

City of Mission



Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2017

City of Mission, Texas

CITY OF MISSION, TEXAS

Comprehensive Annual Financial Report

*For Fiscal Year Ended
September 30, 2017*

*Prepared By:
Finance Department*

MISSION CITY COUNCIL



Norberto "Beto" Salinas
Mayor



Norie Gonzalez Garza
Mayor Pro Tem



Jessica Ortega-Ochoa
Council Member



Dr. Armando O'Cana
Council Member



Ruben Plata
Council Member

CITY OF MISSION, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2017

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INTRODUCTORY SECTION



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CITY OF MISSION

"Home of the Grapefruit"

March 12, 2018

To the Honorable Mayor,
Members of the City Council,
and Citizens of the City of Mission, Texas:

The Comprehensive Annual Financial Report (the CAFR) of the City of Mission, Texas (the City) for the fiscal year ended September 30, 2017, is submitted in accordance with Section 3.14 of the City Charter.

This report contains management's representations concerning the finances of the City of Mission; consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Mission has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Mission's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Burton McCumber & Longoria, LLP, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, The Single Audit Act Amendments of 1996, and U.S. Office of Management and Budget (OMB) Circular A-133. Information related to the single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit report.

CITY PROFILE AND STRUCTURE

The City of Mission was incorporated on March 19, 1910 and is located along the U.S. - Mexico border in South Texas. The City currently occupies a land area of approximately 35.36 square miles. The City's population has grown since the 2000 census from 45,408 to 77,058 as per the 2010 census, an increase of 70%. The City is empowered to levy a property tax on both real and personal property located within its boundaries and it is empowered by state statute to extend its corporate limits by annexation, when deemed appropriate by the City Council.

The City of Mission is a political subdivision located in Hidalgo County operating as a home rule city under the City's Home Rule Charter, which was last amended on May 10, 2008. The City operates under a Council/Manager form of government where the Mayor and four Council members are elected at large to four-year staggered terms. The City Council is responsible, among other things, to enact local legislation, adopt budgets, determine policies and appoint the City Manager and City Attorney. The City Manager is responsible for executing the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational and cultural events; water, sewer, and sanitation services; and a municipal golf course.

Budget

The annual budget serves as the foundation for the City's financial planning and control. The department heads of the City are required to submit requests for appropriations to the City Manager by the second Friday in June; the City Manager uses these requests as the starting point in developing a proposed budget. The City Manager then presents the proposed budget to the City Council for their review by mid-August. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than fifteen (15) days prior to October 1; the beginning of the new fiscal year. The budget is prepared in order of fund, function, and department. The legal level of budgetary control is in the department level within each fund. Any change to the original budget, which will exceed or deplete the appropriated amount at the department level requires City Council approval. Any change to the original departmental budget between line items will be processed through a budget reclassification form, which requires the approval of the City Manager, Finance Director, and Department Head. Budget adjustments may not be made between different departments nor can they be used to increase or decrease wages and benefits; such changes will require City Council approval.

LOCAL ECONOMY

Mission is one of the major cities of the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA). Mission is among the fastest growing cities in the Rio Grande Valley, State of Texas, and United States.

Because of the semi-tropical weather, culture, friendliness, and proximity to Mexico, Mission has become home to “Winter Texans” for four to six months out of the year. Winter Texans are mostly retired citizens from northern states who visit the Rio Grande Valley to escape the cold winter weather. Thousands of visitors from Mexico also contribute to the economy of the City. The City currently has eleven businesses that provide lodging to tourists.

Over the past eight years, the City of Mission has experienced significant economic growth and investment. More than \$538 million in residential and commercial development has been completed or is in various phases throughout the City. Building permits increased 2.8% from prior fiscal year. The increase in commercial and residential development has contributed to the decline in the unemployment rate for the City of Mission. According to the Texas Labor Market Review website, the City’s unemployment rate decreased from 7.6% to 6.2% as of November 2017.

The City of Mission, Mission Regional Medical Center, Sharyland Independent School District, and Mission Consolidated Independent School District, also have a significant economic presence, employing more than 5,200 professionals, teachers, and support staff.

The City continues to work very closely with the MRA and Hunt Valley Development to promote development along the Anzalduas Highway, which was completed during FY 2013. The MRA is completing the installation of wastewater infrastructure in the area. It is expected that once the area is fully developed, both property and sales tax revenues will increase. For FY 2017, sales tax reflected a decrease of 2.3% compared to prior year.

The following list identifies the major accomplishments that the City has undertaken to improve the community and its economy.

Fiscal Year 2016-2017 Accomplishments

- Maintained the Tax Freeze for the elderly and disabled as well as the \$10,000 Tax Exemption for the elderly and disabled.
- The City was awarded \$1.57 million in State and Federal Grants for housing, public safety services and equipment, park improvements, homeless prevention programs, and education programs.
- Eleven new homes were reconstructed and two homes were rehabilitated by the CDBG housing program during the year and two were approved towards the end of the fiscal year to be constructed in the FY 2018.
- Installed decorative color streetlights under the overpass on Conway and Expressway 83 Intersection.
- Completed Phase I of the Taylor Road Expansion Project.
- Commenced Phase III of the Taylor Road Expansion Project. This project will be funded through an inter-local agreement with City of Mission, City of McAllen, and Hidalgo County.
- Completed park improvements at various parks throughout the city.
- Commenced the construction of the Mission Event Center.

- Commenced the construction of the Wastewater Treatment Plant Expansion Project.
- Commenced the construction of a water tower next to the future site of the Mission Event Center.
- Commenced the design and preliminary engineering work for the interconnecting roadways for the future Madero International Bridge.
- Completed park irrigation project at Nell Toll Park.
- Completed construction of a safe haven home for temporary housing of citizens in need.

The following list identifies the major initiatives that the City has proposed in Annual Budget Report.

Major Initiatives For Fiscal Year 2017-2018

- Complete the Mile 2 North expansion project from Conway Avenue to Inspiration Road.
- Complete the Mile 2 North expansion project from Inspiration Road to Moorfield Road.
- Continue the second phase of the Mission Northwest EDAP Project.
- Continue the Inspiration North Road Project from Hwy 83 to Mile 3.
- Complete the construction of the Wastewater Treatment Plant Expansion Project.
- Complete the construction of a water tower on the southeast section of the City.
- Demolish the water tower on Lucksinger Road.
- Continue to work with the Mission Master Plan and grant applications for funding of park development projects.
- Complete the construction of the proposed event center.
- Continue Phase III of the Taylor Road Expansion Project. This project is funded through an inter-local agreement with City of Mission, City of McAllen, and Hidalgo County.
- Continue applying for federal and state grants that would enable the City to provide additional positions for the Police and Fire Departments.
- Commence the acquisition of right-of-ways for the interconnecting highways of south Inspiration & Military Road.
- Continue the practice in the CDBG program of focusing solely on providing for the reconstruction of homes and the funding of several public agencies. Ten homes are currently budget for reconstruction with CDBG and Habitat for Humanity Funds.
- Improve workplace safety and reduce the number of injury claims by implementing safety programs aimed at making employees aware of conditions around them and taking pro-active measures to correct problem areas and reduce general liability insurance and worker's compensation claims.

LONG-TERM FINANCIAL PLANNING

The City adopted a Fund Balance Policy on June 27, 2011 requiring the General Fund Unrestricted Fund Balance maintain a minimum of two (2) months of operating expenditures. Unrestricted Fund Balance is composed of unassigned, committed, and assigned net assets. The City did not meet this requirement at year-end with an ending Unrestricted Fund Balance of \$6,321,830. Careful long-

term financial planning is an on-going goal for the City; therefore, it is the intent of the City Council and management to meet the Fund Balance Policy requirement. The City fell short of meeting this requirement by \$601,874.

The City's FY 2017 Budget was prepared very conservatively based on current economic activity within our city. The City will continue to apply for federal and state grants and will continue to fund capital needs through the issuance of debt.

The City's Master Plan, which is constantly being reviewed, is used to guide city staff in meeting the future needs and demands of this fast growing community and still maintain the necessary fund balance.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Mission, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This is the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department. We would like to express our appreciation to all members of the Finance Department and other City departments who assisted and contributed to its preparation. Credit should also be given to the Mayor, City Council, MEDC and MRA, for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

In conclusion, we would like to thank the City's auditing firm, Burton McCumber & Longoria, LLP., for their efforts, not only in the performance of the City's annual audit, but for their professionalism and dedication in making it an effortless transition. They have been an excellent source of information for preparation of the report.

Respectfully submitted,



Martin Garza, Jr.
City Manager



Angie Vela
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Mission
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

CITY OF MISSION, TEXAS

List of Principal Officials Year Ended September 30, 2017

CITY OFFICIALS

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member

Norberto "Beto" Salinas
Norie Gonzalez Garza
Dr. Armando O'Cana
Jessica Ortega-Ochoa
Ruben Plata

CITY ADMINISTRATION

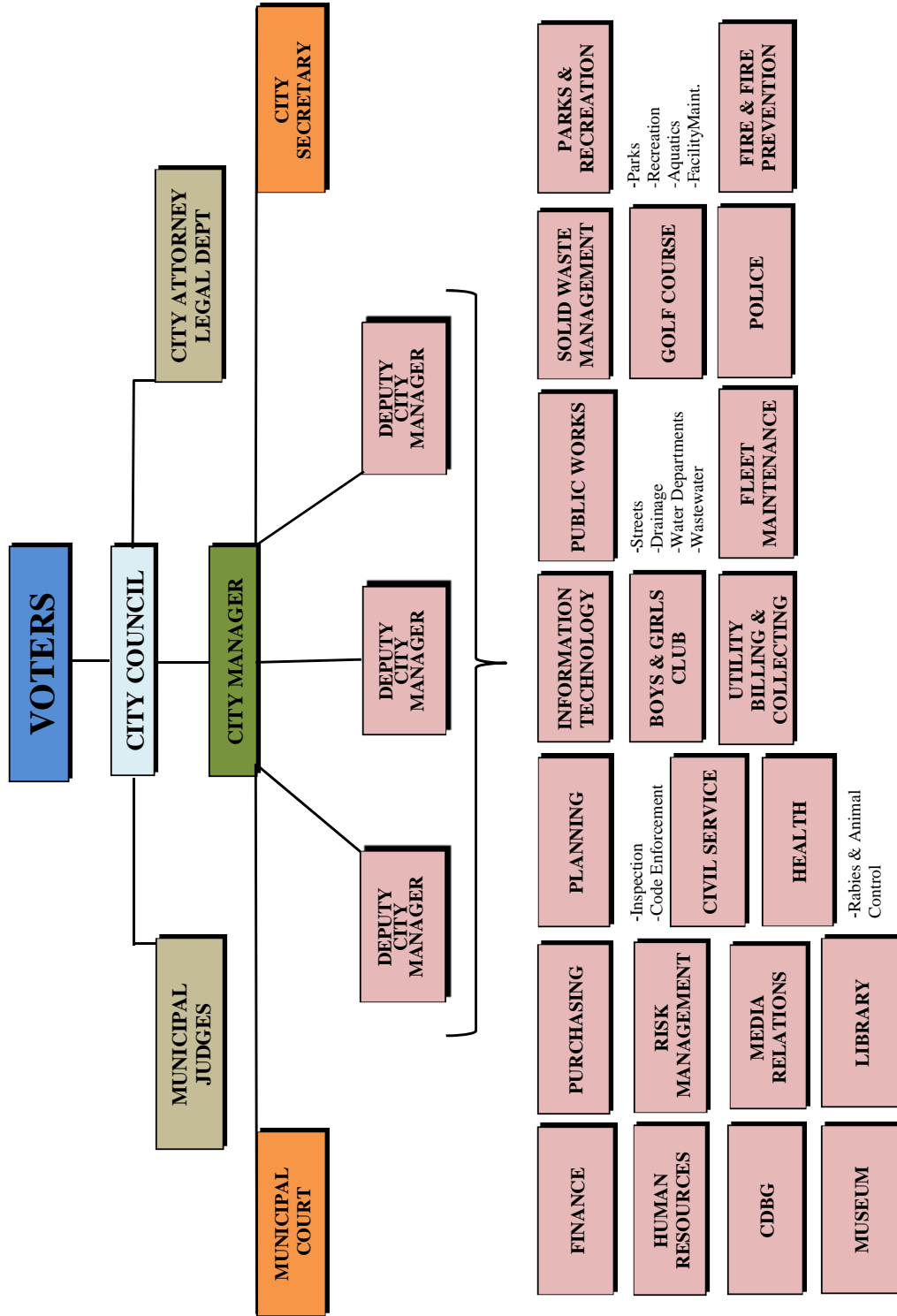
City Manager
Deputy City Manager
Deputy City Manager
City Secretary
Finance Director
Assistant Finance Director
City Attorney
Deputy City Attorney
Boys & Girls Club Director
CDBG Director
Civil Service Director
Fire Chief
Fleet Director
Golf Course Director
Health Director
Human Resources Director
Information Technology Director
Library Director
Media Relations Director
Municipal Judge
Museum Director
Parks and Recreation Director
Planning and Zoning Director
Police Chief
Public Works Director
Purchasing Director
Risk Management Director
Solid Waste Director

Martin Garza, Jr.
Aida Lerma
Randy Perez
Anna Carrillo
Angie Vela
Ezeiza Garcia
Abiel Flores
Jaime Tijerina
Juan Arevalo
Joanne Longoria
Jesse Lerma
Gilbert Sanchez
J.C. Avila
Mario Flores
Noel Barrera
Noemi Munguia
Roland Rodriguez
Mayra Rocha
Humberto Garcia
Jonathan Wehrmeister
Cynthia Lopez
Brad Bentsen
Jaime Acevedo
Robert Dominguez
Roberto Salinas
Eduardo Belmarez
Robert Hinojosa
Cesar Gutierrez

OFFICIALS ISSUING REPORT

Angie Vela
Finance Director

CITY OF MISSION, TEXAS ORGANIZATIONAL CHART



FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
And Members of the City Council
City of Mission, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units (except for the Mission Redevelopment Authority), each major fund, and the aggregate remaining fund information of the City of Mission, Texas (City) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Mission Redevelopment Authority, which is a discretely presented component unit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Mission Redevelopment Authority, which statements reflect total assets of \$19,244,578 as of September 30, 2017, and total revenues of \$5,142,922 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mission Redevelopment Authority, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Mission Redevelopment Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mission, Texas, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule information, and required supplementary information schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the other supplementary information section, the capital assets used in the operation of governmental funds section, the supplemental schedules section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information section, the capital assets used in the operation of governmental funds section, and the supplemental schedules section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Burton McCall & Loya, LLP

McAllen, Texas
March 8, 2018

Management's Discussion and Analysis

As management of the City of Mission, we offer the readers of the City of Mission's financial statements this narrative overview and analysis of the financial activities of the City of Mission for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with the additional information that has been furnished in our letter of transmittal, which can be found on pages 3-7 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$175,221,362 (net position).
- The City's total net position increased by \$5,157,863. Governmental activities contributed an increase of \$5,914,395 while the Business-type activities contributed a decrease of \$756,532. Both total revenues and total expenses reflect increases compared to prior year with revenues by 8.07% and expenses by 3.90%.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$19,039,156 a \$18,132,926 decrease in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$986,387.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Mission's basic financial statements. The City of Mission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City of Mission's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the City of Mission's assets, deferred outflows, liabilities and deferred inflows with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Mission is improving or deteriorating.

The *Statement of Activities* - presents information showing how the government's net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing

of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Mission that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Mission include: general government; public safety; highways and streets; health and welfare; culture and recreation; and economic development. The business-type activities of the City of Mission include: a utility system (water and sewer); a golf course operation; and a solid waste operation.

The government-wide financial statements include not only the City of Mission itself (known as the primary government), but also legally separate component units for which the City of Mission is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on page 31 of this report.

Fund financial statements - A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Mission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City of Mission funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Mission maintains twenty-five (25) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund and the 2016 CO Fund, which are considered major funds. Data of two additional funds is incorporated with the General Fund as a result of Governmental Accounting Standards Board (GASB) Statement No. 54. Data from the other nineteen governmental funds are combined into a single, aggregated presentation. Individual fund data for

each of these non-major governmental funds is provided in the form of *combining statements* starting on page 135 of this report.

The City of Mission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 34-37 of this report.

Proprietary Funds - The City of Mission maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Mission uses enterprise funds to account for its water and sewer system, golf course operation, and solid waste operation.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Mission uses an internal service fund to account for health insurance premiums, medical claims, and health administrative fees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system, golf course operations, and solid waste operations, all of which are considered to be major funds of the City of Mission. Conversely, the internal service fund is a single presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 39-43 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

Notes to the financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46-108 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Mission's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 111-129 of this report.

The combining statements referred to earlier, in connection with non-major governmental funds, are presented immediately following the required supplementary information on pensions. The combining statements and individual fund schedules begin on page 135 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Mission, assets and deferred outflows exceeded liabilities and deferred inflows by \$175,221,362 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2017.

City of Mission Net Position September 30, 2017						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 29,419,253	\$ 45,706,190	\$ 25,712,285	\$ 35,770,024	\$ 55,131,538	\$ 81,476,214
Capital assets	136,777,211	114,049,467	92,912,582	86,085,478	229,689,793	200,134,945
Total assets	166,196,465	159,755,657	118,624,867	121,855,502	284,821,331	281,611,159
Total deferred outflows of resources	2,734,980	5,878,734	965,216	1,644,148	3,700,196	7,522,882
Long-term liabilities	57,252,687	59,944,839	43,508,905	47,192,690	100,761,592	107,137,529
Other liabilities	7,907,723	4,977,845	7,841,618	6,739,560	15,749,341	11,717,405
Total liabilities	65,160,410	64,922,684	51,350,523	53,932,250	116,510,933	118,854,934
Total deferred inflows of resources	37,838	179,656	7,571	35,950	45,409	215,606
Net position						
Net investment in capital assets	102,466,220	90,942,556	52,564,331	41,651,937	155,030,551	132,594,493
Restricted	7,761,373	9,418,977	12,543,135	18,219,378	20,304,508	27,638,355
Unrestricted (deficit)	(3,781,146)	170,518	3,667,449	9,660,134	(113,697)	9,830,652
Total net position	\$ 106,446,447	\$ 100,532,051	\$ 68,774,915	\$ 69,531,449	\$ 175,221,362	\$ 170,063,500

By far the largest portion of the City's net position (88 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Mission uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Mission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's overall net position increased \$5,157,862 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities - During the current fiscal year, net position for governmental activities increased \$5,914,396 from the prior fiscal year for an ending balance of \$106,446,447.

The city increased its net investment in capital assets by \$11,523,664. This fiscal year the city chose to invest in the beautification of the city by implementing a continuous plan of improvements of parks, city streets and city infrastructure. The city's goal is to enhance the quality of life for its citizens and encourage future development. These improvements will serve the current and future residents for years to come.

Analysis of Changes in Net Position

The following table summarizes the changes in the City's net position from its activities for the fiscal year ended September 30, 2017.

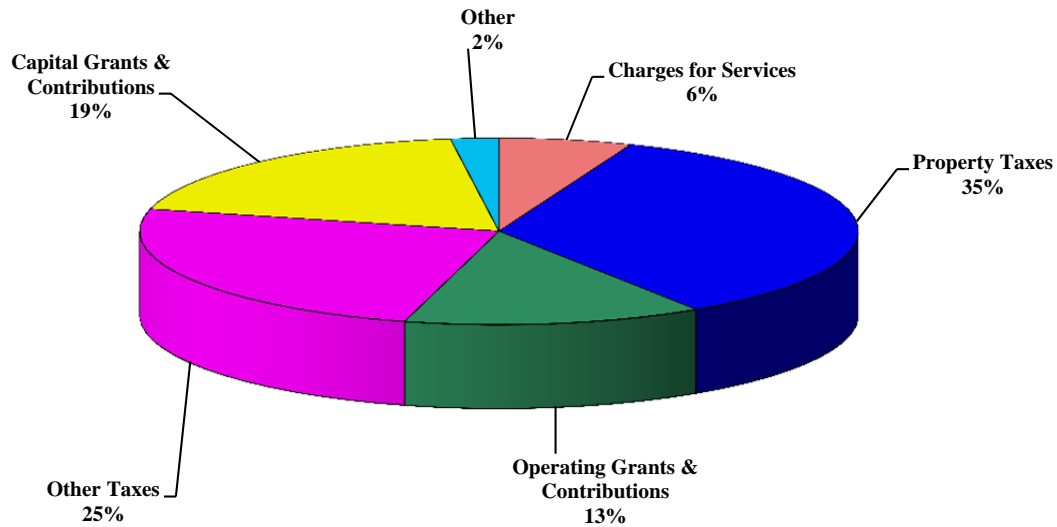
City of Mission Changes in Net Position September 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 3,501,775	\$ 3,727,847	\$ 26,597,448	\$ 28,449,181	\$ 30,099,223	\$ 32,177,028
Operating grants and contributions	7,865,910	6,538,968	73,923	12,082	7,939,833	6,551,050
Capital grants and contributions	11,139,643	4,950,222	893,581	924,694	12,033,224	5,874,916
General revenues:						
Property taxes	20,369,113	19,481,719	-	-	20,369,113	19,481,719
Other taxes	14,390,544	14,761,464	-	-	14,390,544	14,761,464
Other	1,265,038	721,962	94,357	187,445	1,359,395	909,407
Total revenues	<u>58,532,023</u>	<u>50,182,182</u>	<u>27,659,309</u>	<u>29,573,402</u>	<u>86,191,332</u>	<u>79,755,584</u>
Expenses:						
General government	10,095,896	8,405,138	-	-	10,095,896	8,405,138
Public safety	23,685,949	23,957,241	-	-	23,685,949	23,957,241
Highways and streets	7,571,683	7,493,232	-	-	7,571,683	7,493,232
Economic development	5,309,186	4,933,314	-	-	5,309,186	4,933,314
Culture and recreation	7,837,590	7,220,861	-	-	7,837,590	7,220,861
Health and welfare	1,371,370	1,306,154	-	-	1,371,370	1,306,154
Interest on long-term debt	1,605,954	1,314,872	-	-	1,605,954	1,314,872
Utility system	-	-	17,031,578	17,110,233	17,031,578	17,110,233
Golf course operations	-	-	1,318,098	1,285,977	1,318,098	1,285,977
Solid waste operations	-	-	5,206,165	4,958,069	5,206,165	4,958,069
Total expenses	<u>57,477,628</u>	<u>54,630,812</u>	<u>23,555,841</u>	<u>23,354,279</u>	<u>81,033,469</u>	<u>77,985,091</u>
Increases in net position before transfers	1,054,395	(4,448,630)	4,103,468	6,219,123	5,157,864	1,770,493
Transfers	<u>4,860,000</u>	<u>4,400,000</u>	<u>(4,860,000)</u>	<u>(4,400,000)</u>	<u>-</u>	<u>-</u>
Changes in net position	5,914,395	(48,630)	(756,532)	1,819,123	5,157,864	1,770,493
Net position - 10/01/16	<u>100,532,051</u>	<u>100,580,681</u>	<u>69,531,447</u>	<u>67,712,326</u>	<u>170,063,498</u>	<u>168,293,007</u>
Net position - 09/30/17	<u>\$ 106,446,447</u>	<u>\$ 100,532,051</u>	<u>\$ 68,774,915</u>	<u>\$ 69,531,447</u>	<u>\$ 175,221,362</u>	<u>\$ 170,063,500</u>

Total revenues generated from governmental activities for this year were \$58,532,023 reflecting an increase of \$8,349,841 compared to last year.

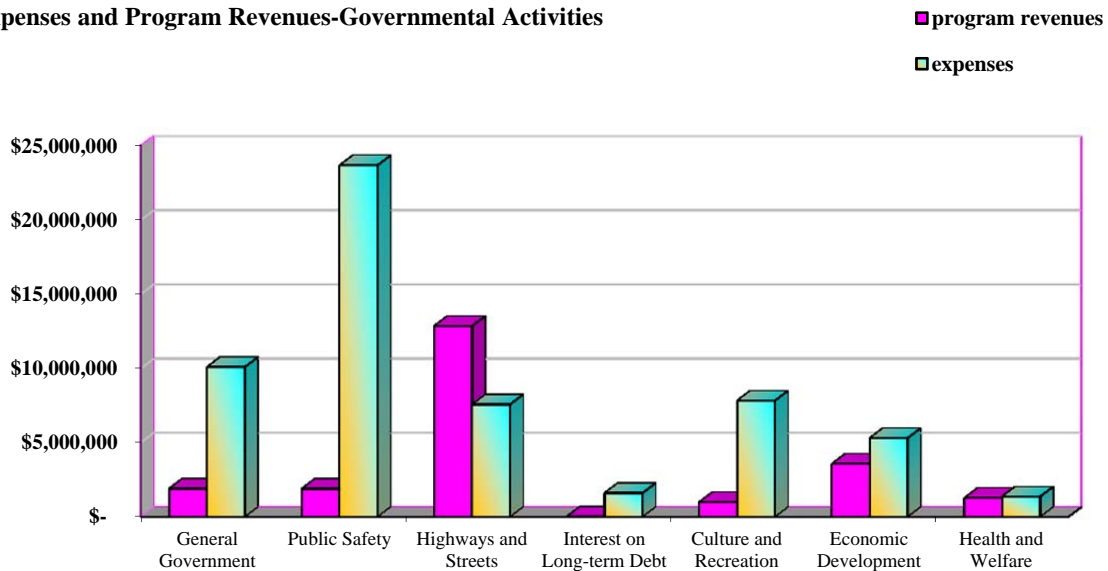
- Capital grants and contributions increased by \$6,189,421 from prior year while the operating grants and contributions increased by \$1,326,942 compared to prior year.
- Other general revenue increased by \$1,059,550 compared to prior year.

Revenues by Source-Governmental Activities



The following graph displays the portion of expenses funded by program revenues. Overall, general revenues funded approximately 63% of total expenses for fiscal year 2017.

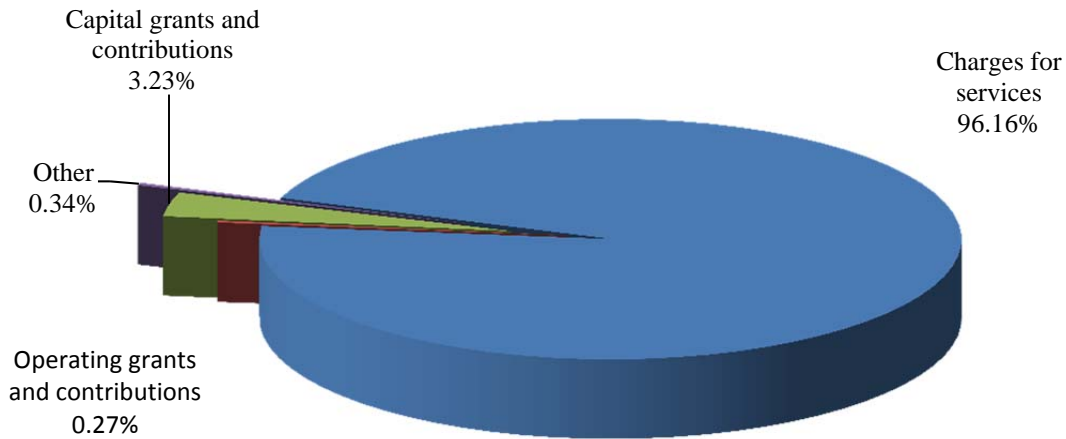
Expenses and Program Revenues-Governmental Activities



Expenses for governmental activities of the City totaled \$57,477,628 for the year ended September 30, 2017, an increase of 5.2% compared to fiscal year 2016. The most significant changes occurred in the following areas:

- General Government Activities increased by \$1,690,758
- Public Safety Activities decreased by \$271,292
- Culture and Recreation increased by \$616,729

Revenues by Source-Business-type Activities

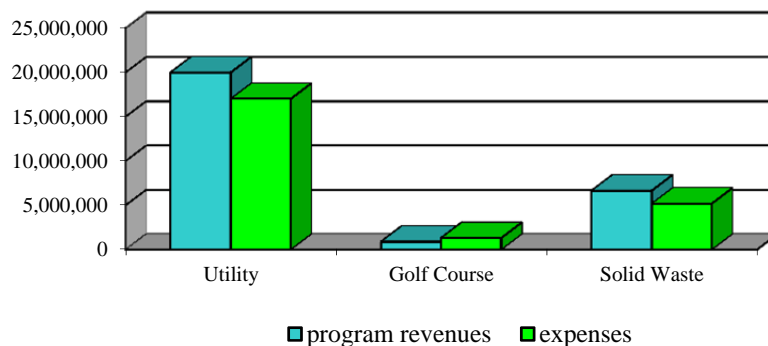


Business-type Activities - Results of Business-type activities decreased the City of Mission's net position by \$756,531. Revenues decreased by 6.47% and expenses increased by \$201,562 in comparison with prior year.

- Charges for Services decreased by 6.50% in comparison to the prior year due to a continuing pattern of rainy weather for the Rio Grande Valley.
- Charges for Service are 96.16% of the source of revenues for the business-type activities.

The following graph displays the portion of expenses funded by program revenues.

Expenses and Program Revenues-Business-type Activities



- Expenses for business-type activities of the City totaled \$23,555,841 an increase of \$201,562 compared to prior year. The majority of the increase in the business-type

activities is from the Solid Waste System. Solid Waste is in the initial stages of preparing to undertake the commercial aspect of Solid Waste, which is currently under contract.

Financial Analysis of Government's Funds

As noted earlier, the City of Mission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the City of Mission governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Mission's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to a particular purpose by either the City of Mission, an external party, a group or individual that has been delegated authority to assign resources to be used for particular purposes by the City of Mission City Council.

As of September 30, 2017, the City of Mission's governmental funds reported a combined fund balance of \$19,039,156, a decrease of \$18,132,919 compared with the prior year. A majority of the decrease, \$14,452,329, was from the 2016 CO capital projects fund that was used for the funding of the Mission Events Center which began construction in FY 2016-2017.

Approximately 5.18% of this amount (\$986,387) constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is categorized as either: non-spendable, restricted, or assigned to indicate that it is: a) not in spendable form (\$62,261), b) restricted for particular purposes (\$12,655,065), or c) assigned for particular purposes (\$5,335,443).

The General Fund is the main operating fund of the City of Mission. At the end of the current fiscal year, the total fund balance was \$6,384,091 a decrease of \$973,747 compared to prior year, with the unassigned portion of the fund balance being \$986,387. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 2.37% of total General Fund expenditures, while total fund balance represents approximately 15.37% of the same amount.

The Debt Service Fund, a major fund, had a \$1,526,158 decrease in fund balance during the current fiscal year. The decrease was due to a reduction of I&S property tax rate for FY16-17.

The Capital Projects Fund, newly presented as a major fund, had a deficit fund balance at year-end of \$644,191. Several infrastructure projects are being handled through this fund, due to this practice, reconciliations are done at the end of each project. Deficits are covered by General Fund once final reconciliation has been verified. The 2016 CO Capital Projects Fund, a second major fund, had a \$14,452,329 decrease in fund balance during the current fiscal year. As mentioned above, the fund is restricted for the construction of the new City of Mission Events Center.

Other governmental funds decreased by \$164,780 in fund balance during the current fiscal year. The overall revenues for other governmental funds decreased by \$3,139,249 with the majority of the decrease in intergovernmental revenues, and the overall expenditures for other governmental funds decreased by \$3,019,502. The decrease in both revenues and expenditures is attributed to the capital projects fund being broken out as a major fund.

Revenues and Transfers-In

The following table presents a summary of General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds revenues and transfers-in for the fiscal years ended September 30, 2017 and 2016.

- Intergovernmental revenues increased due to the continuation of capital projects being reimbursed by other agencies.
- Miscellaneous revenues decrease is attributed to a sale of property for Mission Economic Development Authority and a surety bond settlement in a Capital Projects Fund that were one-time revenues for 2016.

Revenues & Transfers-In	2017 Amount	% of Total	2016 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	\$ 35,674,656	54.37%	\$ 35,157,704	\$ 516,952	1.47%
Licenses and permits	555,266	0.85%	634,869	(79,603)	-12.54%
Intergovernmental	16,844,356	25.67%	8,596,963	8,247,393	95.93%
Charges for services	1,036,163	1.58%	1,191,107	(154,944)	-13.01%
Fines and forfeitures	832,596	1.27%	807,027	25,569	3.17%
Investment income	147,568	0.22%	83,949	63,619	75.78%
Miscellaneous	1,518,760	2.31%	1,935,702	(416,942)	-21.54%
Transfers-in	9,002,594	13.72%	7,361,619	1,640,975	22.29%
Bond premium	-	0.00%	4,028,801	(4,028,801)	100.00%
Bond proceeds	-	0.00%	25,695,000	(25,695,000)	100.00%
Total	\$ 65,611,959	100.00%	\$ 85,492,741	\$ (19,880,782)	-23.25%

Expenditures and Transfers-Out

The following table presents a summary of General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds expenditures, transfers-out, and other financing uses for the fiscal years ended September 30, 2017 and 2016. Major differences are due to:

- Capital Projects expenditures increased due to the commencement of several projects in 2017.
- Debt service and other financing uses decreased due to bond issues in 2016 that created expenditures for that fiscal year created by the issuance that no longer exist in 2017.

Expenditures & Transfers-Out	2017 Amount	Percent of Total	2016 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General government	\$ 9,782,891	11.68%	\$ 8,878,525	\$ 904,366	10.19%
Public safety	21,860,971	26.10%	21,601,526	259,445	1.20%
Highways and streets	6,612,678	7.90%	5,304,862	1,307,816	24.65%
Health and welfare	459,447	0.55%	459,716	(269)	-0.06%
Culture and recreation	6,676,409	7.97%	5,668,890	1,007,519	17.77%
Economic development	5,309,187	6.34%	4,933,314	375,873	7.62%
Capital projects	24,359,561	29.09%	3,629,592	20,729,969	571.14%
Debt service:					
Principal	2,986,003	3.57%	2,099,452	886,551	42.23%
Interest and fiscal charges	1,555,144	1.86%	1,094,456	460,688	42.09%
Payment to refunded bond escrow agent	-	0.00%	9,385,029	(9,385,029)	100.00%
Transfers-out	4,142,594	4.95%	2,961,619	1,180,975	39.88%
Total	<u>\$ 83,744,885</u>	<u>100.00%</u>	<u>\$ 66,016,981</u>	<u>\$ 17,727,904</u>	<u>26.85%</u>

Proprietary Funds. The City of Mission's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the year, total unrestricted net position amounted to \$3,455,835. The Utility Fund and the Solid Waste Fund had unrestricted net position of \$910,179 and \$4,817,543, respectively. The Golf Course Fund ended the year with a deficit in unrestricted net position of \$2,271,887. The Utility Fund unrestricted net position decreased by \$5,991,021. The decrease was due to the expensing of a buy in from AGUA SUD received in prior year for the commencement of our waste water plant expansion.

The Golf Course Fund borrowed working capital from the Utility Fund in order to meet its daily operational expenses during the current year. Golf Course operating revenues reflect a decrease of \$1,651 from prior year. Expenses increased by \$18,685 or 1.45% in comparison to prior year. Expenses increased due to a cost of living adjustment of 6% that was approved for all civilian employees. Management continues to closely monitor expenses and to promote the Golf Course not only in the surrounding communities but also nationwide through various advertisement sources including Twitter, Facebook, and Google Plus.

The Solid Waste Fund commenced residential collections at the end of fiscal year 2014 and completed its third year of operations as of September 30, 2017. Total change in net position reflected a positive amount of \$1,052,297. Revenues increased by \$85,232 and expenses increased by \$247,523 compared to prior year. The commercial collection service is outsourced for the next year and a half, at which time the City will also provide this service in-house.

General Fund Budgetary Highlights

During the year the City Council amends the budget as necessary. Generally, adjustments to the budget relate to requests not considered during the normal budgetary process. Original estimated revenues were increased by \$457,196 while budgeted appropriations were increased by \$1,261,548 during the year.

