

## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A meeting of the Development Corporation of Abilene, Inc. ("DCOA") will be held by videoconference on April 28, 2020, commencing at 1:30 pm, to consider the Agenda set forth below.

In accordance with social distancing guidelines, the DCOA Board room will not be open to the public, and the meeting will be held by videoconference. In accordance with the Texas Open Meetings Act or under the provisions provided by the Governor of Texas in conjunction with the Proclamation and Declaration of Disaster enacted March 13, 2020: 1) Board Members of the DCOA may participate in this meeting remotely by videoconference; and 2) Members of the public may attend this meeting free of charge by videoconference at the following link: <https://global.gotomeeting.com/join/957432765>. The videoconference will remain open from 1:30 pm until the end of the meeting.

Under Agenda Item 3., the opportunity for public comment will be announced and members of the public should identify themselves at that time should he or she choose to make any comments concerning any Items on the Agenda. Under Item 3 on the Agenda, public comments concerning Items on the Agenda are allowed for up to 3 minutes per person (or in the event that a person addresses the Board through a translator, such public comments on Items on the Agenda is allowed for up to 6 minutes). While the Board is in executive session the videoconference will remain active. Should you get disconnected at any time during the meeting, you may log back into the meeting using the same link that is set forth above to re-join the meeting.

The following public toll free telephone dial in number may also be used during the meeting to access the Board's open session deliberations and/or provide public comment on any Items on the Agenda under Agenda Item 3: +1 877-309-2073 (toll free) , Access Code 957-432-765.

SIGNED:



Misty Mayo, CEO

### AGENDA

April 28, 2020

1:30 pm

1. Call the meeting to order
2. Invocation
3. Public Comment on Agenda Items

4. Approval of minutes from the February 28, 2020, March 27, 2020 and April 1, 2020 board meetings.
5. Preliminary financial report for March 2020
6. Presentation of the FY19 Financial Audit conducted by BKD CPA's & Advisors, LLP
7. Executive Session:  
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by the Texas Government Code Sections:
  1. 551.071 (Consultation with Attorney)
    - A. Legal matters relating to amended budget items
    - B. Economic Development Agency grant
    - C. Economic Recession - rent abatement for current and future tenants
    - D. Economic Relief Fund
  2. 551.072 (Deliberations about Real Property)
  3. 551.074 (Personnel Matters)
  4. 551.087 (Business Prospect/Economic Development)
    - A. Project Mayday
8. Discussion and possible approval of an amended DCOA Budget for FY19-20.
9. Discussion of the next board meeting date.
10. Adjournment

### **NOTICE**

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact the Development Corporation of Abilene, Inc., (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**February 28, 2020**

**MEMBERS PRESENT:** Jack Rich                      Vic Corley                      Sam Vinson  
Shea Woodard-Hall

**MEMBERS ABSENT:** John Beckham

**STAFF PRESENT:** Misty Mayo                      Cynthia Nesmith                      Akane Thaxton  
Julie Johncox

**GUESTS PRESENT:** Mark Zachary                      McMahon Surovik Suttle, PC  
Chris Shelton                      McMahon Surovik Suttle, PC  
Justin Jaworski                      Abilene Industrial Foundation  
Gray Bridwell                      Abilene Chamber MAC  
David Smith                      SBDC

1. **CALL THE MEETING TO ORDER:** President Jack Rich called the meeting to order at 10:00 a.m. at 174 Cypress St., 3<sup>rd</sup> floor conference room, Abilene, Texas.

2. **PUBLIC COMMENT:**

a) **Discussion and possible approval of a resolution adopting procedures governing Public Comment:** Misty Mayo, CEO for the DCOA, presented resolution DCOA-2020.16 adopting procedures for public comments during the DCOA Board meeting originally establishing five minutes as the amount of time for members of the public to speak. After a discussion five minutes was amended to three minutes. President Jack Rich asked Mark Zachary if the DCOA could extend the three minutes and Mr. Zachary said yes, as long as it was the board's discretion and only for that meeting. President Rich also asked if the public comment could be placed at the end of the agenda and Mr. Zachary said as the DCOA's attorney he would advise the public comment always be item #2 after the meeting is called to order.

Sam Vinson made the motion to approve resolution DCOA-2020.16 adopting procedures for public comments during DCOA Board meetings with the amendment of three minutes instead of five minutes. Shea Woodard-Hall seconded and the motion passed.

b) Public Comment on Agenda items – no comments were made.

3. **ANNOUNCEMENTS FROM MISTY MAYO, CEO:**

a) **DCOA received the Texas Economic Development Council's 2019 Economic Excellence Recognition Award:** Misty Mayo announced for the first time ever the DCOA received the Texas Economic Development Council's Economic Excellence Recognition. The award is based on our management, production, focus areas and accomplishments in 2019. A portion also acknowledges and reflects the strength of the board, their education and what they are exposed to as board members.

- b) Texas Economic Development Corporation Business Summit hosted by the DCOA on Thursday, April 16, 2020:** Misty Mayo explained the DCOA is looking beyond our region to aggressively market Abilene. Involvement at a state level is critical to cultivate relationships outside our region. An important step was to join the Texas Economic Development Corporation (not to be confused with the TEDC which is our professional organization) which is a group of Texas companies and communities that fund the TxEDC. We have requested to host one of their Business Summits. We are hosting the summit in Abilene on April 16, 2020. This is one event I am really hoping our board members will attend. Sam Vinson and Shea Woodard-Hall have helped to determine the speakers and Jack Rich will facilitate the panel for the event.

