ECONOMIC DEVELOPMENT STRATEGIC PLAN 2024-2028

Nederland
Economic Development Corporation



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MESSAGE FROM THE EXECUTIVE DIRECTOR



The future of Nederland is not something we are waiting on—it is something we are actively building.

With the guidance of our 2024–2028 Economic Development Strategic Plan, we are laying the foundation for sustained growth, opportunity, and prosperity—not just for today, but for generations to come. This plan is more than a document; it is a commitment to our community and to every citizen we serve across Nederland and Jefferson County.

None of this progress happens by chance. It is driven by the dedication, expertise, and integrity of our Nederland EDC staff and Board of Directors, whose work continues to turn vision into reality. Our mission is clear: strengthen businesses, create jobs, and expand opportunity. We are focused on retaining and growing the businesses that call Nederland home, while also attracting new investment that fuels our economy. Strong economic development drives sales tax, and strong sales tax drives a stronger city.

For more than a decade, the Nederland EDC has built a solid financial foundation—one that allows us to invest in beautification, revitalize neglected areas, and provide meaningful incentives that bring new business and industry to our community. We are transforming spaces, restoring pride, and creating an environment where growth is not only possible—it is inevitable. From the construction of our new downtown arch to continued investments in retail and quality-of-life projects, we are shaping a city that people are proud to call home. A city that offers opportunity for all ages. A city that is moving forward with purpose.

Our approach is holistic and intentional. We are committed to workforce development, economic growth, improved quality of life, and removing barriers that stand in the way of success. This is not a short-term effort—this is a long-term vision to build the strongest community and region possible. And we will not do it alone. We are committed to working alongside our federal, state, county, and local partners to bring this vision to life.

We are not just planning for the future—we are defining it. And together, we will build a model of success that others will strive to follow.

Kay DeCuir, B.S., M.ED.

Executive Director 2013 - present

Introduction

The following Strategic Plan was launched October 1, 2024 and will be reviewed on an annual basis by the Nederland EDC Board of Directors and staff. This document should be viewed as a living tool and catalyst for action.

Progress plans should be reviewed bi-annually by the Nederland EDC Board of Directors and staff and will be updated on a regular basis in response to the evolving needs of the community.

A fundamental role of an organization is to set direction through a clearly defined mission and vision. Additional core values and principles are defined through history, story sharing and the detailed workings of the organization. All will be used for decision-making to guide and anchor the Nederland Economic Development Corporation for the future.



Anthony Toups - President
Classic Acura



Kasey Taylor - Vice President
RT Technical



Stephen Hemelt
HB Neild



David Wedgeworth



Billy Neal
Retired Nederland Police Chief



Pam Berry
First Financial Bank



Jeff Darby
Consultant and Mediator
at JP Darby Services, LLC.
Nederland Mayor



Kay DeCuir
Executive Director



Maggie Coleman
Administrative Assistant



Cheryl Dowden
Finance Manager



James Wimberley
Attorney

COPY

The State of Texas

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT
OF

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION
CHARTER NUMBER 1349786-01

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Amendment for the above Development Corporation duly signed and verified pursuant to the provisions of the Development Corporation Act of 1979, have been received in this office and are found to conform to law.

ACCORDINGLY, the undersigned, as such Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment and attaches hereto a copy of the Articles of Amendment.

Dated: April 12, 1996

THE STATE OF TEXAS

DLU

Antonio O. Garza, Jr.
Secretary of State

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: JUN 10 1998

NEDERLAND ECONOMIC DEVELOPMENT
CORPORATION
P.O. BOX 967
NEDERLAND, TX 77627

Employer Identification Number:
76-0481685
Case Number:
756158064
Contact Person:
ANNETTE SMITH
Contact Telephone Number:
(214) 767-6023
Accounting Period Ending:
September 30
Form 990 Required:
Yes
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(3) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(3) organization.

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

The Nederland Economic Development Corporation was incorporated June 1996 as a 501(c)(3) non-profit by the Internal Revenue Code. The Nederland Economic Development Corporation is a Type B Corporation. Nederland EDC has been in existence for 29 years.

Type B Corporations: The Texas Legislature adopted the Development Corporation Act of 1979 to give cities the ability to raise funds and finance economic and community development efforts through the creation of economic development corporations. The Texas Local Government Code chapters 501, 504, and 505 define the scope of economic development corporations. Corporations are either identified as “Type A” or “Type B” organizations depending on the authority approved by the voters as included in the election ballot language and by the type of sales tax revenue uses approved by the voters.

Type B EDCs created by cities with a population of 20,000 or less and those classified as landlocked communities may use sales tax proceeds to fund projects that promote new or expanded business development that do not create or retain primary jobs. A landlocked community must be located in either Harris or Dallas counties and have less than 100 acres within its city limits and extraterritorial jurisdiction zoned for manufacturing or industrial facilities

VISION/ MISSION / VALUES

Economic Development

Vision

To be the Premier EDC in Jefferson County for economic growth through business retention, expansion, workforce development, job creation, education, property and sales tax generation.

Mission

To enhance the quality of life in Nederland by attracting and growing primary retail and industry jobs, increasing sales tax revenue, increasing property tax revenue while leveraging community investment, supporting a positive business climate, and promoting and assisting businesses.

Values

Collaboration: Lead and work collectively with our local, state and federal partners.
Excellence: Commit to enhancing the economic landscape today and for the future.
Equity: Invest in best practices that support the policies, practices and behaviors that support our community partners.
Innovation: Commit to the quality of life for the next generations which include jobs and careers for entrepreneurs, sustaining employment, gainful sales and property tax, and superior education for trades and secondary school programs.

STRATEGIC ALIGNMENT

Strategic Annual Goals

PRIDE GRANT- continue to budget $120,000.00 annually in beautification grants for businesses by funding up to $10,000.00 for signage, landscaping, and exterior façade improvements. Incentives are available to help offset the cost of parking lot improvements, including expansion and striping.

COST BUSINESS ANALYSIS (CBA) INCENTIVE- continue to offer large grants over $10,000.00 for businesses who are creating a large number of jobs moving to Nederland, or expanding their current service or product offerings, building from the ground up, and who are taking properties and placing them back on the tax rolls to create increased income to the city.

DISASTER LOANS- continue to budget annually $750,000.00 to help businesses get back on their feet after a hurricane or major catastrophic event. (COVID LOANS in 2020)

S W A T ANALYSIS
STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

STRENGTHS

A main artery 94 miles from Houston, Texas and 62 miles from Lake Charles, Louisiana.

A rich history and pride dating back to 1897.

A strong sense of involvement, passion, interest and commitment for the community.

A strong faith-based community.

A diverse and growing community.

A business - friendly community.

Small Business is our strength!

Family friendly parks - Doornbos Heritage Park, Carl "Cropo" LeBlanc Park, "Tex" Ritter Historical Park, Homer Nagel Park, Rienstra Heritage Park, South 5th Street Park, Veteran's Memorial Park.

Museums- The Dutch Windmill Museum and La Maison Acadienne Home.

A Texas Education Agency (TEA) Grade A School District, Nederland ISD.

(Strengths Continued)

Partners with Lamar University Beaumont, Lamar State College Port Arthur, Lamar State College Orange and Lamar Institute of Technology.

Located within 10 miles of the Port of Beaumont. The Port of Beaumont is the fourth busiest port in the United States in terms of tonnage processed, and the busiest military port in the world for processing U.S. military equipment. The Port of Beaumont serves as headquarters to the U.S. Army's 842nd Transportation Battalion.

Located within 8 miles of the Port of Port Arthur. The Port of Port Arthur is a world class Texas port reaching global markets throughout the world. The port is in close proximity to the Gulf of Mexico located on the Sabine Neches Waterway that connects the world to inland waterways, highways, railroads and pipelines throughout North America.

Surrounded by Highway 69, Highway 347, and less than 5 miles to Interstate 10.

Approximately 1 mile from Jack Brooks Regional Airport.

Located less than 8 miles from the Canadian Pacific Kansas City Railroad (CPKC).

WEAKNESSES

Land locked community.
Competition with Beaumont and Port Arthur.
Airport Land for lease - not for sale.
Lack of adequate funding to move forward with projects and community needed revitalization due to loss of ¼ budget revenue.
Age Demographics.
Limited Resources for Startups.

OPPORTUNITIES

Support economic community revitalization efforts and strategies by providing a better quality of life experience.
Secure funding for economic development through grant writing.
Expand awareness of the NEDC.
Create new communication channels. Build relationships with all local media.
Build a partnership with the City of Nederland Leadership and City Council.
Continue the strong partnership with Jefferson County Commissioners.
Increase local resident and stakeholder engagement.
Build a stronger partnership with the faith-based community.
Transportation Systems.
Human Capital.

THREATS

Housing more rental properties than single family dwellings in the city limits.
Lack of code enforcement in the city limits for parking and housing maintenance.
Loss of workforce.
Social Media negative bloggers and influencers.
Decreased sales tax.

CURRENT PROJECTS

1. Adopt a balanced budget- July 2024 – COMPLETE, July 2025- COMPLETE, July 2026- COMPLETE
2. Off Boston Development- completion date 2024 – July-COMPLETE
3. CBA Monitoring of NEDC Clients –UP TO DATE
4. Pride Beautification Incentives 2024- COMPLETE, 2025- COMPLETE, 2026- IN PROGRSS
5. Covid Grant workshops - August 6, 2024 and March 19, 2026- COMPLETE
6. 1311 Boston Avenue - Event Center in process for abatement COMPLETE 4/2025
   CITY ORDINANCE HAS TO BE ESTABLISHED/FAILED
7. Commercial Advertising for NEDC events and holidays 2024- COMPLETE, 2025- COMPLETE, 2026- READY TO RUN
8. Nederland EDC Fall Market Day - October 19, 2024 – COMPLETE, October 18, 2025- COMPLETE, October 17, 2026- COMPLETE
9. Nederland EDC Concert Series - September 5,12,19 and October 3 (Sept. 5 was rescheduled to Oct.3 due to weather) – COMPLETE
   October 2025- COMPLETE, October 2026- COMPLETE
10. Nederland EDC Business Recognition Events - October 22 and October 29, 2024- COMPLETE, February 19, 2026 -COMPLETE
11. Cost of Living Index - Regional production for all EDCs in the surrounding 5 counties- QUARTERLY EACH YEAR
12. Twelve Days of Christmas Giveaway - December 2024 – COMPLETE, December 2025- COMPLETE, December 2026- IN PROGRESS
13. Fiberglass Shoe Project – GOING WELL, CONTINUES INTO 2027
14. Off Boston Open House for REALTORS and Community – COMPLETE 2/27/25, CHANGED BROKERS (POTENTIAL CONTRACTS)
15. NEDC Economic Forum, March 18, 2025- COMPLETE, March 17, 2026-COMPLETE
16. NEDC Emergency Management Workshop- July 16, 2026- COMPLETE
17. 1111 BOSTON AVENUE- CLOSED JULY 23, 2026
18. Airport Development Meetings- PROGRESSING, MEETINGS HELD ON NOVEMBER 18, 2025, JUNE 24, 2026, AUGUST 4, 2026

Nederland Economic Development Corporation (NEDC)
Board Report: Program & Project Status Update

Reporting Period: 2024–2025 Fiscal Year

Overview

During the 2024–2025 reporting period, the Nederland Economic Development Corporation successfully completed the majority of its planned initiatives, maintained fiscal responsibility, and continued progress on long-term economic development projects. Programming focused on business support, community engagement, event activation, and regional collaboration.

Financial & Governance

- **Balanced Budget Adopted** – *Completed July 2024*
- **CBA Monitoring of NEDC Clients** – *Ongoing; currently up to date*

Development & Infrastructure

- **Off Boston Development** – *Completed July 2024*
- **1311 Boston Avenue – Event Center Abatement** – *Completed April 2025*
  - *Next Step: City ordinance establishment required. City Council failed to adopt an ordinance for an Event Center.*
- **Fiberglass Shoe Project** – *Progressing well; continuing through 2025–2026- sold 17 to businesses*

Business & Economic Development Initiatives
Cost of Living Index – Regional production for EDCs in five surrounding counties; ongoing quarterly
NEDC Economic Forum – March 18, 2025; completed
Business Recognition Events – October 22 and 29, 2024; completed
Off Boston Open House (REALTORS® & Community) – Completed February 27, 2025

Community Engagement & Events
Pride Beautification Incentives (2024-2025) – Completed
Commercial Advertising for NEDC Events & Holidays (2024-2025) – Completed
Nederland EDC Fall Market Day – October 19, 2024; completed
Nederland EDC Concert Series – September 2024 and October 2025; completed
(One event rescheduled due to weather)
Twelve Days of Christmas Giveaway – December 2024; completed

Grant & Workshop Programming
COVID Grant Workshops – Originally scheduled August and November 2024; rescheduled to 2025

Summary
NEDC successfully achieved substantial completion of its 2024 goals while building momentum on key strategic initiatives for 2025–2026. Notable accomplishments include budget adoption, completion of major development projects, well-attended community events, and strengthened regional economic partnerships. Looking ahead, priorities include advancing ordinance development for the 1311 Boston Avenue Event Center and delivering rescheduled grant workshops.

