 2022

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

As management of the Coleman Economic Development Corporation (the Corporation), we offer readers of the Coleman 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, 2020.

**Financial Statement Highlights**

- The net position of the Coleman Economic Development Corporation was \$947,104 at year end. Of this amount, \$500,913 (*unrestricted net position*) may be used to meet the government's ongoing obligations. \$446,191 of the Corporation's equity is invested in capital assets.
- The Corporation's net position decreased by \$43,251 during the fiscal year.
- As of the close of the current fiscal year, the Corporation's general fund reported an ending fund balance of \$975,913. This fund balance reflects a decrease of \$43,251 for the current year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Coleman 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 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 ECONOMIC DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

***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 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 11-14 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 15 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 Economic Development Corporation, net position was \$975,913 at the close of the most recent fiscal year.

\$446,191 of the Coleman Economic Development Corporation's net position (47 percent) 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 ECONOMIC DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

**The Coleman Economic Development Corporation**  
**Summary of the Statement of Net Position**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Current Assets	\$ 993,094	\$ 532,242
Noncurrent Assets	446,191	467,032
Total Assets	<u>1,439,285</u>	<u>999,274</u>
Current Liabilities	17,181	8,919
Noncurrent Liabilities	475,000	-
	<u>492,181</u>	<u>8,919</u>
Net Investment in Capital Assets	446,191	467,032
Unrestricted	500,913	523,323
	<u>\$ 947,104</u>	<u>\$ 990,355</u>

**The Coleman Economic Development Corporation**  
**Statement of Activities**  
**For the Year Ended September 30**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Sales tax revenue	\$ 237,502	\$ 210,996
Other income	25,755	37,306
Interest income	1,532	1,352
Total Revenues	<u>264,789</u>	<u>249,654</u>
Expenses		
Economic development	287,199	156,610
Depreciation	20,841	21,101
Total expenses	<u>308,040</u>	<u>177,711</u>
Increase (Decrease) in Net Position	(43,251)	71,943
Beginning Net Position	990,355	918,412
Restatement		
Ending Net Position	<u>\$ 947,104</u>	<u>\$ 990,355</u>

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

***FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS***

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

**Governmental funds.** The focus of the Coleman 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 Economic Development Corporation's general fund reported an ending fund balance of \$975,913 which is unassigned and available for spending at the government's discretion. This reflects an increase of \$452,590 for the current year.

**Fund Budgetary Highlights**

The final budgets for the general fund reflect a deficit budget of \$74,833. The actual expenditures were \$37,834 less the budgeted amounts, and actual revenues were \$14,589 more than was budgeted.

***CAPITAL ASSETS***

**Capital Assets.** The Coleman Economic Development Corporation's investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$446,191 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and signs and equipment.

**The Coleman Economic Development Corporation**  
**Capital Assets Schedule**

	2020	2019
Land	\$ 220,931	\$ 220,931
Buildings and improvements	397,657	397,657
Signs and equipment	54,340	54,340
Accumulated depreciation	(226,737)	(205,896)
Total	\$ 446,191	\$ 467,032

Additional information on the Coleman Economic Development Corporation's capital assets can be found in Note 7 on page 13 of this report.

**Requests for Information**

This financial report is designed to provide a general overview of the Coleman 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 Economic Development Corporation, 200 West Live Oak, Coleman, Texas 76834.



## **BASIC FINANCIAL STATEMENTS**

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
Statement of Net Position and Governmental Funds Balance Sheet  
September 30, 2020

	General Fund	Adjustments (Note A)	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 661,979	\$	\$ 661,979
Investments	128,386		128,386
Sales tax receivable	60,248		60,248
Accounts receivable	2,481		2,481
Notes receivable	140,000		140,000
Capital assets, net	<u>                    </u>	446,191	<u>446,191</u>
<b>TOTAL ASSETS</b>	<u>\$ 993,094</u>	<u>446,191</u>	<u>1,439,285</u>
<b>LIABILITIES</b>			
Current:			
Due to the City of Coleman	\$ 17,181		\$ 17,181
Current portion of long term debt	<u>                    </u>	24,341	<u>24,341</u>
Noncurrent:			
Long term Debt	<u>                    </u>	450,659	<u>450,659</u>
<b>TOTAL LIABILITIES</b>	<u>17,181</u>	<u>475,000</u>	<u>492,181</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund balance			
Unassigned	<u>975,913</u>	<u>(975,913)</u>	<u>                    </u>
<b>TOTAL FUND BALANCE</b>	<u>975,913</u>	<u>(975,913)</u>	<u>                    </u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 993,094</u>		
Net position			
Net investment in capital assets		446,191	446,191
Unrestricted		<u>500,913</u>	<u>500,913</u>
<b>TOTAL NET POSITION</b>		<u>\$ 947,104</u>	<u>\$ 947,104</u>