- The most significant revenue variance (\$3,123,622) is reflected in reimbursements from Hidalgo County and City of McAllen for Taylor Road which has been phased out into three phases, the third of which has been deferred until the start of construction.
- Taxes revenues reflect a decrease of \$600,715 due to a shortfall in sales tax.
- Charges for Service revenues reflect a positive net variance of \$108,970 compared to the budgeted amount.
- Miscellaneous revenues also reflected a positive variance of \$137,951. Due to their very nature, miscellaneous revenues are budgeted at a conservative level, since most of the revenues are normally considered one-time revenues.
- Expenditures came in under budget largely due to departments closely monitoring expenditures and staying in line with the budget. The most significant savings are reflected in Highways and Streets with a total of \$2,759,112. Savings are due to various projects that carry over into subsequent year. Public Safety had a savings of \$1,568,672 due to various grants received throughout the year. General Government also had a savings of \$798,222 primarily in the Organization Department. This department is a catch-all department for expenditures which can't be accounted for in other departments. Expenditures include engineering fees not tied to specific projects, legal fees, right-of-way purchases, and assistance to other entities.

Capital Asset and Debt Administration

Capital assets. The City of Mission's capital assets for its governmental and business type activities as of September 30, 2017, amounts to \$229,689,793 (net of accumulated depreciation). Investment in capital assets includes: land, buildings and improvements, machinery and equipment, streets, storm drainage, sanitary sewer system, and water system. The total increase in the City of Mission's investment in capital assets for the current fiscal year was \$29,554,855.

Major capital asset events during the current fiscal year included the following:

- Construction in progress in the governmental activities increased by \$18,961,090. Some of the projects were completed to include the 1st Street Park improvements (Arnulfo "Tatan" Rodriguez Park) and the Melba Carter old floodway drain ditch outfall project. In addition, the city completed construction of a home to be used for temporary housing as well as various street and park improvement projects. Two new projects that contribute to the

increase in current year are Inspiration Road and the Mission Event Center, which are scheduled to be completed in FY2017-2018.

- Construction in progress in the business-type activities increased by \$9,173,213. Projects completed include the Shary Road Lift Station, Inspiration & Mile 2 Waterline/Sewerline Improvements, and St Claire Road Project. Major projects in current year include the continuation of Bentsen Palm Lift Station and Wastewater treatment plant expansion.

The following table summarizes the City's total capital assets.

**City of Mission
Capital Assets
Net of Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and water rights	\$ 37,659,281	\$ 34,155,340	\$ 7,318,865	\$ 7,510,545	\$ 44,978,146	\$ 41,665,885
Buildings and system	11,569,979	12,256,959	65,755,747	69,017,724	77,325,726	81,274,683
Improvements other than buildings	8,737,383	8,995,237	2,308,114	786,861	11,045,497	9,782,098
Machinery and equipment	5,635,944	5,867,832	4,764,526	5,178,227	10,400,471	11,046,059
Infrastructure	37,901,615	36,462,177	-	-	37,901,615	36,462,177
Construction in progress	35,273,010	16,311,920	12,765,330	3,592,117	48,038,340	19,904,037
Total	<u>\$ 136,777,212</u>	<u>\$ 114,049,465</u>	<u>\$ 92,912,582</u>	<u>\$ 86,085,474</u>	<u>\$ 229,689,795</u>	<u>\$ 200,134,938</u>

Additional information on the City of Mission's capital assets can be found in note 6 on pages 68-69 of this report.

Long-term debt - At the end of the current fiscal year, the City of Mission had total outstanding long-term debt of \$101,234,653 a decrease of \$5,902,876 compared to prior year. Additional information on the City of Mission's long-term debt can be found in note 9 on pages 71-78 of this report.

Moody's Investors Service rated the City of Mission's outstanding bonds as "Aa3".

The following table summarizes the City's total long-term debt obligations.

**City of Mission
Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation debt	\$ 40,800,666	\$ 44,118,902	\$ -	\$ -	\$ 40,800,666	\$ 44,118,902
Revenue bonds	-	-	40,996,805	44,649,199	40,996,805	44,649,199
Capital leases	-	-	149,097	198,500	149,097	198,500
Compensated absences	3,349,746	3,274,534	461,664	420,619	3,811,410	3,695,153
City of McAllen-Anzalduas bridge	2,920,132	2,592,342	-	-	2,920,132	2,592,342
Pension related debt	9,628,720	9,165,549	1,814,987	1,722,306	11,443,707	10,887,855
OPEB related debt	885,657	793,512	227,178	202,066	1,112,835	995,578
Total	<u>\$ 57,584,921</u>	<u>\$ 59,944,839</u>	<u>\$ 43,649,731</u>	<u>\$ 47,192,690</u>	<u>\$ 101,234,652</u>	<u>\$ 107,137,529</u>

Economic Factors and Next Year's Budgets and Rates

- According to the November 2017 issue of the Texas Labor Market Review, the unemployment rate for the City of Mission was 6.2 percent, decreasing from 7.6 percent in prior year. The state and national average unemployment rates are 3.7 percent and 3.9 percent respectively.
- Appraised values provided by the Hidalgo County Appraisal District and used in preparing the 2017-2018 Budget were \$54.9 million higher than the prior year.
- The 2017-2018 Budget was prepared using an adopted tax rate of \$0.4862 per \$100 valuation. The tax rate decreased by 0.2% compared to prior year.
- Water and sewer rates remained unchanged in the 2017-2018 Budget.
- The 2017-2018 general fund operating budget was prepared using \$3,068,750 as the estimated unrestricted fund balance at September 30, 2017. The actual unrestricted fund balance for the general fund was \$6,284,852. For the upcoming 2017-2018 fiscal year, \$2,367,818 is the projected unrestricted fund balance at September 30, 2018. Projected revenues reflect a 6.3% decrease and expenditures also reflect an 11.5% decrease compared to FY 2017 original budget.
- The City is currently analyzing its current financial situation and will implement the necessary measures to maintain adequate levels of fund balance in the General fund to mitigate risks, provide a back-up plan for revenue shortfalls, and ensure that appropriate amounts are available for emergencies. The City's Fund Balance Policy requires that the general fund total unrestricted fund balance (includes unassigned, committed, and assigned) will be no less than two (2) months of operating expenditures. At the end of FY 2017, the general fund unrestricted fund balance did not meet this requirement.

Requests for Information

This financial report is designed to provide a general overview of the City of Mission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 1201 East 8th Street, City of Mission, Texas, 78572.



Martin Garza Jr.
City Manager



Angie Vela
Finance Director



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BASIC FINANCIAL STATEMENTS



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CITY OF MISSION, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017
EXHIBIT A-1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	MEDC	MRA
ASSETS					
Cash and cash equivalents	\$ 3,618,759	\$ 98,568	\$ 3,717,327	\$ 139,468	\$ 8,550,660
Investments	12,300,333	6,299,118	18,599,451	1,302,421	7,610,158
Receivables, net	8,485,374	3,593,896	12,079,270	649,414	10,805
Internal balances	2,778,711	(2,778,711)	-	-	-
Due from primary government	-	-	-	2,540	-
Due from component unit	1,120,496	-	1,120,496	3,125	124,369
Inventory	1,067	213,343	214,410	-	-
Land held for resale	764,338	-	764,338	-	-
Prepaid items	330,175	84,156	414,331	84,614	-
Redevelopment assets	-	-	-	-	2,768,383
Notes receivable current	2,400	-	2,400	-	-
Long-term receivable	17,600	-	17,600	-	180,203
Restricted assets	-	18,201,915	18,201,915	385,874	-
Capital assets:					
Land, water rights, and construction in progress	72,932,291	20,294,471	93,226,762	5,523,909	-
Other capital assets, net of accumulated depreciation	63,844,921	72,618,111	136,463,032	10,242,454	-
Total Assets	<u>166,196,465</u>	<u>118,624,867</u>	<u>284,821,332</u>	<u>18,333,819</u>	<u>19,244,578</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge related to loss of refundings	499,503	566,784	1,066,287	-	-
Deferred outflow related to pensions	5,061,597	963,944	6,025,541	-	-
Total Deferred Outflow of Resources	<u>5,561,100</u>	<u>1,530,728</u>	<u>7,091,828</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable	3,930,153	2,279,729	6,209,882	73,261	3,110
Customer deposits	-	2,374,820	2,374,820	-	-
Accrued interest payable	199,378	114,560	313,938	28,627	77,009
Other liabilities	1,526,505	139,153	1,665,658	6,495	-
Subdividers deposits	-	2,152,001	2,152,001	-	-
Retainage payable	1,200,243	534,718	1,734,961	-	-
Accrued payroll	295,069	82,244	377,313	9,305	-
Due to primary government	-	-	-	792,137	-
Due to component unit	126,909	-	126,909	-	328,360
Unearned revenues	297,232	23,565	320,797	-	-
Non-current liabilities:			-		
Due in more than one year	53,110,711	40,163,593	93,274,304	17,157,987	23,585,436
Due within one year	4,474,210	3,486,140	7,960,350	1,167,692	2,017,850
Total Liabilities	<u>65,160,410</u>	<u>51,350,523</u>	<u>116,510,933</u>	<u>19,235,504</u>	<u>26,011,765</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow related to pensions	150,708	30,157	180,865	-	-
Total Deferred Inflows of Resources	<u>150,708</u>	<u>30,157</u>	<u>180,865</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	102,466,220	52,564,331	155,030,551	15,766,363	-
Restricted for:					
Debt service	1,457,873	1,853,521	3,311,394	293,491	3,035,025
Construction	-	10,689,614	10,689,614	-	-
Capital Improvements	2,197,097	-	2,197,097	-	-
Federal and other awards	656,733	-	656,733	-	-
Tourism	1,163,834	-	1,163,834	-	-
Municipal court	416,449	-	416,449	-	-
MEDA	1,794,321	-	1,794,321	-	-
Other purposes	75,066	-	75,066	-	-
Unrestricted	(3,781,146)	3,667,449	(113,697)	(16,961,539)	(9,802,211)
Total Net Position	<u>\$ 106,446,447</u>	<u>\$ 68,774,915</u>	<u>\$ 175,221,362</u>	<u>\$ (901,685)</u>	<u>\$ (6,767,186)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 10,095,896	\$ 1,896,971	\$ -	\$ -
Public safety	23,685,949	62,576	1,318,007	510,086
Highways and streets	7,571,683	935,777	1,348,849	10,577,736
Health and welfare	1,371,370	221,780	1,052,438	-
Cutlture and recreation	7,837,590	384,671	564,385	51,821
Economic development	5,309,186	-	3,568,815	-
Interest and fiscal charges on long-term debt	1,605,954	-	13,416	-
Total Governmental Activities	57,477,628	3,501,775	7,865,910	11,139,643
Business-type activities:				
Utility	17,031,578	19,036,658	73,923	893,581
Golf Course	1,318,098	900,432	-	-
Solid Waste	5,206,165	6,660,358	-	-
Total Business-type Activities	23,555,841	26,597,448	73,923	893,581
Total Primary Government	\$ 81,033,469	\$ 30,099,223	\$ 7,939,833	\$ 12,033,224
COMPONENT UNITS:				
Mission Economic Development Corporation	\$ 11,005,308	\$ 5,736	\$ 222,146	\$ 81
Mission Redevelopment Authority	4,491,342	-	980	-
Total Component Units	\$ 15,496,650	\$ 5,736	\$ 223,126	\$ 81
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel/motel taxes				
Alcoholic beverage taxes				
Shared revenue-tax increment zone				
Interest earned				
Miscellaneous				
Transfers				
Total General Revenues				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	MEDC	MRA
\$ (8,198,925)	\$ -	\$ (8,198,925)		
(21,795,280)	-	(21,795,280)		
5,290,679	-	5,290,679		
(97,152)	-	(97,152)		
(6,836,713)	-	(6,836,713)		
(1,740,371)	-	(1,740,371)		
(1,592,538)	-	(1,592,538)		
<u>(34,970,300)</u>	<u>-</u>	<u>(34,970,300)</u>		
-	2,972,584	2,972,584		
-	(417,666)	(417,666)		
-	1,454,193	1,454,193		
<u>-</u>	<u>4,009,111</u>	<u>4,009,111</u>		
<u>\$ (34,970,300)</u>	<u>\$ 4,009,111</u>	<u>\$ (30,961,189)</u>		
			\$ (10,777,345)	\$ -
			<u>-</u>	<u>(4,490,362)</u>
			<u>\$ (10,777,345)</u>	<u>\$ (4,490,362)</u>
20,369,113	-	20,369,113	-	-
11,109,005	-	11,109,005	3,703,002	-
2,730,594	-	2,730,594	-	-
528,962	-	528,962	-	-
21,983	-	21,983	-	-
755,307	-	755,307	-	5,106,149
102,977	62,283	165,260	17,626	36,773
406,755	32,074	438,829	4,670	-
4,860,000	(4,860,000)	-	-	-
<u>40,884,696</u>	<u>(4,765,643)</u>	<u>36,119,053</u>	<u>3,725,298</u>	<u>5,142,922</u>
5,914,396	(756,532)	5,157,864	(7,052,047)	652,560
100,532,051	69,531,447	170,063,498	109,704	(7,419,746)
<u>\$ 106,446,447</u>	<u>\$ 68,774,915</u>	<u>\$ 175,221,362</u>	<u>\$ (6,942,343)</u>	<u>\$ (6,767,186)</u>

CITY OF MISSION, TEXAS

BALANCE SHEET-GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

EXHIBIT A-3

	General	Debt	Capital	2016 CO	Total	Total
	Fund	Service	Projects	Capital	Nonmajor	Governmental
	Fund	Fund	Fund	Projects Fund	Funds	Funds
ASSETS						
Cash and cash equivalents	\$ 95,978	\$ 43,446	\$ -	\$ 2,595,643	\$ 878,739	\$ 3,613,806
Investments	2,609,380	796,864	-	4,521,508	2,867,277	10,795,029
Prepaid items	41,364	-	-	-	1,053	42,417
Receivables:						
Taxes, including interest and penalties	1,816,512	461,517	-	-	-	2,278,029
Accounts	1,687,010	-	-	-	212,246	1,899,256
Special assessments	-	-	-	-	142,268	142,268
Less: allowance for uncollectibles	(1,887,898)	(94,577)	-	-	(980)	(1,983,455)
Due from other governments	2,336,040	-	3,342,928	-	284,828	5,963,796
Due from other funds	3,846,230	450,000	21,130	-	2,510,364	6,827,724
Due from component unit	794,673	-	322,141	-	-	1,116,814
Long-term receivable	17,600	-	-	-	-	17,600
Inventory	1,067	-	-	-	-	1,067
Land held for resale	-	-	-	-	764,338	764,338
Total Assets	<u>\$ 11,357,956</u>	<u>\$ 1,657,250</u>	<u>\$ 3,686,199</u>	<u>\$ 7,117,151</u>	<u>\$ 7,660,133</u>	<u>\$ 31,478,689</u>
LIABILITIES						
Accounts payable	\$ 1,424,394	\$ -	\$ 662,268	\$ 1,116,584	\$ 223,353	\$ 3,426,599
Accrued interest payable	-	8,370	-	-	-	8,370
Other liabilities	1,513,892	-	-	-	12,613	1,526,505
Retainage payable	51,873	-	573,940	527,175	47,255	1,200,243
Accrued payroll	286,895	-	-	-	8,174	295,069
Due to other funds	683,045	-	3,094,182	-	417,480	4,194,707
Due to component unit	2,540	-	-	-	124,369	126,909
Unearned revenue	2,863	-	-	-	294,369	297,232
Total Liabilities	<u>3,965,502</u>	<u>8,370</u>	<u>4,330,390</u>	<u>1,643,759</u>	<u>1,127,613</u>	<u>11,075,634</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	1,008,363	355,538	-	-	-	1,363,901
Total deferred inflows of resources	<u>1,008,363</u>	<u>355,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,363,901</u>
FUND BALANCES:						
Nonspendable	62,261	-	-	-	-	62,261
Restricted	-	1,293,342	-	5,473,392	6,532,520	13,299,254
Committed	-	-	-	-	-	-
Assigned	5,335,443	-	-	-	-	5,335,443
Unassigned	986,387	-	(644,191)	-	-	342,196
Total Fund Balances	<u>6,384,091</u>	<u>1,293,342</u>	<u>(644,191)</u>	<u>5,473,392</u>	<u>6,532,520</u>	<u>19,039,154</u>
Total Liabilities and Fund Balances	<u>\$ 11,357,956</u>	<u>\$ 1,657,250</u>	<u>\$ 3,686,199</u>	<u>\$ 7,117,151</u>	<u>\$ 7,660,133</u>	<u>\$ 31,478,689</u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**EXHIBIT A-4****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Total fund balances - governmental funds balance sheet	\$ 19,039,154
Amounts reported for governmental activities in the statement of net position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	136,777,212
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,363,901
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,343,959
Payables for bond principal which are not due in the current period are not reported in the funds.	(36,690,088)
Payable for bond interest which are not due in the current period are not reported in the funds.	(191,008)
Payables for long term liability not due in the current period and not reported in the funds.	(2,920,132)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(3,349,746)
Payables for net pension liability which are not due in the current period are not reported in the funds.	(9,628,720)
Payables for post employment benefit obligations which are not due in the current period are not reported in the funds.	(885,657)
Unamortized deferred inflows related to pensions are not reported in the funds.	(150,708)
Unamortized pension unavailable for current-period expenditures and are deferred in the SNP.	5,061,597
Unamortized pre-paid bond insurance unavailable for current-period expenditures and are in the SNP.	287,758
Unamortized bond deferred charge on refunding unavailable for current-period expenditures and are deferred in the SNP.	499,503
Unamortized premium unavailable for current-period expenditures and are in the SNP.	<u>(4,110,578)</u>
Net position of governmental activities - statement of net position	<u><u>\$106,446,447</u></u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
EXHIBIT A-5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	2016 CO Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 31,851,786	\$ 2,358,131	\$ -	\$ -	\$ 1,464,739	\$ 35,674,656
Licenses and permits	555,266	-	-	-	-	555,266
Intergovernmental	3,379,155	-	8,840,450	-	4,624,751	16,844,356
Charges for services	881,944	-	-	-	154,219	1,036,163
Fines	832,596	-	-	-	-	832,596
Interest	63,142	8,808	-	49,507	26,111	147,568
Miscellaneous	1,379,842	-	-	-	125,858	1,505,700
Total revenues	<u>38,943,731</u>	<u>2,366,939</u>	<u>8,840,450</u>	<u>49,507</u>	<u>6,395,678</u>	<u>56,596,305</u>
EXPENDITURES						
Current:						
General government	8,671,668	-	-	-	1,111,223	9,782,891
Public safety	20,548,486	-	-	-	1,312,485	21,860,971
Highways and streets	5,769,536	-	-	-	843,142	6,612,678
Health and welfare	409,447	-	-	-	50,000	459,447
Culture and recreation	6,083,712	-	-	-	592,697	6,676,409
Economic development	-	-	-	-	5,309,187	5,309,187
Capital projects	-	-	9,856,359	14,501,836	1,366	24,359,561
Debt service:						
Principal	51,003	2,935,000	-	-	-	2,986,003
Interest and fiscal charges	8,375	1,546,769	-	-	-	1,555,144
Total expenditures	<u>41,542,226</u>	<u>4,481,769</u>	<u>9,856,359</u>	<u>14,501,836</u>	<u>9,220,100</u>	<u>79,602,291</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(2,598,495)</u>	<u>(2,114,830)</u>	<u>(1,015,909)</u>	<u>(14,452,329)</u>	<u>(2,824,422)</u>	<u>(23,005,986)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	555	-	-	-	12,505	13,060
Transfers in	5,440,000	875,000	-	-	2,687,594	9,002,594
Transfers out	(3,815,809)	(286,328)	-	-	(40,457)	(4,142,594)
Total Other Financing Sources (uses)	<u>1,624,746</u>	<u>588,672</u>	<u>-</u>	<u>-</u>	<u>2,659,642</u>	<u>4,873,060</u>
Net change in fund balances	(973,749)	(1,526,158)	(1,015,909)	(14,452,329)	(164,780)	(18,132,926)
Fund balances at beginning of year	<u>7,357,840</u>	<u>2,819,500</u>	<u>371,718</u>	<u>19,925,721</u>	<u>6,697,300</u>	<u>37,172,079</u>
Fund balances at end of year	<u>\$ 6,384,091</u>	<u>\$ 1,293,342</u>	<u>\$ (644,191)</u>	<u>\$ 5,473,392</u>	<u>\$ 6,532,520</u>	<u>\$ 19,039,154</u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**EXHIBIT A-6**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017*

Net change in fund balances - total governmental funds \$ (18,132,926)

Amounts reported for governmental activities in the statement of activities

("SOA") are different because:

Capital outlays are not reported as expenses in the SOA	28,117,156
The depreciation of capital assets used in governmental activities is not reported in the funds.	(7,158,920)
The gain or loss on the sale of capital assets is not reported in the funds.	(11,951)
Donation of capital assets increase net position in the SOA but not in the funds.	1,781,461
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	20,777
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,986,004
Pension expense for current period	(705,236)
Long term payable is not an expenditure in the funds but is an expense in the SOA.	(419,935)
Bond pre-paid insurance costs and similar items are amortized in the SOA but not in the funds.	261,774
(Increase) decrease in accrued interest from beginning of period to end of period.	15,206
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	(763,803)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(75,211)</u>

Change in net position of governmental activities - statement of activities \$ 5,914,396

The accompanying notes are an integral part of this statement.



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CITY OF MISSION, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017
EXHIBIT A-7

	Business-type Activities Enterprise Fund				Internal Service Fund
	Utility Fund	Golf Course Fund	Solid Waste Fund	Total	Group Health Employee Plan Fund
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 2,600	\$ 3,385	\$ 92,583	\$ 98,568	\$ 4,953
Investments	4,452,901	-	1,846,218	6,299,119	1,505,304
Restricted assets:					
Cash and cash equivalents	10,037,776	28,608	520,938	10,587,322	-
Investments	7,290,123	-	324,470	7,614,593	-
Prepaid items	77,749	6,198	210	84,157	-
Receivables	2,723,964	6,790	1,008,490	3,739,244	187,880
Less: allowance for uncollectibles	(112,995)	-	(32,354)	(145,349)	-
Due from other funds	-	-	2,500,000	2,500,000	359,934
Due from component unit	-	-	-	-	3,682
Inventories (at cost)	157,447	55,896	-	213,343	-
Total Current Assets	<u>24,629,565</u>	<u>100,877</u>	<u>6,260,555</u>	<u>30,990,997</u>	<u>2,061,753</u>
Noncurrent Assets:					
Advance of funds receivable	1,762,044	-	-	1,762,044	-
Capital assets:					
Land, water rights, and construction in progress	18,546,419	1,748,052	-	20,294,471	-
Other capital assets, net of accumulated depreciation	67,446,639	2,311,790	2,859,682	72,618,111	-
Total Noncurrent Assets	<u>87,755,102</u>	<u>4,059,842</u>	<u>2,859,682</u>	<u>94,674,626</u>	<u>-</u>
Total Assets	<u>\$ 112,384,667</u>	<u>\$ 4,160,719</u>	<u>\$ 9,120,237</u>	<u>\$ 125,665,623</u>	<u>\$ 2,061,753</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,305,869	117,046	107,813	1,530,728	-
Total deferred outflows of resources	<u>1,305,869</u>	<u>117,046</u>	<u>107,813</u>	<u>1,530,728</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 1,844,468	\$ 26,616	\$ 408,644	\$ 2,279,728	\$ 172,036
Claims payable	-	-	-	-	331,118
Accrued payroll	60,832	8,120	13,293	82,245	-
Compensated absences payable	164,035	31,157	12,991	208,183	-
Due to other funds	5,480,907	8,953	466	5,490,326	2,625
Unearned revenue	-	23,565	-	23,565	-
Accrued interest	106,789	360	7,410	114,559	-
Other liabilities	31,165	30,805	77,183	139,153	400
Subdividers deposits	2,152,001	-	-	2,152,001	-
Retainage payable	534,718	-	-	534,718	-
Customer deposits	2,374,820	-	-	2,374,820	-
Current portion of long-term debt	2,462,394	45,562	770,000	3,277,956	-
Total Current Liabilities	<u>15,212,129</u>	<u>175,138</u>	<u>1,289,987</u>	<u>16,677,254</u>	<u>506,179</u>
Other Non-Current Liabilities:					
Long term compensated absences	175,420	78,062	-	253,482	-
Capital lease payable	-	103,535	-	103,535	-
Advance of funds payable	-	1,762,044	-	1,762,044	-
Other post employment benefit obligations	1,601,282	253,092	187,790	2,042,164	-
Public Property Finance Contractual Obligations payable, net of current portion	-	-	2,400,000	2,400,000	-
Revenue bonds, net of current portion, discount, and deferred amount on refunding	35,364,412	-	-	35,364,412	-
Total Other Non-Current Liabilities	<u>37,141,114</u>	<u>2,196,733</u>	<u>2,587,790</u>	<u>41,925,637</u>	<u>-</u>
Total Liabilities	<u>52,353,243</u>	<u>2,371,871</u>	<u>3,877,777</u>	<u>58,602,891</u>	<u>506,179</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	21,753	3,353	5,051	30,157	-
Total deferred outflows of resources	<u>21,753</u>	<u>3,353</u>	<u>5,051</u>	<u>30,157</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	48,733,036	4,141,612	(310,318)	52,564,330	-
Restricted for:					
Debt service	1,779,330	-	74,191	1,853,521	-
Construction	9,578,897	-	-	9,578,897	-
Capital Projects	314,095	32,815	763,807	1,110,717	-
Unrestricted	910,179	(2,271,887)	4,817,543	3,455,835	1,555,574
Total Net Position	<u>\$ 61,315,537</u>	<u>\$ 1,902,540</u>	<u>\$ 5,345,223</u>	<u>\$ 68,563,300</u>	<u>\$ 1,555,574</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.				211,615	
Net Position of Business-type Activities				<u>\$ 68,774,915</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Fund	
	Utility Fund	Golf Course Fund
Operating Revenues:		
Charges for services	\$ 19,045,287	\$ 901,766
Operating Expenses:		
Insurance claim drafts	-	-
Health insurance cost	-	-
Utility administration	951,748	-
Water distribution	2,529,931	-
Water treatment	1,971,581	-
Wastewater treatment and collection	1,815,478	-
Industrial pretreatment	272,341	-
Utility collection	531,920	-
Organizational expenses	396,810	-
Meter readers	435,855	-
Northside water treatment plant	2,184,294	-
Depreciation	5,076,791	230,867
Cost of sales	-	98,236
Golf course operation	-	952,581
Solid waste disposal	-	-
Total Operating Expenses	16,166,749	1,281,684
Operating income (loss)	2,878,538	(379,918)
Non operating revenues (expenses)		
Interest earned	133,093	123
Bond Interest expense	(684,606)	-
Bond fiscal charges	(3,050)	-
Other interest expense	-	(5,199)
Total non-operating revenues (expenses)	(554,563)	(5,076)
Net Income (loss) before transfers and capital contributions	2,323,975	(384,994)
Transfers In (Out)	(4,700,000)	300,000
Capital Contributions	893,581	-
Change in Net Position	(1,482,444)	(84,994)
Net Position-Beginning of Year	62,797,981	1,987,534
Net Position-End of Year	\$ 61,315,537	\$ 1,902,540

The notes to the financial statements are an integral part of this statement.

EXHIBIT A-8

Business-type Activities Enterprise Fund		Internal Service Fund
Solid Waste Fund	Total	Group Health Employee Plan Fund
\$ 6,653,797	\$ 26,600,850	\$ 3,975,453
-	-	3,987,952
-	-	1,014,934
-	951,748	-
-	2,529,931	-
-	1,971,581	-
-	1,815,478	-
-	272,341	-
-	531,920	-
-	396,810	-
-	435,855	-
-	2,184,294	-
404,280	5,711,938	-
-	98,236	-
-	952,581	-
4,704,001	4,704,001	-
5,108,281	22,556,714	5,002,886
1,545,516	4,044,136	(1,027,433)
31,662	164,878	22,239
(64,581)	(749,187)	-
(300)	(3,350)	-
-	(5,199)	-
(33,219)	(592,858)	22,239
1,512,297	3,451,278	(1,005,194)
(460,000)	(4,860,000)	-
-	893,581	-
1,052,297	(515,141)	(1,005,194)
4,292,926		2,560,768
\$ 5,345,223		\$ 1,555,574

Some amounts reported for business-type activities in the statement of activities (EXHIBIT A-2) are different because the net revenue (expense) of the internal service fund is reported with business-type activities.

Change in net position of business-type activities	(241,391)
	\$ (756,532)



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CITY OF MISSION, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
EXHIBIT A-9

	Enterprise Funds				Internal Service Fund
	Utility Fund	Golf Course Fund	Solid Waste Fund	Totals	Group Health
Cash Flows from Operating Activities:					
<i>Cash Received from Customers</i>	\$ 19,476,200	\$ 885,680	\$ 4,139,256	\$ 24,501,136	\$ -
<i>Cash Received from Interfund Services Used</i>	-	-	-	-	3,614,090
<i>Cash Payments from Interfund Services Used</i>	-	-	-	-	(4,810,957)
<i>Cash Payments to Employees for Services</i>	(4,586,083)	(699,957)	(1,121,663)	(6,407,703)	-
<i>Cash Payments to Other Suppliers for Goods and Services</i>	315,055	(449,832)	(3,454,155)	(3,588,932)	-
Net Cash Provided (Used) by Operating Activities	15,205,172	(264,109)	(436,562)	14,504,501	(1,196,867)
Cash Flows from Non-Capital Financing Activities:					
<i>Transfers From (To) Other Funds</i>	(4,700,000)	300,000	(460,000)	(4,860,000)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(4,700,000)	300,000	(460,000)	(4,860,000)	-
Cash Flows from Capital and Related Financing Activities:					
<i>Principal and Interest Paid</i>	(3,439,606)	(54,602)	(824,881)	(4,319,089)	-
<i>Acquisition or Construction of Capital Assets</i>	(13,139,868)	(1,461)	(181,339)	(13,322,668)	-
<i>Proceed from Capital Grants</i>	1,327,279	-	-	1,327,279	-
Net Cash Provided (Used) for Capital & Related Financing Activities	(15,252,195)	(56,063)	(1,006,220)	(16,314,478)	-
Cash Flows from Investing Activities:					
<i>Purchase of Investment Securities</i>	(8,543,437)	-	(1,345,688)	(9,889,125)	(2,239)
<i>Proceeds from Sale and Maturities of Securities</i>	3,674,456	-	2,274	3,676,730	900,578
<i>Interest on Investments</i>	133,563	123	31,503	165,189	22,239
Net Cash Provided (Used) for Investing Activities	(4,735,418)	123	(1,311,911)	(6,047,206)	920,578
Net Increase (Decrease) in Cash and Cash Equivalents	(9,482,441)	(20,049)	(3,214,693)	(12,717,183)	(276,289)
Cash and Cash Equivalents at Beginning of Year	19,522,817	52,042	3,828,214	23,403,073	281,242
Cash and Cash Equivalents at End of Year	\$ 10,040,376	\$ 31,993	\$ 613,521	\$ 10,685,890	\$ 4,953
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 2,878,538	\$ (379,918)	\$ 1,545,516	\$ 4,044,136	\$ (1,027,433)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
<i>Depreciation</i>	5,076,791	230,867	404,280	5,711,938	-
Change in Assets and Liabilities:					
<i>Decrease (Increase) in Receivables</i>	(648,358)	946	(2,514,541)	(3,161,953)	(187,186)
<i>Decrease (Increase) in Inventories</i>	44,375	(6,634)	-	37,741	-
<i>Decrease (Increase) in Prepaid Expenses</i>	(2,736)	2,209	-	(527)	-
<i>Decrease (Increase) in Due from Other Funds</i>	136,595	-	-	136,595	(174,663)
<i>Decrease (Increase) in Due from Other Governments</i>	440,337	-	-	440,337	-
<i>Increase (Decrease) in Accounts Payable</i>	662,132	10,638	111,187	783,957	-
<i>Increase (Decrease) in Customer Deposits</i>	67,396	-	-	67,396	-
<i>Increase (Decrease) in Accrued Wages Payable</i>	1,880	765	-	2,645	-
<i>Increase (Decrease) in Due to Other Funds</i>	5,454,822	(130,817)	(2,866)	5,321,139	486
<i>Increase (Decrease) in Other Liabilities</i>	75,530	16,773	19,862	112,165	191,929
<i>Increase (Decrease) in Subdividers Deposits Payable</i>	118,294	-	-	118,294	-
<i>Increase (Decrease) in Compensated Absences Payable</i>	5,995	8,094	-	14,089	-
<i>Increase (Decrease) in Unearned Revenue</i>	-	(17,032)	-	(17,032)	-
Total Adjustments	11,433,053	115,809	(1,982,078)	9,566,784	(169,434)
Net Cash Provided (Used) by Operating Activities	\$ 14,311,591	\$ (264,109)	\$ (436,562)	\$ 13,610,920	\$ (1,196,867)
Noncash Investing, Capital and Financing Activities:					
Contributed Capital Assets	\$ 893,581	\$ -	\$ -	\$ 893,581	\$ -
Increase (decrease) in fair value investments	(18,469)	-	(10,204)	(28,673)	(1,595)
Total Noncash Investing, Capital and Financing Activities	\$ 875,112	\$ -	\$ (10,204)	\$ 864,908	\$ (1,595)

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**EXHIBIT A-10***STATEMENT OF FIDUCIARY NET POSITION**FIDUCIARY FUNDS**SEPTEMBER 30, 2017*

	Private-purpose Trust Fund
	<u>Speer Library Breyfogle</u>
ASSETS	
Cash and cash equivalents	\$ 6,812
Investments	-
Accrued interest receivable	-
	<u>6,812</u>
Total Assets	<u>6,812</u>
LIABILITIES	
	<u>-</u>
Total Liabilities	<u>-</u>
NET POSITION	
Held in trust for scholarships and books	<u>6,812</u>
Total Net Position	<u>\$ 6,812</u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**EXHIBIT A-11**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Private-purpose Trust Fund
	<u>Speer Library Breyfogle</u>
Additions:	
Investment Income	\$ -
Total Additions	<u>-</u>
Deductions:	
Scholarship Awards	-
Miscellaneous	-
Total Deductions	<u>-</u>
Change in Net Position	-
Net Position-Beginning of the Year	<u>6,812</u>
Net Position-End of the Year	<u><u>\$ 6,812</u></u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Mission, Texas, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement will improve financial reporting of public employee pensions by state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014. The City has implemented GASB No. 68 in this annual report.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014. The City has implemented GASB No. 71 in this annual report. Additionally, in 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement 68 and amendments to Certain Provisions of GASB Statements 67 and 68*. This statement provides guidance for pension plans that are not administered through a trust.

A. Reporting Entity

The City of Mission is a municipal corporation governed by an elected mayor and a four member Council. The accompanying financial statements of the reporting entity include those of the City of Mission (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

Blended Component Units

The Mission Economic Development Authority (MEDA) was originally organized to provide development activities that could not be carried out by the Mission Economic Development Corporation. City of Mission management has operational and fiscal responsibility for this component unit. The Board now consists of 5 members, 4 of whom are Board Members of the MEDC. All Economic Development Activity on behalf of the City was reassigned by City Resolution to Mission Economic Development Corporation. MEDA holds an investment in several lots of land in the Mission Industrial Park which are available for sale. MEDA is presented as a Blended Component Unit - Special Revenue Fund of the City as MEDA's current limited activity exclusively benefits the City.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Discretely Presented Component Units

On September 12, 1994 the Mission Economic Development Corporation (MEDC) was issued a Certificate of Incorporation by the State of Texas as a nonprofit corporation under the Development Corporation Act of 1979 Vernon's Ann Civ. St. Art. 5190.6, as amended by adding Sec. 413. The Mission Economic Development Corporation (MEDC) was organized on behalf of the City of Mission, Texas for the specific public purpose of the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare. MEDC is governed by a seven member board of directors, each of whom is appointed by the City Council. Any director may be removed from office by the City Council for cause or at will. MEDC's primary source of revenues is sales tax revenues generated by the City of Mission. In addition, the City approves the programs and expenditures of MEDC and must approve amendments to MEDC's bylaws and Articles of Incorporation. MEDC is presented as a governmental fund type and has a September 30 year end.

Complete financial statements for the above component unit may be obtained at its administrative office at:

Mission Economic Development Corporation
1201 E. 8th St.
Mission, Texas 78572

The City of Mission, Texas (the "City") authorized the creation of the Mission Redevelopment Authority (the "Authority") by the Resolution No. 1021 passed on November 26, 2001. The Authority was created and organized as a local government corporation pursuant to provisions of Subchapter D of Chapter 431 of the Texas Transportation Code and Chapter 394 of the Texas Local Government Code. The Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental function to promote the common good and general welfare of Reinvestment Zone Number One (the "Zone") and neighboring areas; in the preparation and implementation of a project plan and a reinvestment zone financing plan for the zone; in the development of a policy to finance development and redevelopment of residential, educational facilities, commercial and park/open space properties in the Mission area; and in the development and implementation of a redevelopment policy for the Mission area, including the acquisition of land for redevelopment purposes. The Authority may issue bonds with consent of City Council. The Authority is managed by a Board of Directors consisting of seven members. Five of the members are appointed by the Mayor with the approval of City Council. The other two member positions are designated for participating taxing entities. MRA is presented as a governmental fund type and has a September 30 year end.