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ANNUAL PROJECTS

1. Adopt a balanced budget July 2025 COMPLETE, July 2026, July 2027
2. Continue to monitor CBA Clients on a quarterly basis. CURRENT UP TO DATE
3. Pride Beautification Incentives 2025, 2026, 2027
4. Nederland EDC Fall Market Day October 18, 2025- COMPLETE, October 17, 2026 COMPLETE, October 16, 2027
5. Nederland EDC Concert Series October 2025- COMPLETE, 2026- COMPLETE, 2027
6. Nederland EDC Business Recognition Event October 2024 and February 2026- COMPLETE
7. Quarterly Cost of Living Index- Regional production for all EDCs in the surrounding 5 counties.
8. Covid Grant workshops 2024 and 2026 (NEDC Economic Forum, March 18, 2026)- COMPLETE
9. Commercial Advertising for NEDC events and holidays 2025- COMPLETE, 2026- IN PROGRESS, 2027
10. Twelve Days of Christmas Giveaway December 2025- COMPLETE, 2026- IN PROGRESS, 2027

NEDERLAND
2024 Demographic Overview

NEDERLAND EDC

POPULATION

Total Population Estimate: 17.938
Growth Rate 2010-2020: 5.01%
Growth Rate 2020-2024: -4.87%
Growth Rate 2024-2029: -2.33% projected
Average Household Size: 2.48
Median Age: 38.83

Average Household Income 2023: $95,973.00
Average Household Income 2024: $96,083.00

HOUSING

Number of Dwelling Units: 7,998
Owner occupied: 4,964 68.67%
Renter occupied: 2,265 31.33%

Median Home Price 2024: $181,109.00
Median Home Price 2023: $164,224.00

BUSINESS

Total Employed: 9,001
Not in Labor Force: 4,900
Self-Employed: 459
Unemployment rate: 1.64%

EDUCATION

Some College: 27.26%
Associate Degree: 13.72%
Bachelor's Degree: 17.12%
Master's Degree: 4.77%
Doctorate Degree: 0.76%

Jefferson County Data
1000+ Employees

BAPTIST HOSPITALS OF SOUTHEAST TEXAS

CHEVRON PHILLIPS

CHRISTUS SOUTHEAST TEXAS HEALTH SYSTEM

TOTAL PETROCHEMICALS USA

ENTERGY TRANSFER PARTNERS *********NEDERLAND

EXXONMOBIL CORPORATION

FIRESTONE

HUNTSMAN

JEFFERSON COUNTY COURTHOUSE

LAMAR UNIVERSITY

SUNOCO**********NEDERLAND

VALERO PORT ARTHUR OIL REFINERY

WALMART SUPERCENTER

500-999 Employees

Air Liquide **********NEDERLAND
Arkema
Brock Enterprises
Dow – Beaumont
En Global Engineering
Exxonmobil Chemical
Flint Hills
Hargrove Engineers + Constructors****NEDERLAND
Helena Laboratories
Honeywell
Invista
Jefferson Energy
Lanxess
Linde's **********NEDERLAND SITE
Medical Center Of Southeast Texas
Ohi
Ohmstede
Optimus Steel
Sanserve Building Service
Shenzhen Boqiang International Electronic

100-499 Employees

Ab Clean Industrial Service
Algorip
American Valve & Hydrant
Apac-Texas - Trotti & Thomson Division
Basf Corp. - Beaumont Agricultural Products Plant
Beaumont Coca-Cola Refreshments
Beaumont Sewer Department
Brock Services
C & D Robotics
Coburn Supply
Delta Security
Dillard's
Drago Supply
Dragon Products
Echo Maintenance
Furmanite Technical Solutions - Beaumont
Goodwill Industries Rehabilitation Services
Gulf Coast Fabricators
Gulf Coast Machine & Supply
Harbor Hospital-Southeast Tx
Healthsouth Rehabilitation Hospital Of Beaumont

100-499 Employees Continued

HMT Tank Service
Holiday Inn
Home Depot
Kinsel Motors
Knights Of Columbus
Kroger Deli
Lamar Institute Of Technology
Land Manor
Lion Elastomers
M & M Industrial Service
M&I Electric Industries
Marine Fueling Service
Market Basket**********NEDERLAND
Mason Construction
Metalforms Manufacturing
Mike Smith Auto Plaza
Pappadeaux Seafood Kitchen
Pat Tank
Patriot Security**********NEDERLAND
Performance Blastings & Coating
Philpott Ford/Toyota Sales********** NEDERLAND

100-499 Employees Continued

Port Arthur Chemical Plant
Prime Electrical Employment
Printpack
Provost & Umphrey Law Firm
Renal Center Of Beaumont
Securitas Security Services USA
Signature Industrial Services
Southeast Texas Classic Automotive
Southeast Texas Medical Associates
Sprint Safety
T & D Solutions
Target
Total Safety
TPC Group
Veoila Environmental Service
Volkswagen of Beaumont

Goals for 2024-2025

COMMUNITY REVITALIZATION, BEAUTIFICATION AND INFRASTRUCTURE

Goal 1: Foster ownership, pride and investment in the Nederland community to ensure all residents and business owners have access to quality of life events, education, a range of community amenities, meaningful jobs and a safe community in which to live.

Expected Outcomes:
Community voice and input will be elevated in a positive tone.
Residents and businesses will have access to support services through community non-profit organizations, the City of Nederland, Nederland Chamber of Commerce and the Nederland EDC.
Ownership and pride will increase in the community of Nederland, Texas.
Nederland EDC will serve as a conduit to keep investments in the Nederland community.

Year One Strategies, 2024-2025- COMPLETE
1.1 Maintain an inventory of updated demographics and community information for Nederland.
1.2 Engage community members in identifying community needs and providing recommendations and input to support redevelopment efforts and economic development projects.

- Host small informal community listening sessions (build into existing NEDC meetings) and share with all stakeholders of the community.
- Host small informal business listening sessions (build into existing NEDC meetings) and share with all stakeholders of the community.
- Utilize community surveys (mail-outs, emails and hand delivered to businesses).


NEDERLAND


NEDERLAND


NEDERLAND


WELKOM TO
NEDERLAND




NEDERLAND


NEDERLAND




NEDERLAND




FOR SALE
COMMERCIAL RETAIL
409-729-1020


FOR SALE
COMMERCIAL RETAIL
409-729-1020


FOR SALE
COMMERCIAL RETAIL
409-729-1020

Goals for 2025-2026

COMMUNITY REVITALIZATION, BEAUTIFICATION AND INFRASTRUCTURE

Goal 1: Foster ownership, pride and investment in the Nederland community to ensure all residents and business owners have access to quality of life events, education, a range of community amenities, meaningful jobs and a safe community in which to live.

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Ownership and pride will increase in the community of Nederland, Texas.
Nederland EDC will serve as a conduit to keep investments in the Nederland community.

Year Two Strategies, 2025-2026
1.1 Maintain an inventory of updated demographics and community information for Nederland.
1.2 Engage community members in identifying community needs and providing recommendations and input to support redevelopment efforts and economic development projects.

- Host small informal community listening sessions (build into existing NEDC meetings) and share with all stakeholders of the community.
- Host small informal business listening sessions (build into existing NEDC meetings) and share with all stakeholders of the community.
- Utilize community surveys (mail-outs, emails and hand delivered to businesses).

Goals for 2026-2027

COMMUNITY REVITALIZATION, BEAUTIFICATION AND INFRASTRUCTURE

Goal 1: Foster ownership, pride and investment in the Nederland community to ensure all residents and business owners have access to quality of life events, education, a range of community amenities, meaningful jobs and a safe community in which to live.

Expected Outcomes:
Community voice and input will be elevated in a positive tone.
Residents and businesses will have access to support services through community non-profit organizations, the City of Nederland, Nederland Chamber of Commerce and the Nederland EDC.
Ownership and pride will increase in the community of Nederland, Texas.
Nederland EDC will serve as a conduit to keep investments in the Nederland community.

Year Three Strategies, 2026-2027
1.1 Maintain an inventory of updated demographics and community information for Nederland.
1.2 Engage community members in identifying community needs and providing recommendations and input to support redevelopment efforts and economic development projects.

- Host small informal community listening sessions (build into existing NEDC meetings) and share with all stakeholders of the community.
- Host small informal business listening sessions (build into existing NEDC meetings) and share with all stakeholders of the community.
- Utilize community surveys (mail-outs, emails and hand delivered to businesses).

OUTREACH, EDUCATION AND COMMUNICATION

Goal 2: Serve as an advocate and voice for the community through information sharing, awareness, partnerships, and engaging residents as positive change agents.

Expected Outcomes:
Community and business members will be better informed about resources and events.
Nederland EDC Board of Directors and staff will be better known throughout the community

Year One Strategies, 2024-2025

2.1 Create an integrated marketing and communications plan.
- Create a tag line and elevator speech to promote Nederland EDC.
- Enhance the Nederland EDC social presence, Facebook, Linkedin and Instagram.
- Update the Nederland EDC website.

2.2 Launch an Advisory Committee to enhance communications and engagements.

2.3 Develop and foster positive media relationships.
- Compile a list of local print advertisers, radio, and media contacts.
- Create and provide feature stories and solicit onsite interviews.
- Respond to all media opportunities.

2.4 Continue to attend and participate in all community events when possible.

OUTREACH, EDUCATION AND COMMUNICATION

Goal 2: Serve as an advocate and voice for the community through information sharing, awareness, partnerships, and engaging residents as positive change agents.

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Community and business members will be better informed about resources and events.
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Year Two Strategies, 2025-2026

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Year Three Strategies, 2026-2027

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FINANCIAL SUSTAINABILITY

Goal 3: Diversify and grow revenue to support the operations of the Nederland EDC.

Expected Outcomes:
Financial resources will be available to implement PRIDE and CBA Incentives in the strategic plan.
Nederland EDC supporters will be expanded.

Year One Strategies, 2024-2025

3.1 Secure and grow the sales tax for the City of Nederland.

- Research available grants .
- Host a fundraiser using the Fiberglass Shoe Project.

3.2 Build the capacity in the Nederland EDC Board of Directors and staff to actively support fundraising efforts.

- Identify clear roles for staff and the Board of Directors in fundraising.

FINANCIAL SUSTAINABILITY

Goal 3: Diversify and grow revenue to support the operations of the Nederland EDC.

Expected Outcomes:
Financial resources will be available to implement PRIDE and CBA Incentives in the strategic plan.
Nederland EDC supporters will be expanded.

Year Two Strategies, 2025-2026

3.1 Secure and grow the sales tax for the City of Nederland.

- ***SECURED THE HIGHEST SALES TAX IN THE HISTORY OF THE CITY OF NEDERLAND***
- Research available grants.
- Received $20,000 grant from Plano CDC- COMPLETE
- Host a fundraiser using the Fiberglass Shoe Project.

3.2 Build the capacity in the Nederland EDC Board of Directors and staff to actively support fundraising efforts.

- Identify clear roles for staff and the Board of Directors in fundraising.

FINANCIAL SUSTAINABILITY

Goal 3: Diversify and grow revenue to support the operations of the Nederland EDC.

Expected Outcomes:
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Year Three Strategies, 2026-2027

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- Research available grants .
- Host a fundraiser using the Fiberglass Shoe Project.

3.2 Build the capacity in the Nederland EDC Board of Directors and staff to actively support fundraising efforts.

- Identify clear roles for staff and the Board of Directors in fundraising.

City of Nederland Sales Tax Breakdown

State of Texas - 6.25%
Jefferson County - 0.50%
City of Nederland - 1.00%
City of Nederland Street Improvement Fund - 0.25%
Nederland Economic Development Corporation - 0.25%

Total – 8.25%

2017 - Nederland, City of (General Obligation Debt)

Report - Nederland, City of (General Obligation Debt) / Sales Tax Data

The charts below contain sales tax revenue allocated each month by the Texas State Comptroller. Please contact and search the Texas Comptroller's website if you notice an incorrect amount.

