

**ANNUAL REPORT OF THE NASSAU BAY  
ECONOMIC DEVELOPMENT CORPORATION  
Fiscal Year 2019 - 2020**

Prepared for the City Council of the City of  
Nassau Bay, Texas

November 2020

**ANNUAL REPORT OF THE NASSAU BAY  
ECONOMIC DEVELOPMENT CORPORATION  
For Fiscal Year 2019 – 2020**

**Prepared for the City Council of the City of Nassau Bay, Texas**

In accordance with the by-laws of the Nassau Bay Economic Development Corporation, this annual report covering the period October 1, 2019 - September 30, 2020, is submitted as required by paragraph 5.(b). The following items summarize major EDC activities and decisions for Fiscal Year 2019 - 2020:

1. Annual Election of Officers – those being Mark Denman as President, Bob Wartens as Vice President, Cindy Harreld-DeWease as Secretary, and Bryce Klug as Treasurer (10/28/2019 meeting).
2. Updated the signature cards for the EDC bank accounts at Texas Citizens Bank (10/28/2019 meeting).
3. Approved orders for payment, totaling \$66,053.75 for FY19 and \$97,525 for FY20, to reimburse the City for invoices paid on behalf of the EDC (10/28/2019 meeting).
4. Approved draft of EDC Annual Report for Fiscal Year 2018-2019 as prepared by Staff and to be presented to Council (10/28/2019 meeting).
5. Received the Nassau Bay Housing and Retail Study and appointed President Mark Denman, Board Member Cindy Harreld-DeWease, Board Member John Mahon, and City Councilmember Ashley Graves to a sub-committee to further review the publication (10/28/2019 meeting).
6. Heard a presentation by Erma's Nutrition Store and the impact on economic development (02/03/2020 meeting).
7. Approved orders for payment, totaling \$11,169, to reimburse the City for invoices paid on behalf of the EDC (02/03/2020 meeting).
8. Approved the December 31, 2019 financial statements (02/03/2020 meeting).
9. Heard a presentation and discussed the purchase and location of palm trees within the City of Nassau Bay (08/03/2020 meeting).

10. Approved orders for payment, totaling \$49,876.81, to reimburse the City for invoices paid on behalf of the EDC (08/03/2020 meeting).
11. Approved the June 2020 financial statements (08/03/2020 meeting).
12. Approved Budget for Fiscal Year 2021 (08/03/2020 meeting).
13. Approved a resolution approving a project of the Corporation for the adoption and financial support of a local business grant for current and new business in that the grant promotes new and expanded business development and partially relates to a corporate headquarters facility for construction or occupancy as the principal office for a business enterprise's administrative and management services (09/21/2020 meeting).

# **Nassau Bay Economic Development Corporation**

Un-audited Financial Statements

For Fiscal Year Ending

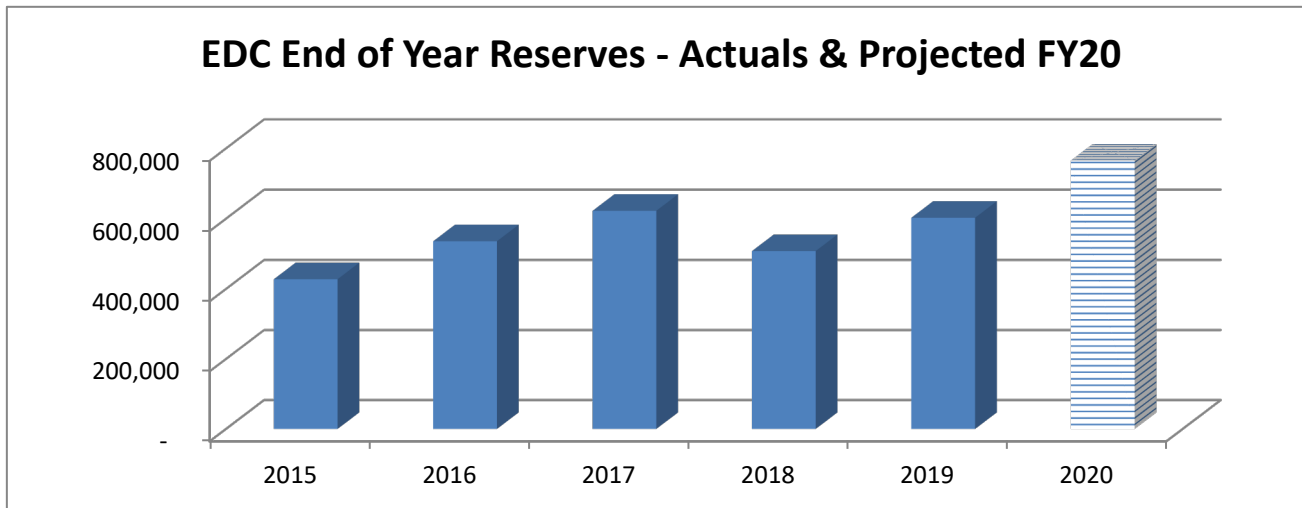
September 30, 2020

Nassau Bay Economic Development Corporation  
 EDC Expense Register for FY2020  
 October 1, 2019 through September 30, 2020