**4. APPROVAL OF MINUTES FROM THE JANUARY 28, 2020 BOARD MEETING:** Vic Corley moved to approve the minutes from the January 28, 2020 board meeting. Shea Woodard-Hall seconded, and the motion carried.

**5. FEBRUARY SALES TAX REPORT AND PRELIMINARY FINANCIAL REPORT FOR DECEMBER 2019:** Akane Thaxton, Economic Development Specialist with the DCOA, presented the sales tax report for February as reported by the City of Abilene. The sales tax rebate for February is \$5,187,786.01 which represents December sales. Economic Development received \$1,296,946.50 which is 11.37% above last year and 8.39% above the projected FY20 budget amount. Of this rebate, \$157,591.35 is from prior periods, audit payments, future payments and unidentified payments. For the period October through February, sales tax is 6.32% above last year and 3.47% above the approved FY20 budget amount.

The DCOA's total current assets as of December 31, 2019 were \$36,030,764. The December revenues totaled \$1,221,387 and total expenditures were \$1,087,375 with \$778,651 spent on eight different projects.

**6. EXECUTIVE SESSION:** President Rich stated: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Rich announced the date is February 28, 2020 and the time is 10:18 a.m. Later, President Rich announced the date is still February 28, 2020 and the time is 12:15 p.m. No vote or action was taken in Executive Session.

**7. ORAL PRESENTATION OF SEMI-ANNUAL REPORT FROM ABILENE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE:** Misty Mayo introduced Gray Bridwell, Vice President of Military Affairs to present an oral report to the board as per the new governance schedule. Mr. Bridwell stated he had four different things to talk about today, the first will be a win. Abilene was awarded the Great American Defense Communities award which is a national award. We receive the award in June and a film crew will be coming to Abilene next week to film the community and speak with some of the airmen from Dyess. Some of the ways we support Dyess Air Force Base (Dyess) is the world's largest

barbeque where we feed 5,000 airmen and their families. No other community hosts such an event. Another very unique program is Home Away from Home where a civilian host family will sponsor an airman to connect airmen to a family support network. Another initiative in the fall, Greg Blair, Chairman of Military Affairs, and Gray toured a full-scale fatigue test of the B-1. They took a B-1 out of the boneyard and sent it to Washington State for testing to help dispel some of the rumors about the B-1 retirement. We have heard 17 B-1 bombers will be retired but originally heard 24, we still don't know the actual number. Dyess AFB will retire 9 and Ellsworth AFB will retire 8; the impact will be fairly small only 30 airmen from Dyess will leave, mainly crew members; the maintenance staff will all remain here in Abilene. No matter what number retires they will likely put money back into the B-1 program to fully fund the B-1 until the B-21 gets here so there is no bomber gap. There is a program called expanded carry that adds 50% more carrying capacity to every B-1 bomber, if you lose 9 from Dyess you still have a lethal aircraft here with the remaining fleet if the expanded carry happens which will also bring additional work to Dyess.

**8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH PROJECT GATEWAY:** Misty Mayo presented resolution DCOA-2020.18 authorizing an incentive for Project Gateway. Mrs. Mayo stated the company is a locally owned, self-launched startup that currently employs 23 full-time employees and plans to create an additional 46 full time employees over a three-year period. The Company has requested the DCOA provide an incentive up to \$387,000.00 to help with the purchase and renovation of a new corporate headquarters & manufacturing facility in Abilene, Texas.

Sam Vinson moved to approve resolution DCOA-2020.18 authorizing an incentive for Project Gateway up to Three Hundred Eighty-Seven Thousand and no/100's Dollars (\$387,000.00) in exchange for the Company's retention of at least 23 full-time employees and creation of 46 new full-time employees at the end of a three year period. Vic Corley seconded and the motion passed.

**9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT (INCLUDING REAL ESTATE SALES CONTRACT) WITH PROJECT THRESHOLD:** Misty Mayo presented resolution DCOA-2020.17 authorizing an incentive, including a Real Estate Sales Contract for Project Threshold ("Company"). The Company is a window and door extrusion manufacturer for residential and light commercial applications. The Company and the DCOA determined that the DCOA owned property located at 1249 Fulwiler Rd., Abilene, Texas which includes an existing building plus over 8 acres of land is suitable for the company's expansion into Abilene valued at \$700,000.00. Staff requests the board (i) approve a 10 year note in the amount \$700,000 with an interest rate of 2.25% and the Company paying \$70,000.00 towards the purchase price and (ii) authorize an incentive package in an amount not to exceed \$400,000.00. The Company will create approximately 19 full-time employees (FTE's) over a five-year period.

Sam Vinson moved to approve resolution DCOA-2020.17 authorizing (i) Real Estate Sales Contract for the DCOA owned property at 1249 Fulwiler Rd., Abilene, Texas in the amount of Seven Hundred Thousand and no/100's Dollars (\$700,000.00) with the Company paying \$70,000.00 towards the purchase price and the DCOA financing the note for 10 years with an interest rate of 2.25% and (ii) an incentive package in an amount not to exceed Four

Hundred Thousand and no/100's Dollars (\$400,000.00) with the creation of 19 full-time employees . Shea Woodard-Hall seconded and the motion passed.