For example, the February allocations reflect December sales, collected in January and allocated in February.

*Excludes any sales tax retained by the municipality and not remitted to the Comptroller.

View Grid Based on Calendar Year

View Grid With All Years

Download to Excel

Nederland

Change Fiscal Year End 09/30/2026 Submit

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
2025	$529,516	$653,024	$586,402	$580,200	$745,570	$645,505	$573,539	$699,913	$592,706	$589,153	$715,150	$501,539	$7,412,217
2024	$492,578	$595,194	$564,150	$515,187	$599,111	$448,371	$497,534	$466,157	$481,785	$491,726	$535,008	$493,787	$6,180,588
2023	$467,062	$640,646	$533,671	$503,806	$610,162	$476,938	$459,909	$600,829	$464,845	$500,509	$569,431	$487,901	$6,315,709
2022	$446,040	$621,895	$474,254	$499,593	$657,283	$445,789	$460,102	$609,711	$470,993	$527,729	$582,913	$430,102	$6,226,404
2021	$379,864	$620,728	$522,354	$450,746	$598,392	$432,772	$396,631	$588,752	$467,927	$454,977	$562,473	$492,038	$5,967,655
2020	$426,010	$535,931	$430,331	$426,484	$667,536	$633,693	$561,025	$559,850	$461,575	$431,481	$524,542	$425,963	$6,084,420
2019	$395,325	$461,967	$457,083	$449,517	$506,840	$481,676	$378,815	$526,907	$431,353	$443,087	$525,064	$412,274	$5,469,907
2018	$339,628	$528,996	$432,233	$442,718	$582,858	$438,386	$452,232	$513,835	$441,484	$438,449	$360,108	$385,432	$5,356,360
2017	$369,774	$441,363	$374,280	$337,691	$444,701	$306,454	$332,447	$415,430	$314,031	$356,277	$428,959	$335,145	$4,456,553
2016	$354,909	$444,552	$360,542	$398,770	$447,975	$447,201	$393,588	$466,998	$362,000	$364,256	$505,298	$322,191	$4,868,280
2015	$367,452	$479,120	$378,237	$381,448	$485,115	$373,183	$421,370	$518,702	$388,586	$405,135	$466,992	$385,767	$5,051,107
2014	$344,839	$451,344	$295,691	$374,365	$446,892	$332,685	$333,201	$421,290	$348,397	$357,911	$468,816	$393,013	$4,568,444
2013	$365,433	$391,696	$318,465	$322,027	$412,188	$370,618	$320,478	$381,390	$305,820	$447,998	$411,477	$372,077	$4,419,668
2012	$328,832	$406,429	$309,370	$270,807	$424,448	$362,140	$336,601	$487,402	$343,433	$398,163	$420,922	$309,891	$4,398,439
2011	$262,917	$368,713	$249,027	$253,139	$351,166	$265,265	$258,424	$352,663	$300,841	$263,678	$367,446	$264,044	$3,557,322

ANNUAL PROJECTS

1. Adopt a balanced budget July 2025- COMPLETE, July 2026 COMPLETE, July 2027
2. Continue to monitor CBA Clients on a quarterly basis 2025 COMPLETE, 2026 COMPLETE
3. PRIDE Beautification Incentives 2025 COMPLETE, 2026 COMPLETE, 2027
4. Nederland EDC Fall Market Day October 18, 2025- COMPLETE, October 17, 2026, COMPLETE October 16, 2027
5. Nederland EDC Concert Series October 2025- COMPLETE, 2026 COMPLETE 2027
6. Nederland EDC Business Recognition Event February 2026- COMPLETE
7. Quarterly Cost of Living Index- Regional production for all EDCs in the surrounding 5 counties.

ANNUAL PROJECTS CONT.

8. Covid Grant workshops 2026 March 19, 2026- COMPLETE

9. NEDC Economic Forum March 17, 2026- COMPLETE

10. Commercial Advertising for NEDC events and holidays 2025- COMPLETE, 2026 COMPLETE, 2027

11. Twelve Days of Christmas Giveaway December 2025- COMPLETE, 2026, 2027

ORGANIZATIONAL EXCELLENCE AND COLLABORATION

Goal 4: Develop effective collaboration and excellence in organizational procedures to achieve the mission

Expected Outcomes:

Nederland EDC will continue to be a thriving non-profit 501(c)(3) that is making significant contributions to the community Nederland, its residents and businesses

An active and engaged Board of Directors will lead the organization and support the staff

Year One Strategies, 2024-2025

4.1 Create defined written expectations of all Board of Directors and committee members

- Establish term limits as detailed in the bylaws
- Review, enforce, and update attendance policies
- Review and update the organizational bylaws updated May 22, 2023

4.2 Develop a better orientation process for new members of the Board of Directors

4.3 Develop a staff evaluation process based on defined priorities

- Conduct staff evaluations at the end of each year

4.4 Ensure staff is equipped with professional training and developmental opportunities

4.5 Continue to build strong relationships with the city, county, region and state partners along with other stake holders in the faith based community.

ORGANIZATIONAL EXCELLENCE AND COLLABORATION

Goal 4: Develop effective collaboration and excellence in organizational procedures to achieve the mission

Expected Outcomes:

Nederland EDC will continue to be a thriving non-profit 501(c)(3) that is making significant contributions to the community Nederland, its residents and businesses

An active and engaged Board of Directors will lead the organization and support the staff

Year Two Strategies, 2025-2026

4.1 Create defined written expectations of all Board of Directors and committee members

- Establish term limits detailed as in bylaws
- Review, enforce, and update attendance policies
- Review and update the organizational bylaws
- Nederland EDC Conflict of Interest Policy updated 2026
- Nederland EDC Credit Card Policy updated 2026
- Nederland EDC Receipt Policy updated 2026
- Nederland EDC Confidentiality Policy updated 2026

4.2 Develop a better orientation process for new members of the Board of Directors revised 2026

4.3 Develop a staff evaluation process based on defined priorities

- Conduct staff evaluations at the end of each year

4.4 Ensure staff is equipped with professional training and developmental opportunities

4.5 Continue to build strong relationships with the city, county, region and state partners along with other stake holders in the faith based community.

4.6 Forensic Audit ordered by the City of Nederland to prove no theft, fraud or misuse of funds by NEDC staff and Board.

ORGANIZATIONAL EXCELLENCE AND COLLABORATION

Goal 4: Develop effective collaboration and excellence in organizational procedures to achieve the mission

Expected Outcomes:

Nederland EDC will continue to be a thriving non-profit 501(c)(3) that is making significant contributions to the community Nederland, its residents and businesses

An active and engaged Board of Directors will lead the organization and support the staff

Year Three Strategies, 2026-2027

4.1 Create defined written expectations of all Board of Directors and committee members

- **Establish term limits detailed as in bylaws**
- **Review, enforce, and update attendance policies updated 2026**
- **Review and update the organizational bylaws**

4.2 Develop a better orientation process for new members of the Board of Directors revised 2026

4.3 Develop a staff evaluation process based on defined priorities

- **Conduct staff evaluations at the end of each year**

4.4 Ensure staff is equipped with professional training and developmental opportunities

4.5 Continue to build strong relationships with the city, county, region and state partners along with other stake holders in the faith based community.

Training provided by Nederland Economic Development Corporation

This training is required for all new NEDC Board Members

1. Open Meetings Act – certificate upon completion
2. Public Information Act – certificate upon completion
3. Robert's Rules of Order- provide a handbook for all members
4. Nederland EDC Bylaw Review
5. Nederland EDC Incorporation Documents
6. Nederland EDC 501c3 Documents
7. Nederland EDC Minutes and Agendas
8. Nederland EDC Resolutions
9. Cost Business Analysis (CBA) Incentive Training
10. PRIDE Beautification Incentive Training
11. Financial Review of NEDC Finance Program
12. Samples of past Nederland EDC Audits
13. Information on all aspects of EDC Type B Program

KEN PAXTON
ATTORNEY GENERAL of TEXAS

Public Information Act Training

Texas Government Code section 552.012 requires elected or appointed public officials to complete an open records training course. The training requirement applies to:

1. a member of a multimember governmental body;
2. the governing officer of a governmental body that is headed by a single officer rather than by a multimember governing body; or
3. the officer for public information of a governmental body, without regard to whether the officer is elected or appointed to a specific term.

The law requires that the specified public officials complete the training course within 90 days of taking the oath of office or otherwise assuming the responsibilities of office. A public official may assign a public information coordinator to satisfy the training requirement for the public official if the coordinator is primarily responsible for administering the responsibilities of the public official or governmental body under the Public Information Act. The designated coordinator is required to complete the training course within 90 days of the date the coordinator assumes the duties as coordinator.

The training course of not less than one and not more than two hours must include information regarding:

1. the general background of the legal requirements for open records and public information;
2. the applicability of the Public Information Act to governmental bodies;
3. procedures and requirements regarding complying with a request for information under the Public

Open Government Hotline

(512) (tel:5124632013)478-6736 (tel:5124786736)
Toll Free: (877) 673-6839 (tel:8776736839)

Public Information Act Handbook

Download the Public Information Act Handbook (PDF) (/publicinfo_hb.pdf)

Open Meetings Act Handbook

Download the Open Meetings Act Handbook (PDF) (/sites/default/files/files/divisi government/openmeetings_h

KEN PAXTON
ATTORNEY GENERAL of TEXAS



Open Meetings Act Training

Texas Government Code section 551.005 imposes a mandatory educational requirement on members of a governmental body subject to the Open Meetings Act. The training requirement applies to all elected or appointed officials who participate in meetings subject to the Act, but it does not apply to public officials who do not conduct business in meetings subject to the Act, including, for example, law enforcement officials, auditors, or county clerks. These types of officials are not statutorily required to complete training under the Open Meetings Act.

The law requires that those members subject to the Act complete training within 90 days of taking the oath of office or otherwise assuming the responsibilities of office, and the training must include information regarding:

1. The general background of the legal requirements for open meetings;
2. The applicability of the Open Meetings Act to governmental bodies;
3. Procedures and requirements regarding quorums, notice, and recordkeeping under the Act;
4. Procedures and requirements for holding an open meeting and for holding a closed meeting under the Act; and
5. Penalties and other consequences for failure to comply with the Act.

The Office of the Attorney General's training video includes information on each of these elements and satisfies the requirements imposed by section 551.005. Upon completion of the training video, a public official may obtain a course completion certificate by following the directions on the video. The certificate must be maintained by the member's governmental body and made available for public inspection upon request.

After completing the training course you may print your certificate here.


Nederland Fall
Market Day
SHOPPING
OPPORTUNITIES!
LOCAL SHOPS AND
VENDORS!
SATURDAY, OCTOBER 19, 2024
10:00 AM - 4:00 PM
BOSTON AVENUE
CONTACT THE NEDERLAND EDC @ 409-729-1020 FOR
ADDITIONAL INFORMATION


OLD 'OLE' TOWN NEDERLAND
FALL MARKET DAY
SAVE THE DATE
Saturday, October 18, 2025
10:00 am – 4:00 pm
Boston Avenue
Watch for details on the Old 'Ole' Town Nederland
Spring and Fall Market Days or
Nederland Texas Economic Development Facebook Pages


JOIN US FOR THE
NEDERLAND FALL MARKET DAY
October 17, 2026
10:00 AM - 4:00 PM
Boston Avenue, Nederland, TX 77627


4TH ANNUAL
NEDC & JERRY DIAZ FALL CONCERT SERIES
SEPT 12 & 19
Oct 3
In Front of NEDC Office 1519 Boston Avenue
12 05693 3053 4
12-HighStreetBand
19-Cajun Strong
3-AustinStepchildren
6:30-8:00PM
FREE TO THE PUBLIC



5TH ANNUAL

NEDERLAND, TX FALL CONCERT SERIES

7:00 PM-8:30 PM

In Front of NEDC Office
1519 Boston Avenue

OCTOBER 2nd-JAG OCTOBER 9th-Cajun Harmony

OCTOBER 16th-Jerry Diaz & Hanna's Reef

OCTOBER 23rd-MixTape

FREE TO THE PUBLIC PRESENTED
BY THE NEDERLAND EDC

Nederland
Economic Development Corporation



6TH ANNUAL

NEDERLAND, TX FALL CONCERT SERIES

7:00 PM-8:30 PM

In Front of NEDC Office
1519 Boston Avenue

OCTOBER 1st- 3 Car Garage OCTOBER 8th-Old Days Band

OCTOBER 15th-Crossroads Band

OCTOBER 22nd-Barbara Hickey & The Daybreakers

OCTOBER 29th- High Street Band

FREE TO THE PUBLIC

FOOD TRUCK READY AT 6:15 PM

PRESENTED BY THE NEDERLAND EDC

Nederland
Economic Development Corporation

Nederland
Economic Development Corporation

2024 Economic Development Conference

Workforce Solutions

Disaster Preparedness

Beware of Scam Alerts

Microsoft Word

Microsoft Excel

Interview Skills

Small Business Loans

Vocational Rehabilitation

*** FREE TO ALL WHO ATTEND ***

NTCDC
NORTH TEXAS CERTIFIED DEVELOPMENT CORPORATION

FIRST FINANCIAL BANK

LAMAR INSTITUTE OF TECHNOLOGY

6 KFDM

Greater PORT ARTHUR CHAMBER OF COMMERCE

WORKFORCE SOLUTIONS
SOUTHEAST TEXAS

First Baptist Church - Nederland, Texas

1911 Nederland Avenue

Nederland, Texas 77627

August 6, 2024

8:30 am - 3:00 pm

Workforce Workshop

Jack Brooks Regional Airport

Thursday, March 19, 2026

8:30 AM – 3:00 PM

Lunch is provided and afternoon snacks and a light breakfast is provided.