<b>Date</b>	<b>Description</b>	<b>Check No. or Journal Entry</b>	<b>Account Number</b>	<b>FY20 Amended Budget Amount</b>	<b>Year to Date FY20</b>
	FY2019 Carry Forward		51-9520-99-00	\$ 545,320	\$ 602,591
	Sales Tax Revenue		51-3110-01-00	\$ 315,790	\$ 300,088
	Interest on Investments		51-3020-01-00	\$ 5,000	\$ 5,181
	End of Year Reserve		51-9525-99-00	\$ (521,180)	\$ (725,456)
				\$ 344,930	\$ 182,404
				<b>FY20 Amended Budget Amount</b>	<b>Year to Date FY20</b>
<b>Check Register</b>					
	Administrative Expenses		51-5000-01-00	\$ 12,000	\$ 12,025
	Audit		51-5001-01-00	\$ 7,730	\$ 7,730
	Promotion/Consulting		51-5002-01-00	\$ 22,500	\$ 11,382
	Training		51-5004-01-00	\$ 2,000	\$ -
	Legal		51-5005-01-00	\$ 2,000	\$ 150
	Memberships-BAHEP/TEDC		51-5006-01-00	\$ 20,500	\$ 20,900
	Holiday Decorations		51-5008-01-00	\$ 11,200	\$ 11,050
	Undesignated Projects		51-5100-01-00	\$ 10,000	\$ 33,184
	NASA Parkway Project		51-5101-01-00	\$ 20,000	\$ -
	Streets & Curbs Project		51-5102-01-00	\$ 45,000	\$ -
	City Building - Joint Project		51-5108-01-00	\$ 50,000	\$ -
	Fire Department		51-114-01-00	\$ -	\$ 2,450
	Tax Incentive		51-5115-01-00	\$ 142,000	\$ 69,516
				<b>Budgeted</b>	<b>YTD FY20</b>
Total Budget				\$ 344,930	\$ 168,387
Orders for Payment at 10/26/2020					\$ 14,017
Projected Expenditure Total					\$ 182,404

Nassau Bay Economic Development Corporation  
 Projected EDC YE Cash Position at 09/30/2020

75-1013-51-00	EDC EQUITY - Texas Citizens BizReward Checking	21,832
75-1034-51-00	EDC EQUITY - Texas Citizens BizReward Savings	243,677
75-1032-51-00	EDC EQUITY - Texpool	473,964
<b>EDC Cash Balance as of 09/30/2020</b>		<b>739,474</b>
<i>Projected Revenue through November 2020</i>		<i>43,148</i>
<i>Projected Expenditures through September 30, 2020</i>		<i>(17,317)</i>
<b>Anticipated Year End Cash Position</b>		<b>765,305</b>
<b>Budgeted Anticipated Year End Cash Position</b>		<b>521,180</b>



**CITY OF NASSAU BAY INVESTMENT PORTFOLIO**  
**September 30, 2020**

**Economic Development Corporation**

	Investments 9/1/2020	Additions	Interest	Withdrawals	Investments 9/30/2020
Texpool - EDC - Int. Rate 0.1474%	\$ 451,391.78	\$ 22,516.48	\$ 56.07	\$ -	\$ 473,964.33
TCB - EDC BizReward Checking	\$ 21,832.45	\$ -	\$ -	\$ -	\$ 21,832.45
TCB - EDC BizReward Savings - Int. Rate .415%	\$ 243,594.09	\$ -	\$ 83.09	\$ -	\$ 243,677.18
<b>Total EDC Investments</b>	<b>\$ 716,818.32</b>	<b>\$ 22,516.48</b>	<b>\$ 139.16</b>	<b>\$ -</b>	<b>\$ 739,473.96</b>

Nassau Bay Economic Development Corporation  
 FY20 Sales Tax Revenue - As of September 2020  
 Presented October 26, 2020

