

NOTICE OF MEETING

APRIL 27, 2021– 12:30 P.M. or upon adjournment of the Meeting of the Board of Directors of TexAmericas Center on said date and location, whichever is the later to occur.

NEW BOSTON, TX
11 CHAPEL LANE, SUITE B
NEW BOSTON, TX 75570

Persons wishing to attend the TAC East Holdings Company No. 1 Board of Directors Meeting by telephone can call 1-866-778-5424 and enter the Participant Code of 5090805. Board meeting agenda and materials can be found at the www.texamericascenter.com website.

The Board of Directors of TAC East Holdings Company No. 1 will meet to conduct business at the above stated date, time and location via conference call.

AGENDA

1. Call to Order.
2. Roll Call of Directors.
3. Public Comment Period for Non-Agenda Items. Comments are limited to five minutes.
4. Public Comment Period for Agenda Items. Comments are limited to five minutes.
5. Consider and Take Action on:
 - A. Approve Minutes from March 23, 2021 Board Meeting.
 - B. **Resolution #20210427-01 TAC East Holdings Company No. 1., a Texas non-profit corporation** – Accepting the Fiscal Year 2020 Audited Financial Statements.
 - C. **Resolution #20210427-02 authorizing the President of TAC East Holdings Company No. 1., a Texas non-profit corporation** to execute amendment number one to the industrial lease agreement with Expansion Industries, LLC for Bldgs. G-121 and G-145 and the surrounding 170.23 acres on the G-Line.
6. Adjournment.

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

**MEETING MINUTES
MARCH 23, 2021**

MARCH 23, 2021– 12:30 P.M. or upon adjournment of the Meeting of the Board of Directors of TexAmericas Center on said date and location, whichever is the later to occur.

NEW BOSTON, TX
11 CHAPEL LANE, SUITE B
NEW BOSTON, TX 75570

The Board of Directors of TAC East Holdings Company No. 1 met to conduct business at the above stated date, time and location via conference call.

1. The meeting was called to order at 1:12 p.m. by Denis Washington, Chairman of the Board, who certified that the meeting was properly posted, being held in accordance with the Texas Open Meetings Act and that a quorum was present.
2. **Directors, Officers and Others in Attendance by roll call were:**

Denis Washington	Ben King	Jimmy Howell
William Scott Norton	Gabe Tarr	Wes Jordan
Marla Byrd	Eric Voyles	Jim Roberts
Jeff Whitten	John Moran	John Sesler
3. Denis Washington called for Public Comments for Non-Agenda Items. Comments are limited to five minutes. None Noted.
4. Denis Washington called for Public Comment for Agenda Items. Comments are limited to five minutes. None Noted.
5. Considered and Took Action on:

- A. Approved Minutes from November 24, 2020 Board Meeting. A motion was made by Ben King and seconded by Gabe Tarr. The motion carried unanimously by voice vote.

- B. **Resolution #20210323-01 authorizing the President of TAC East Holdings Company No. 1, a Texas non-profit corporation** to execute a new industrial lease agreement with Expansion Industries LLC for Bldgs. G-121 and G-145 and the surrounding 167.714 acres on the G-line. A motion was made by Ben King and seconded by Gabe Tarr. The motion carried unanimously by voice vote.

- C. **Resolution #20210323-02 authorizing the President of TAC East Holdings Company No. 1, a Texas non-profit corporation** to execute a new bunker-igloo-magazine lease agreement with Expansion Industries LLC for bunker numbers 10 and 20 Limestone Street in Area V on the TAC-East Campus. A motion was made by Ben King and seconded by Gabe Tarr. The motion carried unanimously by voice vote.

With no other business to discuss, a motion was made by Ben King and seconded by William Scott Norton to adjourn the meeting at 1:24 p.m. The motion carried unanimously by voice vote.

The above and foregoing minutes of the TAC EAST HOLDINGS COMPANY NO. 1 Board of Directors meeting, March 23, 2021 were read and approved on April 27, 2021.

