

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A meeting of the Development Corporation of Abilene, Inc. (“DCOA”) will be held on May 1, 2024, at 174 Cypress Street, 2nd Floor Board Room, Abilene, Texas commencing at 9:30 a.m. to consider the Agenda set forth below.

The meeting may include members of the DCOA’s Board of Directors (“Board”) participating remotely by videoconference. In accordance with the Texas Government Code, the location of the meeting where a quorum of the DCOA’s Board will be physically present is 174 Cypress Street, 2nd Floor Board Room, Abilene, Texas and it is the intent of the DCOA to have a quorum present at that location.

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).

AGENDA

May 1, 2024
9:30 a.m.

1. Call the meeting to order
2. Invocation
3. Public Comment on Agenda Items
4. Governance Schedule
5. Approval of Minutes from the March 21, 2024, Board meeting
6. DCOA Financial Report for March 2024
7. DCOA Investment Report for Q1 2024
8. Presentation of Audit for Fiscal Year 2023
9. 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:
 - A. 551.071 (Consultation with Attorney)
 - B. 551.072 (Deliberations about Real Property)
 1. Acquisition of Property 2024-03
 - C. 5 551.074 (Personnel Matters)
 - D. 551.087 (Business Prospect/Economic Development)
 1. Project Celestia
 2. Project Quail

3. Project Prism

10. Report from the President and CEO:
 - A. Strategic Plan Objectives:
 1. Business Attraction Initiatives
 2. Business Retention & Expansion Initiatives
 3. Workforce Development Initiatives
 4. Marketing & Brand Management Initiatives
 5. Real Estate Initiatives
 6. Effective Operations Initiatives
 - B. Discussion and possible approval of a Resolution approving expenditures over \$50,000 as described in the President and CEO's report.
11. Discussion and possible approval of a Resolution acknowledging completion of the DCOA's annual review of the Investment Policy, Investment Strategy, and Diversification Strategies and Guidelines
12. Discussion and possible approval of a Resolution to purchase Property 2024-03
13. Discussion of DCOA Budget for Fiscal Year 2025
14. Discussion on next Board meeting date
15. Adjournment

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of April 2024 at _____.

City Secretary

Misty Mayo, President & CEO

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.

Governance Schedule

FY 2024 DCOA Governance Schedule

2023			2024									
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Post Agenda (72 hrs prior to the meeting)
	✓		✓		✓		✓					Monthly Board Meeting (minimum quarterly meeting)
			✓									Annual Meeting of Board of Directors (first regularly scheduled board meeting of the year)
												Annual Economic Development Plan to City Council (prior to, or in conjunction with, the annual budget)
												Annual Budget to City Council (sixty days prior to start of next fiscal year: August 1, 2024)
												Additional Meetings, as needed

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Governance: Monthly Board Meeting Review
	✓		✓		✓		✓					Approval of Last Meeting's Minutes
	✓		✓		✓		✓					Financial Report Presented by DCOA Staff (Accounting Firm, As Requested)
	✓		✓		✓		✓					Schedule Next Meeting Date
					✓							Quarterly Sales Tax Report
	✓		✓				✓					Written Quarterly Investment Report (within 45 days following the end of the quarter)
												Review of Strategic Plan
												Review of Governance Checklist

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Governance: Semi-Annual & Annual Reviews
			✓									Presentation/Proclamation to Outgoing Board Members (City of Abilene and the Board)
			✓									Welcome New Board Member(s)
			✓									New Board Member(s) Onboarding
			✓									Officer Election (President, Chair, Vice Chair, Secretary, Treasurer & others, as determined)
			✓									Bank Account Signature Card - minutes required for bank
												President & CEO Annual Review
							✓					DCOA Insurance Coverage
					✓							Appointment of DCOA Investment Committee Members
					✓							Review of DCOA's Real Property Insurance

FY 2024 DCOA Governance Schedule

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Governance: Reports of Activity
✓												Partners Written Reports of Activity for activity from April 1, 2022 - September 30, 2023 due October 15, 2023
							✓					Partner Written Reports of Activity for activity from October 1, 2023 - March 31, 2024 due April 15, 2024
	✓											Report of Activity from Stakeholder Organizations

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Governance: Annual Approvals
	✓											Annual Consideration and Commission for a Financial Audit
							✓					Review and adopt a written resolution approving the DCOA Investment Policy, Investment Strategy, and Procedures for Operation of the Investment Program (annually)
							✓					Financial Audit Prepared by 3rd Party Auditor
							✓					Financial Audit Presented to Board
					✓							Submit Required Report (Local Gov. Code 502.151) to Comptroller by April 1, 2024
												Annual Budget Request from Partners due June 1, 2024
							✓					Annual Budget to Board (sixty days prior to start of next fiscal year: August 1, 2024)
												Staffing/Staff Evaluation (Staff Potential Conflicts of Interest)
												New Fiscal Year Contracts for Stakeholder Organizations

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Project & Properties Review on Demand
	✓		✓		✓		✓					Properties (as needed)
	✓		✓		✓		✓					Projects (as needed)
	✓		✓		✓		✓					Board Approval of Expenditures Over \$50,000 (as required)
												Benchmark Comparisons & Competitive Analysis

Rev. 04/22/2024

Board Meeting Minutes

March 21, 2024

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
March 21, 2024

MEMBERS PRESENT: Sam Vinson Shea Hall Tracy Howle
Floyd Miller* Buddy Napier**

**Floyd Miller joined the meeting by videoconference.*

STAFF PRESENT: Misty Mayo Julie Johncox Bonnie Brzozowski
Brock New Lindsay Dennis Regi McCabe-Gossett
Akane Thaxton Rick Jones Sevie Schonerstedt

GUESTS PRESENT: Chris Shelton, McMahon Surovik Suttle, PC
Officer Stephen Brownlow, Abilene Marshal's Department
Doug Williamson
Tammy Fogle

1. CALL THE MEETING TO ORDER: Chair Shea Hall called the meeting to order at 9:00 am and introduced Sam Vinson, Tracy Howle and Floyd Miller.

2. INVOCATION: Board Member Sam Vinson offered the invocation.

3. PUBLIC COMMENT ON AGENDA ITEMS: Chair Shea Hall announced an opportunity for the public to comment on any of the Agenda items. She further stated that there would be no votes or formal action taken during public comment, that this would allow members of the public to present ideas and information to the DCOA Board and staff pertaining to the items on the Agenda, and that if there was anyone who would like to make a public comment, to please state their name and address. No members of the public requested to make a public comment. Thus, Chair Shea Hall moved on to Agenda Item 4.

4. GOVERNANCE SCHEDULE: President & CEO Misty Mayo stated that the governance schedule for Fiscal Year 2024 is in the packet. The governance schedule is a tool that ensures the DCOA is operating on schedule, and it can be amended as needed. The DCOA is currently on schedule with both the governance schedule and strategic plan.

****Buddy Napier joined the meeting at this time – 9:06 am.**

5. APPROVAL OF MINUTES FROM January 23, 2024, BOARD MEETING: Sam Vinson moved to approve the Minutes from the January 23, 2024, Board Meeting. Floyd Miller seconded, and the motion passed.

6. APPOINTMENT OF DCOA INVESTMENT MEMBERS: The DCOA's Investment Policy requires the Investment Committee to contain two members from the DCOA Board.

The Board Chair, Shea Hall, announced that she had previously appointed the DCOA's Treasurer, Sam Vinson, and member, Floyd Miller to serve on this committee.

7. DCOA FINANCIAL REPORT FOR FEBRUARY 2024: Regi McCabe-Gossett, DCOA Controller, presented the Financial Report for February 2024. As of February 29, 2024, the DCOA's year-to-date total operating revenue was \$7,060,931 and cash at the end of the period was \$26,613,589. The DCOA's total assets were \$99,939,207, and the DCOA's total liabilities were \$91,871.

8. SALES TAX REPORT: Regi McCabe-Gossett, DCOA Controller, presented the Sales Tax Update as reported from the City of Abilene. The sales tax rebate for March is \$2,219,261. This year-to-date sales tax rebate was 1.6% below last year and 1.12% above the budgeted amount.

9. FEBRUARY SALES TAX AUDIT REFUND: A company received a sales tax refund of \$3.1 million from the State of Texas which has created a tax audit refund. The City of Abilene will repay the \$3.1 million audit refund back to the Comptroller's Office over the next 3.5 years (42 months). Starting in April, the City of Abilene will reduce the DCOA's monthly Economic Development Sales Tax payment by \$18,689 for the next 3.5 years (42 months).

10. EXECUTIVE SESSION: Chair Shea Hall 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 legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the Agenda, and that any vote or action will be taken in open session.

Chair Shea Hall announced the date is March 21, 2024, and the time is 9:21 am. Later, Chair Shea Hall announced the date is still March 21, 2024, and the time is 12:05 pm, and that no vote or action was taken in Executive Session.

Floyd Miller left the meeting at 11:57 am. A quorum was still present.

11. FROM THE PRESIDENT AND CEO: President & CEO Misty Mayo provided a report on the DCOA's Strategic Plan Initiatives.

Business Retention and Expansion Initiatives

Strategy – Establish a sustainable system for identifying, researching, and engaging existing Type A businesses.

- DCOA receives the highest award in Texas – Community Economic Development Award. This award-winning project, Bridgestone Bandag, was highlighted at the Texas Economic Development Council (TEDC) mid-year conference.
- DCOA staff members presented best practices in Business Retention and Expansion at TEDC.
- DCOA VP represented Abilene in the Leadership Texas Women Program.

Strategy – Become a hub for creative and innovative business.

- DCOA assists Texas Tech Health Science Center (TTHSC) to compete and win a National Award. DCOA partnered with TTHSC in 2005 and 2011 for expansion projects. The projects included \$13.1 million in contracted capital investment and created 65 jobs.

Strategy – Develop Programs to support the growth of existing businesses.

- DCOA President and CEO visited with Governor Greg Abbott at the Governor's Mansion highlighting the significance of Abilene in the recent 12th Gold Shovel awarded to the state. Michael McNamara, CEO of Lancium attended as her guest.
- DCOA President and CEO visited and met with representative in Austin at Governor Abbott's office of Economic Development and Tourism and Go Big/Texas Economic Development Corporation.
- From January 23, 2024, to March 19, 2024, the Business Retention team made 12 BRE visits.
- The DCOA provided support to 18 Type A businesses.

Business Attraction Initiatives

Strategy – Implement systems that identify and engage targeted prospects, manage their interactions with us, and lead them to an Abilene location decision.

- The DCOA team had 7 marketing missions that required travel.
- The DCOA team had 2 meetings with developers.
- The DCOA team had targeted meetings with site selection consultants.
- The DCOA had 23 Requests for Proposals – requests for detailed information about the community, including, but not limited to, available sites, maps, utilities, infrastructure, and workforce demographics.
- The DCOA had 9 opportunities that were not qualified; of which seven were due to lack of needed real estate solutions.
- The DCOA had a total of 28 Requests for Proposals in FY 2023.

Strategy – Utilize and expand data & software assets to perform next-level, competitive business retention and expansion, business development, promotion, and marketing operations.

- Updated Business Park maps for the promotion of Abilene and DCOA-owned properties.
- Resimplifi / GIS Guru – automated real estate database software – one stop shop for all commercial & industrial real estate listings in the Abilene area. DCOA currently has 235 total listings across all property types.
- 8 webinars have been attended for training and information to increase knowledge for more competitive strategies for attracting new industry to Abilene and to better serve current industry in Abilene.

Marketing & Brand Management Initiatives

Strategy – Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

- 3000+ connections were made as emails were sent showcasing DCOA's recent Community Economic Development Award.

- 1000 physical annual reports were delivered to executives, site selectors, consultants, and dignitaries to educate about the DCOA's mission and inform residents about DCOA investments in Abilene.
- DCOA entered the Site Selectors Guild Awards for Bridging Education and Service to Employment by featuring the one-of-a-kind NextU and From Active Duty to Active Career programs.
- 178,000 social media impressions and 164,000 website impressions were made.
- DCOA President and CEO presented at the State of the City's address. The DCOA plays a role in the creation or retention of 1 of every 3 Abilene jobs and 28% of Abilene's gross product is generated by DCOA Projects.
- The DCOA has engaged in online and digital marketing with Site Selection Magazine to be promoted in the most premier locations, as well as the most read publications.
- DCOA President and CEO delivered congratulatory messages to Governor Abbott's Office of Economic Development & Tourism and to the Team at Go Big/Texas Economic Development Corporation.

Workforce Development Initiatives

Strategy – Implement programs to sustain and enhance the skills and capabilities of the regional workforce aligned with targeted industries.