You must register in advance (409) 729-1020 – FREE to anyone to attend in Jefferson County- Limit is 50 participants.

CITY OF NEDERLAND — **EXHIBIT T**

COMPONENT UNIT – NEDERLAND ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2025

	General	Total Funds
ASSETS		
Cash and Cash Equivalents	$ 199,139	$ 199,139
Investments	7,537,856	7,537,856
Receivables (net of allowances for doubtful accounts)		
Taxes Receivable	81,729	81,729
Due to Other Funds	78,513	78,513
Total Assets	$ 7,897,237	$ 7,897,237
LIABILITIES		
Accrued Expenses and Other Liabilities	$ 484	$ 484
Unearned Revenues	5,775	5,775
Total Liabilities	6,259	6,259
FUND BALANCES		
Committed Fund Balance	1,872,100	1,872,100
Unassigned Fund Balance	6,018,878	6,018,878
Total Fund Balances	7,890,978	7,890,978
Total Liabilities and Fund Balances	$ 7,897,237	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in these funds.		3,457,560
Included in restricted assets is the recognition of the City's proportionate share of the total pension liability (asset) required by GASB 68 in the amount of $59,096, a Deferred Resource Outflow related to TMRS in the amount of $14,630, and a Deferred Resource Inflow related to TMRS in the amount of $33,692. This amount is an increase in Net Position in the amount of $40,035.		40,035
Included in restricted assets is the recognition of the City's proportionate share of the total OPEB liability (asset) required by GASB 75 in the amount of $174,974, a Deferred Resource Outflow related to TMRS in the amount of $25,402, and a Deferred Resource Inflow related to TMRS in the amount of $28,566. This amount is a decrease in Net Position in the amount of $178,138.		(178,138)
		$ 11,210,435

CITY OF NEDERLAND — **EXHIBIT U**

COMPONENT UNIT – NEDERLAND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	Total Funds
REVENUES		
Sales Tax	$ 1,237,124	$ 1,237,124
Interest	316,587	316,587
Other Miscellaneous	34,060	34,060
Sale of Assets	562,527	562,527
Total Revenues	2,150,298	2,150,298
EXPENDITURES		
Current:		
Economic Development	925,258	925,258
Total Expenditures	925,258	925,258
Net Change in Fund Balances	1,225,040	1,225,040
Fund Balance - Beginning	6,665,938	
Fund Balance - Ending	$ 7,890,978	
The change in capital assets are reflected in the current financial resources of governmental funds, however has no effect on net position.		(463,373)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit fund accounting. Conversely, certain items reported as expenditures at the fund level are considered assets in the government- wide statements.		
Change in total pension asset, deferred inflows, and outflows.		(51,305)
Change in total OPEB liability, deferred inflows, and outflows		(86)
Change in Net Position		710,276
Net Position - Beginning		10,500,159
Net Position - Ending		$ 11,210,435

CITY OF NEDERLAND **EXHIBIT V**

COMPONENT UNIT – NEDERLAND ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual GAAP BASIS (See Note)	Variance With Final Budget Over or (Under)
	Original	Final		
REVENUES:				
Sales Tax	$ 932,160	$ 932,160	$ 1,237,124	$ 304,964
Interest	50,000	50,000	316,587	266,587
Other Miscellaneous	11,700	11,700	34,060	22,360
Sale of Assets	-	-	562,527	562,527
Total Revenues	993,860	993,860	2,150,298	1,156,438
EXPENDITURES:				
Economic Development	993,860	993,860	925,258	68,602
Total Expenditures	993,860	993,860	925,258	68,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,225,040	1,087,836
Net Change in Fund Balances	-	-	1,225,040	1,225,040
Fund Balance - Beginning	6,665,938	6,665,938	6,665,938	-
Fund Balance - Ending	$ 6,665,938	$ 6,665,938	$ 7,890,978	$ 1,225,040

Economic Development Corporation Report

City: Nederland / Fiscal Year: 2024 / Corporation Type: 4B

Corporation's information

Corporation Name	Nederland Economic Development Corporation
Secretary of State File / Charter Number	0134978601
Contact Person	Kay DeCuir Executive Director
Address	1519 Boston Avenue Nederland 77627-5032
Contact numbers	Phone: 409-729-1020 Fax: 409-729-1020
Corporation's fiscal year	From Oct 2023 To Sep 2024

Corporation's primary economic development objective(s)

Tourism
Other Objective
Infrastructure Projects
Job Creation/Job Retention

Other Description (Objective): Disaster Loans

Corporation's financial information

Corporation's fiscal year ending unrestricted fund balance or unrestricted retaining earnings:
$5,407,876.00

Corporation's total revenues during the fiscal year

Sales Tax Revenue	$1,044,029.00
State/Federal Grants and Matching Contributions	$3,166.00
Rental/Lease/User Fees Income	$10,400.00
Bond Proceeds/Loans Obtained	$0.00
Other Revenues	$1,330,623.00
TOTAL FISCAL YEAR REVENUES	$2,388,218.00

Corporation's total expenditures during the fiscal year in each of the following categories

Personnel	$227,830.00
Administration	$0.00
Marketing and Promotion	$35,817.00
Direct Business Incentives	$67,295.00
Job Training	$0.00
Debt Service	$0.00
Capital Costs	$0.00
Affordable Housing	$0.00
Payments to Taxing Units	$0.00
Other Expenditures	$2,671,311.00
TOTAL FISCAL YEAR EXPENDITURES	$3,002,253.00

Corporation's capital assets

Land
Buildings
Commercial Buildings

Person Completing this Form

Name: Kay DeCuir, Executive Director

Phone: 409-729-1020

CITY OF NEDERLAND — **EXHIBIT T**

COMPONENT UNIT – NEDERLAND ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2024

	General	Total Funds
ASSETS		
Cash and Cash Equivalents	$ 539,123	$ 539,123
Investments	6,017,422	6,017,422
Receivables (net of allowances for doubtful accounts)		
Taxes Receivable	88,540	88,540
Accounts Receivable	-	-
Prepaids Items	34,047	34,047
Total Assets	$ 6,679,132	$ 6,679,132
LIABILITIES		
Accrued Expenses and Other Liabilities	$ 308	$ 308
Due to General Fund	3,105	3,105
Unearned Revenues	9,782	9,782
Total Liabilities	13,195	13,195
FUND BALANCES		
Committed Fund Balance	1,872,100	1,872,100
Unassigned Fund Balance	4,793,837	4,793,837
Total Fund Balances	6,665,937	6,665,937
Total Liabilities and Fund Balances	$ 6,679,132	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in these funds.		4,023,718
Included in restricted assets is the recognition of the City's proportionate share of the total pension liability (asset) required by GASB 68 in the amount of $21,842, a Deferred Resource Outflow related to TMRS in the amount of $13,270, and a Deferred Resource Inflow related to TMRS in the amount of $46,383. This amount is an decrease in Net Position in the amount of $11,271.		(11,271)
Included in restricted assets is the recognition of the City's proportionate share of the total OPEB liability (asset) required by GASB 75 in the amount of $163,316, a Deferred Resource Outflow related to TMRS in the amount of $24,786, and a Deferred Resource Inflow related to TMRS in the amount of $39,695. This amount is an decrease in Net Position in the amount of $178,225.		(178,225)
		$ 10,500,159

CITY OF NEDERLAND — **EXHIBIT U**

COMPONENT UNIT – NEDERLAND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Total Funds
REVENUES		
Sales Tax	$ 1,044,029	$ 1,044,029
Interest	362,070	362,070
Other Miscellaneous	43,518	43,518
Sale of Assets	938,602	938,602
Total Revenues	2,388,219	2,388,219
EXPENDITURES		
Current:		
Economic Development	3,002,258	3,002,258
Total Expenditures	3,002,258	3,002,258
Net Change in Fund Balances	(614,039)	(614,039)
Fund Balance - Beginning	7,279,976	
Fund Balance - Ending	$ 6,665,937	
The change in capital assets are reflected in the current financial resources of governmental funds, however has no effect on net position.		1,582,928
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit fund accounting. Conversely, certain items reported as expenditures at the fund level are considered assets in the government- wide statements.		
Change in total pension asset, deferred inflows, and outflows.		(67,676)
Change in total OPEB liability, deferred inflows, and outflows		29,490
Change in Net Position		930,703
Net Position - Beginning		9,569,456
Net Position - Ending		$ 10,500,159

CITY OF NEDERLAND **EXHIBIT V**

COMPONENT UNIT – NEDERLAND ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual GAAP BASIS (See Note)	Variance With Final Budget Over or (Under)
	Original	Final		
REVENUES:				
Sales Tax	$ 932,160	$ 932,160	$ 1,044,029	$ 111,869
Interest	50,000	50,000	362,070	312,070
Other Miscellaneous	11,700	11,700	43,518	31,818
Sale of Assets	-	-	938,602	938,602
Total Revenues	993,860	993,860	2,388,219	1,394,359
EXPENDITURES:				
Economic Development	993,860	993,860	3,002,258	(2,008,398)
Total Expenditures	993,860	993,860	3,002,258	(2,008,398)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(614,039)	3,402,757
Net Change in Fund Balances	-	-	(614,039)	(614,039)
Fund Balance - Beginning	7,279,976	7,279,976	7,279,976	-
Fund Balance - Ending	$ 7,279,976	$ 7,279,976	$ 6,665,937	$ (614,039)

Economic Development Corporation Report

City: Nederland / Fiscal Year: 2025 / Corporation Type: 4B

Corporation's information

Corporation Name	Nederland Economic Development Corporation
Secretary of State File / Charter Number	0134978601
Contact Person	Kay DeCuir Executive Director
Address	1519 Boston Avenue Nederland 77627-5032
Contact numbers	Phone: 409-729-1020 Fax: 409-729-1020
Corporation's fiscal year	From Oct 2024 To Sep 2025

Corporation's primary economic development objective(s)

Infrastructure Projects
Tourism
Other Objective
Job Creation/Job Retention

Other Description (Objective): Disaster Loans

$ Corporation's financial information

Corporation's fiscal year ending unrestricted fund balance or unrestricted retaining earnings:
$6,025,137.00

Corporation's total revenues during the fiscal year

Sales Tax Revenue	$1,237,124.00
State/Federal Grants and Matching Contributions	$4,007.00
Rental/Lease/User Fees Income	$7,125.00
Bond Proceeds/Loans Obtained	$0.00
Other Revenues	$902,042.00
TOTAL FISCAL YEAR REVENUES	$2,150,298.00

Corporation's total expenditures during the fiscal year in each of the following categories

Personnel	$265,147.00
Administration	$0.00
Marketing and Promotion	$18,521.00
Direct Business Incentives	$316,558.00
Job Training	$0.00
Debt Service	$0.00
Capital Costs	$138,522.00
Affordable Housing	$0.00
Payments to Taxing Units	$0.00
Other Expenditures	$186,509.00
TOTAL FISCAL YEAR EXPENDITURES	$925,257.00

Corporation's capital assets

Equipment
Buildings
Commercial Buildings
Land

Person Completing this Form

Name: Kay DeCuir, Executive Director

Phone: 409-729-1020

Nederland EDC Credit Card Policy

Purpose

The purpose of this policy is to establish clear, consistent guidelines for the proper use, management, and oversight of the Nederland Economic Development Corporation (NEDC) credit card. This policy ensures responsible financial stewardship, prevents misuse, and supports compliance with all NEDC policies, procedures, and applicable regulations.

