

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
Fiscal Year 2020 - 2021**

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

November 2021

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
For Fiscal Year 2020 – 2021**

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, 2020 - September 30, 2021, is submitted as required by paragraph 5.(b). The following items summarize major EDC activities and decisions for Fiscal Year 2020 - 2021:

1. Received an update on the current Economic Development Corporation projects (10/26/2020 meeting).
2. Approved orders for payment, totaling \$14,016.91 for FY20 and \$31,425 for FY21, to reimburse the City for invoices paid on behalf of the EDC (10/26/2020 meeting).
3. Approved draft of EDC Annual Report for Fiscal Year 2019-2020 as prepared by Staff and to be presented to Council (10/26/2020 meeting).
4. Discussed potential Economic Development Corporation funding for business initiatives within the City (10/26/2020 meeting).
5. Election of Officers – Officers are elected, with those officers being Bob Wartens as President, John Mahon as Vice President, Cindy Harreld-DeWease as Secretary, and Bill Quinn as Treasurer (02/01/2021 meeting).
6. Approved a resolution updating the signature cards for the EDC bank accounts at Texas Citizens Bank (02/01/2021 meeting).
7. Approved orders for payment, totaling \$111,481.01 for FY21, to reimburse the City for invoices paid on behalf of the EDC (02/01/2021 meeting).
8. Approved the December 31, 2020 financial statements (02/01/2021 meeting).
9. Held an Executive Session and tabled a resolution supporting incentives for local business promotions and expansion (02/01/2021 meeting).

10. Approved orders for payment, totaling \$74,538.61, to reimburse the City for invoices paid on behalf of the EDC (05/03/2021 meeting).
11. Accepted the Audited Financial Statements for Fiscal Year ended September 30, 2020 (05/03/2021 meeting).
12. Approved draft of the EDC's Mid-Year Report as prepared by Staff and to be presented to Council (05/03/2021 meeting).
13. Election of Officers – Matt Prior is elected to the position of Vice President (08/09/2021 meeting).
14. Approved an annual funding request of \$15,500 from the Clear Lake Area of Chamber of Commerce (08/09/2021 meeting).
15. Approved orders for payment, totaling \$1,409.84, to reimburse the City for invoices paid on behalf of the EDC (08/09/2021 meeting).
16. Approved the June 2021 financial statements (08/09/2021 meeting).
17. Amended the Fiscal Year 2021 EDC Budget (08/09/2021 meeting).
18. Approved the Budget for Fiscal Year 2022 (08/09/2021 meeting).

**OFFICER INFORMATION
ECONOMIC DEVELOPMENT CORPORATION**

OCTOBER 2020

Officers' status is unchanged.

President	Mark Denman
Vice President	Bob Warters
Secretary	Cindy Harreld-DeWease
Treasurer	Bryce Klug

Directors	John Mahon
	Tony Quezada
	Bill Quinn

The terms of the following expired 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.

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

JANUARY 2021

The terms of past/current members Mark Denman, Bryce Klug, Bob Warters and Bill Quinn expired. These terms were held over until the conclusion of the 2020 General Officer's Election.

Council ratifies by resolution the following members of the EDC by virtue of their service on Council or as appointments as directors:

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	Bob Warters	May 31, 2022
Councilmember	John Mahon	May 31, 2021
Councilmember	Phil Johnson	May 31, 2022
Councilmember	Don Matter	May 31, 2021
Director	Tony Quezada	May 31, 2021
Director	Cindy Harreld-DeWease	May 31, 2021
Director	Bill Quinn	May 31, 2022

There is a vacancy in the Economic Development Corporation Officer positions of President, Vice President, and Treasurer. These vacancies were left by Mark Denman (term-limited), Bob Warters (elected to Mayor), and Bryce Klug (term-limited), and appointments were made to keep the EDC Officer slate current.