- DCOA's NextU Program partner, Wylie ISD, showcased 2 career & technical education programs for State of Texas representatives from Texas Workforce Commission & Texas Education Agency focusing on two programs: Applied Agricultural Engineering and Electrical and Plumbing.

Strategy – Further enhance and invest in education and training with educational partners, including an emphasis on exiting Dyess Airmen

- 14 transitioning airmen and their spouses and 2 Abilene companies attended the Active Duty to Active Career Event.

Real Estate Initiatives

Strategy – Analyze and evaluate costs and benefits of all DCOA properties to determine the best use for each property and formulate plans to implement.

- Completed replacement of 1200 square feet of concrete at the entrance of Eagle Aviation Services, Inc.'s main gate at Abilene Regional Airport – ensuring safe and easy access to DCOA-owned hangars that are currently leased by Eagle Aviation Services, Inc.
- Completed annual inspection of the Union Pacific served rail spur and upgraded infrastructure to ensure continued service for rail-served properties in the DCOA's Five Points Business Park.
- Launched project to create digital infrastructure maps for all DCOA-owned properties that will provide accurate and real-time infrastructure data (i.e., utility infrastructure lines, easements, topography, etc.) on the DCOA's website.

Effective Operations Initiatives

Strategy – Employ systems to ensure engagement of qualified and dedicated Staff and Board Members to ensure their contributions through effective training and education.

- One Board member completed the Public Funds Investment Act.

- One staff member completed Basic Economic Development Training, making 100% of the DCOA staff certified in Basic Economic Development.
- Forvis, auditor contracted by the DCOA, reported the DCOA's FY 2023 Audit has been completed.

DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION APPROVING EXPENDITURES OVER \$50,000 AS DESCRIBED IN THE PRESIDENT AND CEO'S REPORT: President & CEO Misty Mayo presented Resolution 2024.15, approving expenditures greater than or equal to \$50,000 for approval.

Tracy Howle made a motion to approve Resolution DCOA-2024.15, approving expenditures greater than or equal to \$50,000. Sam Vinson seconded, and the motion passed.

12. FOREIGN TRADE ZONE: President and CEO Misty Mayo discussed an opportunity of consideration to evaluate ways to move forward with a foreign trade zone. This would help existing businesses as well as attract new businesses. The DCOA will be hiring a consultant to educate the Board, staff, and community with strategic plans and to identify and develop resources needed to draw prospect interest and confirm the appropriateness of an Abilene location.

13. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION SELECTING A BID AND AWARDING A CONTRACT FOR THE POLARIS DRIVE SEWER LINE PROJECT AT FIVE POINTS BUSINESS PARK: President & CEO Misty Mayo presented Resolution DCOA 2024.11 selecting a bid and authorizing the award of a contract for an extension of the sewer line in Five Points Business Park along Polaris Drive. The improvements will allow the DCOA to meet contractual deliverables to ABI Windows, LLC and make sewer line improvements that will benefit other parts of Five Points Business Park. The bids were solicited in accordance with the DCOA's Construction Procurement Policy. Each contractor's bid was evaluated and scored in accordance with the DCOA's Construction Procurement Policy and the highest ranking contractor is Bontke Brothers Construction.

Sam Vinson made a motion to approve Resolution DCOA-2024.11, awarding a contract for the Polaris Drive Sewer Line Project at Five Points Business Park to Bontke Brothers Construction in the amount of \$331,160. Buddy Napier seconded, and the motion passed.

14. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION REGARDING THE AUTHORITY OF THE DCOA'S PRESIDENT TO TAKE CERTAIN ACTIONS ON REAL PROPERTY TRANSACTIONS: President & CEO Misty Mayo presented Resolution DCOA-2024.10 regarding the authority of the President to take actions on behalf of the DCOA. This Resolution will give the DCOA's President the authority to take certain administrative actions with regards to short term leases and entering into purchase contracts for real property but still allow the DCOA's Board the ability to approve all final real property purchases.

Tracy Howle made a motion to approve Resolution DCOA-2024.10, regarding the authority of the DCOA's President to take certain actions on real property transactions. Sam Vinson seconded, and the motion passed.

15. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH PROJECT HAVEN: President and CEO Misty Mayo presented Resolution DCOA-2024.12 authorizing an incentive for Project Haven. Project Haven is a business retention and expansion project which plans to provide its employees with career technical education training and expects its expenditures for such training to be up to \$1,676,234.

The Resolution authorizes an incentive package for Project Haven in an amount not to exceed \$300,000 in exchange for (i) the Company's retention of 40 full-time employees and creation of at least 10 full-time employees over a 2-year period; and (ii) the Company providing said employees with CTE Training.

Buddy Napier made a motion to approve Resolution DCOA 2024.12 authorizing an incentive for Project Haven. Tracy Howle seconded, and the motion passed.

16. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE DCOA'S PRESIDENT TO TAKE CERTAIN ACTIONS WITH RESPECT TO CHIKE NUTRITION, LLC'S AGREEMENT FOR FINANCIAL ASSISTANCE: President and CEO Misty Mayo presented Resolution DCOA-2024.13 authorizing the President to take certain actions with respect to the DCOA's Agreement for Financial Assistance with Chike Nutrition, LLC, a Texas limited liability company. Chike Nutrition, LLC's capital investment was \$320,000 in excess of the \$2,580,000 capital investment they originally committed to in August of 2022 and this Resolution allows the President to give the company credit under the Agreement for Financial Assistance in the amount of \$33,652 for the additional capital investment being made.

Sam Vinson made a motion to approve Resolution DCOA 2024.13 authorizing the President to take certain actions with respect to the DCOA's Agreement for Financial Assistance with Chike Nutrition, LLC, a Texas limited liability company. Buddy Napier seconded, and the motion passed.

17. DISCUSSION AND POSSIBLE APPROVAL AUTHORIZING AN AGREEMENT WITH PROJECT ZEPHYR: President & CEO Misty Mayo presented Resolution DCOA-2024.14 authorizing an incentive for Project Zephyr.

Project Zephyr is a business retention and expansion project which plans make improvements at its existing facility at a projected capital investment of approximately \$4,631,000.

The Resolution authorizes an incentive package for Project Zephyr in an amount up to \$463,100 in exchange for the Company's retention of at least 550 FTEs over a period of 2 years. The incentive package will be up to \$463,100 funded at 10% of the Company's actual capital investment to make improvements to the Company's Facility, earned over a period of 2 years.

Tracy Howle made a motion to approve Resolution DCOA-2024.14, authorizing an incentive for Project Zephyr. Sam Vinson seconded, and the motion passed.

18. DISCUSSION OF THE NEXT BOARD MEETING DATE: Board Members considered dates for the next meeting, and Chair Shea Hall announced that the next scheduled meeting of the DCOA Board of Directors is tentatively scheduled for May 1, 2024, at 9:30 am.

19. ADJOURNMENT: There being no further business, the meeting was adjourned.

Shea Hall, Chair

Sam Vinson, Secretary & Treasurer

DCOA Financial Report for March 2024

Development Corporation of Abilene, Inc.
Statement of Net Position
As of March 31, 2024
Unaudited

	FY24	FY23
	March 2024	March 2023
ASSETS		
Current Assets		
Cash & Cash Equivalents		
Cash	\$ 13,582,844	\$ 15,908,772
Investments	\$ 14,843,513	\$ 14,448,608
Total Cash & Cash Equivalents	<u>\$ 28,426,357</u>	<u>\$ 30,357,380</u>
Other Current Assets		
Accounts Receivable	\$ 2,833,323	\$ 2,676,275
Interest Receivable on Investments	\$ 109,012	\$ 103,005
Prepaid Expenses	\$ 266,105	\$ 132,727
Total Other Current Assets	<u>\$ 3,208,439</u>	<u>\$ 2,912,007</u>
Total Current Assets	<u>\$ 31,634,796</u>	<u>\$ 33,269,387</u>
Fixed Assets		
Land	\$ 2,694,232	\$ 2,694,232
Construction in Progress	\$ 2,305	\$ -
Building & Improvements	\$ 27,325,996	\$ 25,311,780
Other Improvements	\$ 21,933,404	\$ 21,933,404
Machinery & Equipment	\$ 7,264	\$ 7,264
Vehicles	\$ 70,862	\$ 70,862
Total Accumulated Depreciation	<u>\$ (17,685,098)</u>	<u>\$ (16,258,039)</u>
Total Fixed Assets	<u>\$ 34,348,965</u>	<u>\$ 33,759,504</u>
Notes Receivable		
Notes Receivable - Earning Economic Incentives	\$ 6,751,095	\$ 7,649,917
Notes Receivable - BE in Abilene	\$ 152,708	\$ 220,781
Notes Receivable - Long Term	\$ 4,591,090	\$ 4,927,272
Accrued Interest on Notes Receivable	\$ 287,849	\$ 287,849
Allowance for Accrued Interest on Notes Receivable	<u>\$ (287,849)</u>	<u>\$ (287,849)</u>
Total Other Assets	<u>\$ 11,494,893</u>	<u>\$ 12,797,970</u>
Lease Receivables from Contracts (GASB 87)	\$ 24,198,218	\$ 24,757,987
TOTAL ASSETS	<u>\$ 101,676,872</u>	<u>\$ 104,584,848</u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 58,961	\$ 1,203,185
Payroll Liabilities	\$ 105,314	\$ 143,208
Total Liabilities	<u>\$ 164,274</u>	<u>\$ 1,346,393</u>
Deferred Lease Revenue from Contracts (GASB 87)	\$ 23,767,356	\$ 24,522,441
Net Assets		
Investment in Capital Assets	\$ 34,461,177	\$ 34,461,177
Unrestricted Net Assets	\$ (1,527,052)	\$ (2,371,422)
Restricted Net Assets	\$ 47,846,064	\$ 54,597,907
Net Income	<u>\$ (3,034,947)</u>	<u>\$ (7,971,648)</u>
Total Net Assets	<u>\$ 77,745,242</u>	<u>\$ 78,716,014</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 101,676,872</u>	<u>\$ 104,584,848</u>

As companies complete contractual requirements this amount may reduce year over year based on active contracts.

The Government Accounting Standards Board (GASB) sets accounting requirements for governments and non-profits. GASB 87 added new requirements for how leases are presented on financials.

Restricted Net Assets Detail - Contractual Obligations & Operating Expenses	
Contracted Economic Development Expenses	\$ 33,944,500
FY 24-28 City Street Maintenance	\$ 10,000,000
4/2024 to 9/2024 DCOA Operating Expenses	\$ 3,901,564
	\$ 47,846,064

Development Corporation of Abilene
Revenues, Expenses, and Changes in Net Position
March 31, 2024

Unaudited

	March '24	FY24 YTD Oct '23 -Mar '24	FY24 Annual Budget
OPERATING REVENUES			
Sales and Use Tax	\$ 2,219,261	\$ 7,628,766	\$ 14,988,977
Land and Building Leases	\$ 232,775	\$ 1,884,201	\$ 3,498,993
TOTAL OPERATING REVENUES	\$ 2,452,036	\$ 9,512,968	\$ 18,487,970
OPERATING EXPENSES			
Workforce Development Initiatives	\$ 3,256	\$ 32,341	\$ 400,000
Business Retention & Expansion	\$ 3,301	\$ 51,282	\$ 300,000
Abilene Industrial Foundation	\$ -	\$ 175,000	\$ 350,000
Small Business Development Center	\$ 16,000	\$ 66,494	\$ 253,000
Military Affairs Committee	\$ 24,771	\$ 147,885	\$ 437,000
Abilene Regional Airport Business Development	\$ -	\$ 67,179	\$ 231,959
Asset Management and Administration	\$ 221,793	\$ 1,946,913	\$ 4,840,968
* Property Maintenance (Multi-Year)	\$ 105,172	\$ 191,671	\$ 990,200
TOTAL OPERATING EXPENSES	\$ 374,295	\$ 2,678,765	\$ 7,803,127
NET OPERATING REVENUE	\$ 2,077,742	\$ 6,834,203	\$ 10,684,843
NON OPERATING REVENUES			
Investment Earnings	\$ 57,202	\$ 398,538	\$ 129,380
Investment Unrealized Gain/loss	\$ 19,439	\$ 146,676	\$ -
TOTAL NON OPERATING REVENUES	\$ 76,641	\$ 545,214	\$ 129,380
NON OPERATING EXPENSES			
* Total Economic Development Expenses (Multi-Year)	\$ 111,781	\$ 9,695,433	
Depreciation Expense	\$ 126,430	\$ 718,931	
Miscellaneous Expense	\$ -	\$ -	
TOTAL NON OPERATING EXPENSES	\$ 238,211	\$ 10,414,365	
NET NON OPERATING REVENUES	\$ (161,570)	\$ (9,869,151)	
NET REVENUES	\$ 1,916,171	\$ (3,034,947)	

* Includes approved multi year expenses.

