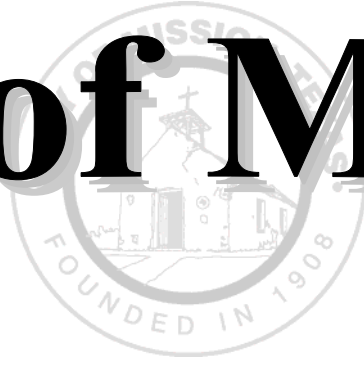


City of Mission



Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2019

City of Mission, Texas

CITY OF MISSION, TEXAS

Comprehensive Annual Financial Report

*For Fiscal Year Ended
September 30, 2019*

*Prepared By:
Finance Department*

MISSION CITY COUNCIL



Dr. Armando O'Cana
Mayor



Norie Gonzalez Garza
Mayor Pro Tem



Jessica Ortega-Ochoa
Council Member



Jose Alberto Vela
Council Member



Ruben Plata
Council Member

CITY OF MISSION, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019

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INTRODUCTORY SECTION



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April 29, 2020

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, 2019, 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.

Carr, Riggs & Ingram, LLC, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2019. 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 Uniform Guidance and Texas Uniform Grant Management Standards. Information related to the single audit, including the Schedule of Expenditures of Federal and State 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 36.14 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 ten years, the City of Mission has experienced significant economic growth and investment. More than \$648 million in residential and commercial development has been completed or is in various phases throughout the City. 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 Information website, the City’s unemployment rate slightly increased from 5.8 % to 6.1% as of November 2019.

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 5,700 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 completed the installation of wastewater infrastructure in the area in FY 2019. It is expected that once the area is fully developed, both property and sales tax revenues will increase.

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

Fiscal Year 2018-2019 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 \$4.48 million in State and Federal Grants for housing, public safety services and equipment, park improvements, homeless prevention programs, and education programs.
- Fourteen new homes were reconstructed and four homes were rehabilitated by the CDBG housing program during the year and ten were approved towards the end of the fiscal year to be constructed in the FY 2020.
- Continued 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.
- Continued a \$1.9 million Texas Parks & Wildlife and Valley Baptist Legacy Foundation Grant Project for a future Mission Tennis Center.
- Completed the expansion of our Bannworth Gym to include classroom settings for use by our Boys & Girls Club program.
- Completed the construction of Inspiration Road US 83 Expansion North to Mile 3.
- Completed Phase I of the Wastewater Treatment Plant Expansion Project.
- Completed the construction of a water tower next to the Mission Event Center.

- Completed the construction of a Anzalduas Highway water/sewer project.
- Continued the design, engineering and planning work for the interconnecting roadways for the future Inspiration Road/Military Parkway Loop.
- Commenced a sewer line improvement project for the North Conway area.
- Commenced the Bentsen Palm Development Phase II project to include construction of a lift station.
- Commenced the collection of in-house commercial sanitation pickup for the residents of our city.

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

Major Initiatives For Fiscal Year 2019-2020

- Continue to work with the Mission Master Plan and grant applications for funding of park development projects.
- Commenced the design roof improvement projects of two municipal facilities.
- 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.
- Continue the practice in the CDBG program of focusing solely on providing for the reconstruction of homes and the funding of several public agencies. Thirteen homes are currently budgeted for reconstruction with CDBG 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.
- Commenced planning stage for start-up Peg Channel.
- Initial design and planning of construction for an all-inclusive park project.
- Commenced Phase II of the Wastewater Treatment Plant Expansion Project.
- Assist and promote a new development proposal located in the southern area of City pertaining to the sale of 3,400 acres.
- Commenced a Traffic Signal Hardware improvement. This project will be funded through an inter-local agreement with City of Mission, City of McAllen, City of Pharr and City of Edinburg.

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 \$3,028,176. 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 \$3,975,076.

The City's FY 2019 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, 2018. This is the eighteenth 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, Carr, Riggs & Ingram, LLC, for their efforts, not only in the performance of the City's annual audit, but for their professionalism and dedication. They have been an excellent source of information for the preparation of the report.

Respectfully submitted,



Randy Perez
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, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF MISSION, TEXAS

List of Principal Officials Year Ended September 30, 2019

CITY OFFICIALS

*Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member*

*Dr. Armando O'Cana
Norie Gonzalez Garza
Jose Alberto Vela
Jessica Ortega-Ochoa
Ruben Plata*

CITY ADMINISTRATION

*City Manager
Deputy City Manager
Deputy City Manager
Deputy Assistant/City Engineer
Deputy Assistant/Purchasing Director
City Secretary
Finance Director
Assistant Finance Director
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 Information Director
Public Works Director
Risk Management Director
Solid Waste Director*

*Randy Perez
Aida Lerma
David Flores
Juan Pablo Terrazas
Eduardo Belmarez
Anna Carrillo
Angie Vela
Ezeiza Garcia
Gus Martinez
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
Roxanne Lerma Casares
Roberto Salinas
Robert Hinojosa
Cesar Gutierrez*

OFFICIALS ISSUING REPORT

*Angie Vela
Finance Director*



CITY OF MISSION ORGANIZATIONAL CHART



FINANCIAL SECTION



INDEPENDENT AUDITORS' 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, 2019, 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.

Auditors' 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 \$15,465,905 as of September 30, 2019, and total revenues of \$5,444,176 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.

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, 2019, 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 required supplementary information 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 other supplementary

information section, the capital assets used in the operation of governmental funds section, and the supplemental schedules section are 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.

Emphasis of Matter

As discussed in Note 28 to the financial statements, the 2018 financial statements have been restated to record a non-current liability for sales tax refunds in the City and its component unit, MEDC, as well as a capital lease liability and asset, and a correction of deferred revenue balance as of September 30, 2018. Our opinions are not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2020, 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 solely 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 the effectiveness of the City's 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.

Caru, Riggs & Ingram, L.L.C.

McAllen, Texas
April 29, 2020

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, 2019. 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 \$164,630,375 (net position).
- The City's total net position decreased by \$4,390,259. Governmental activities contributed a decrease of \$4,554,819 while the Business-type activities contributed an increase of \$164,560. Total revenues reflect an increase of 3.34% and total expenses reflect an increase of 6.90% compared to prior year.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$17,480,093, a \$7,329,472 increase in comparison to prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,404,578, an increase of \$927,576 compared to prior year.

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 of 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 three funds: utility (water and sewer); golf course; and a solid waste.

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 pages 31 to 33 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, and the 2018 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 139 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 46-113 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 117-134 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 139 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 \$164,630,376 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2019.

City of Mission Net Position September 30, 2019						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 24,616,861	\$ 16,679,130	\$ 10,464,353	\$ 13,575,608	\$ 35,081,214	\$ 30,254,738
Capital assets	145,282,550	143,828,009	100,208,319	100,656,371	245,490,869	244,484,380
Total assets	169,899,411	160,507,139	110,672,672	114,231,979	280,572,083	274,739,118
Total deferred outflows of resources	6,665,740	4,645,265	1,747,486	1,304,295	8,413,226	5,949,560
Long-term liabilities	73,345,898	54,887,340	38,533,581	40,420,226	111,879,479	95,307,566
Other liabilities	6,030,463	4,806,157	6,034,037	6,764,331	12,064,500	11,570,488
Total liabilities	79,376,361	59,693,497	44,567,618	47,184,557	123,943,979	106,878,054
Total deferred inflows of resources	340,852	3,679,564	70,102	733,838	410,954	4,413,402
Net position						
Net investment in capital assets	106,695,623	106,676,410	66,124,522	63,237,664	172,820,145	169,914,074
Restricted	5,071,768	7,460,257	4,875,498	4,650,576	9,947,266	12,110,833
Unrestricted (deficit)	(14,919,453)	(12,357,324)	(3,217,582)	(270,361)	(18,137,035)	(12,627,685)
Total net position	\$ 96,847,938	\$ 101,779,343	\$ 67,782,438	\$ 67,617,879	\$ 164,630,376	\$ 169,397,222

By far, the largest portion of the City's net position (99%) is investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are 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 decreased \$4,390,259 from the prior fiscal year. The reasons for this overall decrease 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 decreased by \$4,931,405 from the prior fiscal year for an ending balance of \$96,847,938.

The net position was reduced due to an increase in long-term liabilities. A 2018 CO was issued in October of 2018 for the purchase of commercial vehicles and capital outlay improvements. As of the end of FY18-19, only commercial vehicles were purchased and very minor improvements had been completed.

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, 2019.

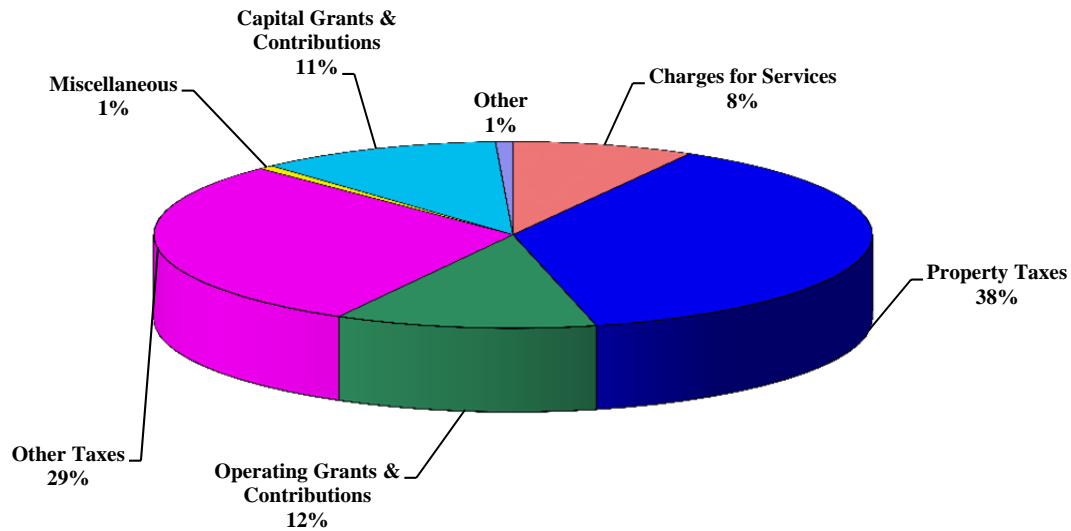
**City of Mission
Changes in Net Position
September 30, 2019**

	Governmental Activities		Business-type Activities		Total	
	2019	Restated 2018	2019	Restated 2018	2019	Restated 2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,461,121	\$ 3,857,659	\$ 28,710,318	\$ 29,325,262	\$ 33,171,439	\$ 33,182,921
Operating grants and contributions	6,395,090	7,326,112	28,863	57,968	6,423,953	7,384,080
Capital grants and contributions	5,975,522	4,198,191	1,085,961	176,592	7,061,483	4,374,783
General revenues:						
Property taxes	20,736,937	20,336,036	-	-	20,736,937	20,336,036
Other taxes	16,084,972	14,918,824	-	-	16,084,972	14,918,824
Grants and contributions not restricted to specific programs					-	-
Other	369,618	1,515,943	174,991	116,865	544,609	1,632,808
Miscellaneous	426,299				426,299	
Total revenues	<u>54,449,559</u>	<u>52,152,765</u>	<u>30,000,133</u>	<u>29,676,687</u>	<u>84,449,692</u>	<u>81,829,452</u>
Expenses:						
General government	10,978,266	16,359,830	-	-	10,978,266	16,359,830
Public safety	25,991,960	23,935,916	-	-	25,991,960	23,935,916
Highways and streets	9,700,248	9,421,794	-	-	9,700,248	9,421,794
Economic development	5,778,839	5,619,556	-	-	5,778,839	5,619,556
Culture and recreation	8,327,470	2,057,199	-	-	8,327,470	2,057,199
Health and welfare	1,768,689	1,112,193	-	-	1,768,689	1,112,193
Interest on long-term debt	1,905,498	1,519,729	-	-	1,905,498	1,519,729
Utility	-	-	16,533,621	16,506,827	16,533,621	16,506,827
Golf course	-	-	1,389,008	1,316,225	1,389,008	1,316,225
Solid waste	-	-	6,466,352	5,738,342	6,466,352	5,738,342
Total expenses	<u>64,450,970</u>	<u>60,026,217</u>	<u>24,388,981</u>	<u>23,561,394</u>	<u>88,839,951</u>	<u>83,587,611</u>
Increases(decreases) in net position before transfers	(10,001,411)	(7,873,452)	5,611,152	6,115,293	(4,390,258)	(1,758,159)
Transfers	5,446,591	6,400,000	(5,446,591)	(6,400,000)		-
Changes in net position	(4,554,819)	(1,473,452)	164,561	(284,707)	(4,390,258)	(1,758,159)
Net position - 10/01/18	101,402,757	102,876,209	67,617,877	67,902,587	169,020,634	170,778,796
Net position - 09/30/19	<u>\$ 96,847,938</u>	<u>\$ 101,402,757</u>	<u>\$ 67,782,438</u>	<u>\$ 67,617,877</u>	<u>\$ 164,630,376</u>	<u>\$ 169,020,634</u>

Total revenues generated from governmental activities for this year were \$54,449,559 reflecting a \$2,296,794 increase compared to last year. The majority of the increase is in sales tax revenue. The most significant changes occurred in the following areas:

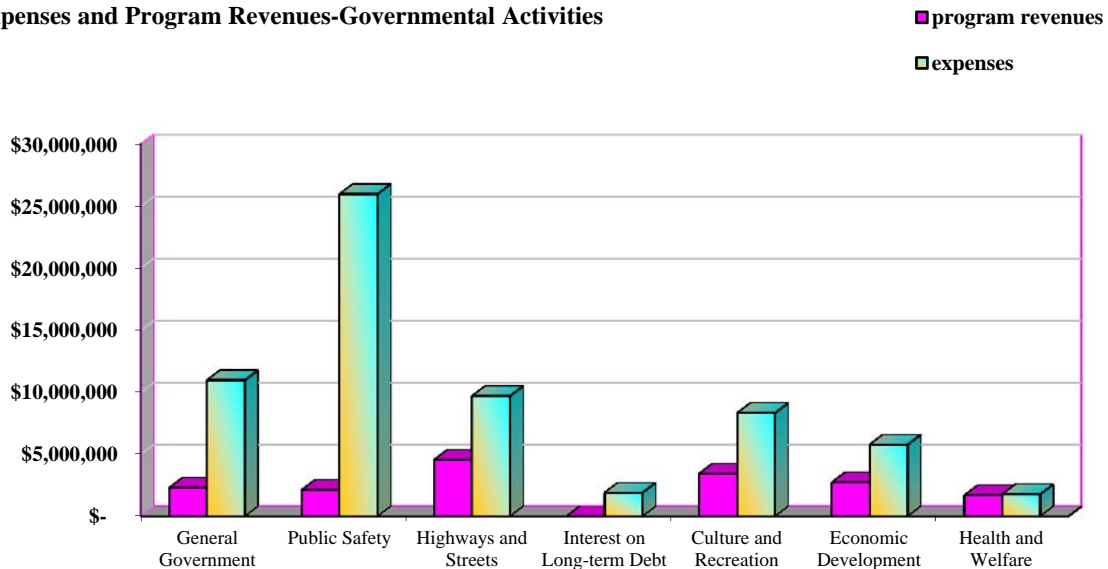
- Capital grants and contributions increased by \$1,777,331 from prior year while the operating grants and contributions decreased by \$931,022 compared to prior year.
- Other general revenue decreased by \$1,146,325 compared to prior year.

Revenues by Source-Governmental Activities



The following graph displays the portion of expenses funded by program revenues. Overall, general revenues funded approximately 58.36% of total expenses for fiscal year 2019.

Expenses and Program Revenues-Governmental Activities



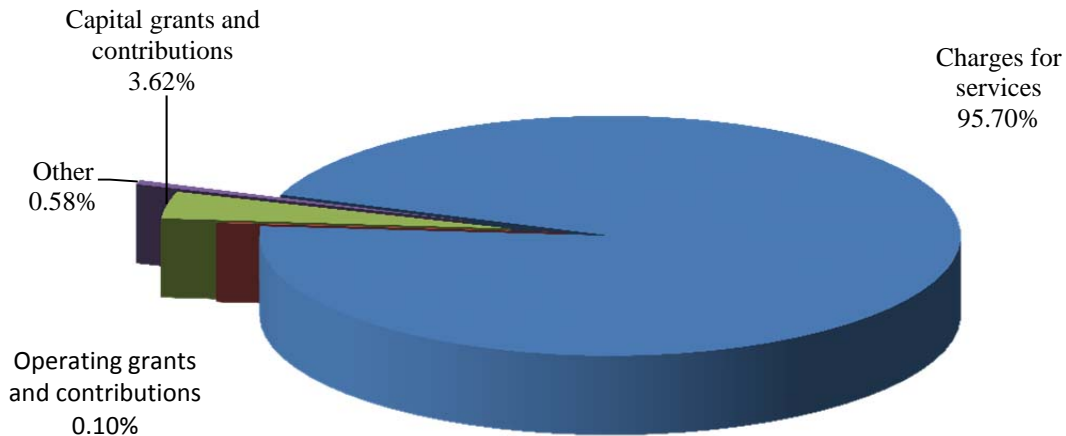
Total expenses from governmental activities for this year were \$64,450,970 reflecting a \$4,424,753 increase compared to last year. The most significant changes occurred in the following areas:

- Culture and Recreation increased by \$6,270,271.
- General Government Activities decreased by \$5,381,564.
- Public Safety increased by \$2,056,044.

Business-type Activities- Results of Business-type activities decreased the City of Mission's net position by \$164,561. Revenues increased by \$323,446 and expenses increased by \$827,587 in comparison with prior year.