Ben King, Secretary of the Board

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

RESOLUTION NO. 20210427-01

ACCEPTANCE OF FISCAL YEAR 2020 AUDITED FINANCIAL STATEMENTS

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 is a Texas Non-Profit Corporation; and

WHEREAS, by prior **Resolution No. 20200728-01** of the Board of Directors, TAC EAST HOLDINGS COMPANY NO. 1 hired auditors Thomas & Thomas, PLLC and provided them with the unaudited financial statements of TAC EAST HOLDINGS COMPANY NO. 1 for their review; and

WHEREAS, the auditors, outside accountants and TAC EAST HOLDINGS COMPANY NO. 1 staff collaborated to conduct the audit and represent the financial statements, management discussion and analysis, and management representations in accordance with applicable law and regulations (Attached), and

WHEREAS, the auditors have found no material misstatements in the financial statements.

WHEREAS, Thomas & Thomas, PLLC has the necessary experience and expertise to provide auditing services to TAC EAST HOLDINGS COMPANY NO. 1.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the FY 2020 Audited Financial Statements are hereby accepted as presented in the attachment hereto.

PASSED AND APPROVED THIS 27th day of April, 2021.

Denis R. Washington, Chairman of the Board

ATTEST:

Ben King, Secretary of the Board

Attached: FY 2020 Audited Financials

To the Board of Directors of
TAC East Holdings Company No. 1

We have audited the financial statements of TAC East Holdings Company No. 1 for the year ended September 30, 2020, and we have issued our report thereon dated April 20, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards. We have communicated such information in our letter to you dated June 3, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense based on estimated useful life of the fixed assets. We evaluated the key factors and assumptions used to develop the estimated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

AJE - to adjust the current year net assets to reflect net assets released from restrictions in the prior year.

<u>Account Number</u>	<u>Account Name</u>	<u>DR</u>	<u>CR</u>
31000	Temp Restricted Net Assets	30,806.12	
32000	Unrestricted Net Assets		30,806.12
		<u>30,806.12</u>	<u>30,806.12</u>

AJE - to record current year fixed asset additions/contributions from TexAmericas Center

<u>Account Number</u>	<u>Account Name</u>	<u>DR</u>	<u>CR</u>
16003	Land	722.76	
16004	Infrastructure	14,363.71	
16020	Accumulated Depreciation		6,403.82
43020	Contribution Revenue		8,682.65
		<u>15,086.47</u>	<u>15,086.47</u>

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 20, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Page 3
Board of Directors of
TAC East Holdings Company No. 1

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of TAC East Holdings Company No. 1 and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
April 20, 2021

TAC East Holdings Company No. 1

FINANCIAL STATEMENTS

September 30, 2020

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

Table of Contents

	Pages
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-11



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
TAC East Holdings Company No. 1
New Boston, Texas

We have audited the accompanying financial statements of TAC East Holdings Company No. 1 (the Organization), a component unit of the TexAmericas Center, which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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 controls 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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TAC East Holdings Company No. 1 as of September 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors of
TAC East Holdings Company No. 1

Adopting New Accounting Standards

As discussed in Note F to the financial statements, during the year ended September 30, 2020, the Organization adopted new accounting requirements – ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to the adoption of these standards.

Other Matter – 2019 Financial Statements

The financial statements of the Organization as of September 30, 2019, were audited by predecessor auditors whose opinion dated February 28, 2020, on those statements was unqualified. We were not engaged to audit, review, or apply any procedures related to the September 30, 2019, financial statements of the Organization and, accordingly, we do not express an opinion or any other form of assurance on the September 30, 2019, financial statements as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
April 20, 2021

FINANCIAL STATEMENTS

TAC EAST HOLDINGS COMPANY NO. 1
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

	2020	2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 47,846	\$ 35,199
Accounts Receivable	673	612
Total Current Assets	48,519	35,811
Property, Plant, and Equipment		
Property, Plant and Equipment	1,770,831	1,755,744
Accumulated Depreciation	(245,706)	(192,937)
Total Property, Plant and Equipment	1,525,125	1,562,807
Total Assets	\$ 1,573,646	\$ 1,598,618
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	-	408
Due to TexAmericas Center	107,269	169,553
Total Current Liabilities	107,269	169,961
Non-Current Liabilities		
Security Deposits	12,850	12,850
Lease Deposits	25,993	25,993
Total Non-Current Liabilities	38,843	38,843
Total Liabilities	146,112	208,804
Net Assets		
Without Donor Restrictions	(97,591)	(172,993)
With Donor Restrictions	1,525,125	1,562,807
Total Net Assets	1,427,534	1,389,813
Total Liabilities and Net Assets	\$ 1,573,646	\$ 1,598,618

The accompanying notes are an integral part of these financial statements.