**10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT (INCLUDING REAL ESTATE SALES CONTRACT) WITH PROJECT WINDMILL:** Misty Mayo presented resolution DCOA-2020.19 authorizing an incentive package for Project Windmill. This is an existing company in Abilene under one of our three pillars, Business Retention and Expansion and we are working to ensure they grow, prosper and commit to staying in Abilene. The Company currently occupies DCOA owned properties located at 3901, 4009, 4109, 4125 and 4141 Vine Street and 1782 Industrial Boulevard, Abilene, Texas ("Property"). The property has been re-platted and will be submitted to the City for record and will be assigned one address. The property is appraised for \$3,000,000.00. Staff recommends approval of a Real Estate Sales Contract with the Company to purchase the buildings and property for \$1,000,000.00 financed over a three-year period with a 0% interest rate. The remaining \$2,000,000.00 will be used as an incentive for Project Windmill to spur the potential expansion of the building and remain in Abilene, retaining 550 full-time employees and continuing to grow their production line which is not part of this resolution.

Sam Vinson moved to approve resolution DCOA-2020.19 authorizing a Real Estate Sales Contract with the Company to purchase the buildings and property for One Million and no/100's Dollars (\$1,000,000.00) financed over a three-year with a 0% interest rate. The remaining Two Million and no/100's Dollars (\$2,000,000.00) will be used as an incentive for Project Windmill to spur the potential expansion of the building and staying in Abilene, retaining 550 full-time employees. Shea Woodard-Hall seconded and the motion passed.

**11. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE CEO TO ENTER INTO A CONTRACT TO ACQUIRE PROPERTY IN CENTRAL ABILENE AND EXPEND FUNDS FOR DUE DILIGENCE PRIOR TO PURCHASE:** Misty Mayo presented resolution DCOA-2020.20 authorizing a contract to purchase property in Central Abilene providing the organization the opportunity for expansion, as well as a cost effective means for developing projects in-line with our purpose and mission organizationally. This resolution provides for funding necessary to conduct due diligence prior to the purchase. Once the due diligence is completed, staff will return to the board for authorization and funds for the purchase.

Sam Vinson moved to approve DCOA-2020.20 authorizing the CEO to enter into a contract to purchase the property in Central Abilene and funds necessary to conduct due diligence prior to the purchase. Shea Woodard-Hall seconded and the motion passed.

**12. DISCUSSION OF THE NEXT BOARD MEETING DATE:** President Rich announced the next scheduled meeting of the DCOA board will be on Friday, March 27, 2020, at 10:00 a.m.

**13. ADJOURNMENT:** There being no further business the meeting was adjourned.

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Jack Rich, President

<https://dcoa.sharepoint.com/Shared Documents/DCOA/Minutes/FY20/2020-02-28.docx>

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**March 27, 2020**

**MEMBERS PRESENT:** Jack Rich                      Vic Corley                      Sam Vinson  
John Beckham                      Shea Woodard-Hall

**STAFF PRESENT:** Misty Mayo                      Cynthia Nesmith  
Julie Johncox

**GUESTS PRESENT:** Mark Zachary                      McMahon Surovik Suttle, PC  
Chris Shelton                      McMahon Surovik Suttle, PC  
Doug Williamson                      ACoC Military Affairs

1. **CALL THE MEETING TO ORDER:** President Jack Rich called the meeting to order at 10:01 am by telephone conference. President Rich also thanked departing board member John Beckham for his six years of dedicated service to the DCOA Board, two spent as President.

2. **PUBLIC COMMENT ON AGENDA ITEMS:** President Jack Rich announced an opportunity for the public to comment on any of the agenda items. There will be no votes or formal action taken during public comment, this will only allow members of the public to present ideas and information to the DCOA board and staff pertaining to the agenda. If there is anyone who would like to make a public comment at this time please state your name and address. No one from the public spoke.

3. **EXECUTIVE SESSION:** President Rich stated: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Rich announced the date is March 27, 2020 and the time is 10:07 am. Later, President Rich announced the date is still March 27, 2020 and the time is 11:34 am. No vote or action was taken in Executive Session.

4. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT (INCLUDING A REAL ESTATE SALES CONTRACT) WITH PROJECT ISO:** Misty Mayo presented resolution DCOA-2020.21 authorizing an incentive, including a Real Estate Sales Contract for Project ISO ("Company"). The Company currently has 27 full time employees (FTE's) and will add 70 additional FTE's over the next 10 years for a total of 97 FTE's. The company wishes to purchase the property and building located at 1221 Fulwiler Rd. that has an appraised value of \$2.5 million over the next 10 years at a zero percent interest rate. Staff also recommends an incentive package for Project ISO in an amount not to exceed \$900,000 to help with building improvements, moving existing equipment and the purchase of new equipment.

John Beckham moved to approve resolution DCOA-2020.21 authorizing (i) Real Estate Sales Contract for the DCOA owned property at 1221 Fulwiler Rd., Abilene, Texas in the



amount of Two Million Five Hundred Thousand and No/100's Dollars with the DCOA financing the note for 10 years with an interest rate of 0% and (ii) an incentive package in an amount not to exceed Nine Hundred Thousand and No/100's (\$900,000) with the creation of 70 full-time employees. Sam Vinson seconded and the motion passed.

**5. DISCUSSION OF THE NEXT BOARD MEETING DATE:** President Rich announced the next scheduled meeting of the DCOA board will be on Wednesday, April 1, 2020, at 1:00 pm.