President	Bob Warters
Vice President	John Mahon
Secretary	Cindy Harreld-DeWease
Treasurer	Bill Quinn
Directors	Phil Johnson Don Matter Tony Quezada

JUNE 2021

The departure of John Mahon and Tony Quezada from the EDC left a vacancy in the EDC Director slate. An appointment was needed to keep the EDC Director slate current. Director Matt Prior was appointed to fill the term of Mr. Mahon and Director Brandon Billings was appointed to fill the term of Mr. Quezada.

Council ratifies by resolution the following members of the EDC by virtue of their service on Council or as appointments as directors:

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	Bob Warters	May 31, 2022
Councilmember	Matt Prior	May 31, 2023
Councilmember	Phil Johnson	May 31, 2022
Councilmember	Don Matter	May 31, 2023
Director	Brandon Billings	May 31, 2023
Director	Cindy Harreld-DeWease	May 31, 2023
Director	Bill Quinn	May 31, 2022

The departure of John Mahon from the EDC also left a vacancy in the Officer position of Vice President. An appointment was needed to keep the EDC Officer slate current. Director Matt Prior is elected as Vice President, and Officers become as follows:

President	Bob Warters
Vice President	Matt Prior
Secretary	Cindy Harreld-DeWease
Treasurer	Bill Quinn
Directors	Phil Johnson Don Matter Brandon Billings

Nassau Bay Economic Development Corporation

Un-audited Financial Statements

For Fiscal Year Ending

September 30, 2021

Nassau Bay Economic Development Corporation
 EDC Expense Register for FY2021
 October 1, 2020 through September 30, 2021

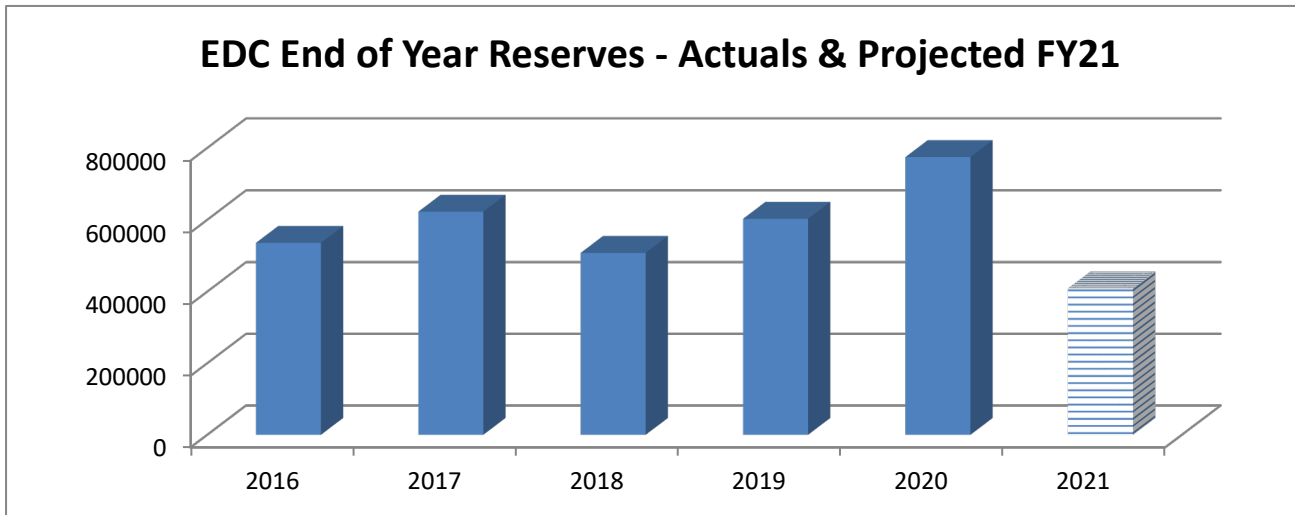
Date	Description	Check No. or Journal Entry	Account Number	FY21 Amended Budget Amount	Year to Date FY21
	FY2020 Carry Forward		510-49200-000-000	\$ 734,091	\$ 774,482
	Sales Tax Revenue		510-40400-000-000	\$ 261,000	\$ 256,230
	Interest on Investments		510-45100-000-000	\$ 1,000	\$ 920
	End of Year Reserve		510-49300-000-000	\$ 126,941	\$ 307,692
				\$ 869,150	\$ 723,939