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

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**

Adjustments to the Governmental Funds Balance Sheet – Note A

September 30, 2020

Total Fund Balances - Governmental Funds \$ 975,913

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 \$672,928 and the accumulated depreciation was \$205,896. The net effect of including capital assets (net of depreciation) in the governmental activities is an increase to net position. 446,191

The issuance of long-term debt is recorded as an increase to the governmental funds but is recorded as long-term debt in the governmental activities. This is a decrease to net position. (475,000)

Total Net Position - Statement of Net Position \$ 947,104

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

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**

Statement of Activities and Governmental Funds Revenues,  
Expenditures, and Changes in Fund Balance  
Year Ended September 30, 2020

	General Fund	Adjustments (Note B)	Statement of Activities
<b>REVENUES:</b>			
Sales tax revenue	\$ 237,502	\$	\$ 237,502
Rental income	25,497		25,497
Other income	258		258
Interest income	<u>1,532</u>		<u>1,532</u>
Total Revenues	<u>264,789</u>		<u>264,789</u>
<b>EXPENDITURES:</b>			
Current:			
Economic development	287,199		287,199
Capital outlay			
Depreciation		<u>20,841</u>	<u>20,841</u>
Total Expenditures	<u>287,199</u>	<u>20,841</u>	<u>308,040</u>
<b>OTHER FINANCING SOURCES</b>			
Loan proceeds	<u>475,000</u>	<u>(475,000)</u>	
Total Other Financing sources	<u>475,000</u>	<u>(475,000)</u>	
NET CHANGE IN FUND BALANCE	452,590	(452,590)	
CHANGE IN NET POSITION		(495,841)	(43,251)
FUND BALANCE/NET POSITION BEGINNING OF YEAR	<u>523,323</u>	<u>467,032</u>	<u>990,355</u>
FUND BALANCE/NET POSITION END OF YEAR	\$ <u><u>975,913</u></u>	\$ <u><u>(481,399)</u></u>	\$ <u><u>947,104</u></u>

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

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**

Adjustments to the Governmental Funds Revenues, Expenditures,  
and Changes in Fund Balance – Note B  
Year Ended September 30, 2020

Net Change in Fund Balances - Governmental Funds \$ 452,590

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 \$19,717 is to decrease net position. (20,841)

Proceeds from the issuance of long-term debt is recorded as proceeds in the governmental funds but as an increase to liabilities in the governmental activities. This results in a decrease to net position. (475,000)

Net Change in Net Position - Statement of Activities \$ (43,251)

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1: REPORTING ENTITY**

The Coleman Economic Development Corporation (the Corporation) is a non-profit corporation established and governed by the Texas Development Corporation Act of 1979, as amended, Chapter 504 of the Local Government Code. The purpose of the Corporation is to enhance growth of the economy of Coleman and Coleman County through job creation and retention. 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.

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.

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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 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, 2020. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in January 2020 for \$40,000. 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 \$40,000 at September 30, 2020. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in January 2020 for \$30,000. It is a seven and one half note with no interest and principal payments of \$715 due monthly. The note, along with a performance agreement, was made to enhance economic development through business and job development in the City of Coleman. The balance of the note is \$30,000 at September 30, 2020. All amounts are deemed collectible and an allowance has not been established.

A note receivable was made in October of 2019 for \$40,000. 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 \$40,000 at September 30, 2020. 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 \$500 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.

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

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

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. The estimated useful lives of capital assets are as follows:

Buildings and improvements	10 to 30 years
Signs and equipment	3 to 10 years

Long-term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities. The governmental fund financial statements recognize the proceeds for debt and premiums as other financing sources of the current period.