1. Eligibility

A single NEDC credit card may be used by full-time employees for purchases necessary to conduct NEDC business when issuing a check is not feasible in a timely manner.

The Executive Director is authorized to use the NEDC credit card for:

- **Single Purchases $5,000.00 and under.**
- **Travel-related expenses**, including hotel accommodation, conference registration fees, and meals.

The Executive Director **may not** make any credit card purchase **exceeding $5,000.00** without prior written approval from the NEDC Board of Directors.

2. Prohibited Uses

The NEDC credit card may **not** be used for:

- Personal expenses of any kind
- Cash advances
- Alcohol or any expenses inconsistent with the mission, purpose, or tax-exempt status of the NEDC
- Purchases that are prohibited by organizational policy or law.

These restrictions help safeguard the organization and maintain its compliance with IRS and nonprofit regulatory standards.

3. Spending Limits

- The Executive Director may **not exceed $5,000.00 on any single purchase transaction**.
- The total credit limit of the NEDC credit card is **$10,000.00**.
- The Credit Card Statement must be reviewed and approved by a NEDC Board Member who is an authorized NEDC check signer at the time of check signing.

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4. Documentation Requirements

For every transaction made using the NEDC credit card:

- Original itemized receipts must be retained.
- Written justification must accompany each receipt, describing the purpose and business relevance of the expense.

Proper documentation ensures transparency and supports accurate financial reporting and auditing.

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5. Unauthorized Charges

Any overpayments or unapproved charges must be:

- Refunded directly to the credit card account, and
- Not reimbursed in cash.

Failure to follow this process is considered a breach of financial control.

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6. Monitoring and Compliance

- A detailed monthly review of the credit card statement must be conducted to identify any irregularities or discrepancies. All credit card statements are kept on file in the NEDC Office for audit purposes and monthly record keeping.
- This review supports accurate financial records, internal controls, and compliance with NEDC policies, procedures, and applicable legal requirements.

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7. Consequences for Misuse

Misuse of the credit card may result in:

- Revocation of card privileges
- Additional consequences if misuse is repeated or intentional.

The NEDC is committed to ensuring the integrity of its financial operations.

Importance of a Credit Card Policy

A comprehensive credit card policy is essential for nonprofit organizations to:

- Reduce the risk of fraud or misuse
- Promote accountability and transparency
- Ensure proper financial management
- Maintain compliance with IRS standards and nonprofit best practices

A clear policy protects the organization and builds trust among board members, staff, stakeholders, and the community.



Anthony Toups, NEDC Board President



Kasey Taylor, NEDC Vice President

Nederland Economic Development Corporation

Receipt Documentation Policy

Effective Date: March 18, 2026,
Approved By: NEDC Board of Directors

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1. Purpose

The purpose of this policy is to ensure proper documentation, accountability, and transparency for all payments and purchases made by the Nederland Economic Development Corporation (NEDC), including check payments, credit card charges, and gift card purchases.

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2. Scope

This policy applies to all employees, contractors, and authorized personnel who make purchases or payments on behalf of NEDC.

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3. Policy

All expenditures must be properly documented with receipts or supporting documentation. Documentation must include the purpose of the payment, the amount, date of payment, and recipient/payee information. This ensures accurate financial records and supports internal controls, audits, and transparency.

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4. Procedure

A. Payment by Check

- Retain the original receipt or invoice.
- Documentation must include:
  - Purpose of the payment
  - Amount
  - Check made payable to
  - Date paid
- Submit to NEDC Finance Department within **five business days** of payment.

B. Payment by Credit Card (Stellar Bank)

- Retain credit card receipts or statements.
- Documentation must include:
  - Purpose of purchase
  - Amount
  - Date paid
- Submit to NEDC Finance Department within **five business days**.

C. Gift Card Purchases

- Retain proof of purchase and record recipient information.
- Documentation must include:
  - Purpose of gift card
  - Amount
  - Recipient (To:)
  - Date paid
- Submit to NEDC Finance Department within **five business days**.

D. Submission and Approval

- All receipts and supporting documentation must be submitted using the **NEDC Receipt Documentation Form**.
- Receipts must be reviewed and approved by a supervisor or designated approver.
- Approved documentation is filed **electronically or physically** in NEDC records.

E. Record Retention

- Maintain records for **at least 7 years** in accordance with organizational and regulatory requirements.

F. Auditing

- All receipts and documentation are subject to periodic internal and external audits to ensure compliance with this policy.

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5. Responsibilities

- **Employee/Purchaser:** Ensure all payments are documented accurately and submitted promptly.
- **Supervisor/Approver:** Review, verify, and approve all receipt submissions.
- **Finance Department:** Maintain records, monitor compliance, and provide documentation for audits.

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6. Enforcement

Failure to comply with this policy may result in delayed reimbursement, denial of expense claims, or other disciplinary actions as deemed appropriate by NEDC leadership.

Nederland Economic Development Corporation
Conflict of Interest Policy

This is the official Nederland Economic Development Corporation (NEDC) Conflict of Interest Policy. These guidelines and policies are, by design, general in nature and are not intended to be all inclusive.

Article I
Purpose

The purpose of this policy is to protect the Nederland Economic Development Corporation, (the NEDC) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer or employee of the NEDC or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to **quasi** governmental nonprofit and/or charitable organizations.

Article II
Definitions

For purposes of this policy each of the following terms shall have the meaning set forth herein unless the content clearly indicates otherwise:

Interested Person

Any director, principal officer, employee, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a) An ownership or investment interest in any entity with which the NEDC has a transaction or arrangement,

b) A compensation arrangement with the NEDC or with any entity or individual with which the NEDC has a transaction or arrangement, or

c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the NEDC is negotiating a transaction or arrangement and

d) A financial interest is not necessarily a conflict of interest, under article II, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Significant and/or Substantial Value

No director, member of a committee with governing board delegated powers, principal officer or employee may accept a gift of any type with a market value more than fifty dollars ($50.00). The aggregate value of gifts from one source accepted by a director, member of a committee with governing board delegated powers, principal officer or employee may not exceed seventy-five dollars ($75.00) within a calendar year.

Compensation

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial.

NEDC

Nederland Economic Development Corporation

Board

The term "Board" shall refer to the NEDC Board of Directors.

Article III
Board/Employee Guidelines

3.1 Board of Directors Guidelines:

a) No Board member shall have any relationships or engage in any activities which might conflict or give the appearance of conflicting with the proper performance of Board duties or responsibilities or which might affect his or her independence or judgment with respect to transactions between the NEDC and the Board member's other activities.

b) No Board member or a person related to a Board member in the third degree by consanguinity or affinity shall have a significant financial interest (10% or more of total ownership), either directly or indirectly, in any business organization which deals with the NEDC either as a supplier or as a customer of the NEDC without prior specific approval of the Board of Directors.

c) No Board member a person related to a Board member in the third degree by consanguinity or affinity shall lease, rent or sell any kind of facility or equipment, material, service or other resource to the NEDC or to any company or individual doing business with the NEDC as a supplier or contractor without prior specific approval of the Board of Directors.

d) No Board member or a person related to a Board member in the third degree by consanguinity or affinity shall provide any managerial, consulting or similar service to any outside concern who does business with the NEDC, either as a supplier or as a customer of the NEDC unless prior specific approval is obtained from the Board of Directors.

e) No Board member shall convert to personal use any NEDC asset.

f) No Board member or a person related to a Board member in the third degree by consanguinity or affinity shall offer or receive any direct or indirect bribe, kickback or any other payment or transfer of value from any person or organization conducting business with the NEDC. Gifts should be given only to the extent that they are properly authorized by the Board of Directors and are not contrary to applicable law and ethical standards.

g) No Board member or a person related to a Board member in the third degree by consanguinity or affinity shall seek or accept any gift of significant value including but not limited to trips, travel and hunting; accept private discount or preferential treatment from suppliers, customers, or competitors; or accept payments, fees, privileges, opportunities, loans (except at conventional terms from banks or other lending institutions) or other favors from any group, person, or organization doing or seeking to do business with the NEDC. Letters shall be periodically forwarded by the President/CEO of NEDC to all suppliers informing them of our policies concerning gifts and soliciting their understanding.

h) It is acknowledged in connection with this policy that certain common courtesies and remembrance of nominal value, occasional meals, and reasonable entertainment appropriate to the business relationship and associated with business decisions are widely accepted as common business practices and may be accepted as such by Board members and their families. Gifts in the form of cash, gift certificates, stocks, bonds, options, or similar items shall not be accepted, regardless of value.

3.2 Employees Guidelines:

a) No employee shall have any relationships or engage in any activities which might conflict or give the appearance of conflicting with the proper performance of NEDC duties or responsibilities or which might affect his or her independence or judgment with respect to transactions between the NEDC and the employee's other activities.

b) No employee or a person related to an employee in the third degree by consanguinity or affinity shall have a significant financial interest (10% or more of total ownership), either directly or indirectly, in any business organization which deals with either as a supplier or as a customer of the NEDC without prior specific approval of the Board of Directors.

c) No employee or a person related to an employee in the third degree by consanguinity or affinity shall lease, rent or sell any kind of facility or equipment, material, service or other resource to the NEDC or to any company or individual doing business with the NEDC as a supplier or contractor without prior specific approval of the Board of Directors.

d) No employee or a person related to an employee in the third degree by consanguinity or affinity shall provide any managerial, consulting or similar service to any outside concern who does business with the NEDC, either as a supplier or as a customer unless prior specific approval is obtained from the Board of Directors.

e) No employee or a person related to an employee in the third degree by consanguinity or affinity shall offer or receive any direct or indirect bribe, kickback or any other payment or transfer of value. Gifts shall be given only to the extent that they are properly authorized by the NEDC Board of Directors and are not contrary to applicable law and ethical standards.

f) No employee or a person related to an employee in the third degree by consanguinity or affinity shall seek or accept any gift of significant value including but not limited to trips, travel and hunting; accept private discount or preferential treatment from suppliers, customers, or competitors; or accept payments, fees, privileges, opportunities, loans (except at conventional terms from banks or other lending institutions) or other favors from any group, person, or organization doing or seeking to do business or competing with the NEDC. Letters shall be periodically forwarded by the President/CEO of NEDC to all suppliers informing them of our policies concerning gifts and soliciting their understanding.

g) It is acknowledged in connection with this policy that certain common courtesies and remembrance of nominal value, occasional meals, and reasonable entertainment appropriate to the business relationship and associated with business decisions are widely accepted as common business practices and may be accepted as such by employees and their families. Gifts in the form of cash, stocks, bonds, options, or comparable items shall not be accepted, regardless of value.

Article IV
Procedures

4.1. Duty to Disclose

In connection with any actual or possible conflict of interest, a director, officer or employee of NEDC must disclose in writing the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board of Directors the proposed or actual transaction or arrangement.

4.2. Proof of a Conflict of Interest

After disclosure of the conflict of interest and all material facts, and after any discussion with the interested person, he/she shall leave the board meeting while the determination of a potential conflict of interest is discussed and voted upon. The Board members shall decide if a conflict of interest exists.

4.3. Procedures for Addressing Conflict of Interest

a) The Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

b) After exercising due diligence, the Board of Directors shall determine whether the NEDC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

c) If another transaction or arrangement is not reasonably possible under circumstances that will not produce a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the NEDC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter the transaction or arrangement.

4.4. Violations of the Conflicts of Interest Policy

a) If the Board has reasonable cause to believe a member or employee has failed to disclose actual or possible conflicts of interest, it shall inform the member or employee of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. Such meeting and/or hearing, shall be, at the option of the person the subject of such review, held in closed session or in open session of the NEDC Board.

b) If, after hearing the member's or employee's response and after making further investigation as warranted by

the circumstances, Board determines the member or employee has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action which may include but is not limited to cancellation of Board membership in the NEDC or termination of the employee as appropriate.