Check Register				FY21 Amended Budget Amount	Year to Date FY21
Contract Services			510-60100-123-000	\$ 19,730	\$ 19,750
Dues, Fees, & Subscriptions			510-60200-123-000	\$ 23,000	\$ 22,800
Promotions			510-60400-123-000	\$ 22,760	\$ 10,000
Legal Fees			510-60700-123-000	\$ 2,000	\$ 710
Maint - Grounds			510-63600-123-000	\$ 40,000	\$ 25,000
Maint - Decorations			510-63620-123-000	\$ 22,570	\$ 22,570
Training & Travel			510-65100-123-000	\$ 2,000	\$ 1,430
Tax Incentives			510-65400-123-000	\$ 92,000	\$ 6,540
EDC Projects - Undesignated			510-65410-123-000	\$ 10,000	\$ 5,000
Capital Expenditures			510-70100-123-000	\$ 177,590	\$ 143,860
Transfers Out - Water & Sewer			510-90200-123-000	\$ 457,500	\$ 457,500

	Budgeted	YTD FY21
Total Budget	\$ 869,150	\$ 715,160
<i>Orders for Payment at 10/25/2021</i>		\$ 8,779
<i>Projected Expenditure Total</i>		\$ 723,939

Nassau Bay Economic Development Corporation
 Projected EDC YE Cash Position at 09/30/2021

750-30110-000	EDC EQUITY - Texas Citizens BizReward Checking	20,408
750-30210-000	EDC EQUITY - Texas Citizens BizReward Savings	244,401
750-31100-000	EDC EQUITY - Texpool (part of consolidated)	81,676
EDC Cash Balance as of 09/30/2021		346,484
<i>Projected Revenue through November 2021</i>		<i>53,266</i>
<i>Projected Expenditures through September 30, 2021</i>		<i>8,779</i>
Anticipated Year End Cash Position		408,530
Budgeted Anticipated Year End Cash Position		126,941



CITY OF NASSAU BAY INVESTMENT PORTFOLIO
September 30, 2021

Economic Development Corporation

	Investments 9/1/2021	Additions	Interest	Withdrawals	Investments 09/30/2021
Texpool - EDC - Int. Rate 0.0279%	\$ 112,763.19	\$ 25,409.91	\$ 2.77	\$ 56,500.00	\$ 81,675.87
TCB - EDC BizReward Checking	\$ 21,817.45	\$ -	\$ -	\$ 1,409.84	\$ 20,407.61
TCB - EDC BizReward Savings - Int. Rate .20%	\$ 244,360.68	\$ -	\$ 40.17	\$ -	\$ 244,400.85
Total EDC Investments	\$ 378,941.32	\$ 25,409.91	\$ 42.94	\$ 57,909.84	\$ 346,484.33