**6. ADJOURNMENT:** There being no further business the meeting was adjourned.

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Jack Rich, President

**DEVELOPMENT CORPORATION OF ABILENE, INC.  
BOARD MEETING MINUTES  
April 1, 2020**

<b>MEMBERS PRESENT:</b>	Jack Rich John Beckham	Vic Corley Shea Woodard-Hall	Sam Vinson
<b>STAFF PRESENT:</b>	Misty Mayo Julie Johncox	Cynthia Nesmith	
<b>GUESTS PRESENT:</b>	Mark Zachary Chris Shelton Amy Whitmer	McMahon Surovik Suttle, PC McMahon Surovik Suttle, PC Abilene Industrial Foundation	

- 1. CALL THE MEETING TO ORDER:** President Jack Rich called the meeting to order at 1:08 pm by telephone conference.
- 2. PUBLIC COMMENT ON AGENDA ITEMS:** President Jack Rich announced an opportunity for the public to comment on any of the agenda items. There will be no votes or formal action taken during public comment, this will only allow members of the public to present ideas and information to the DCOA board and staff pertaining to the agenda. If there is anyone who would like to make a public comment at this time please state your name and address. No one from the public spoke.
- 3. EXECUTIVE SESSION:** President Rich stated: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Rich announced the date is April 1, 2020 and the time is 1:10 pm. Later, President Rich announced the date is still April 1, 2020 and the time is 1:45 pm. No vote or action was taken in Executive Session.

- 4. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION APPROVING AN INCENTIVE AS A RESULT OF DISASTER DECLARATION/COVID-19:** CEO, Misty Mayo presented resolution DCOA 2020.22 authorizing approval of an Economic Relief Incentive Grant Fund. The grant funds will be monies set aside to allow the DCOA Board to allocate incentives from the fund to assist local Type A companies by offering financial relief and support during this recession due to the recession.

Mrs. Mayo discussed the presentation included with the packet: Page 4.2 explained the definition from the Texas Comptroller's Office of acceptable uses of Type A sales tax funds; Page 4.3 explained the recommendation for a set-aside, grant fund allocation for incentives to be used for retention of existing companies for Type A qualified local companies/projects; Page 4.4 illustrated the three pillars of the DCOA's Mission, of which one of these primary pillars is for the DCOA to retain and grow existing companies; Page 4.5 outlined parameters of the grant that will be aligned with incentives that support Type A qualified projects for retention. The grant fund will be a specific amount recommended by the board. The DCOA

Board will direct the incentives awarded, and the City Council will approve any incentives awarded that will exceed the approval authority of the Board. A need for an appointed committee was highlighted; Page 4.7 illustrated potential questions board members should consider asking a committee to address. With a quick turnaround, the staff team has benchmarked what other economic development organizations and communities are doing. Many questions will need to be addressed by the committee, such as: timeline for funding incentives; efforts to mitigate duplication of other monies from the Small Business Administration or Federal funds; how long will a business be required to have been operational in Abilene before qualifying for funds; how will incentives be awarded; how will companies find out about the grant fund; and many other questions. After the presentation, Mrs. Mayo turned the meeting back to President Jack Rich.

President Rich announced the appointment of a committee comprised of Shea Hall and Sam Vinson to serve as Committee Chair. The Committee is charged with working with the staff team to develop parameters for the Program with the intention of presenting these to the Board for approval at the next board meeting. President Rich asked if there were any questions or comments from the board. He then asked for a motion to be made that would include the maximum limit the DCOA would allocate to this program.

Sam Vinson moved to approve resolution DCOA-2020.22 recommending Three Million and no/100's Dollars from the DCOA to fund the Economic Relief Incentive Grant Fund. Shea Woodard-Hall seconded and the motion passed.

**5. DISCUSSION OF THE NEXT BOARD MEETING DATE:** President Rich announced the next scheduled meeting of the DCOA board will be on Tuesday, April 28, 2020, at 1:30 pm.

**6. ADJOURNMENT:** There being no further business the meeting was adjourned.

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Jack Rich, President

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**STATEMENT OF NET POSITION**  
**March 31, 2020 and 2019**

	March 2020	March 2019
<b>Current Assets:</b>		
Cash and cash investments	\$ 36,585,058	\$ 25,364,956
Accounts receivable	1,085	4,466,848
Due from other governments	2,042,065	1,983,177
Total Current Assets	38,628,208	31,814,981
<b>Noncurrent Assets:</b>		
Notes receivable, net	2,415,570	2,746,267
Notes receivable - earning economic incentives	8,877,225	10,228,383
Capital assets	59,355,448	60,410,934
Accumulated depreciation	(14,041,728)	(14,132,185)
Total capital assets, net	45,313,720	46,278,749
Total Noncurrent Assets	56,606,515	59,253,399
<b>Total Assets</b>	\$ 95,234,723	\$ 91,068,380
<b>Liabilities</b>		
Current:		
Accounts payable	\$ 131,250	\$ 28,757
Accrued expenses	-	1,789,830
Total Current Liabilities	131,250	1,818,587
Total Liabilities	131,250	1,818,587
<b>Net Position</b>		
Net Investment in capital assets	45,313,720	46,278,749
Restricted for contractual obligations	18,770,428	20,299,034
Unrestricted, designated for purposes of trust	31,019,325	22,672,010
Total Net Position	95,103,473	89,249,793
<b>Total Liabilities and Net Position</b>	\$ 95,234,723	\$ 91,068,380