Complete financial statements for the above mentioned component unit may be obtained at its administrative office at:

Mission Redevelopment Authority
901 Business Park Drive Suite 200
Mission, Texas 78572

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities, demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirement of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, interest revenue and charges for services. Sales taxes collected and held by the intermediary collecting governments at year end on behalf of the City also are accrued. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The City reports the following fund types and related major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes. None of the special revenue funds are major.

Debt Service Fund – Debt Service Funds are used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The debt service fund is reported as a major fund.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition of capital assets or construction of major capital facilities, not being financed by the proprietary funds. The Capital Projects Fund and 2016 CO Capital Project Fund are major funds.

The City reports the following proprietary fund types and related major funds:

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City reports all of its enterprise funds as major funds.

The Utility Fund accounts for the provision of water and sewer services to the residents of the City and some residents outside of the City.

The Golf Course Fund accounts for the operations and maintenance of the Shary Municipal Golf Course.

The Solid Waste Fund accounts for the provision of garbage and brush collection for the residents of the City.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other department or agencies of the City, or to other governments, on a cost-reimbursement basis. The Group Health Employee Plan Fund is used to account for health insurance premiums collected from employees and various City departments. Health insurance claims are also reflected in this fund.

The City reports fiduciary fund types, in which the City accounts for assets received and held by the City in the capacity of trustee, agent or custodian. Expenditures are made only in accordance with the purpose for which the assets are received and cannot be used to support the City's programs. Within this category of fund types, the private-purpose trust fund is used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types. All resources of the fund, including any earnings or invested resources, may be used to support the organization's activities. There is no requirement that any portion of these resources be preserved as capital.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Fiduciary Funds – A private purpose trust fund, The Speer Memorial Library-Breyfogle, is used to account for resources held in trust for use for Library Science courses. These funds are to be used for library staff who have been accepted into a Library Science program and who are taking library science courses from an American Library Association/Masters of Library Science (ALA/MLS) accredited program or institution. All resources of the fund, including any earnings on invested resources, may be used to support these activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing service, producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of U.S. agency obligations and TexPool investments.

U.S. Treasury and agency obligations are reported at fair value. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. The City's local government investment pools are recorded at amortized cost as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

The City can legally invest in adequately secured investments in accordance with the Public Funds Investment Act. With certain restrictions, the City's Investment Policy allows investments in certificates of deposit, repurchase agreements, joint pools of political subdivisions in the State of Texas, obligations of the U.S. Government and its Agencies or instrumentalities and State obligations.

The Mission Economic Development Corporation (MEDC) is authorized with certain restrictions to invest in certificates of deposit, repurchase agreements, joint pools of political subdivisions in the State of Texas, obligations of the U.S. Government and its Agencies or instrumentalities and State obligations. Investments are reported at fair value in the component unit, except for pooled investments which are stated at amortized cost. MEDC's bank accounts are managed by the City and the City's investment policies are followed.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

The Mission Redevelopment Authority is authorized to invest in any investments that are permitted by state statutes under the Public Funds Investment Act. During the year, MRA's investments consisted entirely of Money Market Mutual funds which are valued at cost which approximates market.

E. Interfund Activity

Lending/borrowing between funds that results in amounts outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds".

"Due to/from other funds" represents the current portion of interfund loans, and "advances to/from other funds" represent non-current portion of interfund loans. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

Advances between funds, reported in the fund financial statements, are offset by a fund balance classification in the applicable governmental funds to indicate that they are not available for appropriation.

F. Receivables

Included in accounts receivable of the City's Utility fund is an estimated amount for services rendered but not billed as of the close of the year. The receivable was estimated by prorating subsequent cycle billings, based upon meter readings sent to customers.

Property taxes receivable have been prorated between General and Debt Service Fund based upon rates adopted for the year of the levy.

G. Inventory

Inventory held by each fund is stated at cost (primarily first-in, first-out). Inventories are recorded under the consumption method. Under this method, the expenditure is initially recorded as an asset and subsequently expended upon usage.

H. Redevelopment Assets

Redevelopment assets are recorded at historical cost. Depreciation is not recorded on redevelopment assets because they are expenditures for planning, design and construction of economic development projects, which upon completion will be transferred to the City of Mission or other governmental entities. Governments usually acquire or incur construction or design costs related to the redevelopment property to attract private-sector investment in an economically depressed area. During the construction or planning and design phase, these capital project assets are considered redevelopment assets of these component units.

I. Land Held for Resale

The City through Mission Economic Development Authority holds commercial real estate lots available for sale within an economically depressed area. These lots will be sold to attract development to further benefit the City.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Restricted Assets

Certain proceeds of long term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

K. Capital Assets

Capital assets, which includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$250 or more and an estimated useful life in excess of one year.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in service concession agreements are reported at acquisition value.

Depreciation of capital assets used by proprietary funds is charged as an expense against their operations in the fund financial statements as well as the government-wide financial statements. Depreciation of general capital assets used by funds categorized as governmental activities is not provided in the fund financial statements; however, it is included in the gross expense by function in the government-wide Statement of Activities. Capital assets, net of accumulated depreciation, are reported on proprietary fund balance sheets and in both the governmental activities and business-type activities column of government-wide Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful Lives
Buildings	30 years
Furniture and equipment	5-15 years
Vehicles	3-20 years
Water plant and water tower	20-50 years
Water lines	25 years
Sewer system	20 years
Infrastructure	10-45 years

L. Construction Period Interest

The Utility Fund (an enterprise fund) has capitalized interest cost during the construction period of water and wastewater projects. The capitalized interest is recorded as part of the cost of these projects and will be depreciated over the assets' estimated useful life. The amount of interest cost capitalized is net of interest earned on investments acquired with proceeds of related borrowings. Interest expense is not capitalized on capital assets of governmental funds.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

M. Deferred Outflows of Resources and Deferred Inflows of Resources/Other Assets and Liabilities

Certain defined transactions that do not qualify for treatment as either assets or liabilities are required to be accounted for and reported as either deferred outflows of resources (a separate subheading following assets but before liabilities) or deferred inflows of resources (a separate subheading following liabilities but before equity).

Deferred outflows of resources—a consumption of net assets by the government that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expenditure/expenses) until then. It has a positive effect on net position, similar to assets.

Deferred inflows of resources—an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

In the government-wide financial statements, deferred amounts from a refunding of debt (debits) are reported as deferred outflows of resources and deferred amounts from refunding debt (credits) are reported as deferred inflows of resources and amortized over the lesser life of the refunded bonds or refunding debt.

Grant amounts received in advance of meeting timing requirements and advances of revenue from imposed nonexchange transactions such as property taxes or transactions recorded as a receivable prior to the period when resources are required to be used or are available, are reported as deferred inflows of resources at the fund level and are recognized as revenues at the government-wide level.

Deferred outflows/inflows of resources related to pensions, as described in Note 1-T, are reported in the government-wide and proprietary funds financial statements of net position.

Continued Use of Other Assets and Liabilities—Prepayments continue to be reported as assets. Grant amounts received in advance of meeting requirements other than timing and receipts of prepayments continue to be reported as liabilities.

N. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported only in the governmental activities column of the government-wide financial statements. Compensated absences vested or accumulated are reported in the governmental funds only if they have matured. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, the vesting method can be used to calculate the liability related to compensated absences for sick leave. The vesting method focuses on vesting sick leave. Vesting rights include vested rights and those rights that will eventually vest. With the exception of police officers and firefighters, discussed below, the City has recognized a liability for the vested part of employee sick leave. Per the City's Personnel Policy Manual, one-half of accumulated sick days up to a maximum of 90 days will vest once an employee either reaches 15 years of service or is eligible for official retirement as defined by the Texas Municipal Retirement System.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Per Texas Local Government Code Section 143.045, Police Officers and Firefighters are allowed to accumulate 15 sick days for 12 months of employment. They are entitled to receive a lump-sum payment of the full amount of accumulated sick leave not to exceed a total of 90 days' pay. There is no requirement on vested time to receive benefit.

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental/business type activities or the specific proprietary fund to which each relates, as applicable. Bond premiums and discounts are deferred charges amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received and discounts incurred on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

P. Fund Balance Reporting

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, long term portions of receivables, redevelopment assets, and land held for resale. The City has prepaid expenses, inventories, long term portion of receivables, and land held for resale that are considered nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that can be used only for the specific purpose determined by formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by an adoption of an ordinance, commit fund balance. Once committed, the funds cannot be used for any other purpose unless such constraints are removed or modified by the adoption of another ordinance by City Council.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the City Council, or its designee, such as the City Manager. The City's policy dictates that any funds set aside by management as assigned fund balance, must be reported to City Council on the next regular Council meeting. Council has the authority to change or remove the assignment with majority vote.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Minimum Fund Balance Policy

- The City of Mission determined that it is essential that they maintain adequate levels of fund balance in the General Fund to mitigate risks, provide a back-up plan for revenue shortfalls, and ensure that appropriate amounts are available for emergencies.
- The General Fund Unrestricted Fund Balance will be no less than two (2) months of operating expenditures.
- Should the Unrestricted Fund Balance decline to less than two (2) months of operating expenditures, all one-time revenues will be applied to replenish the targeted minimum balance. The targeted fund balance must be replenished within two years.

Furthermore, the City's Charter contains a requirement that a provision must be made in the annual budget and in the appropriation ordinance for a contingent appropriation in an amount no more than three (3) percent of the total budget to be used in case of unforeseen items of expenditure. Unused contingent funds will be used to replenish the targeted minimum unrestricted fund balance.

Order of Expenditures of Funds

- When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds. A detailed classification of fund balances is included in Note 29.

Q. Prepaid Items

In the governmental fund types, payments made for services that benefit periods beyond the current year are recorded as prepaid expenditures and are equally offset by nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of total assets.

R. Internal Service Fund Activity

Because the principal users of the internal service activities are the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statement. Only the net profit or loss before investment income is allocated to the operating programs benefited. The investment income is combined with other unrestricted income as general revenue in the statement of activities.

S. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

T. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

U. New Accounting Standards

In the current fiscal year, the City implemented the following new standards. The provisions of these new standards are summarized below. Implementation is reflected in the financial statements and notes to the financial statements, if applicable.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments that reduce the reporting government's tax revenues. During the current fiscal year, the City did not have any tax abatements.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*, addresses the presentation and the treatment of deviations from the guidance in an actuarial standard of practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements.

V. Rounding Adjustments

Throughout this comprehensive annual financial report, dollar amounts are rounded, thereby creating differences between the details and the totals.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

As mandated by the City Charter, budgets are required for all City funds each year. For the year ended September 30, 2017 budgets were not adopted for the Fiduciary Funds, but were adopted for the Internal Service Funds. Budget comparisons to actual expenditures for these funds are not required to be included in the financial statements. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds, except for the Capital Projects Funds. Budgets for the Capital Projects Funds are adopted over the multiple-year term of the projects.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 3 – PROPERTY TAXES

Property taxes are levied by October 1 in conformity with the Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 30 day period after the close of the City's fiscal year.

Property taxes are billed and collected by the Hidalgo County Tax Office for the City by contract agreement. Tax collections are transferred directly into the City's bank account.

The City is a Home-Rule Charter City with a maximum authorized tax rate for all purposes of \$2.50 per \$100 valuation. The combined tax rate for the year ended September 30, 2017 (2016 levy), was \$0.4962 per \$100 valuation.

Taxes receivable consists of property taxes of \$2,278,029 and sales taxes of \$1,827,916 for a total taxes receivable of \$4,105,945.

NOTE 4 – DEPOSITS AND INVESTMENTS

A. Primary Government

Deposits – At September 30, 2017, the carrying value of the City's deposits was \$14,311,121 and the bank balance was \$11,129,023. The entire bank balance was covered by FDIC insurance or was fully collateralized with securities held by the City's agent in the City's name. The type of deposits held at year end was demand accounts.

Investments – The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they are from security defaults or erosion of market value.

The City pools the cash, based on the City's needs, into either deposits in bank accounts, in short-term investments with TexPool, or in longer-term investments in U.S. Government Bonds. However, each fund's balance of cash and investments is maintained in the books of the City.

The City's investments' fair value measurements are as follows at September 30, 2017:

Investments	Fair Value	Fair Value Measurement Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Certificates of deposit	\$ 6,046,267	\$ 6,046,267	\$ -	\$ -
U.S. Government Bonds	11,715,498	-	11,715,498	-
	<u>\$ 17,761,765</u>	<u>\$ 6,046,267</u>	<u>\$ 11,715,498</u>	<u>\$ -</u>

Quoted market prices are the basis of the fair value for investments. The amount of increase or decrease in the fair value of investments during the current year is included in the City's investment income of \$350,181.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

The City's investment policy limits average maturities of all investments to three years or less. The maximum final stated maturity of any investment shall not exceed five years. Portfolio diversification is employed as a way to control the risk. The City's investment portfolio is required to have sufficient liquidity to meet anticipated cash flow requirements.

The following is the Interest Rate Risk using Specific Identification, as of September 30, 2017:

Investment Type	Fair Value	Maturity Period		
		3 Months or Less	4-12 Months	Over One Year
TexPool	\$ 8,452,276	\$ 8,452,276	\$ -	\$ -
Federal Farm Credit Bank	4,496,273	200,500	4,046,293	249,480
Federal National Mortgage	5,744,843	-	5,496,382	248,461
Federal Home Loan Mortgage	476,125	-	476,125	-
Federal Home Loan Bank	998,257	-	500,757	497,500
Certificates of Deposits	6,046,267	1,751,802	1,650,585	2,643,880
	<u>\$ 26,214,041</u>	<u>\$ 10,404,578</u>	<u>\$ 12,170,142</u>	<u>\$ 3,639,321</u>

Credit Risk

Credit risk is the risk that a counterparty will not fulfill its obligations.

The City's investment policy authorizes the following pools:

Public funds investment pools in Texas ("Pools") are established under the authority of the Inter-local Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"). Chapter 2258 of the Texas Government Code, in addition to the other provisions of the Act designed to promote liquidity and safety of principal, the Act required Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating services; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

TexPool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act (PFIA) of 1987, as amended. The Texas State Comptroller of Public Accounts has oversight responsibility for TexPool. TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS *(Continued)*

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Account exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. As permitted by GASB No. 79, *Certain Investment Pools and Pool Participants*, the City's investments in TexPool are stated at cost, which approximates fair value.

The City's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The City's management believes that it complied with the requirements of the PFIA and the City's Investment policies.

Statutes authorize the City to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, certain municipal securities, repurchase agreements, and other investments specifically allowed by the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code).

As of September 30, 2017, the following was the composition of the City's credit rating by investment:

Credit Quality Distribution of Securities
With Credit Exposure as a Percentage of Total Investments

Investment Type	Rating	Exposure
TexPool	AAA	32%
Federal Farm Credit Bank	AAA	17%
Federal National Mortgage	AAA	22%
Federal Home Loan Mortgage	AAA	2%
Federal Home Loan Bank	AAA	4%
Certificates of Deposits	N/A	23%

Concentrations of Credit Risk

Portfolio diversification is critically important to the City to help mitigate the risk of loss. The following are employed terms of investment instruments, maturity scheduling and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer, as a way to control risk.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS *(Continued)*

As of September 30, 2017, the following was the composition of the City’s investment portfolio:

Investment Type	Rating	Exposure
TexPool	AAA	32%
Federal Farm Credit Bank	AAA	17%
Federal National Mortgage	AAA	22%
Federal Home Loan Mortgage	AAA	2%
Federal Home Loan Bank	AAA	4%
Certificates of Deposits	N/A	23%
		<u>100%</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that the City will not be able to recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to an investment will not fulfill its obligation.

The City’s investments are categorized as a level one custodial credit risk, meaning that its investments are insured or registered or securities held by the City or its’ agent in the City’s name.

The City is prohibited from investing in the following types of investments:

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

The Public Funds Investment Act, the City’s investment policy, and Government Code Chapter 2257 “Collateral For Public Funds” contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

A reconciliation of cash and investments as shown on the Statement of Net Position for the primary government follows:

Cash on hand	\$ 7,451
Carrying amount of deposits	14,304,012
Investments	26,214,041
Less: Statement of Fiduciary Net Position - investments	<u>(6,812)</u>
Cash and Investments on Statement of Net Position	<u><u>\$40,518,692</u></u>
Cash and cash equivalents	3,717,326
Investments	18,599,451
Restricted assets	<u>18,201,915</u>
Cash and Investments on Statement of Net Position	<u><u>\$40,518,692</u></u>

B. Component Units

Mission Economic Development Corporation

Deposits - At September 30, 2017, the carrying value and bank balance of the Mission Economic Development Corporation's deposits was \$582,234. Deposits include demand accounts, money market and certificate of deposits. At September 30, 2017, all deposits were not fully insured or collateralized. See custodial credit risk below.

Investments - During the year, MEDC's investments consisted of obligations of the U.S. Government or its Agencies and instrumentalities and public funds investment pools.

MEDC is required by Government Code Chapter 2256, The Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowed stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies, federally insured certificates of deposit issued by Texas banks or saving and loans and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer. The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, MEDC's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAA by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies; MEDC reports its information to the City of Mission Council. Additionally, investment practices of MEDC were in accordance with local policies. The MEDC's management believes that it complied with the requirements of the PFIA and its adopted investment policies.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

MEDC's investment policy limits average maturities of all investments to one year or less. The maximum final stated maturity of any investment shall not exceed five years. Portfolio diversification is employed as a way to control the risk. MEDC's investment portfolio is required to have sufficient liquidity to meet anticipated cash flow requirements.

The following is the Interest Rate Risk using Specific Identification, as of September 30, 2017:

Investment Type	Amortized Cost	Maturity Period		
		3 Months or Less	4-12 Months	Over One Year
TexPool	\$ 200,296	\$ 200,296	\$ -	\$ -
Federal Natl Mtg Assn Medium Term NTS	502,028	-	502,028	-
Federal Home Ln Mtg Corp Medium Term NTS	250,340	-	250,340	-
Federal Farm CR Bks Cons Systemwide BDS	249,765	-	249,765	-
Southwest Natl BK Wichita Kans CTF DEP	99,991	-	99,991	-
	<u>\$ 1,302,420</u>	<u>\$ 200,296</u>	<u>\$ 1,102,124</u>	<u>\$ -</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

Credit Risk

Credit risk is the risk that counterparty will not fulfill its obligations.

MEDC's investment policy authorizes the following investment pools:

Public funds investment pools in Texas ("Pools") are established under the authority of the Inter-local Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provision of the Public Funds Investment Act (the "Act"). Chapter 2258 of the Texas Government Code, in addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

Statutes authorize MEDC to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, certain municipal securities, repurchase agreements, and other investments specifically allowed by the Public Funds Investment Act (Chapter 2256, Texas Government Code).

As of September 30, 2017, the following was the composition of MEDC's credit rating by investment:

Credit Quality Distribution of Securities
With Credit Exposure as a Percentage of Total Investments

Investment Type	Rating	Exposure
TexPool	AAA	15%
Federal Natl Mtg Assn Medium Term NTS	AAA	39%
Federal Home Ln Mtg Corp Medium Term NTS	AAA	19%
Federal Farm CR Bks Cons Systemwide BDS	AAA	19%
Southwest Natl BK Wichita Kans CTF DEP	N/A*	8%

* Certificate of deposit

Concentrations of Credit Risk

Risk is controlled through portfolio diversification, which shall be achieved limiting investments to those instruments allowed by the Act, avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to one year, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and Insured or Collateralized Certificates of Deposits and risk of liquidity due to technical complications shall be controlled by the selection of securities dealers.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

As of September 30, 2017, the following was the composition MEDC's investment portfolio:

Investment Type	Rating	Exposure
TexPool	AAA	15%
Federal Natl Mtg Assn Medium Term NTS	AAA	39%
Federal Home Ln Mtg Corp Medium Term NTS	AAA	19%
Federal Farm CR Bks Cons Systemwide BDS	AAA	19%
Southwest Natl BK Wichita Kans CTF DEP	N/A *	8%
		100%

* Certificate of deposit

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. Broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public funds Investment Act, the MEDC's investment policy, and Government Code Chapter 2257 "Collateral For Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

At September 30, 2017, MEDC had deposits collateralized by pledged securities of \$2,065,764; all deposits were fully collateralized.

A reconciliation of cash and investments as shown on the statement of net position for MEDC follows:

Petty cash	\$ 500
Carrying amount of deposits	524,842
Investments	1,302,420
Cash and Investments on Statement of Net Position	\$ 1,827,762
 Cash and cash equivalents	 \$ 139,468
Investments	1,302,420
Restricted assets	385,874
Cash and Investments on Statement of Net Position	\$ 1,827,762

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

Mission Redevelopment Authority

Investment Accounting Policy - The Authority is required by the Government Code Chapter 2256, The Public Funds Investment Act (the “Act”), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the Authority adhered to the requirements of the Act. Additionally, investment practices of the Authority were in accordance with local policies.

The Act determines the types of investments, which are allowable for the Authority. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, the state of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Authority policy authorizes all the State allowable investments. No person may invest the Authority funds without express written authority from the Board of Directors.

The Authority’s management believes that it has complied in all material respects with the requirements of the Act and the Authority’s investment policies.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act, the Authority’s investment policy, and Government Code Chapter 2257 “Collateral for Public Funds” contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. The Authority’s funds are required to be deposited and invested under the terms of a depository contract.

The depository bank deposits for safekeeping and trust with the Authority’s agent bank approved pledged securities in an amount sufficient to protect Authority funds on a day-to-day basis during the period of the contract. For the deposit and investment balances noted below, \$250,000 was covered by federal depository insurance and the balance was covered by collateral pledged in the name of the Authority and held in a third party depository.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Deposits

As of the fiscal year end, the bank balance and the carrying value of the Authority's deposits was \$9,216,707.

Investments

As of September 30, 2017, the Authority had the following investments and maturities:

Investment Type	Amortized Cost	Fair Value	Maturity Period		
			Less Than One Year	One to Five Years	Over Five Years
Certificate of Deposits	\$ 3,638,356	\$ 3,611,398	2,041,850	\$ 1,569,548	\$ -
US Government Bonds	3,993,870	3,998,760	3,998,760	-	-
	<u>\$ 7,632,226</u>	<u>\$ 7,610,158</u>	<u>6,040,610</u>	<u>\$ 1,569,548</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy identifies the types of allowable investments as governed by the Public Funds Investments Act, to reduce the credit risk associated with the investments. At September 30, 2017, the Authority's Money Market Mutual Fund investment rating was A- by Standard & Poor's Rating Service.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority considers the investment in the Money Market Mutual Fund to have maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value. The Authority's investment policy limits money market mutual funds to those with a stable net asset value of \$1 per share and those with a weighted average maturity of less than two years.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund receivable and payable balances at September 30, 2017 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 3,539,960
General Fund	Utility Fund	306,270
Debt Service Fund	Utility Fund	450,000
Capital Projects Fund	General Fund	21,090
Capital Projects Fund	Utility Fund	40
Non-Major Governmental Funds	Utility Fund	2,031,696
Non-Major Governmental Funds	General Fund	476,044
Non-Major Governmental Funds	Group Health Fund	2,624
		<u>\$ 6,827,724</u>

The remaining balances resulted from a routine lag between the dates that transactions are recorded in the accounting system and payments made between the funds. All amounts are scheduled to be repaid within one year.

B. Due to/from the primary government and component units at September 30, 2017 were as follows:

Receivable Entity	Payable Entity	Amount
Primary Gov't - General Fund	Component Unit - MRA	\$ 6,218
Primary Gov't - Capital Projects Fund	Component Unit - MRA	322,141
Primary Gov't - General Fund	Component Unit - MEDC	788,455
Primary Gov't - Group Health Fund	Component Unit - MEDC	3,682
		<u>\$ 1,120,496</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS *(Continued)*

C. Interfund Transfers:

	Transfers In:		
	Non-Major		
	Governmental		
	General Fund	Funds	Total
Transfers Out:			
General Fund	\$ -	\$ 3,815,809	\$ 3,815,809
Utility Fund	4,400,000	300,000	4,700,000
Debt Service Fund	-	286,328	286,328
Non-Major Governmental Funds	460,000	440,457	900,457
Total Transfers Out	<u>\$ 4,860,000</u>	<u>\$ 4,842,594</u>	<u>\$ 9,702,594</u>

Transfers out from the General to Non-Major Governmental Funds were to sustain the operating activities of those funds.

A transfer from the Utility Fund to the General Fund is to supplement the General fund for administrative services provided to the enterprise fund.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance at September 30, 2016	Increases	Decreases and Reclassifications	Balance at September 30, 2017
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 34,155,340	\$ 3,503,941	\$ -	\$ 37,659,281
Construction in progress	16,311,920	22,655,761	(3,694,672)	35,273,009
Total capital assets, not being depreciated	<u>50,467,260</u>	<u>26,159,702</u>	<u>(3,694,672)</u>	<u>72,932,290</u>
Capital assets, being depreciated:				
Buildings	21,328,890	80,060	-	21,408,950
Improvements other than buildings	16,982,901	851,417	(3,170)	17,831,148
Machinery and equipment	27,493,470	1,384,294	(118,667)	28,759,097
Infrastructure	<u>91,502,876</u>	<u>5,120,984</u>	<u>-</u>	<u>96,623,860</u>
Total capital assets, being depreciated	<u>157,308,137</u>	<u>7,436,755</u>	<u>(121,837)</u>	<u>164,623,055</u>
Less accumulated depreciation for:				
Buildings	(9,071,931)	(767,040)	-	(9,838,971)
Improvements other than buildings	(7,987,664)	(1,106,101)	-	(9,093,765)
Machinery and equipment	(21,625,638)	(1,604,231)	106,716	(23,123,153)
Infrastructure	<u>(55,040,699)</u>	<u>(3,681,548)</u>	<u>-</u>	<u>(58,722,247)</u>
Total accumulated depreciation	<u>(93,725,932)</u>	<u>(7,158,920)</u>	<u>106,716</u>	<u>(100,778,136)</u>
Total capital assets, being depreciated, net	<u>63,582,205</u>	<u>277,835</u>	<u>(15,121)</u>	<u>63,844,919</u>
Governmental activities capital assets, net	<u>\$ 114,049,465</u>	<u>\$ 26,437,537</u>	<u>\$ (3,709,793)</u>	<u>\$ 136,777,209</u>
<u>Business-type Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,639,981	\$ 18,597	\$ -	\$ 3,658,578
Water rights	3,870,564	-	-	3,870,564
Construction in progress	<u>3,592,117</u>	<u>10,071,148</u>	<u>(897,936)</u>	<u>12,765,329</u>
Total assets, not being depreciated	<u>11,102,662</u>	<u>10,089,745</u>	<u>(897,936)</u>	<u>20,294,471</u>
Capital assets, being depreciated:				
Buildings and system	135,683,908	2,811,456	-	138,495,364
Improvements other than buildings	3,455,081	-	-	3,455,081
Furniture and equipment	<u>13,171,239</u>	<u>535,778</u>	<u>(61,840)</u>	<u>13,645,177</u>
Total assets, being depreciated	<u>152,310,228</u>	<u>3,347,234</u>	<u>(61,840)</u>	<u>155,595,622</u>
Less accumulated depreciation for:				
Buildings and system	(66,666,184)	(4,551,016)	-	(71,217,200)
Improvements other than buildings	(2,668,220)	(211,443)	-	(2,879,663)
Furniture and equipment	<u>(7,993,012)</u>	<u>(949,479)</u>	<u>61,840</u>	<u>(8,880,651)</u>
Total accumulated depreciation	<u>(77,327,416)</u>	<u>(5,711,938)</u>	<u>61,840</u>	<u>(82,977,514)</u>
Total capital assets, being depreciated, net	<u>74,982,812</u>	<u>(2,364,704)</u>	<u>-</u>	<u>72,618,108</u>
Business-type activities capital assets, net	<u>\$ 86,085,474</u>	<u>\$ 7,725,041</u>	<u>\$ (897,936)</u>	<u>\$ 92,912,579</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 241,713
Public safety	1,475,524
Highways and streets, including depreciation of general infrastructure assets	3,985,336
Sanitation	15,328
Culture and recreation	<u>1,441,019</u>
Total depreciation expense -Governmental activities	<u><u>\$ 7,158,920</u></u>

Business-type Activities:

Utility	\$ 5,076,791
Golf Course	230,867
Solid Waste	<u>404,280</u>
Total depreciation expense - business-type activities	<u><u>\$ 5,711,938</u></u>

Mission Economic Development Corporation

Capital asset activity for the year ended September 30, 2017 for MEDC, was as follows:

	Balance at September 30, 2016	Increases	Decreases	Balance at September 30, 2017
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ -	\$ 5,523,909	\$ -	\$ 5,523,909
Total capital assets, not being depreciated	<u>-</u>	<u>5,523,909</u>	<u>-</u>	<u>5,523,909</u>
Capital assets, being depreciated:				
Machinery and equipment	679,653	502,189	\$ -	1,181,842
Building	<u>9,268,541</u>	<u>416,181</u>	<u>-</u>	<u>9,684,722</u>
Total capital assets, being depreciated	<u>9,948,194</u>	<u>918,370</u>	<u>-</u>	<u>10,866,564</u>
Less accumulated depreciation for:				
Machinery and equipment	(34,426)	(174,281)	-	(208,707)
Building	<u>(135,166)</u>	<u>(280,237)</u>	<u>-</u>	<u>(415,403)</u>
Total accumulated depreciation	<u>(169,592)</u>	<u>(454,518)</u>	<u>-</u>	<u>(624,110)</u>
Total capital assets, being depreciated, net	<u>9,778,602</u>	<u>463,852</u>	<u>-</u>	<u>10,242,454</u>
Governmental activities capital assets, net	<u><u>\$ 9,778,602</u></u>	<u><u>\$ 5,987,761</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,766,363</u></u>

Depreciation expense charged to MEDC governmental activities totaled \$454,518 for the year ended September 30, 2017.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 7 – RECEIVABLES

Receivables at September 30, 2017 were as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Special</u> <u>Assessments</u>	<u>Due from</u> <u>Other</u> <u>Governments</u>	<u>Allowance for</u> <u>Uncollectibles</u>	<u>Net</u> <u>Receivables</u>
Governmental Activities:						
General	\$ 1,816,512	\$ 1,687,010	\$ -	\$ 2,336,039	\$ (1,887,897)	\$ 3,951,664
Debt Service	461,517	-	-	-	(94,577)	366,940
Capital Projects	-	-	-	3,342,928	-	3,342,928
Other Governmental	-	305,738	142,268	191,336	(980)	638,362
Total	<u>\$ 2,278,029</u>	<u>\$ 1,992,748</u>	<u>\$ 142,268</u>	<u>\$ 5,870,303</u>	<u>\$ (1,983,454)</u>	<u>\$ 8,299,894</u>
Business-type Activities:						
Utility	\$ -	\$ 2,723,965	\$ -	\$ -	\$ (112,995)	\$ 2,610,970
Golf Course	-	6,790	-	-	-	6,790
Solid Waste	-	1,008,490	-	-	(32,354)	976,136
Total	<u>\$ -</u>	<u>\$ 3,739,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,349)</u>	<u>\$ 3,593,896</u>

Revenues of the Utility and Solid Waste Fund are reported net of uncollectible amounts related to revenues of the current period.

	<u>Utility Fund</u>	<u>Solid Waste</u> <u>Fund</u>
Gross operating revenues	\$ 19,114,277	\$ 6,677,637
Uncollectibles related to current year	(68,990)	(23,840)
Net operating revenues	<u>\$ 19,045,287</u>	<u>\$ 6,653,797</u>

NOTE 8 – DISAGGREGATION OF OTHER LIABILITIES

At September 30, 2017 the City had the following other liabilities:

<u>Payable To</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Due to state	\$ 128,576	\$ 71,994	\$ 200,570
Due to other governmental agencies	554	-	554
Wages and deductions	197,287	39,286	236,573
Court deposits/refunds	7,012	-	7,012
Due to others	1,193,076	27,873	1,220,949
	<u>\$ 1,526,505</u>	<u>\$ 139,153</u>	<u>\$ 1,665,658</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT

Certificates of Obligation

The City issues Certificates of Obligation to finance construction projects.

Certificates of Obligation payable at September 30, 2017 are comprised of the following:

Governmental activities:

\$5,495,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2009, payable in annual installments ranging from \$85,000 to \$415,000 through February 15, 2029, interest at 3.00% to 5.25%.	\$ 2,015,000
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\$2,930,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2010, payable in annual installments ranging from \$75,000 to \$340,000 through February 15, 2025, interest at 2.00% to 4.00%.	695,000
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\$2,635,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2012, payable in annual installments ranging from \$100,000 to \$500,000 through February 15, 2032, interest at 2.00% to 4.00%.	2,030,000
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\$17,610,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2016, payable in annual installments ranging from \$875,000 to \$1,575,000 through February 15, 2031, interest at 2.00% to 5.00%.	<u>16,735,000</u>
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	<u><u>\$ 21,475,000</u></u>
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CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT *(Continued)*

Certificates of obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 1,320,000	\$ 895,068	\$ 2,215,068
2019	1,365,000	853,193	2,218,193
2020	1,415,000	800,499	2,215,499
2021	1,470,000	745,636	2,215,636
2022	1,535,000	681,802	2,216,802
2023-2027	7,420,000	2,358,204	9,778,204
2028-2032	6,950,000	576,982	7,526,982
	<u>\$ 21,475,000</u>	<u>\$ 6,911,384</u>	<u>\$ 28,386,384</u>

General Obligation

The City has issued General Obligation Bonds, the proceeds of which have been used to advance refund various prior year outstanding long term debt obligations.

General Obligations payable at September 30, 2017 are comprised of the following:

Governmental activities:

\$7,565,000 Texas General Obligation Refunding Bonds, Series 2009,
payable in annual installments ranging from \$230,000 to \$565,000 through
February 15, 2026, interest at 3.00% to 5.25%. \$ 2,840,000

\$3,165,000 Texas General Obligation Refunding Bonds, Series 2012,
payable in annual installments ranging from \$30,000 to \$270,000 through
February 15, 2028, interest at 1.00% to 3.50%. 2,525,000

\$2,285,000 Texas General Obligation Refunding Bonds, Series 2014,
payable in annual installments ranging from \$165,000 to \$240,000 through
February 15, 2025, interest at 2.63%. 1,710,000

\$8,085,000 Texas General Obligation Refunding Bonds, Series 2016,
payable in annual installments ranging from \$165,000 to \$1,210,000 through
February 15, 2029, interest at 2.00% to 5.00%. 7,920,000

\$ 14,995,000

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT *(Continued)*

General Obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 1,315,000	\$ 708,787	\$ 2,023,787
2019	1,355,000	666,740	2,021,740
2020	1,405,000	611,856	2,016,856
2021	1,460,000	554,430	2,014,430
2022	1,520,000	498,629	2,018,629
2023-2027	7,270,000	1,195,914	8,465,914
2028-2032	670,000	20,925	690,925
	<u>\$ 14,995,000</u>	<u>\$ 4,257,281</u>	<u>\$ 19,252,281</u>

Public Property Finance Contractual Obligations

The City also issued Public Property Finance Contractual Obligations to finance acquisition of equipment for the Fire Department.

Public Property Finance Contractual Obligations payable at September 30, 2017 are comprised of the following:

Governmental activities:

\$368,865 Public Property Finance Act Contract No. 6564, payable in annual installments of \$59,379, including principal and interest, through March 1, 2021, interest at 3.091%. \$ 220,088

Public Property Finance Contractual Obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 52,571	\$ 6,807	\$ 59,378
2019	54,196	5,183	59,379
2020	55,871	3,507	59,378
2021	57,450	1,920	59,370
	<u>\$ 220,088</u>	<u>\$ 17,417</u>	<u>\$ 237,505</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT *(Continued)*

Revenue Bonds

The City has pledged future waterworks and sewer system net revenues, to repay \$36,570,000 plus interest in Junior Lien revenue bonds issued in 2009, 2014, 2015 and 2016. Proceeds from the bonds provided financing for all or a portion of the City's contractual obligations for design, construction, professional services, legal, fiscal, issuance and engineering costs of certain water and wastewater system improvements and refunding on old issues, i.e. EDAP project and wastewater plant expansion. The bonds are payable solely from waterworks and sewer system net revenues and are payable through 2044. Annual principal and interest payments on the bonds are expected to require less than 34 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$42,915,909. Principal and interest paid for the current year and total waterworks and sewer system net revenues were \$3,624,530 and \$7,563,698, respectively.

