

**STAFFORD ECONOMIC
DEVELOPMENT CORPORATION,
A COMPONENT UNIT OF
THE CITY OF STAFFORD, TEXAS**

ANNUAL FINANCIAL REPORT

**Year Ended September 30, 2020
with Report of Independent Auditors**

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Stafford Economic Development Corporation
Stafford, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of the Stafford Economic Development Corporation (“SEDC”), a component unit of the City of Stafford, Texas (the “City”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the SEDC’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the SEDC as of September 30, 2020, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board Directors
Stafford Economic Development Corporation

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 7, and the budgetary schedules on pages 29 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SEDC’s basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Whitley Penn LLP
Houston, Texas
March 22, 2021

STAFFORD ECONOMIC DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Stafford Economic Development Corporation ("SEDC"), we offer readers of the SEDC's financial statements this narrative overview and analysis of the financial activities of the SEDC for the fiscal year ended September 30, 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the SEDC's basic financial statements. The SEDC's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. Although the SEDC is not a political subdivision or a political corporation under state law, under GAAP it is treated as a governmental unit. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the SEDC's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the SEDC's assets, deferred outflows of resources and liabilities, with the difference between the three reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the SEDC is improving or deteriorating.

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

The government-wide financial statements show the functions of the SEDC that are supported by taxes and investment earnings. The activities of the SEDC include general administration and interest due on bonds. Major construction projects currently funded by the SEDC's bonds will be transferred to the City of Stafford, Texas for operation. The SEDC has no business-type activities.

The government-wide financial statements can be found on pages 10 through 11 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The SEDC, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The SEDC consists only of governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the SEDC's near-term financing requirements.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the SEDC's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenue, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The SEDC maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenue, Expenditures, and Changes in Fund Balances for the General Fund, the Debt Service Fund and the Capital Projects Fund, all of which are considered to be major funds.

The SEDC adopts annual appropriated budgets for all governmental funds. A budgetary comparison statement has been provided for the General Fund in the Required Supplementary Information section to demonstrate compliance with this budget. The same types of budgetary comparisons are presented for the Debt Service Fund and the Capital Projects Fund in the Other Supplementary Information section to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 25 of this report.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the budget to actual comparisons of the General Fund. Required supplementary information can be found on page 29 through 30 of this report.

The other supplemental information is presented following the required supplementary information. This individual schedule is found on pages 32 and 33 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The liabilities of the SEDC exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$3.6 million (net deficit). The SEDC's total net deficit was increased during the year by \$2.7 million primarily due to the SEDC taking on more City related construction projects. Management anticipates the current and future fiscal years' financial positions will reflect a deficit of net position through the life of the outstanding bonded indebtedness.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following table summarizes the SEDC's net position as of September 30, 2020 and 2019:

Condensed Statement of Net Position
September 30, 2020 and 2019

	Governmental Activities		Change	
	2020	2019	Amount	Percent
Current and other assets	\$ 11,661,511	\$ 15,362,099	\$ (3,700,588)	-24%
Deferred outflow of resources	1,021,466	1,123,613	(102,147)	-9%
Current and other liabilities	582,346	467,475	114,871	25%
Long-term liabilities	15,678,311	16,902,652	(1,224,341)	-7%
Total Liabilities	16,260,657	17,370,127	(1,109,470)	-6%
Net position (deficit):				
Unrestricted	(3,577,680)	(884,415)	(2,693,265)	-305%
Total Net Position (Deficit)	\$ (3,577,680)	\$ (884,415)	\$ (2,693,265)	-305%

The following table summarizes the change in net position for the SEDC for the years ended September 30, 2020 and 2019:

Condensed Statement of Activities
For the Years Ended September 30, 2020 and 2019

	Governmental Activities		Change	
	2020	2019	Amount	Percent
Revenues:				
Sales tax	\$ 4,936,953	\$ 4,380,365	\$ 556,588	13%
Miscellaneous	25,668	56,890	(31,222)	-55%
Interest	39,474	141,375	(101,901)	-72%
Capital grants and contributions	-	100,000	(100,000)	-100%
Total Revenues	5,002,095	4,678,630	323,465	7%
Expenses:				
Economic development	1,296,443	854,001	442,442	52%
Project costs on behalf of the City	5,694,852	2,790,693	2,904,159	104%
Interest and fiscal agent fees	704,065	740,548	(36,483)	-5%
Total Expenses	7,695,360	4,385,242	3,310,118	75%
Change in net position	(2,693,265)	293,388	(2,986,653)	-1018%
Net Position (Deficit) - Beginning	(884,415)	(1,177,803)	293,388	25%
Net Position (Deficit) - Ending	\$ (3,577,680)	\$ (884,415)	\$ (2,693,265)	-305%