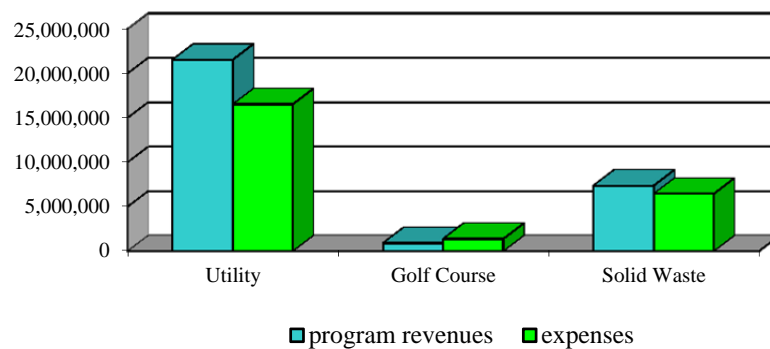
- Charges for Services decreased by 2.09% in comparison to the prior year due to favorable weather in comparison with previous years.

Revenues by Source-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 \$24,388,981, an increase of \$827,587 compared to prior year.

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, 2019, the City of Mission's governmental funds reported a combined fund balance of \$17,480,093, an increase of \$7,329,472 compared with the prior year. The majority of the increase was from the 2018 CO capital projects fund that was issued in October 2018.

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 \$3,028,176, a decrease of \$279,441 compared to prior year, with the unassigned portion of the fund balance being \$1,404,578. 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.

The Debt Service Fund, a major fund, had a \$499,472 decrease in fund balance during the current fiscal year. The decrease was due to the 2018 CO issue that commenced repayment within the same fiscal year.

The other governmental funds had a \$1,483,569 decrease in fund balance during the current fiscal year. The overall revenues for other governmental funds decreased by \$393,941 with the majority of the decrease in intergovernmental revenues, and the overall expenditures for other governmental funds decreased by \$4,308,402 with a majority of the decrease being related to the 2016 CO construction projects being completed in FY17-18.

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, 2019 and 2018.

- Intergovernmental revenues decreased due to the completion of capital projects being reimbursed by other agencies.

Revenues & Transfers-In	2019 Amount	% of Total	2018 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	\$ 37,792,344	59.75%	\$ 36,217,365	\$ 1,574,979	4.35%
Licenses and permits	714,545	1.13%	528,545	186,000	35.19%
Intergovernmental	9,017,093	14.26%	10,672,035	(1,654,942)	-15.51%
Charges for services	1,649,023	2.61%	1,273,238	375,785	29.51%
Fines and forfeitures	723,578	1.14%	661,650	61,928	9.36%
Investment income	224,665	0.36%	117,412	107,253	91.35%
Miscellaneous	2,037,432	3.22%	1,753,927	283,505	16.16%
Transfers-in	11,088,504	17.53%	10,255,383	833,121	8.12%
Total	<u>\$ 63,247,184</u>	<u>100.00%</u>	<u>\$ 61,479,555</u>	<u>\$ 1,767,629</u>	<u>2.88%</u>

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, 2019 and 2018. Major differences are due to:

- Culture and recreation expenditures increased due to the commencement of the Birdwell Park project which required matching City funds to complete.
- Capital Projects and Highways and streets expenditures decreased due to the completion of several projects in 2018.

Expenditures & Transfers-Out	2019 Amount	Percent of Total	2018 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General government	\$ 11,363,557	16.53%	\$ 10,992,563	\$ 370,994	3.37%
Public safety	23,177,920	33.71%	22,883,344	294,576	1.29%
Highways and streets	5,431,006	7.90%	7,201,117	(1,770,111)	-24.58%
Health and welfare	607,996	0.88%	562,204	45,792	8.15%
Culture and recreation	8,420,063	12.24%	7,040,940	1,379,123	19.59%
Economic development	5,778,839	8.40%	5,619,555	159,284	2.83%
Capital projects	4,522,539	6.58%	8,782,432	(4,259,893)	-48.50%
Debt service:					
Principal	3,587,876	5.22%	2,762,660	825,216	29.87%
Bond issuance cost	246,686	0.36%			
Interest and fiscal charges	1,940,535	2.82%	1,480,270	460,265	31.09%
Transfers-out	3,688,505	5.36%	3,855,384	(166,879)	-4.33%
Total	<u>\$ 68,765,522</u>	<u>100.00%</u>	<u>\$ 71,180,469</u>	<u>\$ (2,414,947)</u>	<u>-3.39%</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 (\$2,748,327). The Solid Waste Fund had unrestricted net position of \$193,524. The Solid Waste unrestricted net position

decreased by \$2,332,418. The Utility Fund and Golf Course Fund ended the year with an unrestricted net position of (\$276,245) and (\$2,665,606), respectively. The Utility Fund unrestricted net position decreased by \$20,904 and the Golf Course unrestricted net position decreased by \$282,120.

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 an increase of \$56,268 from prior year. Expenses increased by \$89,221 in comparison to prior year. 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 Utility Fund had revenues decrease by \$1,220,553 and expenses decrease by \$43,313 compared to prior year.

The Solid Waste Fund commenced commercial collections at the end of fiscal year 2019. Total change in net position reflected a positive amount of \$162,531. Revenues increased by \$615,642 and expenses increased by \$759,361 compared to prior year.

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 \$37,892 while budgeted appropriations were increased by \$314,471 during the year.

- The most significant revenue variance, \$1,101,328, is reflected in tax revenue. In particular, sales tax revenues reflected an increase of \$966,631 due to increase of consumer spending and a positive economy impact.
- Charges for Service revenues reflect a positive net variance of \$214,006 compared to the budgeted amount. The variance is related to weedy lot mowings, the city outsourced this service in FY18-19 resulting in more activity.
- Miscellaneous revenues also reflected a positive variance of \$63,746. 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 legal with a total of \$184,284. The savings in the legal department are related vacancies in personnel throughout the year. Facilities and Risk had a savings of \$104,364 and \$90,941, respectively.

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, 2019, amounts to \$245,490,870 (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 \$1,006,490.

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

- Construction in progress in the governmental activities decreased by \$9,584,902. The projects that were completed that contributed to the change in current year include the Inspiration Road US 83 Expansion North to Mile 3 and Ann Marie Drive/Marinel Lane.
- Construction in progress in the business-type activities decreased by \$4,088,137. The projects that were completed that contributed to the change in current year include the Mission Event Center Water Tower and the Anzalduas Highway water/sewer project.

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

City of Mission Capital Assets Net of Depreciation						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and water rights	\$ 39,914,655	\$ 38,612,979	\$ 7,412,258	\$ 7,529,142	\$ 47,326,913	\$ 46,142,121
Buildings and system	26,553,404	26,616,717	68,427,470	65,644,242	94,980,874	92,260,959
Improvements other than buildings	7,205,407	9,363,126	293,485	464,702	7,498,892	9,827,828
Machinery and equipment	7,882,828	6,386,360	5,657,095	4,512,135	13,539,923	10,898,495
Infrastructure	54,582,802	44,120,472	-	-	54,582,802	44,120,472
Construction in progress	9,143,453	18,728,355	18,418,012	22,506,149	27,561,465	41,234,504
Total	<u>\$ 145,282,549</u>	<u>\$ 143,828,009</u>	<u>\$ 100,208,320</u>	<u>\$ 100,656,370</u>	<u>\$ 245,490,869</u>	<u>\$ 244,484,379</u>

Additional information on the City of Mission’s capital assets can be found in note 9 on pages 74-76 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 \$111,879,479, an increase of \$16,571,913 compared to prior year. Additional information on the City of Mission’s long-term debt can be found in note 11 on pages 77-89 of this report.

Moody’s Investors Service rated the City of Mission’s outstanding bonds as “Baa1”.

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

**City of Mission
Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation debt	\$ 47,248,002	\$ 38,236,080	\$ -	\$ -	\$ 47,248,002	\$ 38,236,080
Revenue bonds	-	-	34,472,017	37,764,412	34,472,017	37,764,412
Capital leases	1,973,192	-	56,585	103,533	2,029,777	103,533
Compensated absences	3,051,582	3,245,218	422,336	418,418	3,473,918	3,663,636
City of McAllen-Anzalduas bridge	3,532,926	3,226,076	-	-	3,532,926	3,226,076
Sales Tax Payable	235,277	-	-	-	235,277	-
Pension related debt	11,904,534	5,456,760	2,460,824	974,052	14,365,358	6,430,812
OPEB related debt	5,400,385	4,723,206	1,121,819	1,159,811	6,522,204	5,883,017
Total	<u>\$ 73,345,898</u>	<u>\$ 54,887,340</u>	<u>\$ 38,533,581</u>	<u>\$ 40,420,226</u>	<u>\$ 111,879,479</u>	<u>\$ 95,307,566</u>

Economic Factors and Next Year's Budgets and Rates

- According to the November 2019 issue of the Texas Labor Market Information, the unemployment rate for the City of Mission was 6.1%, decreasing from 5.8% in prior year. The state and national average unemployment rates are 3.3%, respectively.
- Appraised values provided by the Hidalgo County Appraisal District and used in preparing the 2019-2020 Budget were \$233.5 million higher than the prior year.
- The 2019-2020 Budget was prepared using an adopted tax rate of \$0.5212 per \$100 valuation.
- Water and sewer rates unchanged in the 2019-2020 Budget.
- The 2019-2020 general fund operating budget was prepared using \$104,443 as the estimated unrestricted fund balance at September 30, 2019. The actual unrestricted fund balance for the general fund was \$2,969,358. For the upcoming 2019-2020 fiscal year, \$112,165 is the projected unrestricted fund balance at September 30, 2020. Projected revenues reflect a 9.7% increase and expenditures also reflect an 2.36% increase compared to FY 2019 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 2019, 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.



Randy Perez
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, 2019

EXHIBIT A-1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	MEDC	MRA
ASSETS					
Cash and cash equivalents	\$ 3,762,505	\$ 87,451	\$ 3,849,956	\$ 292,347	\$ 5,650,089
Investments	9,278,003	812,992	10,090,995	-	6,667,796
Receivables, net	6,312,140	4,021,168	10,333,308	740,143	26,315
Internal balances	2,835,372	(2,835,372)	-	-	-
Due from primary government	-	-	-	5,343	-
Due from component unit	863,476	72,967	936,443	-	149,293
Inventory	37,121	228,055	265,176	-	-
Land held for resale	1,104,518	-	1,104,518	-	-
Prepaid items	349,707	66,405	416,112	-	152,479
Redevelopment assets	-	-	-	-	2,819,933
Notes receivable current	26,739	-	26,739	-	-
Long-term receivable	47,280	-	47,280	-	-
Restricted assets	-	8,010,689	8,010,689	453,704	-
Capital assets:					
Land, water rights, and construction in progress	49,058,108	25,830,271	74,888,379	6,835,904	-
Other capital assets, net of accumulated depreciation	96,224,442	74,378,049	170,602,491	6,755,443	-
Total Assets	169,899,411	110,672,675	280,572,086	15,082,884	15,465,905
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge related to loss on refunding	406,262	448,407	854,669	-	-
Deferred outflow related to pensions	5,839,846	1,211,908	7,051,754	-	-
Deferred outflow related to other post-employment benefits	419,632	87,171	506,803	-	-
Total deferred outflow of resources	6,665,740	1,747,486	8,413,226	-	-
LIABILITIES					
Accounts payable	2,514,303	1,172,691	3,686,994	46,909	2,963
Customer deposits	-	2,514,248	2,514,248	-	-
Accrued interest payable	238,130	98,462	336,592	80,202	62,466
Other liabilities	453,937	171,535	625,472	-	-
Subdividers deposits	-	1,928,751	1,928,751	-	-
Retainage payable	285,157	-	285,157	-	-
Accrued payroll	417,730	135,712	553,442	-	-
Due to primary government	-	-	-	853,563	82,880
Due to component unit	5,343	-	5,343	-	-
Unearned revenues	2,115,863	12,642	2,128,505	-	-
Non-current liabilities:					
Due in more than one year	67,984,878	34,924,081	102,908,959	14,079,248	19,320,332
Due within one year	5,361,020	3,609,500	8,970,520	1,301,014	2,179,555
Total Liabilities	79,376,361	44,567,622	123,943,983	16,360,936	21,648,196
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow related to pensions	276,107	56,653	332,760	-	-
Deferred inflow related to other post-employment benefits	64,745	13,449	78,194	-	-
Total deferred inflows of resources	340,852	70,102	410,954	-	-
NET POSITION					
Net investment in capital assets	106,695,623	66,124,522	172,820,145	287,536	-
Restricted for:					
Debt Service	681,236	1,554,279	2,235,515	353,341	3,104,784
Construction	-	3,246,227	3,246,227	22,028	-
Capital Improvements	2,015,313	-	2,015,313	-	-
Federal and other awards	102,468	-	102,468	-	-
Tourism	641,326	-	641,326	-	-
Municipal court	420,636	-	420,636	-	-
MEDA	1,125,328	-	1,125,328	-	-
Other purposes	85,461	-	85,461	-	-
Unrestricted	(14,919,453)	(3,142,591)	(18,062,044)	(1,940,957)	(9,287,074)
Total Net Position	\$ 96,847,938	\$ 67,782,437	\$ 164,630,375	\$ (1,278,052)	\$ (6,182,290)

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, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 10,978,266	\$ 2,288,769	\$ -	\$ -
Public safety	25,991,960	71,984	1,700,596	341,465
Highways and streets	9,700,248	968,018	78,601	3,509,265
Health and welfare	1,768,689	396,260	1,287,958	-
Culture and recreation	8,327,470	736,090	585,423	2,124,792
Economic development	5,778,839	-	2,736,752	-
Interest and fiscal charges on long-term debt	1,905,498	-	5,760	-
Total Governmental Activities	64,450,970	4,461,121	6,395,090	5,975,522
Business-type activities:				
Utility	16,533,621	20,422,613	28,863	1,085,961
Golf Course	1,389,008	905,298	-	-
Solid Waste	6,466,352	7,382,406	-	-
Total Business-type Activities	24,388,981	28,710,317	28,863	1,085,961
Total Primary Government	\$ 88,839,951	\$ 33,171,438	\$ 6,423,953	\$ 7,061,483
COMPONENT UNITS:				
Mission Economic Development Corporation	4,358,542	136,820	284,738	-
Mission Redevelopment Authority	3,540,785	-	-	-
Total Component Units	\$ 7,899,327	\$ 136,820	\$ 284,738	\$ -
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 - 10/01/18				
Prior period adjustment				
Adjusted Net Position 10/01/18 RESTATED				
Net Position - Ending 09/30/19				

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

EXHIBIT A-2

Net (Expenses) Revenues and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	MEDC	MRA
\$ (8,689,497)	\$ -	\$ (8,689,497)	\$ -	\$ -
(23,877,915)	-	(23,877,915)	-	-
(5,144,364)	-	(5,144,364)	-	-
(84,471)	-	(84,471)	-	-
(4,881,164)	-	(4,881,164)	-	-
(3,042,087)	-	(3,042,087)	-	-
(1,899,738)	-	(1,899,738)	-	-
(47,619,236)	-	(47,619,236)	-	-
-	5,003,816	5,003,816	-	-
-	(483,710)	(483,710)	-	-
-	916,054	916,054	-	-
-	5,436,160	5,436,160	-	-
<u>\$ (47,619,236)</u>	<u>\$ 5,436,160</u>	<u>\$ (42,183,076)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(3,936,984)	-
-	-	-	-	(3,540,785)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,936,984)</u>	<u>\$ (3,540,785)</u>
20,736,937	-	20,736,937	-	-
12,704,132	-	12,704,132	4,234,711	-
2,860,767	-	2,860,767	-	-
488,269	-	488,269	-	-
31,804	-	31,804	-	-
259,765	-	259,765	-	5,195,292
109,853	59,180	169,033	-	13,874
426,299	115,811	542,110	537,481	235,010
5,446,591	(5,446,591)	-	-	-
43,064,417	(5,271,600)	37,792,817	4,772,192	5,444,176
(4,554,819)	164,560	(4,390,259)	835,208	1,903,391
101,779,343	67,617,877	169,397,220	(2,030,102)	(8,085,681)
(376,586)	-	(376,586)	(83,158)	-
101,402,757	67,617,877	169,020,634	(2,113,260)	(8,085,681)
<u>\$ 96,847,938</u>	<u>\$ 67,782,437</u>	<u>\$ 164,630,375</u>	<u>\$ (1,278,052)</u>	<u>\$ (6,182,290)</u>

CITY OF MISSION, TEXAS

BALANCE SHEET-GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

EXHIBIT A-3

	General Fund	Debt Service Fund	2018 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 16,587	\$ 357,486	\$ 3,324,229	\$ 64,204	\$ 3,762,506
Investments	611,735	100,620	6,329,912	1,733,611	8,775,878
Prepaid items	74,134	-	-	4,008	78,142
Receivables:					
Taxes, including interest and penalties	1,890,653	408,640	-	-	2,299,293
Accounts	1,791,260	-	-	424,627	2,215,887
Special assessments	-	-	-	152,634	152,634
Less: allowance for uncollectibles	(1,890,956)	(157,739)	-	(7,947)	(2,056,642)
Due from other governments	2,533,237	-	-	1,163,596	3,696,833
Due from other funds	6,304,248	-	-	3,967,936	10,272,184
Due from component unit	846,773	-	-	2,448	849,221
Long-term receivable	47,280	-	-	-	47,280
Inventory	27,702	-	-	9,419	37,121
Land held for resale	-	-	-	1,104,518	1,104,518
Total Assets	<u>\$ 12,252,653</u>	<u>\$ 709,007</u>	<u>\$ 9,654,141</u>	<u>\$ 8,619,054</u>	<u>\$ 31,234,855</u>
LIABILITIES					
Accounts payable	\$ 1,070,253	\$ -	\$ 33,979	\$ 1,243,909	\$ 2,348,141
Other liabilities	429,098	-	-	24,840	453,938
Retainage payable	181,570	-	28,213	75,375	285,158
Accrued payroll	398,550	-	-	19,180	417,730
Due to other funds	6,073,478	540	-	795,189	6,869,207
Due to component unit	5,343	-	-	-	5,343
Unearned revenue	45,833	-	-	2,070,029	2,115,862
Total Liabilities	<u>8,204,125</u>	<u>540</u>	<u>62,192</u>	<u>4,228,522</u>	<u>12,495,379</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	<u>1,020,352</u>	<u>239,031</u>	<u>-</u>	<u>-</u>	<u>1,259,383</u>
Total deferred inflows of resources	<u>1,020,352</u>	<u>239,031</u>	<u>-</u>	<u>-</u>	<u>1,259,383</u>
FUND BALANCES:					
Nonspendable	149,116	-	-	12,619	161,735
Restricted	-	469,436	9,591,949	4,377,913	14,439,298
Assigned	1,474,482	-	-	-	1,474,482
Unassigned	1,404,578	-	-	-	1,404,578
Total Fund Balances	<u>3,028,176</u>	<u>469,436</u>	<u>9,591,949</u>	<u>4,390,532</u>	<u>17,480,093</u>
Total Liabilities and Fund Balances	<u>\$ 12,252,653</u>	<u>\$ 709,007</u>	<u>\$ 9,654,141</u>	<u>\$ 8,619,054</u>	<u>\$ 31,234,855</u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019****EXHIBIT A-4**

