

Due to HOTEDD

The amount shown as "Due to HOTEDD" in the financial statements is owed to the Heart of Texas Economic Development District under the terms of a lease agreement. Under the terms of the agreement, rental revenues received by the Council for the rental of a building (see disclosure above) are first used to pay related debt service payments, insurance and maintenance costs. Any remaining rental receipts are owed to HOTEDD and must be used by HOTEDD for economic development projects.

Additionally, the Council serves as HOTEDD's fiscal agent. Accordingly, a proportionate share of the Council's pooled cash is also part of the "Due to HOTEDD" balance.

Long-term Debt

A summary of long-term liability activity for the year ended September 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Governmental activities:					
Notes payable	\$ 480,257	\$ -	\$ 217,466	\$ 262,791	\$ 226,446
Leases	2,420,436	-	268,556	2,151,880	265,020
SBITA payable	-	136,436	-	136,436	25,414
Compensated absences	158,732	111,429	120,322	149,839	134,855
Total	<u>\$ 3,059,425</u>	<u>\$ 247,865</u>	<u>\$ 606,344</u>	<u>\$ 2,700,946</u>	<u>\$ 651,735</u>

Notes Payable

The Council issued a note payable for the purchase of land, a building, and related furnishings. The note was issued in 2004 in an original amount of \$2,975,000, has an interest rate of 4.937%, and a maturity date of November 2024.

The following is a schedule of the future minimum payments under these agreements:

Year Ending	Principal	Interest	Total
2024	\$ 226,446	\$ 8,137	\$ 234,583
2025	36,345	244	36,589
Total	<u>\$ 262,791</u>	<u>\$ 8,381</u>	<u>\$ 271,172</u>

Leases

The Council has entered into multiple leases as lessee for a facility, office space and parking, and equipment. The lease terms range from 48 to 300 months. The Council is required to make monthly payments ranging from \$249 to \$21,643.

A summary of the governmental activities long-term lease payable as of September 30, 2023, is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 9/30/23
Right to Use:					
Facility	3.50%	2008	\$ 6,012,277	\$ 6,967	\$ 2,135,921
Office space and parking	3.50%	2019	35,785	343	4,751
Postage meter	3.50%	2020	19,541	336	7,553
Copier	3.50%	2020	13,708	181	3,655
Totals				<u>\$ 7,827</u>	<u>\$ 2,151,880</u>