

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION**

Fiscal Year 2007 -- 2008

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

November 2008

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ECONOMIC DEVELOPMENT CORPORATION
For
Fiscal Year 2007 – 2008**

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, 2007 - September 30, 2008, is submitted as required by paragraph 5. (b). The following items summarize major EDC activities and decisions for Fiscal Year 2007 - 2008:

1. Elected same slate of officers – those being Don Matter as President; Ron Swofford as Vice President; Mark Denman as Treasurer; and David Braun as Secretary (at October 2007 meeting).
2. Approved draft of Annual Report for Fiscal Year 2006-2007 as prepared by Staff.
3. Authorized City Attorney to develop a proposal to Lockheed Martin Corporation, in concept, for possible economic development incentives.
4. Approved marketing contract with Griffin Marketing in amount of \$25,000 (for needed public relations assistance regarding Griffin Partners [no relation] redevelopment issues).
5. Approved \$500 grant to G.W. Robinson Elementary School PTA.
6. Accepted annual audit for fiscal year ending September 30, 2007 as prepared by Sandersen Knox & Belt.
7. Authorized advertising of economic development incentives for Lockheed Martin Corporation as a possible project for funding by the EDC.
8. Approved draft of EDC's Mid-Year Report to Council as prepared by Staff, with request to include sales tax data.
9. Secretary David Braun announces at the April 28, 2008 meeting that this will be his last meeting on the EDC as he is running for Position 6 on Council during the May 10, 2008 City Officers Election.
10. Conducted public hearing on funding economic development incentives for Lockheed Martin Corporation.
11. Approved agreement to provide economic development incentives to Lockheed Martin, said agreement to be executed by LMC, EDC, and the City of Nassau Bay.
12. Appointed a sub-committee of EDC members George Dempsey, Brad Bailey, and Mark Denman and Councilmember John Haugen to consider rebranding issues for the City.

13. Elected Joe Murdock as Secretary to fill the vacancy created by David Braun who was elected to Council Position 6 during the May election.
14. Approved budget for FY08/09.
15. Participated in tutorial/workshop meeting with City Council, NASA Area Management District representatives, and Planning Commission representatives on August 27, 2008 regarding tax increment reinvestment zones.

NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
Unaudited
For the Fiscal Year Ended
September 30, 2008

Nassau Bay Economic Development Corporation
FY08 Sales Tax Revenue
Unaudited
September 30, 2008

Month	EDC Year Ended 9-30-06 FY06	EDC Year Ended 9-30-07 FY07	EDC Year Ended 9-30-08 FY08	EDC Budget 9-30-08 FY08	Over (Under) Budget FY08	EDC Budget 9-30-09 FY09
December	13,211.76	14,200.32	18,919.76	13,500	5,420	14,652
January	12,972.87	10,597.49	15,799.17	12,500	3,299	12,825
February	19,366.87	16,179.71	17,691.91	18,000	(308)	18,025
March	12,462.45	10,488.08	13,778.53	12,500	1,279	11,570
April	12,409.86	12,799.66	12,335.04	12,500	(165)	13,025
May	19,200.45	20,561.81	18,300.68	18,000	301	18,685
June	14,613.90	14,021.75	17,512.35	13,000	4,512	15,200
July	15,048.90	12,793.36	12,902.19	12,000	902	12,420
August	16,822.24	19,944.29	19,837.22	16,000	3,837	17,540
September	12,881.66	13,029.78	22,999.82	12,500	10,500	12,280
* October	12,815.73	11,945.03	13,238.58	13,000	239	13,000
* November	16,730.76	18,367.28	17,880.00 P	16,500	-	17,880
Total	178,537.45	174,928.56	201,195.25	170,000	29,815	177,100
EDC Budget	170,000.00	170,000	170,000	170,000		177,100