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For six months ending March 31, 2020 and 2019**

	<u>March 2020</u>	<u>Fiscal YTD 2020</u>	<u>Fiscal YTD 2019</u>
<b>Revenues:</b>			
Sales and use taxes	\$ 912,616	\$ 6,201,213	\$ 5,839,653
Investment earning	53,143	356,127	358,014
Building rental / land lease	74,796	582,069	558,255
Miscellaneous revenue	-	4,637	9,420
Total Revenues	<u>1,040,555</u>	<u>7,144,046</u>	<u>6,765,342</u>
<b>Expenses:</b>			
Economic Development Projects	69,983	1,575,808	2,977,553
DCOA property maintenance	40,629	457,266	392,119
Abilene Industrial Foundation	42,170	250,163	273,486
TTU Small Business Development Center	14,767	68,454	81,994
Chamber Military Affairs	-	90,554	74,441
Airport Business Development Manager	6,985	54,683	66,075
ACU Griggs Center	-	-	-
Economic Development Operating Division	108,080	670,595	536,274
Total Expenditures	<u>282,614</u>	<u>3,167,523</u>	<u>4,401,942</u>
<b>Changes In Net Position</b>	757,941	3,976,523	2,363,400
<b>Net Position at Beginning of Period</b>	<u>94,345,532</u>	<u>91,126,950</u>	<u>86,886,393</u>
<b>Net Position at End of Period</b>	<u>\$ 95,103,473</u>	<u>\$ 95,103,473</u>	<u>\$ 89,249,793</u>

**Summary of Current Period Economic Development Projects:**

EASI De-fuel Truck	\$ 1,950
Airport Roofing Project	64,813
174 Cypress & Parking	3,220
Total	<u>\$ 69,983</u>

**Development Corporation of Abilene, Inc.**  
**Economic Program Status**  
**As of March 31, 2020**

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
Murf Systems	4998	\$ 245,101	\$ 237,240	\$ 7,861	\$ -
EASI De-Fuel Truck	5354	181,760	148,400	9,750	23,610
Coca Cola Refreshments	5387	1,232,712	1,232,712	-	-
Industrial Maintenance Training AISD	5389	181,098	131,098	31,774	18,226
Abimar Foods 2015	5391	1,200,000	900,000	300,000	-
TTUHSC School of Public Health	5393	1,115,104	1,115,104	-	-
Broadwind Towers	5400	213,798	99,672	114,126	-
TSTC New Abilene Campus	5401	4,179,600	979,600	-	3,200,000
Access Business Park A/E	5406	64,150	64,051	-	99
Access Business Park Ph 1 Development	5406.1	1,258,101	1,140,758	-	117,343
BE In Abl Grant	5407	250,000	-	-	250,000
5 Pts Purchase Zoltek Property	5410	5,023,290	5,023,290	-	-
5 Pts. Business Park Repairs/Cleanup	5410.1	974,041	974,169	(128)	-
Fulwiler Property Roof Design and Construction	5410.2	3,034,793	4,658	118,140	2,911,995
Vine St. Roof Project	5415	1,789,830	1,736,100	9,035	44,695
City Street Maintenance	5416	8,500,000	-	-	8,500,000
Abilene Educ Foundation	5418	93,012	49,727	11,348	31,937
Hardin Simmons University	5419	500,000	250,000	250,000	-
842/834 Pine St.	5420	389,857	-	385,000	4,857
N 1st Land Purchase	5422	98,592	93,005	4,686	901
Airport Roofing Project	5425	1,976,786	1,434,949	249,589	292,248
FDLIC	5426	1,035,000	-	-	1,035,000
Chamber 2020 Census	5427	100,000	26,471	15,882	57,647
Airport-Aerospace Cluster Study	5428	55,000	24,000	26,073	4,927
Staff Retention Bonus	5430	15,695	-	15,695	-
DCOA Reorganization	5431	17,757	-	17,757	-
174 Cypress & Parking Garage	5432	36,000	-	9,220	26,780
		-	-	-	-
<b>Subtotal Economic Program Obligation Reserve</b>		<b>\$ 33,761,077</b>	<b>\$ 15,665,004</b>	<b>\$ 1,575,808</b>	<b>\$ 16,520,265</b>
<b>Plus Administrative Division Obligations:</b>					
Economic Development Operating Division	Division 2760	1,171,132	-	670,595	500,537
DCOA Property Maintenance	Division 2775	983,640	-	457,266	526,374
Abilene Industrial Foundation	Division 2775	771,525	-	250,163	521,362
TTU Small Business Dev Center	Division 2775	253,000	-	68,454	184,546
Chamber Military Affairs	Division 2775	437,000	-	90,554	346,446
Airport Business Development Manager	Division 2775	198,081	-	54,683	143,398
ACU Griggs Center	Division 2775	27,500	-	-	27,500
<b>Subtotal Administrative Divisions Obligation Reserve</b>		<b>\$ 3,841,878</b>	<b>\$ -</b>	<b>\$ 1,591,715</b>	<b>\$ 2,250,163</b>
<b>Total reserve for obligated programs</b>					<b>\$ 18,770,428</b>
<b>DCOA Board approved projects waiting for signed contracts:</b>					
JLUS Implementation		\$ 55,000	Expiration Date Contingent upon execution of all necessary agreements		
Dyess AFB DEEAG		536,337.00	07/18/2020		
Project Gateway		387,000.00	08/26/2020		
Project Bavarian		400,000.00	08/26/2020		
Project Windmill		2,000,000.00	08/26/2020		
Project ISO		900,000	09/23/2020		
		<u>\$ 4,278,337</u>			