Revenue bonds payable at September 30, 2017 are comprised of the following:

Business-type activities:

Utility Fund:

\$7,780,000 2009 Waterworks and Sewer System Junior Lien Revenue Taxable Serial Bonds payable in annual installments ranging from \$275,000 to \$465,000 from December 30, 2009 through February 15, 2029; non-interest bearing.	\$ 5,485,000
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\$10,370,000 2014 Waterworks and Sewer System Junior Lien Refunding Bonds payable in annual installments ranging from \$675,000 to \$1,100,000 from February 15, 2015 through February 15, 2026; interest at 2.00% to 5.00%.	8,250,000
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\$16,140,000 2015 Waterworks and Sewer System Junior Lien Refunding Bonds payable in annual installments ranging from \$490,000 to \$730,000 from February 15, 2017 through February 15, 2044; interest at 0.29% to 2.11%.	15,650,000
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\$8,260,000 2016 Waterworks and Sewer System Junior Lien Revenue Taxable Serial Bonds payable in annual installments ranging from \$250,000 to \$1,075,000 from February 15, 2017 through February 15, 2027; interest at 2.00% to 4.00%.	<u>7,185,000</u>
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\$ 36,570,000

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT *(Continued)*

Revenue bonds debt service requirements to maturity are as follows:

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2018	\$ 2,325,000	\$ 696,205	\$ 3,021,205
2019	2,370,000	647,405	3,017,405
2020	2,430,000	593,270	3,023,270
2021	2,505,000	536,436	3,041,436
2022	2,570,000	472,020	3,042,020
2023-2027	12,875,000	1,488,701	14,363,701
2028-2032	3,660,000	906,576	4,566,576
2033-2037	3,035,000	646,366	3,681,366
2038-2042	3,355,000	328,318	3,683,318
2043-2047	1,445,000	30,612	1,475,612
	<u>\$ 36,570,000</u>	<u>\$ 6,345,909</u>	<u>\$ 42,915,909</u>

Public Property Finance Contractual Obligations

The City also issued Public Property Finance Contractual Obligations to finance acquisition of equipment for the Solid Waste Fund. Public Property Finance Contractual Obligations payable at September 30, 2017 are comprised of the following:

Business-type activities – Solid Waste Fund:

\$4,880,000 Texas Public Property Finance Contractual Obligation, Series 2014, payable in annual installments ranging from \$205,000 to \$815,000 through February 15, 2021, interest at 1.87%. \$ 3,170,000

Public Property Finance Contractual Obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2018	\$ 770,000	\$ 52,080	\$ 822,080
2019	785,000	37,540	822,540
2020	800,000	22,720	822,720
2021	815,000	7,620	822,620
2022	-	-	-
	<u>\$ 3,170,000</u>	<u>\$ 119,960</u>	<u>\$ 3,289,960</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT *(Continued)*

In 2010, the City closed on a commitment from the Drinking Water State Revolving Fund (DWSRF) administered by the Texas Water Development Board which authorized the issuance of \$8,285,000 in revenue bonds. These bonds titled Waterworks and Sewer System Junior Lien Revenue Bonds Taxable Series 2009 were used for projects to make water system improvements. The DWSRF funding mechanism allowed the City to issue as many bond coupons in installments as needed to fund the authorized projects. At the completion of the authorized project, the total amount of coupons issued by the City was \$7,780,000.

On August 16, 2016, the City issued General Obligation Refunding Series 2016 in the amount of \$8,085,000 to advance refund a portion of Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2005A; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2007; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2009; General Obligation Refunding Bonds, Series 2009. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of old debt resulting in an economic gain of \$920,000. Deferred loss on refunding at September 30, 2017 totaled \$344,794.

Outstanding balance on partially defeased bonds are as follows at September 30, 2017:

\$5,495,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2009	\$ 2,015,000
\$7,565,000 Texas General Obligation Refunding Bonds, Series 2009	2,840,000
	<u>\$ 4,855,000</u>

Bonds are included in bond payable schedules above as well as debt service requirements.

Arbitrage Compliance

The City of Mission is subject to federal arbitrage regulations and as of September 30, 2017, the City was in compliance with all arbitrage rebate and yield restriction reporting requirements. In addition the City had no accrued liabilities in regards to arbitrage rebate or yield restrictions. The City adheres to its adopted written procedures to monitor post-issuance compliance of the federal tax laws applicable to the Bonds as requested by the Internal Revenue Service.

Texas Water Code Compliance

The City of Mission is subject to Texas Water Code, Chapter 16, Section 16.356 related to Economically Distressed Areas Programs (EDAP). For the year ended September 30, 2017, the City confirms they did not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2017 was as follows:

	Balance at September 30, 2016	Additional Obligations and Net Increases	Retirements and Net Decreases	Balance at September 30, 2017	Due Within One Year
Governmental Activities:					
Bonds payable:					
Certificates of obligation	\$ 23,420,000	\$ -	\$ 1,945,000	\$ 21,475,000	\$ 1,320,000
Public property finance					
contractual obligations	271,092	-	51,004	220,088	52,571
General obligations	15,985,000	-	990,000	14,995,000	1,315,000
Plus bond premium	4,442,810	-	332,232	4,110,578	332,232
Total bonds payable	44,118,902	-	3,318,236	40,800,666	3,019,803
Compensated absences	3,274,534	1,594,009	1,518,797	3,349,746	1,454,407
Net pension liability	9,165,549	463,171	-	9,628,720	-
Net other postemployment					
benefit obligation	793,512	92,145	-	885,657	-
Anzalduas bridge payable	2,592,342	327,790	-	2,920,132	-
Governmental activities					
long-term liabilities	\$ 59,944,839	\$ 2,477,115	\$ 4,837,033	\$ 57,584,921	\$ 4,474,210
Business-type Activities:					
Bonds payable:					
Revenue bonds	\$ 39,325,000	\$ -	\$ 2,755,000	\$ 36,570,000	\$ 2,325,000
Public property finance					
contractual obligations	3,930,000	-	760,000	3,170,000	770,000
Plus bond premium	1,394,199	-	137,394	1,256,805	137,394
Total bonds payable	44,649,199	-	3,652,394	40,996,805	3,232,394
Capital leases	198,500	-	49,403	149,097	45,564
Compensated absences	420,619	258,791	217,745	461,665	208,182
Net pension liability	1,722,306	92,681	-	1,814,987	-
Net other postemployment					
benefit obligation	202,066	25,111	-	227,177	-
Business-type activities					
long-term liabilities	\$ 47,192,690	\$ 376,583	\$ 3,919,542	\$ 43,649,731	\$ 3,486,140

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – LONG-TERM DEBT (Continued)

Generally, the general and special revenue funds liquidate the portion of compensated absences and pension liabilities that pertain to their own fund.

After adoption of GASB 65, the deferred gain/loss on refunding is now reported as deferred outflows/inflows of resources. See Note 12.

The Utility Fund capitalized \$106,885 of bond interest expense as part of various construction projects for the year ended September 30, 2017.

Additional disclosures on capital lease commitments are presented in Note 21.

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE

A. Mission Economic Development Corporation (MEDC)

MEDC has issued sales tax revenue bonds to finance various construction projects to enhance economic development in the Mission area. These bonds are to be repaid with sales tax revenue.

Sales tax revenue bond payable at September 30, 2017 for the MEDC is comprised of the following:

\$4,380,000 - Sales Tax Revenue Refunding Bonds, Series 2010
due in annual principal installments ranging from \$90,000 to
\$325,000 from January 15, 2011 through 2024; interest at 3.85%. \$ 2,380,000

The annual requirements to retire the sales tax revenue bond including interest are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 365,000	\$ 84,604	\$ 449,604
2019	380,000	70,263	450,263
2021	395,000	55,344	450,344
2021	295,000	42,061	337,061
2022	305,000	30,511	335,511
2023-2027	640,000	24,833	664,833
	<u>\$ 2,380,000</u>	<u>\$ 307,616</u>	<u>\$ 2,687,616</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE *(Continued)*

Sales tax revenue notes payable at September 30, 2017 for the MEDC is comprised of the following:

\$6,000,000 - Sales and Use Tax Revenue Note, Series 2016-A due in semi-annual installments of \$300,000 including interest at 2.85%. Note matures August 1, 2036. Note is collateralized by sales tax revenues collected.	\$ 5,239,409
\$2,000,000 - Sales and Use Tax Revenue Note, due in monthly installments of \$20,105, including interest at 3.795%. Note matures on December 1, 2021. Note is collateralized by sales tax revenues collected.	<u>1,875,013</u>
	<u><u>\$ 7,114,422</u></u>

The annual requirements to retire the sales tax revenue note payable including interest are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 471,915	\$ 218,450	\$ 690,365
2019	478,869	203,159	682,028
2020	485,718	187,760	673,478
2021	493,147	171,781	664,928
2022	500,711	155,667	656,378
2023-2027	2,444,652	1,024,500	3,469,152
2028-2032	1,500,000	573,793	2,073,793
2033-2037	<u>739,410</u>	<u>92,277</u>	<u>831,687</u>
	<u><u>\$ 7,114,422</u></u>	<u><u>\$ 2,627,387</u></u>	<u><u>\$ 9,741,809</u></u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

The following is a summary of changes in long-term debt obligations for MEDC for the year ended September 30, 2017:

	September 30, 2016	Additional Obligations and Net Increases	Retirements and Net Decreases	September 30, 2017	Due Within One Year
Bonds and notes:					
Sales Tax Refunding Bond	\$ 2,730,000	\$ -	\$ 350,000	\$ 2,380,000	\$ 365,000
Sales Tax Revenue Note - LSNB	2,000,000	-	124,987	1,875,013	157,542
Sales Tax Revenue Note - Frost	6,000,000	-	760,591	5,239,409	300,000
Total bonds and notes	10,730,000	-	1,235,578	9,494,422	822,542
Other Liabilities:					
Capital leases	9,149,531	-	318,273	8,831,258	330,564
Total other liabilities	9,149,531	-	318,273	8,831,258	330,564
Total long-term debt obligations	<u>\$ 19,879,531</u>	<u>\$ -</u>	<u>\$ 1,553,851</u>	<u>\$ 18,325,680</u>	<u>\$ 1,153,106</u>

The above listed refunding bond issue is to be repaid from the 1/2 cent sales tax levied under the Section 4B referred to in Note 1(A).

B. Mission Redevelopment Authority (MRA)

Revenue Bonds Payable

The Mission Redevelopment Authority periodically issues bonds to pay for the costs incurred within the Tax Increment Reinvestment Zone (TIRZ) for infrastructure improvements. These bonds will be repaid from property taxes collected on property within TIRZ.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

Bonds payable at September 30, 2017 for the MRA are comprised of the following:

\$10,620,000 in tax increment contract revenue bonds series 2009. The interest rates on the bonds range from 3.00% - 5.25%. Interest on the bonds is payable on each March 1st and September 1st. The bonds mature serially September 1st beginning 2010 and ending 2029. \$ 1,470,000

\$7,455,000 in tax increment contract revenue bonds series 2013. The interest rates on the bonds range from 2.00% - 4.00%. Interest on the bonds is payable on each March 1st and September 1st. The bonds mature serially September 1st beginning 2015 and ending 2030. 6,015,000

\$16,990,000 in tax increment contract revenue bonds series 2017. The interest rates on the bonds range from 2.00% - 4.00%. Interest on the bonds is payable on each March 1st and September 1st. The bonds mature serially September 1st beginning 2017 and ending 2030. 16,780,000

\$ 24,265,000

As of September 30, 2017, the debt service requirements on the bonds outstanding were as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 1,805,000	\$ 846,462	\$ 2,651,462
2019	1,875,000	777,426	2,652,426
2020	1,950,000	704,438	2,654,438
2021	2,020,000	625,250	2,645,250
2022	2,095,000	546,500	2,641,500
2023-2027	9,845,000	1,973,957	11,818,957
2028-2030	4,675,000	385,794	5,060,794
	<u>\$ 24,265,000</u>	<u>\$ 5,859,827</u>	<u>\$ 30,124,827</u>

State Infrastructure Loan Agreement

On March 25, 2008 MRA entered into a State Infrastructure Loan Agreement with the State of Texas, acting by and through the Texas Department of Transportation (TXDOT). The agreement became effective on April 3, 2008, upon execution by the State. The loan amount of \$3,000,000 was used to finance the actual costs of the extension of Anzalduas Road from the proposed General Service Administration Complex north to US 83 Expressway. The MRA has agreed to repay the loan over a period of fifteen (15) years at a 3.85% interest rate. \$ 1,406,516

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

As of September 30, 2017, the debt service requirements on the loan agreement were as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 212,850	\$ 54,151	\$ 267,001
2019	221,045	45,956	267,001
2020	229,555	37,446	267,001
2021-2024	743,066	57,936	801,002
	<u>\$ 1,406,516</u>	<u>\$ 195,489</u>	<u>\$ 1,602,005</u>

The following is a summary of changes in long-term obligations debt for MRA for the year ended September 30, 2017:

	September 30, 2016	Additional Obligations and Net Increases	Retirements and Net Decreases	September 30, 2017	Due Within One Year
Tax increment contract revenue bonds series 2005	\$ 5,030,000	\$ -	\$ 5,030,000	\$ -	\$ -
Tax increment contract revenue bonds series 2009	7,815,000	-	6,345,000	1,470,000	470,000
Tax increment contract revenue bonds series 2013	6,380,000	-	365,000	6,015,000	375,000
Tax increment contract revenue bonds series 2017	-	16,990,000	210,000	16,780,000	960,000
Less issuance discounts	(220,150)	(110,159)	(222,228)	(108,081)	-
Plus issuance premiums	79,510	864,088	21,983	921,615	-
Less losses	-	(898,721)	(16,957)	(881,764)	-
Total contract revenue bonds	<u>19,084,360</u>	<u>16,845,208</u>	<u>11,732,798</u>	<u>24,196,770</u>	<u>1,805,000</u>
State infrastructure bank loan	1,611,475	-	204,959	1,406,516	212,850
Total governmental activities	<u>20,695,835</u>	<u>16,845,208</u>	<u>11,937,757</u>	<u>25,603,286</u>	<u>2,017,850</u>

Optional Redemption for Tax Increment Contract Revenue Bonds

The Authority reserves the right, at its option, to redeem bonds prior to their scheduled maturities, in whole or from time to time, in part, on the call date or any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed from redemption. This optional redemption applies to bonds maturing on or after September 1, 2020 or September 1, 2024, or September 1, 2028 for Series 2005 and Series 2009, Series 2013, and Series 2017 bonds respectively.

Scheduled Mandatory Redemption for Tax Increment Contract Revenue Bonds

The Series 2009 Term bonds due September 1, 2022, September 1, 2025, September 1, 2027, and September 1, 2029, are subjected to mandatory redemption by lot or other customary method at a price of par plus accrued interest on September 1st in the years and amounts as reflected in the debt service schedules.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

The Series 2013 Term bonds due September 1, 2030 are subjected to mandatory sinking fund redemption in part, prior to their stated maturity at the redemption prices of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules.

The Series 2017 Term bonds due September 1, 2030 are subjected to mandatory sinking fund redemption in part, prior to their stated maturity at the redemption prices of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules.

NOTE 11 – INTERFUND ADVANCES

Revenues increased for the Golf Course during the year. The Golf Course staff will continue to increase tournament play and use specials to entice players to golf during off-peak times. The Media Relations Department and social media are being utilized to increase play as well. The expenditures continue to be closely monitored with increased efforts to complete projects in-house in order to decrease expenditures for external contractors. The advance payable decreased by \$136,325 compared to prior years balance. At September 30, 2017 the balance of the advance in the amount of \$1,762,044 is reflected as long-term advance receivable in the Utility Fund; and long-term advance payable in the Golf Course Fund. Beginning in 2017 a transfer from the Utility Fund has been budgeted and will continue for subsequent years to reduce advance payable going forward.

NOTE 12 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

At the government-wide financial statements, deferred outflows include deferred charges on refunding of the bonds.

At the fund level financial statements, the City has the following Deferred Inflows of Resources:

	General Fund	Debt Service Fund	Total Deferred Inflows of Resources
Delinquent property taxes, unavailable	\$ 1,008,364	\$ 355,538	\$ 1,363,902

At the government-wide financial statements, the City reports cumulative deferred charges on refundings as Deferred Outflows of Resources in the amount of \$1,066,287 which is net of cumulative amortization of \$105,809.

Deferred outflows of resources and deferred inflows of resources related to pensions are \$6,025,541 and \$180,865, respectively. See Note 16 for details regarding pensions.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 13 – UNEARNED REVENUES

Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. The following summarizes unearned revenues in governmental activities:

Park dedication fees	\$	287,606
Grants		6,763
Other		2,863
Total unearned revenue	\$	<u>297,232</u>

Unearned revenues of \$23,565 in the Golf Course Fund, an enterprise fund, represent collections of annual membership dues that will be recognized as revenue in the next fiscal year.

NOTE 14 – LONG-TERM RECEIVABLE

Long-Term Notes Receivables at September 30, 2017 for the City of Mission are comprised of the following:

Governmental Activities:

Housing Rehab Receivable

Promissory note receivable for housing assistance provided under the Community Development Block Grant (CDBG) program to an ineligible recipient. The principal amount is payable in equal monthly installments of \$200 on the ninth day of each month, beginning November 9, 2007 and continuing until the principal has been paid in full. The final maturity date is January 9, 2026.

	\$	20,000
Total long-term note receivable		20,000
Less: current portion		<u>(2,400)</u>
	\$	<u>17,600</u>

NOTE 15 – RESTRICTED ASSETS

A. Primary Government

Business-Type Activities:

The waterworks and sewer system revenue bond indentures require that during the period over which the bonds are outstanding, the City maintain certain separate accounts and funds to account for (1) the proceeds from the issuance of the revenue bonds (2) the debt service deposits made from revenues and (3) extensions and improvement deposits made from revenues. These restricted assets can be used only in accordance with the revenue bond indenture. Similar requirements exist for the debt service of the Public Property Financing Contractual Obligations.

The City also holds certain deposits from subdividers for future utility improvements, and the amount of retainage of certain construction contracts.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 15 – RESTRICTED ASSETS *(Continued)*

Restricted assets included in the Utility Fund as of September 30, 2017 consist of:

	Cash and Cash Equivalents	Investments	Total
Revenue bond reserve fund	\$ 4,283,515	\$ 4,277,654	\$ 8,561,169
Bond interest and sinking	1,270,683	145,817	1,416,500
Cash with fiscal agent	3,403,408	-	3,403,408
Revenue bond extension and improvement fund	124,617	188,259	312,876
Subdividers deposits	548,248	1,604,390	2,152,638
Capital recovery fund	407,306	1,074,003	1,481,309
	<u>\$ 10,037,777</u>	<u>\$ 7,290,123</u>	<u>\$ 17,327,900</u>

Restricted assets included in the Golf Course Fund as of September 30, 2017 consist of reserves for capital projects in the amount of \$28,608.

Restricted assets included in the Solid Waste Fund as of September 30, 2017 consist of reserves for capital projects of \$439,337, capital outlays of \$324,470 and debt service in the amount of \$81,601.

A. Mission Economic Development Corporation

Restricted assets held by Mission Economic Development Corporation at September 30, 2017 consisted of Debt Service, Capital Projects Reserves and Mission Education in cash and cash equivalents in the amount of \$385,874.

B. Mission Redevelopment Authority

Restricted assets held by Mission Redevelopment Authority at September 30, 2017 consisted of Debt Service Reserves required by the Tax Increment Contract Bonds in the amount of \$3,035,025.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS

Plan Descriptions:

The City participates in two defined benefit pension plans. All eligible employees of the City are required to participate in the Texas Municipal Retirement System (TMRS). In addition, the City contributes to the Texas Emergency Services Retirement System (TESRS), which provides benefits to the City's volunteer emergency services personnel. A brief description of each of the pension plans follows:

1. The City of Mission participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.
2. The Texas Emergency Services Retirement System (TESRS) is a cost-sharing multiple employer pension system established and administered by the State of Texas to provide pension, disability and death benefits for emergency services personnel who serve without significant monetary remuneration. The nine member Board of Trustees, appointed by the Governor, establishes policy for the administration of the Texas Emergency Services Retirement System. The TESRS was created as a standalone agency by the 83rd Legislature via the passage of SB 220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters' Pension Commissioner. While the agency is new, the System has been in existence since 1977. TESRS, which is under the authority of Title 8, Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fire fighters and first responders, and a pension to members with vested service, as well as to their survivor/beneficiaries. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Comprehensive Annual Financial Report. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at www.tesrs.org.

Benefits Provided:

TMRS

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Employees can retire at age 60 and above with 5 or more years of service, or with 20 years of service regardless of age. The contribution rate for employees is 6% and the matching percentage for the City is 200%. The City has also adopted 100% updated service credit (USC) on a repeating basis and annuity increases (AI) on a repeating basis, at 70% of the change in the CPI. Employees are vested after 5 years of service.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS (*Continued*)

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

TESRS

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

Employees covered by benefit terms

As of most recent measurement date of the net pension liability, membership data for the pension plans are as follows:

	<u>TMRS</u>	<u>TESRS</u>
Inactive employees or beneficiaries currently receiving benefits	160	12
Inactive employees entitled to but no yet receiving benefits	281	-
Active employees	670	3
Total participants	<u>1,111</u>	<u>15</u>

Contributions:

TMRS

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS (*Continued*)

Employees for the City of Mission were required to contribute 6% of their annual gross earnings during the fiscal year. The minimum contribution rates for the City of Mission were 8.51% and 8.00% in calendar years 2017 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2017, were \$2,171,026, and were equal to the required contributions.

TESRS

Under TESRS, contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended effective July 27, 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted near the end of each even-numbered calendar year based on the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2016, the Part Two contributions were established by the board to be 2% of the Part One contributions beginning September 1, 2017.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

A small subset of participating departments has a different contribution arrangement which is being phased out over time. Such arrangement funds retirees and beneficiaries that have been in the H.B. 258 Texas Local Fire Fighters Retirement Act (TLFFRA) fund before merging into the S.B. 411. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System. For the City of Mission, total additional deposit was \$1,200 for the fiscal year ending September 30, 2017.

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule, and there is no maximum contribution rate. The City's total contributions to TESRS (including the deposit for TLFFRA) for the year ending September 30, 2017, were \$2,496, equal to the contributions required under both S.B. 411 and H.B. 258 for the year.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS (Continued)

Net Pension Liability:

The city's Net Pension Liability (NPL) was measured as of December 31, 2016 for TMRS and August 31, 2016 for TESRS, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of those dates.

Actuarial Assumptions

Schedule of Actuarial Assumptions		TMRS	TESRS
Valuation Date	12/31/16		8/31/16
Actuarial Cost Method	Entry Age Normal		N/A
Amortization Method	Level Percentage of Payroll, Closed		N/A
Remaining Amortization Period	29 years		N/A
Asset Valuation Method	10 Year smoothed market; 15% soft corridor		N/A
Inflation	2.5%		3.00%
Salary Increases	3.5% to 10.5% including inflation		N/A
Investment Rate of Return	6.75%		7.75%, net of pension plan investment expense, 4.75% net real rate of return plus inflation
Retirement Age	Experienced-based table of rates that are specific to the City's plan of benefits.		N/A
Mortality Assumption	RP-2000 Combined Healthy Mortality Table scaled BB by 109% for males and 103% for females		RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by Scale AA

TMRS

For TMRS, actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014, first used in the December 31, 2015 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2016 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
Total	100%	

TESRS

For TESRS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%). In addition, the final 7.75% assumption reflected a reduction of 0.20% for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Equities:		
Large cap domestic	32.00%	5.72%
Small cap domestic	10.00%	5.96%
Developed International	21.00%	6.21%
Emerging markets	6.00%	7.18%
Master limited partnership	5.00%	7.61%
Fixed income:		
Domestic	21.00%	1.61%
International	5.00%	1.81%
Cash	0.00%	0.00%
Total	100%	

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS (Continued)

Discount Rate

TMRS

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

TESRS

The discount rate used to measure the total pension liability was 7.75%. No projection of cash flows was used to determine the discount rate because the August 31, 2016 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method and with a lower value of assets, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability for the TMRS pension and the City's proportionate share of the net pension liability for the TESRS pension, calculated using the discount rate, as well as what the City's net pension liability and proportionate share of the net pension liability allocated would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
City's Net Pension Liability - TMRS	\$24,657,430	\$11,426,624	\$592,287
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
City's Proportionate Share of the Net Pension Liability - TESRS	\$12,102	\$6,480	\$2,934

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS (Continued)

Changes in the Net Pension Liability – TMRS

Changes in the City's net pension liability for the TMRS pension for the fiscal year ended September 30, 2017 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 9/30/2016	\$ 78,340,383	\$ 67,469,611	\$ 10,870,772
Changes for the year:			
Service cost	3,428,663	-	3,428,663
Interest	5,322,821	-	5,322,821
Change of benefit terms	-	-	-
Difference between expected and actual experience	139,268	-	139,268
Change of assumptions	-	-	-
Contributions - employer	-	2,171,026	(2,171,026)
Contributions - employee	-	1,657,278	(1,657,278)
Net investment income	-	4,560,867	(4,560,867)
Benefit payments, including refunds of employee contributions	(2,396,210)	(2,396,210)	-
Administrative expense	-	(51,496)	51,496
Other changes	-	(2,775)	2,775
Net changes	6,494,542	5,938,690	555,852
Balance at 9/30/2017	<u>\$ 84,834,925</u>	<u>\$ 73,408,301</u>	<u>\$ 11,426,624</u>

City Proportion of Net Pension Liability – TESRS

The City's proportionate share of the net pension liability of the TESRS at September 30, 2017 is \$6,480, and the proportion percentage of the aggregate net pension liability allocated to the City is 0.027%. The City's proportion of the net pension liability was based on actual required contributions of each of the participating departments for the plan's fiscal year.

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' Fiduciary Net Position is available in a separately-issued financial report. The TMRS financial report may be obtained on the Internet at www.tmr.com. The TESRS financial report may be obtained on the Internet at www.tesrs.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2017, the City recognized pension expense of \$3,881,181 for the TMRS pension plan and \$1,360 for the TESRS pension plan for a total pension expense of \$3,882,541.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 16 – PENSION PLANS (Continued)

At September 30, 2017, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TMRS		TESRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 258,456	\$ 175,531	\$ 7	\$ -	\$ 258,463	\$ 175,531
Changes in actuarial assumptions	867,335	-	95	-	867,430	-
Differences between projected and actual investment earnings	3,037,842	5,334	604	-	3,038,446	5,334
Contributions subsequent to the measurement date	1,861,910	-	-	-	1,861,910	-
Total	<u>\$ 6,025,543</u>	<u>\$ 180,865</u>	<u>\$ 706</u>	<u>\$ -</u>	<u>\$ 6,026,249</u>	<u>\$ 180,865</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,861,910 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2017 (i.e., recognized in the City's financial statements September 30, 2018). The remaining deferred outflows and (inflows) of resources related to pensions will be amortized and recognized in pension expense as follows:

Year ending September 30,	TMRS	TESRS
2018	\$ 1,286,903	\$ 305
2019	1,286,905	559
2020	1,129,827	(27)
2021	192,705	(132)
2022	82,592	-
Thereafter	3,836	-
	<u>\$ 3,982,768</u>	<u>\$ 706</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS

A. Post Retirement Health Care Benefits

Plan Description

City of Mission, Texas Healthcare Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the City of Mission. The plan covers health insurance benefits. Eligible City retirees and their dependents may continue health care coverage through the City for up to 24 months after retirement from the City. The City pays 100% of the employee's premiums for retirees who complete 25 years of service. Employees who do not meet the 25 years of service are required to pay for coverage for themselves at 100% after retirement. All employees pay 100% of the dependent coverage. The City does not issue separate audited financial statements for the postemployment benefit plan.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. Total premiums and health claims for fiscal year 2017 were \$56,273 for retirees, contributed by the City.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Plan.

Annual required contribution	\$ 196,428
Interest on net OPEB obligation	37,832
Adjustment to annual required contribution	<u>(64,713)</u>
Annual OPEB cost	169,547
Contributions Made	<u>52,290</u>
Increase in net OPEB obligation	117,257
Net OPEB obligation - beginning of year	<u>995,577</u>
Net OPEB obligation -end of year	<u><u>\$ 1,112,834</u></u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS (*Continued*)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2017 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2015	197,038	31.85%	874,680
9/30/2016	180,304	32.90%	995,577
9/30/2017	169,547	30.84%	1,112,834

Funded Status and Funding Progress

As of September 30, 2016, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$1,545,005, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,545,005.

The covered payroll (annual payroll of active employees covered by the plan) was \$18,094,923 and the ratio of the UAAL to the covered payroll was 8.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Actuarial calculations reflect a long-term perspective. The actuarial methods and significant assumptions used to determine the ARC for the current year are as follows:

- a) The actuarial cost method used is the Projected Unit Credit method.
- b) As of this valuation date, there are no assets, hence no need for actuarial value of assets.
- c) See table below for disclosure of significant actuarial assumptions.
- d) The amortization method is level dollar. The amortization period is 30 years. The period is open.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS (*Continued*)

Valuation date	September 30, 2016
Discount rate	3.8%
Claims costs	Derived from claim and enrollment records for the period September 2013 through September 2016, and adjusted for the risk characteristics of the covered group
Rate of Inflation	2.5%
Rate of Growth in Real Income/GDP per capita	1.6%
Extra Trend due to Technology and other factors	1.3%
Expected health share of GDP in 2020	18.5%
Health Share of GDP Resistance Point	25.0%
Year of Limiting Cost Growth to GDP Growth	2075

B. Supplemental Death Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1st of any year to be effective the following January 1st.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City offers supplemental death benefits to:

	<u>Plan Year 2016</u>	<u>Plan Year 2017</u>
Active employees	Yes	Yes
Retirees	Yes	Yes

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2017, 2016, and 2015 were \$42,396, \$38,670, and \$35,480 respectively, which equaled the required contributions each year.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 18 – CONTINGENT LIABILITIES

A. Litigation

The City is currently a defendant in various lawsuits. Although the City plans to contest the suits, it is the opinion of management and its outside attorneys that the possible outcome of the lawsuits and an estimate of the loss, if any, cannot presently be determined.

B. Federally Assisted Grant Programs

The City participates in several Federal and State assisted grant programs. Although the City grant programs have been audited in accordance with the provisions of the Single Audit Act, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 19 – CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At September 30, 2017, the City had several active construction projects. The projects include renovation of parks and improvements of infrastructure.

A. Primary Government

Project	Total Contract Amount	Spent to Date	Remaining Commitment
Inspiration Rd US 83 Exp N to Mile 3	\$ 11,281,166	\$ 10,821,290	\$ 459,876
Taylor Rd US 83 Exp to N Dove	3,452,992	3,224,278	228,714
Mile 2 N Project	7,720,647	7,502,960	217,687
Mission Event Center	15,582,919	10,684,279	4,898,640
Madero International Bridge	1,276,483	611,463	665,020
Wescan Lane (Sno-Bird Estate Subdivision)	337,290	25,000	312,290
Mission Tennis Center	116,700	86,431	30,269
Drainage Improvement for Erma St.	417,002	30,000	387,002
N.WWTP 4.5MGD Expansion Project	16,496,556	9,726,427	6,770,129
Water Tower - Bus 83/Glasscock	2,000,000	90,858	1,909,142
Bentsen Palms lift Station Project	1,235,213	1,073,413	161,800
Mission Event Center Water Tower	2,300,000	441,653	1,858,347
	<u>\$ 62,216,968</u>	<u>\$ 44,318,052</u>	<u>\$ 17,898,916</u>

The City has entered into several Advance Funding Agreements (AFA's) with the Texas Department of Transportation to fund various road widening and improvement projects within the City limits. These AFA's commit state or federal resources to the projects and require participation of the City in the cost of the projects. The City has signed engineering contracts in relation to these AFA's and the commitments under such contracts are reflected in the commitment summary noted above.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 20 – OPERATING LEASE COMMITMENTS

A. Primary Government

The City leases office equipment and golf carts under operating leases. Total costs for such leases were \$125,627 for the year ended September 30, 2017. The future minimum lease payments for these leases are as follows:

<u>September 30,</u>		
2018	\$	65,135
2019		65,135
2020		1,192
2021		-
2022		-
Total	\$	<u>131,462</u>

NOTE 21 – CAPITAL LEASE COMMITMENTS

A. Primary Government

The City has entered into lease agreements as a lessee for financing the acquisition of equipment for the golf course owned by the City reflected under business-type activities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments totaling \$252,876 at the inception date. Depreciation expense for the equipment totaled \$39,696 for the year ended September 30, 2017. The equipment and related depreciation is included in Note 6.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017 are as follows:

<u>September 30,</u>		
2018	\$	49,413
2019		49,413
2020		49,413
2021		8,237
2022		-
Total minimum lease payments		156,476
Less interest:		<u>(7,380)</u>
Present value of minimum lease payments	\$	<u>149,096</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 21 – CAPITAL LEASE COMMITMENTS *(Continued)*

B. Mission Economic Development Corporation

MEDC leases a 55,000 square foot facility under a lease agreement classified as a capital lease. The facility is used as the Center for Education and Economic Development (CEED). The lease has been recorded at the present value of their future minimum lease payments totaling \$9,268,541 at the inception date. Depreciation expense for the building totaled \$276,769 for the year ended September 30, 2017. The building and related depreciation is included in Note 6.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017 are as follows:

<u>September 30,</u>	
2018	\$ 660,000
2019	660,000
2020	660,000
2021	660,000
2022	660,000
Thereafter	<u>9,047,500</u>
Total minimum lease payments	12,347,500
Less interest:	<u>(3,516,242)</u>
Present value of minimum lease payments	<u><u>\$ 8,831,258</u></u>

NOTE 22 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carried commercial insurance. There have been no reductions in insurance coverage from the previous year; no negative statements or jury awards have exceeded insurance coverage in any of the past three years.

The City established a limited risk management program for workers' compensation and health insurance in a previous year. Effective December 1, 1996, the City became fully insured for workers compensation insurance through a conventional policy. The City's health insurance program is self-funded.

Health insurance premiums are paid into the Internal Service Fund by all other funds and are available to pay health claims and administrative costs of the program including costs associated with wellness programs. Inter-fund premiums are based primarily on claims experience and are reported as quasi-external transactions.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Health liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs and other economic and social factors.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 22 – RISK MANAGEMENT (Continued)

The following is a reconciliation of the claims liability:

	2017	2016
Unpaid claims, beginning of fiscal year	\$ 242,417	\$ 169,874
Incurred claims and adjustments	3,987,952	3,125,125
Claims payments	(3,899,251)	(3,052,582)
Unpaid claims (IBNRs), end of fiscal year	<u>\$ 331,118</u>	<u>\$ 242,417</u>

NOTE 23 – COMPONENT UNIT TRANSACTIONS

A. The City's economic development activities via City Council Resolution delegated all economic development activities to MEDC.

City of Mission provides personnel services to carry out the daily operating activities of MEDC. MEDC does not reimburse the City of Mission for the services provided as well as accounting and overhead costs.

The President of the board of directors for MEDC is also the President of Lone Star National Bank. On May 31, 2016, MEDC obtained a loan from Lone Star National Bank. At September 30, 2017, the balance outstanding on the note was \$1,875,013.

B. During the year ended September 30, 2017 Mission Redevelopment Authority reimbursed the City for costs incurred related to various projects in the amount of \$2,942,015. At September 30, 2017, the MRA owed the City \$6,218 for administrative costs. Additionally, the City owed MRA \$124,369 for property taxes collected but not yet remitted.