P = Projected

Accruals	29,546.49	30,312.31	31,118.58
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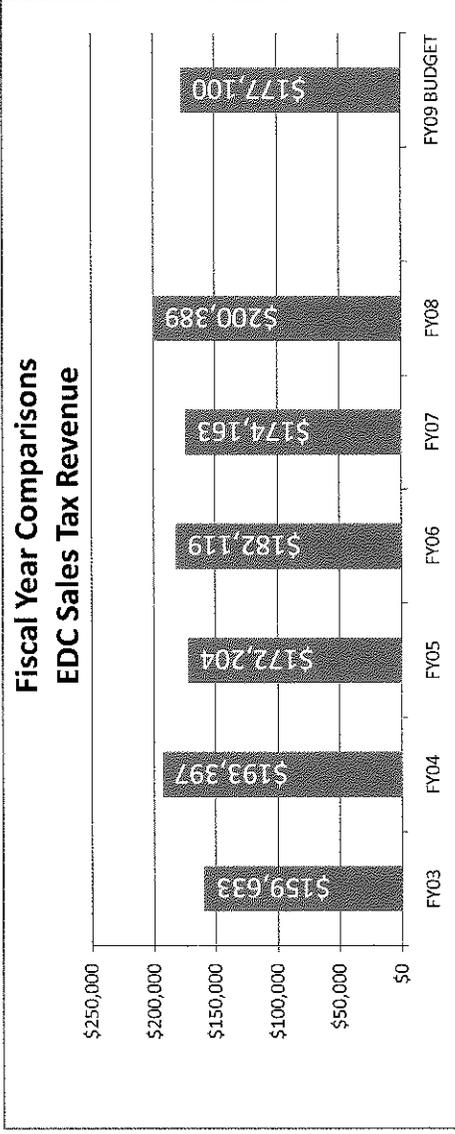
* Accrued at September 30:
(October & Nov. 20xx payments)

Sales Tax Revenues -- Current vs. Historical

		FY09 BUDGET				Total
		General	Street	EDC	Sales Tax	
		Fund			Revenue	
	26,000	6,502	13,000		45,500	
	35,775	8,946	17,880		62,600	
	29,314	7,333	14,652		51,300	
	25,657	6,416	12,825		44,900	
	36,057	9,017	18,025		63,100	
	23,145	5,787	11,570		40,500	
	26,057	6,516	13,025		45,600	
	37,375	9,346	18,685		65,400	
	30,400	7,602	15,200		53,200	
	24,857	6,216	12,420		43,500	
	35,086	8,774	17,540		61,400	
	24,575	6,145	12,280		43,000	
	354,300	88,600	177,100		620,000	

TOTAL RECEIPTS	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
OCT	26,391.95	40,487.18	38,742.11	45,342.09	50,525.68	57,937.74	44,855.05	41,807.61	46,335.03
NOV	64,130.67	71,837.42	49,111.32	83,619.69	58,370.89	58,010.69	66,219.16	64,285.49	
DEC	28,268.01	25,909.51	53,179.79	51,500.05	56,151.21	46,241.17	49,701.12	66,219.16	
JAN	25,800.61	26,174.10	37,728.62	41,455.94	66,941.56	45,405.06	37,091.21	55,297.11	
FEB	57,072.92	85,663.08	53,179.52	60,006.36	53,177.47	67,784.04	56,628.97	61,921.68	
MAR	30,639.24	30,284.97	44,595.97	41,176.31	50,382.27	43,618.57	36,708.27	48,224.85	
APR	24,981.77	182,129.50	49,165.88	46,673.88	52,103.43	43,434.52	44,798.82	43,172.65	
MAY	54,736.86	54,119.29	42,047.86	56,851.57	59,996.60	67,201.56	71,966.35	64,052.39	
JUN	63,039.78	37,033.51	29,300.48	99,602.83	35,936.39	51,148.64	49,076.13	61,293.24	
JUL	32,685.21	31,213.11	50,028.62	43,909.07	15,100.32	52,671.14	44,777.44	45,157.65	
AUG	58,563.42	42,982.73	68,224.03	67,241.25	56,014.89	58,877.83	69,805.00	69,430.27	
SEP	28,399.62	44,627.40	43,411.55	39,510.08	48,012.56	45,085.82	45,604.24	80,499.38	
Sum To-Date	494,710.06	672,461.80	558,715.75	676,889.12	602,713.27	637,416.78	609,570.27	701,361.48	46,335.03