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the SEDC's Funds

As noted earlier, the SEDC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the SEDC's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the SEDC's financing requirements. In particular, unassigned fund balance may serve as a useful measure of an entity's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the SEDC's governmental funds reported combined ending fund balances of \$11.1 million, of which \$6.7 million constitutes unassigned fund balance. Almost 93 percent or \$6.2 million of the unassigned fund balance consists of a long-term receivable from the City's General Fund. The remainder of the fund balance has been committed by the Board of Directors for debt service in the amount of \$592,238, or construction related projects in the amount of \$3.9 million.

Fund balance in the General Fund decreased by approximately \$2.6 million due to the general fund taking on more street expansion projects on behalf of the City. Specifically, the SEDC provided funding for expansions on West Airport, Trinity Drive and Cash Road along with improvements to Network Drive as part of the Grid development.

Fund balance in the Debt Service Fund remained stable relatively unchanged from the prior year.

Fund balance in the Capital Projects Fund decreased by approximately \$1.2 million primarily due to the transfer of \$1.5 million from the US 90A maintenance project to the general fund for street expansion projects

General Fund Budgetary Highlights

Actual sales tax revenues for the 2020 fiscal year of \$2.6 million were less than budgeted revenue projections by \$49,863, which is net of \$473,000 of sales tax collections payable to a developer as a result of a 380 agreement (see Note 8 to the financial statements). Actual total expenditures were significantly less than final appropriations due to certain street project budgeted in the General fund not being completed. These variances resulted in an ending fund balance in the General Fund of \$6.7 million, or \$654,000 higher than budgeted, primarily due to an unbudgeted \$1.5 million transfer from the capital projects fund US 90A maintenance project.

Additional information on the SEDC's General Fund budgetary highlights can be found in the required supplementary information on pages 29 and 30 of this report.

Debt Administration

At the end of the current fiscal year, the SEDC had sales tax revenue bonds outstanding of \$13.8 million. The SEDC has secured the payment of the principal and interest on such bonds by a pledge of the sales tax revenue received by the SEDC from the City. Sales taxes collected by the SEDC are being used to service the debt payments. Further, at the end of the current fiscal year, the SEDC had excess sales tax liability outstanding of \$328,996. The SEDC has secured the payment of the principal on such excess sales tax by a pledge of the sales tax revenue received by the SEDC from the City.

The SEDC Sales Tax Revenue Refunding Bonds, Series 2014 hold an "A1" rating from Moody's and an "AA" rating from Standard & Poor's. Additional information regarding the SEDC's debt outstanding can be found in Note 7 to the basic financial statements.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budgets and Rates

The SEDC is dependent on a one-half percent sales tax that is received from the City for ongoing operations, supplements for capital asset costs funded primarily by bond proceeds and debt service costs on bonds outstanding.

The SEDC is currently operating under its fiscal year 2020 budget adopted and passed by the Board of Directors. The following schedule outlines a comparison of the fiscal year 2020 budgeted operations and the fiscal year 2021 General Fund budget:

	<u>2020 Budget</u>	<u>2021 Budget</u>	<u>Net Change</u>
Total Revenues	\$ 6,929,250	\$ 5,827,110	\$ (1,102,140)
Total Expenditures	<u>10,223,240</u>	<u>9,140,084</u>	<u>(1,083,156)</u>
Changes in fund balance	(3,293,990)	(3,312,974)	(18,984)
Beginning budgetary fund balance	<u>9,292,069</u>	<u>6,652,158</u>	<u>(2,639,911)</u>
Ending budgetary fund balance	<u>\$ 5,998,079</u>	<u>\$ 3,339,184</u>	<u>\$ (2,658,895)</u>

The large increase in revenues for 2021 anticipates additional funding of \$3.1 million from the Fort Bend County mobility improvement bond program for reimbursement for certain mobility projects described in Note 9 to the financial statements. Total appropriations for expenditures includes \$4.4 million in street expansions described in the same note and \$3.8 million in costs associated with streets drainage and park projects in the City's general fund.