NOTE 24 – CONDUIT DEBT OBLIGATIONS

Mission Economic Development Corporation (the "Issuer") pursuant to Texas Civil Statutes Article 5190.6(the "Act"), and the Industrial Revenue Bond Program (the "Rules"), Title 10 Texas Administrative Code Chapter 180, promulgated by the Office of the Governor, Economic Development and Tourism Division (the "Division") has issued the following Industrial Development Bonds to finance various projects in the State of Texas:

	Balance at September 30, 2017
\$6,000,000 Mission Economic Development Corporation Variable Rate Demand Industrial Development Revenue Bonds (CMI Project) Series 2007	\$ 4,380,000
\$40,200,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (Dallas Clean Energy McCommas Bluff Project) Series 2011	27,455,000
\$48,000,000 Mission Economic Development Corporation Water Supply Revenue Bonds (Enviro Water Minerals Project), Series 2015 (Green Bonds)	48,000,000

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 24 – CONDUIT DEBT OBLIGATIONS (*Continued*)

	Balance at September 30, 2017
\$24,000,000 Mission Economic Development Corporation Variable Rate Demand Solid Waste Disposal Revenue Bonds (IESI TX Corp. Project) Series 2007	24,000,000
\$50,000,000 Mission Economic Development Corporation Senior Lien Revenue Bonds (Natgasoline Project) Series 2016A	50,000,000
\$202,885,000 Mission Economic Development Corporation Senior Lien Revenue Bonds (Natgasoline Project) Series 2016B	202,885,000
\$9,000,000 Mission Economic Development Corporation Taxable Power Purchase Agreement Revenue Bonds (Nelson Gardens Energy, LLC Project) Series 2013	8,700,000
\$56,200,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (Allied Waste North America, Inc. Project) Series 2008A	56,200,000
\$56,800,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Refunding Bonds (Republic Services, Inc. Project) Series 2012	56,800,000
\$41,750,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Refunding Bonds (Waste Management, Inc. Project) Series 2006	41,750,000
\$67,000,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project) Series 2008	67,000,000
\$50,000,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (CarbonLITE Recycling, LLC Project) Series 2016	50,000,000
	<u>\$ 637,170,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 24 – CONDUIT DEBT OBLIGATIONS (*Continued*)

All of the bonds listed above are payable solely from, and secured solely by a pledge of payments made under loan agreements between the borrowers and MEDC which are assigned under separate Trust Indentures with various banks. The payments required under the loan agreement are further guaranteed under either Guaranty Agreements or Irrevocable Letters of Credit issued in favor of the Trustee under the Trust Indenture.

Neither the State of Texas, Mission, Texas nor any political corporation, subdivision or agency of the State of Texas shall be obligated to pay the principal of, premium, if any, the interest on, or the purchase price of the bonds, and neither the faith and credit nor the taxing power of the State of Texas, Mission, Texas or any other political corporation, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, interest on, or the purchase price of the bonds.

In connection with the process which ultimately may lead to the issuance of conduit debt, MEDC charges an application fee of \$2,500 per application. During the year ended September 30, 2017, there were no applications submitted.

Upon issuance of conduit debt, an issuance fee is assessed based on the terms of the agreements. During the fiscal year ended September 30, 2017, there was one bond issued for which MEDC earned \$97,500.

After conduit debt has been issued, MEDC charges an annual fee based upon the original par value of the bonds, which ranges from 2 basis points to 5 basis points depending on the type of project and the rating of the bonds being issued. For the year ended September 30, 2017, MEDC received \$244,665 of which \$122,332 was paid to the advisor for local access fees.

In total, MEDC collected \$439,665 in fees related to conduit debt of which \$219,832 was paid to its advisors for application, issuance, advisor and local access fees.

NOTE 25 – COMPLIANCE WITH REVENUE BOND COVENANTS

A. Certain Required Annual Disclosure

The bond covenants of the Utility Fund revenues bonds require that on an annual basis the City of Mission make available certain disclosures related to the operation of the Utility Fund. A separate report containing these required disclosures is available at City Hall.

B. Revenue Bond Coverage

Per the Revenue Bond debt covenants, the City's Utility Fund is required to maintain a 125% coverage over the succeeding fiscal year's debt service requirement (first lien bonds); or 125% over the greater of the average annual debt service requirements or the succeeding fiscal year's debt service requirements (junior lien bonds). For the fiscal year ended September 30, 2017 the City's Utility Fund met these coverage requirements.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 26 – TAX INCREMENT REINVESTMENT ZONE

On September 24, 2001, the City established a Tax Increment Reinvestment Zone Number One (TIRZ) pursuant to Chapter 311 of the Texas Tax Code. The zone was formed to facilitate the provision of public works or improvements. A portion of the real property advalorem taxes levied by participating taxing entities is set aside for this purpose beginning with taxes levied after January 1, 2002 tax levies. The amount set aside out of the annually adopted tax levy, is based upon the appraised value each January 1st compared to the base year appraised value of property in the zone as of January 1, 2001. The City of Mission and Hidalgo County are the only taxing entities participating in the Increment Zone. The City accounts for TIRZ as a Special Revenue Fund.

Effective October 1, 2008 the City elected to transfer only the amounts of the tax increment which has been collected for the Tax Increment Reinvestment Zone 1. Hidalgo County also elected, to transfer to the Zone only the amount of the tax increment actually collected each year. For the current year the amounts transferred were \$2,568,815 and \$2,537,333 from the County and City respectively.

NOTE 27 – INTEREST IN INTERNATIONAL TOLL BRIDGE

Pursuant to the Hidalgo-Mission-McAllen Interlocal Government Agreement, dated April 1, 2003 (“2003 Agreement”), the City of McAllen, Texas and the City of Mission, Texas own and operate the Anzalduas International Crossing ("Anzalduas Bridge") linking United States, south of the City of Mission, Texas and the westernmost part of the city of Reynosa, Tamaulipas, Mexico. According to that agreement, the ownership interest of the City of McAllen and the City of Mission are 66 2/3% and 33 1/3%, respectively.

The agreement also provides that complete management and control of the Anzalduas Bridge, with the exception of fixing rates and charges for services and the issuance of debt, which is reserved by the Board of Commissioners of McAllen, shall be vested in a Board of Trustees consisting of five (5) voting-members, two of which are appointed from the existing members of the Hidalgo Bridge Board by McAllen, with the Mayors of the cities of McAllen, Hidalgo and Mission serving as ex-officio Board members. The Mayor of Granjeno also serves as an ex-officio non-voting member of the Board. In addition, the budget is subject to final approval by the Board of Commissioners of McAllen.

The agreements also provide that these cities as well as the City of Hidalgo will share in the unallocated balance of surplus net revenues at the following percentages: City of McAllen, 44%; City of Mission, 23%; and the City of Hidalgo, 33%. Per separate interlocal agreement, the City of Mission will share 6% of its portion of the unallocated balance of surplus net revenues with the City of Granjeno, Texas.

In order to finance the construction of the Anzalduas Bridge, the City of McAllen issued \$39,160,000 in revenue bonds during fiscal year ending 2007 in two separate series, \$26,000,000 Series 2007A and \$13,160,000 Series B. The Bonds are secured by a pledge of net revenues of the McAllen International Toll Bridge (“Hidalgo Bridge”), located in Hidalgo, Texas and the Anzalduas Bridge. According to the 2003 Agreement, both the City of McAllen and the City of Hidalgo are responsible for the Series 2007A bonds from each city’s respective share of net revenues of the Hidalgo Bridge. The City of McAllen is responsible for Series 2007B bonds from its share of net revenues of the Hidalgo Bridge as well as the City of Mission from its share of net revenues of the Anzalduas Bridge. Commencement of operations was December 15, 2009.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 27 – INTEREST IN INTERNATIONAL TOLL BRIDGE (*Continued*)

Per the agreement, the City of Mission was not required to make any capital contributions to obtain its ownership interest; therefore no dollar amount is reflected in these financial statements as representing its ownership interest.

However, until sufficient excess revenues as defined in the Interlocal Agreement are available, the debt service costs related to Series 2007B Bonds as noted above are being advanced to Anzalduas Bridge Fund from the City of McAllen's General Fund, including an allocated amount being advanced on behalf of the City of Mission by the City of McAllen. As of September 30, 2016, the amount advanced since the inception for the City of Mission is \$2,920,132 and is reflected as part of non-current liabilities due in more than one year in the Statement of Net Position. See also Note 9.

NOTE 28 – COMPLIANCE AND ACCOUNTABILITY

A. Finance – Related Legal and Contractual Provision

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Expenditures Exceeding Appropriations

During the year ended September 30, 2017 the City complied with the budgetary requirements for the General Fund.

Deficit Fund Balance or Fund Net Position of Individual Funds:

The following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Capital Projects	\$ 644,191	Will be covered by General Fund. Various projects are accounted for in this fund, transfers are made once final reconciliation of individual projects are verified.

Mission Redevelopment Authority

A net position deficit exists in the amount of \$6,767,186 for year ended September 30, 2017. This deficit is due to MRA issuing debt to pay for facilities that were conveyed, or will be conveyed, to the City or the State of Texas. MRA anticipates that with the expected development in the area, tax increment revenues will be sufficient to cover operating costs of MRA and to service the outstanding debt.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 29 – FUND BALANCES

At September 30, 2017 the City of Mission has classified its fund balances with the following hierarchy:

Assigned – The City Council has assigned resources for the purpose of meeting subsequent year’s budget-appropriation of fund balance. In addition, resources have been assigned for the purpose of payment of certain capital asset replacements needed, and for funds to be used for various programs to be conducted by the Boy’s and Girl’s Club.

Unassigned – Unassigned fund balance has no constraints on its use.

	General Fund	Debt Service Fund	Capital Projects Fund	2016 CO Capital Projects Fund	Other Governmental Funds
Fund balances:					
Nonspendable:					
Long term receivable	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Inventory	1,067	-	-	-	-
Prepaid	41,194	-	-	-	-
Restricted:					
Capital improvements	-	-	(644,191)	5,473,392	229,020
Debt service	-	1,293,342	-	-	-
Aquatics programs	-	-	-	-	-
Municipal Courts					
Technology	-	-	-	-	175,249
Building security	-	-	-	-	81,047
Juvenile case manager	-	-	-	-	160,154
PD asset sharing	-	-	-	-	656,733
Drainage improvements	-	-	-	-	1,682,093
Scholarships and books	-	-	-	-	25,972
Tourism	-	-	-	-	1,163,835
Perpetual care	-	-	-	-	36,374
Records preservation	-	-	-	-	9,157
PEG	-	-	-	-	515,005
Economic development	-	-	-	-	1,029,983
Tax increment	-	-	-	-	3,562
MEDA- land for resale	-	-	-	-	764,338
Assigned:					
Asset replacement	68,093	-	-	-	-
Boys and Girls Club	-	-	-	-	-
Subsequent year's budget-					
appropriation of fund balance	5,267,350	-	-	-	-
Unassigned	986,387	-	-	-	-
Total fund balances	<u>\$ 6,384,091</u>	<u>\$ 1,293,342</u>	<u>\$ (644,191)</u>	<u>\$ 5,473,392</u>	<u>\$ 6,532,522</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 29 – FUND BALANCES (Continued)

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the general fund, special revenue funds, and capital projects funds. Certain amounts which were classified as restricted, committed or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balance are as follows:

General fund - assigned	\$ 3,489,259
Other governmental funds	<u>8,593,441</u>
	<u><u>\$ 12,082,700</u></u>

NOTE 30 – COMMITMENTS

A. Mission Economic Development Corporation

MEDC has published notices of intent and its Board of Directors has committed funds for the following projects:

Incentives	Committed	Expended to Date	Remaining Commitment
Royal Technology	\$ 1,300,000	\$ 1,200,000	\$ 100,000
Southwest Steel Coil	450,000	-	450,000
Wonderful Citrus	3,000,000	600,000	2,400,000
Metal Processing International	55,000	-	55,000
Other infrastructure projects	100,000	50,000	50,000
Infrastructure projects *	<u>1,000,000</u>	<u>569,559</u>	<u>430,441</u>
Total	<u>\$ 5,905,000</u>	<u>\$ 2,419,559</u>	<u>\$ 3,485,441</u>

*\$1,000,000 is for Shary Road and Anzalduas International Corridor (Bryan Road) projects only.

B. Mission Redevelopment Authority

For the year ended September 30, 2017, the Authority has the following engineering contracts commitments:

- 1) The Military Highway and Inspiration Road Expansion Project \$688,536 remaining.
- 2) The Police & Fire Substation at Schuerbach & Military Roads, effective March 28, 2017, not to exceed \$3.7 million.
- 3) The design and construction of a water tower, located in the vicinity of the special events center, effective June 29, 2017, not to exceed \$2,376,614.
- 4) Agreement between MRA & Halff Associates for the Anzalduas Hwy Wastewater & Water Trunklines Ph. 2 Project - \$15,500 effective June 29, 2017; and
- 5) Agreement between MRA & Halff Associates for the Anzalduas Hwy Wastewater & Water Trunklines Ph. 2 Project - \$93,000 effective March 28, 2017.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE 31 – REDEVELOPMENT ASSETS

Mission Redevelopment Authority

Redevelopment assets include engineering and design costs for various road improvement and infrastructure related projects. The changes in redevelopment assets for the year ended September 30, 2017 are as follows:

Redevelopment Projects	Balance 10/1/2016	Increase	Decrease	Balance 9/30/2017
US 83 Overpass at Inspiration Road-Phase I	\$ 339,750	\$ -	\$ -	\$ 339,750
US 83 Overpass at Inspiration Road-Phase II	1,856,962	-	-	1,856,962
US 83 Overpass at Inspiration Road-Phase III	118,844	22,500	-	141,344
Military Highway West Wastewater & Water Trunklines	83,948	-	-	83,948
Anzalduas Lift Stations	346,380	-	-	346,380
Total Redevelopment Assets	<u>\$2,745,884</u>	<u>\$22,500</u>	<u>\$ -</u>	<u>\$2,768,384</u>

During the fiscal year, the Authority recorded redevelopment expenditures as follows:

Bentsen Palms Lift Station	\$ 709,785
Mission Water Tower	617,494
Rail Project	100,000
North Inspiration Row Acquisition	301,288
Event Center	500,000
Military and Inspiration Expansion	611,463
Anzalduas Phase 2	<u>101,984</u>
	<u>\$ 2,942,014</u>

The reimbursements represents payments to the City of Mission for redevelopment projects managed by the City.

NOTE 32 – LAND HELD FOR RESALE

The City through its blended component unit, Mission Economic Development Authority holds commercial real estate lots available for sale within an economically depressed area. At September 30, 2017 the remaining properties are stated at a cost of \$764,338, which is less than their estimated fair value. These lots will continue to be sold to attract development to further benefit the City.

NOTE 33 – SUBSEQUENT EVENTS

Subsequent to year end, the following event or transaction occurred.

MRA entered into an agreement with the City to reimburse the City for the Anzalduas Highway Wastewater and Water Trunklines Project on October 17, 2017. MRA will reimburse the City project costs, without interest, not to exceed \$4,954,337.

For the purposes of reporting subsequent events, management has considered events occurring up to March 8, 2018, the date the report was available to be issued. No further subsequent events were noted.

*REQUIRED
SUPPLEMENTARY
INFORMATION*



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CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

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	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Revenues:				
Taxes:				
Ad valorem taxes:				
Current ad valorem taxes	\$ 17,280,000	\$ 17,280,000	\$ 17,209,176	\$ (70,824)
Delinquent ad valorem taxes	443,000	443,000	414,508	(28,492)
Interest and penalties on taxes	340,000	340,000	366,520	26,520
Net Ad Valorem Tax Revenue	18,063,000	18,063,000	17,990,204	(72,796)
Sales tax	7,825,000	7,825,000	7,406,003	(418,997)
Sales tax-tax abatement	3,912,500	3,912,500	3,703,002	(209,498)
Franchise business tax	2,400,000	2,400,000	2,511,580	111,580
Telecommunication access fee	217,000	217,000	219,013	2,013
Mixed drink tax	35,000	35,000	21,983	(13,017)
Total Taxes	32,452,500	32,452,500	31,851,785	(600,715)
Licenses and permits:				
Occupational licenses	50,000	50,000	37,471	(12,529)
Moving and building permits	275,000	275,000	291,716	16,716
Health permits	27,000	27,000	30,590	3,590
Electrical permits	70,000	70,000	71,548	1,548
Mechanical permits	35,000	35,000	33,521	(1,479)
Plumbing permits	55,000	55,000	57,310	2,310
Alarm permits	12,000	12,000	11,040	(960)
Miscellaneous	35,000	35,000	22,069	(12,931)
Total Licenses and Permits	559,000	559,000	555,265	(3,735)
Intergovernmental:				
MCISD and SISD Dare Program	639,000	639,000	664,623	25,623
Reimb. - TXDOT/ROW	1,400,000	1,400,000	-	(1,400,000)
Reimb.-Hidalgo Co.-Taylor Rd.	533,590	533,590	621,923	88,333
Reimb.-City of McAllen-Taylor Rd.	2,283,590	2,283,590	650,333	(1,633,257)
Reimb.-Mcallen Bridge Board	-	-	30,000	30,000
County contribution-rural fires	40,000	40,000	21,175	(18,825)
County restitution reimbursement	1,500	1,500	232	(1,268)
Overhead-MRA	215,000	215,000	255,307	40,307
TIRZ Reimbursement	850,000	850,000	500,000	(350,000)
FEMA reimbursement	-	-	67,155	67,155
FBI overtime	-	-	4,251	4,251
Task Force	25,000	25,000	31,856	6,856
Peace Officers Fire Prev.	-	-	1,036	1,036

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

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	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
DEA Overtime Task Force	32,000	32,000	34,013	2,013
Hidalgo County-library	-	419,668	433,822	14,154
Total Intergovernmental	6,019,680	6,439,348	3,315,726	(3,123,622)
Charges for services:				
Birth certificate service	1,100	1,100	1,230	130
Inspection fee-2%	35,000	35,000	35,768	768
Construction material testing fee	25,000	25,000	33,398	8,398
Fire inspection fee	22,000	22,000	23,456	1,456
Judicial fee-City	5,500	5,500	4,622	(878)
Corporation court fines tax	50,000	50,000	35,803	(14,197)
Abandoned motor vehicle fee	2,500	2,500	3,010	510
Library reservations fee	60	60	125	65
Lot cleaning	25,000	25,000	38,904	13,904
Lot cleaning-admin. Fee	10,000	10,000	12,216	2,216
Lease-service center complex	6,000	6,000	12,000	6,000
Library copies	30,000	30,000	42,301	12,301
Rent-City buildings	6,000	6,000	7,706	1,706
Basketball fees & charges	8,500	8,500	2,026	(6,474)
Softball fees & charges	11,000	11,000	1,840	(9,160)
Football fees & charges	7,500	7,500	1,650	(5,850)
Kickball fees & charges	2,400	2,400	600	(1,800)
Volleyball fees & charges	4,100	4,100	5,485	1,385
Park facility rentals	20,000	20,000	18,496	(1,504)
Other recreational fees	8,000	8,000	1,540	(6,460)
Bannworth pool fees	64,500	64,500	52,898	(11,602)
Mayberry pool fees	-	-	23,153	23,153
TAAF summer programs	-	-	50,382	50,382
Year-round swim program	-	-	7,270	7,270
Library rentals	75	75	100	25
Cemetery charges	75,000	75,000	86,237	11,237
Vital statistics	115,000	115,000	126,734	11,734
Burial transit permit	1,000	1,000	1,125	125
Animal control & shelter fee	3,000	3,000	2,492	(508)
Contracted animal service fee	-	-	10,830	10,830
Zoning and subdivision fees	40,000	40,000	43,220	3,220
5% credit card fee	11,000	11,000	13,405	2,405
Food manager/handler ID fee	18,000	18,000	21,335	3,335
Arrest fees-M.P.D.	46,000	46,000	39,321	(6,679)

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1
Page 3 of 11

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Truancy prevention & diversion	5,000	5,000	6,914	1,914
Police Dept. service charges	8,000	8,000	7,613	(387)
Total Charges for Services	666,235	666,235	775,205	108,970
Fines:				
Corporation court fines	690,000	690,000	668,934	(21,066)
Warrant execution fee	155,000	155,000	147,581	(7,419)
Library fines	7,500	7,500	16,081	8,581
Total Fines	852,500	852,500	832,596	(19,904)
Interest:				
Interest earned on investments	35,000	35,000	43,958	8,958
Interest earned on demand deposits	8,500	8,500	21,733	13,233
Net increase (decrease) in investment fair value	-	-	(3,045)	(3,045)
Total Interest	43,500	43,500	62,646	19,146
Miscellaneous:				
Reimb.-TX Citrus Fiesta	30,000	30,000	48,021	18,021
Reimb.-Other state agencies	50,000	50,000	46,593	(3,407)
Child safety fees	10,000	10,000	7,322	(2,678)
Library donations/memorial	200	200	346	146
Insurance settlement	25,000	62,528	64,798	2,270
Miscellaneous income	35,000	35,000	157,335	122,335
Coke machine & vending machines	2,000	2,000	524	(1,476)
Street signs reimbursement	1,000	1,000	-	(1,000)
Oil lease	2,000	2,000	-	(2,000)
Reimbursement-MEDC	1,000,000	1,000,000	1,000,000	-
Miscellaneous-Court settlements	-	-	9,285	9,285
Contribution and donations	500	500	-	(500)
Total Miscellaneous	1,155,700	1,193,228	1,334,224	140,996
Total Revenues	41,749,115	42,206,311	38,727,447	(3,478,864)
Expenditures:				
Current:				
General Government:				
Legislative:				
Personal services	1,800	1,800	1,800	-
Employee benefits	1,365	1,365	1,342	23
Other purchased services	16,120	16,120	10,838	5,282

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

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	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Supplies	2,800	2,800	2,395	405
Miscellaneous	500	500	544	(44)
	<u>22,585</u>	<u>22,585</u>	<u>16,919</u>	<u>5,666</u>
Executive Administration:				
Personal services	515,335	515,335	404,711	110,624
Employee benefits	139,200	139,200	105,364	33,836
Purchased property services	1,752	1,752	1,960	(208)
Other purchased services	15,250	15,250	14,139	1,111
Supplies	4,550	4,550	3,288	1,262
Miscellaneous	800	800	801	(1)
	<u>676,887</u>	<u>676,887</u>	<u>530,263</u>	<u>146,624</u>
Finance Department:				
Personal services	407,270	407,270	344,442	62,828
Employee benefits	114,082	114,082	94,663	19,419
Purchased property services	4,000	2,500	3,437	(937)
Other purchased services	9,600	10,157	7,134	3,023
Capital outlays	1,500	1,500	1,127	373
Supplies	6,300	7,243	6,671	572
Miscellaneous	1,000	1,000	880	120
	<u>543,752</u>	<u>543,752</u>	<u>458,354</u>	<u>85,398</u>
Municipal Court:				
Personal services	509,510	509,510	499,963	9,547
Employee benefits	148,477	148,477	141,813	6,664
Other purchased services	4,550	4,550	4,902	(352)
Supplies	8,000	8,000	5,612	2,388
Miscellaneous	6,340	6,340	5,609	731
	<u>676,877</u>	<u>676,877</u>	<u>657,899</u>	<u>18,978</u>
Planning:				
Personal services	554,871	514,871	484,449	30,422
Employee benefits	173,012	173,012	157,026	15,986
Purchased property services	7,000	7,000	6,821	179
Other purchased services	27,000	28,000	23,941	4,059
Supplies	19,600	19,470	14,089	5,381
Capital outlays	-	40,000	38,710	1,290
Miscellaneous	102,950	102,080	85,536	16,544
	<u>884,433</u>	<u>884,433</u>	<u>810,572</u>	<u>73,861</u>

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

Page 5 of 11

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Facilities Maintenance:				
Personal services	369,884	369,884	354,009	15,875
Employee benefits	140,607	140,607	126,995	13,612
Purchased property services	61,500	61,500	51,428	10,072
Other purchased services	5,500	5,500	4,706	794
Supplies	175,550	175,550	209,402	(33,852)
Capital outlays	62,000	62,000	42,792	19,208
Miscellaneous	1,000	1,000	655	345
	<u>816,041</u>	<u>816,041</u>	<u>789,987</u>	<u>26,054</u>
Fleet Maintenance:				
Personal services	65,000	65,000	63,750	1,250
Employee benefits	15,404	15,404	14,731	673
Professional & technical services	903,000	903,000	841,344	61,656
Supplies	-	-	498	(498)
Miscellaneous	60,000	60,000	130,536	(70,536)
	<u>1,043,404</u>	<u>1,043,404</u>	<u>1,050,859</u>	<u>(7,455)</u>
Organizational Expense:				
Professional & technical services	1,024,000	1,024,000	908,412	115,588
Purchased property services	155,300	155,300	137,388	17,912
Other purchased services	167,175	167,175	184,489	(17,314)
Supplies	27,000	27,000	6,859	20,141
Capital outlays	405,000	405,000	288,976	116,024
Miscellaneous	537,650	537,650	438,221	99,429
	<u>2,316,125</u>	<u>2,316,125</u>	<u>1,964,345</u>	<u>351,780</u>
Purchasing:				
Personal services	185,560	185,560	182,915	2,645
Employee benefits	55,350	55,350	53,034	2,316
Purchased property services	2,550	2,550	1,724	826
Other purchased services	17,500	17,500	18,325	(825)
Supplies	1,450	1,650	1,256	394
Capital outlay	-	-	267	(267)
Miscellaneous	6,565	6,365	5,896	469
	<u>268,975</u>	<u>268,975</u>	<u>263,417</u>	<u>5,558</u>

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

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	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
City Secretary:				
Personal services	229,308	229,308	229,031	277
Employee benefits	70,459	70,459	67,977	2,482
Professional & technical services	6,000	6,000	3,185	2,815
Purchased property services	2,300	2,300	2,213	87
Other purchased services	15,150	15,150	14,436	714
Supplies	700	700	726	(26)
Miscellaneous	1,400	1,400	874	526
	<u>325,317</u>	<u>325,317</u>	<u>318,442</u>	<u>6,875</u>
Risk Management:				
Personal services	88,769	88,769	88,667	102
Employee benefits	28,876	28,876	29,255	(379)
Professional & technical services	8,500	8,500	7,920	580
Purchased property services	2,000	2,000	1,915	85
Other purchased services	341,950	341,950	305,735	36,215
Supplies	8,450	8,450	8,425	25
Miscellaneous	100	100	150	(50)
	<u>478,645</u>	<u>478,645</u>	<u>442,067</u>	<u>36,578</u>
Elections:				
Professional & technical services	25,000	25,000	-	25,000
Other purchased services	4,957	4,957	-	4,957
Supplies	20	20	-	20
	<u>29,977</u>	<u>29,977</u>	<u>-</u>	<u>29,977</u>
Civil Service:				
Personal services	90,195	90,195	90,096	99
Employee benefits	24,450	24,450	25,043	(593)
Professional & technical services	41,000	41,000	33,030	7,970
Other purchased services	7,200	7,200	7,689	(489)
Supplies	10,000	10,000	13,233	(3,233)
Miscellaneous	-	-	4	(4)
	<u>172,845</u>	<u>172,845</u>	<u>169,095</u>	<u>3,750</u>
Human Resources:				
Personal services	181,514	181,514	180,918	596
Employee benefits	48,619	48,619	46,595	2,024
Professional & technical services	12,000	12,000	13,568	(1,568)
Purchased property services	1,500	1,500	1,415	85

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

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	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Other purchased services	3,060	3,060	3,255	(195)
Supplies	1,640	1,541	1,473	68
Miscellaneous	835	934	1,163	(229)
	<u>249,168</u>	<u>249,168</u>	<u>248,387</u>	<u>781</u>
Information Technology:				
Personal services	163,514	163,514	165,129	(1,615)
Employee benefits	52,724	52,724	50,806	1,918
Purchased property services	83,000	87,500	86,590	910
Other purchased services	6,100	1,100	1,408	(308)
Supplies	800	1,300	1,077	223
Capital outlay	3,300	3,300	3,047	253
Miscellaneous	25	25	26	(1)
	<u>309,463</u>	<u>309,463</u>	<u>308,083</u>	<u>1,380</u>
Media Relations:				
Personal services	122,079	122,079	120,752	1,327
Employee benefits	33,778	33,778	31,807	1,971
Purchased property services	600	600	-	600
Other purchased services	1,950	1,950	2,277	(327)
Supplies	2,400	2,400	6,034	(3,634)
Capital outlay	1,000	1,000	485	515
	<u>161,807</u>	<u>161,807</u>	<u>161,355</u>	<u>452</u>
Legal:				
Personal services	289,380	289,380	283,817	5,563
Employee benefits	61,832	61,832	58,444	3,388
Purchased property services	18,200	18,200	18,184	16
Other purchased services	8,300	8,300	5,869	2,431
Supplies	1,700	1,700	1,088	612
Miscellaneous	3,400	3,400	3,445	(45)
	<u>382,812</u>	<u>382,812</u>	<u>370,847</u>	<u>11,965</u>
Total General Government	<u>9,359,113</u>	<u>9,359,113</u>	<u>8,560,891</u>	<u>798,222</u>
Public Safety:				
Police Department:				
Personal services	10,885,818	10,885,818	10,185,673	700,145
Employee benefits	3,064,028	3,064,028	2,734,930	329,098
Professional & technical services	105,000	143,000	136,351	6,649
Purchased property services	425,450	425,450	417,853	7,597

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

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	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Other purchased services	225,400	230,400	217,133	13,267
Supplies	467,250	423,250	325,856	97,394
Miscellaneous	23,950	24,950	19,117	5,833
	<u>15,196,896</u>	<u>15,196,896</u>	<u>14,036,913</u>	<u>1,159,983</u>
Fire Department:				
Personal services	4,446,613	4,558,502	4,361,636	196,866
Employee benefits	1,205,913	1,218,376	1,088,509	129,867
Purchased property services	149,212	164,212	150,966	13,246
Other purchased services	101,100	101,100	96,123	4,977
Supplies	212,200	177,200	163,145	14,055
Capital outlays	-	20,000	19,988	12
Miscellaneous	11,750	11,750	6,213	5,537
	<u>6,126,788</u>	<u>6,251,140</u>	<u>5,886,580</u>	<u>364,560</u>
Fire Prevention Bureau:				
Personal services	430,578	430,578	395,746	34,832
Employee benefits	109,923	109,923	95,415	14,508
Purchased property services	6,300	6,300	5,096	1,204
Other purchased services	12,200	12,200	10,160	2,040
Supplies	22,830	22,830	13,644	9,186
Capital outlays	6,300	6,300	6,260	40
Miscellaneous	400	400	81	319
	<u>588,531</u>	<u>588,531</u>	<u>526,402</u>	<u>62,129</u>
Total Public Safety	<u>21,912,215</u>	<u>22,036,567</u>	<u>20,449,895</u>	<u>1,586,672</u>
Highways and Streets:				
Street Department:				
Personal services	858,788	858,788	788,231	70,557
Employee benefits	377,817	377,817	324,291	53,526
Professional & technical services	58,000	58,000	45,449	12,551
Purchased property services	1,226,500	1,481,000	1,244,977	236,023
Other purchased services	10,300	10,300	11,856	(1,556)
Supplies	546,300	709,800	685,079	24,721
Capital outlays	4,805,000	5,065,000	2,666,323	2,398,677
Miscellaneous	76,720	78,720	114,107	(35,387)
	<u>7,959,425</u>	<u>8,639,425</u>	<u>5,880,313</u>	<u>2,759,112</u>
Total Highways and Streets	<u>7,959,425</u>	<u>8,639,425</u>	<u>5,880,313</u>	<u>2,759,112</u>

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1
Page 9 of 11

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Health and Welfare:				
Health Regulations and Inspections:				
Personal services	286,193	286,193	271,574	14,619
Employee benefits	95,055	95,055	90,357	4,698
Professional & technical services	-	150	450	(300)
Purchased property services	2,400	1,500	1,052	448
Other purchased services	7,050	6,410	6,276	134
Supplies	39,600	40,640	28,739	11,901
Capital outlays	10,000	10,000	8,907	1,093
Miscellaneous	2,300	2,650	2,091	559
	<u>442,598</u>	<u>442,598</u>	<u>409,446</u>	<u>33,152</u>
 Total Health and Welfare	 <u>442,598</u>	 <u>442,598</u>	 <u>409,446</u>	 <u>33,152</u>
 Culture and Recreation:				
Mission Historical Museum:				
Personal services	183,470	183,470	175,720	7,750
Employee benefits	66,628	66,628	62,651	3,977
Purchased property services	27,500	27,500	28,031	(531)
Other purchased services	13,200	13,200	12,437	763
Supplies	3,500	3,500	3,236	264
Miscellaneous	200	200	168	32
	<u>294,498</u>	<u>294,498</u>	<u>282,243</u>	<u>12,255</u>
 Parks and Recreation Administration:				
Personal services	203,296	203,296	194,728	8,568
Employee benefits	58,264	58,264	54,743	3,521
Purchased property services	27,000	27,000	27,769	(769)
Other purchased services	6,300	6,300	6,932	(632)
Supplies	3,200	3,200	3,048	152
Capital outlays	1,200	1,200	1,040	160
Miscellaneous	355	355	351	4
	<u>299,615</u>	<u>299,615</u>	<u>288,611</u>	<u>11,004</u>
 Parks:				
Personal services	1,021,278	1,021,278	890,699	130,579
Employee benefits	406,951	406,951	358,561	48,390
Purchased property services	486,000	523,528	516,639	6,889
Other purchased services	13,000	13,000	12,709	291
Supplies	233,950	233,950	175,038	58,912

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

Page 10 of 11

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Capital outlays	467,450	467,450	352,596	114,854
Miscellaneous	2,300	2,300	1,665	635
	<u>2,630,929</u>	<u>2,668,457</u>	<u>2,307,907</u>	<u>360,550</u>
Recreation:				
Personal services	208,150	208,150	204,915	3,235
Employee benefits	52,493	52,493	46,836	5,657
Professional and technical services	58,708	58,708	17,270	41,438
Other purchased services	13,000	13,000	9,464	3,536
Supplies	24,400	24,400	19,518	4,882
Miscellaneous	300	300	279	21
	<u>357,051</u>	<u>357,051</u>	<u>298,282</u>	<u>58,769</u>
Library:				
Personal services	785,437	785,437	762,193	23,244
Employee benefits	233,649	233,649	217,571	16,078
Purchased property services	108,050	120,428	119,484	944
Other purchased services	90,650	76,350	74,065	2,285
Supplies	34,700	37,485	36,919	566
Capital outlays	3,000	7,300	7,254	46
Miscellaneous	74,200	488,705	486,886	1,819
	<u>1,329,686</u>	<u>1,749,354</u>	<u>1,704,372</u>	<u>44,982</u>
Bannworth Pool:				
Personal services	118,439	118,439	109,186	9,253
Employee benefits	31,399	31,399	24,684	6,715
Purchased property services	48,800	48,800	41,575	7,225
Other purchased services	7,800	7,800	8,450	(650)
Supplies	19,700	19,700	8,730	10,970
Capital outlays	17,000	17,000	15,009	1,991
Miscellaneous	450	450	250	200
	<u>243,588</u>	<u>243,588</u>	<u>207,884</u>	<u>35,704</u>
Mayberry Pool:				
Personal services	179,897	179,897	167,203	12,694
Employee benefits	42,200	42,200	32,780	9,420
Purchased property services	44,500	44,500	40,001	4,499
Other purchased services	9,100	9,100	7,950	1,150
Supplies	37,525	37,525	10,920	26,605
Capital outlays	5,700	5,700	4,446	1,254
	<u>318,922</u>	<u>318,922</u>	<u>263,300</u>	<u>55,622</u>

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

Page 11 of 11

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget	Budget	Final Budget
			Basis	Positive
				(Negative)
Total Culture and Recreation	5,474,289	5,931,485	5,352,599	578,886
Debt Service:				
Principal retirement	51,000	51,000	51,003	(3)
Interest	8,384	8,384	8,375	9
	59,384	59,384	59,378	6
Total Debt Service	59,384	59,384	59,378	6
Total Expenditures	45,207,024	46,468,572	40,712,522	5,756,050
Excess (Deficiency) of				
Revenue Over Expenditures	(3,457,909)	(4,262,261)	(1,985,075)	2,277,186
Other Financing Sources (Uses):				
Sale of capital assets	-	-	555	555
Transfers in	4,400,000	4,860,000	4,860,000	-
Transfers out	(4,142,900)	(4,142,900)	(3,815,809)	327,091
Total Other Financing Sources (Uses)	257,100	717,100	1,044,746	327,646
Net Change in Fund Balance	(3,200,809)	(3,545,161)	(940,329)	2,604,832
Fund Balance at Beginning of Year	7,320,862	7,320,862	7,320,862	-
Fund Balance at End of Year	\$ 4,120,053	\$ 3,775,701	\$ 6,380,533	\$ 2,604,832

CITY OF MISSION, TEXAS**EXHIBIT B-2**

*RECONCILIATION OF THE GENERAL FUND BUDGETARY SCHEDULE
TO THE STATEMENT OF REVENUES AND EXPENDITURES
SEPTEMBER 30, 2017*

Net Changes in the General Fund Fund Balance \$ (940,329)

Amounts included in the Statement of Revenues and Expenditures for funds which did not meet the requirements for GASB 54 and were merged into the General Fund. Budgets were approved for these funds.