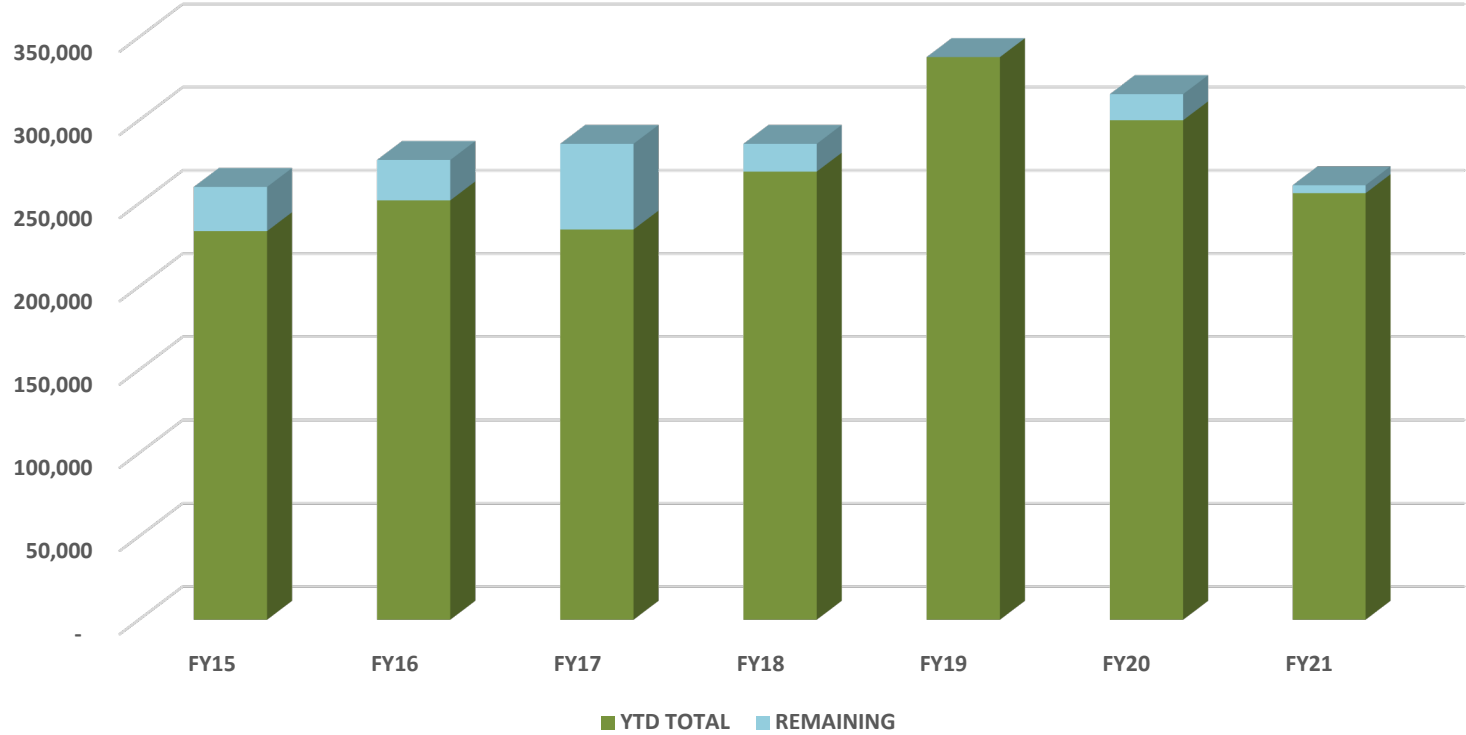
Nassau Bay Economic Development Corporation
 FY21 Sales Tax Revenue - As of September 2021
 Presented October 25, 2021

% of the Sales Tax Revenue Accrual Year Complete:	83.3%
% of Budgeted Revenue Received:	98.2%