FYTD 2024 Investments Market Value and Interest Earned			
Month	Market Value	% Change from Prior Month	Interest Earned
February '24	\$ 20,763,540	-0.1%	\$ 59,540
March '24	\$ 20,817,454	0.3%	\$ 35,450
		Fiscal Year to Date 2024 Total	\$ 328,197

Development Corporation of Abilene, Inc.
Statement of Cash Flow
March 2024
Unaudited

	FY24 YTD March '24
Operating Activities	
Net Income	(3,034,947)
Adjustments to Net Income	
Accounts Receivable	(111,802)
Other Current Asset	80,338
Accounts Payable	(1,890,776)
Total Adjustments to Net Income	(1,922,240)
Total Operating Activities	(4,957,187)
Investing Activities	
Accumulated Depreciation	718,931
Construction in Progress	(212,912)
GASB 87 Leases - Net	(30,970)
Total Investing Activities	475,050
Net Change in Cash for Period	(4,482,138)
Cash at Beginning of Period	32,908,495
Cash at End of Period	28,426,357

Development Corporation of Abilene, Inc.
Economic Development Program Status
March 31, 2024

FY24 Economic Development Project Activity for Multi Year Contracts

Multi-Year Capital Improvement Projects & Contracts	Project Budget Amount	Prior Years Spend	Current YTD FY24 Spend	Balance Reserved	Project Completed?
City Street Maintenance Fund 2019	8,500,000	6,047,007	316,434	2,136,559	
Bridgestone/Bandag (Project Eagle II) 2022	6,000,000	-	-	6,000,000	
ABI Windows (Project Bonanza) 2023	8,483,250	758,000	9,630	7,715,620	
Hendrick Operations Center Phase II (Project Saldo) 2023	909,500	-	-	909,500	
Great Lakes Cheese Incentive 2021	30,000,000	16,000,000	8,000,000	6,000,000	
5 Points Business Park Permanent Parking 2023	287,326	-	287,326	-	Yes
Marigold & Fulwiler St. Upgrade/EDA Grant Match 2021	3,000,000	287,374	150,861	2,561,765	
United Ag & Turf (Quality Implement) 2021	500,000	250,000		250,000	
PactivEvergreen Lease Deposit 2023	100,000		100,000	-	Yes
5 Points Business Park Polaris Drive Sewer Line (2024)	331,160	-	-	331,160	
Lancium 2021	2,500,000	-		2,500,000	
ACU Next Lab 2021	2,930,000	586,000	-	2,344,000	
Hendrick Medical Center Operations Center 2021	1,540,000	-	616,000	924,000	
5 Points Business Park Trucking & Maneuvering Area 2023	1,803,870	1,237,752	487,168	78,950	
Dyess AFB DEAAG/Matching Grant 2022	300,000	92,217	37,903	169,880	
City Street Maintenance Fund FY 2024-2028	10,000,000	-	-	10,000,000	
Dyess AFB JLUS Implementation/Matching Grant 2022	55,000	31,934	-	23,066	
TSTC New Abilene Campus 2017	4,179,600	1,779,600	400,000	2,000,000	
TOTAL Multi Year Capital Projects	\$ 81,419,706	\$ 27,069,884	\$ 10,405,321	\$ 43,944,500	

Multi-Year Economic Incentives Principal Reductions*	Economic Incentive Budget	Prior Years Expensed	Current YTD FY24 Expense	Remaining Economic Incentive Budget	Contract Fulfilled?
BE in Abilene 2019	200,000	96,667	625	102,708	
BE in Abilene 2020	200,000	150,000		50,000	
FDLIC 2020	1,035,000	517,500		517,500	
Hartmann's 2020	900,000	-		900,000	
Primal Pet Group 2021	3,160,000	-		3,160,000	
Bavarian - Extrusion Concepts 2020	400,000	80,000		320,000	
Chike Next Level Blending 2020	387,000	-		387,000	
Primal Pet Group 2022	1,372,988	172,988		1,200,000	
Vista Flags 2021	50,909	40,000	10,909	-	Yes
United Ag & Turf (Quality Implement) 2021	300,000	100,000	50,000	150,000	
TOTAL Multi Year Economic Incentive Principal Reduction Earned	\$ 8,005,897	\$ 1,157,155	\$ 61,534	\$ 6,787,208	

**These incentives are expensed as Principal Reductions based on company's contractual compliance reports.*

DCOA Investment Report For Q1 2024

Q1 2024 DCOA Investment Report
 For Period January 1, 2024 to March 31, 2024
 Date Report Prepared: April 15, 2024

PORTFOLIO SUMMARY	
Beginning Market Value for Reporting Period (1/1/2024)	\$ 20,667,990
Ending Market Value for Reporting Period (3/31/2024)	\$ 20,817,454
\$ Change in Market Value for Reporting Period (Jan-Mar 2024)	\$ 149,464
% Change in Market Value for Reporting Period (Jan-Mar 2024)	0.72%
Total Accrued Interest for the Period (Jan-Mar 2024)	\$ 131,134
Estimated Annual Income Based on Current Holdings	\$ 684,791

DCOA INVESTMENT POLICY REQUIREMENTS	
Article IV(C) - Portfolio yield greater than Bloomberg 1-3 US Treasury Index yield.	
3/31/2024 DCOA Portfolio Yield	5.06%
3/31/24 Bloomberg 1-3 US Treasury Index	4.68%
Article IX(A) - The Market Value of the pledged collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of Federal Deposit Insurance Corporation (FDIC) insurance coverage.	
First Financial Bank Cash Balance in Excess of FDIC Insurance Coverage	\$ 7,232,547
Collateral Required for at 102% of Balances	\$ 7,377,198
Market Value of Pledged Collateral as of 3/31/24	\$ 17,618,020

CURRENT PORTFOLIO HOLDINGS											
Security Name	CUSIP	Security Type	Quantity	Maturity Date	Interest Rate	Yield	Book Value (Cost)	Market Value	Unrealized Gain (Loss)	Accrued Interest	Interest Payments Received
United States Treasury Note/Bond 2.25% 31 Mar 2024	91282CEG2	Fixed Income	400,000.00	3/31/2024	2.250%	2.250%	\$ 396,921.88	\$ 400,000.00	\$ 3,078.12	\$ 5,278.69	\$ -
United States Treasury Note/Bond 2.5% 30 Apr 2024	91282CEK3	Fixed Income	400,000.00	4/30/2024	2.500%	2.510%	\$ 398,578.70	\$ 399,076.00	\$ 497.30	\$ 956.52	\$ -
United States Treasury Note/Bond 2.5% 31 May 2024	91282CER8	Fixed Income	400,000.00	5/31/2024	2.500%	2.510%	\$ 398,579.09	\$ 398,160.00	\$ (419.09)	\$ 5,043.96	\$ -
United States Treasury Note/Bond 2% 30 Jun 2024	912828XX3	Fixed Income	400,000.00	6/30/2024	2.000%	2.020%	\$ 396,126.39	\$ 396,620.00	\$ 493.61	\$ 4,273.22	\$ 4,000.00
United States Treasury Note/Bond 2.125% 31 Jul 2024	9128282N9	Fixed Income	400,000.00	7/31/2024	2.125%	2.150%	\$ 396,886.95	\$ 395,772.00	\$ (1,114.95)	\$ 2,274.72	\$ 4,250.00
United States Treasury Note/Bond 1.875% 31 Aug 2024	9128282U3	Fixed Income	400,000.00	8/31/2024	1.875%	1.900%	\$ 395,774.16	\$ 394,336.00	\$ (1,438.16)	\$ 652.17	\$ 3,750.00
United States Treasury Note/Bond 2.125% 30 Sep 2024	9128282Y5	Fixed Income	400,000.00	9/30/2024	2.125%	2.160%	\$ 393,937.50	\$ 393,920.00	\$ (17.50)	\$ 2,856.56	\$ -
United States Treasury Note/Bond 2.25% 31 Oct 2024	9128283D0	Fixed Income	400,000.00	10/31/2024	2.250%	2.290%	\$ 395,081.53	\$ 393,228.00	\$ (1,853.53)	\$ 3,864.76	\$ -
United States Treasury Note/Bond 2.125% 30 Nov 2024	9128283J7	Fixed Income	400,000.00	11/30/2024	2.125%	2.170%	\$ 394,056.86	\$ 391,916.00	\$ (2,140.86)	\$ 3,782.97	\$ -
United States Treasury Note/Bond 2.25% 31 Dec 2024	9128283P3	Fixed Income	400,000.00	12/31/2024	2.250%	2.300%	\$ 395,147.18	\$ 391,556.00	\$ (3,591.18)	\$ 956.52	\$ 4,500.00
United States Treasury Note/Bond 2.5% 31 Jan 2025	9128283V0	Fixed Income	400,000.00	1/31/2025	2.500%	2.550%	\$ 396,951.61	\$ 391,484.00	\$ (5,467.61)	\$ 6,032.79	\$ 5,000.00
United States Treasury Note/Bond 2.75% 28 Feb 2025	9128283Z1	Fixed Income	400,000.00	2/28/2025	2.750%	2.810%	\$ 398,874.90	\$ 391,756.00	\$ (7,118.90)	\$ 1,086.96	\$ 5,500.00
United States Treasury Note/Bond 2.625% 31 Mar 2025	9128284F4	Fixed Income	400,000.00	3/31/2025	2.625%	2.690%	\$ 397,062.50	\$ 390,732.00	\$ (6,330.50)	\$ 2,199.52	\$ -
United States Treasury Note/Bond 2.875% 30 Apr 2025	9128284M9	Fixed Income	400,000.00	4/30/2025	2.875%	2.940%	\$ 399,343.75	\$ 391,092.00	\$ (8,251.75)	\$ 3,570.70	\$ -
United States Treasury Note/Bond 2.875% 31 May 2025	9128284R8	Fixed Income	400,000.00	5/31/2025	2.875%	2.940%	\$ 399,375.00	\$ 390,624.00	\$ (8,751.00)	\$ 597.83	\$ -
United States Treasury Note/Bond 2.75% 30 Jun 2025	912828XZ8	Fixed Income	400,000.00	6/30/2025	2.750%	2.820%	\$ 398,906.25	\$ 389,656.00	\$ (9,250.25)	\$ 5,655.74	\$ 5,500.00
United States Treasury Note/Bond 2.875% 31 Jul 2025	912828Y79	Fixed Income	400,000.00	7/31/2025	2.875%	2.950%	\$ 392,340.75	\$ 389,720.00	\$ (2,620.75)	\$ 4,759.62	\$ 5,750.00
United States Treasury Note/Bond 2.75% 31 Aug 2025	9128284Z0	Fixed Income	400,000.00	8/31/2025	2.750%	2.830%	\$ 391,276.40	\$ 388,548.00	\$ (2,728.40)	\$ 4,991.42	\$ 5,500.00
United States Treasury Note/Bond 3% 30 Sep 2025	9128285C0	Fixed Income	400,000.00	9/30/2025	3.000%	3.080%	\$ 391,671.88	\$ 389,592.00	\$ (2,079.88)	\$ 1,068.28	\$ -
United States Treasury Note/Bond 3% 31 Oct 2025	9128285J5	Fixed Income	400,000.00	10/31/2025	3.000%	3.080%	\$ 388,082.19	\$ 389,140.00	\$ 1,057.81	\$ 3,415.18	\$ -
United States Treasury Note/Bond 2.875% 30 Nov 2025	9128285N6	Fixed Income	400,000.00	11/30/2025	2.875%	2.960%	\$ 383,394.20	\$ 387,984.00	\$ 4,589.80	\$ 6,086.07	\$ -
United States Treasury Note/Bond 2.625% 31 Dec 2025	9128285T3	Fixed Income	500,000.00	12/31/2025	2.625%	2.720%	\$ 481,423.86	\$ 482,520.00	\$ 1,096.14	\$ 3,864.76	\$ 6,562.50
United States Treasury Note/Bond 2.625% 31 Jan 2026	9128286A3	Fixed Income	500,000.00	1/31/2026	2.625%	2.720%	\$ 481,330.05	\$ 481,990.00	\$ 659.95	\$ 3,317.31	\$ 6,562.50
United States Treasury Note/Bond 2.5% 28 Feb 2026	9128286F2	Fixed Income	500,000.00	2/28/2026	2.500%	2.600%	\$ 484,418.93	\$ 480,275.00	\$ (4,143.93)	\$ 1,927.20	\$ 6,250.00
United States Treasury Note/Bond 2.25% 31 Mar 2026	9128286L9	Fixed Income	500,000.00	3/31/2026	2.250%	2.360%	\$ 477,765.62	\$ 477,480.00	\$ (285.62)	\$ 4,833.79	\$ -
United States Treasury Note/Bond 2.375% 30 Apr 2026	9128286S4	Fixed Income	500,000.00	4/30/2026	2.375%	2.490%	\$ 479,754.26	\$ 477,850.00	\$ (1,904.26)	\$ 2,780.22	\$ -
United States Treasury Note/Bond 2.125% 31 May 2026	9128286X3	Fixed Income	500,000.00	5/31/2026	2.125%	2.240%	\$ 471,075.30	\$ 474,725.00	\$ 3,649.70	\$ 1,675.82	\$ -
United States Treasury Note/Bond 4.125% 15 Jun 2026	91282CHH7	Fixed Income	500,000.00	6/15/2026	4.125%	4.170%	\$ 496,134.61	\$ 495,080.00	\$ (1,054.61)	\$ 2,730.54	\$ -
United States Treasury Note/Bond 4.5% 15 Jul 2026	91282CHM6	Fixed Income	500,000.00	7/15/2026	4.500%	4.510%	\$ 500,855.70	\$ 499,260.00	\$ (1,595.70)	\$ 2,211.54	\$ 11,250.00
United States Treasury Note/Bond 1.375% 31 Aug 2026	912828YD6	Fixed Income	500,000.00	8/31/2026	1.375%	1.480%	\$ 462,011.31	\$ 464,160.00	\$ 2,148.69	\$ -	\$ 3,437.50
United States Treasury Note/Bond 4.625% 15 Sep 2026	91282CHY0	Fixed Income	500,000.00	9/15/2026	4.625%	4.610%	\$ 494,980.85	\$ 501,095.00	\$ 6,114.15	\$ 1,005.50	\$ 11,562.50
United States Treasury Note/Bond 1.625% 31 Oct 2026	912828YQ7	Fixed Income	500,000.00	10/31/2026	1.625%	1.750%	\$ 469,215.00	\$ 465,410.00	\$ (3,805.00)	\$ 2,021.98	\$ -
United States Treasury Note/Bond 1.625% 30 Nov 2026	912828YU8	Fixed Income	500,000.00	11/30/2026	1.625%	1.750%	\$ 468,713.28	\$ 464,530.00	\$ (4,183.28)	\$ 3,360.66	\$ -
United States Treasury Note/Bond 1.75% 31 Dec 2026	912828YX2	Fixed Income	500,000.00	12/31/2026	1.750%	1.880%	\$ 469,748.44	\$ 465,350.00	\$ (4,398.44)	\$ 1,424.45	\$ -
United States Treasury Note/Bond 1.5% 31 Jan 2027	912828Z78	Fixed Income	400,000.00	1/31/2027	1.500%	1.630%	\$ 372,158.12	\$ 368,876.00	\$ (3,282.12)	\$ 4,203.30	\$ -
					2.529%	2.595%	\$ 14,907,955.00	\$ 14,843,513.00	\$ (64,442.00)	\$ 104,761.27	\$ 89,375.00