Revenues:

Capital Assets Fund revenues and transfers-in	80,434
Boys and Girls Club Fund revenues and transfers-in	715,850

Expenditures:

Capital Assets expenditures	(98,591)
Boys and Girls Club expenditures	<u>(731,113)</u>

Net Change in Fund Balances	<u><u>\$ (973,749)</u></u>
-----------------------------	----------------------------

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR AGENT MULTIPLE-EMPLOYER PENSION PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM

	2017	2016	2015
Total Pension Liability			
Service cost	\$ 3,428,663	\$ 3,146,606	\$ 2,887,755
Interest (on the total pension liability)	5,322,821	5,036,145	4,642,161
Changes of benefit terms	-	-	-
Difference between expected and actual experience	139,268	(255,681)	270,001
Changes of assumptions	-	1,263,377	-
Benefit payments, including refunds of employee contributions	(2,396,210)	(2,443,370)	(2,158,651)
Net change in total pension liability	\$ 6,494,542	\$ 6,747,077	\$ 5,641,266
Total pension liability - beginning	78,340,383	71,593,306	65,952,040
Total pension liability - ending (a)	<u>\$ 84,834,925</u>	<u>\$ 78,340,383</u>	<u>\$ 71,593,306</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 2,171,026	\$ 2,068,394	\$ 1,973,751
Contributions - employee	1,657,278	1,563,024	1,528,747
Net investment income	4,560,867	97,759	3,514,549
Benefit payments, including refunds of employee contributions	(2,396,210)	(2,443,370)	(2,158,651)
Administrative expense	(51,496)	(59,540)	(36,688)
Other	(2,775)	(2,941)	(3,016)
Net change in plan fiduciary net position	\$ 5,938,690	\$ 1,223,327	\$ 4,818,692
Plan fiduciary net position - beginning	67,469,611	66,246,284	61,427,592
Plan fiduciary net position - ending (b)	<u>\$ 73,408,301</u>	<u>\$ 67,469,611</u>	<u>\$ 66,246,284</u>
Net Pension Liability (a-b)	<u>\$ 11,426,624</u>	<u>\$ 10,870,772</u>	<u>\$ 5,347,022</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability [b/a]	86.53%	86.12%	92.53%
Covered - Employee Payroll	\$ 27,583,776	\$ 26,048,066	\$ 25,321,089
Net Pension Liability as a Percentage of Covered Employee Payroll	41.43%	41.73%	21.12%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

CITY OF MISSION, TEXAS
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITIES OF COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM (TESRS)

	2017		2016		2015
City's proportion of the net pension liability	0.027%		0.064%		0.079%
City's proportionate share of the net pension liability	\$ 6,480	\$	17,083	\$	14,356
City's number of active members*	3		3		7
City's net pension liability per active member	\$ 2,160	\$	5,694	\$	2,051
Plan fiduciary net position as a percentage of the total pension liability	81.4%		76.9%		83.5%

* There is no compensation for active members, so number of active members is used instead

Notes to Schedule of City's Proportionate Share of the Net Pension Liabilities:

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

CITY OF MISSION, TEXAS
SCHEDULE OF CITY CONTRIBUTIONS FOR ALL PENSION PLANS
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Texas Emergency Services Retirement System (TESRS)			
Contractually required contribution	\$ 1,296	\$ 2,496	\$ 4,224
Contributions in relation to the contractually required contribution	<u>\$ 1,296</u>	<u>\$ 2,496</u>	<u>\$ 4,224</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Number of active members*	3	3	7
Contributions per active member	\$ 432	\$ 832	\$ 603

* There is no compensation for active members, so number of active members is used instead.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Texas Municipal Retirement System (TMRS)			
Actuarially determined contribution	\$ 2,171,026	\$ 2,068,394	\$ 2,041,476
Contributions in relation to the actuarially determined contribution	<u>\$ 2,171,026</u>	<u>\$ 2,068,394</u>	<u>\$ 2,041,476</u>
Contribution deficiency (excess)	-	-	-
Covered employee payroll	\$ 28,707,904	\$ 28,187,323	\$ 25,843,740
Contribution as a percentage of covered employee payroll	7.56%	7.34%	7.90%

Notes to Schedule of Contributions

Valuation Date-Actuarially determined contribution rates are calculated as of December 31, and become effective in January, 13 months later.

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-yr trend is compiled, this schedule provides the information of those years for which information is available.

CITY OF MISSION, TEXAS
POST EMPLOYMENT HEALTH BENEFITS VALUATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Percent Funded (a/b)	Unfunded AAL (UAAL) (b-a)	Annual Covered Payroll (c)	UAAL as a Percentage Covered Payroll ((b-a)/c)
2012	\$ -	\$ 1,386,881	0.0%	\$ 1,386,881	\$ 19,719,814	7.0%
2014	\$ -	\$ 1,520,543	0.0%	\$ 1,520,543	\$ 20,262,429	7.5%
2016	\$ -	\$ 1,545,005	0.0%	\$ 1,545,005	\$ 18,094,923	8.5%

* Estimated

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2017

The City follows these procedures in establishing the budgetary data reflected in the budgetary schedules:

1. The City Manager submits a proposed operating budget for all funds, as mandated by the City Charter, to the City Council 60 to 90 days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council selects the time and place of a public hearing on the budget to obtain taxpayer comments.
3. The appropriated budget is adopted by a majority vote of the City Council, and signed into law by a budget ordinance.
4. The budget amounts used in this report are as amended by the City Council.
5. Budgetary appropriations lapse at the end of each fiscal year.
6. The total estimated expenditures of the General Fund and Debt Service Fund may not exceed the total estimated revenues plus cash on hand of each fund.
7. The current level of budgetary control is the department level within each fund.

Due to the City's budgetary control level (department), the City Council approved several supplemental budgetary appropriations throughout the year. Approved budgetary appropriations increased the following budgets by:

Special Revenue Funds	\$ 3,739,776
Capital Project Funds	\$ 20,660,141

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Significant outstanding encumbrances in the General Fund are classified as assigned.

During the year ended September 30, 2016, only one General Fund Department expenditures exceeded appropriations by a total of \$7,455. See Exhibit B-1.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2017

Budget to GAAP Reconciliation

The following is an explanation of differences between budgetary basis and GAAP revenues and expenditures:

<u>Revenues:</u>	<u>General Fund</u>
Actual revenues (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$ 38,727,447
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund revenues	434
Boys and Girls Club revenues	<u>215,850</u>
Total adjustments necessary	<u>216,284</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$ 38,943,731</u>

Note: Does not include other financing resources.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2017

Budget to GAAP Reconciliation (*Continued*)

<u>Expenditures:</u>	<u>General Fund</u>
Actual expenditures (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$40,712,522
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund expenditures	98,591
Boys and Girls Club expenditures	<u>731,113</u>
Total adjustments necessary	<u>829,704</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$41,542,226</u>



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*OTHER
SUPPLEMENTARY
INFORMATION*



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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted to expenditures for particular purposes.

Community Development Block Grant (CDBG): To account for federal funds granted to the City for the sole purpose of improving the health and welfare of the community.

Aquatics Fund: To account for the swimming pool recreation facility.

Police Department Special Fund: To account for monies confiscated in drug related cases; expenditures from the fund are restricted for law enforcement purposes.

Police Federal Sharing Fund: To account for federal seizures awarded to the City. Expenditures are restricted for law enforcement purposes.

Municipal Court Technology Fund: To account for collections and expenditures of municipal court technology fee.

Designated Purpose Fund: To account for revenues and expenditures of various grants.

Drainage Assessment Fund: To account for the cost of drainage improvements at problem locations throughout the City. Property owners in the City are assessed a monthly amount according to a set rate schedule.

Cemetery Fund: To account for fees associated with the maintenance of the City's cemeteries. The City currently has three cemeteries that it must maintain: Laurel Cemetery, Catholic Cemetery, and San Jose Cemetery.

Records Preservation Fund: To account for fees collected for providing preservation of records.

Speer Memorial Library Fund: To account for contributions from private sources restricted to the provision of scholarships and library books.

Hotel/Motel Tax Fund: To account for collections and expenditures of hotel and motel taxes to promote tourism.

Municipal Court Building Security Fund: To account for fees collected for providing security to the Municipal Court Building.

Park Dedication Fund: To account for park dedication fees received from developers for new parks and park improvements.

NON-MAJOR GOVERNMENTAL FUNDS (CONT'D)

SPECIAL REVENUE FUNDS (Cont'd)

Juvenile Case Manager: To account for fines collected on fine-only misdemeanor offense cases and fees are to be used only to finance the salary and benefits of a juvenile case manager.

PEG Capital Fund: To account for PEG capital fees received from holders of a state issued certificate of franchise authority that constitute 1% of their gross revenue. These revenues, under state and federal law, must be separated from general fund revenue and may only be used for capital costs of PEG facilities.

Tax Increment Reinvestment Fund: To account for a portion of property taxes levied by the City and Hidalgo County to facilitate the provision of public works or improvements.

Mission Economic Development Authority: To provide development activities that could not be carried out by the Mission Economic Development Corporation. City of Mission management has operational and fiscal responsibility for this component unit. MEDA is presented as a Blended Component Unit - Special Revenue Fund of the City as MEDA's current limited activity exclusively benefits the City.

CAPITAL PROJECT FUNDS

2009 Certificates of Obligations: To account for various park improvements, including two new gyms for the Boys and Girls Club Department.

2012 Certificates of Obligations: To account for funding on the Inspiration Street Widening Project.

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 2017

EXHIBIT C-1

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and cash equivalents	\$ 740,690	\$ 138,048	\$ 878,738
Investments	2,776,306	90,972	2,867,278
Prepaid items	1,053	-	1,053
Receivables:			
Accounts	212,246	-	212,246
Special assessments	142,268	-	142,268
Less: allowance for uncollectibles	(980)	-	(980)
Due from other governments	284,828	-	284,828
Due from other funds	2,510,364	-	2,510,364
Land held for resale	764,338	-	764,338
Total Assets	<u>\$ 7,431,113</u>	<u>\$ 229,020</u>	<u>\$ 7,660,133</u>
LIABILITIES			
Accounts payable	\$ 223,353	\$ -	\$ 223,353
Other liabilities	12,613	-	12,613
Retainage payable	47,255	-	47,255
Accrued payroll	8,174	-	8,174
Due to other funds	417,480	-	417,480
Due to component unit	124,369	-	124,369
Unearned revenue	294,369	-	294,369
Total Liabilities	<u>1,127,613</u>	<u>-</u>	<u>1,127,613</u>
FUND BALANCES			
Restricted	6,303,500	229,020	6,532,520
Total Fund Balances	<u>6,303,500</u>	<u>229,020</u>	<u>6,532,520</u>
Total Liabilities and Fund Balances	<u>\$ 7,431,113</u>	<u>\$ 229,020</u>	<u>\$ 7,660,133</u>



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CITY OF MISSION, TEXAS

EXHIBIT C-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES			
Taxes and special assessments	\$ 1,464,739	\$ -	\$ 1,464,739
Intergovernmental	4,624,751	-	4,624,751
Charges for services	247,452	-	247,452
Interest	24,275	1,836	26,111
Miscellaneous	32,625	-	32,625
Total Revenues	<u>6,393,842</u>	<u>1,836</u>	<u>6,395,678</u>
EXPENDITURES			
Current:			
General government	1,111,223	-	1,111,223
Public safety	1,312,485	-	1,312,485
Highways and streets	843,142	-	843,142
Culture and recreation	592,697	-	592,697
Health and welfare	50,000	-	50,000
Economic development	5,309,187	-	5,309,187
Capital projects	-	1,366	1,366
Total Expenditures	<u>9,218,734</u>	<u>1,366</u>	<u>9,220,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,824,892)</u>	<u>470</u>	<u>(2,824,422)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	12,505	-	12,505
Transfers in	2,687,594	-	2,687,594
Transfers out	(40,457)	-	(40,457)
Total Other Financing Sources (Uses)	<u>2,659,642</u>	<u>-</u>	<u>2,659,642</u>
Net Change in Fund Balances	(165,250)	470	(164,780)
Fund Balances at Beginning of Year	<u>6,468,750</u>	<u>228,550</u>	<u>6,697,300</u>
Fund Balances at End of Year	<u>\$ 6,303,500</u>	<u>\$ 229,020</u>	<u>\$ 6,532,520</u>

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017

	CDBG	Aquatics Fund	Police Department Special Fund	Police Federal Sharing Fund
ASSETS				
Cash and cash equivalents	\$ 14,615	\$ 681	\$ -	\$ 17,083
Investments	-	-	326,156	151,373
Prepaid items	78	-	-	975
Receivables:				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Less: allowance for uncollectibles	-	-	-	-
Due from other governments	79,262	-	-	-
Due from other funds	-	-	-	452,671
Land held for resale	-	-	-	-
Total Assets	<u>\$ 93,955</u>	<u>\$ 681</u>	<u>\$ 326,156</u>	<u>\$ 622,102</u>
LIABILITIES				
Accounts payable	\$ 69,168	\$ 681	\$ 1,416	\$ 41,543
Other liabilities	1,160	-	3,352	-
Retainage payable	-	-	-	-
Accrued payroll	2,084	-	-	-
Due to other funds	21,543	-	245,213	-
Due to component unit	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>93,955</u>	<u>681</u>	<u>249,981</u>	<u>41,543</u>
FUND BALANCES				
Restricted	-	-	76,175	580,559
Total Fund Balances	<u>-</u>	<u>-</u>	<u>76,175</u>	<u>580,559</u>
Total Liabilities and Fund Balances	<u>\$ 93,955</u>	<u>\$ 681</u>	<u>\$ 326,156</u>	<u>\$ 622,102</u>

EXHIBIT C-3

Page 1 of 2

Minicipal Court Technology Fund	Designated Purpose Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund
\$ 2,854	\$ -	\$ 41,463	\$ 37,345	\$ 9,308
30,056	-	747,838	-	-
-	-	-	-	-
-	15,946	109	-	-
-	-	142,268	-	-
-	-	(980)	-	-
-	205,566	-	-	-
170,000	23,373	801,312	-	-
-	-	-	-	-
<u>\$ 202,910</u>	<u>\$ 244,885</u>	<u>\$ 1,732,010</u>	<u>\$ 37,345</u>	<u>\$ 9,308</u>
\$ 27,660	\$ 76,223	\$ 716	\$ 971	\$ 151
-	7,492	459	-	-
-	-	47,255	-	-
-	4,659	1,116	-	-
-	149,748	373	-	-
-	-	-	-	-
-	6,763	-	-	-
<u>27,660</u>	<u>244,885</u>	<u>49,919</u>	<u>971</u>	<u>151</u>
175,250	-	1,682,091	36,374	9,157
<u>175,250</u>	<u>-</u>	<u>1,682,091</u>	<u>36,374</u>	<u>9,157</u>
<u>\$ 202,910</u>	<u>\$ 244,885</u>	<u>\$ 1,732,010</u>	<u>\$ 37,345</u>	<u>\$ 9,308</u>

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017

	Speer Memorial Library	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
ASSETS				
Cash and cash equivalents	\$ 5,935	\$ 40,519	\$ 81,047	\$ 41,198
Investments	20,037	449,632	-	-
Prepaid items	-	-	-	-
Receivables:				
Accounts	-	172,372	-	-
Special assessments	-	-	-	-
Less: allowance for uncollectibles	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	501,312	-	250,000
Land held for resale	-	-	-	-
Total Assets	<u>\$ 25,972</u>	<u>\$ 1,163,835</u>	<u>\$ 81,047</u>	<u>\$ 291,198</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,592
Other liabilities	-	-	-	-
Retainage payable	-	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Due to component unit	-	-	-	-
Unearned revenue	-	-	-	287,606
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,198</u>
FUND BALANCES				
Restricted	<u>25,972</u>	<u>1,163,835</u>	<u>81,047</u>	<u>-</u>
Total Fund Balances	<u>25,972</u>	<u>1,163,835</u>	<u>81,047</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 25,972</u>	<u>\$ 1,163,835</u>	<u>\$ 81,047</u>	<u>\$ 291,198</u>

EXHIBIT C-3

Page 2 of 2

Juvenile Case Manager Fund	PEG Capital Fund	Tax Increment Reinvestment Zone Fund	Mission Economic Development Authority	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 39,731	\$ 968	\$ 127,931	\$ 280,012	\$ 740,690
49,995	250,216	-	751,003	2,776,306
-	-	-	-	1,053
-	23,819	-	-	212,246
-	-	-	-	142,268
-	-	-	-	(980)
-	-	-	-	284,828
71,696	240,000	-	-	2,510,364
-	-	-	764,338	764,338
<u>\$ 161,422</u>	<u>\$ 515,003</u>	<u>\$ 127,931</u>	<u>\$ 1,795,353</u>	<u>\$ 7,431,113</u>
\$ 200	\$ -	\$ -	\$ 1,032	\$ 223,353
150	-	-	-	12,613
-	-	-	-	47,255
315	-	-	-	8,174
603	-	-	-	417,480
-	-	124,369	-	124,369
-	-	-	-	294,369
<u>1,268</u>	<u>-</u>	<u>124,369</u>	<u>1,032</u>	<u>1,127,613</u>
<u>160,154</u>	<u>515,003</u>	<u>3,562</u>	<u>1,794,321</u>	<u>6,303,500</u>
<u>160,154</u>	<u>515,003</u>	<u>3,562</u>	<u>1,794,321</u>	<u>6,303,500</u>
<u>\$ 161,422</u>	<u>\$ 515,003</u>	<u>\$ 127,931</u>	<u>\$ 1,795,353</u>	<u>\$ 7,431,113</u>

CITY OF MISSION, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	CDBG	Aquatics Fund	Police Department Special Fund	Police Federal Sharing Fund
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,052,438	-	29,138	74,145
Charges for services	-	-	-	-
Interest	-	-	2,276	2,722
Miscellaneous	-	-	273	-
Total Revenues	1,052,438	-	31,687	76,867
EXPENDITURES				
Current:				
General government	1,002,438	-	-	-
Public safety	-	-	172,037	198,916
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	50,000	-	-	-
Economic development	-	-	-	-
Total Expenditures	1,052,438	-	172,037	198,916
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(140,350)	(122,049)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	12,505	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(40,457)
Total Other Financing Sources (Uses)	-	-	12,505	(40,457)
Net Change in Fund Balances	-	-	(127,845)	(162,506)
Fund Balances at Beginning of Year	-	-	204,020	743,065
Fund Balances at End of Year	\$ -	\$ -	\$ 76,175	\$ 580,559

Minicipal Court Technology Fund	Designated Purpose Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund
\$ -	\$ -	\$ 935,777	\$ -	\$ -
-	900,215	-	-	-
32,231	-	-	9,600	6,838
721	-	6,238	111	22
-	2,000	181	-	-
<u>32,952</u>	<u>902,215</u>	<u>942,196</u>	<u>9,711</u>	<u>6,860</u>
54,123	-	-	8,672	4,554
-	941,532	-	-	-
-	-	843,142	-	-
-	110,944	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>54,123</u>	<u>1,052,476</u>	<u>843,142</u>	<u>8,672</u>	<u>4,554</u>
(21,171)	(150,261)	99,054	1,039	2,306
-	-	-	-	-
-	150,261	-	-	-
-	-	-	-	-
<u>-</u>	<u>150,261</u>	<u>-</u>	<u>-</u>	<u>-</u>
(21,171)	-	99,054	1,039	2,306
<u>196,421</u>	<u>-</u>	<u>1,583,037</u>	<u>35,335</u>	<u>6,851</u>
<u>\$ 175,250</u>	<u>\$ -</u>	<u>\$ 1,682,091</u>	<u>\$ 36,374</u>	<u>\$ 9,157</u>

CITY OF MISSION, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Speer Memorial Library	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
REVENUES				
Taxes and special assessments	\$ -	\$ 528,962	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	24,042	43,392
Interest	146	3,621	219	-
Miscellaneous	-	1,171	-	-
Total Revenues	146	533,754	24,261	43,392
EXPENDITURES				
Current:				
General government	-	-	12,534	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	438,361	-	43,392
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Total Expenditures	-	438,361	12,534	43,392
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	146	95,393	11,727	-
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	146	95,393	11,727	-
Fund Balances at Beginning of Year	25,826	1,068,442	69,320	-
Fund Balances at End of Year	\$ 25,972	\$ 1,163,835	\$ 81,047	\$ -

Juvenile Case Manager Fund	PEG Capital Fund	Tax Increment Reinvestment Zone Fund	Mission Economic Development Authority	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ -	\$ -	\$ -	\$ -	\$ 1,464,739
-	-	2,568,815	-	4,624,751
38,116	93,233	-	-	247,452
671	2,490	42	4,996	24,275
-	-	-	29,000	32,625
<u>38,787</u>	<u>95,723</u>	<u>2,568,857</u>	<u>33,996</u>	<u>6,393,842</u>
28,418	484	-	-	1,111,223
-	-	-	-	1,312,485
-	-	-	-	843,142
-	-	-	-	592,697
-	-	-	-	50,000
-	-	5,106,182	203,005	5,309,187
<u>28,418</u>	<u>484</u>	<u>5,106,182</u>	<u>203,005</u>	<u>9,218,734</u>
10,369	95,239	(2,537,325)	(169,009)	(2,824,892)
-	-	-	-	12,505
-	-	2,537,333	-	2,687,594
-	-	-	-	(40,457)
<u>-</u>	<u>-</u>	<u>2,537,333</u>	<u>-</u>	<u>2,659,642</u>
10,369	95,239	9	(169,009)	(165,250)
<u>149,785</u>	<u>419,764</u>	<u>3,553</u>	<u>1,963,330</u>	<u>6,468,750</u>
<u>\$ 160,154</u>	<u>\$ 515,003</u>	<u>\$ 3,562</u>	<u>\$ 1,794,321</u>	<u>\$ 6,303,500</u>

CITY OF MISSION, TEXAS**EXHIBIT C-5***COMMUNITY DEVELOPMENT BLOCK GRANT**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Community Development Block Grant	\$ 1,233,082	\$ 1,052,438	\$ (180,644)
Total Intergovernmental	1,233,082	1,052,438	(180,644)
 Total Revenues	 1,233,082	 1,052,438	 (180,644)
Expenditures:			
Current:			
General Government:			
General administration	217,240	205,348	11,892
Housing rehabilitation	965,842	797,090	168,752
Total General Government	1,183,082	1,002,438	180,644
Health and Welfare:			
Other social services	50,000	50,000	-
Total Health and Welfare	50,000	50,000	-
 Total Expenditures	 1,233,082	 1,052,438	 180,644
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 -	 -	 -
 Fund Balance at Beginning of Year	 -	 -	 -
 Fund Balance at End of Year	 \$ -	 \$ -	 \$ -

CITY OF MISSION, TEXAS
POLICE DEPARTMENT SPECIAL FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-6

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State Seizures:			
State seizures	\$ -	\$ 29,138	\$ 29,138
Miscellaneous	-	273	273
Total State Seizures	-	29,411	29,411
Interest:			
Interest earned on investments	-	2,251	2,251
Interest earned on demand deposits	-	25	25
Total Interest	-	2,276	2,276
Total Revenues	-	31,687	31,687
Expenditures:			
Current:			
Public Safety:			
State Seizures:			
Professional & technical services	24,500	30,000	(5,500)
Purchased property services	2,520	37,816	(35,296)
Other purchased services	50,000	37,264	12,736
Supplies	22,000	17,331	4,669
Capital outlays	100,000	48,547	51,453
Miscellaneous	5,000	1,079	3,921
Total Public Safety	204,020	172,037	31,983
Total Expenditures	204,020	172,037	31,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,020)	(140,350)	63,670
Other Financing Sources (Uses):			
Sale of capital assets	-	12,505	12,505
Total Other Financing Sources (Uses)	-	12,505	12,505
Net Change in Fund Balance	(204,020)	(127,845)	76,175
Fund Balance at Beginning of Year	204,020	204,020	-
Fund Balance at End of Year	\$ -	\$ 76,175	\$ 76,175

CITY OF MISSION, TEXAS*POLICE FEDERAL SHARING FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***EXHIBIT C-7**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Equitable Sharing	\$ -	\$ 74,145	\$ 74,145
Miscellaneous Revenue	-	(487)	(487)
Total Intergovernmental	-	73,658	73,658
Interest:			
Interest earned on investments	-	1,608	1,608
Interest earned on demand deposits	-	1,601	1,601
Total Interest	-	3,209	3,209
Total Revenues	-	76,867	76,867
Expenditures:			
Current:			
Public Safety:			
Professional & technical services	2,800	2,784	16
Purchased property services	95,000	58,167	36,833
Other purchased services	50,000	-	50,000
Supplies	126,300	40,523	85,777
Capital outlays	468,064	95,309	372,755
Miscellaneous	900	2,133	(1,233)
Total Public Safety	743,064	198,916	544,148
Total Expenditures	743,064	198,916	544,148
Excess (Deficiency) of Revenues Over (Under) Expenditures	(743,064)	(122,049)	621,015
Other Financing Sources (Uses):			
Transfers out	(39,999)	(40,457)	(458)
Total Other Financing Sources (Uses)	(39,999)	(40,457)	(458)
Net Change in Fund Balance	(783,063)	(162,506)	620,557
Fund Balance at Beginning of Year	743,065	743,065	-
Fund Balance at End of Year	\$ (39,998)	\$ 580,559	\$ 620,557

CITY OF MISSION, TEXAS**EXHIBIT C-8**

MUNICIPAL COURT TECHNOLOGY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Court technology fees	\$ 35,000	\$ 32,231	\$ (2,769)
Total Charges for Services	35,000	32,231	(2,769)
Interest:			
Interest earned on investments	600	300	(300)
Interest earned on demand deposits	150	502	352
Net increase (decrease) in investment fair value	-	(81)	(81)
Total Interest	750	721	(29)
Total Revenues	35,750	32,952	(2,798)
Expenditures:			
Current:			
General Government:			
Purchased property services	35,725	27,645	8,080
Supplies	1,500	1,182	318
Capital outlays	27,700	24,067	3,633
Miscellaneous	1,175	1,229	(54)
Total General Government	66,100	54,123	11,977
Total Expenditures	66,100	54,123	11,977
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(30,350)	(21,171)	9,179
Fund Balance at Beginning of Year	196,421	196,421	-
Fund Balance at End of Year	\$ 166,071	\$ 175,250	\$ 9,179

CITY OF MISSION, TEXAS

DESIGNATED PURPOSE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Exhibit C-9

Page 1 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
DHS-Stonegarden Grant 2011	\$ 250,000	\$ -	\$ (250,000)
DHS-Stonegarden Grant 2015	250,000	249,333	(667)
DHS-Stonegarden Grant 2013	250,000	-	(250,000)
Bullet Proof Vest Grant	13,633	11,578	(2,055)
Idea Grant-B&G Club	3,791	3,822	31
Urban County Grant-B&G Club	-	20,690	20,690
OVAG Grant# 0802439	42,000	42,059	59
Local Border Security Program	205,000	205,000	-
Tx. Dept of Transportation-STEP Grant	125,813	62,820	(62,993)
NIBRS project grant	26,700	-	(26,700)
Cops Hiring	316,470	141,679	(174,791)
Body camera project grant	152,880	93,492	(59,388)
Valley Baptist legacy foundation	500,000	-	(500,000)
Texas Parks and Wildlife	500,000	-	(500,000)
LEOSE-Peace Officer Allocation	9,202	9,202	-
Edward Byrne Memorial Justice Grant	60,540	60,540	-
Total Intergovernmental	2,706,029	900,215	(1,805,814)
Miscellaneous:			
Local Wal-Mart Grants-Public Safety	4,500	2,000	(2,500)
Total Miscellaneous	4,500	2,000	(2,500)
Total Revenues	2,710,529	902,215	(1,808,314)
Expenditures:			
Current:			
Public Safety:			
Bullet Proof Vest Grant:			
Capital outlays	27,266	23,167	4,099
	27,266	23,167	4,099

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***Exhibit C-9**

Page 2 of 4

			Variance with Final Budget Positive (Negative)
	Budgeted	Actual	
VCLG Grant:			
Personal services	35,069	32,023	3,046
Employee benefits	6,931	10,036	(3,105)
	42,000	42,059	(59)
TXDOT-Step Grant:			
Personal services	104,821	52,163	52,658
Employee benefits	20,992	10,657	10,335
	125,813	62,820	62,993
COPS Hiring			
Personal services	320,000	138,227	181,773
Employee benefits	101,960	32,320	69,640
	421,960	170,547	251,413
Fire Prevention Grant			
Purchased property services	1,500	-	1,500
Supplies	1,000	-	1,000
Capital outlay	2,000	2,000	-
	4,500	2,000	2,500
Edward Byrne Memorial Grant:			
Capital outlays	60,540	60,540	-
	60,540	60,540	-
LEOSE Grant			
Other purchased services	9,202	9,202	-
	9,202	9,202	-
Local Border Security Program:			
Personal services	170,489	170,362	127
Employee benefits	34,511	34,638	(127)
	205,000	205,000	-
NIBRS Grant:			
Capital outlays	26,700	-	26,700
	26,700	-	26,700

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***Exhibit C-9**

Page 3 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Body Armor Grant:			
Capital outlays	192,870	116,865	76,005
	<u>192,870</u>	<u>116,865</u>	<u>76,005</u>
Stonegarden Grant:			
Personal services	104,776	-	104,776
Employee benefits	26,104	-	26,104
Capital outlays	119,120	-	119,120
	<u>250,000</u>	<u>-</u>	<u>250,000</u>
2012 Stonegarden Grant			
Personal services	112,950	117,504	(4,554)
Employee benefits	28,150	23,597	4,553
Capital outlay	108,900	108,232	668
	<u>250,000</u>	<u>249,333</u>	<u>667</u>
2013 Stonegarden Grant:			
Personal Services	130,880	-	130,880
Capital outlay	119,120	-	119,120
	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total Public Safety	<u>1,865,851</u>	<u>941,533</u>	<u>924,318</u>
Culture and Recreation:			
Urban County Grant-Boys & Girls Club:			
Personal services	-	19,500	(19,500)
Employee benefits	-	1,190	(1,190)
	<u>-</u>	<u>20,690</u>	<u>(20,690)</u>
Idea -B&G Club Grant:			
Personal services	3,333	3,468	(135)
Employee benefits	458	354	104
	<u>3,791</u>	<u>3,822</u>	<u>(31)</u>

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***Exhibit C-9**

Page 4 of 4

			Variance with Final Budget Positive (Negative)
	Budgeted	Actual	
Texas Parks and Wildlife:			
Capital outlay	1,500,000	86,431	1,413,569
	1,500,000	86,431	1,413,569
Total Culture and Recreation	1,503,791	110,943	1,392,848
Total Expenditures	3,369,642	1,052,476	2,317,166
Excess (Deficiency) of Revenues Over (Under) Expenditures	(659,113)	(150,261)	508,852
Other Financing Sources (Uses)			
Transfers in	659,113	150,261	(508,852)
Transfer out	-	-	-
Total Other Financing Sources (Uses)	659,113	150,261	(508,852)
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -

CITY OF MISSION, TEXAS*DRAINAGE ASSESSMENT FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***EXHIBIT C-10**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments:			
Drainage assessments	\$ 870,000	\$ 932,902	\$ 62,902
Drainage assessments-Granjeno	2,800	2,875	75
Total Assessments	872,800	935,777	62,977
Interest:			
Interest earned on investments	600	6,395	5,795
Interest earned on demand deposits	1,100	3,416	2,316
Net increase (decrease) in investment fair value	-	(3,573)	(3,573)
Total Interest	1,700	6,238	4,538
Miscellaneous:			
Miscellaneous income	-	181	181
Total Miscellaneous	-	181	181
Total Revenues	874,500	942,196	67,696
Expenditures:			
Current:			
Highways and Streets:			
Personal services	77,450	74,037	3,413
Employee benefits	30,678	27,862	2,816
Professional and technical services	20,000	1,850	18,150
Purchased property services	90,000	23,131	66,869
Other purchased services	-	417	(417)
Capital outlays	1,265,000	708,526	556,474
Supplies	50,000	4,612	45,388
Miscellaneous	2,000	2,707	(707)
Total Highways and Streets	1,535,128	843,142	691,986
Total Expenditures	1,535,128	843,142	691,986
Excess (Deficiency) of Revenues Over (Under) Expenditures	(660,628)	99,054	759,682
Fund Balance at Beginning of Year	1,583,037	1,583,037	-
Fund Balance at End of Year	\$ 922,409	\$ 1,682,091	\$ 759,682

CITY OF MISSION, TEXAS**EXHIBIT C-11***CEMETERY FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest:			
Interest earned on demand deposits	\$ -	\$ 111	\$ 111
Perpetual care	8,000	9,600	1,600
Total Interest	8,000	9,711	1,711
Total Revenues	8,000	9,711	1,711
Expenditures:			
Current:			
General Government			
Supplies	2,000	1,936	64
Miscellaneous	150	89	61
Capital outlay	7,500	6,647	853
Total General Government	9,650	8,672	978
Total Expenditures	9,650	8,672	978
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,650)	1,039	2,689
Fund Balance at Beginning of Year	35,335	35,335	-
Fund Balance at End of Year	\$ 33,685	\$ 36,374	\$ 2,689

CITY OF MISSION, TEXAS**EXHIBIT C-12***RECORDS PRESERVATION FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Service:			
Vital statistics preservation fee	\$ 6,000	\$ 6,838	\$ 838
Total Charges for Service	6,000	6,838	838
Interest:			
Interest earned on demand deposits	-	22	22
Total Interest	-	22	22
Total Revenues	6,000	6,860	860
Expenditures:			
Current:			
Record Preservation:			
Purchased property services	1,075	1,075	-
Other purchased service	1,750	1,723	27
Supplies	4,175	1,738	2,437
Miscellaneous	100	18	82
Total Record Preservation	7,100	4,554	2,546
Total Expenditures	7,100	4,554	2,546
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,100)	2,306	3,406
Fund Balance at Beginning of Year	6,851	6,851	-
Fund Balance at End of Year	\$ 5,751	\$ 9,157	\$ 3,406

CITY OF MISSION, TEXAS**EXHIBIT C-13***SPEER MEMORIAL LIBRARY**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest:			
Interest earned on investments	\$ -	\$ 200	\$ 200
Net increase (decrease) in investment fair value	-	(54)	(54)
Total Interest	-	146	146
 Total Revenues	-	146	146
 Expenditures:			
Current:			
Culture and Recreation:			
Miscellaneous	-	-	-
Total Culture and Recreation	-	-	-
 Total Expenditures	-	-	-
 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	146	146
 Fund Balance at Beginning of Year	25,826	25,826	-
 Fund Balance at End of Year	\$ 25,826	\$ 25,972	\$ 146

CITY OF MISSION, TEXAS**EXHIBIT C-14***HOTEL/MOTEL TAX FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel occupancy tax	\$ 700,000	\$ 526,505	\$ (173,495)
Penalties and interest-hotel occupancy tax	-	2,457	2,457
Total Taxes	700,000	528,962	(171,038)
Interest:			
Interest earned on demand deposits	500	2,334	1,834
Interest earned on investments	100	2,331	2,231
Net increase (decrease) in investment fair value	-	(1,044)	(1,044)
Total Interest	600	3,621	3,021
Miscellaneous Income:			
Miscellaneous	-	1,171	1,171
Total Miscellaneous Income	-	1,171	1,171
Total Revenues	700,600	533,754	(166,846)
Expenditures:			
Current:			
Culture and Recreation:			
Tourist Promotion & Advertising:			
Miscellaneous	442,000	415,769	26,231
Other purchased services	25,000	22,592	2,408
	467,000	438,361	28,639
Total Expenditures	467,000	438,361	28,639
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	233,600	95,393	(138,207)
Fund Balance at Beginning of Year	1,068,442	1,068,442	-
Fund Balance at End of Year	\$ 1,302,042	\$ 1,163,835	\$ (138,207)