**Development Corporation of Abilene, Inc.**  
**Revenue and Expense**  
**Budget vs Actual Comparison**  
**For six months ending March 31, 2020**

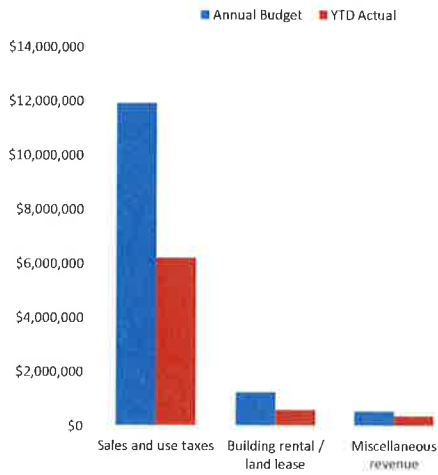
**Revenue**

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	11,913,770	8,201,213	52%
Building rental / land lease	1,233,814	582,069	47%
Miscellaneous revenue	532,000	360,764	68%
<b>Revenue</b>	<b>13,679,584</b>	<b>7,144,046</b>	<b>52%</b>

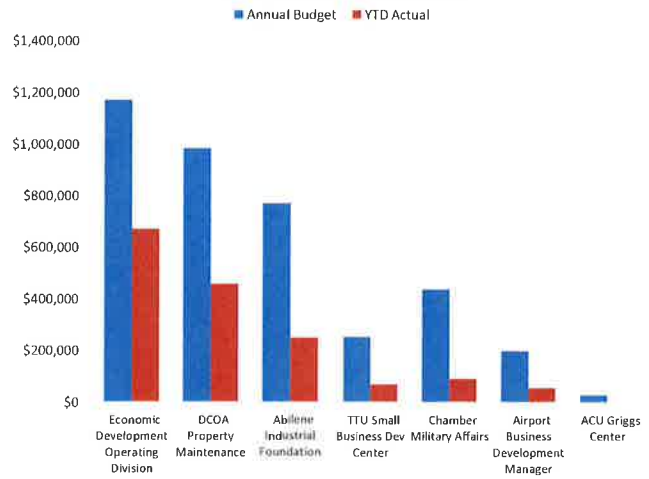
**Expenses**

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	1,171,132	670,595	57%
DCOA Property Maintenance	983,640	457,266	46%
Abilene Industrial Foundation	771,525	250,163	32%
TTU Small Business Dev Center	253,000	68,454	27%
Chamber Military Affairs	437,000	90,554	21%
Airport Business Development Manager	198,081	54,683	28%
ACU Griggs Center	27,500	-	0%
	<b>3,841,878</b>	<b>1,591,715</b>	<b>41%</b>

**FY 20 Budget vs Actual Revenue**



**FY 20 Budget vs Actual Expenses**



CITY OF ABILENE, TEXAS

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ANNUAL FINANCIAL REPORT  
With Supplemental Information for  
Development Corporation of Abilene

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Year Ended September 30, 2019



CITY OF ABILENE, TEXAS  
Annual Financial Report  
Year Ended September 30, 2019

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## Independent Auditor's Report

The Honorable Mayor, City Council and City Manager  
City of Abilene, Texas  
Abilene, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Abilene, Texas (City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City 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, budgetary comparison and pension and other postemployment information as listed in the table of contents 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.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Abilene, Texas' basic financial statements. The supplementary information for Development Corporation of Abilene on pages 70 through 75 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Abilene, Texas.

The Honorable Mayor, City Council and City Manager  
City of Abilene, Texas  
Page 3

The Development Corporation of Abilene information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 2019 information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statements or the 2019 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the 2019 Development Corporation of Abilene information is fairly stated in all material respects in relation to the 2019 basic financial statements as a whole. The 2018 basic financial statements were audited by other auditors and in their report dated February 27, 2019, they expressed an in-relation-to opinion on the 2018 information presented with the 2019 comparative supplementary information.

*BKD, LLP*

Dallas, Texas  
March 3, 2020

**CITY OF ABILENE, TEXAS**  
**Development Corporation of Abilene**  
**Statement of Net Position**  
**September 30, 2019**  
**With Comparative Totals for the Year Ended September 30, 2018**