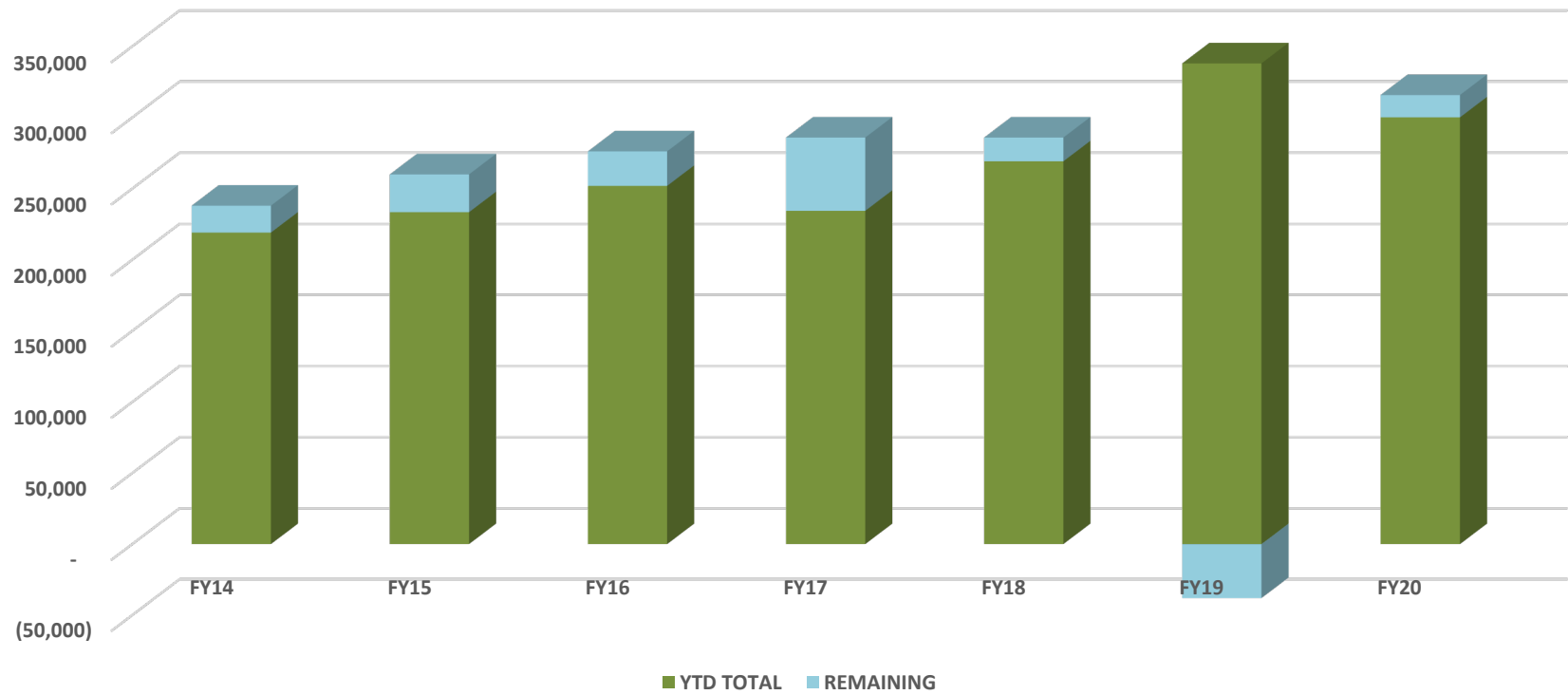
% of the Sales Tax Revenue Accrual Year Complete:	83.3%
% of Budgeted Revenue Received:	95.0%