Article V
Records of Proceedings

The minutes of the board shall contain:

a) The names of the persons who disclosed or otherwise were found to have a connection with an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

b) The names of the people who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article VI
Compensation

a) A voting member of the Board who receives compensation, directly or indirectly, from the NEDC for services is precluded from voting on matters pertaining to that member's compensation.

b) A voting member of any committee whose authority includes compensation matters and who receives compensation, directly or indirectly, from the NEDC for services is precluded from voting on matters pertaining to that member's compensation.

c) No voting member of the board or any committee whose authority includes compensation matters and who receives compensation, directly or indirectly, from the NEDC either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VII
Annual Statements

Each director, principal officer and employee, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a) Has received a copy of the conflicts of interest policy.

b) Has read and understands the policy.

c) Has agreed to comply with the policy, and

d) Has updated (if necessary) certification of the Open Meetings Act Training and Public Information Act Training.

Article VIII
Annual Financial Statements

Each director, principal officer and employee will be provided with a copy of the Fiscal Year Audit from:

a) The City of Nederland's Finance Administrator (City of Nederland Website posting)

b) Monthly Financial Statements from the NEDC Finance Administrator (if position is applicable), if not from the City of Nederland Finance Administrator

c) An Annual Third-Party Audit as included in the City of Nederland Annual Audit, as a "Component Unit"

d) Copies of the NEDC Report filed annually with the Texas Comptroller Office of Economic Development

Article IX
Disclosure of Board, Directors, Officers, CEO and Employees

On an annual basis, all NEDC Board, Directors, Officers, CEO shall disclose:

1. Any association with a for-profit organization
2. Any association with a not-for-profit organization
3. Any other financial, business, or community relationship that may conflict with the work or service performed for NEDC.
4. Any association with a for-profit business by a spouse or immediate family member
5. Any association with a not-for-profit organization by a spouse or immediate family member
6. Any other financial, business or community relationship of a spouse or immediate family member that may conflict with the work of service performed by NEDC.

On an annual basis, all NEDC Employees shall disclose the NEDC Board, Directors, Officers, CEO:

Any association with a for-profit organization

1. **Any association with a not-for-profit organization**
2. **Any other financial, business, or community relationship that may conflict with the work or service performed for NEDC.**

All NEDC Board, Directors, Officers, CEO and Employees are expected to disclose new conflicts or potential conflicts as they may arise with respect to current work or projects engaged in by such Director, Officer, CEO or Employee.

Article X
Confidentiality

NEDC Board, Directors, Officers, CEO and Employees shall keep confidential any business, financial, or personal information that is not publicly known or available and is learned as a result of their service as a NEDC Board, Directors, Officers, CEO and Employee, including the content of NEDC Board, Directors, Officers, CEO and Employees and NEDC Employee deliberations about particular matters. If a Director or employee determines that it is necessary - and consistent with the best interests of NEDC- to disclose confidential information to any other individual (such as a NEDC affiliate's Board Member), the Director or employee shall inform the other individual that he or she is also bound by the confidentiality requirement and obtain the other individual's agreement to be bound by such requirement before disclosing the confidential information. This confidentiality requirement shall continue even after the NEDC Board, Directors, Officers, CEO and Employees no longer serves on the NEDC Board, as an NEDC Officer or Employee of NEDC. In addition, confidentiality information shall not be used in any manner, which is contrary to the interests of the NEDC.

Article XI
Use of Outside Experts

When conducting the periodic reviews as provided in Article VIII, the NEDC may use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted. I have received a copy of the Nederland Economic Development Corporation, Conflict of Interest Policy. I have read and I understand the policy.

I agree to comply with the policy.

I understand the Nederland Economic Development Corporation, Inc. is a tax-exempt trade association and to maintain its federal tax exemption it must engage in activities which accomplish one or more of its tax-exempt purposes.

_____

Printed Name Signature Date

Nederland Economic Development Corporation
Confidentiality Agreement

In consideration of volunteer position participating in Nederland Economic Development Corporation (NEDC) programs, the Undersigned agrees as follows:

1. The Undersigned agrees that for and during the entire term of volunteer position at NEDC, and thereafter as long as necessary to assure confidentiality, any information, financial data, personal files of staff, board members and volunteers, learned by undersigned, shall be considered and kept as the private and privileged records and property of NEDC.

2. Confidential information shall not be divulged to any person, firm, corporation, or other entity except on the direct written authorization of the undersigned supervisor and/or the Board of Directors of NEDC.

3. Upon the ending of a volunteer position, the Undersigned agrees that he or she will continue to treat the information as private and privileged and will not release any such information to any person, firm, corporation, or other entity, by written or verbal statements except upon direct written authority of the Board of Directors of NEDC. Failure to maintain the information as private and privileged will be considered a breach of this Agreement.

4. The Undersigned agrees to abide by NEDC's internal confidentiality procedures and protections regarding the access, dissemination, input, and collection of confidential and confidential information regarding data collection, NEDC records, E-mail, Internet, facsimiles and other methods of transferring or recording information.

5. All information relating in any manner to NEDC's participants or organization, whether prepared by the Undersigned or otherwise coming into the Undersigned's possession, shall be the exclusive property of NEDC and shall be returned immediately to NEDC upon termination of the Undersigned's employment or volunteer position or upon NEDC's request at any time.

6. This agreement shall be governed by the law of the State of Texas without reference to its conflict of laws, provisions and any dispute resolved in Jefferson County, Texas.

7. If all or any portion of any of the provisions of this Agreement shall be declared invalid, illegal or unenforceable by laws applicable hereto, then the performance of the offending provision or provisions shall be excused by the parties and such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

The undersigned has read and voluntarily signs the confidentiality agreement.

_____ Volunteer

Printed Name Organization

_____

Volunteer Signature Date

Nederland Economic Development Corporation
Conflict of Interest and Confidentiality Disclosure Statement

Please complete the section below to disclose any potential conflicts of interest. Attach additional pages if needed.

1. Do you (or an immediate family member) have a financial interest in any entity that does business with NEDC?

2. Do you serve as an officer, director, employee, or volunteer for any organization dealing with the NEDC?

3. Do you have any other potential conflicts you wish to disclose?

Acknowledgement and Signature

I have read, understand, and agree to abide by the Conflict-of-Interest Policy and the Confidentiality Disclosure Statement. I affirm the information I have provided is accurate to the best of my knowledge.

_____ _____

Name Printed Name Signature/ Date

Confidential

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bakertilly.com

February 19, 2026

Mr. Jeffrey Darby
City of Nederland
PO Box 967
Nederland, Texas 77627

Re: Report on Forensic Accounting Services for the City of Nederland

Dear Mr. Darby,

Thank you for the opportunity to provide the City of Nederland with our forensic consulting services. We are pleased to submit the following report outlining our analyses and observations of our forensic review of the City of Nederland and related entity financial records for the period of October 1, 2021 to December 31, 2025.

We limited our review to the scope of work outlined by our engagement letter for consulting services and to the pertinent supporting documents and information made available to us. Our forensic review included analyses and procedures deemed appropriate under the circumstances and did not include management decision-making or oversight.

The following report relates to the extent of our work performed and the results of our analysis and observations as of the date of this report. The use of this report is limited to you and your principals involved in this matter. The contents of this report are confidential and intended for internal use only. No portion of this report may be reproduced, distributed, or relied upon by any other party without the prior consent of Baker Tilly.

EXECUTIVE SUMMARY

Baker Tilly Advisory Group, LP ("Baker Tilly," "we," or "our") was engaged by the City of Nederland (or "the City"). to provide certain forensic services (the "Services" or "Matter") for the period of October 1, 2021 to December 31, 2024 ("Relevant Period") with certain items extending through December 31, 2025.

This report summarizes the results of our forensic and internal controls review performed for the City of Nederland. The review focused on evaluating selected financial records, accounting data, and supporting documentation related to the City's administration of Coronavirus State and Local Fiscal Recovery Funds ("SLFRF" or "COVID-related funds"), as well as the financial activities and governance practices of Nederland's Economic Development Corporation ("EDC"). The objective of the engagement was to evaluate documentation, oversight, and internal control practices and to

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identify opportunities to strengthen transparency, accountability, and defensibility. This engagement was not conducted as an audit, and no opinion or assurance is expressed.

This engagement involved a combination of document review, data analysis and discussions with City management to understand how COVID-related funds were administered, as well as how EDC funds were managed. Procedures included reviewing bank statement records, examining documentation, and assessing relevant policies and procedures made available for review. Where appropriate, additional procedures, including limited public-record and online searches were performed to corroborate information obtained and to identify any irregular relationships or inconsistencies in the underlying documentation. While the observations are presented by focus area, common themes emerged across our review relating to documentation and oversight of SLFRF activities, continuity of processes and institutional knowledge, obligation timing and use of SLFRF funds, and EDC governance practices, including conflicts-of-interest documentation and expense oversight.

With respect to COVID-related funds, our review focused on understanding how related expenditures were identified, approved, documented and supported in accordance with federal eligibility requirements and the applicable 2024 obligation deadline. We noted that the City undertook a review of prior-year expenditures to assess eligibility under evolving SLFRF guidance and to formally designate those expenditures as obligated prior to the deadline. Approvals for these expenditures were primarily documented through City Council and/or Board meeting minutes, reflecting governance oversight and authorization of the identified use of funds. In addition, executed contracts, purchase orders, and grant agreements were reviewed to support the obligation and use of funds.

During our review, we identified a variance of approximately $9,325 related to the Non-Profit Partnership Grant Program, for which supporting documentation was largely available but did not fully reconcile to the total amount identified as obligated. This variance is discussed further in the detailed findings section. Separately, we noted that certain expenditures related to public safety personnel costs were not initially included in the City's adopted COVID-related funding budget and were later identified as eligible uses of SLFRF prior to the obligation deadline. As a result, the City undertook a retrospective review to identify and designate eligible costs. While such expenditures are generally eligible under SLFRF guidance, the need for a retrospective identification and approval process highlights an opportunity to strengthen upfront planning, budgeting, and documentation practices for federally funded programs.

Our review of the EDC focused on understanding financial activity, conflicts-of-interest controls, and governance practices. While the EDC is a component of the City's annual audit and participates in the City's employee insurance program, it operates with a degree of independence while receiving funding from the City.

We observed that the EDC's Executive Director, Kay DeCuir, (or "Executive Director") operates a business in the real estate sector (K DeCuir Properties). We also noted that she was involved in various real estate-related transactions representing the EDC. While we did not identify transactions that resulted in a direct financial benefit to the Executive Director's outside business interests, the absence of contemporaneous conflicts-of-interest documentation limits the EDC's ability to demonstrate compliance with its governance policies and increases the risk of perceived conflicts of interest. When questioned, the Executive Director indicated that conflicts-of-interest disclosures were not documented because she did not believe disclosure was required in the absence of compensation.

We also identified certain EDC disbursements related to meals and refreshments that, in isolation, could be perceived as personal in nature. While these transactions were not individually material, the

limited documentation and policy guidance regarding allowable business expenses may create ambiguity and increase the risk of inconsistent practices.

In addition to our review of EDC activities, we reviewed selected internal control practices at the City level. Bank reconciliations were prepared in a timely manner and appeared appropriately supported, which is a positive control indicator. However, while the City maintains several transaction specific policies (including credit card usage, travel reimbursement, and petty cash), we did not identify a comprehensive procurement or purchasing policy governing vendor selection, competitive bidding, and approval thresholds across departments that was effective prior to December 15, 2025.

Based on the procedures performed, we observed that the City maintains a range of financial processes and policies that support its operations; however, opportunities exist to further enhance documentation, governance, and policy frameworks, particularly in areas involving federally funded programs and EDC oversight. The detailed findings and recommendations that follow are intended to be practical and forward-looking, and to support the City's efforts to strengthen transparency, consistency, and defensibility.

BACKGROUND & OBJECTIVES

This engagement was conducted to assist the City of Nederland in evaluating selected financial and governance matters identified during the City's administration and reporting of COVID-19 / SLFRF and in connection with certain activities of the EDC.

During the course of the City's administration of these programs, certain questions and reporting considerations arose related to the identification, documentation, and approval of expenditures, as well as the governance and oversight practices associated with the EDC. In response, the City engaged Baker Tilly to perform a forensic and internal controls review to provide an independent, objective assessment of documentation, oversight and related processes and to identify opportunities to strengthen transparency, consistency, and defensibility.