Total fund balances - governmental funds balance sheet	\$ 17,480,093
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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.	145,282,550
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,259,384
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	(186,513)
Payables for bond principal which are not due in the current period are not reported in the funds.	(42,428,246)
Payables for capital lease which are not due in the current period are not reported in the funds.	(2,357,730)
Payable for bond interest which are not due in the current period are not reported in the funds.	(238,130)
Payables for long term liability not due in the current period and not reported in the funds.	(3,768,203)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(3,051,581)
Payables for net pension liability which are not due in the current period are not reported in the funds.	(11,904,534)
Payables for net OPEB liability which are not due in the current period are not reported in the funds.	(5,400,385)
Unamortized deferred inflows related to pensions are not reported in the funds.	(340,852)
Unamortized pension unavailable for current-period expenditures and are deferred in the SNP.	6,259,477
Unamortized pre-paid bond insurance unavailable for current-period expenditures and are in the SNP.	271,565
Unamortized bond deferred charge on refunding unavailable for current-period expenditures and are deferred in the SNP	406,262
Unamortized premium unavailable for current-period expenditures and are in the SNP.	<u>(4,435,219)</u>

Net position of governmental activities - statement of net position	<u><u>\$ 96,847,938</u></u>
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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, 2019

	General Fund	Debt Service Fund	2018 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and special assessments	\$ 32,936,828	\$ 3,399,229	\$ -	\$ 1,456,287	\$ 37,792,344
Licenses and permits	714,545	-	-	-	714,545
Intergovernmental	1,161,942	-	-	7,855,151	9,017,093
Charges for services	1,188,196	-	-	460,827	1,649,023
Fines	723,578	-	-	-	723,578
Interest	49,314	5,760	124,792	44,799	224,665
Miscellaneous	361,867	1,504,902	9,818	160,845	2,037,432
Total revenues	<u>37,136,270</u>	<u>4,909,891</u>	<u>134,610</u>	<u>9,977,909</u>	<u>52,158,680</u>
EXPENDITURES					
Current:					
General government	9,252,440	-	773,149	1,337,968	11,363,557
Public safety	21,766,596	-	-	1,411,324	23,177,920
Highways and streets	3,807,963	-	-	1,623,043	5,431,006
Health and welfare	554,032	-	-	53,964	607,996
Culture and recreation	6,398,204	-	-	2,021,859	8,420,063
Economic development	-	-	-	5,778,839	5,778,839
Capital projects	-	-	2,269,512	2,253,027	4,522,539
Debt service:					
Principal	222,308	3,210,000	-	155,568	3,587,876
Bond issuance costs	-	-	246,686	-	246,686
Interest and fiscal charges	17,971	1,798,562	-	124,002	1,940,535
Total expenditures	<u>42,019,514</u>	<u>5,008,562</u>	<u>3,289,347</u>	<u>14,759,594</u>	<u>65,077,017</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(4,883,244)</u>	<u>(98,671)</u>	<u>(3,154,737)</u>	<u>(4,781,685)</u>	<u>(12,918,337)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	11,690,000	-	11,690,000
Bond premium	-	-	1,056,686	-	1,056,686
Proceeds from sale of assets	8,533	-	-	9,430	17,963
Transfers in	7,780,000	943	-	3,307,561	11,088,504
Transfers out	(3,267,886)	(401,744)	-	(18,875)	(3,688,505)
Total Other Financing Sources (uses)	<u>4,520,647</u>	<u>(400,801)</u>	<u>12,746,686</u>	<u>3,298,116</u>	<u>20,164,648</u>
Net change in fund balances	(362,597)	(499,472)	9,591,949	(1,483,569)	7,246,311
Fund balances at beginning of year	3,307,616	968,908	-	5,874,101	10,150,625
Prior period adjustment	83,157	-	-	-	83,157
Adjusted Fund Balance 10/01/18 RESTATED	3,390,773	968,908	-	5,874,101	10,233,782
Fund balances at end of year	<u>\$ 3,028,176</u>	<u>\$ 469,436</u>	<u>\$ 9,591,949</u>	<u>\$ 4,390,532</u>	<u>\$ 17,480,093</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, 2019*

Net change in fund balances - total governmental funds	\$ 7,246,311
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA	5,470,041
The depreciation of capital assets used in governmental activities is not reported in the funds.	(7,969,734)
The gain or loss on the sale of capital assets is not reported in the funds.	(17,925)
Donation of capital assets increase net position in the SOA but not in the funds.	1,902,534
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(2,418)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	3,210,000
Repayment of long term liability is an expenditure in the funds but is not an expense in the SOA.	97,356
Repayment of capital lease is an expenditure in the funds but is not an expense in the SOA.	280,520
Pension expense for current period	(1,220,249)
Other post employment benefit expense for current period	(498,894)
Long term payable is not an expenditure in the funds but is an expense in the SOA.	(306,850)
Bond issuance costs and bond premiums are reflected in the funds but not in the SOA.	(810,000)
Bond proceeds are reflected in the funds but not in the SOA.	(11,690,000)
Bond pre-paid insurance costs and similar items are amortized in the SOA but not in the funds.	114,150
(Increase) decrease in accrued interest from beginning of period to end of period.	(51,834)
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	(501,463)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	193,636
Change in net position of governmental activities - statement of activities	<u><u>\$ (4,554,819)</u></u>

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, 2019

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	\$ 3,600	\$ 650	83,201	\$ 87,451	\$ -
Investments	307,210	-	505,782	812,992	502,123
Restricted assets:					
Cash and cash equivalents	5,410,997	4,948	-	5,415,945	-
Investments	2,346,034	-	248,710	2,594,744	-
Prepaid items	60,287	6,118	-	66,405	-
Receivables	3,161,765	3,926	1,141,523	4,307,214	30,877
Less: allowance for uncollectibles	(239,831)	-	(46,215)	(286,046)	-
Due from other funds	50,157	-	1,331,859	1,382,016	859,847
Due from component unit	72,967	-	-	72,967	14,254
Inventories (at cost)	184,706	43,349	-	228,055	-
Total Current Assets	<u>11,357,892</u>	<u>58,991</u>	<u>3,264,860</u>	<u>14,681,743</u>	<u>1,407,101</u>
Noncurrent Assets:					
Advance of funds receivable	2,321,158	-	-	2,321,158	-
Capital assets:					
Land, water rights, and construction in progress	24,187,352	1,642,919	-	25,830,271	-
Other capital assets, net of accumulated depreciation	<u>67,975,946</u>	<u>1,981,845</u>	<u>4,420,258</u>	<u>74,378,049</u>	<u>-</u>
Total Noncurrent Assets	<u>94,484,456</u>	<u>3,624,764</u>	<u>4,420,258</u>	<u>102,529,478</u>	<u>-</u>
Total Assets	<u>\$ 105,842,348</u>	<u>\$ 3,683,755</u>	<u>\$ 7,685,118</u>	<u>\$ 117,211,221</u>	<u>\$ 1,407,101</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge related to loss on refunding	448,407	-	-	448,407	-
Deferred outflow related to pensions	801,127	128,237	282,544	1,211,908	-
Deferred outflow related to other post-employment benefits	<u>57,624</u>	<u>9,224</u>	<u>20,323</u>	<u>87,171</u>	<u>-</u>
Total deferred outflows of resources	<u>1,307,158</u>	<u>137,461</u>	<u>302,867</u>	<u>1,747,486</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 848,605	\$ 17,879	\$ 306,207	\$ 1,172,691	\$ 1,180
Claims payable	-	-	-	-	164,583
Accrued payroll	103,284	9,628	22,800	135,712	-
Compensated absences payable	154,620	26,683	12,426	193,729	-
Due to other funds	3,319,218	8,758	495,146	3,823,122	1,821,720
Unearned revenue	-	12,642	-	12,642	-
Accrued interest	94,550	137	3,775	98,462	-
Other liabilities	47,310	33,681	90,544	171,535	400
Subdividers deposits	1,928,751	-	-	1,928,751	-
Customer deposits	2,514,248	-	-	2,514,248	-
Current portion of long-term debt	<u>2,567,394</u>	<u>48,378</u>	<u>800,000</u>	<u>3,415,772</u>	<u>-</u>
Total Current Liabilities	<u>11,577,980</u>	<u>157,786</u>	<u>1,730,898</u>	<u>13,466,664</u>	<u>1,987,883</u>
Other Non-Current Liabilities:					
Long term compensated absences	181,420	36,050	11,136	228,606	-
Capital lease payable	-	8,208	-	8,208	-
Advance of funds payable	-	2,321,158	-	2,321,158	-
Net Pension liability	1,626,719	260,390	573,716	2,460,825	-
Net OPEB liability	741,574	118,704	261,540	1,121,818	-
Public Property Finance Contractual Obligations payable, net	-	-	815,000	815,000	-
Revenue bonds, net of current portion, discount, and deferred	<u>30,289,623</u>	<u>-</u>	<u>-</u>	<u>30,289,623</u>	<u>-</u>
Total Other Non-Current Liabilities	<u>32,839,336</u>	<u>2,744,510</u>	<u>1,661,392</u>	<u>37,245,238</u>	<u>-</u>
Total Liabilities	<u>44,417,316</u>	<u>2,902,296</u>	<u>3,392,290</u>	<u>50,711,902</u>	<u>1,987,883</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	37,450	5,995	13,208	56,653	-
Deferred inflows related to other post employment benefits	<u>8,891</u>	<u>1,423</u>	<u>3,136</u>	<u>13,450</u>	<u>-</u>
Total deferred outflows of resources	<u>46,341</u>	<u>7,418</u>	<u>16,344</u>	<u>70,103</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	59,754,687	3,564,578	2,805,258	66,124,523	-
Restricted for:					
Debt service	1,554,279	-	-	1,554,279	-
Construction	1,653,128	-	-	1,653,128	-
Capital Projects	-	12,530	1,580,569	1,593,099	-
Unrestricted	<u>(276,245)</u>	<u>(2,665,606)</u>	<u>193,524</u>	<u>(2,748,327)</u>	<u>(580,781)</u>
Total Net Position	<u>\$ 62,685,849</u>	<u>\$ 911,502</u>	<u>\$ 4,579,351</u>	<u>\$ 68,176,702</u>	<u>\$ (580,781)</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.				(394,265)	
Net Position of Business-type Activities				<u>\$ 67,782,437</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, 2019

	Business-type Activities Enterprise Fund	
	Utility Fund	Golf Course Fund
Operating Revenues:		
Charges for services	\$ 20,509,062	\$ 907,486
Operating Expenses:		
Insurance claim drafts	-	-
Health insurance cost	-	-
Utility administration	801,268	-
Water distribution	2,660,801	-
Water treatment	1,632,862	-
Wastewater treatment and collection	1,667,949	-
Industrial pretreatment	349,600	-
Utility collection	516,566	-
Organizational expenses	446,384	-
Meter readers	468,047	-
Northside water treatment plant	2,052,477	-
Depreciation	5,096,478	212,635
Cost of sales	-	112,780
Golf course operation	-	1,032,982
Solid waste disposal	-	-
Total Operating Expenses	15,692,432	1,358,397
Operating income (loss)	4,816,630	(450,911)
Non operating revenues (expenses)		
Gain (Loss) on disposal of capital assets	2,220	-
Interest earned	62,042	-
Other nonoperating revenue	5,130	-
Bond Interest expense	(676,054)	-
Bond fiscal charges	(3,850)	-
Other interest expense	-	(2,350)
Total non-operating revenues (expenses)	(610,512)	(2,350)
Net Income (loss) before transfers and capital contributions	4,206,118	(453,261)
Transfers In (Out)	(4,600,000)	-
Capital Contributions	1,085,961	-
Change in Net Position	692,079	(453,261)
Net Position-Beginning of Year	61,993,772	1,364,762
Net Position-End of Year	\$ 62,685,851	\$ 911,501

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
\$ 7,402,228	\$ 28,818,776	\$ 5,190,995
-	-	4,879,741
-	-	1,061,562
-	801,268	-
-	2,660,801	-
-	1,632,862	-
-	1,667,949	-
-	349,600	-
-	516,566	-
-	446,384	-
-	468,047	-
-	2,052,477	-
579,573	5,888,686	-
-	112,780	-
-	1,032,982	-
5,805,328	5,805,328	-
6,384,901	23,435,730	5,941,303
1,017,327	5,383,046	(750,308)
-	2,220	-
26,000	88,042	12,054
-	5,130	-
(33,905)	(709,959)	-
(300)	(4,150)	-
-	(2,350)	-
(8,205)	(621,067)	12,054
1,009,122	4,761,979	(738,254)
(2,800,000)	(7,400,000)	-
1,953,409	3,039,370	-
162,531	401,349	(738,254)
4,416,821		157,473
\$ 4,579,352		\$ (580,781)

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	(236,788)
	\$ 164,561



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CITY OF MISSION, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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>	\$ 19,937,953	\$ 780,831	\$ 7,310,932	\$ 28,029,716	\$ -
<i>Cash Received from Interfund Services Used</i>	-	-	-	-	6,000,705
<i>Cash Payments from Interfund Services Used</i>	-	-	-	-	(6,109,005)
<i>Cash Payments to Employees for Services</i>	(4,505,412)	(679,997)	(1,397,840)	(6,583,249)	-
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(7,642,098)	(41,679)	(3,302,961)	(10,986,738)	-
Net Cash Provided (Used) by Operating Activities	7,790,443	59,155	2,610,131	10,459,729	(108,300)
Cash Flows from Non-Capital Financing Activities:					
<i>Proceed from Insurance Settlement</i>	5,130	-	-	5,130	-
<i>Transfers From (To) Other Funds</i>	(4,600,000)	-	(2,800,000)	(7,400,000)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(4,594,870)	-	(2,800,000)	(7,394,870)	-
Cash Flows from Capital and Related Financing Activities:					
<i>Proceed from Sale of Capital Assets</i>	2,220	-	-	2,220	-
<i>Principal and Interest Paid</i>	(3,049,904)	(49,300)	(819,205)	(3,918,409)	-
<i>Acquisition or Construction of Capital Assets</i>	(2,365,553)	(4,905)	(1,953,409)	(4,323,867)	-
<i>Contributed Capital</i>	-	-	1,953,409	1,953,409	-
Net Cash Provided (Used) for Capital & Related Financing Activities	(5,413,237)	(54,205)	(819,205)	(6,286,647)	-
Cash Flows from Investing Activities:					
<i>Purchase of Investment Securities</i>	(1,547,118)	-	(15,271)	(1,562,389)	(99)
<i>Proceeds from Sale and Maturities of Securities</i>	3,640,701	-	994,000	4,634,701	-
<i>Interest on Investments</i>	54,640	-	31,144	85,784	5,341
Net Cash Provided (Used) for Investing Activities	2,148,223	-	1,009,873	3,158,096	5,242
Net Increase (Decrease) in Cash and Cash Equivalents	(69,441)	4,950	799	(63,692)	(103,058)
Cash and Cash Equivalents at Beginning of Year	5,484,038	650	82,402	5,567,090	103,059
Cash and Cash Equivalents at End of Year	\$ 5,414,597	\$ 5,600	\$ 83,201	\$ 5,503,398	\$ 1
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 4,816,630	\$ (450,909)	\$ 1,017,327	\$ 5,383,048	\$ (750,308)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
<i>Depreciation</i>	5,096,478	212,635	579,573	5,888,686	-
Change in Assets and Liabilities:					
<i>Decrease (Increase) in Receivables</i>	(716,576)	(36,619)	(312,299)	(1,065,494)	(21,550)
<i>Decrease (Increase) in Inventories</i>	(5,418)	8,576	-	3,158	-
<i>Decrease (Increase) in Prepaid Expenses</i>	7,363	-	-	7,363	-
<i>Decrease (Increase) in Due from Other Funds</i>	(377,112)	19,089	221,002	(137,021)	(298,919)
<i>Decrease (Increase) in Due from Other Governments</i>	321,570	-	-	321,570	-
<i>Increase (Decrease) in Accounts Payable</i>	(924,226)	(9,979)	(756)	(934,961)	-
<i>Increase (Decrease) in Customer Deposits</i>	77,874	-	-	77,874	-
<i>Increase (Decrease) in Accrued Wages Payable</i>	43,027	2,171	-	45,198	-
<i>Increase (Decrease) in Due to Other Funds</i>	(806,262)	320,249	485,761	(252)	1,130,179
<i>Increase (Decrease) in Other Liabilities</i>	177,377	94,625	619,523	891,525	(167,702)
<i>Increase (Decrease) in Subdividers Deposits Payable</i>	67,592	-	-	67,592	-
<i>Increase (Decrease) in Compensated Absences Payable</i>	12,126	(10,647)	-	1,479	-
<i>Increase (Decrease) in Unearned Revenue</i>	-	(90,036)	-	(90,036)	-
Total Adjustments	2,973,813	510,064	1,592,804	5,076,681	642,008
Net Cash Provided (Used) by Operating Activities	\$ 7,790,443	\$ 59,155	\$ 2,610,131	\$ 10,459,729	\$ (108,300)
Noncash Investing, Capital and Financing Activities:					
<i>Contributed Capital Assets</i>	\$ 1,085,961	\$ -	\$ -	\$ 1,085,961	\$ -
<i>Increase (decrease) in fair value investments</i>	35,025	-	15,271	50,296	3,687
Total Noncash Investing, Capital and Financing Activities	\$ 1,120,986	\$ -	\$ 15,271	\$ 1,136,257	\$ 3,687

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****SEPTEMBER 30, 2019****EXHIBIT A-10**

	Private-purpose Trust Fund Speer Library- Breyfogle
ASSETS	
Cash and cash equivalents	\$ 6,812
Investments	-
Accrued interest receivable	-
Due from other funds	-
Total Assets	<u>\$ 6,812</u>
LIABILITIES	
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, 2019*

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

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mission, Texas (the “City”), was incorporated in 1910 under the provisions of the City’s Home Rule Charter. The current City Home Rule Charter, which was last amended in 2008, authorizes the following services: public safety, public utilities, public works, planning and zoning, sanitation, recreational and cultural activities, a municipal golf course and general administrative services. Education, health, and welfare are administered by other governmental entities.