Month	EDC Year-Ended 9/30/2015 FY15	EDC Year-Ended 9/30/2016 FY16	EDC Year-Ended 9/30/2017 FY17	EDC Year-Ended 9/30/2018 FY18	EDC Year-Ended 9/30/2019 FY19	EDC Year-Ended 9/30/2020 FY20	EDC Year-Ended 9/30/2021 FY21
December	\$ 20,578	\$ 24,093	\$ 21,076	\$ 34,755	\$ 24,118	\$ 32,827	\$ 24,529
January	\$ 18,190	\$ 21,360	\$ 22,706	\$ 26,179	\$ 29,713	\$ 28,889	\$ 22,531
February	\$ 28,836	\$ 28,645	\$ 27,051	\$ 27,147	\$ 29,199	\$ 42,483	\$ 28,855
March	\$ 23,468	\$ 24,101	\$ 23,952	\$ 23,514	\$ 36,622	\$ 34,640	\$ 24,443
April	\$ 20,168	\$ 20,715	\$ 22,218	\$ 22,291	\$ 39,582	\$ 26,324	\$ 20,591
May	\$ 27,701	\$ 23,351	\$ 28,086	\$ 31,554	\$ 32,664	\$ 28,423	\$ 28,447
June	\$ 24,546	\$ 22,430	\$ 20,108	\$ 23,618	\$ 40,204	\$ 21,985	\$ 25,139
July	\$ 20,548	\$ 32,286	\$ 21,891	\$ 27,227	\$ 30,077	\$ 25,767	\$ 24,922
August	\$ 26,045	\$ 29,000	\$ 27,157	\$ 27,310	\$ 44,279	\$ 36,234	\$ 31,362
September	\$ 23,347	\$ 25,951	\$ 20,158	\$ 25,598	\$ 31,587	\$ 22,516	\$ 25,410
October	\$ 23,264	\$ 26,209	\$ 18,429	\$ 32,243	\$ 28,243	\$ 27,720	\$ 28,266
November	\$ 25,809	\$ 27,825	\$ 22,684	\$ 29,879	\$ 33,403	\$ 24,528	\$ 21,750
Total Projected	\$ 282,500	\$ 305,965	\$ 275,516	\$ 331,315	\$ 399,691	\$ 352,335	\$ 306,246
					YTD Actual (includes through September)		\$ 256,230
Budget	\$ 260,000	\$ 276,200	\$ 285,900	\$ 285,900	\$ 300,200	\$ 315,790	\$ 261,000
YTD Over/(Under) Budget	\$ (26,573)	\$ (24,269)	\$ (51,497)	\$ (16,707)	\$ 37,845	\$ (15,702)	\$ (4,770)
YTD % Over/(Under) Budget	-10%	-9%	-18.0%	-5.8%	12.6%	-5.0%	-1.8%

*October revenue is actuals but not included in 9/30/2021 reporting; future months are projections

Year to Date v. Budgeted - 9/30/2021



October 2021 Total Sales Tax Report

92% Sales Tax Year Complete

Historical October Sales Tax

FY 2016	\$ 91,732
FY 2017	\$ 64,503
FY 2018	\$ 112,852
FY 2019	\$ 98,851
FY 2020	\$ 85,847

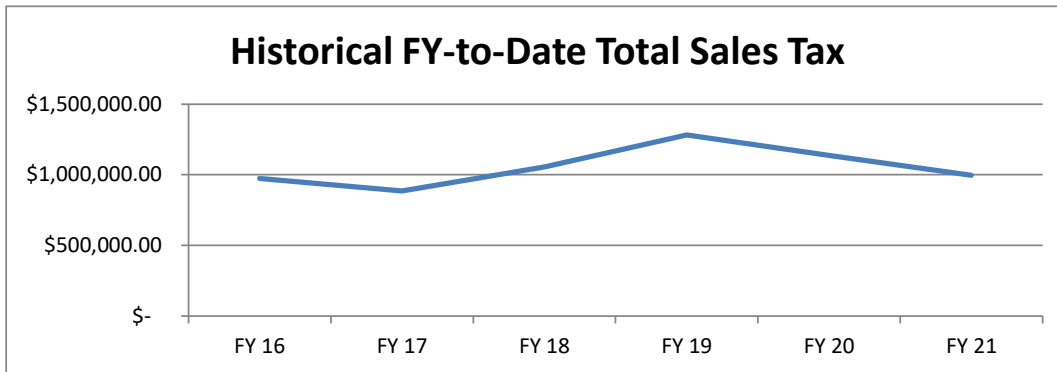
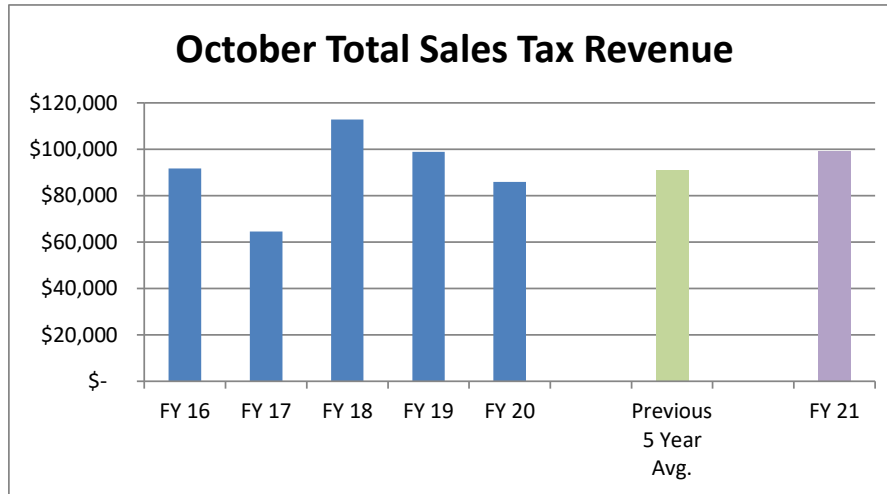
Previous 5 Year Avg. | \$ 90,757