Cash Holdings						
Security Name	Ticker	Security Type	Market Value	Interest Payments Received	Accrued Interest	Yield
Goldman Sachs' Financial Shares Gov't Fund	FGTX	Money Market Fund	\$ 5,973,940.64	\$ 82,512.40	\$26,372.75	4.97%

Matured Securities				
Security Name	CUSIP	Security Type	Maturity Date	Interest Payments Received
United States Treasury Note/Bond 2.375% 29 Feb 2024	9128286G0	Fixed Income	2/29/2024	\$ 4,750.00
United States Treasury Note/Bond 2.5% 31 Jan 2024	9128285Z9	Fixed Income	1/31/2024	\$ 5,000.00
United States Treasury Note/Bond 2.25% 31 Dec 2023	912828V23	Fixed Income	12/31/2023	\$ 4,500.00
				\$ 14,250.00

Q1 2024 DCOA Investment Report
For Period January 1, 2024 to March 31, 2024
Date Report Prepared: April 15, 2024

Committee Minutes and Compliance Certification

The Committee reviewed the portfolio's market value, yield, and collateral requirements as outlined in the DCOA's Investment Policy.

The market value of the DCOA's portfolio at 3/31/2024 was \$20,817,454 showing an unrealized market value increase of 0.72% for the quarter. Total interest payments received during the quarter was \$186,137. The yield of the DCOA's portfolio as of 3/31/2024 was 5.06% which outperforms the Bloomberg 1-3 US Treasury Index yield of 4.68%.

This Investment Report meets the requirements set for in the DCOA's Investment Policy; and because of that, this report is compliant with the Public Funds Investment Act (Chapter 2256 of Texas Government Code).

DocuSigned by:

Sam Vinson

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Sam Vinson, Secretary/Treasurer of the DCOA Board of Directors & Investment Officer

DocuSigned by:

Floyd Miller

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Floyd Miller, DCOA Board of Directors & Investment Officer

DocuSigned by:

Misty Mayo

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Misty Mayo, DCOA President & CEO; Investment Officer

DocuSigned by:

Julie Johncox

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Julie Johncox, DCOA EVP & COO; Investment Officer

DocuSigned by:

Regi McCabe-Gossett

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Regi McCabe-Gossett, DCOA Controller; Investment Officer

4/15/2024

Date

**Presentation of Audit
For
Fiscal Year 2023**

Independent Auditor's Report

The Board of Directors
The Development Corporation of Abilene
Abilene, Texas

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Development Corporation of Abilene (DCOA), a component unit of the City of Abilene, Texas (City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the DCOA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the DCOA as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the DCOA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the DCOA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 DCOA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the DCOA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

FORVIS,LLP

**Dallas, Texas
March 26, 2024**

Development Corporation of Abilene
A Discretely Presented Component Unit of the City of Abilene, Texas
Statement of Net Position
September 30, 2023

Assets	Governmental Activities
Cash and cash equivalents	\$ 18,630,838
Investments	14,772,641
Receivables (net of allowance)	
Sales tax	2,678,400
Notes	10,516,247
Interest	132,379
Leases	25,576,203
Other	72,747
Deposits held in escrow	1,200,000
Prepays	358,354
Capital assets	
Nondepreciable assets	3,931,984
Other capital assets, net of accumulated depreciation	<u>30,357,142</u>
Total assets	<u>108,226,935</u>
Liabilities	
Accounts payable	1,910,776
Accrued liabilities	153,181
Due to other governments	31,871
Noncurrent liabilities	
Due within one year	7,291
Due in more than one year	<u>65,617</u>
Total liabilities	<u>2,168,736</u>
Deferred Inflows of Resources	
Lease related	<u>25,278,501</u>
Total deferred inflows of resources	<u>25,278,501</u>
Net Position	
Net investment in capital assets	34,289,126
Restricted for economic development	<u>46,490,572</u>
Total net position	<u>\$ 80,779,698</u>

Development Corporation of Abilene
A Discretely Presented Component Unit of the City of Abilene, Texas
Statement of Activities
For the Year Ended September 30, 2023

Program Revenue	Expenses	Program Revenue Charges for Services	Net (Expense) Revenue and Changes in Net Position
Functions/Program			
Governmental activities			
Economic Development	<u>\$ 26,581,954</u>	<u>\$ 3,698,794</u>	<u>\$(22,883,160)</u>
Total governmental activities	<u>\$ 26,581,954</u>	<u>\$ 3,698,794</u>	<u>(22,883,160)</u>
	General revenues		
	Sales taxes		15,476,662
	Investment earnings		772,716
	Miscellaneous		15,000
	Gain on sale of assets		<u>710,818</u>
	Total general revenues		<u>16,975,196</u>
	Change in Net Position		(5,907,964)
	Net Position, Beginning of Year		<u>86,687,662</u>
	Net Position, End of Year		<u><u>\$ 80,779,698</u></u>

Development Corporation of Abilene
A Discretely Presented Component Unit of the City of Abilene, Texas
Notes to Basic Financial Statements
September 30, 2023

Commitments

The following is a summary of DCOA's commitments at September 30, 2023:

<u>Project</u>	<u>Balance Committed</u>
Industrial Maintenance Training AISD & WISD	\$ 407
TSTC New Abilene Campus	2,220,400
Marigold & Fulwiler St. Upgrade/EDA Grant Match	2,712,626
City Street Maintenance Fund	2,452,993
Access GLC Development	577,208
GLC - Job Creation	14,000,000
ACU Next Lab	2,930,000
Lancium	2,500,000
HMC Operations Center	1,540,000
Bridgestone/Bandag (Project Eagle II)	6,000,000
ABI Windows (Project Bonanza) Improvements	1,410,250
ABI Windows (Project Bonanza) Job Creation	6,721,250
Hendrick Operations Center Phase II (Project Saldo)	909,500
United Ag & Turf (Quality Implement)	250,000
Defense Economic Adjustment Assistance Grant	
– Dyess Fiber & 5G Expansion	207,783
Defense Economic Adjustment Assistance Grant	
– Dyess Security Center	9,292
JLUS - Implementation	23,066
	<u>\$ 44,464,775</u>

Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Corporation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Report from the President and CEO

DCOA VISION AND MISSION



Develop Abilene
DEVELOPMENT CORPORATION OF ABILENE

OUR VISION

The Vision of the Development Corporation of Abilene is to build the future Abilene.

OUR MISSION

The Mission of the Development Corporation of Abilene is to lead economic growth in Abilene by attracting and sustaining industries that support job creation, foster strong business, and ensure a prosperous community.

VISION

The Vision of the Development Corporation of Abilene is to build the future Abilene.



MISSION

The Mission of the Development Corporation of Abilene is to lead economic growth in Abilene by attracting and sustaining industries that support job creation, foster strong business, and ensure a prosperous community.

BUSINESS RETENTION AND EXPANSION

Influence business growth in the community.

Create a culture that engages existing targeted-industry businesses as the catalyst for sustaining and growing our economic base.

BUSINESS ATTRACTION

Promote Abilene as the premier location for business.

Strengthen Abilene's competitive advantage by activating strategies that attract consistent and sustainable investment for the community.

MARKETING AND BRAND MANAGEMENT

Market the community aggressively and proactively.

Develop a robust marketing strategy for DevelopAbilene encompassing communication systems and strategic research to support all initiatives of the DCOA under a highly recognizable brand.

WORKFORCE DEVELOPMENT

Implement innovative workforce initiatives to support Type A Companies.

Initiate new innovative approaches to broaden workforce capacity, creating a sustainable pipeline of available workforce and support systems for existing and future Type A Companies.

REAL ESTATE

Prioritize real estate assets that spur Abilene's future growth.

Lead industry development initiatives and strategic projects that most effectively impact long-term economic development success.

EFFECTIVE OPERATIONS

Ensure effectiveness to continue long-term success and impact for Abilene in economic development.

Establish sustainable mission-critical operations that maximize the DCOA's effectiveness in implementing strategies aligned with the Mission.

BUSINESS RETENTION & EXPANSION STRATEGIES

- Establish a sustainable system for identifying, researching, and engaging existing Type A businesses.
- Develop programs to support the growth of existing businesses.
- Become a hub for creative and innovative business.



BUSINESS ATTRACTION STRATEGIES

- Implement systems that identify and engage targeted prospects, manage their interactions with us, and lead them to an Abilene location decision.
- Commission a competitive analysis and target industry study to prepare research that evaluates our resource capacities and identifies prospect industries aligned with those resources.
- Utilize and expand data & software assets to perform next-level, competitive business retention and expansion, business development, promotion, and marketing operations.

MARKETING AND BRAND MANAGEMENT STRATEGIES

- Identify and develop resources needed to draw prospect interest and confirm the appropriateness of an Abilene location.
- Utilize proactive marketing to implement organizational and industry marketing, and state, national, and international outreach efforts.
- Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

WORKFORCE DEVELOPMENT STRATEGIES

- Examine all aspects of the regional workforce and create an action summary to support the needs identified.
- Implement programs to sustain and enhance the skills and capabilities of the regional workforce aligned with targeted industries.
- Further enhance and invest in education and training with educational partners, including an emphasis on exiting Dyess Airmen.

REAL ESTATE STRATEGIES

- Implement a real-time sustainable system that identifies and inventories all aspects of available real estate potentially suitable for the needs of targeted prospects, including consideration of acquisition & expansion of existing assets and Industrial Parks.
- Analyze and evaluate costs and benefits of all DCOA properties to determine the best use for each property and formulate plans to implement.
- Plan for long-term opportunities related to economic development incentives, incentive zones, and emerging opportunities.
- Evaluate master plans for both Industrial Parks for updates and improvements.