ALLOCATIONS:	FY03	FY04	FY05	FY06	FY07	FY08	FY09 BUDGET
General Fund (0.0100)	319,766	386,794	344,408	364,238	348,326	400,778	354,300
Street Sales Tax (0.0025)	79,817	96,698	86,102	91,060	87,081	100,194	88,600
EDC (0.0050)	159,633	193,397	172,204	182,119	174,163	200,389	177,100
Total Revenues (0.0175)	558,716	676,889	602,713	637,417	609,570	701,361	620,000



Nassau Bay Economic Development Corporation
EDC Expense Register for FY2008
Unaudited
September 30, 2008

Payee	Date	Description	Check No.	Deposit	(Expenditure)	Bank Balance
Balance 10-01-07						4,289.51
Void	22-Oct		1019		-	4,289.51
City of Nassau Bay	22-Oct	Hilton Rent Aug-Sept-Oct	1020		300.00	3,989.51
City of Nassau Bay	22-Oct	Gregg & Gregg	1021		300.00	3,689.51
City of Nassau Bay	22-Oct	Chansen Publishing	1022		2,550.00	1,139.51
City of Nassau Bay	22-Oct	Hilton-Gloria Die Magazine	1023		900.00	239.51
City of Nassau Bay	22-Oct	BAHEP annaul banquet	1024		2,200.00	(1,960.49)
City of Nassau Bay	22-Oct	Transwestern July Aug Sept	1025		7,500.00	(9,460.49)
BAH Economic Partnership	22-Oct	FY07 membership	1026		15,000.00	(24,460.49)
BAH Economic Partnership	22-Oct	Aerospace Advisory Council	1027		410.00	(24,870.49)
City of Nassau Bay	30-Oct	Transfer from Investments	JE	30,000.00		5,129.51
City of Nassau Bay	28-Jan	Hilton Rent Nov-Dec-Jan	1028		300.00	4,829.51
City of Nassau Bay	28-Jan	Gregg & Gregg	1029		1,025.00	3,804.51
City of Nassau Bay	28-Jan	FY08 Administrative Services	1030		12,000.00	(8,195.49)
City of Nassau Bay	28-Jan	Debt Service for 2006 Tax Notes	1031		68,834.00	(77,029.49)
City of Nassau Bay	28-Jan	Transfer from Investments	JE	80,000.00		2,970.51
City of Nassau Bay	28-Apr	Hilton Rent Feb-Mar-Apr	1032		300.00	2,670.51
City of Nassau Bay	28-Apr	Gregg & Gregg	1033		950.00	1,720.51
City of Nassau Bay	28-Apr	Griffin Integrated Marketing	1034		22,383.92	(20,663.41)
City of Nassau Bay	28-Apr	Sandersen, Knox & Belt Auditing	1035		4,500.00	(25,163.41)
City of Nassau Bay	30-Oct	Transfer from Investments	JE	28,000.00		2,836.59
Bank Adjustment		Bank Adjustment		100.00		2,936.59
Void			1036		-	2,936.59
City of Nassau Bay	28-Jul	Gregg & Gregg	1037		1,950.00	986.59
City of Nassau Bay	28-Jul	TEDC Membership	1038		375.00	611.59
						611.59
Bank Balance 09-30-08						611.59
City of Nassau Bay	27-Oct	Transfer from Investments	JE	20,000.00		20,611.59
City of Nassau Bay	27-Oct	Gregg & Gregg	1039		850.00	19,761.59
City of Nassau Bay	27-Oct	BAHEP - Memberships	1040		15,000.00	4,761.59
City of Nassau Bay	27-Oct	BAHEP - Promotions	1041		2,435.76	2,325.83
Bank Balance 10-27-08						2,325.83
Consolidated Cash Equity 10-27-08						-
TexPool Investment Equity 10-27-08						189,421.26