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS:</b>		
Cash and cash investments	\$ 23,430,006	\$ 9,363,090
Investments	8,609,330	13,283,361
Accounts receivable	-	4,466,848
Due from other governments	2,042,065	1,983,177
Prepaid expenses	17,800	5,106
	<u>34,099,201</u>	<u>29,101,582</u>
<b>NONCURRENT ASSETS:</b>		
Notes receivable, net	12,572,691	13,664,650
Capital assets not being depreciated	4,903,719	4,053,166
Capital assets net of accumulated depreciation	40,410,002	42,225,583
	<u>57,886,412</u>	<u>59,943,399</u>
<b>TOTAL ASSETS</b>	<u>91,985,613</u>	<u>89,044,981</u>
<b>LIABILITIES:</b>		
Current:		
Accounts payable	711,978	322,396
Retainage payable	126,051	29,955
Accrued liabilities	20,634	1,806,237
	<u>858,663</u>	<u>2,158,588</u>
<b>Total Current Liabilities</b>	<u>858,663</u>	<u>2,158,588</u>
<b>Total Liabilities</b>	<u>858,663</u>	<u>2,158,588</u>
<b>NET POSITION:</b>		
Net investment in capital assets	45,313,721	46,278,749
Restricted for contractual obligations	14,136,361	11,142,231
Unrestricted, designated for purposes of trust	31,676,868	29,465,413
	<u>91,126,950</u>	<u>86,886,393</u>
<b>TOTAL NET POSITION</b>	<u>\$ 91,126,950</u>	<u>\$ 86,886,393</u>

**CITY OF ABILENE, TEXAS**  
**Development Corporation of Abilene**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended September 30, 2019**  
**With Comparative Totals for the Year Ended September 30, 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES:</b>		
Sales and use taxes	\$ 11,789,896	\$ 11,594,780
Rental income	1,138,997	1,100,645
Investment earnings net of change in fair value of investments	776,255	471,592
Miscellaneous Revenue	<u>38,648</u>	<u>116,636</u>
Total Revenues	<u>13,743,796</u>	<u>13,283,653</u>
<b>OPERATING EXPENSES:</b>		
Current:		
Trust	<u>9,503,239</u>	<u>11,536,099</u>
Total Expenses	<u>9,503,239</u>	<u>11,536,099</u>
<b>CHANGE IN NET POSITION</b>	4,240,557	1,747,554
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>86,886,393</u>	<u>85,138,839</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 91,126,950</u>	<u>\$ 86,886,393</u>

**CITY OF ABILENE**  
**Development Corporation of Abilene**  
**Schedule of Revenues and Expenditures - Budget Basis**  
**Year Ended September 30, 2019**  
**With Comparative Totals for the Year Ended September 30, 2018**

	2019	2018
<b>REVENUES:</b>		
Sales and use taxes	\$ 11,731,008	\$ 11,445,677
Interest on loans and assessments	163,968	144,399
Investment earnings net of change in fair value of investments	612,287	327,190
Land lease	18,435	15,971
Building/space rent	1,120,562	1,084,674
Sale of land and buildings	770,000	2,241,496
Miscellaneous recovery	1,280	1,009
Miscellaneous revenue	4,386,237	115,627
Total Revenues	<u>18,803,777</u>	<u>15,376,043</u>
<b>EXPENDITURES:</b>		
Current:		
Business Services Division	879,314	994,410
Life Sciences Property	-	176,204
DCOA Annual Contracts	683,870	386,369
Abilene Industrial Foundation	659,724	588,368
TTU Small Business Development Center	192,075	202,462
Chamber Military Affairs	331,662	331,074
Airport Business Development MGR	174,530	199,802
ACU Griggs Center	30,751	-
TTU Pharmacy School	-	93,308
Enavail, LLC	-	322,830
Petrosmith Ph 5	-	150,666
TTUHSC School of Nursing	269,368	269,368
Rentech '12	-	30,000
EASI De-Fuel Truck	23,400	23,400
Tucker Energy Services	-	173,503
Fehr Foods Expansion	-	270,003
BWJ Consulting	85,000	156,849
Coca Cola Refreshments	616,356	616,356
Martin Sprocket & Gear	-	160,000
Industrial Maintenance Training AISD	18,944	40,178
Lone Star Canvas	10,066	-
Abimar Foods 2015	300,000	300,000
BCBS Roof Repairs - A/E	-	214,851
BCBS Roof Repairs - Construction	-	2,462,167
TTUHSC School of Public Health	278,776	278,776
Broadwind Towers	99,672	-
TSTC New Abilene Campus	400,000	400,000
Communities in Schools	-	43,708
Donald Hardin, Jr. Service Contract	3,000	19,500
Access Business Park A/E	-	64,051
Access Business Park Ph 1 Development	496,252	644,506
BE in Abilene Admin ACU	-	34,465
Dyess-TMPC Grant Match	21,652	-

**CITY OF ABILENE**  
**Development Corporation of Abilene**  
**Schedule of Revenues and Expenditures - Budget Basis**  
**Year Ended September 30, 2019**  
**With Comparative Totals for the Year Ended September 30, 2018**

**EXPENDITURES - continued:**

	<u>2019</u>	<u>2018</u>
Current - continued:		
2018 Job Fair Sponsor	\$ -	\$ 3,500
5 Pts Purchase Zoltek Property	125,768	4,897,522
5 Pts Business Park Repairs / Cleanup	974,169	-
Fulwiler Property Re-roof Design	4,658	-
Airport Access Road (TSTC)	-	84,414
Streetlights - 5 Points	66,978	-
Dyess JLUS	-	15,617
Vine St. Roof Project	1,734,750	1,350
ACU NEXT Lab	300,000	-
Abilene Education Foundation	49,727	-
Hardin Simmons University	250,000	-
842/834 Pine Street	4,857	-
Interim CEO	107,065	-
N 1st Land Purchase	93,005	-
CEO Search Firm 2019	35,937	-
Workforce Solutions High Demand Job Training	31,658	-
Airport Roofing Project	1,434,949	-
Chamber 2020 Census	26,471	-
Airport-Aerospace Cluster Study	24,000	-
Ford F350 Pickup	45,863	-
Total Expenditures	<u>10,884,267</u>	<u>14,649,577</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES-BUDGET BASIS</b>	<b>7,919,510</b>	<b>726,466</b>
Add: Fixed assets capitalized	3,212,143	5,643,299
Add: Change in accrued expenses	1,693,734	787,149
Add: Change in accrued revenue	(4,407,960)	2,009,018
Less: Loss on sale of assets	(1,835,098)	(3,527,199)
Less: Proceeds from sale of buildings	(770,000)	(2,241,496)
Less: Depreciation	(1,571,772)	(1,649,683)
<b>CHANGE IN NET POSITION-GAAP BASIS</b>	<b><u>\$ 4,240,557</u></b>	<b><u>\$ 1,747,554</u></b>