This engagement focused on reviewing selected financial records, supporting documentation, policies, procedures, and governance practices related to COVID-19 / SLFRF funding and the EDC for the period under review. The purpose of the forensic review was to analyze financial activity and control processes to identify potential irregularities, gaps in oversight, or inconsistencies between system records and bank activity. Throughout the review, several meetings and walkthrough sessions were conducted with City employees to obtain supporting documentation and clarify system processes.

The procedures performed were designed to provide observations and practical recommendations and were not conducted as an audit or compliance examination.

SCOPE OF PROCEDURES PERFORMED

The forensic review covered activity primarily from October 2021 through December 2024 with certain items reviewed extending through December 2025. The procedures were designed to analyze financial records to identify irregularities, inconsistencies, or gaps in documentation, and to address adequacy of controls over the SLFRF, as well as review the Nederland EDC policies, procedures and processes for identifying and selecting new business opportunities.

To address these objectives, the review procedures included the following activities:

- Reviewing bank statements and related activity to identify irregular transactions, circular transfers, unusual withdrawals, or unexplained disbursements.
- Reconciling bank deposits and disbursements to corresponding entries recorded in the General Ledger.
- Reviewing policies and procedures related to accounting, ethics and procurement.
- Reviewing COVID-related funding documentation to reconcile and understand how the funds were obligated and disbursed.
- Analyzing monthly meeting minutes for the EDC to understand processes and identify areas for improvement.
- Holding discussions and system walkthroughs with management and employees to understand accounting workflows and reconciliation processes.
- Evaluating internal controls, segregation of duties, and oversight practices related to deposit handling, disbursements, and reconciliations.

A summary of the documents and system reports made available during the engagement is provided in ***Appendix A – Document Summary.***

SCOPE LIMITATIONS

This engagement was conducted in accordance with the scope of services agreed upon by the City and Baker Tilly and was designed to perform a forensic and internal controls review of selected financial records, transactions, and governance practices of the City and its Economic Development Corporation. The procedures performed do not constitute an audit and no opinion, legal conclusion or other form of assurance is expressed on the financial statements, internal controls, or compliance of the City or EDC.

Our work was limited to information and documentation provided by the City and EDC during the engagement, as well as publicly available information. We did not independently verify the completeness or accuracy of the information. Certain procedures required application of professional judgment, including the selection of transactions, programs, and activities for review. As a result, the procedures performed may not address all transactions or activities occurring during the period under review. Our observations are based on information available at the time the procedures were performed, and subsequent information could affect our findings.

The observations and recommendations included in this report are intended to be practical and forward-looking and should not be interpreted as conclusions regarding intent, misconduct, or compliance with laws or regulations. This report is intended solely for the use of the City and its authorized representatives in connection with this engagement.

FORENSIC ANALYSIS AND OBSERVATIONS

The analysis and observations below are based on targeted, risk-focused procedures performed in the areas of COVID-related funding including SLFRF activity, and EDC governance and conflicts-of-interest controls. Our procedures included reviewing bank statements and related activity, meeting materials, and applicable policies and procedures, as well as discussions with City and EDC

personnel. In performing these focused reviews, we considered fund management and disbursement processes, including selected accounts payable, procurement and approval activities, to the extent relevant to COVID-related funding and EDC governance. Our procedures were not designed to provide comprehensive coverage of all financial, operational, or internal control activities.

Please see below for categories of analysis conducted and related observations:

1. COVID-RELATED FUNDING (SLFRF)

a. Background

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program was established under the American Rescue Plan Act ("ARPA") of 2021 to provide financial assistance to state and local governments to respond to and recover from the impacts of the COVID-19 pandemic. SLFRF funding is subject to statutory and regulatory requirements related to uses, budgeting, reporting and recordkeeping.

The City of Nederland received approximately $4,304,289.72 in SLFRF funding, which was allocated across multiple programs and initiatives in accordance with approved budgets and spending plans. The City is required to prepare and submit periodic expenditure and compliance reports supported by underlying financial records and documentation. In addition, recipients of the SLFRF funding received guidance regarding eligible uses of funds, which evolved over time as the impacts of COVID-19 and related recovery needs developed. As a result, program interpretation and implementation considerations changed over the course of the funding period.

Recipients of SLFRF funding were required to periodically submit 'SLFRF Compliance Reports' to the U.S. Department of Treasury summarizing the planned use of funds and reporting, by program or project, budgeted amounts, amounts obligated cumulative expenditures. For reporting purposes, funds were generally considered obligated when recipients entered into a binding agreement, such as contract or purchase order, that required payment.[1] SLFRF guidance established deadlines, with any unobligated funds subject to return to the U.S. Treasury in accordance with program requirements.

b. Procedures Performed

As part of our review of COVID-related funding, we obtained an understanding of the City's bank reconciliation process to inform our assessment of cash receipt and disbursement activity and reliability of related accounting records. We understand that the City maintains a limited number of pooled cash accounts, which are reconciled on a monthly basis through an automated reconciliation process. Based on our understanding of this process, and discussions with City personnel, we relied on the reconciled balances and related records for purposes of our procedures and did not independently extract or review bank statements for all accounts or periods.

In addition, we reviewed selected accounting records and supporting documentation related to SLFRF activity to understand how amounts were recorded, tracked, and reported as obligations and expenditures during the period under review. This included considering the timing of recorded obligations relative to program requirements, as well as the extent to which reported expenditures

[1] https://home.treasury.gov/system/files/136/Obligation_Interim_Final_Rule_2023.pdf

were supported by available documentation. Our procedures were focused on understanding the processes used to track and report SLFRF activity and were not designed to independently verify the completeness or accuracy of all underling transactions.

We also reviewed selected supporting documentation related to COVID-related disbursements, including invoices, agreements, and other available records, to understand the nature of expenditure and how they were documented. This review was performed on a targeted basis to assess whether recorded activity was generally supported by available documentation and consistent with reported SLFRF activity.

In addition, we reviewed selected meeting minutes, reports, and other materials related to COVID-related programs to understand how SLFRF-funded activities were monitored and discussed during the period under review. This included considering how information related to SLFRF activity was communicated and documented for oversight purposes.

c. Observations

1. Oversight and Documentation of SLFRF Activities

Based on our review, the SLFRF funds were discussed during periodic City meetings, and related meeting minutes served as the primary documentation evidencing approval and oversight of proposed uses of funds. These discussions reflected City management's consideration of how SLFRF funds could be applied across various programs and initiatives in response to COVID-19 impacts.

While meeting minutes provided evidence that SLFRF activities were reviewed and discussed, we observed documentation supporting certain decisions and approvals was not consistently formalized outside of meeting records. In particular, written approvals, standardized tracking documentation, or contemporaneous summaries of decision rationale were not always maintained. As a result, the meeting minutes often functioned as both the approval mechanism and the primary record supporting the use of SLFRF.

This approach provided a level of oversight through discussion and documentation of meeting proceedings, however, reliance on meeting minutes alone limited the extent to which decision-making, approvals and changes in planned use of funds were consistently documented in a centralized or standardized manner.

2. Process Continuity and Institutional Knowledge

Based on our review, responsibility of documenting, tracking, and reporting SLFRF activity was largely centralized with a single individual who possessed detailed institutional knowledge of the application reporting requirements, and treatment of SLFRF-related transactions. This individual served as the primary point of coordination for compiling documentation, monitoring obligation status, and preparing information used for reporting purposes.

During the period under review, that individual unexpectedly passed away, which required City management, including the prior City Manager and prior Director of Finance, to quickly assess the status of SLFRF obligations and reporting with limited direct familiarity with the underlying processes. As a result, City personnel relied on available records, meeting materials, and discussions to reconstruct the status of obligations and expenditures.

We observed that certain processes related to SLFRF tracking and reporting were informal and not consistently documented in written procedures. While City management took steps to continue monitoring and reporting SLFRF activity, the reliance on institutional knowledge rather than

standardized documentation limited process continuity and increased dependence on individual knowledge during the transition period.

3. Obligation, Timing and Use of SLFRF

Based on our review, SLFRF were eligible to be obligated for a range of services and City programs intended to address the impacts of COVID-19, including, but not limited to, revenue replacement, economic development initiatives, public health, and mental health programs, technology access, workforce training and placement, and certain operational expenses and equipment. The City initially identified a limited number of projects for budgeting and tracking purposes as summarized below.

Original SLFRF Programs	
1	Commercial Driver's License Job Training Program
2	NISD Student Wellness Program
3	Waterline Replacement
4	Sewerline Improvements/Replacement
5	Non-Profit Partnership Program
6	Administration
7	WTP Clarifier Rehab

As of the applicable obligation date of December 31, 2024, approximately $1,890,153.69 of SLFRF had not been documented as obligated. The City was subsequently notified by the U.S. Department of the Treasury that these amounts would be subject to repayment absent qualifying expenditures.

During the period under review, guidance regarding eligible uses SLFRF evolved, including clarification regarding how certain expenditures incurred or paid prior to applicable deadlines could be treated for purposes of meeting program requirements. Following communications from the U.S. Department of the Treasury, the Director of Finance participated in outreach and informational sessions hosted by Treasury to better understand these requirements.

Based on that guidance, City management identified various expenditures incurred prior to the applicable deadline that were eligible under SLFRF and could be applied toward meeting obligation and expenditure requirements. These expenditures included amongst other items, certain public safety salaries and overtime, equipment purchases, infrastructure-related costs, and other programmatic and operational expenses. Management indicated that, when considered collectively, these expenditures were sufficient to exhaust the remaining SLFRF balance and satisfy applicable program requirements, thereby avoiding repayment of funds.

As part of our review, we examined available meeting minutes, annual SLFRF compliance reports, and documentation supporting COVID-related expenditures incurred during the period under review. Supporting documentation reviewed included invoices, purchase orders, check support, and other records evidencing the nature and timing of expenditures. For certain program expenditures disbursed across multiple initiatives, we also reviewed memoranda summarizing the project purpose and awarded amounts, which were signed and dated prior to the disbursement of funds. Based on our procedures, the documentation reviewed was generally consistent with the reported use of SLFRF and supported the eligibility of the expenditures identified by City management.

In addition, we reviewed bank activity and related accounting records to understand how SLFRF amounts were reflected in the City's records and allocated to the identified programs. While the majority of amounts reviewed were supported by available documentation and aligned with reported activity, we identified one variance that could not be fully reconciled based on the records provided. Specifically, meeting minutes reflected that $361,875.97 of SLFRF activity associated with the "Non-Profit Partnership Grant Program" had been completed; however, based on available accounting records, bank activity, and supporting documentation for the 2022 period, we identified total expenditures of approximately $352,550.97, resulting in a variance of approximately $9,325.

We were not able to validate the source of this variance based on documentation available. It is also possible that the amount reflected as complete in the meeting minutes did not fully align with the underlying accounting records, particularly given the documentation and process continuity considerations described above and the evolving understanding of SLFRF obligation and expenditure requirements during the period under review.

d. Conclusion

Based on our procedures, we did not identify misuse or ineligible use of SLFRF during the period under review. Our observations related primarily to documentation practices, process continuity, and the timing and tracking of obligations in the context of evolving program guidance.

While certain SLFRF amounts were initially reflected as not documented as obligated by the applicable deadline, City management identified qualifying expenditures incurred prior to the deadline that were applied toward meeting program requirements in accordance with Treasury guidance. To the extent noted above, documentation and reconciliation challenges limited the City's ability to readily demonstrate obligation status for certain amounts at specific points in time; however, these matters reflect process and recordkeeping considerations rather than improper use of funds.

2. NEDERLAND'S ECONOMIC DEVELOPMENT CORPORATION

a. Background

Nederland's Economic Development Corporation ("EDC") was established to promote business growth, job creation, and economic development within the City. The EDC provides grants and other forms of financial assistance to support new, relocating, and expanding businesses, and also funds exterior property improvements intended to enhance commercial activity and benefits the broader community.

The EDC is governed by a Board of Directors comprised of seven members. The Board meets on a monthly basis to discuss funding decisions, economic development initiatives, and other matters related to the EDC's operations. Board actions and deliberations are documented in meeting minutes, which are made publicly available through the EDC's website.

The EDC is subject to multiple layers of financial oversight. It is included as a component unit within the City's annual financial audit and is also subject to a separate external audit as required by applicable governing or funding requirements. In addition, internal financial reviews are performed on a monthly basis.

b. Procedures Performed

Based on concerns raised regarding governance and conflicts-of-interest practices at the EDC, we performed targeted procedures to understand Board oversight, conflicts-of-interest disclosures, and

selected financial activity. Our procedures were focused on assessing governance practices and identifying potential indicators of conflicts of interest or irregular activity and were not designed to provide assurance over all EDC operations or transactions.