Month	EDC Year-Ended 9/30/2014	EDC Year-Ended 9/30/2015	EDC Year-Ended 9/30/2016	EDC Year-Ended 9/30/2017	EDC Year-Ended 9/30/2018	EDC Year-Ended 9/30/2019	EDC Year-Ended 9/30/2020
	FY14	FY15	FY16	FY17	FY18	FY19	FY20
December	\$ 25,286	\$ 20,578	\$ 24,093	\$ 21,076	\$ 34,755	\$ 24,118	\$ 32,827
January	\$ 24,465	\$ 18,190	\$ 21,360	\$ 22,706	\$ 26,179	\$ 29,713	\$ 28,889
February	\$ 29,858	\$ 28,836	\$ 28,645	\$ 27,051	\$ 27,147	\$ 29,199	\$ 42,483
March	\$ 23,521	\$ 23,468	\$ 24,101	\$ 23,952	\$ 23,514	\$ 36,622	\$ 34,640
April	\$ 14,866	\$ 20,168	\$ 20,715	\$ 22,218	\$ 22,291	\$ 39,582	\$ 26,324
May	\$ 20,998	\$ 27,701	\$ 23,351	\$ 28,086	\$ 31,554	\$ 32,664	\$ 28,423
June	\$ 18,332	\$ 24,546	\$ 22,430	\$ 20,108	\$ 23,618	\$ 40,204	\$ 21,985
July	\$ 18,257	\$ 20,548	\$ 32,286	\$ 21,891	\$ 27,227	\$ 30,077	\$ 25,767
August	\$ 23,076	\$ 26,045	\$ 29,000	\$ 27,157	\$ 27,310	\$ 44,279	\$ 36,234
September	\$ 20,437	\$ 23,347	\$ 25,951	\$ 20,158	\$ 25,598	\$ 31,587	\$ 22,516
October	\$ 20,785	\$ 23,264	\$ 26,209	\$ 18,429	\$ 32,243	\$ 28,243	\$ 24,528
November	\$ 21,949	\$ 25,809	\$ 27,825	\$ 22,684	\$ 29,879	\$ 33,403	\$ 18,620
<b>Total Projected</b>	<b>\$ 261,830</b>	<b>\$ 282,500</b>	<b>\$ 305,965</b>	<b>\$ 275,516</b>	<b>\$ 331,315</b>	<b>\$ 399,691</b>	<b>\$ 343,236</b>
					<b>YTD Actual (includes through September)</b>		<b>\$ 300,088</b>
<b>Budget</b>	<b>\$ 238,000</b>	<b>\$ 260,000</b>	<b>\$ 276,200</b>	<b>\$ 285,900</b>	<b>\$ 285,900</b>	<b>\$ 300,200</b>	<b>\$ 315,790</b>
YTD Over/(Under) Budget	\$ (18,903)	\$ (26,573)	\$ (24,269)	\$ (51,497)	\$ (16,707)	\$ 37,845	\$ (15,702)
YTD % Over/(Under) Budget	-8%	-10%	-9%	-18.0%	-5.8%	12.6%	-5.0%

\*October revenue is actuals; November revenue is projected.



### Year to Date v. Budgeted - 9/30/2020



# September 2020 Total Sales Tax Report

83% Sales Tax Year Complete

### Historical September Sales Tax

FY 2015	\$	81,715
FY 2016	\$	90,830
FY 2017	\$	70,553
FY 2018	\$	89,594
FY 2019	\$	110,556

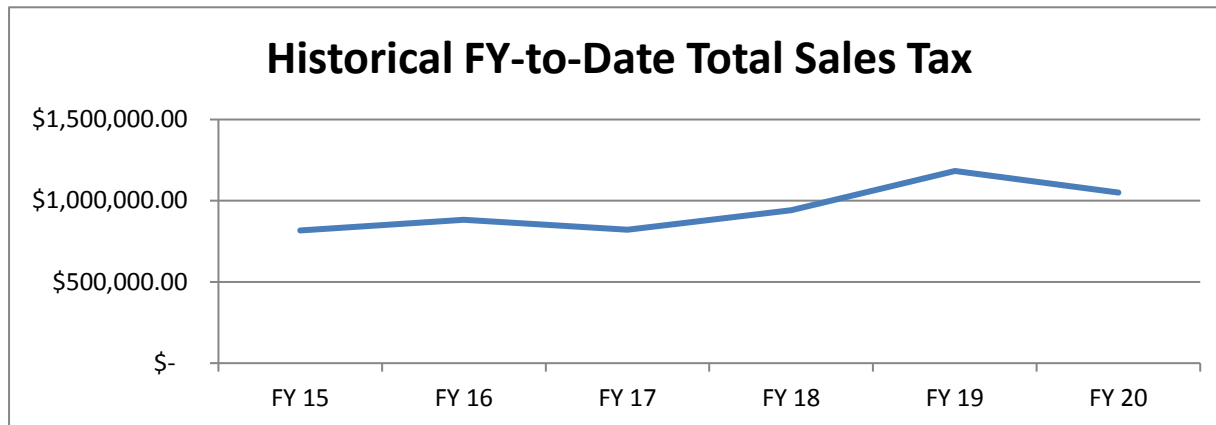
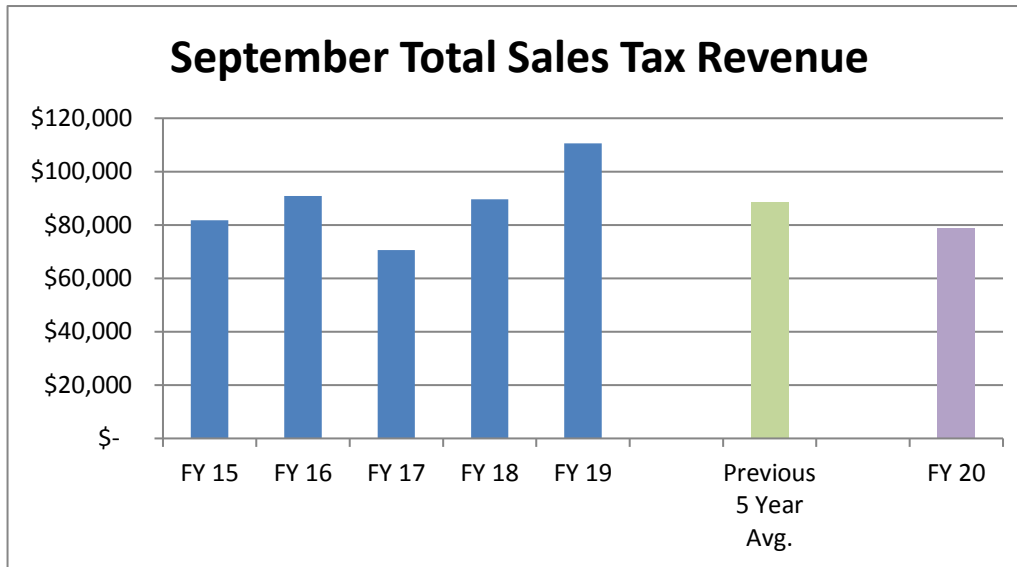
Previous 5 Year Avg. | \$ 88,650