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 amended during the year. Expenditures exceeded budgeted amounts in several categories including advertising, marketing and promotions, capital outlay; and for total expenditures. 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, 2020, the Corporation had the following investments and original maturities:

	<u>Fair Value</u>	
Certificate of Deposit	\$ 63,386	6 Months
Certificate of Deposit	\$ 65,000	12 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, 2020, 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 ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 7: CAPITAL ASSETS**

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

<u>Governmental Activities:</u>	Balance September 30, 2019	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2020
Non-depreciable capital assets:				
Land	\$ 220,931	\$ -	\$ -	\$ 220,931
Depreciable capital assets:				
Building and improvements	397,657	-	-	397,657
Signs and equipment	54,340	-	-	54,340
Total assets being depreciated	<u>451,997</u>	<u>-</u>	<u>-</u>	<u>451,997</u>
Less accumulated depreciation for:				
Building and improvements	(152,631)	(19,765)		(172,396)
Signs and equipment	(53,265)	(1,076)		(54,341)
Total accumulated depreciation	<u>(205,896)</u>	<u>(20,841)</u>	<u>-</u>	<u>(226,737)</u>
Government activities capital assets, net	<u>\$ 467,032</u>	<u>\$ (20,841)</u>	<u>\$ -</u>	<u>\$ 446,191</u>

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

Economic development	\$ 20,841
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**NOTE 8: LONG TERM DEBT**

In May 2020, the Corporation entered into a note agreement with Government Capital Financing to fund incentive payments to the baseball fields to replace their lights in the amount of \$475,000. Principal and interest in the amount of \$41,099 is due annually for fifteen years. The interest rate is 3.439%. The outstanding balance as of September 30, 2020 is \$475,000.

	Balance at 09/30/2019	Additions	Retirements	Balance at 09/30/2020
<i>Governmental Activities:</i>				
Notes Payable	\$ -	\$ 475,000	\$ -	\$ 475,000
	<u>-</u>	<u>475,000</u>	<u>-</u>	<u>475,000</u>

**COLEMAN ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 8: LONG TERM DEBT – continued**

The annual aggregate maturities for the governmental activities at September 30, 2020:

	Principal		Interest		Total
<i>Governmental Activities:</i>					
2021	\$ 24,341	\$	16,758	\$	41,099
2022	25,600		15,499		41,099
2023	26,481		14,618		41,099
2024	27,392		13,707		41,099
2025	28,333		12,766		41,099
2026-2020	156,970		48,523		205,493
2031-2035	185,883		19,610		205,493
	<u>\$ 475,000</u>	\$	<u>141,481</u>	\$	<u>616,481</u>

**NOTE 9: 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 reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

**NOTE 10: 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 ECONOMIC DEVELOPMENT CORPORATION**

Budgetary Comparison Schedule

General Fund

Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Sales tax revenue	\$ 205,000	\$ 230,000	\$ 237,502	\$ 7,502
Rental income	34,800	19,800	25,497	5,697
Other income	-	-	258	258
Interest income	<u>1,000</u>	<u>400</u>	<u>1,532</u>	<u>1,132</u>
<b>Total Revenues</b>	<u>240,800</u>	<u>250,200</u>	<u>264,789</u>	<u>14,589</u>
<b>EXPENDITURES:</b>				
Current:				
Accounting fees	14,000	14,000	13,620	380
Advertising, marketing and promotions	20,500	13,500	10,696	2,804
Dues and subscriptions	3,000	4,000	3,141	859
Grants, projects and incentives	116,500	214,333	184,524	29,809
Insurance	7,999	11,999	11,757	242
Legal fees	7,500	6,500	5,230	1,270
Meals	1,000	1,000	839	161
Miscellaneous expense	-	200	0	200
Office expenses	1,640	1,390	412	978
Property taxes	2,400	2,400	2,234	166
Repairs and maintenance	10,000	5,000	3,159	1,841
Salaries, taxes and benefits	48,011	48,011	45,418	2,593
Travel and seminars	3,500	1,500	808	692
Utilities	<u>4,750</u>	<u>1,200</u>	<u>5,361</u>	<u>(4,161)</u>
<b>Total Expenditures</b>	<u>240,800</u>	<u>325,033</u>	<u>287,199</u>	<u>37,834</u>
(Deficit) surplus of revenues over expenditures	-	(74,833)	(22,410)	(23,245)
<b>OTHER FINANCING SOURCES</b>				
Loan proceeds	<u>-</u>	<u>-</u>	<u>475,000</u>	<u>475,000</u>
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>475,000</u>	<u>475,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(74,833)	452,590	527,423
<b>FUND BALANCE BEGINNING OF YEAR</b>	<u>523,323</u>	<u>523,323</u>	<u>523,323</u>	
<b>FUND BALANCE END OF YEAR</b>	<u>\$ 523,323</u>	<u>\$ 448,490</u>	<u>\$ 975,913</u>	<u>\$ 527,423</u>