EFFECTIVE OPERATIONS STRATEGIES

- Employ systems to ensure engagement of qualified and dedicated Staff and Board members to ensure their contributions through effective training and education.
- Manage engagement of Partners to help deliver aspects of the DCOA's comprehensive responsibilities.
- Implement best practices for policies and financial management systems to ensure future strategic projects are considered, as well as appropriate budgeting, monitoring, recording, and reporting of financial practices.

BUSINESS ATTRACTION

BUSINESS ATTRACTION

Promote Abilene as the premier location for business.

Strengthen Abilene's competitive advantage by activating strategies that attract consistent and sustainable investment for the community.

BUSINESS ATTRACTION INITIATIVES

- BUSINESS ATTRACTION STRATEGY -

Implement systems that identify and engage targeted prospects, manage their interactions with us, and lead them to an Abilene location decision.

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

6

Marketing Missions (Requires Travel)

Area Development Workshop Forum

Site Selectors Guild

Represents over 60 site selection consultants reached.

1

Meeting with Developers

Discussions on public/private partnerships for commercial development in Abilene.



7

Targeted Meetings with Site Selection Consultants

Critical discussions on potential opportunities for company expansions in Abilene.



SITE SELECTION GROUP

NEWMARK

VESTIAN



CBRE

BUSINESS RETENTION & EXPANSION

BUSINESS RETENTION & EXPANSION

Influence business growth in the community.

Create a culture that engages existing targeted-industry businesses as the catalyst for sustaining and growing our economic base.

BUSINESS RETENTION & EXPANSION INITIATIVES

- BUSINESS RETENTION & EXPANSION STRATEGY -
Develop Programs to support the growth of existing businesses.

REPORT FROM PRESIDENT & CEO
March 21, 2024 - April 20, 2024

DCOA HOSTED GRUPO NUESTRA & ABIMAR FOODS EXECUTIVES IN ABILENE, TEXAS



- DCOA hosted executives visiting from parent company Grupo Nutresa and Abimar Foods executives.
- Meetings included discussions at Abilene Christian University to understand future workforce development programs.
- DCOA coordinated breakfast for the executive team at the Abilene Independent School District's Leadership and Innovation in Future Technologies (LIFT) Center with Mayor Pro Tem Shane Price.

BUSINESS RETENTION & EXPANSION INITIATIVES

- BUSINESS RETENTION & EXPANSION STRATEGY -
Become a hub for creative and innovative business.

REPORT FROM PRESIDENT & CEO
March 21, 2024 - April 20, 2024



While meeting with site selection consultants at the **Site Selectors Guild** annual conference in Nashville, Tennessee, DCOA President & CEO Misty Mayo visited **Amazon's** new corporate office in Nashville to promote Abilene and deepen the DCOA's existing relationship with Amazon's real estate executive.

21 LOCAL EXISTING COMPANIES VISITED

Business Retention and Expansion Visits with **21 local, existing companies** to gather data, increase relationships, identify workforce & expansion/growth opportunities.

- BUSINESS RETENTION & EXPANSION STRATEGY -
Establish a sustainable system for identifying, researching, and engaging existing Type A businesses.

LINDSAY DENNIS, VICE PRESIDENT OF BUSINESS RETENTION & EXPANSION, IS AN ACTIVE BOARD MEMBER REPRESENTING ECONOMIC DEVELOPMENT FOR THE BIG COUNTRY MANUFACTURING ALLIANCE

Engaged in discussions on key trends in the regional manufacturing industry at the **Regional Manufacturer Roundtable**

WORKFORCE DEVELOPMENT



WORKFORCE DEVELOPMENT

Implement innovative workforce initiatives to support Type A Companies.

Initiate new innovative approaches to broaden workforce capacity, creating a sustainable pipeline of available workforce and support systems for existing and future Type A Companies.

WORKFORCE DEVELOPMENT INITIATIVES

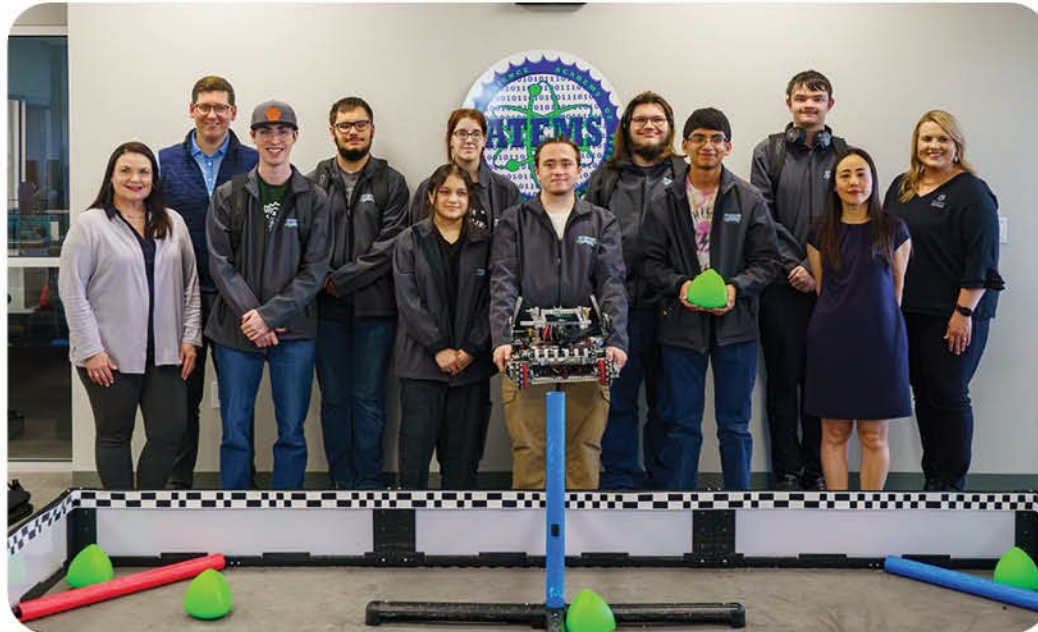
- WORKFORCE DEVELOPMENT STRATEGY -

Examine all aspects of the regional workforce and create an action summary to support the needs identified

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

DCOA SUPPORTS BUILDING THE FUTURE WORKFORCE IN TECHNOLOGY



Abilene Independent School District's first time at the World's Robotics Competition since 2009

- Partnering with Abilene Independent School District to strengthen efforts to develop workforce in innovation and technology.
- Discussed with Abilene Independent School District's Career & Technical Education Advisory Committee to continue expanding the DCOA's NEXTU Program and Career & Technical Education programs to develop Abilene's workforce.

WORKFORCE DEVELOPMENT INITIATIVES

- WORKFORCE DEVELOPMENT STRATEGY -

Examine all aspects of the regional workforce and create an action summary to support the needs identified

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

DCOA CONNECTING EDUCATION & INDUSTRY AT THE HIGH SCHOOL LEVEL ENABLING HIGH SCHOOL STUDENTS TO EXPERIENCE LOCAL MANUFACTURING OPERATIONS



Abilene Independent School District's Superintendent's Advisory Board "Supercrew" was hosted at **Chike Nutrition**.

WORKFORCE DEVELOPMENT INITIATIVES

- WORKFORCE DEVELOPMENT STRATEGY -

Further enhance and invest in education and training with educational partners, including an emphasis on exiting Dyess Airmen.

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

DCOA COO JULIE JOHNCOX SERVES AS A NEW MEMBER OF THE TEXAS STATE TECHNICAL COLLEGE'S FOUNDATION BOARD



- WORKFORCE DEVELOPMENT STRATEGY -

Examine all aspects of the regional workforce and create an action summary to support the needs identified

ENGAGED WITH TEXAS WORKFORCE COMMISSIONER DANIELS



DCOA attended the Texas Workforce Commission's Rural Workforce Summit to understand workforce development initiatives being implemented across the region

WORKFORCE DEVELOPMENT INITIATIVES

- WORKFORCE DEVELOPMENT STRATEGY -

Further enhance and invest in education and training with educational partners, including an emphasis on exiting Dyess Airmen.

REPORT FROM PRESIDENT & CEO

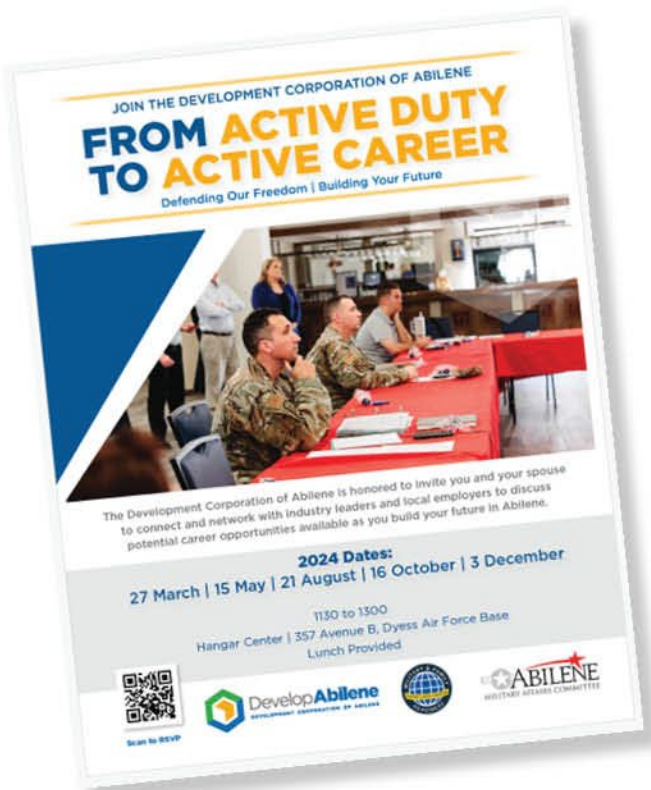
March 21, 2024 - April 20, 2024

ACTIVE DUTY TO ACTIVE CAREER

- Ensuring a seamless transition into the civilian workforce by providing the unique opportunity to connect directly with local business owners, empower future transitioning airmen and their spouses to explore various career opportunities in Abilene, Texas.
- DCOA Team participates with the Military Affairs Committee at quarterly meetings to reinforce the importance of Dyess Air Force Base in Abilene, Texas.



**14 Airmen & their spouses and
2 Abilene Companies** attended.



DCOA coordinates with the Military Affairs Committee.

WORKFORCE DEVELOPMENT INITIATIVES

- WORKFORCE DEVELOPMENT STRATEGY -

Further enhance and invest in education and training with educational partners, including an emphasis on exiting Dyess Airmen.

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

DYESS ECONOMIC IMPACT STATEMENT PROVIDED BY DYESS AIR FORCE BASE

Personnel

Active Duty Military	4,521
Military Retirees	3,576
Total Military	8,097
Appropriated Funds Civilians	417
Non-Appropriated Civilians	144
Base Exchange	30

Total Civilians	591
Total Dependents	5,387
Total Personnel	14,075

Additional Information

B-1	23
Value	\$7,199,999,994
C130J	28
Value	\$2,114,000,000
Value of Assets	\$9,313,999,994

ECONOMIC IMPACT:

\$572+MILLION

ACROSS THE BIG COUNTRY

TOTAL PAYROLL	\$431,075,829
LOCAL EXPENDITURES	\$64,907,220
VALUE OF JOB CREATION	\$76,608,120

Job Creation

Total Number of Jobs Created	1,598
Average Annual Pay	\$47,940

*Bureau of Labor Statistics: Abilene, Texas

Estimated Annual Dollar Value of Jobs Created	\$76,608,120
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Contract Expenditures

Medical Construction	\$382,818
Government Purchase Card	\$9,979,165
Commissary	\$2,789,567
Base Exchange	\$215,683
Health/TRICARE	\$3,329,698
Impact Aid/Tuition Assistance	\$3,130,166
Other Procurement	\$52,456,404

Total Expenditures \$72,283,501

Military Pay

Active Duty Military	\$280,728,930
Military Retirees	\$105,114,979
Total Military Pay	\$385,843,909

Civilian Pay

Appropriated Funds Civilians	\$39,379,678
Non-Appropriated Civilians	\$5,217,368
Base Exchange	\$634,874
Total Civilian Pay	\$45,231,920

History Dyess AFB

Dyess Air Force Base exists to deliver rapid, decisive and sustainable air power to combat commanders anytime and anywhere it is needed with the B-1 Lancer. Dyess is the home of the B-1 bomber and is the training center for all B-1 aircrews. We are also the home of the 317 Air Wing and its C-130J aircraft, which provide worldwide airlift support, including the delivery of critical humanitarian aid.