Request for Information

This financial report is designed to provide a general overview of the SEDC's finances for all those with an interest in the SEDC. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Stafford, 2610 South Main, Stafford, Texas 77477.

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BASIC FINANCIAL STATEMENTS

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 4,516,458
Receivables	906,560
Due from primary government	6,238,493
Total Assets	<u>11,661,511</u>
Deferred outflows of resources	
Deferred amount on refunding	<u>1,021,466</u>
Liabilities	
Accounts payable and accrued expenses	582,346
Long-term liabilities:	
Due within one year	1,127,409
Due in more than one year	14,550,902
Total Liabilities	<u>16,260,657</u>
Net Position (Deficit)	
Unrestricted	<u>(3,577,680)</u>
Total Net Position (Deficit)	<u>\$ (3,577,680)</u>

STAFFORD ECONOMIC DEVELOPMENT CORPORATION**STATEMENT OF ACTIVITIES***For the Year Ended September 30, 2020*

	Governmental Activities
General revenues	
Sales tax	\$ 4,936,953
Interest	39,474
Miscellaneous	25,668
Total General Revenues	<u>5,002,095</u>
Expenses	
Economic development	1,296,443
Maintenance projects on behalf of the City	
US 90A maintenance	310,936
Stafford Centre maintenance	23,164
US 59 Landscaping and monument maintenance	66,030
Street expansions	5,294,722
Principal	
Interest and fiscal agent fees	704,065
Total Expenses	<u>7,695,360</u>
Change in net position	(2,693,265)
Net Position (Deficit) - Beginning	<u>(884,415)</u>
Net Position (Deficit) - Ending	<u>\$ (3,577,680)</u>

STAFFORD ECONOMIC DEVELOPMENT CORPORATION**BALANCE SHEET****GOVERNMENTAL FUNDS**

September 30, 2020

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 10,660	\$ 592,238	\$ 3,913,560	\$ 4,516,458
Receivables from other governments	904,060	-	2,500	906,560
Due from primary government	6,243,632	-	-	6,243,632
Due from other funds	18,527	-	-	18,527
Total Assets	<u>\$ 7,176,879</u>	<u>\$ 592,238</u>	<u>\$ 3,916,060</u>	<u>\$ 11,685,177</u>
Liabilities				
Accounts payable and accrued expenditures	\$ 524,721	\$ -	\$ -	\$ 524,721
Due to primary government	-	-	5,139	5,139
Due to other funds	-	-	18,527	18,527
Total Liabilities	<u>524,721</u>	<u>-</u>	<u>23,666</u>	<u>548,387</u>
Fund Balance				
Committed:				
Debt service	-	592,238	-	592,238
Capital projects	-	-	3,892,394	3,892,394
Unassigned	6,652,158	-	-	6,652,158
Total Fund Balances	<u>6,652,158</u>	<u>592,238</u>	<u>3,892,394</u>	<u>11,136,790</u>
Total Liabilities and Fund Balances	<u>\$ 7,176,879</u>	<u>\$ 592,238</u>	<u>\$ 3,916,060</u>	<u>\$ 11,685,177</u>

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
September 30, 2020

Total fund balance, governmental funds	\$ 11,136,790
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Deferred amounts on refunding are not reported in funds	1,021,466
Bonds payable are not reported in the funds.	(15,349,315)