TAC EAST HOLDINGS COMPANY NO. 1
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30,

Changes in Net Assets Without Donor Restrictions	<u>2020</u>	<u>2019</u>
Revenues and Gains:		
Lease Revenue	\$ 445,437	\$ 377,839
Total Revenues and Gains Without Donor Restrictions	<u>445,437</u>	<u>377,839</u>
Net Assets Released From Restriction	<u>46,365</u>	<u>46,306</u>
Total Revenues, Gains, and Other Support Without Donor Restrictions	<u>491,802</u>	<u>424,145</u>
Expenses:		
Program Expenses	325,753	574,014
Supporting Services	<u>90,647</u>	<u>156,809</u>
Total Expenses	416,400	730,823
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>75,402</u>	<u>(306,678)</u>
Changes in Net Assets With Donor Restrictions		
Contributions of Assets	8,683	-
Net Assets Released from Restrictions	<u>(46,365)</u>	<u>(46,306)</u>
Decrease in Net Assets with Donor Restrictions	<u>(37,682)</u>	<u>(46,306)</u>
Increase (Decrease) in Net Assets	37,720	(352,983)
Net Assets at Beginning of Year	<u>1,389,813</u>	<u>1,742,797</u>
Net Assets at End of Year	<u><u>\$ 1,427,534</u></u>	<u><u>\$ 1,389,813</u></u>

The accompanying notes are an integral part of these financial statements.

TAC EAST HOLDINGS COMPANY NO. 1
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED SEPTEMBER 30,

	2020			2019		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Contributions	\$ -	\$ -	\$ -	\$ 106,559	\$ -	\$ 106,559
Depreciation	46,365	-	46,365	46,306	-	46,306
Insurance	-	2,402	2,402	-	14,105	14,105
Leased Employee Expense	279,388	79,025	358,413	421,149	119,123	540,272
Legal Fees	-	-	-	-	650	650
Management Fees	-	392	392	-	15,896	15,896
Professional Fees	-	8,828	8,828	-	7,035	7,035
	<u>\$ 325,753</u>	<u>\$ 90,647</u>	<u>\$ 416,400</u>	<u>\$ 574,014</u>	<u>\$ 156,809</u>	<u>\$ 730,823</u>

The accompanying notes are an integral part of these financial statements.

**TAC EAST HOLDINGS COMPANY NO. 1
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30,**

	2020	2019
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 37,720	\$ (352,983)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	46,365	46,306
Donation from TexAmericas Center	(8,683)	-
Increase (Decrease) in Assets:		
Accounts Receivable	(61)	23,512
Increase (Decrease) in Liabilities:		
Accounts Payable	(408)	125
Due to TexAmericas Center	(62,284)	154,430
Net Cash Provided (Used) by Operating Activities	12,647	(128,611)
Net Increase (Decrease) in Cash and Cash Equivalents	12,647	(128,611)
Cash and Cash Equivalents at Beginning of Year	35,199	163,810
Cash and Cash Equivalents at End of Year	\$ 47,846	\$ 35,199
Supplemental Cash Flow Information:		
Donation of Land and Infrastructure	\$ 15,086	\$ -

The accompanying notes are an integral part of these financial statements.

THIS PAGE LEFT BLANK INTENTIONALLY

TAC EAST HOLDINGS COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

TAC East Holdings Company No. 1 (the Organization) was organized as a not-for-profit organization as defined in the Internal Revenue Code Section 501 (e)(25) (other than a private foundation), to hold title to and manage real property, which is available for sale or lease to the business community. The Organization is a component unit of TexAmericas, which is a political subdivision of the State of Texas.

Summary of Significant Accounting Policies

The summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The financial statements of the Organization have been prepared on the accrual basis of accounting as a voluntary not-for-profit organization.