Reporting Entity

The City is a municipal corporation governed by an elected mayor and four-member governing council (the “Council”). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

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 (MEDC). 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 MEDC. MEDA holds an investment in several lots of land which are available for sale. MEDA is presented as a blended component unit as MEDA’s current limited activity exclusively benefits the City. The MEDA does not issue separate financial statements. Their financial statements are included in the City’s Comprehensive Annual Financial Report as a special revenue fund for the year ended September 30, 2019.

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 MEDC was organized on behalf of the City 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

Separately issued financial reports are available for the MEDC. These reports may be obtained by contacting the following offices.

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

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.

Separately issued financial reports are available for the MRA. These reports may be obtained by contacting the following offices.

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

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 nonfiduciary 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 operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. 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.

As discussed earlier, the City has two discretely presented component units. While the MEDC and MRA are considered to be major component units, it is nevertheless shown in separate column in the government-wide financial statements.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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 all dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund and blended component unit. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

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 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 funds.

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 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. None of the capital projects funds are major funds.

The City reports the following proprietary fund types and related major 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.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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

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

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.

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.

Fiduciary Fund is a private purpose trust fund, The Speer Memorial Library-Breyfogle. This fund is used to account for resources held in trust to be used for Library Science courses. Such resources 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.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Budgetary Information

Budgetary basis of accounting

As mandated by the City Charter, budgets are required for all City funds each year. For the year ended September 30, 2019 budgets were not adopted for the Fiduciary Fund, but were adopted for the Internal Service Fund. 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.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Excess of expenditures over appropriations

During the year ended September 30, 2019, five General Fund departments expenditures exceeded appropriations by a total of \$306,665, as reflected on exhibit B-1.

Mission Economic Development Corporation

A net position deficit exists in the amount of \$1,278,052 for the year ended September 30, 2019. MEDC does not have funds with deficit fund balance at year end. The negative balance is due to additional debt payment taken on by MEDC.

Mission Redevelopment Authority

A net position deficit exists in the amount of \$6,182,290 for year ended September 30, 2019. 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, 2019

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

Cash and Cash Equivalents

The City'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

Investments for the City 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 State's *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.

The Mission Redevelopment Authority (MRA) 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 of U.S. government bonds and certificates of deposits which are valued at fair value.

Receivables and Payables

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.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in the Utility fund in excess of 120 days are subject to being considered as uncollectible.

Unearned revenue – Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements 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.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and repair parts as well as golf shop merchandise. The cost of such inventories is recorded as expenditures/expenses when consumed or sold rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

These balances 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.

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.

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Subdividers deposit accounts – Deposits that are to be refunded upon satisfaction of all obligations due.

Bond debt service accounts – Certain proceeds of long term debt, as well as certain resources set aside for their repayment.

Capital projects – Includes resources set aside for capital outlays.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$250 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 are recorded at their estimated acquisition value at the date of donation.

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.

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred amount on refunding*, the *deferred outflows related to pensions*, and the *deferred outflows related to OPEB*, reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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.

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.

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 applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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 earning 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.

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, 2019

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 20.

Revenues and Expenditures/Expenses

Program revenues - Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the year ended September 30, 2019 (2018 levy), was \$0.4862 per \$100 valuation. Taxes receivable consists of property taxes of \$2,299,293 and sales taxes of \$2,117,583 for a total taxes receivable of \$4,416,876.

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Fund, Golf Course Fund, Solid Waste Fund and internal service funds are charges to customers for sales and services. 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 nonoperating revenues and expenses.

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.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services, which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. The following are the significant encumbrances at year-end:

General Fund	\$ 1,420,605
2018 Capital Projects Fund	126,875
Nonmajor Governmental Funds	965,937
Total	<u>\$ 2,513,417</u>

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Rounding Adjustments

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 29, 2020. See Note 29 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In fiscal year 2019, the City has implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this statement is to provide for the measurement and accounting of legally enforceable liabilities associated with the retirement of tangible capital assets. There is no impact to the City's financial statements as a result of this statement.

The City has implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of this statement did not result in any change in the City's financial statements. GASB Statement No. 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to the financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. Additional information can be found in Note 11.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2018.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The City is evaluating the requirements of the above statements and the impact on reporting.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Primary Government

Deposits – At September 30, 2019, the carrying value of the City’s deposits was \$9,255,742 and the bank balance was \$9,924,091. 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 are as follows at September 30, 2019:

Investments	
Certificates of deposit (reported at amortized cost)	\$ 5,733,975
U.S. Government Bonds (reported at fair value - level 2)	1,499,498
Total investments	\$ 7,233,473

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 \$287,287.

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

The following is the Interest Rate Risk using Specific Identification, as of September 30, 2019:

Investment Type	Fair Value	Maturity Period		
		3 Months or Less	4-12 Months	Over One Year
TexPool	\$ 5,667,301	\$ 5,667,301	\$ -	\$ -
Federal National Mortgage	749,848	249,693	-	500,155
Federal Home Loan Mortgage	749,650	749,650	-	-
Total	\$ 7,166,798	\$ 6,666,643	\$ -	\$ 500,155

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.

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*

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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).

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.

As of September 30, 2019, the following was the composition of the City's credit rating by investment:

Investment Type	Rating	Exposure
TexPool	AAA	44%
Federal National Mortgage	AAA	6%
Federal Home Loan Mortgage	AAA	6%
Certificates of Deposits	N/A	44%

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

- 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.

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

Cash on hand	\$ 10,159
Carrying amount of deposits	9,255,742
Investments	12,685,740
Total Cash and Investments	\$ 21,951,641

Cash and cash equivalents	\$ 3,766,755
Investments	10,090,995
Restricted assets	8,093,891
Total Cash, Investments and Restricted Assets on Statement of Net Position	\$ 21,951,641

B. Component Units

Mission Economic Development Corporation

Deposits - At September 30, 2019, the carrying value and bank balance of MEDC's deposits was \$505,998. Deposits include demand accounts and certificate of deposits with an initial maturity of three months or less. At September 30, 2019, all deposits were fully insured or collateralized. See custodial credit risk below.

Investments - During the year, MEDC had investments comprised of certificates of deposit.

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.

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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.

MEDC's investments consist of certificates of deposit reported at amortized cost in the amount of \$254,649 at September 30, 2019. At September 30, 2019, MEDC had deposits collateralized by pledged securities of \$299,282; all deposits were insured by the FDIC or were fully collateralized.

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

Petty cash	\$ 500
Cash and cash equivalents	490,902
Investments	254,649
Total Cash and Investments	\$ 746,051
<hr/>	
Cash and cash equivalents	\$ 292,347
Restricted assets	453,704
Total Cash and Restricted Assets on Statement of Net Position	\$ 746,051

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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.

Deposits

As of the fiscal year end, the bank balance of the Authority's deposits was \$5,658,283. The carrying values of these deposits totaled \$5,650,089.

Investments

As of September 30, 2019, 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	\$ 4,357,865	\$ 4,354,862	\$ -	\$ 4,354,862	\$ -
U.S. Government Bonds	801,154	2,312,934	-	2,114,234	198,700
Total	\$ 5,159,019	\$ 6,667,796	\$ -	\$ 6,469,096	\$ 198,700

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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, 2019, 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.

NOTE 3 – RECEIVABLES

Receivables at September 30, 2019 were as follows:

	Taxes	Accounts	Special Assessments	Due from Other Governments	Allowance for Uncollectible	Net
Governmental Activities						
General	\$ 1,890,653	\$ 1,764,518	\$ -	\$ 2,533,237	\$ (1,890,956)	\$ 4,297,452
Debt Service	408,640	-	-	-	(157,739)	250,901
Nonmajor Gov't Funds	-	424,627	152,634	1,163,596	(7,947)	1,732,910
Internal Service Fund	-	30,877	-	-	-	30,877
Total	\$ 2,299,293	\$ 2,220,022	\$ 152,634	\$ 3,696,833	\$ (2,056,642)	\$ 6,312,140
Business-Type Activities						
Utility	\$ -	\$ 3,161,765	\$ -	\$ -	\$ (239,831)	\$ 2,921,934
Golf Course	-	3,926	-	-	-	3,926
Solid Waste	-	1,141,523	-	-	(46,215)	1,095,308
Total	\$ -	\$ 4,307,214	\$ -	\$ -	\$ (286,046)	\$ 4,021,168

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 3 – RECEIVABLES (Continued)

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

	Utility Fund	Solid Waste Fund
Gross operating revenues	\$ 20,660,819	\$ 7,427,752
Uncollectible related to current year	(151,757)	(25,524)
Net operating revenues	\$ 20,509,062	\$ 7,402,228

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund receivable and payable balances at September 30, 2019 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utility Fund	\$ 3,287,323
General Fund	Solid Waste Fund	469,408
General Fund	Non-Major Governmental Funds	725,797
General Fund	ISF - Group Health Fund	1,821,720
Non-Major Governmental Funds	General Fund	3,957,321
Non-Major Governmental Funds	Non-Major Governmental Funds	10,575
Non-Major Governmental Funds	Utility Fund	40
Utility Fund	General Fund	1,036
Utility Fund	Debt Service Fund	540
Utility Fund	Non-Major Governmental Funds	48,581
Solid Waste Fund	General Fund	1,331,859
ISF - Group Health Fund	General Fund	783,262
ISF - Group Health Fund	Utility Fund	31,853
ISF - Group Health Fund	Solid Waste Fund	25,738
ISF - Group Health Fund	Golf Course Fund	8,758
ISF - Group Health Fund	Non-Major Governmental Funds	10,236
Total		\$ 12,514,047

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

B. Due to/from the primary government and component units at September 30, 2019 were as follows:

Receivable Entity	Payable Entity	Amount
Primary Gov't - General Fund	Component Unit - MRA	\$ 7,465
Primary Gov't - General Fund	Component Unit - MEDC	839,309
Primary Gov't - Nonmajor Gov't Funds	Component Unit - MRA	2,448
Primary Gov't - Utility Fund	Component Unit - MRA	72,967
Primary Gov't - Group Health Fund	Component Unit - MEDC	14,254
Total		\$ 936,443

C. Interfund Transfers:

	Transfers In			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfers Out				
General Fund	\$ 380,000	\$ -	\$ 2,887,886	\$ 3,267,886
Debt Service Fund	-	-	401,744	401,744
Non-Major Governmental Funds	-	943	17,932	18,875
Utility Fund	4,600,000	-	-	4,600,000
Solid Waste Fund	2,800,000	-	-	2,800,000
Total Transfers Out	\$ 7,780,000	\$ 943	\$ 3,307,562	\$ 11,088,505

Transfers out from the General to Non-Major Governmental Funds were to sustain the operating activities of those funds. The Capital Asset Replacement and the Boys and Girls Club funds are presented within the General Fund column of the statements, therefore reflected above as a transfer in to general fund.

Transfers from the Utility and Solid Waste Funds to the General Fund were to supplement the General Fund for administrative services provided to the Enterprise Fund. Fourteen departments of the General Fund provide operational assistance to the Utility Fund on a routine basis.

NOTE 5 – 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, 2019 the remaining properties are stated at a cost of \$1,104,518, which is less than their estimated fair value. These lots will continue to be sold to attract development to further benefit the City.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 6 – 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, 2019 are as follows:

Redevelopment Projects	September 30, 2018	Increase	Decrease	September 30, 2019
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	142,593	-	-	142,593
Military Highway West Wastewater and Water Trunklines	83,948	-	-	83,948
Anzalduas Lift Stations	346,380	-	-	346,380
Hoener Road Project	-	50,300	-	50,300
Total Redevelopment Assets	\$ 2,769,633	\$ 50,300	\$ -	\$ 2,819,933

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

Bentsen Palms Lift Station	\$ 71,891
Mission Water Tower	203,909
Rail Project	27,200
Event Center	137,694
Military and Inspiration Expansion	500,000
South Conway Lift Station	171,538
Anzalduas Phase 2	1,187,959
Total Redevelopment Expenditures	\$ 2,300,191

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

NOTE 7 – LONG-TERM RECEIVABLES

Long-term receivables in the governmental activities of the City of Mission consists of the following:

Housing Rehabilitation 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 7 – LONG-TERM RECEIVABLES (Continued)

MEDC Long-term Receivable - receivable for repayment of sales tax to be paid by the City on behalf of MEDC for sales refunds owed to the State Comptroller. The total amount owed to State Comptroller by the City is payable in monthly installments of \$8,113 through February 2022.

<i>September 30, 2019</i>	Housing Rehab	MEDC	Total
Notes receivable current	\$ 2,400	\$ 24,339	\$ 26,739
Long term receivables	12,800	34,480	47,280
Total notes receivable	\$ 15,200	\$ 58,819	\$ 74,019

NOTE 8 – 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.

Restricted assets included in the Utility Fund as of September 30, 2019 consist of:

	Cash and Cash Equivalents	Investments	Total
Revenue bond reserve fund	\$ 489,458	\$ 93,207	\$ 582,665
Bond interest and sinking	523,082	710,203	1,233,285
Cash with fiscal agent	2,541,921	-	2,541,921
Subdivides deposits	1,005,918	907,235	1,913,153
Capital recovery fund	850,618	635,389	1,486,007
Total	\$ 5,410,997	\$ 2,346,034	\$ 7,757,031

Restricted assets included in the Golf Course Fund as of September 30, 2019 consist of reserves for capital projects in the amount of \$4,948.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 8 – RESTRICTED ASSETS (*Continued*)

Restricted assets included in the Solid Waste Fund as of September 30, 2019 consist of reserves for capital outlays of \$248,710.

B. Component Units

Mission Economic Development Corporation

Restricted assets held by Mission Economic Development Corporation at September 30, 2019 consisted of the following:

	Cash and Cash		
	Equivalents	Investments	Total
Debt service fund	\$ 177,028	\$ 254,648	\$ 431,676
Capital projects fund	22,028	-	22,028
Total	\$ 199,056	\$ 254,648	\$ 453,704

Mission Redevelopment Authority

Restricted assets held by Mission Redevelopment Authority at September 30, 2019 consisted of debt service reserves held in investments as required by the bond covenants in the amount of \$3,160,864.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	(Restated) Beginning Balance	Increases	Decreases and Reclassifications	Ending Balance
Governmental Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 38,612,979	\$ 1,301,676	\$ -	\$ 39,914,655
Construction in progress	18,728,355	3,899,751	(13,484,653)	9,143,453
Total capital assets, not being depreciated	57,341,334	5,201,427	(13,484,653)	49,058,108
<i>Capital assets, being depreciated</i>				
Buildings	37,258,780	33,979	-	37,292,759
Improvements other than buildings	19,631,372	92,175	-	19,723,547
Machinery and equipment	33,007,817	2,837,122	(2,170,914)	33,674,025
Infrastructure	106,690,710	14,645,938	-	121,336,648
Total capital assets, being depreciated	196,588,679	17,609,214	(2,170,914)	212,026,979
<i>Less accumulated depreciation for</i>				
Buildings	(10,642,063)	(97,292)	-	(10,739,355)
Improvements other than buildings	(10,268,246)	(2,249,894)	-	(12,518,140)
Machinery and equipment	(24,551,834)	(1,438,940)	199,577	(25,791,197)
Infrastructure	(62,570,238)	(4,183,607)	-	(66,753,845)
Total accumulated depreciation	(108,032,381)	(7,969,734)	199,577	(115,802,538)
Total capital assets, being depreciated, net	88,556,298	9,639,481	(1,971,337)	96,224,442
Governmental activities capital assets, net	\$ 145,897,632	\$ 14,840,908	\$ (15,455,990)	\$ 145,282,550
Business-Type Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 3,658,578	\$ -	\$ (116,883)	\$ 3,541,695
Water rights	3,870,564	-	-	3,870,564
Construction in progress	22,506,149	748,289	(4,836,426)	18,418,012
Total capital assets, not being depreciated	30,035,291	748,289	(4,953,310)	25,830,271
<i>Capital assets, being depreciated</i>				
Buildings and system	141,388,609	7,395,310	-	148,783,919
Improvements other than buildings	3,605,015	105,133	-	3,710,148
Furniture and equipment	14,391,507	2,109,193	18,010	16,518,710
Total capital assets, being depreciated	159,385,131	9,609,636	18,010	169,012,777
<i>Less accumulated depreciation for</i>				
Buildings and system	(75,744,367)	(4,612,083)	-	(80,356,450)
Improvements other than buildings	(3,140,313)	(276,350)	-	(3,416,663)
Furniture and equipment	(9,879,372)	(1,000,253)	18,010	(10,861,615)
Total accumulated depreciation	(88,764,052)	(5,888,686)	18,010	(94,634,728)
Total capital assets, being depreciated, net	70,621,079	3,720,950	36,020	74,378,049
Business-type activities capital assets, net	\$ 100,656,370	\$ 4,469,239	\$ (4,917,290)	\$ 100,208,320

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 9 – CAPITAL ASSETS (Continued)

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

For the year ending September 30, 2019

Governmental Activities	
General government	\$ 232,555
Public safety	1,267,223
Highways and streets, including depreciation of general infrastructure assets	4,542,457
Sanitation	17,252
Culture and recreation	1,910,247
Total depreciation expense	<u>\$ 7,969,734</u>
 Business-Type Activities	
Utility	\$ 5,096,478
Golf course	212,635
Solid waste	579,573
Total depreciation expense	<u>\$ 5,888,686</u>

Interest cost in the amount of \$30,806 was capitalized during the construction period of water and wastewater projects in the Utility Fund out of a total amount of interest costs incurred by the City during the year ended September 30, 2019 of \$283,972.