Excess sales tax payable is not reported in the funds.	(328,996)
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Bond interest expense payable is not reported in the funds	<u>(57,625)</u>
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Net Position (deficit) of Governmental Activities in the Statement of Net Position	<u>\$ (3,577,680)</u>
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STAFFORD ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Sales tax	\$ 3,132,499	\$ 1,790,750	\$ -	\$ 4,923,249
Interest	1,661	3,085	34,728	39,474
Miscellaneous	-	-	25,668	25,668
Total Revenues	<u>3,134,160</u>	<u>1,793,835</u>	<u>60,396</u>	<u>4,988,391</u>
Expenditures				
Current:				
Economic development	1,323,852	-	-	1,323,852
Maintenance projects on behalf of the City				
US 90A maintenance	-	-	310,936	310,936
Stafford Centre maintenance	-	-	23,164	23,164
US 59 Landscaping and monument maintenance	-	-	66,030	66,030
Street expansions	5,294,722	-	-	5,294,722
Debt Service:				
Principal	-	1,045,000	-	1,045,000
Interest and other charges	-	744,500	-	744,500
Total Expenditures	<u>6,618,574</u>	<u>1,789,500</u>	<u>400,130</u>	<u>8,808,204</u>
Revenues over (under) expenditures	<u>(3,484,414)</u>	<u>4,335</u>	<u>(339,734)</u>	<u>(3,819,813)</u>
Other Financing Sources (Uses)				
Transfers in	1,500,000	-	655,497	2,155,497
Transfers out	(655,497)	-	(1,500,000)	(2,155,497)
Total other financing sources (uses)	<u>844,503</u>	<u>-</u>	<u>(844,503)</u>	<u>-</u>
Net Changes in Fund Balances	(2,639,911)	4,335	(1,184,237)	(3,819,813)
Fund Balances - Beginning of Year	<u>9,292,069</u>	<u>587,903</u>	<u>5,076,631</u>	<u>14,956,603</u>
Fund Balances - End of Year	<u>\$ 6,652,158</u>	<u>\$ 592,238</u>	<u>\$ 3,892,394</u>	<u>\$ 11,136,790</u>

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ (3,819,813)

Amounts reported for governmental activities in the Statement of Activities are different because the following amounts are treated as inflows and outflows of resources in the governmental fund financial statements but are treated as increases or decreases in deferred outflows of resources and liabilities on the Statement of Net Position:

Repayment of long term debt principal	1,045,000
Amortization of bond premiums	151,932
Amortization on refunding	(102,147)
Retirement of excess sales tax debt	27,409

Interest is an expenditure when paid for by governmental funds, but for the Statement of Activities, interest payable is accrued through the end of the fiscal year. 4,354

Change in Net Position of Governmental Activities \$ (2,693,265)

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STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

In 1999, the City of Stafford (the “City”) voters authorized the creation of the Stafford Economic Development Corporation (“SEDC”). The voters approved that a one-half percent sales tax be authorized for economic development purposes in accordance with specified projects, which were included on the ballot. In August 1999, the SEDC was formed under Article 5190.6 V.T.C.S., the Development Corporation Act of 1979 and governed by Section 4B of the Act. State law allows the City to collect sales tax to assist in the promoting and developing activities of the City. The SEDC has been included as a discretely presented component unit in the City’s financial statements. The City Council approves the budget of the SEDC and appoints the members of the Board of Directors of the SEDC.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the SEDC have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

A. Reporting Entity

The SEDC’s financial statements include all the accounts and activities of the SEDC. Based on criteria prescribed by generally accepted accounting principles, the SEDC is considered a component unit of the City. As such, the financial statements of the SEDC are also included in the separately issued Annual Financial Report of the City.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the SEDC is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based on these considerations, no other entities, organizations, or functions have been included in the SEDC’s financial reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report financial information on all of the activities of the SEDC. As a general rule, the effect of interfund activity within the SEDC has been eliminated from the government-wide financial statements. The governmental activities of the SEDC are primarily supported through sales taxes and interest earnings.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program or general revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* are grants and contributions that are restricted to meeting operational or capital requirements of a particular segment. Sales taxes, although required to be used for economic development activities, and other revenues reported in the statement of activities are not included in program revenues but are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. The SEDC does not have any fiduciary or proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues in the year when the transactions giving rise to the sales taxes occur.

General revenues include sales taxes and interest earnings received by the SEDC.

When both restricted and unrestricted resources are available for use, the SEDC will use restricted resources first, then unrestricted resources as they are needed.

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

Sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period in both the government-wide and individual fund financial statements.

The SEDC reports the following major governmental funds:

The *general fund* is used to account for all financial transactions except those required to be accounted for in another fund. The principal sources of revenue are sales taxes and interest earnings. Expenditures consist of all costs associated with the daily operations of the SEDC and certain capital expenditures.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation debts of the SEDC. The primary source of revenue is sales taxes.

The *capital projects fund* is used to account for the expenditure of long-term debt proceeds and other resources used for the acquisition and execution of maintenance activities on those completed projects.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

C. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting -- under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation -- is utilized. Encumbrances outstanding at year-end are reported as an assignment of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no outstanding encumbrances at September 30, 2020.