### Historical FY-to-Date Total Sales Tax

FY 2015	\$	816,994
FY 2016	\$	881,758
FY 2017	\$	820,412
FY 2018	\$	942,173
FY 2019	\$	1,183,156

Previous 5 Year Avg. | \$ 928,899

September 2020	Year-to-Date FY2020
FY 2020   \$ 78,808	FY 2020   \$ 1,050,307
-11% decrease from 5 year average	13% increase from 5 year average
-29% decrease from September 2019	-11% decrease from September 2019
	95% % of Total Budgets (\$1,103,690)



## Sales Tax Revenue Allocations

September Total Sales Tax Revenue	\$	78,808
General Fund	\$	45,033
Economic Development	\$	22,516
Street Sales Tax	\$	11,258

Year-to-Date Total Sales Tax Revenue	\$	1,050,307
General Fund	\$	600,176
Economic Development	\$	300,088
Street Sales Tax	\$	150,044

# October 2020 Total Sales Tax Report

92% Sales Tax Year Complete

### Historical October Sales Tax

FY 2015	\$ 81,424
FY 2016	\$ 91,732
FY 2017	\$ 64,503
FY 2018	\$ 112,852
FY 2019	\$ 98,851

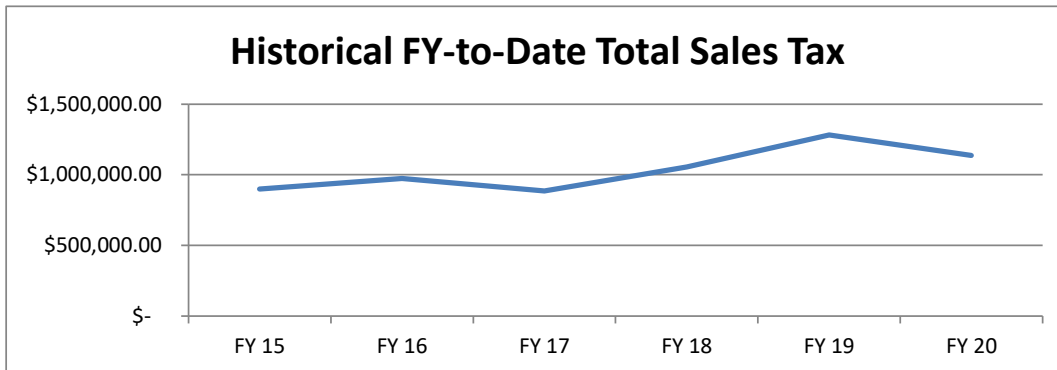
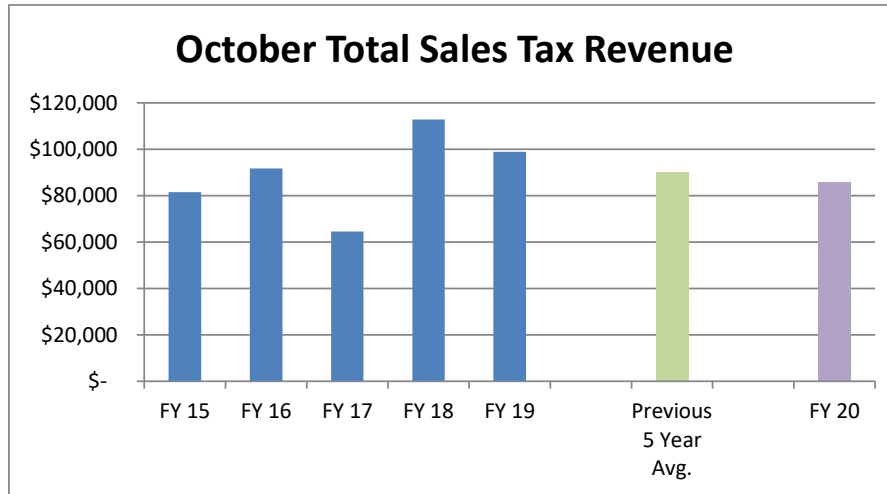
Previous 5 Year Avg. | \$ 89,872

