

July NBEDC Treasurer's Report

July 21th, 2022

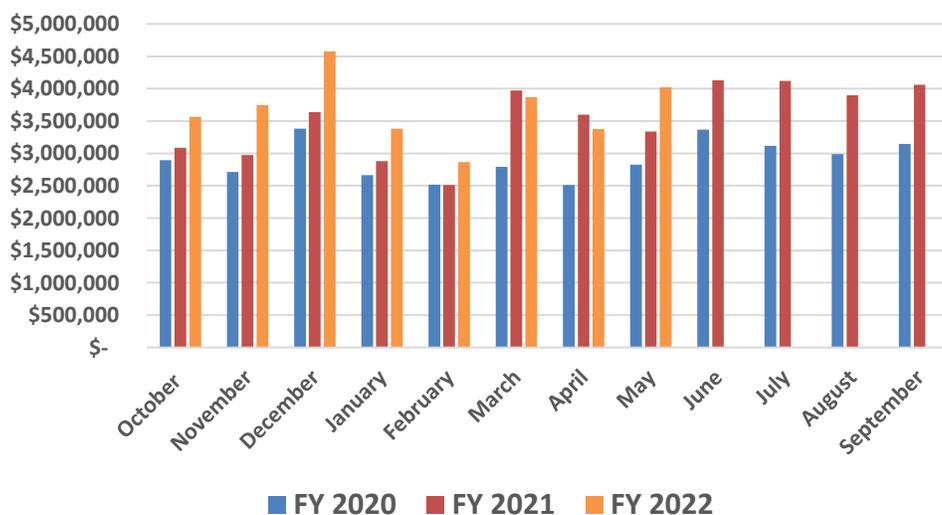
Overview

The Monthly treasurer's report provides updates on sales tax performance, projected revenue streams and projected commitments and timing of expenditures. The financial commitments of the NBEDC typically span multiple fiscal years; therefore, the report is formatted to project the financial position of the NBEDC over the next five years.

Sales Tax

Sales tax collections for the month of May increased by 20.5%. When the various adjustments are removed, current collections decreased by 1.7%. The delta is driven entirely by a positive audit of approximately \$642,000 included in the total payment. Fiscal year to date, sales taxes are still up 13.1%. As discussed in previous meetings, as of February, we are no longer receiving sales taxes from HD supply, which had been the largest single remitter of sales tax revenue. Therefore, the net variance of a positive 1.7% is a positive sign for sales tax collections moving into the summer season.