D. Cash and Investments

The SEDC's Investment Committee manages cash, money market accounts and certificates of deposit. The City's staff maintains these investments based on investment policies prescribed by the SEDC's Investment Committee. During the year, the City held no investments.

The SEDC considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

E. Estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Fund Balance

Restrictions of fund balance represent those portions of fund balance legally segregated for a specific use and include amounts restricted for future debt service and construction activities. Committed fund balance is comprised of amounts constrained to specific purposes by the SEDC itself, using its highest level of decision-making authority. Commitments of fund balance cannot be used for any other purposes unless the SEDC takes the same highest level of action to remove or change the constraint. Fund balance has been 100 percent committed in the Capital Projects Fund by the SEDC. Unassigned fund balance represents fund balance that can be used for any lawful purpose of the SEDC as described in the enabling legislation.

G. Net Position

Net position represents the differences between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

H. Federal Income Tax Status

The SEDC qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code; therefore, no provision for federal income tax is made in the financial statements. Additionally, the SEDC is not a private foundation under provisions of the Internal Revenue Code.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The SEDC has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note 3 - Deposits (Cash) and Investment Policy

The SEDC classifies deposits and investments for financial statement purposes as cash and cash equivalents, current investments, and non-current investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, an investment is considered a cash equivalent if when purchased it has a maturity date of three months or less. Investments are classified as either current investments or non-current investments. Investments are those that have a maturity of one year or more. There were no investments reported on the statement of net position at September 30, 2020.

Deposits

At September 30, 2020, the carrying amount of the SEDC's cash, savings and time deposits was \$4.5 million. Bank balances were covered by federal depository insurance and by collateral pledged in the SEDC's name. The collateral was held in safekeeping departments of unrelated banks, which act as the pledging bank's agent.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the SEDC's deposits may not be returned to them. The SEDC requires that all deposits with financial institutions be collateralized in an amount equal to 110 percent of uninsured balances.

Under Texas state law, a bank serving as the depository must have a bond or, in lieu thereof, deposited or pledged securities with the SEDC or an independent third-party agent, an amount equal to the highest daily balance of all deposits the SEDC may have during the term of the depository contract, less any applicable FDIC insurance.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Deposits (Cash) and Investment Policy (continued)

Investment Policy

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the SEDC to invest its funds under a written investment policy (the “investment policy”) that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain instruments allowed under chapter 2256 of the Texas Government Code.

The SEDC’s deposits and investments are invested pursuant to the investment policy, which is approved by the Board. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition, it includes an “Investment Strategy Statement” that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the SEDC will deposit funds is addressed. The SEDC’s investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). The SEDC’s management believes it complied with the requirements of the PFIA and the SEDC’s investment policy.

The SEDC’s Investment Officer submits an investment report each month to the Board. The report details the investment positions of the SEDC and the compliance of the investment portfolios as they relate to both the adopted investment strategy statements and Texas State law.

The SEDC is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009;
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010;
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011;
4. Banker’s acceptances as permitted by Government Code 2256.012;
5. Commercial paper as permitted by Government Code 2256.013;
6. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014;
7. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015; and
8. Public funds investment pools as permitted by Government Code 2256.016.

Credit Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities will not exceed the lesser of a dollar weighted average maturity of 365 days or the anticipated cash flow requirements of the funds. Quality short-to-medium term securities should be purchased, which complement each other in a structured manner that minimizes risk and meets SEDC’s cash flow requirements.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 4 - Receivables

Receivables at September 30, 2020, for the SEDC’s individual funds are as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Sales Taxes	\$ 904,060	\$ -	\$ 904,060
Insurance reimbursements	-	2,500	2,500
Total Receivables	<u>\$ 904,060</u>	<u>2,500</u>	<u>\$ 906,560</u>

Note 5 - Sales Tax Revenue

The SEDC’s revenues consist principally of a one-half percent sales tax which the voters approved in 1999 for the purpose of economic development activities and costs associated with promoting and enhancing economic and industrial development activities. In fiscal year 2020, sales tax produced \$4.9 million in revenues, of which, \$1.79 million was allocated for the SEDC’s Debt Service Fund.

Note 6 - Interfund Receivables, Payables and Transfers

Receivables and Payables

The composition of interfund balances as of September 30, 2020, is as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>
Capital Projects Fund	<u>General Fund</u>
	\$ 18,527
	<u>\$ 18,527</u>

Transfers

For the year ended September 30, 2020, the SEDC Board of Directors approved transfers between the General Fund to the Capital Projects Fund to provide resources for construction related projects.