The attached analysis details the economic benefits of Dyess AFB to the Abilene community. However, our relationship with the Big Country extends beyond economics. As a team, we enjoy a long standing and rich history of mutual respect and support. The spirit of cooperation between Abilenians and their civic leaders has fostered an interest in the welfare of the Dyess family ever since the gates first opened in 1951. The excellent community relations are evidenced in activities such as "The World's Largest Barbecue" for Dyess personnel and their families and the Veterans Day parade sponsored by the citizens of Abilene. Numerous local business people share their business expertise and experience with the military community and serve as honorary squadron commanders. Dyess personnel return their generosity by volunteering their time and services to many local charities and civic groups.

The information in this guide will answer your resource-related questions about Dyess AFB. Common goals and love of country bond Dyess AFB personnel and the citizens of Abilene. I have no doubt our team will grow stronger as we meet the challenges of the future together.

Dyess AFB
Abilene, TX

Home To

7th Bomb Wing



317th Air Wing



For More Information, Contact:
7th Comptroller Squadron
7 Lancer Loop, Suite 165
Dyess AFB, TX 79605
(325) 696-2024
EIS data was compiled, analyzed, written,
and edited by 7th CPTS



MARKETING & BRAND MANAGEMENT



THE DCOA IS THE 2023 INTERNATIONAL ECONOMIC DEVELOPMENT ORGANIZATION OF THE YEAR

- The International Economic Development Council -

MARKETING & BRAND MANAGEMENT

Market the community aggressively and proactively.

Develop a robust marketing strategy for DevelopAbilene encompassing communication systems and strategic research to support all initiatives of the DCOA under a highly recognizable brand.

MARKETING & BRAND MANAGEMENT INITIATIVES

- MARKETING & BRAND AWARENESS STRATEGY -

Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

DCOA AWARDED UNITED WAY OF ABILENE'S SMALL BUSINESS CAMPAIGN OF THE YEAR



MARKETING & BRAND MANAGEMENT INITIATIVES

- MARKETING & BRAND AWARENESS STRATEGY -

Utilize proactive marketing to implement organizational and industry marketing, and state, national, and international outreach efforts.

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

LEVERAGING NEW MARKETING CAMPAIGN TO PROMOTE EXISTING ABILENE COMPANIES IN ABILENE AND THROUGHOUT THE UNITED STATES

Used new **Developed in Abilene** campaign during President and CEO Misty Mayo's presentation at the Texas Travel & Alliance Annual Expo in Abilene

- MARKETING & BRAND AWARENESS STRATEGY -

Utilize proactive marketing to implement organizational and industry marketing, and state, national, and international outreach efforts.

DCOA THANKED KEY STAKEHOLDERS & COMMUNITY LEADERS WHO SUPPORT DCOA'S MISSION



Recognized the DCOA's recent award as the International Economic Development Organization of the Year

MARKETING & BRAND MANAGEMENT INITIATIVES

- MARKETING & BRAND AWARENESS STRATEGY -
Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

REPORT FROM PRESIDENT & CEO
March 21, 2024 - April 20, 2024

+2.8% Increase

8,248 SOCIAL MEDIA IMPRESSIONS

+.8% Increase

10,108 WEBSITE IMPRESSIONS

Compared to March 21, 2023 - April 30, 2023

Social Media Highlights



Mar 27 at 10:04 am

The Development Corporation of Abilene proudly announces being named as a recipient of the 2023 Economic Excellence Recognition program by the Texas Economic Development Council (TEDC).

"Our team's tenacity and diligence to be a leader in the field of economic development is represented by this recognition and reflects our collective dedication to our mission," said Misty Mayo, President and CEO of the DCOA. "Together, we are committed to carrying out a strategic approach as we build the Future Abilene."

Full Press Release Here: https://bit.ly/3TAlI_pZ



Apr 1 at 08:00 pm

From Abilene to Everywhere. With over \$177.1 million of exports across key global markets, Abilene companies are making an indelible mark on international trade.

Abilene is the premier location for diverse industries that make international trade possible. #AbileneExports #GlobalTrade #EconomicImpact #DevelopedInAbileneTX

Export Output from Abilene, Texas



Asia-Pacific Economic Cooperation: \$60.8 million

Free Trade Agreement: \$52.3 million

United States-Mexico-Canada Agreement: \$33.3 million

South America: \$10.4 million

Asia: \$10.3 million

European Union: \$8.9 million

Dominican Republic-Central America Free Trade Agreement: \$1.1 million

Like

Comment

Share



Mar 25 at 08:00 pm

Strong partnerships pave the way for growth in Abilene. The DCOA is proud to foster crucial collaborations that lead to substantial investments and expansion of local companies.

Our partnership with [Hendrick Health](#) exemplifies this commitment. This is what building a resilient community looks like. #Partnership #CommunityGrowth #HendrickHealth #DevelopedInAbileneTX #GlobalBusinessHub #EconomicGrowth #InnovationInTexas

PARTNERSHIPS BUILT TO LAST

THE DCOA ANNOUNCES PARTNERSHIP WITH HENDRICK HEALTH FOR THEIR \$24.5 MILLION INVESTMENT TO EXPAND OPERATIONS IN ABILENE, TEXAS



"Our commitment to providing exceptional healthcare services to our patients is unwavering, and our partnership with the Development Corporation of Abilene to expand our back office and warehouse operation is another step in this direction."

Brad Holland
President and CEO
Hendrick Health





Prioritize real estate assets that spur Abilene's future growth.

Lead industry development initiatives and strategic projects that most effectively impact long-term economic development success.

**REAL
ESTATE**

REAL ESTATE INITIATIVES

- REAL ESTATE STRATEGY -

Analyze and evaluate costs and benefits of all DCOA properties to determine the best use for each property and formulate plans to implement.

REPORT FROM PRESIDENT & CEO

March 21, 2024 - April 20, 2024

- Initiated the development of a multi-year Capital Improvement Plan for DCOA assets
- Began construction on the **2,615-foot sewer line project** to serve ABI Windows & contiguous properties in the DCOA's Five Points Business Park



EFFECTIVE OPERATIONS

EFFECTIVE OPERATIONS

Ensure DCOA's effectiveness to continue long-term success and impact for Abilene in economic development.

Establish sustainable mission-critical operations that maximize the DCOA's effectiveness in implementing strategies aligned with the Mission.

EFFECTIVE OPERATIONS INITIATIVES

REPORT FROM PRESIDENT & CEO
March 21, 2024 - April 20, 2024

EFFECTIVE OPERATIONS STRATEGY -

Employ systems to ensure engagement of qualified and dedicated Staff and Board members to ensure their contributions through effective training and education.

As required by the State of Texas, 100% of the required DCOA Board members & team members completed the University of North Texas' Public Fund Investment Act Training.

EFFECTIVE OPERATIONS STRATEGY -

Manage engagement of Partners to deliver aspects of the DCOA's comprehensive responsibilities

Organizations from the DCOA's Strategic Network submitted bi-annual compliance reports according to agreements with DCOA.

DCOA participated in connecting local existing companies to organizations in the DCOA's Strategic Network - Business Expo.

**Discussion and possible
approval of a
Resolution approving
expenditures over
\$50,000
as described in the
President & CEO's
Report**

RESOLUTION NO. DCOA-2024.16

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”) APPROVING EXPENDITURES GREATER THAN OR EQUAL TO \$50,000.

WHEREAS, the DCOA’s President (“President”) has provided a report of upcoming DCOA expenditures, each of which are expected to be greater than or equal to \$50,000 (the “Report”).

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. Each expenditure described in the Report is hereby approved and the President shall be and hereby is authorized to make and/or contract for each expenditure described in the Report.

The President is further authorized to, if necessary, on behalf of the DCOA, negotiate, enter into and execute all agreements, make expenditures under said agreements, and to take any steps necessary which are consistent with and necessary to effectuate the actions outlined above.

PART 2. This Resolution takes effect immediately upon passage.

ADOPTED this the 1st day of May, 2024.

ATTEST:

Sam Vinson
Secretary/Treasurer

Shea Hall
Chairman of the Board

APPROVED AS TO FORM:

Chris Shelton, Attorney at Law

EXPENDITURES OVER \$50,000

REPORT FROM PRESIDENT & CEO
March 21, 2024 - April 20, 2024

VENDOR	AMOUNT	DETAILS
Perkins Insurance	\$434,579	DCOA Property Insurance 5/2024-4/2025
Multiple (See Details)	\$56,527	Repairs at Building D's fire pump house <i>Amazon will reimburse the DCOA</i> VSC: \$42,152 J&N Utilities: \$9,023 Long Electric: \$3,052 Automatic Fire: \$1,500 Cary Services: \$800

**Discussion and possible approval
of a Resolution
acknowledging completion of the
DCOA's Annual Review of the
Investment Policy,
Investment Strategy, and
Diversification Strategies and
Guidelines**

RESOLUTION NO. DCOA-2024.17

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”), ACKNOWLEDGING COMPLETION OF ITS ANNUAL REVIEW AND/OR ADOPTION OF AMENDMENTS TO THE INVESTMENT POLICY, INVESTMENT STRATEGY, AND DIVERSIFICATION STRATEGIES AND GUIDELINES.

WHEREAS, as set forth in the DCOA’s Investment Policy, the DCOA has completed its annual review of the Investment Policy and the Investment Strategy (as defined in the Investment Policy) and after completing its review, the DCOA desires to approve and adopt the Investment Strategy attached hereto as **Exhibit A** and fully incorporated herein, and there will not be any changes to the Amended and Restated Investment Policy adopted on November 8, 2023 by DCOA Resolution no. DCOA-2024.01; and,

WHEREAS, as set forth in the DCOA’s Investment Policy, the DCOA has completed its annual review of its diversification strategies and establishes the guidelines attached hereto as **Exhibit B** and fully incorporated herein.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC. THAT:

- PART 1.** The DCOA has completed its annual review of the Investment Policy and the Investment Strategy (as defined in the Investment Policy) and the DCOA hereby (i) confirms the Amended and Restated Investment Policy and (ii) approves and adopts the Investment Strategy on **Exhibit A**.
- PART 2.** The DCOA has completed its annual review and hereby confirms the diversification strategies and the guidelines on **Exhibit B** that it previously adopted.
- PART 3.** This Resolution takes effect immediately upon passage.

ADOPTED this the 1st day of May, 2024.

ATTEST:

Sam Vinson
Secretary/Treasurer

Shea Hall
Chair of the Board

APPROVED AS TO FORM:

Chris Shelton, Attorney at Law

Exhibit A
INVESTMENT STRATEGY
FOR
DEVELOPMENT CORP OF ABILENE AGENCY
Account No. 19-002634

A. BACKGROUND

The investment strategy outlined below represents an expansion and clarification of the Investment Strategy agreed at the formation of the cash management agency account owned by the Development Corporation of Abilene, Inc. (“Owner”) and identified as Account Number 19-002634 (“Account”) with First Financial Trust and Asset Management Company, N.A. (“FFTAM”). This Investment Strategy replaces any prior investment strategy.

B. OBJECTIVES

The objective of the Account is to:

1. Preserve and protect principal.
2. Maintain desired level of liquidity by matching investment maturities with forecasted cash flow requirements while creating reinvestment flexibility and a predictable cash flow.
3. Maximize risk-adjusted return while seeking current income via a laddered portfolio which minimizes the uncertainty of future rate changes.

C. INVESTMENT CHOICE

The specific investment strategy suggested for the Account is a U.S. Treasury Ladder (“UST Ladder”). The UST Ladder strategy contemplates a portfolio comprised exclusively of U.S. Treasury securities, which are direct obligations of the U.S. government. The strategy seeks to provide a guaranteed income and regular maturities by building an equally-weighted portfolio of U.S. Treasury securities based on a designated maturity range that are intended to be held until maturity. By staggering the maturities, Owner seeks to reduce risk and improve returns, while also creating reinvestment flexibility, a predictable cash flow, and a desired level of liquidity. The strategy seeks to eliminate the guesswork from predicting future rate changes, yet offers a partial hedge to future rising rates.

D. INVESTMENT PROCESS

1. Build a ladder composed of U.S. Treasury securities based on Owner’s designated maturity range.
2. Monitor portfolio positions without any active trading unless otherwise directed by Owner after considering cash flow needs.

3. Maintain designated maturity of the ladder by purchasing new U.S. Treasury securities at the longest available maturity in the range to replace those that mature or are sold as they reach the minimum maturity.

E. INVESTMENT AMOUNT AND ALLOCATION

1. The Account will be funded with DCOA cash ("Funds").

2. Not less than \$5,000,000 of the Funds will be held as a cash reserve which will be invested in FFTAM's institutional government money market fund and will not be subject to investment in the UST Ladder.

3. The remainder of the Funds will be invested in the UST Ladder with a maturity range of 6 months to 3 years and a maximum position exposure of 5.0%.