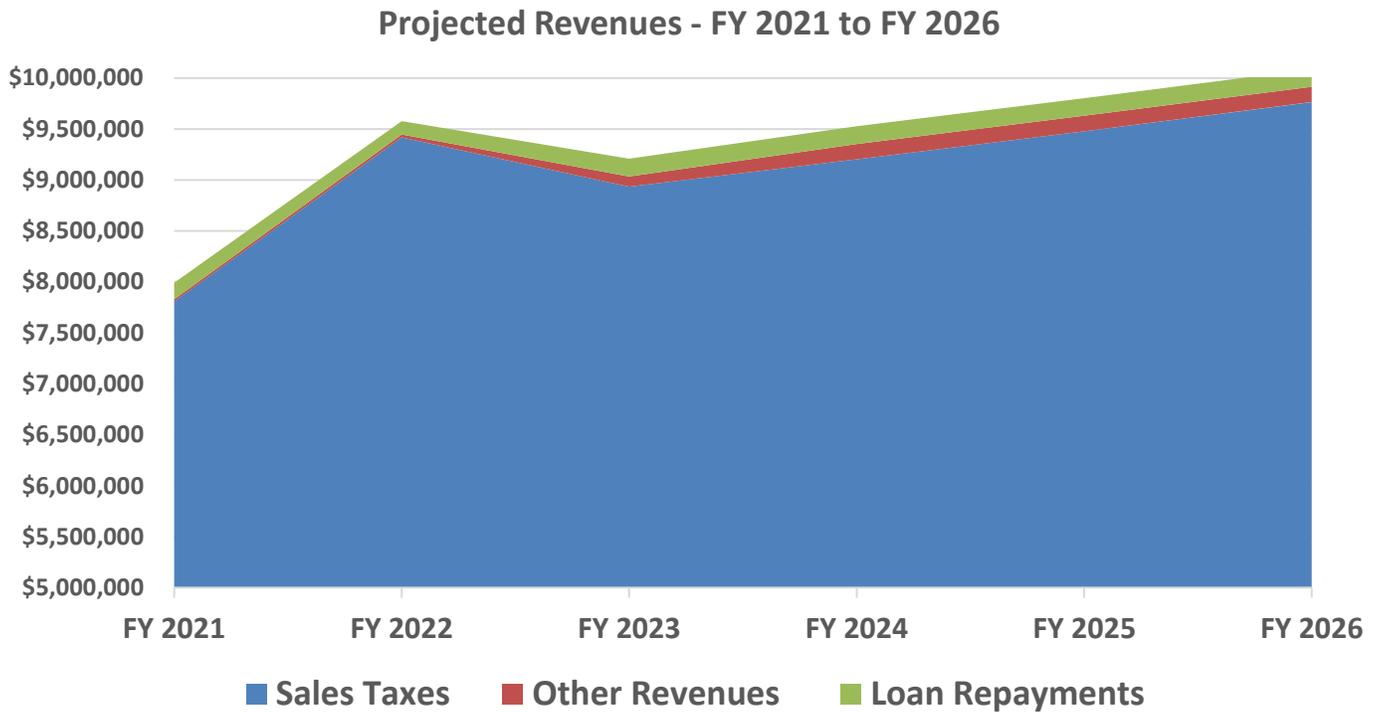
Gross Sales Tax Collections



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Revenues



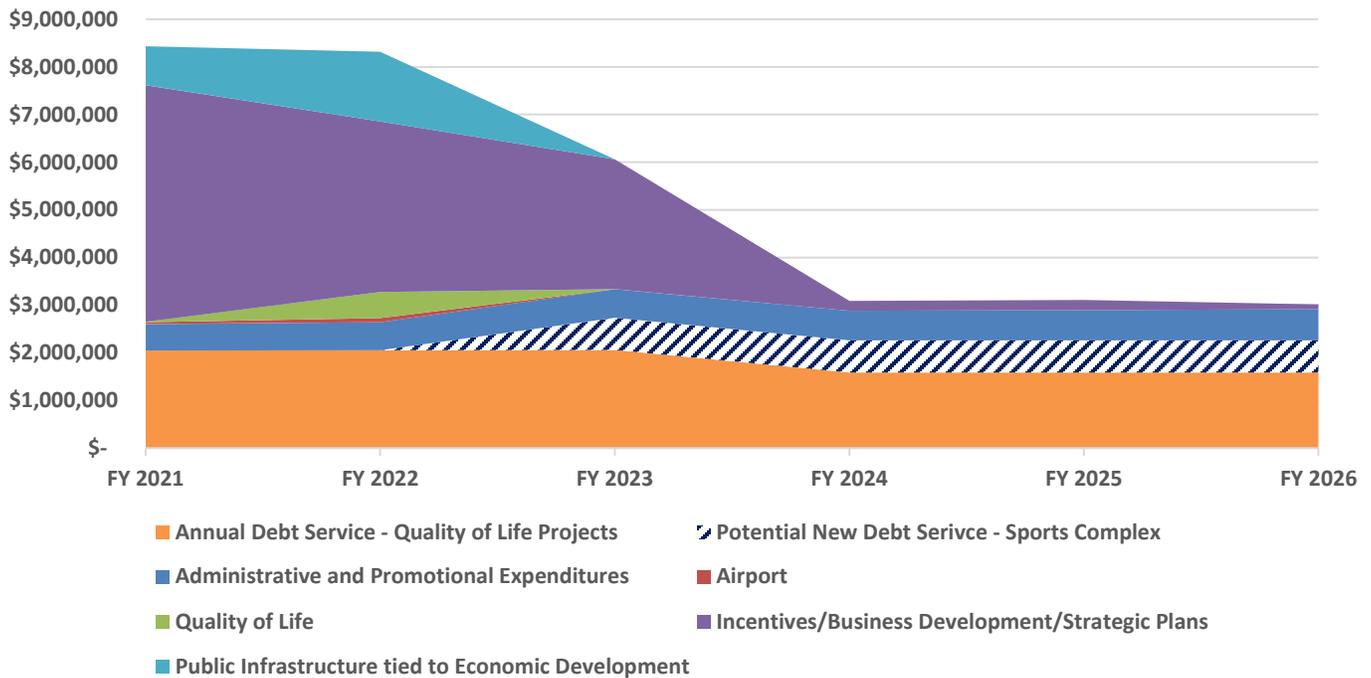
Revenue Projections	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Sales Taxes	\$7,806,626	\$9,417,857	\$8,935,244	\$9,203,302	\$9,479,401	\$9,763,783
Interest Earnings	\$21,931	\$30,000	\$100,000	\$150,000	\$150,375	\$150,751
Loan repayments/reimbursements	\$161,687	\$128,954	\$172,954	\$172,954	\$172,954	\$172,954
Total Revenues	\$7,990,244	\$9,576,811	\$9,208,198	\$9,526,256	\$9,802,730	\$10,087,488

Sales Taxes - the graph and table above reflects the projected impact to sales tax collections from the loss of sales taxes stemming from HD supply, which is scheduled to begin, February 2022. Anecdotally, inflation and other factors impacting the sales tax base seems to be mitigating the majority of those previously mentioned losses.