<u>Transfers Out Fund</u>	<u>Transfers In Fund</u>	<u>Amount</u>	<u>Purpose</u>
Capital Projects	General Fund	\$ 1,500,000	To contribute to street development projects for City
General Fund	Capital Projects	383,642	To close out deficit in FM 1092 project
General Fund	Capital Projects	230,869	To close out deficit in Kirkwood Rd project
General Fund	Capital Projects	40,986	To close out deficit in Staffordshire Rd project
	Totals	<u>\$ 2,155,497</u>	

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Debt

Use of Bond Proceeds

Although the capital assets constructed or acquired with the proceeds of these bonds already have been or will eventually be entirely transferred to the City, the bonded debt will continue to be reflected in the SEDC’s financial statements.

The Sales Tax Revenue Refunding Bonds, Series 2014, was originally issued for \$20,775,000 with an interest rate from 2.0 percent to 5.0 percent. The maturity date is September 1, 2030 with a call date of September 1, 2023.

The following is a summary of the long-term debt transactions of the SEDC for the year ended September 30, 2020.

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020	Due Within One Year
Sales tax revenue bonds	\$ 14,875,000	\$ -	\$ 1,045,000	\$ 13,830,000	\$ 1,100,000
Bond issuance premiums	1,671,247	-	151,932	1,519,315	-
Sales tax obligation	356,405	-	27,409	328,996	27,409
	<u>\$ 16,902,652</u>	<u>\$ -</u>	<u>\$ 1,224,341</u>	<u>\$ 15,678,311</u>	<u>\$ 1,127,409</u>

The annual requirements on the SEDC Sales Tax Revenue Bonds, as of September 30, 2020, are shown below:

Year Ending	Revenue Refunding Bonds		
	9/30	Principal	Interest
2021	\$ 1,100,000	\$ 691,500	\$ 1,791,500
2022	1,155,000	636,500	1,791,500
2023	1,210,000	578,750	1,788,750
2024	1,275,000	518,250	1,793,250
2025	1,340,000	454,500	1,794,500
2026	1,405,000	387,500	1,792,500
2027	1,470,000	317,250	1,787,250
2028	1,550,000	243,750	1,793,750
2029	1,620,000	166,250	1,786,250
2030	1,705,000	85,250	1,790,250
	<u>\$ 13,830,000</u>	<u>\$ 4,079,500</u>	<u>\$ 17,909,500</u>

Federal Tax Compliance (Arbitrage) for Long-term Debt

In accordance with provisions of Section 148 of the Internal Revenue Code of 1986 (the “Code”), as amended, the SEDC’s long-term debt obligations must meet certain minimum criteria to be considered and continue to be considered “tax exempt.” This “tax exempt” status means that interest income earned by purchasers of the SEDC’s long-term debt instruments is not subject to federal income taxes. Related Treasury Regulations promulgated under Section 148 of the Code generally provide that the determination of whether these obligations are tax exempt is made as of the date such obligations are issued based on reasonable expectations regarding the use of the proceeds of the bonds issued. Long-term debt that does not meet and continue to meet the minimum criteria of Section 148 of the Code and the related Treasury Regulations described above are considered “arbitrage bonds” and are not considered “tax exempt” as described above.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Debt (continued)

Rebate

Section 148 of the Code also provides that in order for debt not to be considered arbitrage bonds (as described above), proceeds of such debt must be invested at a yield that is not materially higher than the yield on the debt issued starting on the third anniversary of the issue date of such debt. Accordingly, any unexpended proceeds of debt issued by the SEDC that remain unexpended more than three years after such debt was issued should be yield restricted. The yield restriction may be accomplished by making yield reduction payments pursuant to Treas. Reg. Section 1.148-5(c). The SEDC presently has unexpended proceeds from certain debt issues that require yield restriction as described above. The SEDC is currently in compliance with these yield restriction requirements and does not anticipate associated significant noncompliance issues. The SEDC is continuing to proceed with reasonable diligence to expend any remaining debt issuance proceeds on qualifying projects.