4. The "Funds" will be used purchase new U.S. Treasury securities in the UST Ladder at the longest available maturity in the range until the securities at the shortest maturity in the range mature. When the remaining cash in the UST Ladder has been invested down, new U.S. Treasury securities will be purchased at the longest available maturity in the range to replace those that mature or are sold as they reach the minimum maturity.

Exhibit B

**Development Corporation of Abilene
Diversification Strategies and Guidelines**

Pursuant to Article VII, Section C.(4) of the DCOA's Investment Policy, no more than 15% of the DCOA's total portfolio may be invested in securities other than obligations of the United States or its agencies and instrumentalities.



AMENDED AND RESTATED INVESTMENT POLICY

ARTICLE I PURPOSE AND NEED FOR POLICY

In accordance with Chapter 2256 of the Texas Government Code, as amended, (the “**Public Funds Investment Act**”), this Amended and Restated Investment Policy (this “**Investment Policy**”) provides for rules governing the investment practices of the Development Corporation of Abilene, Inc. (the “**DCOA**”) and defines the authority of the DCOA’s investment officers. This Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and prudent fiscal management of the DCOA’s funds.

As allowed under the Public Funds Investment Act and this Policy, it is the goal of the DCOA to handle funds in a way which will provide the highest investment on return with the maximum security while meeting daily cash flow demands.

This Investment Policy applies to all financial assets and funds held by the DCOA.

ARTICLE II SCOPE

This Investment Policy applies to the investment and management of all public funds in the custody of the DCOA that the DCOA has authority to invest under the Public Funds Investment Act (the “**Fund Balance**”).

A. These funds are accounted for in the DCOA’s financial statements.

This Investment Policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

B. This Investment Policy excludes:

- (1) Employee Retirement funds;
- (2) Employee Health Care funds; and
- (3) Employee accrued vacation and sick time.

C. Review and Amendment

The DCOA’s Board of Directors (the “**Board**”) shall review this Investment Policy and the Investment Strategy (defined hereinafter) not less than annually and adopt a written resolution stating the review has been completed and recording any changes made to either this Investment Policy or the Investment Strategy.

ARTICLE III PRUDENCE

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an Investment Officer (defined hereinafter) has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) the investment of all funds, or funds under the DCOA's control, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with this Investment Policy.

All participants in the investment program will seek to act responsibly as custodians of the public's trust. Investment Officers will avoid any transaction that might impair public confidence in the DCOA's ability to conduct business effectively. Investment Officers shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public's trust. Nevertheless, the DCOA recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

ARTICLE IV OBJECTIVES

Investment of funds shall be governed by the following investment objectives, in order of priority: (1) preservation and safety of principal; (2) liquidity; and (3) yield.

A. Preservation and Safety of Principal

Preservation of capital and meeting cash flow demands are the foremost objectives of the DCOA. Each investment transaction shall seek first to ensure that capital losses are avoided.

B. Liquidity

The DCOA's investment portfolio will remain sufficiently liquid to enable the DCOA to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements.

C. Yield

The investment portfolio of the DCOA shall be designed with the objective of investing funds in investments which yield a market average rate of return throughout budgetary and economic cycles, taking into account the DCOA's investment risk constraints, liquidity needs, and the

cash flow characteristics of the investment portfolio. For purposes of evaluating the relative performance of the investment portfolio, an appropriate benchmark shall be the average rate of return on US Treasury Bills at a maturity level comparable to the investment portfolio's weighted average maturity in days as provided by the Bloomberg 1-3 Year U.S. Treasury Index.

ARTICLE V RESPONSIBILITY AND CONTROL

A. Written Procedures

Management responsibility to establish written procedures for the operation of the investment program consistent with this Investment Policy shall be assigned to the DCOA's President/Chief Executive Officer (the "**President/CEO**") and the DCOA's EVP/Chief Operating Officer ("**EVP/COO**"). Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting.

B. Subordinates

All persons involved in investment activities shall be referred to as "**Investment Officers**". No person shall engage in an investment transaction except as provided under the terms of this Investment Policy, the procedures established by the DCOA's President/CEO, the DCOA's EVP/COO, and the explicit authorization by the President/CEO to withdraw, transfer, deposit and invest the DCOA's funds. The President/CEO, EVP/COO, and Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

C. Internal Controls

Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by Investment Officers. Controls deemed most important would include control of collusion, separation of duties, third-party custodial safekeeping, clear delegation of authority, written confirmation of telephone transactions, minimizing the number of authorized Investment Officers, and documentation of and rationale for investment transactions.

In conjunction with the DCOA's annual independent financial audit, a compliance audit of management controls on investments and adherence to this Investment Policy and the Investment Strategy shall be performed by the DCOA's independent auditor.

D. Ethics and Conflicts of Interest

An Investment Officer of the DCOA who has a personal business relationship with a business organization offering to engage in an investment transaction with the DCOA shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree of affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to sell an investment to the DCOA shall file a statement disclosing that relationship. Any statements required to be filed under this Article shall be filed with the Texas Ethics Commission and the Board. For purposes of this Investment

Policy, an Investment Officer has a personal business relationship with a business organization if:

- (1) the Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or
- (3) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.

Investment Officers shall not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the DCOA's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the DCOA, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the DCOA and all transactions contemplated and completed by the DCOA confidential, except when disclosure is required by law.

E. Investment Training Requirements

The DCOA's President/CEO, EVP/COO, Chief Financial Officer, Treasurer, Controller, and Investment Officers shall attend at least one ten-hour training session from an independent source relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten-hour requirement, the President/CEO, EVP/COO, Controller, and Investment Officers shall receive not less than ten hours of instruction in their investment responsibilities from an independent source at least once during each two-year period beginning on the first day of the DCOA's fiscal year after which the individual last completed their training and ending on the last day of the second fiscal year. For purposes of this Investment Policy, an "*independent source*" from which investment training shall be obtained would include a professional organization or an institute of higher learning. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Public Funds Investment Act. Training under this Section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.

ARTICLE VI AUTHORIZED INVESTMENTS

- A. Obligations, including letters of credit, of the United States, its agencies, and instrumentalities.
- B. Direct obligations of the State of Texas, its agencies, and instrumentalities that have an investment rating of not less than "A" or its equivalent rating from other rating agencies.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, the United States, or their respective agencies and instrumentalities.

- D. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent rating from other rating agencies.
- E. Certificates of deposit issued by a depository institution that has its main office or branch office in Texas and such certificates of deposit are:
- (1) Guaranteed or insured by the Federal Deposit Insurance Corporation; or
 - (2) Secured by obligations described in this Article VI, Sections A through D above.
- F. A no-load money market mutual funds if the mutual fund:
- (1) Is registered with and regulated by the Securities and Exchange Commission;
 - (2) Provides the DCOA with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and
 - (3) Complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.).
- G. A no-load mutual fund if the mutual fund:
- (1) Is registered with the Securities and Exchange Commission;
 - (2) Has an average weighted maturity of less than two years; and
 - (3) Either:
 - (A) Has a duration of one year or more and is invested exclusively in obligations approved by Subchapter A of the Public Funds Investment Act; or
 - (B) Has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

Only investments authorized by this Investment Policy in this Article VI, Sections A through G above will be allowed. All other types of investments (whether allowed by the Public Funds Investment Act or not) will be prohibited investments. Additionally, all investments prohibited in the Public Funds Investment Act, Section 2256.009(b) will also be prohibited by the DCOA.

If an investment in the DCOA's portfolio becomes an unauthorized investment due to changes in this Investment Policy or the Public Funds Investment Act, or an authorized investment is rated in a way that causes it to become an unauthorized investment, the Investment Officers of the DCOA shall review the investment and determine whether it would be more prudent to hold the investment until its maturity, or to redeem the investment. The Investment Officers shall consider the time remaining until maturity of the investment, the quality of the investment, and the quality and amounts of any collateral which may be securing the investment in determining the appropriate steps to take. Except as provided by Chapter 2270, the Public Funds Investment Act does not require the DCOA to liquidate investments that were authorized investments at the time of purchase.

An investment that requires a minimum rating under this Investment Policy does not qualify as an authorized investment during the period the investment does not have the minimum rating and the

DCOA shall take all prudent measures that are consistent with this Investment Policy to liquidate an investment that does not have the minimum rating. The following procedures shall be used to monitor rating changes in investments: (1) the DCOA will monitor financial news made available over e-mail, the internet, and/or live news reports; and/or (2) the DCOA will utilize its broker/dealers to provide market information and financial news updates. Any rating changes in the DCOA's investments which are required to obtain a minimum rating under this Investment Policy shall be included in the DCOA's report under Article X.

**ARTICLE VII
PORTFOLIO AND INVESTMENT ASSET PARAMETERS**

A. Bidding Process for Investments

It is the policy of the DCOA to require competitive bidding for all investment transactions except for:

- (1) transactions with money market mutual funds (which are deemed to be made at prevailing market rates); and
- (2) treasury and agency securities purchased at issue through an approved broker/dealer.

Bids must be solicited for all other investment transactions. Bids for certificates of deposit may be solicited in writing, electronically or in any combination of those methods.

B. Maximum Maturities

The DCOA will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the DCOA will not directly obtain investments maturing more than three years from the date of purchase. Investments shall not be liquidated prior to maturity with the following exceptions:

- (1) An investment with declining credit may be sold early to minimize loss of principal;
- (2) If an investment swap would improve the quality, yield, or target duration in the portfolio; or
- (3) Liquidity needs of the investment portfolio require that the investment be sold or redeemed.

C. Diversification

The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy. In establishing specific diversification strategies, the following general policies and constraints shall apply.

- (1) To attain sufficient liquidity, the DCOA shall schedule the maturity of its investments to coincide with known disbursements.
- (2) The following maximum limits, by instrument, are established for the DCOA's total portfolio:
 - U.S. Treasury Notes/Bills.....100%

- Obligations of the United States or its Agencies & Instrumentalities.....100%
 - Certificates of Deposit.....100%
 - Mutual Funds (see C. (3) below).....100%
 - State of Texas Obligations & Agencies.....100%
 - Obligations of States, Agencies, Counties, Cities and other Political Subdivisions.....100%
- (3) The DCOA shall not: (A) invest in the aggregate more than 15 percent of its monthly average Fund Balance, excluding bond proceeds and reserves and other funds held for debt service, in a no-load mutual fund; (B) invest any portion of bond proceeds, reserves and funds held for debt service in a no-load mutual fund; and/or (C) invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one no-load money market mutual fund and/or no-load mutual fund, in an amount that exceeds 10 percent of the total assets of the mutual fund.
- (4) The Board shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than obligations of the United States or its agencies and instrumentalities. The Board shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

D. Delivery versus Payment

Except for mutual funds, the settlement of all transactions shall be made on a delivery versus payment basis.

**ARTICLE VIII
AUTHORIZED BROKER/DEALERS
AND FINANCIAL INSTITUTIONS**

A. The Investment Committee (defined hereinafter) shall, at least annually, review, revise, and adopt a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to engage in investment transactions and provide investment services to the DCOA. These firms may include:

- (1) all primary government securities dealers; and
- (2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15c3-1 (17 C.F.R. Section 240.15c3-1) and/or Rule 15c3-3 (17 C.F.R. Section 240.15c3-3), and who meet other financial credit criteria standards in the industry.

The Investment Committee may select up to three firms or use only one firm from the approved list to conduct a portion of the daily DCOA investment business. These firms will be selected based on their competitiveness, participation in agency selling groups, the experience, and background of the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this Investment Policy at least annually by the Investment Committee. A written copy of this Investment Policy shall be presented to any business organization offering to engage in an investment transaction with the DCOA.

- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officers with the following:
- (1) Audited financial statements;
 - (2) Proof of National Association of Securities Dealers certification, unless it is a bank;
 - (3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the DCOA; and
 - (4) An executed written instrument, by the qualified representative of the business organization, in a form acceptable to the DCOA and the business organization substantially to the effect that the business organization has received and reviewed this Investment Policy and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the DCOA and the organization that are not authorized by this Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the DCOA's entire portfolio; requires an interpretation of subjective investment standards; or relates to investment transactions of the DCOA that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The Investment Officers and/or the DCOA may not acquire or otherwise obtain any authorized investment described in this Investment Policy from a business organization that has not delivered to the DCOA the instrument required by this Article VIII, Section B(4).

ARTICLE IX COLLATERAL

The DCOA's depository bank shall comply with Chapter 2257 of the Texas Government Code, Collateral for Public Funds, which shall also be required in the DCOA's bank depository contract.

A. Market Value

The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized DCOA representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market monthly using quotes by a recognized market pricing service quoted on the valuation date, and the DCOA will be sent reports monthly.