As part of our review, we obtained and reviewed available EDC Board meeting minutes to understand governance practices, approval processes, and the extent to which potential conflicts of interest were discussed or documented. We also reviewed selected EDC bank statements and credit card statements to identify unusual, irregular, or otherwise notable activity for further consideration.

In addition, we requested and reviewed EDC policies and procedures related to ethics and conflicts of interest, procurement, and credit card usage to understand the control framework in place and requirements applicable to Board members and EDC personnel. Where available, we compared observed practices reflected in the records reviewed to the requirements set forth in these policies.

Based on our review of meeting minutes and financial records, we selected a targeted sample of transactions and activities for further review. For selected items, we reviewed supporting documentation made available to us, including settlement statements, invoices, memoranda, and other related records to understand the nature of the transactions and how they were approved and documented. Our review was limited to the documentation provided.

Following completion of our document review and analysis, we conducted an interview with the EDC's Executive Director to obtain additional context regarding EDC operations, governance practices, and certain transactions and activities identified during our review.

c. Observations

1. Governance and Board Oversight

Based on our review, the EDC Board of Directors meet on a monthly basis to discuss funding decisions, business development initiatives, and other matters related to the EDC's operations. Board actions and deliberations are documented in meeting minutes, which serve as the primary record of Board discussions and approvals.

As part of our procedures, we reviewed available Board meeting minutes to understand how funding decisions and other matters were considered and approved. We observed that Board members participated in discussions and voted on various items, including matters related to businesses and properties receiving EDC assistance. The meeting minutes reviewed did not consistently reflect whether Board members evaluated or documented potential conflicts of interest, including whether recusals or other measures were considered where personal or familiar relationships may have been relevant.

Based on our review, the absence of documented conflicts-of-interest considerations or recusals in the meeting records limited the EDC's ability to demonstrate how potential conflicts were identified and addressed in connection with Board discussion and decisions. These observations related to governance documentation and transparency practices rather than the identification of improper outcomes or transactions.

2. Conflicts-of-Interest Disclosures and Outside Business Interests

Based on our review, the EDC's Executive Director operates an outside business in the real estate sector. As part of her role with the EDC, the Executive Director is involved in real estate-related activities associated with EDC-supported projects, which are subject to Board review and approval.

Following our document review, we interviewed the Executive Director to obtain additional context regarding these activities. During the interview, the Executive Director stated that she does not receive commissions or other direct financial compensation from real estate transactions conducted on behalf of the EDC and that such transactions require Board approval. She further stated that she had disclosed her outside real estate business since the beginning of her tenure and has taken steps intended to mitigate potential conflicts of interest, including using title companies for EDC-related transactions that differ from those used in her personal business activities.

Based on the procedures performed and documentation reviewed, we did not identify records indicating that EDC-related real estate transactions resulted in a direct financial benefit to the Executive Director's outside business. However, we observed that documentation evidencing formal conflicts-of-interest disclosures, ongoing monitoring, or periodic reaffirmation of such disclosures for senior management was not consistently available for review. As a result, the EDC's ability to demonstrate how potential conflicts of interest were identified, disclosed and evaluated over time was limited by the absence of centralized or consistently maintained documentation.

These observations relate to disclosure and documentation practices rather than the identification of improper transactions or outcomes.

We obtained the available meeting minutes, bank statements and credit card statements for the EDC to assess if any anomalies, irregularities, or other concerning items appeared. Additionally, we requested EDC policies and procedures related to ethics, procurement and credit card policies.

3. Credit Card Usage and Expense Oversight

Based on our review, the EDC maintains a written credit card policy governing the use of EDC-issued credit cards. We reviewed the Nederland EDC Credit Card Policy, which was updated during the current year, to understand the requirements applicable to EDC personnel.

The Nederland EDC Credit Card Policy prohibits the use of EDC-issued credit cards for personal expenses and requires that written justification be maintained with each receipt to describe the business purpose and relevance of the expenditure. The policy also requires a periodic review of credit card activity to identify unusual or inappropriate charges.

Based on our review of EDC credit card statements, we identified certain transactions charged to the Executive Director's EDC-issued credit card that appeared personal in nature, including individual meals and other small-dollar purchases. For certain charges, written justification describing the business purpose of certain charges was often limited or generic, which reduced the clarity of the underlying business relevance.

During our interview, the Executive Director indicated that certain expenses, such as rotary dues and related meals, may be paid by the EDC, while other meals are paid personally. However, the documentation reviewed did not always clearly distinguish between business-related and personal expenses. These observations relate to documentation and oversight practices rather than the identification of significant or improper expenditures.

4. Process Improvements Identified

As part of our review, we obtained and reviewed EDC policies addressing credit card usage and conflicts of interest. Documentation provided for our review reflected a credit card policy dated in December 2025, while the conflicts-of-interest policy provided was dated more than ten years ago.

Management indicated that the EDC's conflicts-of-interest policy is in the process of being updated to clarify disclosure expectations applicable to Board members and senior management. Our observations and conclusions are based on the policies and documentation made available to us during the period under review and we did not independently assess the implementation or effectiveness of any updates described but not yet finalized.

d. Conclusion

Based on the procedures performed, we did not identify EDC transactions that resulted in a direct financial benefit to EDC management or Board members. Our observations related primarily to governance practices, conflicts-of-interest disclosures, and the clarity and consistency of supporting documentation.

While the EDC maintains policies addressing credit card usage and conflicts of interest, limitations in documentation and recordkeeping reduced the EDC's ability to readily demonstrate how potential conflicts were identified, disclosed, and addressed in certain circumstances. In addition, documentation supporting the business purpose of certain expenditures was, at times, limited or generic.

Documentation reviewed reflected a credit card policy dated in 2025 and a conflicts-of-interest policy dated more than ten years ago. Management indicated that the conflicts-of-interest policy is in the process of being updated. These matters reflect governance, documentation, and oversight considerations rather than the identification of improper transactions or misuse of EDC funds.

RECOMMENDATIONS & CONSIDERATIONS

The procedures performed during this review highlighted areas where enhancements to documentation and policies and procedures could further support transparency, consistency and oversight across City departments. The recommendations below reflect considerations for potential improvement based on observations described above.

1. **COVID-Related Funding (SLFRF)**
   - Consider documenting key decisions related to SLFRF and related funding using formal approval memoranda or other contemporaneous records, with meeting minutes serving as supplemental support, to enhance transparency and facilitate efficient identification of approvals and key discussion.
   - Maintain centralized documentation supporting SLFRF obligation requirements, including how expenditures were evaluated against evolving eligibility guidance.
   - Periodically review internal processes related to grant tracking and reporting to promote consistency as program requirements evolve.
   - Maintain supporting documentation for SLFRF expenditures in a manner that facilitates future review or inquiry.

2. **EDC Governance and Documentation**
   - Maintain documentation describing how potential or perceived conflicts are evaluated and addressed for Board members and senior management.

- Formalize and consistently document conflicts-of-interest disclosures and related recusal considerations for Board members and senior management.
- Periodically review, updated and reaffirm conflicts-of-interest policies applicable to the EDC to ensure disclosure expectations remain clear and current.
- Maintain documentation describing the business purpose and relevance of certain expenditures to support compliance with applicable policies.
- Periodically review and update governance-related policies and procedures to ensure continued alignment with current practices and oversight expectations, including maintaining consistency between individual policy updates, such as credit card usage policies, and the broader policy framework.

3. **Citywide Governance, Documentation and Cash Handling**
   - Consider formalizing documentation retention practices, including a centralized digital repository for accounting and financial support, and periodically reviewing documentation for completeness to facilitate efficient access and future review.
   - The City's Petty Cash & Change Fund Policy contemplates periodic, unannounced reviews. Consider performing these reviews consistently to support oversight and documentation of petty cash activity.

OVERALL CONCLUSION

Based on procedures performed, we did not identify misuses or improper use of public funds in the areas reviewed. Our observations across both COVID-19-related funding and EDC governance primarily related to documentation, governance practices, and the clarity and consistency of supporting records.

With respect to COVID-19 related funding, our observations reflected documentation and process consideration in the context of evolving program guidance, rather than the identification of ineligible expenditures. With respect to the EDC, our observations related to governance practices, conflicts-of-interest documentation, and expense documentation, and we did not identify transactions resulting in direct financial benefit to EDC management.

These matters reflect internal control, governance, and recordkeeping considerations rather than improper transactions or misuse of funds. Our conclusions are based on documentation and information available to us during the period under review.

Please refer to the attached list of appendices below for further details on our analyses.

DISCLOSURE STATEMENT

This report was prepared for the use of the City and its designated representatives for the purposes described herein. The procedures performed were limited to those agreed upon and were not designed to identify all potential issues or to provide assurance over all transactions, activities or internal controls. Accordingly, this report should not be relied upon for any purpose other than that described above.

Any unauthorized use or distribution of this report, its attachments, or any portions thereof is strictly prohibited. Our analysis and observations are based on the documents and other information provided.

We reserve the right to amend our opinions based on receipt of new or revised documentation and information.

We trust the foregoing comments are clear. If you have any comments or questions, please do not hesitate to reach out to the undersigned at **312.251.4500** at your convenience.

Sincerely,

BAKER TILLY ADVISORY GROUP, LP

Timothy J. Voncina, CPA, CMA, CGMA, CFF, CFE

Principal

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bakertilly

SUMMARY OF DOCUMENTS REVIEWED **SCHEDULE 1**

1 ***Accounting Records and Financial Data (October 31, 2021 to December 31, 2024)***
General ledger detail
Credit card statements, including transaction-level detail
Bank statements
Accounts payable transaction detail
Vendor payment detail
Financial statements

2 ***Management-Prepared Information***
Bank reconciliations
COVID related documentation

3 ***Payroll and Human Resource Information***
Organization Chart

4 ***Policies and Procedures***
Written policies or procedures governing credit card, code of ethics, petty cash, investment policy, travel, expense reimbursements

5 ***Other Information - NEDC***
Meeting minutes
Sample selection support

bakertilly

SUMMARY OF EDC SAMPLE TESTING **SCHEDULE 3**

Request	Focus Area	Vendor	Date	Check Number	Amount	Source	Baker Tilly Comments
1	NEDC	1118 Atlanta Avenue and 219 Twin City Hwy	2/7/2025	7635	$ 437,000	December 2022 Meeting Minutes	Purchase properties for Atlanta Avenue
2	NEDC	1132 Atlanta Avenue	1/18/2023	N/A	73,798	January 2023 Meeting Minutes	Purchase property for Atlanta Avenue
3	NEDC	Layne's Chicken	6/19/2024	N/A	100,000	June 2024 Meeting Minutes	CBA Incentive for restaurant/Two year
4	NEDC	Hatton Homes	5/17/2023	N/A	60,000	May 2023 Meeting Minutes	CBA incentive/ new residential and retail
5	NEDC	Higginbotham Insurance Agency	10/4/2024	8095	34,047	October 2024 Bank Statement	Higginbotham Insurance Agency
6	NEDC	Wire from Ref 664 Capital Title of Texas	10/24/2024	Wire	562,527	October 2024 Bank Statement	Wire from Ref 664 Capital Title of Texas
7	NEDC	Texas Regional Title LLC	11/8/2021	7371	882,471	November 2021 Bank Statement	Texas Regional Title LLC
8	NEDC	Lloyd E Varnado	12/20/2021	7392	65,000	December 2021 Bank Statement	Lloyd E Varnado
9	NEDC	Texas Regional Title LLC	1/6/2022	7402	400,873	January 2022 Bank Statement	Texas Regional Title LLC
10	NEDC	N&T Construction Inc	1/24/2024	7892	222,947	January 2024 Bank Statement	N&T Construction Inc
11	NEDC	Texas Regional Title LLC	2/7/2023	7635	436,682	February 2023 Bank Statement	Texas Regional Title LLC
12	NEDC	N&T Construction Inc	2/6/2024	7901	319,822	February 2024 Bank Statement	N&T Construction Inc
13	NEDC	Checkerboard Restaurants III	3/24/2023	7662	94,015	March 2023 Bank Statement	Checkerboard Restaurants III
14	NEDC	Architectural Alliance Inc	5/2/2023	7683	64,887	May 2023 Bank Statement	Architectural Alliance Inc
15	NEDC	HHH&T, LLC	8/20/2024	8053	25,000	August 2024 Bank Statement	HHH&T, LLC