### Historical FY-to-Date Total Sales Tax

FY 2015	\$ 898,418
FY 2016	\$ 973,490
FY 2017	\$ 884,915
FY 2018	\$ 1,055,025
FY 2019	\$ 1,282,007

Previous 5 Year Avg. | \$ 1,018,771

<b>October 2020</b>	<b>Year-to-Date FY2020</b>
FY 2020   \$ 85,847	FY 2020   \$ 1,136,154
-4% decrease from 5 year average	12% increase from 5 year average
-13% decrease from October 2019	-11% decrease from October 2019
	103% % of Total Budgets (\$1,103,690)



## Sales Tax Revenue Allocations

October Total Sales Tax Revenue	\$ 85,847
General Fund	\$ 49,055
Economic Development	\$ 24,528
Street Sales Tax	\$ 12,264

Year-to-Date Total Sales Tax Revenue	\$ 1,136,154
General Fund	\$ 649,231
Economic Development	\$ 324,616
Street Sales Tax	\$ 162,308

City of Nassau Bay  
Balance Sheet  
Period Ending: 9/2020

Fund: 51 ECONOMIC DEVELOPMENT FUND

Account Number	Description	Debit	Credit
51-1013-01-00	CASH-EDC	21,832.45	
51-1032-01-00	INVESTMENTS	473,964.32	
51-1034-01-00	EDC MMA SAVINGS	243,677.18	
51-2520-01-00	FUND BALANCE		-602,591.76
Current Year Revenue/Expense			-136,882.19
	Fund totals:	-----739,473.95	-----739,473.95

\*\*\*\*\* End of Report \*\*\*\*\*

Period Ending: 9/2020								
Account Number	Description	Period Begin Balance	Period Debits	Period Credits	FYear Begin Balance	FYear Debits	FYear Credits	Ending Balance
51-1013-01-00	CASH-EDC	21,832.45	.00	.00	19,852.45	226,624.56	224,644.56	21,832.45
51-1032-01-00	INVESTMENTS	451,391.77	22,572.55	.00	574,073.66	305,118.32	405,227.66	473,964.32
51-1034-01-00	EDC MMA SAVINGS	243,594.09	83.09	.00	15,282.26	228,399.92	5.00	243,677.18
51-1135-01-00	SALES TAX RECEIVABLE	.00	22,516.48	22,516.48	61,646.24	361,734.13	423,380.37	.00
51-2005-01-00	Accounts Payable	.00	.00	.00	.00	224,624.56	224,624.56	.00
51-2053-01-00	Due To Primary Government	.00	.00	.00	66,053.75-	72,053.75	6,000.00	.00
51-2220-01-00	ACCRUED EXPENSES	.00	.00	.00	2,209.10-	2,209.10	.00	.00
51-2520-01-00	FUND BALANCE	602,591.76-	.00	.00	602,591.76-	.00	.00	602,591.76-
51-3020-01-00	Interest on Investments	5,041.85-	.00	139.16	.00	.00	5,181.01	5,181.01-
51-3110-01-00	Sales Tax Revenue	277,571.41-	.00	22,516.48	.00	61,646.24	361,734.13	300,087.89-
51-5000-01-00	Administrative Expense	12,025.00	.00	.00	.00	12,025.00	.00	12,025.00
51-5001-01-00	Audit	7,730.00	.00	.00	.00	7,730.00	.00	7,730.00
51-5002-01-00	Promotion/Consulting	11,381.63	.00	.00	.00	11,381.63	.00	11,381.63
51-5005-01-00	Legal	150.00	.00	.00	.00	150.00	.00	150.00
51-5006-01-00	Memberships-BAHEP/TEDC	20,900.00	.00	.00	.00	20,900.00	.00	20,900.00
51-5008-01-00	HOLIDAY DECORATIONS	11,050.00	.00	.00	.00	11,050.00	.00	11,050.00
51-5100-01-00	Economic Dev Proj-Undesignated	33,183.95	.00	.00	.00	33,183.95	.00	33,183.95
51-5114-01-00	FIRE DEPARTMENT	2,450.00	.00	.00	.00	2,450.00	.00	2,450.00
51-5115-01-00	TAX INCENTIVE	69,516.13	.00	.00	.00	71,725.23	2,209.10	69,516.13
Grand totals		.00	45,172.12	45,172.12	.00	1,653,006.39	1,653,006.39	.00