CITY OF MISSION, TEXAS**EXHIBIT C-15***MUNICIPAL COURT BLDG SECURITY FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Municipal court security fees	\$ 26,600	\$ 24,042	\$ (2,558)
Total Charges for Services	26,600	24,042	(2,558)
Interest:			
Interest earned on investments	450	-	(450)
Interest earned on demand deposits	100	219	119
Total Interest	550	219	(331)
Total Revenues	27,150	24,261	(2,889)
Expenditures:			
Current:			
Purchased property services	2,500	-	2,500
Other purchased services	11,500	9,860	1,640
Supplies	500	-	500
Capital outlay	10,000	2,498	7,502
Miscellaneous	124	176	(52)
Total Expenditures	24,624	12,534	12,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,526	11,728	9,201
Fund Balance at Beginning of Year	69,319	69,319	-
Fund Balance at End of Year	\$ 71,845	\$ 81,047	\$ 9,201

CITY OF MISSION, TEXAS**EXHIBIT C-16***PARK DEDICATION FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Park dedication fee	\$ 250,874	\$ 43,392	\$ (207,482)
Total Charges for Services	250,874	43,392	(207,482)
 Total Revenues	 250,874	 43,392	 (207,482)
 Expenditures:			
Current:			
Culture and Recreation:			
Zone 1-Northwest:			
Capital outlays	157,926	-	157,926
	157,926	-	157,926
Zone 2-Northeast:			
Capital outlays	1,328	-	1,328
	1,328	-	1,328
Zone 3-Southwest:			
Capital outlays	4,333	-	4,333
	4,333	-	4,333
Zone 4-Southeast:			
Capital outlays	87,287	43,392	43,895
	87,287	43,392	43,895
 Total Expenditures	 250,874	 43,392	 207,482
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 -	 -	 -
 Fund Balance at Beginning of Year	 -	 -	 -
 Fund Balance at End of Year	 \$ -	 \$ -	 \$ -

CITY OF MISSION, TEXAS**EXHIBIT C-17***JUVENILE CASE MANAGER FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Juvenile case manager fee	\$ 40,000	\$ 38,116	\$ (1,884)
Total Charges for Services	40,000	38,116	(1,884)
Interest:			
Interest earned on investments	150	600	450
Interest earned on demand deposits	200	309	109
Net increase (decrease) in investment fair value	-	(238)	(238)
Total Interest	350	671	321
Total Revenues	40,350	38,787	(1,563)
Expenditures:			
Current:			
Personal services	21,056	18,718	2,338
Employee benefits	8,127	7,448	679
Other purchased services	1,000	647	353
Supplies	1,500	1,358	142
Capital Outlay	1,000	-	1,000
Miscellaneous	250	247	3
Total Expenditures	32,933	28,418	4,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,417	10,369	2,952
Fund Balance at Beginning of Year	149,785	149,785	-
Fund Balance at End of Year	\$ 157,202	\$ 160,154	\$ 2,952

CITY OF MISSION, TEXAS**EXHIBIT C-18***PEG CAPITAL FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
PEG capital fee	\$ 88,000	\$ 93,233	\$ 5,233
Total Charges for Services	88,000	93,233	5,233
Interest:			
Interest earned on investment	-	2,516	2,516
Interest earned on demand deposit	-	603	603
Net increase (decrease) in investment fair value	-	(629)	(629)
Total Interest	-	2,490	2,490
Total Revenues	88,000	95,723	7,723
Expenditures:			
Miscellaneous:			
Depository charges	300	484	(184)
Total Expenditures	300	484	(184)
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,700	95,239	7,539
Fund Balance at Beginning of Year	419,764	419,764	-
Fund Balance at End of Year	\$ 507,464	\$ 515,003	\$ 7,539

CITY OF MISSION, TEXAS**EXHIBIT C-19***TAX INCREMENT REINVESTMENT ZONE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Contribution-Hidalgo County	\$ 2,400,000	\$ 2,568,815	\$ 168,815
Total Intergovernmental	2,400,000	2,568,815	168,815
Interest:			
Interest earned on demand deposits	-	42	42
Total Interest	-	42	42
 Total Revenues	 2,400,000	 2,568,857	 168,857
Expenditures:			
Current:			
Economic Development	4,885,300	5,106,182	(220,882)
Total Expenditures	4,885,300	5,106,182	(220,882)
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (2,485,300)	 (2,537,325)	 (52,025)
Other Financing Sources (Uses):			
Transfers in	2,484,500	2,537,333	52,833
Total Other Financing Sources (Uses)	2,484,500	2,537,333	52,833
 Net Change in Fund Balance	 (800)	 9	 808
 Fund Balance at Beginning of Year	 3,553	 3,553	 -
 Fund Balance at End of Year	 \$ 2,753	 \$ 3,562	 \$ 808

CITY OF MISSION, TEXAS

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-20

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Current ad valorem taxes	\$ 2,190,000	\$ 2,180,454	\$ (9,546)
Delinquent ad valorem taxes	110,000	105,012	(4,988)
Interest & penalties on taxes	75,000	72,665	(2,335)
Total Taxes	2,375,000	2,358,131	(16,869)
Interest:			
Interest earned on investments	4,000	8,160	4,160
Interest earned on demand deposits	3,000	5,256	2,256
Net increase (decrease) in investment fair value	-	(4,608)	(4,608)
Total Interest	7,000	8,808	1,808
Total Revenues	2,382,000	2,366,939	(15,061)
Expenditures:			
Current:			
Debt Service:			
Principal retirement	2,935,000	2,935,000	-
Interest and fiscal agent charges	1,552,245	1,546,769	5,476
Total Debt Service	4,487,245	4,481,769	5,476
Total Expenditures	4,487,245	4,481,769	5,476
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,105,245)	(2,114,830)	(9,585)
Other Financing Sources (Uses):			
Transfers in	875,000	875,000	-
Transfers out	(279,500)	(286,328)	(6,828)
Total Other Financing Sources (Uses)	595,500	588,672	(6,828)
Net Change in Fund Balance	(1,509,745)	(1,526,158)	(16,413)
Fund Balance at Beginning of Year	2,819,500	2,819,500	-
Fund Balance at End of Year	\$ 1,309,755	\$ 1,293,342	\$ (16,413)

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2017

EXHIBIT C-21

	2009 Certificates of Obligation	2012 Certificates of Obligation	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ 137,942	\$ 106	\$ 138,048
Investments	90,972	-	90,972
Total Assets	<u>\$ 228,914</u>	<u>\$ 106</u>	<u>\$ 229,020</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Other liabilities	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Reserved for capital projects	228,914	106	229,020
Total Fund Balances	<u>228,914</u>	<u>106</u>	<u>229,020</u>
Total Liabilities and Fund Balances	<u>\$ 228,914</u>	<u>\$ 106</u>	<u>\$ 229,020</u>

CITY OF MISSION, TEXAS**EXHIBIT C-22**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	2009 Certificates of Obligation	2012 Certificates of Obligation	Total Nonmajor Capital Projects Funds
Revenues:			
Interest	\$ 1,836	\$ -	\$ 1,836
Total Revenues	1,836	-	1,836
Expenditures:			
Current:			
Capital projects	1,366	-	1,366
Total Expenditures	1,366	-	1,366
Net Change in Fund Balance	470	-	470
Fund Balance at Beginning of Year	228,444	106	228,550
Fund Balance at End of Year	\$ 228,914	\$ 106	\$ 229,020

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government’s council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government’s council has decided that periodic determination of net income is appropriate for accountability purposes.

Utility Fund: To account for the provision of water and sewer services to the residents of the City and some residents outside the city limits.

Golf Course Fund: To account for the operations and maintenance of Shary Municipal Golf Course.

Solid Waste Fund: To account for the provision of garbage and brush collection for the residents of the City.

CITY OF MISSION, TEXAS

EXHIBIT C-23

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UTILITY FUND

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Water sales, net of adjustment	\$ 11,725,000	\$ 11,590,138	\$ (134,862)
Connection fee	120,000	118,341	(1,659)
Reconnect fee	100,000	113,325	13,325
W/W system cap. recovery fee	-	54,017	54,017
Sewage service	6,113,000	5,648,208	(464,792)
Wastewater assessment	75,000	69,938	(5,062)
Service charge	60,000	59,580	(420)
Industrial sewer surcharge	37,000	25,592	(11,408)
Waterline and sewer line	1,100	-	(1,100)
TIRZ reimbursement	4,837,785	1,327,279	(3,510,506)
5% credit card fee	20,000	30,239	10,239
Miscellaneous income	30,000	27,098	(2,902)
Operating Revenues	23,118,885	19,063,755	(4,055,130)
Nonoperating Revenues:			
Interest earned	57,000	133,093	76,093
Net increase (decrease) in investment fair value	-	(18,469)	(18,469)
Nonoperating Revenues	57,000	114,624	57,624
Total Revenues	23,175,885	19,178,379	(3,997,506)
Operating Expenses:			
Utility Administration:			
Personal services	775,643	696,277	79,366
Employee benefits	209,198	213,018	(3,820)
Purchased property services	18,326	20,833	(2,507)
Other purchased services	22,750	15,363	7,387
Supplies	6,550	5,856	694
Miscellaneous	700	401	299
	1,033,167	951,748	81,419
Water Distribution:			
Personal services	1,064,307	1,032,759	31,548
Employee benefits	399,070	396,820	2,250
Purchased property services	590,500	457,185	133,315
Other purchased services	37,700	30,352	7,348

CITY OF MISSION, TEXAS**EXHIBIT C-23**

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*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted	Actual	Variance
	Amounts	Budget	Positive
		Basis	(Negative)
Supplies	724,250	597,321	126,929
Capital outlays	3,478,000	1,754,537	1,723,463
Miscellaneous	13,300	15,494	(2,194)
	<u>6,307,127</u>	<u>4,284,468</u>	<u>2,022,659</u>
Water Treatment:			
Personal services	435,801	408,492	27,309
Employee benefits	150,696	144,421	6,275
Professional & technical services	110,000	109,449	551
Purchased property services	261,800	309,238	(47,438)
Other purchased services	10,720	11,570	(850)
Supplies	758,800	986,619	(227,819)
Capital outlays	750,000	569,733	180,267
Miscellaneous	52,300	1,792	50,508
	<u>2,530,117</u>	<u>2,541,314</u>	<u>(11,197)</u>
Wastewater Treatment and Collection:			
Personal services	439,375	438,739	636
Employee benefits	146,755	152,689	(5,934)
Professional & technical services	60,000	53,248	6,752
Purchased property services	976,250	846,034	130,216
Other purchased services	10,350	10,398	(48)
Supplies	228,800	116,783	112,017
Capital outlays	1,824,785	908,419	916,366
Miscellaneous	234,100	197,588	36,512
	<u>3,920,415</u>	<u>2,723,898</u>	<u>1,196,517</u>
Industrial Pretreatment:			
Personal services	49,406	51,286	(1,880)
Employee benefits	15,411	15,958	(547)
Purchased property services	165,000	180,475	(15,475)
Other purchased services	1,200	690	510
Supplies	21,650	14,932	6,718
Capital outlays	18,000	10,710	7,290
Miscellaneous	75,000	9,000	66,000
	<u>345,667</u>	<u>283,051</u>	<u>62,616</u>

CITY OF MISSION, TEXAS**EXHIBIT C-23**

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*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Utility Billing and Collection:			
Personal services	257,515	255,263	2,252
Employee benefits	84,418	88,592	(4,174)
Purchased property services	25,070	17,855	7,215
Other purchased services	155,500	153,106	2,394
Supplies	16,200	15,234	966
Capital outlays	11,950	10,531	1,419
Miscellaneous	2,244	1,870	374
	<u>552,897</u>	<u>542,451</u>	<u>10,446</u>
Organizational Expense:			
Professional & technical services	130,000	2,550	127,450
Purchased property services	35,000	28,130	6,870
Other purchased services	107,400	87,524	19,876
Capital outlays	50,000	18,597	31,403
Miscellaneous	461,600	278,606	182,994
	<u>784,000</u>	<u>415,407</u>	<u>368,593</u>
Meter Readers:			
Personal services	247,206	248,017	(811)
Employee benefits	99,833	98,225	1,608
Purchased property services	12,500	12,491	9
Other purchased services	4,000	4,309	(309)
Supplies	82,150	72,423	9,727
Capital outlays	26,000	25,486	514
Miscellaneous	1,200	390	810
	<u>472,889</u>	<u>461,341</u>	<u>11,548</u>
Northside Water Treatment Plant:			
Personal services	316,185	317,164	(979)
Employee benefits	110,998	111,767	(769)
Professional & technical services	20,000	13,028	6,972
Purchased property services	432,700	440,382	(7,682)
Other purchased services	4,800	3,692	1,108
Supplies	1,126,200	1,297,842	(171,642)
Capital outlays	428,067	56,920	371,147

CITY OF MISSION, TEXAS

UTILITY FUND

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-23

Page 4 of 4

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Miscellaneous	9,350	419	8,931
	2,448,300	2,241,214	207,086
2014 TWDB:			
Professional & technical services	291,880	245,462	46,418
	291,880	245,462	46,418
2015 TWDB:			
Professional & technical services	2,930,987	17,976	2,913,011
Capital outlays	14,613,353	7,737,405	6,875,948
	17,544,340	7,755,381	9,788,959
Total Operating Expenses	36,230,799	22,445,735	13,785,064
Nonoperating Expenses:			
Bond interest expense	947,294	684,606	262,688
Bond fiscal charges	4,400	3,050	1,350
Bond principal	2,685,000	2,755,000	(70,000)
Nonoperating Expenses	3,636,694	3,442,656	194,038
Transfers:			
Transfers in (out)	(4,700,000)	(4,700,000)	-
Capital Contributions	-	893,581	893,581
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	44,567,493	29,694,810	14,872,683
Net Position (Budgetary Basis)	\$ (21,391,608)	(10,516,430)	\$ 10,875,177
Adjustments:			
Current year depreciation of capital assets, not budgeted		(5,076,791)	
Bond principal		2,755,000	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		11,355,776	
		9,033,985	
Net Position (GAAP Basis)		\$ (1,482,445)	

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***EXHIBIT C-24**

Page 1 of 3

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Pro shop sales	\$ 90,000	\$ 51,368	\$ (38,632)
Cart and club rental	185,000	156,916	(28,084)
Pull carts and club rentals	2,600	872	(1,728)
Food and beverage sales	115,000	89,936	(25,064)
Daily green fees	375,000	323,224	(51,776)
Trail fees	62,000	39,764	(22,236)
Juniors' fees	28,000	31,912	3,912
Capital fees	43,000	42,261	(739)
Prepaid members	200,000	132,026	(67,974)
Driving range	42,000	32,154	(9,846)
Miscellaneous income	1,000	1,333	333
Operating Revenues	1,143,600	901,766	(241,834)
Nonoperating Revenues:			
Interest earned	-	123	123
Nonoperating Revenues	-	123	123
Total Revenues	1,143,600	901,889	(241,711)
Operating Expenses:			
Cost of sales-pro shop	60,000	48,725	11,275
Cost of sales-restaurant	52,000	49,511	2,489
Total Cost of Sales	112,000	98,236	13,764
Golf Course Operation:			
Club House:			
Personal services	256,792	229,066	27,726
Employee benefits	80,058	73,972	6,086
Purchased property services	90,979	83,120	7,859
Other purchased services	7,400	8,260	(860)
Supplies	78,200	11,621	66,579
Capital outlays	750	711	39
Miscellaneous	400	166	234
	514,579	406,916	107,663

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***EXHIBIT C-24**

Page 2 of 3

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Grounds:			
Personal services	296,036	291,789	4,247
Employee benefits	112,720	113,091	(371)
Purchased property services	15,500	23,825	(8,325)
Other purchased services	500	-	500
Supplies	93,800	63,486	30,314
Capital outlays	750	750	-
	<u>519,306</u>	<u>492,941</u>	<u>26,365</u>
Restaurant:			
Personal services	35,701	17,534	18,167
Employee benefits	14,847	11,565	3,282
Supplies	52,200	8	52,192
Miscellaneous	200	124	76
	<u>102,948</u>	<u>29,231</u>	<u>73,717</u>
Organizational Expense:			
Other purchased services	7,900	7,729	171
Miscellaneous	17,700	17,225	475
	<u>25,600</u>	<u>24,954</u>	<u>646</u>
Total Golf Course Operation	<u>1,274,433</u>	<u>1,052,278</u>	<u>222,155</u>
Depreciation	-	230,867	(230,867)
Total Operating Expenses	<u>1,274,433</u>	<u>1,283,145</u>	<u>(8,712)</u>
Nonoperating Expenses:			
Capital lease interest expense	7,340	5,199	2,141
Bond and capital lease principal	51,698	49,403	2,295
Nonoperating Expenses	<u>59,038</u>	<u>54,602</u>	<u>4,436</u>

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***EXHIBIT C-24**

Page 3 of 3

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Transfers:			
Transfers in (out)	300,000	300,000	-
Operating and Nonoperating Expenses, and Capital Contributions (Budgetary Basis)	1,033,471	1,037,747	(4,276)
Net Position (Budgetary Basis)	\$ 110,129	(135,858)	\$ (245,987)
Adjustments:			
Bond and capital lease principal		49,403	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		1,461	
		50,864	
Net Position (GAAP Basis)		\$ (84,994)	

CITY OF MISSION, TEXAS

SOLID WASTE

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-25

Page 1 of 2

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Garbage fees	\$ 5,708,000	\$ 5,840,746	\$ 132,746
Brush fees	642,500	672,679	30,179
Roll-off fees	5,000	11,503	6,503
Franchise fees	-	135,431	135,431
Miscellaneous income	3,000	3,642	642
Operating Revenues	6,358,500	6,664,001	305,501
Nonoperating Revenues:			
Interest earned	6,000	31,662	25,662
Net increase (decrease) in investment fair value	-	(10,204)	(10,204)
Nonoperating Revenues	6,000	21,458	15,458
Total Revenues	6,364,500	6,685,459	320,959
Operating Expenses:			
Personal services	780,257	847,216	(66,959)
Employee benefits	238,784	261,306	(22,522)
Purchase property services	207,250	209,589	(2,339)
Other purchased services	46,000	44,079	1,921
Supplies	497,350	445,205	52,145
Capital outlays	200,000	181,339	18,661
Solid waste disposal	88,000	114,932	(26,932)
Landfill-Waste disposal service	2,620,000	2,543,708	76,292
Landfill charges-Brush	190,000	228,145	(38,145)
Miscellaneous	22,700	9,822	12,878
	4,890,341	4,885,341	5,000
Total Expenses	4,890,341	4,885,341	5,000
Depreciation	-	404,280	(404,280)
Total Operating Expense	4,890,341	5,289,621	(399,280)
Non Operating Expenses:			
Bond interest	66,386	64,581	1,805
Bond fiscal charges	1,100	300	800

CITY OF MISSION, TEXAS*SOLID WASTE**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2017***EXHIBIT C-25**

Page 2 of 2

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Bond principal	<u>760,000</u>	<u>760,000</u>	<u>-</u>
Non-operating Expenses	<u>827,486</u>	<u>824,881</u>	<u>2,605</u>
Transfers:			
Transfers in (out)	<u>(460,000)</u>	<u>(460,000)</u>	<u>-</u>
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	<u>5,350,341</u>	<u>5,749,621</u>	<u>(399,280)</u>
Net Position (Budgetary Basis)	<u>\$ 1,014,159</u>	<u>925,634</u>	<u>\$ (88,525)</u>
Adjustments:			
Bond and capital lease principal		760,000	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		<u>181,339</u>	
		<u>941,339</u>	
Net position (GAAP Basis)		<u>\$ 1,866,973</u>	

*CAPITAL ASSETS
USED IN THE
OPERATION OF
GOVERNMENTAL
FUNDS*



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CITY OF MISSION, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULE BY SOURCE
 As of September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Governmental Funds Capital Assets:		
Land	\$ 37,659,281	\$ 34,155,340
Buildings and structures	21,408,950	21,328,890
Improvements other than buildings	17,831,148	16,982,901
Furniture and equipment	28,759,097	27,493,470
Construction in progress	35,273,010	16,311,920
Infrastructure	<u>96,623,861</u>	<u>91,502,877</u>
Total Governmental Funds Capital Assets	<u><u>\$ 237,555,347</u></u>	<u><u>\$ 207,775,398</u></u>
Investment in Governmental Funds Capital Assets by Source:		
General fund revenues	\$ 114,527,159	\$ 101,426,702
Bond funds	49,061,813	35,558,699
Enterprise funds	1,264	1,264
Special funds	26,853,393	25,458,475
Donations	15,337,369	15,293,194
Developers	<u>31,774,348</u>	<u>30,037,063</u>
Total Governmental Funds Capital Assets	<u><u>\$ 237,555,347</u></u>	<u><u>\$ 207,775,398</u></u>

CITY OF MISSION, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES IN FUNCTION AND ACTIVITY
 For the fiscal year ended September 30, 2017

<u>Function and Activity:</u>	<u>Governmental Funds Capital Assets September 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets September 30, 2017</u>
General Government	\$ 9,785,809	\$ 12,539,578	\$ 13,770	\$ 22,311,617
Public Safety	31,786,707	605,425	57,668	32,334,464
Highways and Streets	139,228,987	16,230,185	43,612	155,415,560
Health and Welfare	224,060	8,907	-	232,967
Cultural and Recreational	<u>26,749,834</u>	<u>514,521</u>	<u>3,617</u>	<u>27,260,738</u>
Total Governmental Funds Capital Assets	<u>\$ 207,775,398</u>	<u>\$ 29,898,616</u>	<u>\$ 118,667</u>	<u>\$ 237,555,347</u>

CITY OF MISSION, TEXAS
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2017

Function and Activity	Land	Buildings and Structures	Improvements Other Than Buildings	Furniture and Equipment	Infrastructure	Construction In Progress	Total
General Government	\$ 6,143,074	\$ 3,525,075	\$ 578,628	\$ 1,879,036	\$ 41,314	\$ 11,586,212	\$ 23,753,340
Public Safety	729,497	11,374,028	263,838	19,907,499	1,625		32,276,487
Highways and Streets	29,265,213		563,308	4,238,881	96,348,934	23,600,108	154,016,444
Health and Welfare		17,406		213,570		258	231,234
Cultural and Recreational	1,521,497	6,492,441	16,425,374	2,520,112	231,987	86,431	27,277,842
Total Governmental Funds Capital Assets	\$ 37,659,281	\$ 21,408,950	\$ 17,831,148	\$ 28,759,097	\$ 96,623,861	\$ 35,273,010	\$ 237,555,347



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SUPPLEMENTARY SCHEDULES

CITY OF MISSION, TEXAS
UTILITY FUND
SCHEDULE OF REVENUE BOND COVERAGE
Year Ended September 30, 2017

Operating Revenues	\$ 19,045,287	
Interest Earned by funds Created by the Bond Indenture	<u>73,923</u>	
Gross Revenues Per Bond Ordinance		<u>\$ 19,119,210</u>
Operating Expenses	16,558,380	
Less: Depreciation Expense	<u>(5,076,791)</u>	
Operating Expenses Per Bond Ordinance		<u>11,481,589</u>
Net Revenue Per Bond Ordinance		<u>\$ 7,637,621</u>
Average Annual Debt Service Requirements		<u>\$ 2,795,806</u>
Succeeding Fiscal Year Debt Service Requirement		<u>\$ 3,158,553</u>
Required Coverage Ratio		<u>113%</u>
Calculated Coverage Ratio		
A) Based upon Average Annual Debt Service Requirements		<u>273%</u>
B) Based upon Succeeding Fiscal Year Debt Service Requirements		<u>242%</u>

CITY OF MISSION, TEXAS
UTILITY FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-
RESTRICTED ACCOUNTS
REVENUE BOND COVERAGE SCHEDULE
REQUIRED BY REVENUE BOND ORDINANCE
Year Ended September 30, 2017

	Interest and Sinking Cash	Waterworks and Sewer Construction Cash	Reserve Cash	Extension and Improvement Cash	Total
Cash	\$ 12,574,059	\$ 539,511	\$ 194,627	\$ 153,770	\$ 13,461,967
Investments	144,810	931,732	271,071	157,974	1,505,587
Cash and Investments					
September 30, 2016	<u>\$ 12,718,869</u>	<u>\$ 1,471,244</u>	<u>\$ 465,698</u>	<u>\$ 311,743</u>	<u>\$ 14,967,554</u>
Cash Receipts:					
Transfer from operating cash	3,658,924	-	-	-	3,658,924
Transfer from other I&S accounts	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Interest received	54,540	13,448	3,714	2,222	73,923
Total Cash Receipts	<u>3,713,464</u>	<u>13,448</u>	<u>3,714</u>	<u>2,222</u>	<u>3,732,848</u>
Total Cash And Investments Available	<u>16,432,333</u>	<u>1,484,691</u>	<u>469,412</u>	<u>313,965</u>	<u>18,700,402</u>
Cash Disbursements:					
Principal payments	2,755,000	-	-	-	2,755,000
Interest and fiscal charges	872,580	-	-	-	872,580
Bank Charges	-	-	-	-	-
Transfer to Operating cash	-	-	-	-	-
Transfer to other I&S accounts	3,295,472	-	-	-	3,295,472
Total Cash Disbursements	<u>6,923,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,923,052</u>
Cash and Investments, September 30, 2017	<u>\$ 9,509,282</u>	<u>\$ 1,484,691</u>	<u>\$ 469,412</u>	<u>\$ 313,965</u>	<u>\$ 11,777,350</u>
Total Cash and Investments Restricted at September 30, 2017 is Composed of the Following:					
Cash and cash equivalents	\$ 5,334,476	\$ 407,306	\$ 219,722	\$ 124,617	\$ 6,086,120
Investments	<u>4,174,806</u>	<u>1,077,385</u>	<u>249,690</u>	<u>189,348</u>	<u>5,691,229</u>
Total	<u>\$ 9,509,282</u>	<u>\$ 1,484,691</u>	<u>\$ 469,412</u>	<u>\$ 313,965</u>	<u>\$ 11,777,350</u>



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STATISTICAL SECTION

This part of the City of Mission's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	189
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed overtime.	
Revenue Capacity	196
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	200
Schedules presented in this section provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	205
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	207
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	



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City of Mission
Net Position by Component
Last Ten Fiscal Years

	2008	2009	2010	2011 ⁽¹⁾	2012	2013 ⁽²⁾	2014 ⁽³⁾	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 80,154,508	\$ 81,796,368	\$ 83,887,342	\$ 84,133,258	\$ 83,493,816	\$ 86,989,075	\$ 90,947,382	\$ 89,565,993	\$ 90,942,556	\$ 102,466,220
Restricted	3,366,072	3,176,789	3,438,023	5,637,112	6,781,018	6,968,743	8,343,486	8,551,701	9,418,977	7,761,373
Unrestricted	8,107,109	7,831,393	7,082,454	7,201,682	3,784,019	3,619,351	(1,587,640)	2,462,989	170,518	(3,781,146)
Total governmental activities net position	<u>\$ 91,627,689</u>	<u>\$ 92,804,550</u>	<u>\$ 94,407,819</u>	<u>\$ 96,972,052</u>	<u>\$ 94,058,853</u>	<u>\$ 97,577,169</u>	<u>\$ 97,703,228</u>	<u>\$ 100,580,683</u>	<u>\$ 100,532,051</u>	<u>\$ 106,446,447</u>
Business-Type Activities										
Net investment in capital assets	\$ 59,781,770	\$ 58,872,531	\$ 58,268,682	\$ 59,964,330	\$ 58,362,060	\$ 56,518,755	\$ 54,832,203	\$ 55,987,441	\$ 41,651,937	\$ 52,564,331
Restricted	4,611,532	5,054,584	4,891,629	4,324,052	4,357,163	4,116,713	3,451,514	3,394,903	18,219,378	12,543,135
Unrestricted	6,311,881	6,694,247	6,126,919	8,521,237	10,924,800	10,480,521	10,588,851	8,329,980	9,660,134	3,667,449
Total business-type activities net position	<u>\$ 70,705,183</u>	<u>\$ 70,621,362</u>	<u>\$ 69,287,230</u>	<u>\$ 72,809,619</u>	<u>\$ 73,644,022</u>	<u>\$ 71,115,988</u>	<u>\$ 68,872,567</u>	<u>\$ 67,712,324</u>	<u>\$ 69,531,449</u>	<u>\$ 68,774,915</u>
Primary Government										
Net investment in capital assets	\$ 139,936,278	\$ 140,668,899	\$ 142,156,024	\$ 144,097,588	\$ 141,855,876	\$ 143,507,830	\$ 145,779,585	\$ 145,553,434	\$ 132,594,493	\$ 155,030,551
Restricted	7,977,604	8,231,373	8,329,652	9,961,164	11,138,181	11,085,456	11,795,000	11,946,604	27,638,355	20,304,508
Unrestricted	14,418,990	14,525,640	13,209,373	15,722,919	14,708,819	14,099,872	9,001,211	10,792,969	9,830,652	(113,697)
Total primary government net position	<u>\$ 162,332,872</u>	<u>\$ 163,425,912</u>	<u>\$ 163,695,049</u>	<u>\$ 169,781,671</u>	<u>\$ 167,702,875</u>	<u>\$ 168,693,157</u>	<u>\$ 166,575,796</u>	<u>\$ 168,293,007</u>	<u>\$ 170,063,500</u>	<u>\$ 175,221,362</u>

(1) The 2011 net position was restated to include Mission Economic Development Authority (MEDA), a blended component unit of the City as of September 30, 2012.

(2) The 2013 net position was restated due to the implementation of GASB Statement No. 65.

(3) The 2014 net position was restated due to the implementation of GASB Statement No. 68.

City of Mission
Changes in Net Position
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013 (1)	2014 (2)	2015	2016	2017
Expenses										
Governmental Activities										
General Government	\$ 8,100,542	\$ 7,742,072	\$ 14,511,545	\$ 7,570,043	\$ 8,764,781	\$ 7,937,668	\$ 8,446,306	\$ 8,014,892	\$ 8,405,138	\$ 10,095,896
Public Safety	16,907,573	20,240,072	19,309,796	19,387,472	21,485,642	21,129,856	23,499,056	21,729,071	23,957,241	23,685,949
Highways and streets	5,654,237	4,223,462	6,427,413	6,255,895	6,532,351	7,297,376	6,963,677	7,450,999	7,493,232	7,571,683
Health and welfare	334,726	374,867	570,197	903,935	1,354,970	988,923	1,200,976	1,290,357	1,306,154	1,371,370
Economic development	2,301,994	3,084,465	3,466,582	3,670,268	3,585,902	4,840,988	4,231,038	4,544,891	4,933,314	7,837,590
Culture and recreation	4,905,126	5,125,473	5,661,309	6,044,088	5,904,008	6,247,020	7,073,892	6,499,768	7,220,861	5,309,186
Interest on long-term debt	1,512,067	1,730,135	1,525,661	1,582,058	1,457,105	2,363,699	1,458,261	1,334,983	1,314,872	1,605,954
Total governmental activities expenses	39,771,626	42,520,546	51,472,503	45,413,759	49,084,759	50,905,530	52,873,206	50,864,961	54,630,812	57,477,628
Business-type Activities										
Utility system	14,665,301	15,343,467	15,305,547	15,376,432	15,668,400	16,626,432	16,581,213	16,226,988	17,110,233	17,031,578
Golf course operations	1,276,139	1,388,041	1,288,879	1,374,400	1,414,494	1,403,124	1,396,091	1,272,835	1,285,977	1,318,098
Solid waste operations	4,372,005	4,780,337	4,931,714	5,188,079	5,500,676	5,785,151	7,360,428	4,727,683	4,958,069	5,206,165
Total business-type activities expenses	20,313,445	21,511,845	21,526,140	21,938,911	22,583,570	23,814,707	25,337,732	22,227,506	23,354,279	23,555,841
Total primary government expenses	\$ 60,029,710	\$ 64,032,391	\$ 72,998,643	\$ 67,352,670	\$ 71,668,329	\$ 74,720,237	\$ 78,210,938	\$ 73,092,467	\$ 77,985,091	\$ 81,033,469
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 2,038,016	\$ 1,658,320	\$ 1,625,962	\$ 1,647,709	\$ 1,810,743	\$ 1,848,350	\$ 2,086,383	\$ 1,940,954	\$ 2,025,367	\$ 1,896,971
Public Safety	98,736	121,003	110,007	105,723	83,142	67,164	118,310	61,898	106,985	62,576
Highways and streets	593,759	565,910	630,054	644,298	541,497	682,323	884,355	902,318	918,844	935,777
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and welfare	284,437	256,293	274,502	134,981	235,708	153,223	237,738	225,047	263,320	221,780
Culture and recreation	350,394	351,378	279,180	306,294	337,112	328,626	371,962	554,618	413,331	384,671
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	6,453,451	6,389,650	7,271,889	6,152,917	7,475,190	4,937,211	7,905,942	5,896,938	6,538,968	7,865,910
Capital grants and contributions	11,098,136	1,962,259	7,701,238	1,170,433	1,067,989	6,673,301	1,962,278	4,870,238	4,950,222	11,139,643
Total governmental activities program revenues	20,916,929	11,304,813	17,892,832	10,162,355	11,551,381	14,690,198	13,566,968	14,452,011	15,217,037	22,507,328
Business-type activities										
Charges for services										
Utility system	15,716,066	16,114,327	15,140,398	17,412,060	17,643,636	18,012,998	19,207,446	17,674,185	20,983,312	19,036,658
Golf course operation	1,077,578	1,047,543	905,113	1,137,503	1,080,635	1,031,598	909,563	874,434	900,914	900,432
Solid waste operation	4,505,551	4,777,898	5,187,400	5,813,098	6,032,202	6,242,554	6,348,108	6,425,096	6,564,955	6,660,358
Operating grants and contributions	518,466	172,971	26,525	17,397	14,463	13,216	24,921	13,587	12,082	73,923
Capital grants and contributions	5,629,521	684,120	677,685	3,157,395	393,825	483,302	836,355	324,385	924,694	893,581
Total business-type activities program revenues	27,447,182	22,796,859	21,937,121	27,537,453	25,164,761	25,783,668	27,326,393	25,311,687	29,385,957	27,564,952
Total primary government program revenues	\$ 48,364,111	\$ 34,101,672	\$ 39,829,953	\$ 37,699,808	\$ 36,716,142	\$ 40,473,866	\$ 40,893,361	\$ 39,763,698	\$ 44,602,994	\$ 50,072,280

	2008	2009	2010	2011	2012	2013 (1)	2014 (2)	2015	2016	2017
Net (expense)/revenue										
Governmental activities	\$ (18,799,336)	\$ (31,215,733)	\$ (33,579,671)	\$ (35,251,404)	\$ (37,533,378)	\$ (36,215,332)	\$ (39,306,238)	\$ (36,412,950)	\$ (39,413,775)	\$ (34,970,300)
Business-type activities	7,133,738	1,285,014	410,981	5,598,542	2,581,191	1,968,961	1,988,661	3,084,181	6,031,678	4,009,111
Total primary government net expense	<u>\$ (11,665,598)</u>	<u>\$ (29,930,719)</u>	<u>\$ (33,168,690)</u>	<u>\$ (29,652,862)</u>	<u>\$ (34,952,187)</u>	<u>\$ (34,246,371)</u>	<u>\$ (37,317,577)</u>	<u>\$ (33,328,769)</u>	<u>\$ (33,382,097)</u>	<u>\$ (30,961,189)</u>
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 16,335,934	\$ 17,798,280	\$ 17,795,460	18,143,896	18,087,005	18,099,459	18,913,123	19,020,437	19,481,719	20,369,113
Sales taxes	9,784,575	9,552,728	9,814,665	10,234,485	10,857,234	10,917,924	11,496,695	11,479,463	11,376,026	11,109,005
Franchise taxes	2,248,558	2,265,859	2,326,751	2,396,994	2,790,119	2,542,621	2,636,048	2,650,031	2,668,473	2,730,594
Hotel/motel taxes	479,950	400,690	490,446	496,759	537,574	577,711	650,142	748,812	685,834	528,962
Alcoholic beverage taxes	79,084	86,136	79,864	78,066	73,518	69,167	48,018	36,258	31,131	21,983
Shared revenue-tax increment zone	113,975	137,427	2,013,239	1,395,342	201,902	274,030	520,000	210,674	239,545	755,307
Unrestricted grants and contributions	80,883	1,002	-	-	2	-	724	-	-	-
Investment earnings	328,642	110,515	29,131	41,545	54,703	66,153	99,730	101,357	97,218	102,977
Miscellaneous	718,583	636,427	533,384	965,999	18,122	2,586,583	667,816	643,372	385,199	406,755
Special item	-	(196,470)	-	-	-	-	-	-	-	-
Transfers	1,000,000	1,600,000	2,100,000	2,200,000	2,000,000	4,600,000	4,400,000	4,400,000	4,400,000	4,860,000
Total governmental activities	<u>31,170,184</u>	<u>32,392,594</u>	<u>35,182,940</u>	<u>35,953,087</u>	<u>34,620,179</u>	<u>39,733,648</u>	<u>39,432,296</u>	<u>39,290,404</u>	<u>39,365,145</u>	<u>40,884,696</u>
Business-type activities										
Investment earnings	179,189	71,342	17,060	16,782	34,678	50,944	77,145	81,229	77,203	62,283
Miscellaneous	101,258	159,822	221,302	107,065	218,534	52,061	90,774	74,346	110,242	32,074
Transfers	(1,000,000)	(1,600,000)	(2,100,000)	(2,200,000)	(2,000,000)	(4,600,000)	(4,400,000)	(4,400,000)	(4,400,000)	(4,860,000)
Total business-type activities	<u>(719,553)</u>	<u>(1,368,836)</u>	<u>(1,861,638)</u>	<u>(2,076,153)</u>	<u>(1,746,788)</u>	<u>(4,496,995)</u>	<u>(4,232,081)</u>	<u>(4,244,425)</u>	<u>(4,212,555)</u>	<u>(4,765,643)</u>
Total primary government	<u>\$ 30,450,631</u>	<u>\$ 31,023,758</u>	<u>\$ 33,321,302</u>	<u>\$ 33,876,934</u>	<u>\$ 32,873,391</u>	<u>\$ 35,236,653</u>	<u>\$ 35,200,215</u>	<u>\$ 35,045,979</u>	<u>\$ 35,152,590</u>	<u>\$ 36,119,053</u>
Change in Net Position										
Governmental activities	\$ 12,370,848	\$ 1,176,861	\$ 1,603,269	\$ 701,683	\$ (2,913,199)	\$ 3,518,316	\$ 126,058	\$ 2,877,454	\$ (48,630)	\$ 5,914,396
Business-type activities	6,414,185	(83,822)	(1,450,657)	3,522,389	834,403	(2,528,034)	(2,243,420)	(1,160,244)	1,819,124	(756,532)
Total primary government	<u>\$ 18,785,033</u>	<u>\$ 1,093,039</u>	<u>\$ 152,612</u>	<u>\$ 4,224,072</u>	<u>\$ (2,078,797)</u>	<u>\$ 990,282</u>	<u>\$ (2,117,362)</u>	<u>\$ 1,717,210</u>	<u>\$ 1,770,494</u>	<u>\$ 5,157,864</u>

(1) The 2013 net position was restated due to the implementation of GASB Statement No. 65.