Mission Economic Development Corporation

Capital asset activity for the year ended September 30, 2019 for MEDC, was as follows:

	Beginning Balance	Increases	Decreases and Reclassifications	Ending Balance
Governmental Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 5,523,909	\$ 1,311,995	\$ -	\$ 6,835,904
Total capital assets, not being depreciated	5,523,909	1,311,995	-	6,835,904
<i>Capital assets, being depreciated</i>				
Machinery and equipment	1,278,341	8,670	-	1,287,011
Building	9,777,127	5,856,153	(9,268,541)	6,364,739
Total capital assets, being depreciated	11,055,468	5,864,823	(9,268,541)	7,651,750
<i>Less accumulated depreciation for</i>				
Machinery and equipment	(346,151)	(274,504)	-	(620,655)
Building	(831,575)	(164,964)	720,887	(275,652)
Total accumulated depreciation	(1,177,726)	(439,468)	720,887	(896,307)
Total capital assets, being depreciated, net	9,877,742	5,425,355	(8,547,654)	6,755,443
Governmental activities capital assets, net	<u>\$ 15,401,651</u>	<u>\$ 6,737,350</u>	<u>\$ (8,547,654)</u>	<u>\$ 13,591,347</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 9 – CAPITAL ASSETS (*Continued*)

Depreciation expense charged to governmental activities totaled \$439,468 for the year ended September 30, 2019.

Land held at September 30, 2019 consisted of 9 parcels of land. MEDC intends to sell and is currently marketing these 9 parcels of land.

NOTE 10 – DISAGGREGATION OF OTHER LIABILITIES

At September 30, 2019 the City had the following other liabilities:

Payable To	Governmental Activities	Business-type Activities	Total
Due to state	\$ 120,866	\$ 80,092	\$ 200,958
Due to other governmental agencies	8,727	-	8,727
Wages and deductions	257,373	61,033	318,406
Court deposit/refunds	9,505	-	9,505
Due to others	57,466	30,410	87,876
Total	\$ 453,937	\$ 171,535	\$ 625,472

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT

A. Primary Government

Certificates of Obligation

The City issues Certificates of Obligation to finance construction projects.

Certificates of Obligation payable at September 30, 2019 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%.	\$ 1,505,000
\$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%.	540,000
\$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%.	1,810,000
\$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%.	14,935,000
\$11,690,000 Combination Tax & Revenue Certificates of Obligation Series 2018, payable in annual installments ranging from \$470,000 to \$1,165,000 through February 15, 2033, interest at 4.00% to 5.00%.	11,200,000
	<u>\$ 29,990,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

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

<i>Year ending September 30,</i>	Governmental Activities		
	Principal	Interest	Total
2020	\$ 1,885,000	\$ 1,325,849	\$ 3,210,849
2021	1,965,000	1,246,861	3,211,861
2022	2,055,000	1,157,652	3,212,652
2023	1,930,000	1,062,225	2,992,225
2024	2,030,000	966,257	2,996,257
Thereafter	20,125,000	3,711,880	23,836,880
Total	\$ 29,990,000	\$ 9,470,724	\$ 39,460,724

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, 2019 are comprised of the following:

\$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%.	\$ 1,900,000
\$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%.	2,120,000
\$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%.	1,330,000
\$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%.	6,975,000
	<u>\$ 12,325,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

General Obligation debt service requirements to maturity are as follows:

<i>Year ending September 30,</i>	Governmental Activities		
	Principal	Interest	Total
2020	\$ 1,405,000	\$ 480,658	\$ 1,885,658
2021	1,460,000	429,832	1,889,832
2022	1,520,000	375,536	1,895,536
2023	1,820,000	306,643	2,126,643
2024	1,540,000	232,128	1,772,128
Thereafter	4,580,000	319,476	4,899,476
Total	\$ 12,325,000	\$ 2,144,273	\$ 14,469,273

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, 2019 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%.

\$ 113,246

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

<i>Year ending September 30,</i>	Governmental Activities		
	Principal	Interest	Total
2020	\$ 55,871	\$ 3,507	\$ 59,378
2021	57,375	2,003	59,378
Total	\$ 113,246	\$ 5,510	\$ 118,756

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

Revenue Bonds

The City has pledged future waterworks and sewer system net revenues, to repay \$34,245,000 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 \$37,648,686. Principal and interest paid for the current year and total waterworks and sewer system net revenues were \$3,154,803 and \$9,590,055, respectively.

Revenue bonds payable at September 30, 2019 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; noninterest bearing.	\$ 4,565,000
\$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%.	6,700,000
\$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%.	14,670,000
\$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%.	5,940,000
	<u>\$ 31,875,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

Revenue bonds debt service requirements to maturity are as follows:

<i>Year ending September 30,</i>	Business-type Activities		
	Principal	Interest	Total
2020	\$ 2,430,000	\$ 724,468	\$ 3,154,468
2021	2,505,000	661,034	3,166,034
2022	2,570,000	595,113	3,165,113
2023	2,640,000	523,712	3,163,712
2024	2,720,000	449,471	3,169,471
Thereafter	19,010,000	2,785,980	21,795,980
Total	\$ 31,875,000	\$ 5,739,778	\$ 37,614,778

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, 2019 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%. \$ 1,615,000

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

<i>Year ending September 30,</i>	Business-type Activities		
	Principal	Interest	Total
2020	\$ 800,000	\$ 22,720	\$ 822,720
2021	815,000	7,620	822,620
Total	\$ 1,615,000	\$ 30,340	\$ 1,645,340

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT *(Continued)*

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, 2019 totaled \$346,678.

Outstanding balance on partially defeased bonds are as follows at September 30, 2019:

\$5,495,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2009	\$ 1,505,000
\$7,565,000 Texas General Obligation Refunding Bonds, Series 2009	1,900,000
<u>Total</u>	<u>\$ 3,405,000</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, 2019, 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

	Beginning Balance (Restated)	Additional Obligations and Net Increases	Retirements and Net Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Certificates of obligation	\$ 20,155,000	\$ 11,690,000	\$ 1,855,000	\$ 29,990,000	\$ 1,885,000
Public property finance contractual obligations	167,509	-	54,263	113,246	55,871
General obligations	13,680,000	-	1,355,000	12,325,000	1,405,000
Plus bond premium	3,778,346	1,056,686	399,811	4,435,221	399,811
Total bonds payable	37,780,855	12,746,686	3,664,074	46,863,467	3,745,682
Capital leases	2,583,986		226,256	2,357,730	295,598
Compensated absences	3,245,218	1,652,147	1,845,786	3,051,579	1,222,384
Net pension liability	5,456,760	6,447,774	-	11,904,534	-
Total OPEB liability	4,723,206	677,179	-	5,400,385	-
Anzalduas bridge payable	3,226,076	306,850	-	3,532,926	-
Sales tax payable	332,633	-	97,356	235,277	97,356
Governmental activities, total long-term liabilities	\$ 57,348,734	\$ 21,830,636	\$ 5,833,472	\$ 73,345,898	\$ 5,361,020
Business-type Activities					
Bonds payable					
Revenue bonds	\$ 34,245,000	\$ -	\$ 2,370,000	\$ 31,875,000	\$ 2,430,000
Public property finance contractual obligations	2,400,000	-	785,000	1,615,000	800,000
Plus bond premium	1,119,411	-	137,394	982,017	137,394
Total bonds payable	37,764,411	-	3,292,394	34,472,017	3,367,394
Capital leases	103,533	-	46,950	56,583	48,378
Compensated absences	418,420	251,292	247,374	422,338	193,728
Net pension liability	974,051	1,486,773	-	2,460,824	-
Total OPEB liability	1,159,811	-	37,992	1,121,819	-
Business-type activities long-term liabilities	\$ 40,420,226	\$ 1,738,065	\$ 3,624,710	\$ 38,533,581	\$ 3,609,500

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – 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.

The Utility Fund capitalized \$30,806 of bond interest expense as part of various construction projects for the year ended September 30, 2019.

Additional disclosures on capital lease commitments are presented in Note 19.

B. Component Units

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, 2019 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 \$395,000 from January 15, 2011 through 2024; interest at 3.85%.

\$ 1,635,000

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

<i>Year ending September 30,</i>	Principal	Interest	Total
2020	\$ 395,000	\$ 55,344	\$ 450,344
2021	295,000	42,061	337,061
2022	305,000	30,511	335,511
2023	315,000	18,576	333,576
2024	325,000	6,256	331,256
Total	1,635,000	152,748	1,787,748
Current portion	(395,000)	(55,344)	(450,344)
Payable after one year	\$ 1,240,000	\$ 97,404	\$ 1,337,404

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

Sales tax revenue notes payable at September 30, 2019 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.	\$ 4,639,409
\$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.	1,523,859
\$7,919,131 - Sales and Use Tax Revenue Note, due in monthly installments of \$395,957, including interest at 4.82%. Note matures on February 15, 2038. Note is collateralized by sales tax revenues collected.	7,523,175
Total	\$ 13,686,443

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

<i>Year ending September 30,</i>	Principal	Interest	Total
2020	\$ 881,675	\$ 543,038	\$ 1,424,713
2021	889,104	507,488	1,396,592
2022	896,668	472,170	1,368,838
2023	904,528	436,556	1,341,084
2024	912,627	400,975	1,313,602
Thereafter	9,201,841	2,419,357	11,621,198
Total	13,686,443	4,779,584	18,466,027
Current portion	(881,675)	(543,038)	(1,424,713)
Payable after one year	\$ 12,804,768	\$ 4,236,546	\$ 17,041,314

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

The following is a summary of changes in long-term debt obligations for MEDC:

	Beginning Balance	Additional Obligations and Net Increases	Retirements and Net Decreases	Ending Balance	Due Within One Year
Bonds and notes					
Sales tax refunding bond	\$ 2,015,000	\$ -	\$ (380,000)	\$ 1,635,000	\$ 395,000
Sales tax revenue note - LSNB	1,702,876	-	(179,017)	1,523,859	185,718
Sales tax revenue note - Frost	4,939,409	-	(300,000)	4,639,409	300,000
Sales tax revenue note - BBVA	-	7,919,131	(395,956)	7,523,175	395,957
Total bonds and notes	8,657,285	7,919,131	(1,254,973)	15,321,443	1,276,675
Other Liabilities					
Capital leases	8,831,258	-	(8,831,258)	-	-
Repayment of sales tax	83,158	-	(24,339)	58,819	24,339
Total other liabilities	8,914,416	-	(8,855,597)	58,819	24,339
Total long-term debt obligations	\$ 17,571,701	\$ 7,919,131	\$ (10,110,570)	\$ 15,380,262	\$ 1,301,014

The above listed refunding bond issue is to be repaid from the one-half cent sales tax levied under the Section 4B.

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, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

Bonds payable at September 30, 2019 for the MRA were 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. \$ 510,000

\$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. 5,255,000

\$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. 14,820,000

Total bonds	\$ 20,585,000
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The debt service requirements on the bonds outstanding were as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
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	2,150,000	498,225	2,648,225
2024	2,200,000	449,725	2,649,725
Thereafter	10,170,000	1,411,801	11,581,801
Total	\$ 20,585,000	\$ 4,235,939	\$ 24,820,939

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

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.

\$ 972,621

The debt service requirements on the loan agreement were as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2020	\$ 229,555	\$ 37,446	\$ 267,001
2021	238,393	28,608	267,001
2022	247,571	19,430	267,001
2023	257,102	9,898	267,000
Total	\$ 972,621	\$ 95,382	\$ 1,068,003

The following is a summary of changes in long-term obligations for MRA:

	September 30, 2018	Additional Obligations and Net Increases	Retirements and Net Decreases	September 30, 2019	Due Within One Year
Tax increment contract revenue bond series 2009	\$ 1,000,000	\$ -	\$ (490,000)	\$ 510,000	\$ 510,000
Tax increment contract revenue bond series 2013	5,640,000	-	(385,000)	5,255,000	400,000
Tax increment contract revenue bond series 2017	15,820,000	-	(1,000,000)	14,820,000	1,040,000
Less issuance discount	(99,767)	-	8,314	(91,453)	-
Plus issuance premiums	850,722	-	(70,895)	779,827	-
Less losses	(813,936)	-	67,828	(746,108)	-
Total contract revenue bonds	22,397,019	-	(1,869,753)	20,527,266	1,950,000
State Infrastructure bank loan	1,193,666	-	(221,045)	972,621	229,555
Total MRA long-term obligations	\$ 23,590,685	\$ -	\$ (2,090,798)	\$ 21,499,887	\$ 2,179,555

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – LONG-TERM DEBT (Continued)

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 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.

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 12 – INTERFUND ADVANCES

Revenues decreased for the Golf Course during the year. The Golf Course experienced a turf grass issue with the course's playing surfaces, affecting operations for several weeks. The City had looked at alternative solutions for cost savings which resulted in undesired outcomes. The Golf Course staff has rectified the issue and will also continue to entice players to golf during off-peak times. Social media outlets have been used and will continue to be used to increase play as well. The City reviews all costs during budget preparation and continues to work with Golf Course administration to find positive solutions to minimize operating losses. The advance payable increased by \$327,432 compared to prior years balance. At September 30, 2019 the balance of the advance in the amount of \$2,321,158 is reflected as long-term advance receivable in the Utility Fund; and long-term advance payable in the Golf Course Fund.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 13 – 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:

		Debt	Total Deferred
	General Fund	Service Fund	Inflows of Resources
Delinquent property taxes, unavailable	\$ 1,020,352	\$ 239,031	\$ 1,259,383

At the government-wide financial statements, the City reports cumulative deferred charges on refunding as deferred outflows of resources in the amount of \$854,669 which is net of cumulative amortization of \$105,809.

Deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits are presented on notes 15 and 16, respectively.

NOTE 14 – 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	\$ 426,242
Capital projects -Taylor road expansion	1,608,911
Grants	37,194
Other	43,515
Total unearned revenue	\$ 2,115,862

Unearned revenues of \$12,642 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 15 – 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, 2019

NOTE 15 – 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:

	TMRS	TESRS
Inactive employees or beneficiaries currently receiving benefits	197	-
Inactive employees entitled to but not yet receiving benefits	334	-
Active employees	693	14
Total participants	1,224	14

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, 2019

NOTE 15 – 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 8.68% and 8.58% in calendar years 2019 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$2,221,783 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 in 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. Based on the August 31, 2018 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

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 have 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, the total additional deposit was \$2,827 for the fiscal year ending September 30, 2019.

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 for the year ending September 30, 2019 totaled \$5,433.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 15 – PENSION PLANS (*Continued*)

Net Pension Liability:

The city's Net Pension Liability (NPL) was measured as of December 31, 2018 for TMRS and August 31, 2018 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	12/31/2018	8/31/2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	3.00%
Investment Rate of Return	6.75%	7.75% net of pension plan investment expense, including inflation
Mortality Assumption	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.	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, 2018 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. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2018 valuation.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 15 – PENSION PLANS *(Continued)*

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.

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%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
Total	100.00%	

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 15 – PENSION PLANS (*Continued*)

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 0.26% 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%	5.81%
Small cap domestic	15%	5.92%
Developed International	15%	6.21%
Emerging markets	5%	7.18%
Master limited partnership	5%	7.61%
Real estate	5%	4.46%
Fixed income	23%	1.61%
Cash	0%	0%
Total	100%	

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, 2018 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, 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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 15 – PENSION PLANS (Continued)

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	Current Discount Rate	1% Increase in Discount Rate
	5.75%	6.75%	7.75%
City's Net Pension Liability -TMRS	\$ 29,141,118	\$ 14,307,118	\$ 2,145,479
	1% Decrease in Discount	Current Discount Rate	1% Increase in Discount Rate
	6.75%	7.75%	8.75%
City's Proportionate Share of the Net Pension Liability -TESRS	\$ 115,740	\$ 58,240	\$ 19,457

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 15 – 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, 2019 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 9/30/2018	\$ 91,298,135	\$ 84,925,564	\$ 6,372,571
Changes for the year			
Service cost	3,688,502		3,688,502
Interest	6,161,997		6,161,997
Change of benefit terms			-
Difference between expected and actual experience	(193,776)		(193,776)
Change of assumptions			-
Contributions - employer		2,535,283	(2,535,283)
Contributions - employee		1,783,321	(1,783,321)
Net investment income		(2,544,693)	2,544,693
Benefit payments, including refunds of employee contributions	(3,707,083)	(3,707,083)	
Administrative expense		(49,166)	49,166
Other charges		(2,569)	2,569
Net changes	5,949,640	(1,984,907)	7,934,547
Balance at 9/30/2019	\$ 97,247,775	\$ 82,940,657	\$ 14,307,118

City Proportion of Net Pension Liability – TESRS

The City’s proportionate share of the net pension liability of the TESRS at September 30, 2019 is \$58,240, and the proportion percentage of the aggregate net pension liability allocated to the City is 0.269%, no change from prior year measurement date. 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.tmrs.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, 2019, the City recognized pension expense of \$1,613,461 for the TMRS pension plan and \$18,462 for the TESRS pension plan for a total pension expense of \$1,631,923.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 15 – PENSION PLANS (Continued)

At September 30, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TMRS		TESRS		Total	
	Deferred Outflow of Resources	Deferred Inflows of Resources	Deferred Outflow of Resources	Deferred Inflows of Resources	Deferred Outflow of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 127,608	\$ 329,372	\$ 16	\$ 168	\$ 127,624	\$ 329,540
Changes in actuarial assumption	471,293	-	218	-	471,511	-
Net differences between projected and actual investments earnings	4,393,174	-	-	3,219	4,393,174	3,219
Contributions subsequent to the measurement date	2,053,901	-	5,544	-	2,059,445	-
Total	\$ 7,045,976	\$ 329,372	\$ 5,777	\$ 3,387	\$ 7,051,753	\$ 332,759

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,059,445 will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. The remaining deferred outflows and (inflows) of resources related to pensions will be amortized and recognized in pension expense as follows:

Year End September 30,	TMRS	TESRS
2020	\$ 1,688,750	\$ (776,200)
2021	751,334	(1,142,280)
2022	641,474	(648,675)
2023	1,607,871	-
2024	(26,726)	-
Thereafter	-	-
Total	\$ 4,662,703	\$ (2,567,155)

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions:

The City participates in two other post-employment benefit plans which include post-retirement health care benefits and supplemental death benefits. A brief description of each of the other post-employment benefit plans follows:

1. City of Mission, Texas Healthcare Plan (THP) 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.
2. 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. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

The City offers supplemental death benefits to:

	Plan Year 2019	Plan Year 2018
Active employees	Yes	Yes
Retirees	Yes	Yes

Employees Covered by Benefit Terms

The most recent measurement dates for THP and SDBF were September 30, 2019 and December 31, 2018, respectively. As of the most recent measurement date, measurement for the plans were as follows:

	THP	SDBF
Inactive employees or beneficiaries currently receiving benefits	14	145
Inactive employees entitled to but not yet receiving benefits	-	51
Active employees	452	693
Total	466	889

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (*Continued*)

Total OPEB Liability

The City's total OPEB liability of \$5,222,824 for THP was measured as of September 30, 2019. The City's total OPEB liability of \$1,299,380 for SDBF was measured as of December 31, 2018. The total OPEB liability for each plan was determined by an actuarial valuation as of their respective measurement date. Total OPEB liability for both plans was \$6,522,204 at September 30, 2019.