Fund: 51 ECONOMIC DEVELOPMENT FUND

Period Ending: 09/2008

Account	Description	Year Budget	Month actual	Year To Date actual	Encumbrce	Pudget Balance	Percent Received
Department number: 1 Economic Development							
Program number:							
51-3020-01-00	Interest on Investments	4,000.00-	263.26-	3,712.86-		287.14-	92.822
51-3110-01-00	Sales Tax Revenue	170,000.00-	54,118.40-	201,195.25-	31,195.25		118.350
Subtotal:		174,000.00-	54,381.66-	204,908.11-	30,908.11		117.763
Program number:							
Department number: 1 Economic Development							
Department number: 99 FUND RESERVE							
Program number:							
51-9520-99-00	Prior Year Balance	58,594.00-				58,594.00-	
51-9525-99-00	End of Year Reserve	30,510.00				30,510.00	
Subtotal:		28,084.00-				28,084.00-	
Program number:							
Department number: 99 FUND RESERVE							
Revenue							
Subtotal -----							
Department number: 1 Economic Development							
Program number:							
51-5000-01-00	Administrative Expense	12,000.00		12,000.00			100.000
51-5001-01-00	Audit	4,500.00		4,500.00			100.000
51-5002-01-00	Promotion/Consulting	3,000.00		410.00		2,590.00	13.667
51-5003-01-00	Reserve	60,000.00				60,000.00	
51-5004-01-00	Training	1,000.00				1,000.00	
51-5005-01-00	Legal	5,000.00	1,950.00	3,925.00		1,075.00	78.500
51-5006-01-00	Memberships-BAHSP/TEBC	15,350.00	375.00	15,275.00		75.00	99.511
51-5109-01-00	Development Services	32,400.00		23,083.92		9,316.08	71.247
51-5110-01-00	Debt Service-2006 Tax Notes	68,834.00		68,834.00			100.000
Subtotal:		202,084.00	2,325.00	128,027.92		74,056.08	63.354
Program number:							
Department number: 1 Economic Development							
Expenditure							
Subtotal -----							
Department number: 1 Economic Development							
Expenditure							
Subtotal -----							

City of Nassau Bay
Balance Sheet
Period Ending: 09/2008

Fund: 51 ECONOMIC DEVELOPMENT FUND

Account Number	Description	Debit	Credit
51-1010-01-00	CASH	42,837.04	
51-1013-01-00	CASH-EDC Bk of America	611.59	
51-1032-01-00	INVESTMENTS	133,345.64	
51-1135-01-00	SALES TAX RECEIVABLE	31,118.58	
51-2420-01-00	EDC Reserved Fund Balance		-50,000.00
51-2520-01-00	FUND BALANCE		-81,032.66
	Current Year Revenue/Expense		-76,880.19
	Fund totals:	207,912.85	207,912.85

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

10/10/07

**OFFICER INFORMATION
ECONOMIC DEVELOPMENT CORPORATION**

OCTOBER 2007

Officers are re-elected as follows:

President	Don Matter
Vice President	Ron Swofford
Secretary	David Braun
Treasurer	Mark Denman

Directors	Gary Mossman
	Joe Murdock
	George Dempsey

MAY 10, 2008

Brad Bailey is elected to Position 4 on City Council, thereby becoming a member of the EDC and replacing David Braun.

JUNE 9, 2008

Council ratifies appointment of the following directors by virtue of their service on Council:

Don Matter	term to expire May 2010
Ron Swofford	term to expire May 2009
Brad Bailey	term to expire May 2010
Mark Denman	term to expire May 2009

Council ratifies current additional directors as:

Gary Mossman	term to expire May 2009
George Dempsey	term to expire May 2009

Council reappoints current additional director:

Joe Murdock	term to expire May 2010
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July 28, 2008

Joe Murdock is elected Secretary (position formerly held by David Braun).