(2) The 2014 net position was restated due to the implementation of GASB Statement No. 68.

City of Mission
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel Occupancy Tax	Alcoholic Beverage Tax	Total
2008	\$ 16,335,934	\$ 9,784,577	\$ 2,248,558	\$ 479,950	\$ 79,084	\$ 28,928,103
2009	\$ 17,798,280	\$ 9,552,728	\$ 2,265,859	\$ 400,690	\$ 86,136	\$ 30,103,693
2010	\$ 17,795,460	\$ 9,814,665	\$ 2,326,751	\$ 490,446	\$ 79,864	\$ 30,507,186
2011	\$ 18,143,897	\$ 10,234,485	\$ 2,396,994	\$ 496,759	\$ 78,066	\$ 31,350,202
2012	\$ 18,087,005	\$ 10,857,234	\$ 2,790,119	\$ 537,574	\$ 73,518	\$ 32,345,450
2013	\$ 18,099,459	\$ 10,917,924	\$ 2,542,621	\$ 577,711	\$ 69,167	\$ 32,206,882
2014	\$ 18,913,123	\$ 11,496,695	\$ 2,636,048	\$ 650,142	\$ 48,018	\$ 33,744,026
2015	\$ 19,020,437	\$ 11,479,463	\$ 2,650,031	\$ 748,812	\$ 36,258	\$ 33,935,001
2016	\$ 19,481,719	\$ 11,376,026	\$ 2,668,473	\$ 685,834	\$ 31,131	\$ 34,243,183
2017	\$ 20,369,113	\$ 11,109,005	\$ 2,730,594	\$ 528,962	\$ 21,983	\$ 34,759,657

City of Mission
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017
GENERAL FUND										
Pre GASB 54										
Reserved	\$ 1,643,102	\$ 194,874	\$ 189,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,206,593	7,083,203	7,861,173	-	-	-	-	-	-	-
Total Pre GASB 54	<u>\$ 5,849,695</u>	<u>\$ 7,278,077</u>	<u>\$ 8,050,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Post GASB 54										
Nonspendable										
Long term receivable	\$ -	\$ -	\$ -	\$ 34,400	\$ 32,000	\$ 29,600	\$ 27,200	\$ 24,800	\$ 22,400	\$ 20,000
Inventory	-	-	-	713	885	796	1,332	500	826	1,067
Prepaid	-	-	-	9,079	16,380	12,795	14,336	16,290	23,750	41,194
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Significant encumbrance	-	-	-	707,546	625,681	172,579	1,357,108	183,359	580,875	3,489,260
Funds assigned for asset replacement	-	-	-	95,006	175,221	5,589	85,909	6,000	86,250	68,093
Funds assigned for Boys & Girls Club	-	-	-	267,196	295,768	320,422	163,271	87,141	-	-
Funds assigned for recreation programs	-	-	-	32,829	-	-	-	-	-	-
Subsequent year budget appropriation	-	-	-	-	1,119,142	2,871,133	4,157,048	4,248,461	2,570,662	1,778,090
Unassigned	-	-	-	9,179,554	4,984,804	3,880,888	2,591,168	3,487,394	4,073,075	986,387
Total Post GASB 54	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,326,323</u>	<u>\$ 7,249,882</u>	<u>\$ 7,293,802</u>	<u>\$ 8,397,372</u>	<u>\$ 8,053,945</u>	<u>\$ 7,357,838</u>	<u>\$ 6,384,091</u>
ALL OTHER GOVERNMENTAL FUNDS										
Pre GASB 54										
Reserved	\$ 8,976,608	\$ 10,796,738	\$ 9,412,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	936,206	1,161,627	1,218,688	-	-	-	-	-	-	-
Total Pre GASB 54	<u>\$ 9,912,814</u>	<u>\$ 11,958,365</u>	<u>\$ 10,631,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Post GASB 54										
Restricted										
Capital Improvements	\$ -	\$ -	\$ -	\$ 3,265,269	\$ 3,124,863	\$ 1,663,852	\$ 1,251,969	\$ 1,625,340	\$ 20,525,988	\$ 5,058,220
Economic Development	-	-	-	1,862,550	1,862,550	1,975,376	2,151,493	1,937,871	1,963,328	1,794,321
Debt Service	-	-	-	1,114,955	1,315,076	1,688,433	2,065,837	2,429,498	2,819,500	1,293,342
Aquatics Programs	-	-	-	10,000	10,000	10,000	10,000	10,000	-	-
Municipal Court	-	-	-	414,497	464,588	451,861	345,637	371,415	415,524	416,451
PD Asset Sharing	-	-	-	935,693	1,773,041	1,210,028	1,680,978	1,051,581	947,086	656,734
Drainage Improvements	-	-	-	533,047	514,275	1,623,508	1,028,237	1,278,474	1,583,039	1,682,091
Scholarships and Books	-	-	-	25,453	25,594	25,703	25,799	25,826	25,826	25,972
Tourism	-	-	-	437,435	412,953	319,997	539,027	849,426	1,068,442	1,163,835
Perpetual Care	-	-	-	33,839	37,541	46,572	45,074	52,487	35,335	36,374
Records Preservation	-	-	-	-	-	10,733	8,184	6,918	6,850	9,157
PEG (public, educational, and governmental)	-	-	-	-	-	-	-	-	419,765	515,003
Tax Increment	-	-	-	4,402	3,999	3,818	3,487	3,536	3,554	3,562
Total Post GASB 54	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,647,069</u>	<u>\$ 9,557,498</u>	<u>\$ 9,029,881</u>	<u>\$ 9,155,722</u>	<u>\$ 9,642,372</u>	<u>\$ 29,814,237</u>	<u>\$ 12,655,063</u>

(1) The 2011 fund balances were restated to include Mission Economic Development Authority (MEDA), a blended component unit of the City as of September 30, 2012.

City of Mission
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 28,690,115	\$ 29,812,749	\$ 30,541,631	\$ 31,444,318	\$ 32,411,636	\$ 32,297,592	\$ 33,758,579	\$ 33,951,830	\$ 34,238,861	\$ 34,738,879
Licenses and permits	696,135	515,229	552,496	643,827	554,324	497,739	573,875	550,463	634,871	555,266
Intergovernmental	5,624,673	5,002,401	15,305,799	7,161,137	7,340,271	5,086,832	8,414,336	10,068,205	8,596,963	16,844,356
Charges for services	1,131,486	954,560	853,506	718,021	905,492	893,511	1,048,380	1,249,275	1,191,107	1,036,163
Fines	845,877	820,359	775,992	613,174	811,498	814,104	1,016,847	848,264	807,026	832,596
Investment earnings	570,477	132,095	41,819	54,112	57,649	59,252	87,731	90,628	83,949	163,061
Special assessments	494,579	506,520	523,299	531,715	540,032	682,323	884,355	902,318	918,844	935,777
Miscellaneous	1,896,000	2,636,184	1,639,861	1,711,765	1,160,974	2,111,479	1,792,201	1,137,003	1,782,135	1,490,207
Total Revenues	39,949,342	40,380,098	50,234,403	42,878,069	43,781,876	42,442,832	47,576,304	48,797,986	48,253,756	56,596,305
Expenditures										
General government	7,906,361	7,708,433	14,177,581	7,338,930	8,810,604	7,950,398	9,391,353	9,057,775	8,878,525	9,782,891
Public safety	16,849,849	17,265,004	18,642,783	18,575,214	20,738,298	20,502,038	20,727,655	21,544,530	21,601,527	21,860,971
Highways and streets	3,547,259	3,598,796	5,327,032	4,356,144	4,504,778	4,127,714	7,276,217	5,336,817	5,304,862	6,612,678
Health and Welfare	343,248	373,037	566,753	872,624	1,351,381	960,761	426,376	426,037	459,716	459,447
Economic and physical development	2,301,994	3,084,465	3,466,582	3,670,268	5,512,540	4,840,988	4,231,038	4,544,891	4,933,314	5,309,187
Culture and recreation	4,759,234	4,778,975	4,883,052	5,092,616	3,585,902	5,632,998	5,518,783	5,454,124	5,668,891	6,676,409
Capital projects	4,174,716	4,388,605	2,664,844	6,274,155	3,104,751	1,547,860	797,446	3,862,838	3,629,593	24,359,561
Debt service										
Principal	1,803,502	1,723,765	2,010,834	2,299,748	2,202,765	2,143,719	1,970,000	2,088,321	2,099,452	2,986,003
Interest	1,230,572	1,253,891	1,297,107	1,291,973	1,302,540	1,186,585	1,139,237	1,029,937	1,088,156	1,549,344
Other charges	8,630	8,630	7,450	5,950	5,950	8,239	5,450	5,650	6,300	5,800
Total expenditures	42,925,365	44,183,600	53,044,018	49,777,622	51,119,509	48,901,300	51,483,555	53,350,920	53,670,336	79,602,291
Excess of revenues over (under) expenditures	(2,976,023)	(3,803,503)	(2,809,615)	(6,899,553)	(7,337,633)	(6,458,468)	(3,907,251)	(4,552,934)	(5,416,580)	(23,005,986)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other financing sources (uses)										
Transfers in	2,867,662	5,593,315	6,267,545	4,997,949	4,725,834	7,420,764	7,399,432	7,706,335	7,361,618	9,002,594
Transfers out	(1,867,662)	(3,993,315)	(4,167,545)	(2,797,949)	(2,725,835)	(2,820,764)	(2,999,433)	(3,306,334)	(2,961,619)	(4,142,594)
Refunding bond issued	-	-	-	-	3,165,000	-	-	-	8,085,000	-
Bonds issued	7,000,000	5,804,678	-	2,930,000	2,635,000	-	2,653,865	-	17,610,000	-
Long-term debt proceeds	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	168,426	168,441	-	84,236	298,283	-	-	-	4,028,801	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	(3,185,773)	-	(2,232,849)	-	(9,385,029)	-
Capital leases	-	-	108,326	-	-	-	-	-	-	-
Sale of capital assets	105,340	-	46,800	114,205	259,112	190,027	53,325	-	-	-
Proceeds from sale of assets	-	-	-	-	-	1,184,744	262,322	296,156	153,566	13,060
Total other financing sources (uses)	8,273,766	7,573,120	2,255,126	5,328,441	5,171,621	5,974,771	5,136,662	4,696,157	24,892,337	4,873,060
Special and extraordinary items:										
Special item	-	(295,683)	-	-	-	-	-	-	-	-
Total special and extraordinary items	-	(295,683)	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 5,297,743	\$ 3,473,934	\$ (554,489)	\$ (1,571,112)	\$ (2,166,012)	\$ (483,697)	\$ 1,229,411	\$ 143,224	\$ 19,475,758	\$ (18,132,926)

Debt service as a percentage of noncapital expenditures⁽¹⁾

8.16% 7.91% 7.15% 8.90% 7.90% 7.54% 7.00% 6.94% 6.75% 8.79%

CITY OF MISSION, TEXAS
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel Occupancy Tax	Alcoholic Beverage Tax	Total
2008	16,097,946	9,784,577	2,248,558	479,950	79,084	28,690,115
2009	17,507,334	9,552,728	2,265,859	400,690	86,136	29,812,747
2010	17,829,903	9,814,665	2,326,751	490,446	79,864	30,541,629
2011	18,236,586	10,234,485	2,396,994	496,759	78,066	31,442,891
2012	18,151,725	10,857,234	2,790,119	537,574	73,518	32,410,170
2013	18,190,169	10,917,924	2,542,621	577,711	69,167	32,297,592
2014	18,927,676	11,496,695	2,636,049	650,142	48,018	33,758,580
2015	19,037,265	11,479,463	2,650,031	748,812	36,258	33,951,829
2016	19,477,396	11,376,027	2,668,473	685,834	31,131	34,238,861
2017	20,348,335	11,109,005	2,617,000	529,509	21,983	34,625,832

City of Mission
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Real Property		Non-Real Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Taxable Value ²	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property					
2008	1,201,607,606	1,738,634,339	318,353,327	529,477,247	2,729,118,025	0.5566	3,258,595,272	0.84%
2009	1,308,104,315	1,737,671,626	287,384,742	420,102,009	2,913,058,674	0.5666	3,333,160,683	0.87%
2010	1,401,660,290	1,937,539,558	274,072,218	486,901,384	3,126,370,682	0.5566	3,613,272,066	0.87%
2011	1,463,644,082	2,032,661,499	268,558,129	532,302,145	3,232,561,565	0.5566	3,764,863,710	0.86%
2012	1,468,867,159	2,043,740,424	366,527,219	558,744,227	3,320,390,575	0.5388	3,879,134,802	0.86%
2013	1,500,235,907	2,085,403,055	376,726,890	555,879,190	3,406,486,662	0.5288	3,962,365,852	0.86%
2014	1,503,272,817	2,208,552,001	384,505,956	575,539,632	3,520,791,142	0.5288	4,096,330,774	0.86%
2015	1,509,471,690	2,242,310,656	371,410,887	582,674,815	3,540,518,418	0.5188	4,123,193,233	0.86%
2016	1,652,176,687	2,408,822,295	411,528,454	628,526,679	3,844,000,757	0.4988	4,472,527,436	0.86%
2017	1,731,082,709	2,592,628,665	385,814,945	630,109,869	4,079,416,450	0.4962	4,709,526,319	0.87%

1. Tax rate per every \$100 valuation of property.

2. The estimated property value is derived directly from the Levy Roll Tax Totals provided by the Hidalgo County Tax Assessor.

City of Mission
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Mission			Overlapping Rates ¹								Total Direct & Overlapping Rates ²
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	Hidalgo County Tax Rate	School District				South Texas College Tax Rate			
					Mission ISD Tax Rate	Sharyland ISD Tax Rate	La Joya ISD Tax Rate	South Texas ISD Tax Rate				
										Drainage Dist. No. 1 Tax Rate		
2007-08	0.4455	0.1111	0.5566	0.5900	1.1800	1.1850	1.2520	0.0492	0.0492	0.1540	5.02	
2008-09	0.4609	0.1057	0.5666	0.5900	1.1240	1.1850	1.3216	0.0492	0.0700	0.1498	5.06	
2009-10	0.4413	0.1153	0.5566	0.5900	1.2800	1.2000	1.3110	0.0492	0.0725	0.1491	5.21	
2010-11	0.4498	0.1068	0.5566	0.5900	1.3000	1.2000	1.3110	0.0492	0.0725	0.1497	5.23	
2011-12	0.4221	0.1167	0.5388	0.5900	1.3000	1.2000	1.3110	0.0492	0.0733	0.1507	5.21	
2012-13	0.4086	0.1202	0.5288	0.5900	1.3000	1.2855	1.3110	0.0492	0.0750	0.1507	5.29	
2013-14	0.4212	0.1076	0.5288	0.5900	1.3000	1.2855	1.3110	0.0492	0.0957	0.1500	5.31	
2014-15	0.4140	0.1048	0.5188	0.5900	1.3300	1.3355	1.3110	0.0492	0.0957	0.1850	5.42	
2015-16	0.4000	0.0988	0.4988	0.5900	1.3672	1.3355	1.3110	0.0492	0.0951	0.1850	5.43	
2016-17	0.4404	0.0558	0.4962	0.5900	1.3582	1.3755	1.3110	0.0492	0.0951	0.1850	5.46	

Source: Hidalgo County Tax Office and La Joya Tax Office.

Source: Hidalgo County Tax Office and La Joya Tax Office.

1. Overlapping rates are those of the City, County, and school districts that apply to property owners within the City of Mission. Not all overlapping rates apply to all City of Mission property owners (for example the rates for La Joya School District apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the La Joya School District).

2. (Total Tax Rate)-The allocation of operation and debt service is not available at this time for the County, School Districts, Special Districts and the Community College.

City of Mission
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Tax Year 2017			Tax Year 2008		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Frontera Generation LTD	\$ 61,378,270	1	1.50%	-	-	-
Sharyland Retail LTD	29,984,041	2	0.74%	33,385,206	2	1.15%
Sharyland Utilities LP	27,446,020	3	0.67%	36,477,330	1	0.01
AEP Texas Central Co	22,914,270	4	0.56%	13,197,100	5	0.45%
Bert Ogden Chevrolet	20,332,855	5	0.50%	22,672,428	3	0.78%
Wal-Mart Real Estate Business	16,463,968	6	0.40%	10,798,424	7	0.37%
Juniper Sharyland LTD	15,782,556	7	0.39%	-	-	0.00%
Royal Technologies Corporation	15,032,318	8	0.37%	-	-	0.00%
Royal Technologies Corp.	14,484,073	9	0.36%	-	-	0.00%
Shary Retail LTD	13,660,188	10	0.33%	-	-	0.00%
Halliburton Energy Serv (HS)	-	-	-	13,613,760	4	0.47%
BBCW/Moran Sharyland LP	-	-	-	13,148,825	6	0.45%
Cook, Vannie Trusts	-	-	-	10,185,086	8	0.35%
Colorado Mission Partnership LTD	-	-	-	10,166,955	9	0.35%
Southwestern Bell Telephone	-	-	-	10,047,460	10	0.34%
Total	<u>\$ 237,478,559</u>		<u>5.82%</u>	<u>\$ 173,692,574</u>		<u>5.96%</u>

Source: Hidalgo County Tax Assessor.

City of Mission
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	13,241,161	12,684,294	95.8%	512,566	13,196,860	99.7%
2008	15,893,072	15,035,133	94.6%	801,111	15,836,244	99.6%
2009	17,305,109	16,251,424	93.9%	979,069	17,230,493	99.6%
2010	17,361,554	16,529,835	95.2%	744,690	17,274,525	99.5%
2011	17,803,116	16,989,023	95.4%	715,737	17,704,760	99.4%
2012	17,798,270	17,102,655	96.1%	587,896	17,690,551	99.4%
2013	17,835,988	17,194,844	96.4%	509,024	17,703,868	99.3%
2014	18,585,075	17,937,794	96.5%	478,210	18,416,004	99.1%
2015	18,689,445	18,034,797	96.5%	400,882	18,435,679	98.6%
2016	19,097,947	18,465,405	96.7%	274,585	18,739,990	98.1%

City of Mission
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita	
	General		Notes Payable	Capital Leases	Revenue Bonds	General					Capital Leases
	Obligation Bonds					Obligation Bonds					
2008		27,030,268	-	186,457	39,277,568	430,000	46,603	66,970,896	0.48%	1,025	
2009		31,369,184	272,001	81,739	37,251,918	220,000	300,706	69,495,548	0.45%	1,013	
2010		29,502,057	168,000	143,232	29,959,204	-	206,332	59,978,825	0.37%	833	
2011		30,348,323	96,000	70,484	32,089,427	-	113,252	62,717,486	0.37%	814	
2012		30,982,042	24,000	24,719	31,659,650	-	40,730	62,731,141	0.35%	790	
2013		28,877,394	-	-	30,142,873	-	41,282	59,061,549	0.32%	734	
2014		27,903,296	-	-	29,032,906	4,880,000	28,762	61,844,964	0.33%	763	
2015		25,758,810	-	-	26,861,210	4,675,000	15,644	57,310,664	0.29%	707	
2016		44,118,902	-	-	40,719,199	3,930,000	198,500	88,966,601	0.43%	1,068	
2017		40,800,667	-	-	37,826,805	3,170,000	149,097	81,946,569	0.40%	964	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Mission
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Debt Payable From Business-type Revenues	Total	Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2008	27,460,268	989,173	430,000	26,041,095	0.95%	398.74
2009	31,589,184	1,140,526	220,000	30,228,658	1.04%	440.82
2010	29,502,057	1,472,816	-	28,029,241	0.90%	389.28
2011	30,348,323	1,114,955	-	29,233,368	0.90%	379.37
2012	30,982,042	1,315,076	-	29,666,966	0.89%	373.79
2013	28,877,394	1,688,433	-	27,188,961	0.80%	337.95
2014	32,783,296	2,065,837	4,880,000	25,837,459	0.73%	318.78
2015	30,433,810	2,429,499	4,675,000	23,329,311	0.66%	287.84
2016	48,048,902	2,819,500	3,930,000	41,299,402	1.07%	495.80
2017	43,970,667	1,293,342	3,170,000	39,507,325	0.97%	464.99

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Mission
Direct and Overlapping Governmental Activities Debt
As of September 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Hidalgo County	\$ 211,290,000	11.54%	\$ 24,382,866
Hidalgo County Drainage District #1	129,300,000	12.10%	15,645,300
Hidalgo Independent School District	34,427,000	0.32%	110,166
La Joya Independent School District	233,898,332 ⁽¹⁾	15.15%	35,435,597
Mission Consolidated Independent School District	123,133,000 ⁽¹⁾	72.80%	89,640,824
Sharyland Independent School District	108,184,999 ⁽¹⁾	59.56%	64,434,985
South Texas College District	152,495,000	11.10%	16,926,945
Subtotal Overlapping Debt			<u>\$ 246,576,684</u>
City of Mission	40,800,666	100.00%	40,800,666
Total Direct and Overlapping Debt			<u><u>\$ 287,377,350</u></u>

⁽¹⁾ Estimated Percentage is calculated as follows:
Market value of the commonland within the shared entity divided by the total value of the City of Mission.

Source: Municipal Advisory Council of Texas.

City of Mission
Legal Debt Margin Information
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 136,455,901	\$ 145,652,934	\$ 156,318,534	\$ 161,628,078	\$ 166,019,529	\$ 170,324,333	\$ 176,039,557	\$ 177,025,921	\$ 192,200,038	\$ 203,970,823
Total net debt applicable to limit	25,760,826	30,079,474	28,055,184	29,233,368	29,489,924	27,021,567	24,739,163	23,329,311	41,299,402	39,507,325
Legal debt margin	\$ 110,695,075	\$ 115,573,460	\$ 128,263,350	\$ 132,394,710	\$ 136,529,605	\$ 143,302,766	\$ 151,300,394	\$ 153,696,610	\$ 150,900,636	\$ 164,463,498
Total net debt applicable to the limit as a percentage of debt limit	18.88%	20.65%	17.95%	18.09%	17.76%	15.86%	14.05%	13.18%	21.49%	19.37%
Legal Debt Margin Calculation for Fiscal Year										
Assessed value	\$ 2,729,646,025	\$ 2,913,058,674	\$ 3,126,370,682	\$ 3,232,561,565	\$ 3,320,390,575	\$ 3,406,486,662	\$ 3,520,791,142	\$ 3,540,518,418	\$ 3,844,000,757	\$ 4,079,416,450
Add back: exempt real property	-	-	-	-	-	-	-	-	-	-
Total assessed value	\$ 2,729,646,025	\$ 2,913,058,674	\$ 3,126,370,682	\$ 3,232,561,565	\$ 3,320,390,575	\$ 3,406,486,662	\$ 3,520,791,142	\$ 3,540,518,418	\$ 3,844,000,757	\$ 4,079,416,450
Debt limit (5% of total assessed value)	136,482,301	145,652,934	156,318,534	161,628,078	166,019,529	170,324,333	176,039,557	177,025,921	192,200,038	203,970,823
Debt applicable to limit:										
General obligation bonds	27,180,000	31,440,000	29,528,000	30,135,000	30,805,000	28,710,000	31,685,000	30,433,810	48,048,902	43,970,667
Less: Amount set aside for repayment of general obligation debt	(989,174)	(1,140,526)	(1,472,816)	(1,114,955)	(1,315,076)	(1,688,433)	(2,065,837)	(2,429,499)	(2,819,500)	(1,293,342)
Less: Business-type general obligations	(430,000)	(220,000)	-	-	-	-	(4,880,000)	(4,675,000)	(3,930,000)	(3,170,000)
Total net debt applicable to limit	25,760,826	30,079,474	28,055,184	29,020,045	29,489,924	27,021,567	24,739,163	23,329,311	41,299,402	39,507,325
Legal debt margin	\$ 110,721,475	\$ 115,573,460	\$ 128,263,350	\$ 132,608,033	\$ 136,529,605	\$ 143,302,766	\$ 151,300,394	\$ 153,696,610	\$ 150,900,636	\$ 164,463,498

Note: Texas statutes do not prescribe a debt limit; however, by custom a practical economic debt limit of 5% of the assessed valuation is used.

City of Mission
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds					Coverage ⁽⁴⁾
	Charges and Other ⁽¹⁾	Less:	Net	Debt Service ⁽³⁾		
		Operating Expenses ⁽²⁾	Available Revenue	Principal	Interest	
2008	16,339,351	9,205,146	7,134,205	2,056,873	1,691,463	1.90%
2009	16,289,267	9,016,007	7,273,260	2,172,316	1,966,747	1.76%
2010	15,272,007	9,197,669	6,074,338	2,056,000	1,339,718	1.79%
2011	17,530,504	9,422,969	8,107,535	1,856,000	1,265,272	2.60%
2012	17,754,118	10,004,211	7,749,907	1,933,000	1,192,441	2.48%
2013	18,053,516	10,087,267	7,966,249	2,000,000	1,115,474	2.56%
2014	19,289,418	10,112,569	9,176,849	2,091,000	888,111	3.08%
2015	17,748,586	10,453,361	7,295,225	2,360,000	792,799	2.31%
2016	21,047,816	10,556,595	10,491,221	2,755,000	869,530	2.89%
2017	19,119,210	11,481,589	7,637,621	2,325,000	833,553	2.42%

(1) Total operating revenues including interest earned on funds created by the bond ordinance.

(2) Total operating expenses exclusive of depreciation.

(3) Revenue bonds only. Amounts do not include the general obligation bonds reported in the Utility Fund or debt defeasance transactions-succeeding year.

(4) Per first lien revenue bond covenants, the required coverage is 1.25.

Note: The City does not have special assessment bonds.

City of Mission
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	MSA ⁽²⁾		Median Age ⁽¹⁾	Percentage High School Graduates ⁽³⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
		Personal Income	Capita Personal Income				
2008	65,309	14,055,483,000	19,651	32.7	80.0	15,451	7.30%
2009	68,574	15,409,425,000	20,917	32.2	79.6	15,439	9.30%
2010	72,003	16,036,052,000	21,171	30.9	82.4	15,341	9.90%
2011	77,058	16,965,278,000	21,771	30.9	82.9	15,517	10.20%
2012	79,368	17,789,208,000	22,390	29.8	89.0	25,845	8.10%
2013	80,452	18,341,843,000	22,757	27.2	88.9	25,766	7.90%
2014	81,050	18,827,748,000	23,073	29.3	90.7	25,645	6.90%
2015	82,431	19,740,566,000	23,753	30.3	94.6	25,676	6.10%
2016	83,298	20,702,880,000	24,579	30.5	89.7	25,819	6.20%
2017	84,963	21,080,611,000	24,805	30.5	94.1	25,819	6.20%

(1) Estimated (except for the FY 2011-information was received from the 2010 US Census) & Texas Demographics.

(2) MSA-Metropolitan Statistical Area for Mission-McAllen-Edinburg- Source: Tracer-Texas Labor Market.

(3) Source: Texas Education Agency, Local School Directory.com, Mission CISD & added Sharyland ISD 2012

(4) Source: Labor Market & Career Information, Texas Workforce Commission, Tracer (Data Link - Data Types)

**City of Mission
Principal Employers
Current Year and Nine Year Ago**

Employer	2017⁽¹⁾			2008⁽¹⁾		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mission CISD	2,400	1	3.36%	2,412	1	4.23%
Sharyland ISD	1,400	2	1.96%	1,168	2	2.05%
Mission Regional Medical Center	1,000	3	1.40%	950	3	1.67%
T-Mobile	916	4	1.28%	904	4	1.59%
City of Mission	715	5	1.00%	570	6	1.20%
H.E.B.	647	6	0.90%	684	5	1.00%
Wal-Mart Super Center	357	7	0.50%	383	7	0.67%
Home Depot	175	8	0.24%			
Target	170	9	0.24%	165	9	0.29%
Royal Technologies	143	10	0.20%			
Halliburton Energy Services				200	8	0.35%
The Club at Cimarron				150	10	0.26%
Total	<u>7,923</u>		<u>11.08%</u>	<u>7,586</u>		<u>13.31%</u>

(1) Source: Mission Economic Development Corporation and City of Mission's budget office.

City of Mission
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	80	80	79	77	77	76	82	87	89	90
Public Safety										
Police										
Officers ⁽¹⁾	120	126	130	140	146	146	146	146	149	157
Civilians	46	51	52	53	53	51	50	50	46	46
Fire										
Firefighters and Officers	64	67	67	66	67	67	67	67	67	67
Civilians	6	6	6	8	7	7	7	7	7	7
Highways and Streets										
Streets	30	33	33	33	32	32	32	32	32	37
Health and Welfare										
Health	7	7	7	7	8	8	8	8	8	9
Culture and recreation										
Aquatics ⁽²⁾	2	3	3	3	2	3	2	2	2	-
Mayberry Pool	-	-	-	-	-	-	-	-	-	2
Bannworth Pool	-	-	-	-	-	-	-	-	-	1
Museum	2	3	4	4	4	4	5	5	5	5
Parks and Recreation	38	47	44	45	45	44	45	45	52	52
Library	20	20	20	22	21	19	19	19	19	18
Golf Course	27	17	16	17	17	17	17	17	15	15
Sanitation										
Water distribution	78	79	83	87	86	88	87	87	88	90
Wastewater	13	13	12	12	15	13	14	14	13	13
Solid Waste	-	-	-	-	-	-	17	17	19	19
Community Development	3	3	5	4	3	3	3	3	3	3
Total	536	555	561	578	583	578	601	606	614	631

Source: City of Mission Finance Department-Budget Office.

(1) COPS Grant allowed City to hire 8 additional Police Officers in 2016.

(2) Aquatics fund closed in 2016 and transferred departments under General Fund.

City of Mission
Operating Indicators by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	4,081	4,002	4,373	3,000	4,305	4,079	3,632	3,050	3,135	3,998
Parking Violation	64	67	41	35	75	55	29	75	45	23
Traffic Violations	22,473	20,757	10,957	12,970	13,685	8,093	12,071	19,882	12,112	10,601
Fire										
Number of calls answered	2,270	1,967	2,450	2,738	3,239	2,818	3,715	3,888	3,636	3,557
Inspections	2,479	3,015	2,392	2,154	1,803	2,599	1,773	2,116	2,474	1,343
Highways and Streets										
Streets resurfacing (miles)	6,088	3,750	5,596	4,240	5,530	5,130	6,070	10,110	4,860	7,100
Potholes repaired	10,217	6,438	12,449	6,710	15,783	21,122	30,911	23,898	21,031	14,939
Sanitation										
Refuse collected (tons/day) ⁽¹⁾	146	150	173	176	218	225	377	443	451	521
Recyclables collected (tons/day)	0.08	0.21	0.16	0.26	0.26	0.24	0.27	0.34	0.44	0.38
Culture and recreation										
Golf Course										
Rounds	68,173	65,942	52,491	59,162	54,056	60,306	46,388	36,971	46,477	46,709
Recreation										
Programs	32	32	32	32	32	37	31	22	14	17
Parks Maintained	24	25	25	25	25	25	28	28	28	24
Water										
New connections (year)	650	1,748	463	512	370	353	297	486	398	393
Water mains breaks (year)	603	557	649	452	507	395	463	344	258	198
Average daily consumption (millions of gallons)	12.44	13.23	11.00	13.63	12.63	13.02	12.56	10.62	12.42	14.25
Wastewater										
Average daily sewage treatment	6.06	5.97	6.57	6.32	6.68	7.09	7.19	7.42	7.39	7.14

Sources: Various City departments.

Note: Indicators are not available for the general government function.

(1) Information for 2007 estimated.

City of Mission
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police Protection										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol Units	94	96	87	100	111	111	111	111	111	112
Fire Protection										
Fire Stations	4	4	4	5	5	5	5	5	5	5
Highways and Streets										
Streets (miles)	543.46	548.67	549.02	554.20	555.66	560.79	387.14	387.45	389.06	396.44
Number of Streetlights	2,679	2,726	4,856	4,945	4,473	4,158	4,261	4,281	4,332	4,367
Culture and recreation										
Parks acreage	419	419	419	419	419	419	419	419	419	236
Parks	24	25	25	25	25	25	28	28	28	24
Swimming pools	2	2	2	2	3	3	3	3	2	2
Tennis Courts	3	4	4	4	4	9	9	9	9	9
Community Centers	2	2	2	2	2	2	2	2	2	2
Water										
Water Plants	2	2	2	2	2	2	2	2	2	2
Water mains (miles)	422.56	425.36	429.07	436.35	442.21	457.45	460.79	459.23	461.33	454.35
Fire hydrants	2,444	2,457	2,481	2,496	2,784	2,803	2,813	2,820	2,835	2,849
Number of Service connections	23,308	23,785	24,248	24,734	25,157	25,510	25,807	26,293	26,713	27,072
Number of Gallons Sold (in millions)	3,906.65	4,228.78	3,613.76	4,513.88	4,678.99	4,844.63	4,305.08	3,609.67	3,973.49	4,675.53
Daily Average Consumption (mgals) ⁽¹⁾	12.44	11.59	9.90	12.37	12.81	13.27	11.80	9.89	10.88	12.80
Sewer										
Number of Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	323.16	325.11	325.93	328.70	328.707	356.75	357.77	358.14	359.99	362.30
Number of Service connections	20,510	21,285	21,694	22,110	22,439	22,815	23,028	23,437	23,871	24,222
Storm sewers (miles)	114.95	115.91	116.83	118.99	121.16	145.03	145.92	146.02	146.79	148.07
Daily average treatment in gallons ⁽¹⁾	6.06	5.97	6.57	6.60	6.70	7.10	7.20	7.40	7.40	7.10
Maximum daily treatment capacity ⁽¹⁾	8.12	6.70	12.92	7.87	8.60	9.18	12.00	9.98	11.90	9.28

Source: City departments.

(1) Amount is in millions.

Note: No capital asset indicators are available for the general government function.



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