Historical FY-to-Date Total Sales Tax

FY 2016	\$ 973,490
FY 2017	\$ 884,915
FY 2018	\$ 1,055,025
FY 2019	\$ 1,282,007
FY 2020	\$ 1,136,154

Previous 5 Year Avg. | \$ 1,066,318

October 2021	Year-to-Date FY2021
FY 2021 \$ 98,932	FY 2021 \$ 995,736
9% increase from 5 year average	-7% decrease from 5 year average
15% increase from October 2020	-12% decrease from October 2020
	111% % of Total Budgets (\$897,000)



Sales Tax Revenue Allocations

October Total Sales Tax Revenue	\$ 98,932
General Fund	\$ 56,533
Economic Development	\$ 28,266
Street Sales Tax	\$ 14,133

Year-to-Date Total Sales Tax Revenue	\$ 995,736
General Fund	\$ 568,992
Economic Development	\$ 284,496
Street Sales Tax	\$ 142,248

City of Nassau Bay
Balance Sheet
Period Ending: 9/2021

Fund: 510 EDC Fund

Account Number	Description	Debit	Credit
510-10110-000-000	Cash - Operating - CU	20,407.61	
510-10210-000-000	Cash - MMA - CU	244,400.85	
510-11100-000-000	Invest - Texpool	81,675.86	
510-33100-000-000	Fund Balance		-774,481.04
Current Year Revenue/Expense		427,996.72	
Fund totals:		774,481.04	-774,481.04

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

Period Ending: 9/2021								
Account Number	Description	Period Begin Balance	Period Debits	Period Credits	FYear Begin Balance	FYear Debits	FYear Credits	Ending Balance
510-10110-000-000	Cash - Operating - CU	20,407.61	.00	.00	21,832.45	276,873.44	278,298.28	20,407.61
510-10210-000-000	Cash - MMA - CU	244,360.68	40.17	.00	243,677.18	723.67	.00	244,400.85
510-11100-000-000	Invest - Texpool	112,763.18	25,412.68	56,500.00	473,964.32	305,113.86	697,402.32	81,675.86
510-12400-000-000	Receivable - Other Taxes	.00	25,409.91	25,409.91	52,247.25	308,477.09	360,724.34	.00
510-20100-000-000	Accounts Payable	.00	.00	.00	.00	232,871.37	232,871.37	.00
510-20200-000-000	Accrued Expenses	.00	.00	.00	2,090.28	2,090.28	.00	.00
510-26100-000-000	Due to other Funds	.00	.00	.00	15,149.88	15,149.88	.00	.00
510-33100-000-000	Fund Balance	774,481.04	.00	.00	774,481.04	.00	.00	774,481.04
510-40400-000-000	Sales Tax	230,819.93	.00	25,409.91	.00	52,247.25	308,477.09	256,229.84
510-45100-000-000	Interest Income	876.71	.00	42.94	.00	.00	919.65	919.65
510-60100-123-000	CONTRACT SERVICES	19,745.00	.00	.00	.00	19,745.00	.00	19,745.00
510-60200-123-000	Dues, Fees, & Subscriptions	22,801.00	.00	.00	.00	22,801.00	.00	22,801.00
510-60400-123-000	Promotions	10,000.00	.00	.00	.00	10,000.00	.00	10,000.00
510-60700-123-000	Legal Fees	712.50	.00	.00	.00	712.50	.00	712.50
510-63620-123-000	Maint - Decorations	22,566.25	.00	.00	.00	22,566.25	.00	22,566.25
510-65100-123-000	Training & Travel	1,425.00	.00	.00	.00	1,425.00	.00	1,425.00
510-65400-123-000	TAX INCENTIVES	6,543.31	.00	.00	.00	6,543.31	.00	6,543.31
510-70100-123-000	Capital Expenditures	27,586.00	.00	.00	.00	27,586.00	.00	27,586.00
510-70100-123-195	Capital Expenditures	116,267.15	.00	.00	.00	116,267.15	.00	116,267.15
510-90200-123-000	Transfers Out - Water & Sewer	401,000.00	56,500.00	.00	.00	457,500.00	.00	457,500.00
Grand totals		.00	107,362.76	107,362.76	.00	1,878,693.05	1,878,693.05	.00