Actuarial Assumptions and Other Inputs

THP

The Total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Schedule of Actuarial Assumptions

Measurement Date	September 30, 2018
Actuarial Valuation Date	September 30, 2018
Inflation	2.5%
Salary Increases	2.5%
Discount Rate	3.17%
Prior Year Discount Rate	3.75%
Health Care Cost Trend Rates:	Rates were developed using the baseline projection of the SoA Long-Run Medical Cost Trend Model and the following model input variables:
Rate of Inflation	2.5%
Rate of Growth in Real Income	1.5%
Excess Medical Cost Growth	1.2%
Health Share of GDP in 2027	20.5%
Health Share of GDP Resistance Point	25%
Year for Limiting Cost Growth to GDP Growth	2075

The discount rate was based on an average of the September 30, 2019 S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

Mortality rates for retirees were based on the RPH-2014 Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (*Continued*)

SDBF

The Total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Schedule of Actuarial Assumptions

Measurement Date	December 31, 2018
Actuarial Valuation Date	December 31, 2018
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Discount Rate	3.71%
Retirees' Share of Benefit-related Costs	\$ 0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates – Service Retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment C137 with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates – Disabled Retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the total OPEB Liability

Changes in the total OPEB liability were as follows:

	THP	SDBF	Total
Balance at 09/30/2018	\$ 4,770,995	\$ 1,112,022	\$ 5,883,017
Changes for the year			
Service cost	111,966	83,222	195,188
Interest	151,729	38,087	189,816
Difference between expected and actual experience	55,046	161,654	216,700
Changes in assumptions/inputs	326,189	(89,661)	236,528
Change in benefit terms	-	-	-
Benefit payments	(193,101)	(5,944)	(199,045)
Administrative expense	-	-	-
Net Changes	451,829	187,358	639,187
Balance at 9/30/2019	\$ 5,222,824	\$ 1,299,380	\$ 6,522,204

Sensitivity of the total OPEB Liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Total OPEB liability (THP)	\$ 5,889,072	\$ 5,222,824	\$ 4,646,196
Total OPEB liability (SDBF)	1,541,830	1,299,380	1,111,026
Total OPEB liability	\$ 7,430,902	\$ 6,522,204	\$ 5,757,222

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Total OPEB Liability (THP)	\$ 4,562,981	\$ 5,222,824	\$ 6,001,883

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$326,097 and \$136,687 for THP and SDBF, respectively. At September 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	THP		SDBF		Total	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	\$ 92,409	\$ -	\$ 140,982	\$ -	\$ 233,391	\$ -
Changes in actuarial assumptions or inputs	163,094	-	72,017	-	235,111	-
Net differences between projected and actual investment earnings	-	-	-	78,195	-	78,195
Employer amounts for OPEB subsequent to measurement date	-	-	38,301	-	38,301	-
Total	\$ 255,503	\$ -	\$ 251,300	\$ 78,195	\$ 506,803	\$ 78,195

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$38,301 will be recognized as a reduction of total OPEB liability for the year ending September 30, 2020. The remaining deferred outflows (inflows) of resources related to pensions will be amortized and recognized in OPEB expense as follows:

<i>Year ending September 30,</i>	THP	SDBF
2020	\$ 255,503	\$ 21,580
2021	-	21,580
2022	-	21,580
2023	-	21,580
2024	-	21,580
Thereafter	-	26,904
Total	\$ 255,503	\$ 134,804

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 17 – OUTSTANDING COMMITMENTS

A. Primary Government

At September 30, 2019, the City had several active construction projects. The projects include renovation of parks and improvements of infrastructure.

Project	Total Contract Amount	Spent to Date	Remaining Commitment
Taylor Rd US 83 Exp to N Dove	\$ 5,850,591	\$ 4,730,620	\$ 1,119,971
Madero International Bridge	1,446,483	1,117,775	328,708
Mission Tennis Center	2,016,842	1,930,842	86,000
Drainage Improvement for Erma St.	38,500	30,000	8,500
NWWTP 4.5MGD Expansion Project	16,827,275	16,713,208	114,067
Bryan Rd Reconstruction	137,000	130,000	7,000
Banworth Gym Expansion	428,975	282,125	146,850
NE EDAP 4.5mi to 7mi Sewer Project	527,000	523,932	3,068
Basham Waterlines	84,968	68,933	16,035
Conway Sewer Improvements	162,548	129,918	32,630
Shary Rd Sewer Improvements	60,900	22,500	38,400
Bentsen Palm Sewer Improvements	100,528	71,892	28,637
S Conway Lift Station Improvements	260,060	171,538	88,521
Total	\$ 27,941,670	\$ 25,923,284	\$ 2,018,386

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.

B. Component Unit

Mission Economic Development Corporation

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

Incentives	Committed	Expected to Date	Remaining Commitment
Wonderful Citrus	\$ 3,000,000	\$ 1,200,000	\$ 1,800,000

Mission Redevelopment Authority

The Authority has outstanding commitments to the City for various redevelopment projects. Typically, the City contracts and pays engineers and contractors directly for these redevelopment projects. MRA, in turn,

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 17 – OUTSTANDING COMMITMENTS *(Continued)*

reimburses the City for such expenditures. For the year ended September 30, 2019, the Authority has the following outstanding commitments to the City:

Project	Total Commitment
Hoerner Street Project	\$ 271,925
Inspiration Road/Military Parkway Loop	179,747
South Conway Lift Station Project	1,628,210
Bentsen Palm Development Sanitary Sewer Line	838,723
Fire/Pd Substation	3,700,000
Walsh Road Expansion Project	1,023,941
Total	\$ 7,642,546

In addition to the outstanding commitments above for redevelopment projects, the Authority is committed to the City for annual payments in the amount of \$500,000 for debt service of Certificate of Obligation Bond Series 2016 which was used for the construction of the Mission Event Center. The length of this commitment is until the debt is fully paid or the end of the TIRZ.

NOTE 18 – OPERATING LEASE COMMITMENTS

The City leases office equipment and golf carts under operating leases. Total costs for such leases were \$135,896 for the year ended September 30, 2019. The future minimum lease payments for these leases are as follows:

<i>Year ending September 30,</i>	Amount
2020	\$ 68,237
Total	\$ 68,237

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 19 – CAPITAL LEASE COMMITMENTS

The City 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 \$33,853 for the year ended September 30, 2019. The equipment and related depreciation is included in Note 9.

The City entered into a lease agreement as a lease for financing the acquisition of a fire pumper truck under governmental activities. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments totaling \$530,306 at the inception date. Depreciation expense for the fire pumper truck totaled \$26,515 for the year ended September 30, 2019.

The City entered into a lease agreement as a lease for financing the acquisition of radio system software under governmental activities. The lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments totaling \$2,128,760 at the inception date. Depreciation expense for the radio system software totaled \$141,917 for the year ended September 30, 2019.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019 are as follows:

<i>Year ending September 30,</i>	<i>Amount</i>
2020	\$ 412,528
2021	371,351
2022	363,114
2023	363,114
2024	363,114
Thereafter	838,710
Total minimum lease payments	2,711,931
Less interest	(297,618)
Present value of minimum lease payments	\$ 2,414,313

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 20 – FUND BALANCES

At September 30, 2019 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	2018 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable					
Long term receivable	\$ 47,280	\$ -	\$ -	\$ -	\$ 47,280
Inventory	27,702	-	-	12,619	40,321
Prepaid	74,134	-	-	-	74,134
Restricted					
Capital improvements	-	-	9,591,949	-	9,591,949
Debt Service	-	469,436	-	-	469,436
Municipal courts					
Technology	-	-	-	168,380	168,380
Building security	-	-	-	85,379	85,379
Juvenile case manager	-	-	-	166,876	166,876
PD asset sharing	-	-	-	102,468	102,468
Drainage improvements	-	-	-	1,264,403	1,264,403
Scholarships and books	-	-	-	27,250	27,250
Tourism	-	-	-	628,708	628,708
Perpetual care	-	-	-	44,617	44,617
Records preservation	-	-	-	10,039	10,039
PEG	-	-	-	750,910	750,910
Economic development	-	-	-	1,125,328	1,125,328
Tax increment	-	-	-	3,555	3,555
Assigned					
Asset replacement	66,232	-	-	-	66,232
Subsequent year's budget- appropriation of fund balance	1,408,250	-	-	-	1,408,250
Unassigned	1,404,578	-	-	-	1,404,578
Total fund balances	\$ 3,028,176	\$ 469,436	\$ 9,591,949	\$ 4,390,532	\$ 17,480,093

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 21 – 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 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.

The following is a reconciliation of the claims liability:

	2019	2018
Unpaid claims, beginning of fiscal year	\$ 143,867	\$ 331,118
Incurred claims and adjustments	4,879,741	4,506,661
Claims payments	(4,859,025)	(4,693,912)
Unpaid claims (IBNRs), end of fiscal year	\$ 164,583	\$ 143,867

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 23 – COMPONENT UNIT TRANSACTIONS

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, 2019, the balance outstanding on the note was \$1,523,859.

During the year ended September 30, 2019 Mission Redevelopment Authority reimbursed the City for costs incurred related to various projects in the amount of \$2,300,191. At September 30, 2019, the MRA owed the City \$7,465 for administrative costs. Additionally, the City owed MRA \$149,293 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 Industrial Development Bonds to finance various projects in the State of Texas. To further economic development in the City, Mission Economic Development Corporation has issued Industrial Development Bonds to provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

Neither the City of Mission, Texas, the State of Texas, nor any political corporation, subdivision nor agency of the State of Texas is obligated in any manner to pay the principal of, premium, if any, 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. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2019, there were ten series of Industrial Development Bonds outstanding. The aggregate principal amount payable for the two series issued after October 1, 2018 was \$366 million. The aggregate principal amount payable for the eight series issued prior to October 1, 2018 was \$331 million. Issuance dates for the ten series range from December 2016 to October 2018 and interest rates ranging from 0.650% to 12%, and maturity dates ranging from July 2020 to November 2048.

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 of which \$1,250 is paid to the financial advisor for local access fees. During the year ended September 30, 2019, there were 5 applications submitted.

Upon issuance of conduit debt, an issuance fee is assessed based on the terms of the agreements.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 24 – CONDUIT DEBT OBLIGATIONS (*Continued*)

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 point to 5 basis points depending on the type of project and the rating of the bonds being issued. For the year ended September 30, 2019, MEDC received \$609,319 of which \$61,043 was paid to the advisor for 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 average annual debt service requirement (first lien bonds) and 110% times the maximum annual debt service requirements (junior lien bonds). For the fiscal year ended September 30, 2019 the City's Utility Fund met these coverage requirements.

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 \$2,458,540 and \$2,736,752 from the City and County, 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

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.

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, 2019, the amount advanced since the inception for the City of Mission is \$3,532,926 and is reflected as part of non-current liabilities due in more than one year in the Statement of Net Position. See also Note 11.

NOTE 28 – PRIOR PERIOD ADJUSTMENTS

A. Primary Government

Net position was restated for Governmental Activities in order to record a non-current liability for sales tax refunds owed to the State Comptroller in the amount of \$332,633, and a long term receivable from MEDC for their portion of sales tax owed in the amount of \$83,158, for a total decrease to beginning net position of \$249,475 on the statement of activities and an increase of \$83,158 to beginning fund balance on the statement of revenues, expenditures, and changes in fund balances in the general fund.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE 28 – PRIOR PERIOD ADJUSTMENTS (*Continued*)

Net position was restated for Governmental Activities in order to record a non-current liability for a capital lease in the amount of \$2,128,760, the related capital asset for the same amount, and the related depreciation in the amounts of \$59,133 for a total decrease to beginning net position of \$59,133.

Net position was restated for Governmental Activities in order to correct a deferred revenue balance related to delinquent tax in the amount of \$67,978, resulting in a decrease to net position for the same amount.

B. Component Unit

Net position was restated for the component unit, MEDC, in order to record a non-current liability for sales tax refunds owed to the City in the amount of \$83,158.

NOTE 29 – SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to April 29, 2020, the date the report was available to be issued.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) is characterized as a pandemic. As a result, uncertainties have arisen that may have an impact on the operating activities and results of the City. The occurrence and extent of such an impact will depend on future developments, including the duration and spread of the virus, government quarantine measures, the effects on the financial markets, and the effects on the economy overall, all of which are uncertain.

In January 2020, the City awarded a contract to American Contracting U.S.A. for roof replacements for Speer Memorial Library and Mission Historical Museum in the amount of \$1,086,000. The project will be funded with Certificate of Obligation Series 2018.

Subsequent to September 30, 2019, MEDC has been awarded a \$490,268 grant from Texas Workforce Commission for Project Cyber Mission. The grant comes from the State thru the Texas Workforce Commission to help participants develop new skills and hopefully master cyber security.



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*REQUIRED
SUPPLEMENTARY
INFORMATION*



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CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Exhibit B-1

Page 1 of 10

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Taxes:				
Ad valorem taxes:				
Current ad valorem taxes	\$ 16,575,000	\$ 16,575,000	\$ 16,525,693	\$ (49,307)
Delinquent ad valorem taxes	443,000	443,000	463,811	20,811
Interest and penalties on taxes	340,000	340,000	350,622	10,622
Net Ad Valorem Tax Revenue	17,358,000	17,358,000	17,340,126	(17,874)
Sales tax	7,825,000	7,825,000	8,469,421	644,421
Sales tax-tax abatement	3,912,500	3,912,500	4,234,710	322,210
Franchise business tax	2,500,000	2,500,000	2,650,586	150,586
Telecommunication access fee	220,000	220,000	210,181	(9,819)
Mixed drink tax	20,000	20,000	31,804	11,804
Total Taxes	31,835,500	31,835,500	32,936,828	1,101,328
Licenses and permits:				
Occupational licenses	50,000	50,000	28,352	(21,648)
Moving and building permits	305,000	305,000	352,206	47,206
Health permits	30,000	30,000	28,084	(1,916)
Electrical permits	75,000	75,000	121,863	46,863
Mechanical permits	40,000	40,000	41,082	1,082
Plumbing permits	60,000	60,000	101,512	41,512
Alarm permits	12,000	12,000	9,510	(2,490)
Miscellaneous	35,000	35,000	31,936	(3,064)
Total Licenses and Permits	607,000	607,000	714,545	107,545
Intergovernmental:				
MCISD and SISD Dare Program	675,512	675,512	704,933	29,421
Reimb.-McAllen Bridge Board	30,000	30,000	30,000	-
County contribution-rural fires	30,000	30,000	19,897	(10,103)
County restitution reimbursement	500	500	746	246
Overhead-MRA	267,000	267,000	259,765	(7,235)
FEMA reimbursement	30,000	30,000	42,786	12,786
FBI overtime	-	-	2,267	2,267
Task Force	25,000	25,000	27,535	2,535
Peace Officers Fire Prev.	1,000	1,000	1,024	24
DEA Overtime Task Force	32,000	32,000	18,041	(13,959)
Hidalgo County-library	15,000	15,829	829	(15,000)
Total Intergovernmental	1,106,012	1,106,841	1,107,823	982