Financial Statement Presentation

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements for Not-for-Profit Organizations. This statement requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present statements of functional expenses and cash flows as part of the basis financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities at the date of the financial statements. Specifically, management has made estimates for the useful lives of capital assets based on the type of asset. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers amounts in demand deposit, negotiable order of withdrawal, and money market accounts, as well as certificates of deposit with a maturity of 90 days or less to be cash equivalents.

Capital Assets

Capital assets, which include land, property, and improvements, are reported in the applicable financial statements. All capital assets are capitalized at their historical costs or estimated historical cost if actual cost is not available. The Organization capitalizes property and equipment over \$5,000. Donations of capital assets are capitalized at their estimated fair value on the date of donation.

Depreciation

The Organization provides for depreciation computed on the straight-line method over the estimated service lives of the assets, which range from fifteen to twenty years.

TAC EAST HOLDINGS COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

Activity between the Organization and TexAmericas Center that is representative of borrowing/lending arrangements outstanding at the end of the year is referred to as "other receivables/other payables."

Sources of Revenues and Revenue Recognition

The major source of revenue of the Organization is derived from lease revenue from leased properties. Lease revenue is recognized as earned in accordance with the contractual terms of the lease to which it relates. Lease payments received in advance of the period to which they apply are deferred and recognized as revenue in future periods. As of September 30, 2020, there were no amounts recorded as deferred lease revenue.

Management has determined that based upon current economic conditions, historical experience, and collections subsequent to year end, that no allowance for uncollectible accounts is necessary.

Functional Allocation of Expenses

All of the expenses of the Organization are paid by TexAmericas Center and are allocated to the program and support services of the Organization as shown on the schedule of functional expenses. At September 30, 2020 and 2019, there was a payable to TexAmericas Center of \$107,269 and \$169,553, respectively.

NOTE B – CASH

As of September 30, 2020 and 2019, the Organization maintained its bank accounts in financial institutions that were insured by the FDIC. At September 30, 2020 and 2019, the Organizations 's deposits in its depository banks totaled \$47,846 and \$35,199, respectively.

NOTE C – PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment and accumulated depreciation as of September 30, 2020:

	<u>9/30/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2020</u>
Land	\$ 844,094	\$ 723	\$ -	\$ 844,817
Infrastructure	-	14,364	-	14,364
Buildings	868,268	-	-	868,268
Improvements	43,382	-	-	43,382
	<u>1,755,744</u>	<u>15,086</u>	<u>-</u>	<u>1,770,831</u>
				<u>Less Accumulated Depreciation</u> (245,706)
				<u>Total Property and Equipment</u> \$ 1,525,125

TAC EAST HOLDINGS COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE C – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The following is a summary of property, plant and equipment and accumulated depreciation as of September 30, 2019:

	9/30/2018	Additions	Disposals	9/30/2019
Land	\$ 844,094	\$ -	\$ -	\$ 844,094
Buildings	868,268	-	-	868,268
Improvements	43,382	-	-	43,382
	1,755,744	-	-	1,755,744
		Less Accumulated Depreciation		(192,937)
		Total Property and Equipment		\$ 1,562,807

The Organization recorded depreciation expense of \$46,365 and \$46,306 for the years ended September 30, 2020 and 2019, respectively.

NOTE D – CONCENTRATION OF INCOME SOURCES

The Organization leases various properties and buildings to tenants. Revenues from one tenant represented approximately 82% and 79% of total revenues for the year ended September 30, 2020 and 2019, respectively.

NOTE E – INCOME TAXES

The Organization is exempt from federal income tax under Section 501(c)(25) of the Internal Revenue Code and has no unrelated business income tax for the years ended September 30, 2020 and 2019.

The Organization's Federal Exempt Organization Income Tax Returns (Form 990) for 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they are filed.