Sales Tax Obligation

The SEDC negotiated a long-term payout of excess sales tax received in prior years in the amount of \$479,338, with the State Comptroller. This amount was collected by the SEDC during the fiscal year periods 2000 through 2007. The total negotiated payout calls for a twenty-five year period with equal amounts deducted each month from the SEDC's sales tax receipts beginning with October 2007. No interest is associated with this long-term liability.

During the 2015 fiscal year, the SEDC negotiated a long-term payout of excess sales tax received in prior years in the amount of \$140,674, with the State Comptroller. The total negotiated payout calls for an eighteen year period with equal amounts deducted each month from the SEDC's sales tax receipts beginning with May 2015. No interest is associated with this long-term liability.

The annual requirements on the SEDC Excess Sales Tax liability, as of September 30, 2020, are \$27,409 for fiscal years 2017 through 2031 and \$27,497 in fiscal year 2032, for a total of \$328,996.

Note 8 - 380 Agreement

Under Chapters 501, 502, 504, 505, and 380 of the Texas Local Government Code, The Stafford Economic Development Corporation entered what is known as a Chapter 380 Agreement with Southeastern Developers LLC in October 2019. The agreement is for an initial 15 years term with the option to extend for up to 5 additional years.

The purpose of the agreement is to provide an economic incentive for Southeastern Developers LLC to pursue a specific course of business which would generate considerable sales tax revenue for the City of Stafford. Under the agreement Southeastern Developers would receive an 80% rebate of the SEDC .5% sales tax revenues generated solely by their activity. The threshold to trigger the rebate is new net tax revenue in excess of \$50 million in 12-month period.

During the fiscal year ended September 30, 2020 this agreement generated the SEDC an additional \$591,391 in new sales tax revenue of which \$473,112 was paid out in grants to the Developer.

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Capital Outlay on Behalf of the City

As part of its charge, the SEDC will expend capital outlay for certain road projects on behalf of the City of Stafford to promote economic development. These projects are expended in the funds of the SEDC and capitalized in the financial statements of the City. Some of these mobility projects are subject to reimbursement by Fort Bend County as part of the County’s ongoing mobility bond projects. A listing of current capital projects and outlays is presented below:

	Budgeted	Costs in Prior Years	Costs in 2020	Total Construction Costs through FY 2020	Estimated Remaining Commitment	Anticipated County Partnership
West Airport Expansion	\$ 3,000,000	\$ 459,883	\$ 2,494,393	\$ 2,954,276	\$ 45,724	\$ 1,500,000
Trinity Drive Extension and Right of Way	1,220,000	93,945	52,067	146,012	1,073,988	475,000
Network Drive	3,500,000	1,000,000	2,500,000	3,500,000	-	-
Cash Road Extension	2,600,000	-	248,262	248,262	2,351,738	980,000
		<u>1,553,828</u>	<u>\$ 5,294,722</u>	<u>\$ 6,848,550</u>	<u>\$ 3,471,450</u>	<u>\$ 2,955,000</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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STAFFORD ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales tax	\$ 2,709,250	\$ 2,709,250	\$ 2,659,387	\$ (49,863)
Intergovernmental	4,195,000	4,195,000	-	(4,195,000)
Interest	25,000	25,000	1,661	(23,339)
Total Revenues	<u>6,929,250</u>	<u>6,929,250</u>	<u>2,661,048</u>	<u>(4,268,202)</u>
Expenditures				
Current:				
Economic development	903,240	903,240	850,740	52,500
Capital Outlay on Behalf of the City:				
Street expansions	9,320,000	9,320,000	5,294,722	4,025,278
Total Expenditures	<u>10,223,240</u>	<u>10,223,240</u>	<u>6,145,462</u>	<u>4,077,778</u>
Revenues over (under) expenditures	<u>(3,293,990)</u>	<u>(3,293,990)</u>	<u>(3,484,414)</u>	<u>(190,424)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,500,000	1,500,000
Transfers out	-	-	(655,497)	(655,497)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>844,503</u>	<u>844,503</u>
Net Changes in Fund Balances	(3,293,990)	(3,293,990)	(2,639,911)	654,079
Fund Balances - Beginning of Year	<u>9,494,267</u>	<u>9,292,069</u>	<u>9,292,069</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 6,200,277</u>	<u>\$ 5,998,079</u>	<u>\$ 6,652,158</u>	<u>\$ 654,079</u>

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

Budgetary Data

The SEDC prepares and adopts an appropriated budget on its General Fund, Debt Service Fund and Capital Projects Fund. The budgets are generally prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles (GAAP). Exceptions to GAAP budgeting include:

- Sources and uses of capital leases
- Grants made pursuant to agreements under Chapter 380 of the Texas Government Code. For budgetary purposes, these payments are presented as a reduction in sales tax revenues

Encumbrances outstanding at year-end are appropriately provided for in the subsequent year’s budget.