Fund: 51 ECONOMIC DEVELOPMENT FUND

Department: 1 Economic Development

Program:

Period Ending: 9/2020

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
51-3020-01-00	Interest on Investments	5,000.00-	139.16-	5,181.01-		181.01	103.620
51-3110-01-00	Sales Tax Revenue	315,790.00-	22,516.48-	300,087.89-		15,702.11-	95.028
Subtotal:		320,790.00-	22,655.64-	305,268.90-		15,521.10-	95.162
Program number:		320,790.00-	22,655.64-	305,268.90-		15,521.10-	95.162
Department number: Economic Development		320,790.00-	22,655.64-	305,268.90-		15,521.10-	95.162

Fund: 51 ECONOMIC DEVELOPMENT FUND

Department: 99 FUND RESERVE

Program:

Period Ending: 9/2020

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
51-9520-99-00	Prior Year Balance	545,320.00-				545,320.00-	
51-9525-99-00	End of Year Reserve	521,180.00				521,180.00	
Subtotal:		24,140.00-				24,140.00-	
Program number:		24,140.00-				24,140.00-	
Department number: FUND RESERVE		24,140.00-				24,140.00-	
Revenue	Subtotal -----	344,930.00-	22,655.64-	305,268.90-		39,661.10-	88.502

Fund: 51 ECONOMIC DEVELOPMENT FUND

Department: 1 Economic Development

Program:

Period Ending: 9/2020

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
51-5000-01-00	Administrative Expense	12,000.00		12,025.00		25.00-	100.208
51-5001-01-00	Audit	7,730.00		7,730.00			100.000
51-5002-01-00	Promotion/Consulting	22,500.00		11,381.63		11,118.37	50.585
51-5004-01-00	Training	2,000.00				2,000.00	
51-5005-01-00	Legal	2,000.00		150.00		1,850.00	7.500
51-5006-01-00	Memberships-BAHEP/TEDC	20,500.00		20,900.00		400.00-	101.951
51-5008-01-00	HOLIDAY DECORATIONS	11,200.00		11,050.00		150.00	98.661
51-5100-01-00	Economic Dev Proj-Undesignated	10,000.00		33,183.95		23,183.95-	331.840
51-5101-01-00	NASA Parkway Project	20,000.00				20,000.00	
51-5102-01-00	Streets & Curbs Projects	45,000.00				45,000.00	
51-5108-01-00	City Building-Joint Project	50,000.00				50,000.00	
51-5114-01-00	FIRE DEPARTMENT			2,450.00		2,450.00-	
51-5115-01-00	TAX INCENTIVE	142,000.00		69,516.13		72,483.87	48.955
Subtotal:		344,930.00		168,386.71		176,543.29	48.818
Program number:		344,930.00		168,386.71		176,543.29	48.818
Department number: Economic Development		344,930.00		168,386.71		176,543.29	48.818
Expenditure Subtotal -----		344,930.00		168,386.71		176,543.29	48.818
Fund number: 51 ECONOMIC DEVELOPMENT FUND			22,655.64-	136,882.19-		136,882.19	