TAC EAST HOLDINGS COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE F– CHANGE IN ACCOUNTING PRINCIPLES

Accounting Standards Update 2016-14

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The purpose of ASU No. 2016-14 is to amend existing financial reporting standards applicable to not-for-profits entities to improve the usefulness, relevance, and clarity of information presented in financial statements and to enhance the information presented in the notes thereto. This new standard requires the following:

1. Presentation of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions;
2. Elimination of the requirement to present a reconciliation of cash flows using the indirect method if Organization elects to use the direct method for purposes of preparing the statement of cash flows;
3. Enhanced disclosures about governing board designations and other self-imposed limits on the use of resources, as well as the composition of net assets with donor restrictions at the end of the period and how those restrictions affect the use of resources;
4. New disclosures containing qualitative information communicating how liquid resources are managed to meet cash needs for general expenditures within one year of the financial reporting date and quantitative information communicating the availability of resources to meet cash needs for general expenditures within one year of the financial reporting date;
5. Presentation of expenses by natural and functional classification, either on the statement of activities, in a separate statement or in the notes to the financial statements;
6. Reporting of underwater endowment funds in net assets with donor restrictions and enhanced disclosures about underwater endowments;
7. Enhanced disclosures about the method(s) used to allocate costs among program and support functions; and
8. Reporting of investment return net of external and direct internal investment expenses.

While this new standard will significantly impact the presentation of the financial statements and the content of disclosures in the notes to the financial statements, it is not expected to have a material impact on the recording or measurement of amounts therein.

NOTE G – RECLASSIFICATIONS

Certain amounts relating to the prior year have been reclassified to conform to the current year presentation. The reclassifications have no effect on previously reported net assets.

NOTE H – NET ASSETS

The Organization's net assets consist of donated property and equipment, which is to be leased pursuant to the legal restrictions associated with those properties to outside tenants. Restrictions are satisfied over time as depreciation occurs, therefore, ending net assets with donor restrictions equal the net book value of property and equipment.

TAC EAST HOLDINGS COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE I – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2020	2019
Financial assets at year-end:		
Cash and Cash Equivalents	\$ 47,846	\$ 35,199
<i>Total Financial Assets at Year-End</i>	47,846	35,199
Less financial assets unavailable for general expenditures within one year, due to:		
Accounts Payable	-	408
Due to TexAmericas Center	107,269	169,553
<i>Total reduction in financial assets available for general expenditures within one year</i>	107,269	169,961
Financial assets available to meet cash needs for general expenditure within one year (Deficit)	\$ (59,423)	\$ (134,762)

NOTE J – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 20, 2021, the date on which the financial statements were available to be issued, and has determined that the following disclosure is necessary:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption in people’s lives. In response to the COVID-19 pandemic, the United States Congress passed a Coronavirus Aid, Relief, and Economic Security Act (CARES Act), an aids package designed to help the economy as it suffers from the effects on the COVID-19 pandemic.

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

RESOLUTION NO. 20210427-02

**RESOLUTION AUTHORIZING THE PRESIDENT OF TAC EAST HOLDINGS COMPANY NO. 1
TO EXECUTE A LEASE AMENDMENT NUMBER ONE FOR THE INDUSTRIAL LEASE
AGREEMENT LOCATED AT 523 TITUS ROAD, BUILDING G121 AND 523 TITUS ROAD,
BUILDING G145, HOOKS, TX 75561 AND THE SURROUNDING 170.23 ACRES TO
EXPANSION INDUSTRIES, LLC**

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 is a Texas Non-Profit Corporation; and

WHEREAS, Expansion Industries, LLC contacted TAC EAST HOLDINGS COMPANY NO. 1 to seek a lease Amendment Number One which includes Exhibit "C-1" located at 523 Titus Road, building G121 and 523 Titus Road, building G145, Hooks, TX 75561 and the surrounding 170.23 acres.

WHEREAS, the parties have come to the attached terms of agreement for said lease Amendment Number One;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the President of TAC East Holdings Company No. 1 shall be and he is hereby authorized to execute the attached Lease Amendment Number One; and

BE IT FURTHER RESOLVED, by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the Company appreciates the collaborative effort of Expansion Industries, LLC to negotiate this lease Amendment Number One as well as to locate its business operations, create jobs and contribute to the tax base in Bowie County, Texas.

PASSED AND APPROVED THIS 27th day of April, 2021.

Denis R. Washington, Chairman of the Board

ATTEST:

Ben King, Secretary of the Board

Attached: Lease Amendment Number One