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2019****Exhibit B-1****Page 2 of 10**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Charges for services:				
Birth certificate service	1,100	1,100	1,410	310
Inspection fee-2%	40,000	40,000	73,946	33,946
Construction material testing fee	25,000	25,000	78,384	53,384
Fire inspection fee	22,000	22,000	19,124	(2,876)
Judicial fee-City	5,000	5,000	3,836	(1,164)
Corporation court fines tax	50,000	50,000	37,561	(12,439)
Detaining Contract Services	-	-	11,610	11,610
Abandoned motor vehicle fee	2,500	2,500	1,960	(540)
Library reservations fee	100	100	30	(70)
Lot cleaning	50,000	50,000	141,164	91,164
Lot cleaning-admin. Fee	20,000	20,000	69,153	49,153
Lease-service center complex	20,400	20,400	19,359	(1,041)
Library copies	35,000	35,000	38,510	3,510
Rent-City buildings	6,000	6,000	9,780	3,780
Basketball fees & charges	2,000	2,000	8,252	6,252
Softball fees & charges	2,000	2,000	5,670	3,670
Football fees & charges	2,000	2,000	2,150	150
Kickball fees & charges	2,000	2,000	-	(2,000)
Volleyball fees & charges	6,000	6,000	3,575	(2,425)
Park facility rentals	20,000	20,000	26,468	6,468
Other recreational fees	3,000	3,000	1,775	(1,225)
Bannworth pool fees	50,000	50,000	41,777	(8,223)
Mayberry pool fees	40,000	40,000	23,618	(16,382)
TAAF summer programs	20,000	20,000	23,534	3,534
Year-round swim program	5,000	5,000	5,555	555
Library rentals	75	75	391	316
Cemetery charges	85,000	85,000	91,695	6,695
Vital statistics	120,000	120,000	120,484	484
Burial transit permit	1,000	1,000	906	(94)
Animal adoption fees	-	1,000	2,024	1,024
Animal control & shelter fee	3,000	3,000	3,876	876
Contracted animal service fee	45,000	45,000	48,340	3,340
Zoning and subdivision fees	40,000	40,000	37,208	(2,792)
ROW annual tower fees	-	2,500	1,500	(1,000)
Plans and specifications	-	-	2,270	2,270
5% credit card fee	11,000	11,000	17,718	6,718
Food manager/handler ID fee	18,000	18,000	2,940	(15,060)
Fire Dept. training fees	-	-	1,040	1,040
Arrest fees-M.P.D.	46,000	46,000	32,457	(13,543)
Truancy prevention & diversion	5,000	5,000	5,963	963
Police Dept. service charges	8,000	8,000	11,668	3,668
Total Charges for Services	811,175	814,675	1,028,681	214,006

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Exhibit B-1

Page 3 of 10

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Fines:				
Corporation court fines	690,000	690,000	601,916	(88,084)
Warrant execution fee	155,000	155,000	103,341	(51,659)
Library fines	10,000	10,000	18,321	8,321
Total Fines	855,000	855,000	723,578	(131,422)
Interest:				
Interest earned on investments	35,000	35,000	48,944	13,944
Interest earned on demand deposits	10,000	10,000	-	(10,000)
Total Interest	45,000	45,000	48,944	3,944
Miscellaneous:				
Reimb.-TX Citrus Fiesta	50,000	50,000	-	(50,000)
Reimb.-Other state agencies	50,000	54,743	48,601	(6,142)
Child safety fees	10,000	10,000	6,685	(3,315)
Library donations/memorial	200	200	450	250
Insurance settlement	25,000	25,000	19,064	(5,936)
Miscellaneous income	50,000	50,000	214,989	164,989
Coke machine & vending machines	2,000	2,000	1,897	(103)
Universal service fund rebate	37,240	56,600	24,103	(32,497)
Contribution and donations	500	13,460	9,960	(3,500)
Total Miscellaneous	224,940	262,003	325,749	63,746
Total Revenues	35,484,627	35,526,019	36,886,148	1,360,129
Expenditures:				
Current:				
General Government:				
Legislative:				
Personnel services	900	900	900	-
Employee benefits	69	69	69	-
Other purchased services	18,820	18,820	15,952	2,868
Supplies	11,000	11,000	4,288	6,712
Miscellaneous	12,575	12,575	8,085	4,490
	43,364	43,364	29,294	14,070
Executive Administration:				
Personnel services	412,036	637,036	643,714	(6,678)
Employee benefits	133,013	163,372	139,728	23,644
Purchased property services	2,306	2,306	3,102	(796)
Other purchased services	15,600	15,600	14,183	1,417
Supplies	5,900	5,900	3,296	2,604
Miscellaneous	1,475	1,475	682	793
	570,330	825,689	804,705	20,984

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***Exhibit B-1****Page 4 of 10**

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Finance Department:				
Personnel services	423,431	423,431	403,768	19,663
Employee benefits	114,564	114,564	113,036	1,528
Purchased property services	6,306	6,306	4,809	1,497
Other purchased services	8,825	8,825	6,066	2,759
Supplies	6,250	6,250	5,795	455
Miscellaneous	1,050	1,050	702	348
	<u>560,426</u>	<u>560,426</u>	<u>534,176</u>	<u>26,250</u>
Municipal Court:				
Personnel services	519,359	519,359	501,111	18,248
Employee benefits	158,336	158,336	147,131	11,205
Other purchased services	4,500	4,500	4,500	-
Supplies	8,000	8,000	7,396	604
Miscellaneous	6,590	6,590	6,270	320
	<u>696,785</u>	<u>696,785</u>	<u>666,408</u>	<u>30,377</u>
Planning:				
Personnel services	527,223	527,223	515,432	11,791
Employee benefits	187,835	187,835	174,340	13,495
Purchased property services	22,000	27,300	22,959	4,341
Other purchased services	52,175	36,175	24,244	11,931
Supplies	15,000	16,500	15,050	1,450
Miscellaneous	88,000	97,200	154,236	(57,036)
	<u>892,233</u>	<u>892,233</u>	<u>906,261</u>	<u>(14,028)</u>
Facilities Maintenance:				
Personnel services	391,610	391,610	381,880	9,730
Employee benefits	152,856	152,856	148,957	3,899
Purchased property services	52,500	52,500	42,798	9,702
Other purchased services	5,800	5,800	3,379	2,421
Supplies	297,250	297,250	219,255	77,995
Capital outlays	3,000	3,000	2,943	57
Miscellaneous	1,000	1,000	440	560
	<u>904,016</u>	<u>904,016</u>	<u>799,652</u>	<u>104,364</u>
Fleet Maintenance:				
Personnel services	165,800	165,800	144,671	21,129
Employee benefits	53,353	53,353	49,503	3,850
Professional & technical services	1,000,000	995,204	1,147,506	(152,302)
Purchased property services	600	600	-	600

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Exhibit B-1

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	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Other purchased services	3,845	3,845	4,322	(477)
Supplies	85,950	85,750	88,736	(2,986)
Capital outlay	-	4,796	4,796	-
Miscellaneous	130,500	130,700	101,900	28,800
	<u>1,440,048</u>	<u>1,440,048</u>	<u>1,541,434</u>	<u>(101,386)</u>
Organizational Expense:				
Professional & technical services	790,000	747,000	877,441	(130,441)
Purchased property services	142,875	145,875	116,686	29,189
Other purchased services	158,346	158,346	335,680	(177,334)
Supplies	6,000	6,000	2,439	3,561
Capital outlays	-	1,300	6,277	(4,977)
Miscellaneous	626,650	661,650	448,001	213,649
	<u>1,723,871</u>	<u>1,720,171</u>	<u>1,786,524</u>	<u>(66,353)</u>
Purchasing:				
Personnel services	187,643	187,643	187,730	(87)
Employee benefits	59,080	59,080	57,895	1,185
Purchased property services	2,330	2,330	1,538	792
Other purchased services	16,650	16,650	17,534	(884)
Supplies	1,250	1,250	897	353
Capital outlay	-	-	-	-
Miscellaneous	6,100	6,100	5,751	349
	<u>273,053</u>	<u>273,053</u>	<u>271,345</u>	<u>1,708</u>
City Secretary:				
Personnel services	244,703	244,703	237,694	7,009
Employee benefits	78,793	78,793	75,305	3,488
Professional & technical services	5,000	5,000	4,605	395
Purchased property services	3,000	3,000	2,687	313
Other purchased services	15,300	15,300	13,983	1,317
Supplies	700	700	577	123
Miscellaneous	900	900	967	(67)
	<u>348,396</u>	<u>348,396</u>	<u>335,818</u>	<u>12,578</u>
Risk Management:				
Personnel services	88,764	88,764	89,105	(341)
Employee benefits	30,566	30,566	31,259	(693)
Professional & technical services	8,000	8,000	3,650	4,350
Purchased property services	1,900	1,900	2,073	(173)
Other purchased services	446,150	446,150	358,499	87,651
Supplies	8,400	8,400	8,403	(3)
Miscellaneous	150	150	-	150
	<u>583,930</u>	<u>583,930</u>	<u>492,989</u>	<u>90,941</u>

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Exhibit B-1

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	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Elections:				
Civil Service:				
Personnel services	90,195	90,195	90,541	(346)
Employee benefits	26,358	26,358	26,214	144
Professional & technical services	40,000	40,000	31,020	8,980
Other purchased services	7,200	7,200	2,812	4,388
Supplies	15,000	15,000	13,453	1,547
Miscellaneous	-	-	97	(97)
	<u>178,753</u>	<u>178,753</u>	<u>164,137</u>	<u>14,616</u>
Human Resources:				
Personnel services	191,046	191,046	183,038	8,008
Employee benefits	59,594	59,594	56,049	3,545
Professional & technical services	12,000	12,000	14,315	(2,315)
Purchased property services	1,500	1,500	1,573	(73)
Other purchased services	3,210	3,210	2,555	655
Supplies	1,490	1,490	1,211	279
Miscellaneous	934	934	712	222
	<u>269,774</u>	<u>269,774</u>	<u>259,453</u>	<u>10,321</u>
Information Technology:				
Personnel services	169,597	169,597	170,153	(556)
Employee benefits	56,970	56,970	55,648	1,322
Purchased property services	93,000	93,000	90,238	2,762
Other purchased services	5,400	1,400	1,193	207
Supplies	1,175	1,175	679	496
Capital outlay	8,000	12,000	10,628	1,372
Miscellaneous	100	100	2	98
	<u>334,242</u>	<u>334,242</u>	<u>328,541</u>	<u>5,701</u>
Media Relations:				
Personnel services	122,687	122,687	120,669	2,018
Employee benefits	36,315	36,315	34,669	1,646
Other purchased services	2,300	1,880	3,166	(1,286)
Supplies	2,100	2,100	1,836	264
Capital outlay	4,200	4,200	2,676	1,524
Miscellaneous	-	420	669	(249)
	<u>167,602</u>	<u>167,602</u>	<u>163,685</u>	<u>3,917</u>

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Exhibit B-1

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	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Legal:				
Personnel services	253,580	253,580	112,045	141,535
Employee benefits	68,372	68,372	33,594	34,778
Purchased property services	19,450	19,450	19,346	104
Other purchased services	5,700	5,700	1,026	4,674
Supplies	1,500	1,500	471	1,029
Miscellaneous	3,700	3,700	1,536	2,164
	<u>352,302</u>	<u>352,302</u>	<u>168,018</u>	<u>184,284</u>
 Total General Government	 <u>9,339,125</u>	 <u>9,590,784</u>	 <u>9,252,440</u>	 <u>338,344</u>
Public Safety:				
Police Department:				
Personnel services	10,849,276	10,849,276	10,690,324	158,952
Employee benefits	3,198,268	3,198,268	3,098,936	99,332
Professional & technical services	125,000	113,400	114,054	(654)
Purchased property services	441,850	410,550	384,915	25,635
Other purchased services	235,000	260,000	235,546	24,454
Supplies	352,750	364,450	354,609	9,841
Miscellaneous	27,325	33,525	26,870	6,655
	<u>15,229,469</u>	<u>15,229,469</u>	<u>14,905,254</u>	<u>324,215</u>
 Fire Department:				
Personnel services	4,628,818	4,828,318	4,580,064	248,254
Employee benefits	1,299,016	1,331,666	1,216,287	115,379
Purchased property services	154,250	148,160	134,928	13,232
Other purchased services	100,300	116,150	113,863	2,287
Supplies	221,700	226,815	197,321	29,494
Capital outlays	36,900	43,800	43,665	135
Miscellaneous	8,700	5,925	9,679	(3,754)
	<u>6,449,684</u>	<u>6,700,834</u>	<u>6,295,807</u>	<u>405,027</u>
 Fire Prevention Bureau:				
Personnel services	344,726	344,726	424,623	(79,897)
Employee benefits	94,579	94,579	106,165	(11,586)
Purchased property services	6,300	6,300	3,739	2,561
Other purchased services	12,200	12,200	11,296	904
Supplies	19,000	19,000	17,949	1,051
Miscellaneous	350	350	510	(160)
	<u>477,155</u>	<u>477,155</u>	<u>564,282</u>	<u>(87,127)</u>
 Total Public Safety	 <u>22,156,308</u>	 <u>22,407,458</u>	 <u>21,765,343</u>	 <u>642,115</u>

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***Exhibit B-1****Page 8 of 10**

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Highways and Streets:				
Street Department:				
Personnel services	1,055,979	1,055,979	1,057,933	(1,954)
Employee benefits	454,026	454,026	449,242	4,784
Professional & technical services	58,000	58,000	126,757	(68,757)
Purchased property services	1,435,000	1,435,000	1,216,172	218,828
Other purchased services	11,700	11,725	12,281	(556)
Supplies	663,700	663,700	657,672	6,028
Capital outlays	850,000	859,960	176,277	683,683
Miscellaneous	116,000	115,975	111,629	4,346
	<u>4,644,405</u>	<u>4,654,365</u>	<u>3,807,963</u>	<u>846,402</u>
Total Highways and Streets	<u>4,644,405</u>	<u>4,654,365</u>	<u>3,807,963</u>	<u>846,402</u>
Health and Welfare:				
Health Regulations and Inspections:				
Personnel services	309,451	306,471	355,035	(48,564)
Employee benefits	129,220	129,220	127,480	1,740
Professional & technical services	1,500	1,500	5,375	(3,875)
Purchased property services	4,200	5,200	3,997	1,203
Other purchased services	8,950	8,950	9,187	(237)
Supplies	54,045	52,505	41,343	11,162
Capital outlays	3,095	9,775	9,068	707
Miscellaneous	2,100	2,640	2,547	93
	<u>512,561</u>	<u>516,261</u>	<u>554,032</u>	<u>(37,771)</u>
Total Health and Welfare	<u>512,561</u>	<u>516,261</u>	<u>554,032</u>	<u>(37,771)</u>
Culture and Recreation:				
Mission Historical Museum:				
Personnel services	192,490	192,490	178,527	13,963
Employee benefits	69,027	69,027	64,035	4,992
Purchased property services	27,500	27,500	27,158	342
Other purchased services	10,050	10,050	7,522	2,528
Supplies	4,550	4,550	3,191	1,359
Miscellaneous	200	200	39	161
	<u>303,817</u>	<u>303,817</u>	<u>280,472</u>	<u>23,345</u>
Parks and Recreation Administration:				
Personnel services	216,796	216,796	168,996	47,800
Employee benefits	63,870	63,870	53,984	9,886
Purchased property services	27,000	27,000	22,413	4,587
Other purchased services	8,600	8,600	3,822	4,778
Supplies	3,450	3,450	1,948	1,502
Miscellaneous	380	380	454	(74)
	<u>320,096</u>	<u>320,096</u>	<u>251,617</u>	<u>68,479</u>
Parks:				
Personnel services	1,142,794	1,142,794	1,020,105	122,689
Employee benefits	457,971	457,971	429,328	28,643
Purchased property services	495,000	495,000	350,790	144,210

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***Exhibit B-1****Page 9 of 10**

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Other purchased services	14,000	14,000	12,191	1,809
Supplies	256,950	256,950	207,266	49,684
Capital outlays	931,000	931,000	1,002,438	(71,438)
Miscellaneous	69,500	69,500	95,866	(26,366)
	<u>3,367,215</u>	<u>3,367,215</u>	<u>3,117,984</u>	<u>249,231</u>
Recreation:				
Personnel services	234,406	234,406	207,919	26,487
Employee benefits	57,463	57,463	52,331	5,132
Professional and technical services	21,000	21,000	18,854	2,146
Other purchased services	32,000	39,000	36,983	2,017
Supplies	26,400	19,400	17,916	1,484
Miscellaneous	300	300	254	46
	<u>371,569</u>	<u>371,569</u>	<u>334,257</u>	<u>37,312</u>
Library:				
Personnel services	817,009	817,009	705,912	111,097
Employee benefits	264,754	264,754	233,700	31,054
Purchased property services	110,500	103,625	74,345	29,280
Other purchased services	82,150	82,725	70,642	12,083
Supplies	33,950	35,160	28,945	6,215
Capital outlays	-	24,932	24,590	342
Miscellaneous	84,450	89,540	89,223	317
	<u>1,392,813</u>	<u>1,417,745</u>	<u>1,227,357</u>	<u>190,388</u>
Bannworth Pool:				
Personnel services	133,195	133,195	96,536	36,659
Employee benefits	35,355	35,355	27,724	7,631
Purchased property services	48,800	48,800	33,975	14,825
Other purchased services	2,950	2,950	2,876	74
Supplies	20,050	20,050	10,956	9,094
Capital outlays	25,000	25,000	30,254	(5,254)
Miscellaneous	450	450	235	215
	<u>265,800</u>	<u>265,800</u>	<u>202,556</u>	<u>63,244</u>

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Exhibit B-1
Page 10 of 10

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Mayberry Pool:				
Personnel services	179,124	179,124	161,262	17,862
Employee benefits	41,829	41,829	34,496	7,333
Purchased property services	47,500	47,500	23,254	24,246
Other purchased services	3,600	3,600	3,419	181
Supplies	27,275	27,275	15,770	11,505
Miscellaneous	300	300	165	135
	<u>299,628</u>	<u>299,628</u>	<u>238,366</u>	<u>61,262</u>
 Total Culture and Recreation	 <u>6,320,938</u>	 <u>6,345,870</u>	 <u>5,652,609</u>	 <u>693,261</u>
Debt Service:				
Principal retirement	122,546	122,546	222,308	(99,762)
Interest	21,856	21,856	17,971	3,885
	<u>144,402</u>	<u>144,402</u>	<u>240,279</u>	<u>(95,877)</u>
Total Debt Service	<u>144,402</u>	<u>144,402</u>	<u>240,279</u>	<u>(95,877)</u>
 Total Expenditures	 <u>43,117,739</u>	 <u>43,659,140</u>	 <u>41,272,666</u>	 <u>2,386,474</u>
 Excess (Deficiency) of Revenue Over Expenditures	 <u>(7,633,112)</u>	 <u>(8,133,121)</u>	 <u>(4,386,518)</u>	 <u>3,746,603</u>
Other Financing Sources (Uses):				
Sale of capital assets	-	-	8,533	8,533
Transfers in	7,400,000	7,400,000	7,400,000	-
Transfers out	<u>(3,602,436)</u>	<u>(3,375,506)</u>	<u>(3,267,886)</u>	<u>107,620</u>
Total Other Financing Sources (Uses)	<u>3,797,564</u>	<u>4,024,494</u>	<u>4,140,647</u>	<u>116,153</u>
 Net Change in Fund Balance	 <u>(3,835,548)</u>	 <u>(4,108,627)</u>	 <u>(245,871)</u>	 <u>3,862,756</u>
 Fund Balance at Beginning of Year	 <u>3,429,222</u>	 <u>3,429,222</u>	 <u>3,429,222</u>	 <u>-</u>
 Fund Balance at End of Year	 <u>\$ (406,326)</u>	 <u>\$ (679,405)</u>	 <u>\$ 3,183,351</u>	 <u>\$ 3,862,756</u>