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
510-40400-000-000	Sales Tax	261,000.00-	25,409.91-	256,229.84-		4,770.16-	98.172
510-45100-000-000	Interest Income	1,000.00-	42.94-	919.65-		80.35-	91.965
510-49200-000-000	Other Resources - PY Balance	734,091.00-				734,091.00-	
510-49300-000-000	Other Resources - EOY Balance	126,941.00				126,941.00	
Subtotal:		869,150.00-	25,452.85-	257,149.49-		612,000.51-	29.586
Program number:	No Program	869,150.00-	25,452.85-	257,149.49-		612,000.51-	29.586
Department number:	Non Departmental	869,150.00-	25,452.85-	257,149.49-		612,000.51-	29.586
Revenue	Subtotal -----	869,150.00-	25,452.85-	257,149.49-		612,000.51-	29.586

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
510-60100-123-000	CONTRACT SERVICES	19,730.00		19,745.00		15.00-	100.076
510-60200-123-000	Dues, Fees, & Subscriptions	23,000.00		22,801.00		199.00	99.135
510-60400-123-000	Promotions	22,760.00		10,000.00		12,760.00	43.937
510-60700-123-000	Legal Fees	2,000.00		712.50		1,287.50	35.625
510-63600-123-000	Maint - Grounds	40,000.00			3,500.00	36,500.00	8.750
510-63620-123-000	Maint - Decorations	22,570.00		22,566.25		3.75	99.983
510-65100-123-000	Training & Travel	2,000.00		1,425.00		575.00	71.250
510-65400-123-000	TAX INCENTIVES	92,000.00		6,543.31		85,456.69	7.112
510-65410-123-000	EDC Projects - Undesignated	10,000.00				10,000.00	
Subtotal:		234,060.00		83,793.06	3,500.00	146,766.94	37.295
510-70100-123-000	Capital Expenditures	27,590.00		27,586.00		4.00	99.986
Subtotal:		27,590.00		27,586.00		4.00	99.986
510-90200-123-000	Transfers Out - Water & Sewer	457,500.00	56,500.00	457,500.00			100.000
Subtotal:		457,500.00	56,500.00	457,500.00			100.000
Program number:	No Program	719,150.00	56,500.00	568,879.06	3,500.00	146,770.94	79.591