**CITY OF ABILENE, TEXAS**  
**Development Corporation of Abilene**  
**Schedule of Obligated Fund Balance - Budget Basis**  
**Year Ended September 30, 2019**

	FY 2019 Obligated	FY 2019 Amount Disbursed	Balance
<b>OBLIGATED PROGRAMS:</b>			
Business Services Division	\$ 879,314	\$ 879,314	\$ -
Life Sciences Property	-	-	-
DCOA Annual Contracts	683,870	683,870	-
Abilene Industrial Foundation	659,724	659,724	-
TTU Small Business Development Center	192,075	192,075	-
Chamber Military Affairs	331,662	331,662	-
Airport Business Development MGR	174,530	174,530	-
ACU Griggs Center	30,751	30,751	-
TTUHSC School of Nursing	269,368	269,368	-
Hangar Doghouses A/E	70,699	-	70,699
EASI De-Fuel Truck	33,360	23,400	9,960
5 Pts RR Expansion	6,480	-	6,480
BWJ Consulting	85,000	85,000	-
Coca Cola Refreshments	616,356	616,356	-
Industrial Maintenance Training AISD	50,000	18,944	31,056
Lone Star Canvas	10,066	10,066	-
Abimar Foods 2015	300,000	300,000	-
TTUHSC School of Public Health	278,776	278,776	-
Broadwind Towers	99,672	99,672	-
TSTC New Abilene Campus	3,600,000	400,000	3,200,000
Donald Hardin, Jr. Service Contract	3,000	3,000	-
Access Business Park A/E	99	-	99
Access Business Park Ph 1 Development	613,595	496,252	117,343
BE in Abl Grant	250,000	-	250,000
Dyess-TMPC Grant Match	21,652	21,652	-
5 Pts Purchase Zoltek Property	167,478	125,768	41,710
5 Pts Business Park Repairs/Cleanup	1,000,000	974,169	25,831
Fulwiler Property Re-Roof Design	134,658	4,658	130,000
Streetlights - 5 Points	66,978	66,978	-
Vine St. Roof Project	1,788,480	1,734,750	53,730
City Street Maintenance	8,500,000	-	8,500,000
ACU NEXT Lab	300,000	300,000	-
Abilene Education Foundation	51,437	49,727	1,710
Hardin Simmons University	250,000	250,000	-
842/834 Pine Street	4,857	4,857	-
Interim CEO	113,777	107,065	6,712
N 1st Land Purchase	98,592	93,005	5,587
CEO Search Firm 2019	40,000	35,937	4,063
Workforce Solutions High Demand Job Training	31,658	31,658	-
Airport Roofing Project	1,976,786	1,434,949	541,837
FDLIC	1,035,000	-	1,035,000
Chamber 2020 Census	100,000	26,471	73,529
Airport-Aerospace Cluster Study	55,000	24,000	31,000
Ford F350 Pickup	45,878	45,863	15
<b>Total Obligated Programs</b>	<b>\$ 25,020,628</b>	<b>\$ 10,884,267</b>	<b>\$ 14,136,361</b>

**CITY OF ABILENE, TEXAS**  
**Development Corporation of Abilene**  
**Schedule of Capital Assets**  
**September 30, 2019**

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land			
505.637 acres-Five Points Business Park	\$ 590,533	\$ -	\$ 590,533
303.53 Acres Hwy 36 & FM 18	449,239	-	449,239
1.995 Acres Hwy 36	16,641	-	16,641
33.98 Acres Loop 322 / Hwy 36	350,365	-	350,365
121.93 acres Moses Williams Survey	482,238	-	482,238
3.164 Acres Arnold Blvd	34,077	-	34,077
922 N. 13th Street	35,735	-	35,735
84.257 acres Fulwiler Land	493,056	-	493,056
52.874 Acres 1121/1221 Fulwiler	793,000	-	793,000
2.5 Acres 5426 N 1st Street	92,005	-	92,005
Construction-in-Progress	1,566,830	-	1,566,830
Buildings and Improvements	35,648,762	(9,824,483)	25,824,279
Improvements other than buildings	18,707,441	(4,168,080)	14,539,361
Machinery & Equipment	24,664	(19,579)	5,085
Vehicles	70,862	(29,585)	41,277
	<u>59,355,448</u>	<u>(14,041,727)</u>	<u>45,313,721</u>
<b>NET CAPITAL ASSETS</b>	<b>\$ 59,355,448</b>	<b>\$ (14,041,727)</b>	<b>\$ 45,313,721</b>

Information for Item #8 will be available  
before the board meeting