

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, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Governmental activities:					
Notes payable	\$ 262,791	\$ -	\$ 224,147	\$ 38,644	\$ 38,644
Leases	2,151,880	-	265,020	1,886,860	266,430
SBITA payable	136,436	-	25,414	111,022	26,318
Compensated absences	149,839	123,311	130,691	142,459	128,213
Total	<u>\$ 2,700,946</u>	<u>\$ 123,311</u>	<u>\$ 645,272</u>	<u>\$ 2,178,985</u>	<u>\$ 459,605</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
2025	38,644	217	38,861
Total	<u>\$ 38,644</u>	<u>\$ 217</u>	<u>\$ 38,861</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, 2024, is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 9/30/24
Right to Use:					
Facility	3.50%	2008	\$ 6,012,277	\$ 6,230	\$ 1,882,441
Office space and parking	3.50%	2019	35,785	49	-
Postage meter	3.50%	2020	19,541	203	3,675
Copier	3.50%	2020	13,708	82	744
Totals				<u>\$ 6,564</u>	<u>\$ 1,886,860</u>