The SEDC Board prepares an annual budget for the SEDC for the ensuing fiscal year. The Board reviews, considers and revises the proposed new budget for the forthcoming fiscal year, prior to the end of the current fiscal year. The budget, as adopted, must set forth the appropriations for services, functions and activities of the SEDC, and shall meet all fund requirements provided by law and required by bond covenants. Once approved by the Board, the budget is approved by the City Council along with the City’s budget.

The SEDC performs budget reviews during the year through which budget requirements are re-evaluated and revisions are recommended for the SEDC’s Board to approve and make changes as required. Total expenditures may not legally exceed budgeted appropriations. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by the Board and City Council through a formal budget amendment. Revisions to the budget were not made during the year.

A reconciliation between GAAP and the budgetary basis of accounting for the SEDC General Fund follows:

	GAAP Basis	Chapter380 Agreement Payments	Budgetary Basis
Revenues	\$ 3,134,160	\$ (473,112)	\$ 2,661,048
Expenditures	(6,618,574)	473,112	(6,145,462)
Other Sources (Uses)	844,503	-	844,503
Net Changes in Fund Balance	(2,639,911)	-	(2,639,911)
Fund Balances - Beginning of Year	9,292,069	-	9,292,069
Fund Balances - End of Year	\$ 6,652,158	\$ -	\$ 6,652,158

OTHER SUPPLEMENTARY INFORMATION

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DEBT SERVICE AND CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2020

Page 1 of 2

DEBT SERVICE FUND			
	Budgeted		Variance
	Amounts		with Final
	Final	Actual	Budget
			Positive
			(Negative)
Revenues			
Sales tax	\$ 1,790,750	\$ 1,790,750	\$ -
Intergovernmental	-	-	-
Interest	5,500	3,085	(2,415)
Other	-	-	-
Total Revenues	<u>1,796,250</u>	<u>1,793,835</u>	<u>(2,415)</u>
Expenditures			
Current:			
Maintenance projects on behalf of the City			
US 90A maintenance	-	-	-
Stafford Centre maintenance	-	-	-
US 59 Landscaping and monument maintenance	-	-	-
Debt Service:			
Principal	1,045,000	1,045,000	-
Interest and other charges	745,750	744,500	1,250
Total Expenditures	<u>1,790,750</u>	<u>1,789,500</u>	<u>1,250</u>
Revenues over (under) expenditures	<u>5,500</u>	<u>4,335</u>	<u>(1,165)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	5,500	4,335	(1,165)
Fund Balances - Beginning of Year	<u>587,903</u>	<u>587,903</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 593,403</u>	<u>\$ 592,238</u>	<u>\$ (1,165)</u>

STAFFORD ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DEBT SERVICE AND CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2020

	CAPITAL PROJECTS FUND		
	Budgeted		Variance
	Amounts		with Final
	Final	Actual	Budget
			Positive
			(Negative)
Revenues			
Sales tax	\$ -	\$ -	\$ -
Intergovernmental	100,000	-	(100,000)
Interest	100,000	34,728	(65,272)
Other	25,000	25,668	668
Total Revenues	225,000	60,396	(164,604)
Expenditures			
Current:			
Maintenance projects on behalf of the City			
US 90A maintenance	521,000	310,936	210,064
Stafford Centre maintenance	503,000	23,164	479,836
US 59 Landscaping and monument maintenance	255,000	66,030	188,970
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total Expenditures	1,279,000	400,130	878,870
Revenues over (under) expenditures	(1,054,000)	(339,734)	714,266
Other Financing Sources (Uses)			
Transfers in	-	655,497	655,497
Transfers out	-	(1,500,000)	(1,500,000)
Total other financing sources (uses)	-	(844,503)	(844,503)
Net Changes in Fund Balances	(1,054,000)	(1,184,237)	(130,237)
Fund Balances - Beginning of Year	5,076,631	5,076,631	-
Fund Balances - End of Year	\$ 4,022,631	\$ 3,892,394	\$ (130,237)