Loan Repayments – The NBEDC is scheduled to begin receiving loan repayments from the New Braunfels Regional Airport in FY 2022 (ten year) and ASA properties in FY 2023 (five years with a balloon payment in year six).

Total NBEDC Expenditures – Current Commitments

Current Commitment Projections - FY 2021 to FY 2026

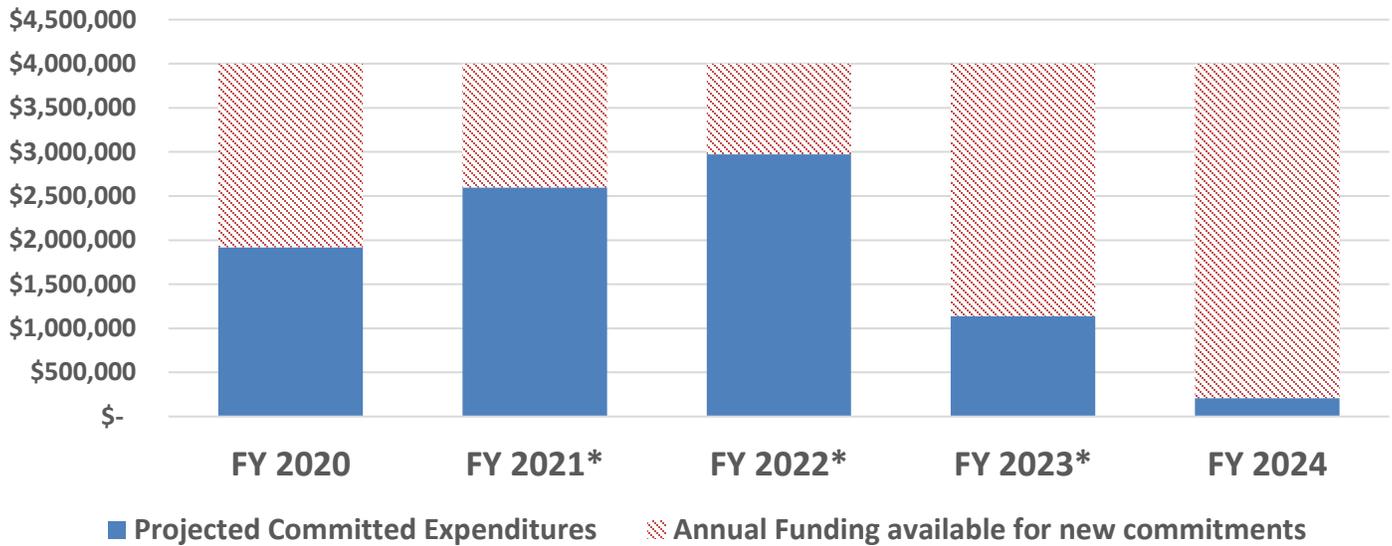


Current Commitments	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Admin/Promotional Expenditures	\$557,609	\$584,525	\$602,061	\$620,123	\$638,726	\$657,888
Airport	\$37,405	\$87,478	\$0	\$0	\$0	\$0
Quality of Life	\$9,664	\$546,945	\$0	\$0	\$0	\$0
Incentive/Business Development/Strategic Plans	\$4,962,153	\$3,077,499	\$3,223,226	\$210,576	\$213,576	\$96,576
Public Infrastructure tied to Economic Development	\$818,569	\$1,461,384	\$0	\$0	\$0	\$0
Annual Debt Service	\$2,047,719	\$2,057,494	\$2,060,919	\$1,587,044	\$1,586,294	\$1,588,884
Potential Debt Service			\$672,157	\$672,157	\$672,157	\$672,157
Total Expenditures	\$8,433,119	\$7,815,325	\$6,558,362	\$3,089,900	\$3,110,753	\$3,015,465

Projections above include all current commitments of the NBEDC – including those most recently approved (Tito's and removal of PNC Bank). The only exception to that is the additional debt service associated with the sports complex. This month's report includes recognition of additional debt service payments to illustrate how that would impact the NBEDC's cash flow if the remaining commitment was funded with debt proceeds (\$10 million)