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
510-70100-123-195	Capital Expenditures	150,000.00		116,267.15		33,732.85	77.511
	Subtotal:	150,000.00		116,267.15		33,732.85	77.511
	Program number: 195 Fire & EMS	150,000.00		116,267.15		33,732.85	77.511
	Department number: Economic Development	869,150.00	56,500.00	685,146.21	3,500.00	180,503.79	79.232
	Expenditure Subtotal -----	869,150.00	56,500.00	685,146.21	3,500.00	180,503.79	79.232
	Fund number: 510 EDC Fund		31,047.15	427,996.72	3,500.00	431,496.72-	
***** End of Report *****							

Nassau Bay Economic Development Corporation
FY22 Revenue and Expense Budget
August 9, 2021

Revenue Detail	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Amended	Projected	Approved	Budget	
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Budget	FY21	Budget	%	
510-40400-000- Sales Tax	246,198	261,830	282,500	305,965	275,517	331,315	399,691	352,335	261,000	286,450	298,000	14%	
510-45100-000- Interest Income	404	253	914	1,484	3,327	9,155	12,135	5,181	1,000	1,000	1,000	0%	
TOTAL	246,602	262,083	283,415	307,448	278,843	340,470	411,826	357,516	262,000	287,450	299,000	14%	
510-49200-000- Other Resources - PY Balance	144,849	189,329	316,375	427,660	559,258	617,958	507,780	602,592	734,091	774,481	325,801	-56%	
510-49300-000- Other Resources - EOY Balance	(189,329)	(316,375)	(427,660)	(559,258)	(617,958)	(507,780)	(602,592)	(774,481)	(222,401)	(325,801)	(413,011)	86%	
GRAND TOTAL	202,122	135,037	172,130	175,850	220,143	450,648	317,014	185,627	773,690	736,130	211,790	-73%	
Over/(Under) Budget										Under) Budget	(37,560)	(561,900)	Inc/(Dec)
Expenditure Detail	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Amended	Projected	Approved	Budget	
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Budget	FY21	Budget	%	
510-60100-123- Contract Services	107,640	107,730	107,730	107,730	19,730	19,745	47,250	19,755	19,730	19,750	29,730	51%	
510-60200-123- Dues, Fees, & Subscriptions	19,000	19,000	20,000	20,000	20,455	22,920	23,255	20,900	23,000	23,000	23,000	0%	
510-60300-123- Advertising	0	0	0	0	0	0	770	0	0	0	0	0%	
510-60400-123- Promotions	0	0	11,357	11,660	10,265	10,238	12,271	11,368	22,760	22,760	27,760	22%	
510-60700-123- Legal Fees	0	350	338	0	199	1,963	1,100	4,163	2,000	1,000	2,000	0%	
510-63600-123- Maint - Grounds	0	0	0	0	0	0	17,000	0	40,000	25,000	40,000	0%	
510-63620-123- Maint - Decorations	0	0	0	0	0	25,864	11,050	11,050	11,200	22,570	15,300	37%	
510-65100-123- Training & Travel	0	0	0	0	0	0	0	0	2,000	1,430	2,000	0%	
510-65400-123- Tax Incentives	0	0	0	0	0	8,111	12,987	75,021	92,000	14,400	62,000	0%	
510-65410-123- EDC Projects - Undesignated	4,002	7,958	32,705	7,661	15,148	2,800	5,378	38,184	10,000	5,000	10,000	0%	
510-70100-123- Capital Expenditures	0	0	0	0	0	0	29,376	0	0	27,590	0	-100%	
510-90200-123- Transfers Out - Water & Sewer	0	0	0	0	0	0	0	0	401,000	457,500	0	-100%	
510-70100-123- Capital Expenditures	0	0	0	28,800	154,347	359,008	115,811	5,186	150,000	116,130	0	-100%	
510-70100-123- Capital Expenditures	0	0	0	0	0	0	40,765	0	0	0	0	0%	
510-90400-123- Transfers Out - Debt Service	71,480	0	0	0	0	0	0	0	0	0	0	0%	
GRAND TOTAL	130,642	135,038	172,129	175,851	220,143	450,649	317,014	185,627	773,690	736,130	211,790	-73%	
Over/(Under) Budget										(37,560)	(561,900)	Inc/(Dec)	