\*\*\*\*\* End of Report \*\*\*\*\*



**Nassau Bay Economic Development Corporation**  
**ADOPTED FY21 Revenue and Expense Budget**  
**August 3, 2020**

Revenue Detail		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Amended	Projected	Adopted	Budget
		FY13	FY14	FY15	FY16	FY17	FY18	FY19	Budget	FY20	FY21	%
3110	Sales Tax Revenue	246,198	261,830	282,500	305,965	275,517	331,315	399,691	315,790	315,790	261,000	-17%
3020	Interest On Investments	404	253	914	1,484	3,327	9,155	12,135	5,000	4,800	1,000	-80%
TOTAL		246,602	262,083	283,415	307,448	278,843	340,470	411,826	320,790	320,590	262,000	-18%
9525	End of Year Reserve	(189,329)	(316,375)	(427,660)	(559,258)	(617,958)	(507,780)	(602,592)	(521,180)	(734,091)	(222,401)	-57%
9520	Prior Year Balance	144,849	189,329	316,375	427,660	559,258	617,958	507,780	545,320	602,591	734,091	35%
<b>GRAND TOTAL</b>		<b>202,122</b>	<b>135,038</b>	<b>172,129</b>	<b>175,851</b>	<b>220,143</b>	<b>450,648</b>	<b>317,014</b>	<b>344,930</b>	<b>189,090</b>	<b>773,690</b>	<b>124%</b>
Over/(Under) Budget										(155,840)	428,760	Inc/(Dec)
Expenditure Detail		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Amended	Projected	Adopted	Budget
		FY13	FY14	FY15	FY16	FY17	FY18	FY19	Budget	FY20	FY21	%
5000	Administrative Expenses	100,000	100,000	100,000	100,000	12,000	12,015	12,020	12,000	12,020	12,000	0%
5001	Audit	7,640	7,730	7,730	7,730	7,730	7,730	7,730	7,730	7,730	7,730	0%
5002	Promotion/Consulting	0	0	11,357	11,660	10,265	10,238	12,271	22,500	11,390	22,760	1%
5004	Training	0	0	0	0	0	0	0	2,000	0	2,000	0%
5005	Legal	0	350	338	-	199	1,962	1,100	2,000	150	2,000	0%
5006	Memberships-BAHEP/TEDC	19,000	19,000	20,000	20,000	20,455	22,920	23,255	20,500	20,910	23,000	12%
5007	Advertising/Printing	0	0	0	0	0	0	770	0	0	0	0%
5008	Holiday Decorations	0	0	0	0	0	25,864	11,050	11,200	11,050	11,200	0%
5100	Undesignated Projects	4,002	7,958	32,705	7,661	15,148	2,800	5,378	10,000	48,190	10,000	0%
5101	NASA Parkway Project	0	0	0	0	0	0	17,000	20,000	0	40,000	100%
5102	Streets & Curbs Projects	0	0	0	0	0	0	29,376	45,000	0	0	-100%
5104	Drainage Projects	0	0	0	0	0	0	40,765	0	0	0	0%
5108	City Building-Joint Project	0	0	0	0	0	0	0	50,000	0	0	-100%
5109	Development Services	0	0	0	0	0	0	27,500	0	0	0	0%
5110	Debt Service- 2006 Tax Notes	71,480	0	0	0	0	0	0	0	0	0	0%
5114	Fire Station	0	0	0	28,800	154,347	359,008	115,811	0	2,450	150,000	100%
5115	Tax Incentive	0	0	0	0	0	8,111	12,987	142,000	75,200	92,000	-35%
5200	Transfer to Water/Sewer Fund	0	0	0	0	0	0	0	0	0	401,000	100%
<b>GRAND TOTAL</b>		<b>202,122</b>	<b>135,038</b>	<b>172,129</b>	<b>175,851</b>	<b>220,143</b>	<b>450,648</b>	<b>317,014</b>	<b>344,930</b>	<b>189,090</b>	<b>773,690</b>	<b>124%</b>
Over/(Under) Budget										(155,840)	428,760	Inc/(Dec)

**OFFICER INFORMATION  
ECONOMIC DEVELOPMENT CORPORATION**

**OCTOBER 2019**

Officers are re-elected as follows:

President	Mark Denman
Vice President	Bob Warters
Secretary	Cindy Harreld-DeWease
Treasurer	Bryce Klug
Directors	John Mahon Tony Quezada Bill Quinn

**MAY 2020**

The terms of the following expired May 31, 2020:

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Mayor	Mark A. Denman	May 31, 2020
Councilmember	Bryce Klug	May 31, 2020
Director	Bill Quinn	May 31, 2020

As the City of Nassau Bay's General Officer's election to be held on May 2, 2020 was postponed until November 3, 2020, these individuals' terms were held over until after the results of November 3, 2020 election.