Annual Capacity for New Commitments

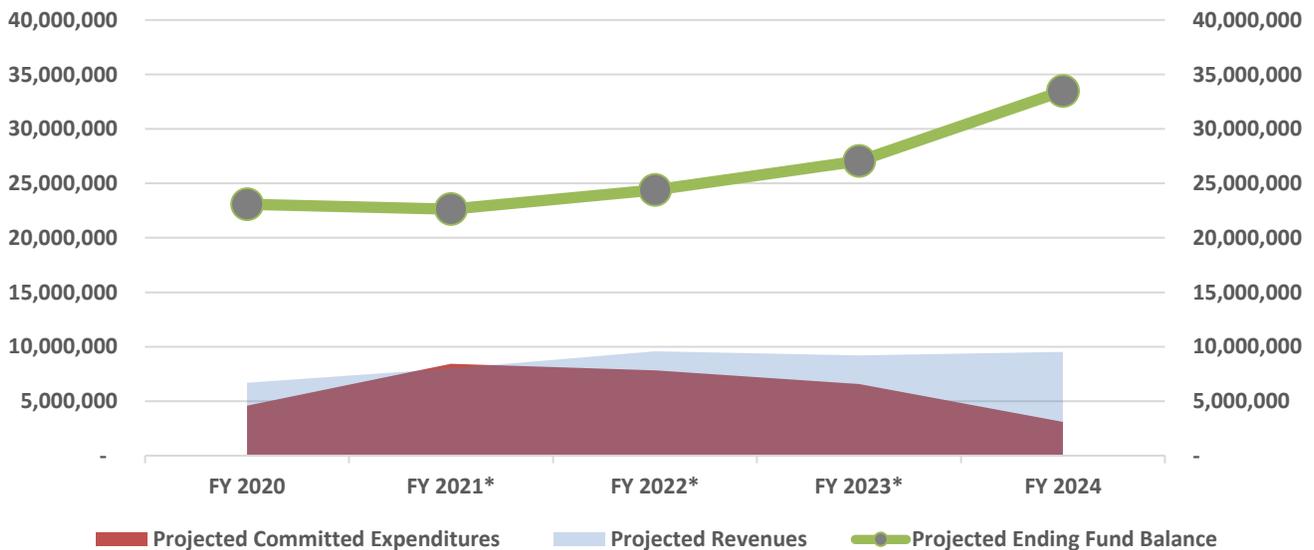
Projected Capacity for Annual Projects Expenditures
Incentives, Professional Services/Studies, Contributions, etc.



*The graph above assumes that the land grant associated with Continental Automotive (FY 2021), Brauntex (FY 2022), Headwaters (FY 2022) and UPRR (FY 2023) is supported by surplus reserves.

Financial Summary – Revenues, Committed Expenditures and projected Fund Balance (reserves)

Revenues, Expenditures and Ending Fund Balance



*The graph above does not include current non-cash assets such as land and equipment

The graph above summarizes estimated revenues, committed expenditures and changes to fund balance/Reserves (only based on current commitments).

Appendix A: Proposed Budget

City of New Braunfels
 New Braunfels Economic Development Corporation
 Fiscal Year Ending September 30, 2023

Fund: 212

Available Funds	FY 2021 Actual	FY 2022 Estimate	FY 2023 Proposed Budget
Beginning Balance			
Undesignated Funds	\$ 23,037,987	\$ 22,595,112	\$ 24,356,598
Total Beginning Balance	\$ 23,037,987	\$ 22,595,112	\$ 24,356,598
Revenue			
Sales Taxes	\$ 7,806,626	\$ 9,417,857	\$ 8,935,244
Interest Income	21,931	30,000	100,000
Loans, Contributions and Reimbursements	161,687	128,954	172,954
Total Revenue	\$ 7,990,244	\$ 9,576,811	\$ 9,208,198
TOTAL AVAILABLE FUNDS	\$ 31,028,231	\$ 32,171,923	\$ 33,564,797
APPROPRIATIONS			
Administrative and Promotional Expenditures	\$ 557,609	\$ 584,525	\$ 602,061
Airport	37,405	87,478	-
Quality of Life	9,664	546,945	-
Incentives/Business Development/Strategic Plans	4,962,153	3,077,499	3,223,226
Public Infrastructure tied to Economic Development	818,569	1,461,384	-
Annual Debt Service	2,047,719	2,057,494	2,060,919
TOTAL OPERATING APPROPRIATIONS	\$ 8,433,119	\$ 7,815,325	\$ 5,886,205
Ending Fund Balance	\$ 22,595,112	\$ 24,356,598	\$ 27,678,591
TOTAL APPROPRIATIONS	\$ 31,028,231	\$ 32,171,923	\$ 33,564,797

Appendix B: 2023 Bond Project Evaluation

- August Workshop – Presentation on NBEDC eligible 2023 Bond Projects
- Early August – NBEDC members complete project ranking and return to City Staff
- Regular August Meeting – NBEDC presented results from project ranking exercise
 - o Establishes consensus on priority list of NBEDC eligible projects
- Late September – Joint Workshop with City Council to determine potential options for fiscal participation in eligible 2023 bond projects.