B. Collateral Substitution

Collateralized investments often require substitution of collateral. The safekeeping bank must contact the President/CEO for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

C. Collateral Reduction

Should the collateral's market value exceed the required amount, the safekeeping bank may request approval from the President/CEO to reduce collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

D. Letters of Credit

Letters of Credit are acceptable collateral for certificates of deposit. Upon the discretion of the President/CEO, a Letter of Credit can be an acceptable collateral for the DCOA funds held by the DCOA's depository bank.

ARTICLE X INVESTMENT REPORTS

A. Reporting Requirements

The Investment Officers shall prepare and submit to the Board a written quarterly investment report, in compliance with Section 2256.023 of the Public Funds Investment Act, of the DCOA's investment transactions for all funds covered by the Public Funds Investment Act. The report shall be submitted to the Board and the Investment Committee within 45 days following the end of the quarter. At a minimum, the report must:

- (1) describe in detail the DCOA's investment position on the date of the report;
- (2) be prepared jointly by all Investment Officers of the entity;
- (3) be signed by each Investment Officer of the entity;
- (4) contain a summary statement of each pooled fund group, if any, that states the:
 - (A) beginning market value for the reporting period;
 - (B) ending market value for the period; and
 - (C) fully accrued interest for the reporting period;
- (5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- (6) state the maturity date of each separately invested asset that has a maturity date;
- (7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired;
- (8) state the DCOA's compliance with its investment portfolio as it relates to:
 - (A) the Investment Strategy expressed or referenced in this Investment Policy; and
 - (B) the relevant provisions of the Public Funds Investment Act; and
- (9) state any rating changes in the DCOA's investments which are required to obtain a minimum rating under this Investment Policy.

B. Investment Records

The Controller designated by the President/CEO shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records.

C. Auditor Review

The DCOA's independent external auditor shall formally review the quarterly investment

reports annually to ensure compliance with the Public Funds Investment Act and any other applicable state statutes and the results of the review shall be reported to the Board by the auditor.

ARTICLE XI INVESTMENT COMMITTEE

A. Members

The members of the Investment Committee are as follows: (i) the President/CEO; (ii) the EVP/COO; (iii) the DCOA's Controller; (iv) the DCOA's Treasurer; (v) a member of the Board appointed by the Chairman of the Board; and (vi) any additional Investment Officers (collectively the "**Investment Committee**"). The Investment Committee shall review the DCOA's investment strategies and monitor the results of the investment program annually, or as needed. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The Investment Committee will be authorized to invite other advisors to attend meetings as needed.

B. Scope

The Investment Committee shall include in its deliberations such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the DCOA's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, and compliance with this Investment Policy. The Investment Committee will also advise the Board of any future amendments to this Investment Policy that are deemed necessary or recommended.

C. Procedures

This Investment Policy shall require the Investment Committee to provide minutes of investment information discussed at any meetings held. The Investment Committee should meet at least annually to discuss the investment program and policies.

ARTICLE XII INVESTMENT STRATEGY

Pursuant to Section 2256.005(d) of the Public Funds Investment Act, the DCOA shall adopt a separate written investment strategy (the "**Investment Strategy**") for each of the funds or group of funds under its control.

This Amended and Restated Investment Policy was adopted the 8th day of November, 2023 by DCOA Resolution 2024.01.


Misty Mayo, President/CEO

Amended and Restated Investment Policy
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PROCEDURES FOR THE OPERATION OF THE INVESTMENT ACCOUNT

Article V, Section A. of the DCOA’s Investment Policy assigns management responsibility to establish written procedures for the operation of the investment program to the DCOA’s President/Chief Executive Officer (the “President/CEO”) and the DCOA’s EVP/Chief Operating Officer (“EVP/COO”). The purpose of these Procedures for the Operation of the Investment Account for the Development Corporation of Abilene (“DCOA”) is to (i) establish written procedures for the operation of the investment program; (ii) establish a system of controls to regulate the activities of subordinate officials; and (iii) designate internal controls to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by Investment Officers.

1. Management operations performed by DCOA Investment Officers

- a. Review of the cash position and any maturing investments.
- b. The DCOA Controller will maintain the investment bookkeeping and accounting entries with reconciliation of accounting records.
- c. Keep documents related to each investment transaction with the monthly bank statements that correspond with the transaction date.

2. Execution of investment transactions

- a. The CEO and/or EVP/COO are authorized to *initiate and approve* an investment transaction; as well as *initiate and approve* a wire transfer of investment funds.
- b. Investment Officers are authorized to initiate an investment transaction and wire transfer of investment funds, *with the written approval* of the CEO and/or EVP/COO.

The procedures set forth above for the execution of investment transactions are the DCOA’s system of controls to regulate the activities of subordinate officials because only the DCOA’s most senior personnel set forth above have the ability to execute transactions.

3. Overall portfolio management

- a. DCOA Investment Officers will meet quarterly.

- b. DCOA Investment Officers will review the investment portfolio to determine any recommended changes and provide regular updates to the Investment Committee and the DCOA's Board of Directors.
 - c. The Investment Committee will meet at least annually to discuss such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk of the DCOA's funds, evaluation and authorization of broker/dealers, portfolio's rate of return, and compliance with the Investment Policy.
4. **Investment Reporting:** The Controller, and/or Investment Officers will prepare a quarterly investment report that is provided to the DCOA Board of Directors and Investment Committee, as required by the DCOA's Investment Policy. The report will be distributed at regularly scheduled board meetings. The investment report may be prepared and given on a more frequent basis.
5. **Internal Controls:**
- a. Loss of Public Funds; Unanticipated Changes in Financial Markets—The DCOA has limited investments set forth in Article VI of the DCOA's Investment Policy which are all conservative in nature and designed to prevent substantial losses of public funds.
 - b. Third-Party Custodial Safekeeping—
 - i. Through a written agreement, the DCOA utilizes an authorized, independent third-party broker/dealer or financial institution (the "Third-Party Custodian") to manage its investment funds as outlined in Article VIII of the DCOA Investment Policy.
 - ii. The Third-Party Custodian of the DCOA's investments will provide, in writing, acknowledgment of the requirements under the DCOA's Investment Policy and assurance of their implementation of reasonable procedures and controls to maintain compliance with the policy, as required by Article VIII, Section B(4) of the DCOA's Investment Policy.
 - c. Delegation of Authority—None of the Investment Officers can request withdrawals or approve investments without the written approval of the DCOA CEO and/or EVP/COO.
 - d. Documentation of Rational for Investment Transactions—The DCOA's Investment Reports will detail each investment holding and includes a statement confirming that each investment conforms with the DCOA's current investment strategy and the Portfolio and Investment Asset Parameters in the DCOA's Investment Policy, and compliance with same is the DCOA's rational for each of its investment holdings.

- e. Control of Collusion—Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, details on conflicts of interest and disclosure requirements can be found in Article V, Section D of the DCOA’s Investment Policy.
- f. Separation of Duties—The execution of investment transactions requires the written approval of the CEO and/or EVP/COO and the DCOA Controller maintains the investment bookkeeping and accounting entries along with reconciliation of the accounting records.

These Procedures for the Operation of the Investment Account are hereby adopted on the 8th day of November 2023.


Misty Mayo, President/CEO


Julie Johncox, EVP/COO

**Discussion and possible approval
of a Resolution to purchase
Property 2024-03**

RESOLUTION NO. DCOA-2024.18

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”) AUTHORIZING THE PURCHASE OF PROPERTY 2024-03.

WHEREAS, property 2024-03 (the “**Property**”), as identified during the Board’s discussion in executive session, is for sale and its acquisition would be beneficial to the DCOA; and,

WHEREAS, the DCOA’s staff requests that the DCOA authorize the purchase of the Property, including all fixtures and/or personal property described in the purchase contract for the Property, if any, for the amount of \$950,000.00, plus all applicable closing costs.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC. THAT:

PART 1. The DCOA authorizes the purchase of the Property, including all fixtures and/or personal property described in the purchase contract, if any, for \$950,000.00, plus all applicable closing costs.

PART 2. This Resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the funding commitment herein is extended in writing by the DCOA’s President (the “**President**”).

PART 3. The President is hereby authorized to, on behalf of the DCOA, negotiate, enter into and execute all agreements, amend said agreements, make any expenditures described above, and to take any steps necessary which are consistent with and necessary to effectuate the actions outlined above.

PART 4. This Resolution takes effect immediately upon passage.

ADOPTED this the 1st day of May, 2024.

ATTEST:

Sam Vinson
Secretary/Treasurer

Shea Hall
Chair of the Board

APPROVED AS TO FORM:

Chris Shelton, Attorney at Law

**Discussion of
DCOA Budget
for
Fiscal Year 2025**

Fiscal Year 2025 Budget Highlights

\$213,613 Total FY 2025 Revenue Increase minus \$197,692 Total FY 2025 Operating Expense =
\$15,921 Overall Total FY 2025 Budget Increase



Key Adjustments:

Salaries & Benefits:
\$130,648 | 7.6% | Line 5

FY 2024 budgets for 12 FTEs. FY 2025 budgets for 12 FTEs. The DCOA anticipates a 40% increase in the number of employees who will select to use health benefits in 2025. Annual inflation for FY 2024 has averaged 4.3%.

Business Insurance:
\$52,777 | 8.4% | Line 6

Insurance coverage is vital for the DCOA to leverage its fixed and real estate assets to attract and sustain companies in Abilene. (Represents insurance for 15 buildings and structures).

IT Software, Cybersecurity & Equipment:
\$46,032 | 29.5% | Line 7

To align with the economic development strategic plan critical expansion of data and software assets are necessary for the DCOA to continue next-level analysis for business attraction and retention & expansion efforts.

Fiscal Year 2025 Budget Draft

	Budget Category	FY 2025 Budget	FY 2024 Budget	\$ Change Compared to FY 2024 Budget	% Change Compared to FY 2024 Budget
1	Investment & Interest Income	129,380	129,380	-	0.0%
2	Lease Revenue	3,525,243	3,498,993	26,250	0.8%
3	Sales Tax Revenue	15,176,339	14,988,977	187,362	1.2%
4	Total Revenue	18,830,963	18,617,350	213,613	1.1%

	Budget Category	FY 2025 Budget	FY 2024 Budget	\$ Change Compared to FY 2024 Budget	% Change Compared to FY 2024 Budget
5	Salaries & Benefits	1,845,131	1,714,483	130,648	7.6%
6	Business Insurance	684,144	631,368	52,777	8.4%
7	IT Management, Software, & Equipment	202,312	156,280	46,032	29.5%
8	Marketing & Brand Management	1,517,634	1,498,898	18,736	1.2%
9	Office Furniture, Equipment, and Supplies	137,000	137,000	-	0.0%
10	Facilities & Land Management	1,020,000	1,000,000	20,000	2.0%
11	Property Taxes	15,360	15,360	-	0.0%
12	Consulting & Strategic Studies	400,000	400,000	-	0.0%
13	Professional Education & Training	125,000	150,000	(25,000)	-16.7%
14	Utilities	82,280	82,280	-	0.0%
15	Total Expenses Lines 5-14	6,028,861	5,785,668	243,192	

Fiscal Year 2025 Budget Draft

	Budget Category	FY 2025 Budget	FY 2024 Budget	\$ Change Compared to FY 2024 Budget	% Change Compared to FY 2024 Budget
16	Workforce Development Initiatives	400,000	400,000	-	0.0%
17	Military Affairs Committee	437,000	437,000	-	0.0%
18	Abilene Regional Growth Alliance	325,000	350,000	(25,000)	-7.1%
19	Small Business Development Corporation	253,000	253,000	-	0.0%
20	ABI Regional Airport Business Development	231,959	231,959	-	0.0%
21	Entrepreneurial Programs - ACU Griggs Center	25,000	45,500	(20,500)	-45.1%
22	Business Retention & Expansion	300,000	300,000	-	0.0%
23	Total Expenses Lines 16-22	1,971,959	2,017,459	(45,500)	
24	Total Operating Expenses (Line 15 + Line 23)	8,000,819	7,803,127	197,692	2.5%
25	Amount Reserved for Incentives & Capital Expenditures (Line 4 minus Line 24)	10,830,144	10,814,223	15,920	0.1%
	FY25 Incentives & Fixed Assets Budget	FY 2025 Budget	FY 2024 Budget	\$ Change Compared to FY 2024 Budget	% Change Compared to FY 2024 Budget
26	FY25 Business Attraction Incentives	\$ 5,000,000	\$ 2,000,000	\$ 3,000,000	150.0%
27	FY25 Capital Improvement Projects	\$ 2,000,000	\$ 2,000,000	\$ -	0.0%
28	FY25 Land Acquisition	\$ 3,830,144	\$ 6,814,223	\$ (2,984,079)	-43.8%
29		\$ 10,830,144	\$ 10,814,223	\$ 15,921	0.1%