CITY OF MISSION, TEXAS

EXHIBIT B-2

*RECONCILIATION OF THE GENERAL FUND BUDGETARY SCHEDULE
TO THE STATEMENT OF REVENUES AND EXPENDITURES
SEPTEMBER 30, 2019*

Net Changes in the General Fund Fund Balance \$ (245,870)

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	80,655
Boys and Girls Club Fund revenues and transfers-in	549,466

Expenditures:

Capital Assets expenditures	(1,253)
Boys and Girls Club expenditures	<u>(745,595)</u>

Net Change in Fund Balances \$ (362,597)

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

Schedule of Changes in Net Pension Liability and Related Ratios

	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 3,688,502	\$ 3,574,775	\$ 3,428,663	\$ 3,146,606	\$ 2,887,755
Interest (on the total pension liability)	6,161,997	5,754,029	5,322,821	5,036,145	4,642,161
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(193,776)	(110,717)	139,268	(255,681)	270,001
Change of assumptions	-	-	-	1,263,377	-
Benefit payments, including refunds of employee contributions	(3,707,083)	(2,754,877)	(2,396,210)	(2,443,370)	(2,158,651)
Net change in total pension liability	\$ 5,949,640	\$ 6,463,210	\$ 6,494,542	\$ 6,747,077	\$ 5,641,266
Total pension liability - beginning	91,298,135	84,834,925	78,340,383	71,593,306	65,952,040
Total pension liability - ending (a)	<u>\$ 97,247,775</u>	<u>\$ 91,298,135</u>	<u>\$ 84,834,925</u>	<u>\$ 78,340,383</u>	<u>\$ 71,593,306</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 2,535,283	\$ 2,425,326	\$ 2,171,026	\$ 2,068,394	\$ 1,973,751
Contributions - employee	1,783,321	1,724,168	1,657,278	1,563,024	1,528,747
Net investment income	(2,544,693)	10,178,044	4,560,867	97,759	3,514,549
Benefit payments, including refunds of employee contributions	(3,707,083)	(2,754,877)	(2,396,210)	(2,443,370)	(2,158,651)
Administrative expense	(49,166)	(52,727)	(51,496)	(59,540)	(36,688)
Other	(2,569)	(2,672)	(2,775)	(2,941)	(3,016)
Net change in plan fiduciary net position	(1,984,906)	11,517,263	5,938,690	1,223,327	4,818,692
Plan fiduciary net position - beginning	84,925,564	73,408,301	67,469,611	66,246,284	61,427,592
Plan fiduciary net position - ending (b)	<u>\$ 82,940,658</u>	<u>\$ 84,925,564</u>	<u>\$ 73,408,301</u>	<u>\$ 67,469,611</u>	<u>\$ 66,246,284</u>
Net Pension Liability (a)-(b)	<u>\$ 14,307,118</u>	<u>\$ 6,372,571</u>	<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]	85.29%	93.02%	86.53%	86.12%	92.53%
Covered Payroll	\$ 29,722,014	\$ 28,736,135	\$ 27,583,776	\$ 26,048,066	\$ 25,321,089
Net Pension Liability as a Percentage of Covered Payroll	48.14%	22.18%	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.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000

Other Information:

Notes There were no benefit changes during the year.

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)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.269%	0.027%	0.038%	0.064%	0.079%
City's proportionate share of the net pension liability	\$ 58,240	\$ 6,480	\$ 11,069	\$ 17,083	\$ 14,356
City's number of active memebers*	14	14	3	3	7
City's net pension liability per active membe:	\$ 4,160	\$ 463	\$ 3,690	\$ 5,694	\$ 2,051
Plan fiduciary net position as a percentage of the total pension liability	84.3%	81.4%	76.3%	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 Proportionsate 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.

Notes to changes in methods and assumptions since 2015.

None

Note the total annual contributions to be paid by all governing bodies for the participating departments for qualified service as it is earned is assumed to be the total contriutions based on the number of active members in the valuation and known monthly contribution rates for each department as of the valuation date.

CITY OF MISSION, TEXAS
SCHEDULE OF CITY CONTRIBUTIONS FOR ALL PENSION PLANS
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019

	2019	2018	2017	2016	2015
Texas Emergency Services Retirement System (TESRS)					
Contractually required contribution	\$ 12,891	\$ 12,891	\$ 1,296	\$ 2,496	\$ 4,224
Contributions in relation to the contractually required contribution	<u>\$ 12,891</u>	<u>\$ 12,891</u>	<u>\$ 1,296</u>	<u>\$ 2,496</u>	<u>\$ 4,224</u>
Contribution deficiency (excess)	-	-	-	-	-
Number of active members*	14	14	3	3	7
Contributions per active member	\$ 921	\$ 921	\$ 432	\$ 832	\$ 603

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

Texas Municipal Retirement System (TMRS)					
Actuarially determined contribution	\$ 2,535,283	\$ 2,425,326	\$ 2,171,026	\$ 2,068,394	\$ 2,041,476
Contributions in relation to the actuarially determined contribution	<u>\$ 2,535,283</u>	<u>\$ 2,425,326</u>	<u>\$ 2,171,026</u>	<u>\$ 2,068,394</u>	<u>\$ 2,041,476</u>
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 31,009,300	\$ 29,326,387	\$ 28,707,904	\$ 28,187,323	\$ 25,843,740
Contributions as a percentage of covered payroll	8.18%	8.27%	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-year trend is compiled, this schedule provides the information of those years for which information is available.

CITY OF MISSION
SCHEDULE OF CHANGES IN THE TOTAL OTHER POST EMPLOYMENT
BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

	2019	2018
Total OPEB health benefit liability		
Service cost	\$ 111,966	\$ 109,235
Interest	151,729	173,867
Changes of benefit terms	-	-
Difference between expected and actual experience	55,046	194,658
Changes in assumptions or other inputs	326,189	-
Benefit payments	(193,101)	(345,959)
Net change in total OPEB liability	\$ 451,829	\$ 131,801
Total OPEB liability - beginning	4,770,995	4,639,194
Total OPEB liability - ending	<u>\$ 5,222,824</u>	<u>\$ 4,770,995</u>
 Covered - Employee Payroll	 \$ 18,502,671	 \$ 18,051,386
 Total OPEB Liability as a Percentage of		
Covered Employee Payroll	28.2%	26.4%

Notes to Schedule

Changes of Benefit Terms:

None

Changes of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate period.

The following are the discount rates used in each period:

3.17% 3.73%

	2019	2018
Total OPEB single death benefit liability		
Service cost	\$ 83,222	\$ 68,967
Interest	38,087	35,828
Changes of benefit terms	-	-
Difference between expected and actual experience	161,654	-
Changes in assumptions or other inputs	(89,661)	96,765
Benefit payments	(5,944)	(5,747)
Net change in total OPEB liability	\$ 187,358	\$ 195,813
Total OPEB liability - beginning	1,112,022	916,209
Total OPEB liability - ending	<u>\$ 1,299,380</u>	<u>\$ 1,112,022</u>
 Covered - Employee Payroll	 \$ 29,722,014	 \$ 28,736,135
 Total OPEB Liability as a Percentage of		
Covered Employee Payroll	4.37%	3.87%

Notes to Schedule

Changes of Benefit Terms:

None

Changes of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate period.

The following are the discount rates used in each period:

3.71% 3.31%

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019

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	\$ 1,938,020
Capital Project Funds	\$ 9,379,837

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, 2019, five General Fund Department expenditures exceeded appropriations by a total of \$306,665. See Exhibit B-1.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019

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)	\$ 36,886,148
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund revenues	655
Boys and Girls Club revenues	<u>249,466</u>
Total adjustments necessary	<u>250,122</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$ 37,136,270</u>

Note: Does not include other financing resources.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2019

Budget to GAAP Reconciliation (*Continued*)

<u>Expenditures:</u>	<u>General Fund</u>
Actual expenditures (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$41,272,666
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund expenditures	1,253
Boys and Girls Club expenditures	<u>745,595</u>
Total adjustments necessary	<u>746,848</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$42,019,514</u>

*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.

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

Capital Projects Fund: To account for the construction of capital projects not funded through debt obligations.

2016 Certificates of Obligations: To account for Mission Event Center construction and purchase of property

2018 Certificates of Obligations: To account for the purchase of commercial sanitation vehicles, commercial garbage bins, construction, repair, rehabilitation, renovation of municipal building and to engage engineers for the purpose of planning/designing public utilities and improvements in the southwestern part of the City.

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 2019

EXHIBIT C-1

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and cash equivalents	\$ 64,204	\$ -	\$ 64,204
Investments	1,733,611	-	1,733,611
Prepaid items	4,008	-	4,008
Receivables:			
Accounts	424,627	-	424,627
Special assessments	152,634	-	152,634
Less: allowance for uncollectibles	(7,947)	-	(7,947)
Due from other governments	448,044	715,552	1,163,596
Due from Component Unit	-	2,448	2,448
Due from other funds	2,321,677	1,646,259	3,967,936
Inventories	9,419	-	9,419
Land held for resale	1,104,518	-	1,104,518
Total Assets	<u>\$ 6,254,795</u>	<u>\$ 2,364,259</u>	<u>\$ 8,619,054</u>
LIABILITIES			
Accounts payable	\$ 566,685	\$ 677,224	\$ 1,243,909
Other liabilities	24,840	-	24,840
Retainage payable	-	75,375	75,375
Accrued payroll	19,180	-	19,180
Due to other funds	746,608	48,581	795,189
Unearned revenue	506,950	1,563,079	2,070,029
Total Liabilities	<u>1,864,263</u>	<u>2,364,259</u>	<u>4,228,522</u>
FUND BALANCES			
Nonspendable	12,619	-	12,619
Restricted	4,377,913	-	4,377,913
Total Fund Balances	<u>4,390,532</u>	<u>-</u>	<u>4,390,532</u>
Total Liabilities and Fund Balances	<u>\$ 6,254,795</u>	<u>\$ 2,364,259</u>	<u>\$ 8,619,054</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, 2019

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES			
Taxes and special assessments	\$ 1,456,287	\$ -	\$ 1,456,287
Intergovernmental	6,240,877	1,614,274	7,855,151
Charges for services	460,827	-	460,827
Interest	44,799	-	44,799
Miscellaneous	160,845	-	160,845
Total Revenues	8,363,635	1,614,274	9,977,909
EXPENDITURES			
Current:			
General government	1,337,968	-	1,337,968
Public safety	1,411,324	-	1,411,324
Highways and streets	1,623,043	-	1,623,043
Culture and recreation	2,021,859	-	2,021,859
Health and welfare	53,964	-	53,964
Economic development	5,778,839	-	5,778,839
Capital projects	-	2,253,027	2,253,027
Debt service:			
Principal	155,568	-	155,568
Interest and fiscal charges	124,002	-	124,002
Total Expenditures	12,506,567	2,253,027	14,759,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,142,932)	(638,753)	(4,781,685)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	9,430	-	9,430
Transfers in	2,674,271	633,290	3,307,561
Transfers out	(17,932)	(943)	(18,875)
Total Other Financing Sources (Uses)	2,665,769	632,347	3,298,116
Net Change in Fund Balances	(1,477,163)	(6,406)	(1,483,569)
Fund Balances at Beginning of Year	5,867,695	6,406	5,874,101
Fund Balances at End of Year	\$ 4,390,532	\$ -	\$ 4,390,532

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2019

	CDBG	Police Department Special Fund	Police Federal Sharing Fund	Minicipal Court Technology Fund
ASSETS				
Cash and cash equivalents	\$ 399	\$ -	\$ -	\$ -
Investments	-	30,396	-	30,339
Prepaid items	808	-	-	-
Receivables:				
Accounts	169	10,376	-	-
Special assessments	-	-	-	-
Less: allowance for uncollectibles	-	-	-	-
Due from other governments	134,945	-	-	-
Due from other funds	-	32,760	48,733	145,777
Inventories	-	-	-	-
Land held for resale	-	-	-	-
Total Assets	<u>\$ 136,321</u>	<u>\$ 73,532</u>	<u>\$ 48,733</u>	<u>\$ 176,116</u>
LIABILITIES				
Accounts payable	\$ 123,434	\$ -	\$ 1,216	\$ 7,736
Other liabilities	1,320	8,006	-	-
Accrued payroll	2,614	-	-	-
Due to other funds	8,953	-	10,575	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>136,321</u>	<u>8,006</u>	<u>11,791</u>	<u>7,736</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	65,526	36,942	168,380
Total Fund Balances	<u>-</u>	<u>65,526</u>	<u>36,942</u>	<u>168,380</u>
Total Liabilities and Fund Balances	<u>\$ 136,321</u>	<u>\$ 73,532</u>	<u>\$ 48,733</u>	<u>\$ 176,116</u>

EXHIBIT C-3

Page 1 of 2

Designated Purpose Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund
\$ -	\$ -	\$ -	\$ 10,039
-	825,085	-	-
-	-	-	-
-	109	-	-
-	152,634	-	-
-	(7,947)	-	-
313,004	-	-	-
194,517	553,871	45,266	-
-	-	-	-
-	-	-	-
<u>\$ 507,521</u>	<u>\$ 1,523,752</u>	<u>\$ 45,266</u>	<u>\$ 10,039</u>
\$ 739	\$ 257,196	\$ 649	\$ -
11,607	653	-	-
11,163	1,494	-	-
446,818	6	-	-
37,194	-	-	-
<u>507,521</u>	<u>259,349</u>	<u>649</u>	<u>-</u>
-	-	-	-
-	1,264,403	44,617	10,039
-	1,264,403	44,617	10,039
<u>\$ 507,521</u>	<u>\$ 1,523,752</u>	<u>\$ 45,266</u>	<u>\$ 10,039</u>

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2019

	Speer Memorial Library	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
ASSETS				
Cash and cash equivalents	\$ 7,023	\$ 1,500	\$ -	\$ -
Investments	20,227	172,556	40,287	-
Prepaid items	-	3,200	-	-
Receivables:				
Accounts	-	386,437	-	-
Special assessments	-	-	-	-
Less: allowance for uncollectibles	-	-	-	-
Due from other governments	-	95	-	-
Due from other funds	-	147,292	45,092	426,242
Inventories	-	9,419	-	-
Land held for resale	-	-	-	-
Total Assets	<u>\$ 27,250</u>	<u>\$ 720,499</u>	<u>\$ 85,379</u>	<u>\$ 426,242</u>
LIABILITIES				
Accounts payable	\$ -	\$ 25,510	\$ -	\$ -
Other liabilities	-	3,078	-	-
Accrued payroll	-	3,543	-	-
Due to other funds	-	3,527	-	-
Unearned revenue	-	43,514	-	426,242
Total Liabilities	<u>-</u>	<u>79,172</u>	<u>-</u>	<u>426,242</u>
FUND BALANCES				
Nonspendable	-	12,619	-	-
Restricted	<u>27,250</u>	<u>628,708</u>	<u>85,379</u>	<u>-</u>
Total Fund Balances	<u>27,250</u>	<u>641,327</u>	<u>85,379</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 27,250</u>	<u>\$ 720,499</u>	<u>\$ 85,379</u>	<u>\$ 426,242</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)
\$ -	\$ -	\$ -	\$ 45,243	\$ 64,204
-	363,616	-	251,105	1,733,611
-	-	-	-	4,008
-	27,536	-	-	424,627
-	-	-	-	152,634
-	-	-	-	(7,947)
-	-	-	-	448,044
169,521	359,758	152,848	-	2,321,677
-	-	-	-	9,419
-	-	-	1,104,518	1,104,518
<u>\$ 169,521</u>	<u>\$ 750,910</u>	<u>\$ 152,848</u>	<u>\$ 1,400,866</u>	<u>\$ 6,254,795</u>
\$ 374	\$ -	\$ 149,293	\$ 538	\$ 566,685
176	-	-	-	24,840
366	-	-	-	19,180
1,729	-	-	275,000	746,608
-	-	-	-	506,950
<u>2,645</u>	<u>-</u>	<u>149,293</u>	<u>275,538</u>	<u>1,864,263</u>
-	-	-	-	12,619
<u>166,876</u>	<u>750,910</u>	<u>3,555</u>	<u>1,125,328</u>	<u>4,377,913</u>
<u>166,876</u>	<u>750,910</u>	<u>3,555</u>	<u>1,125,328</u>	<u>4,390,532</u>
<u>\$ 169,521</u>	<u>\$ 750,910</u>	<u>\$ 152,848</u>	<u>\$ 1,400,866</u>	<u>\$ 6,254,795</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, 2019

	CDBG	Police Department Special Fund	Police Federal Sharing Fund	Minicipal Court Technology Fund
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,287,958	25,747	53,928	-
Charges for services	-	-	-	27,263
Interest	-	695	110	847
Miscellaneous	-	-	595	644
Total Revenues	<u>1,287,958</u>	<u>26,442</u>	<u>54,633</u>	<u>28,754</u>
EXPENDITURES				
Current:				
General government	1,233,994	-	-	42,893
Public safety	-	23,754	23,857	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	53,964	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal	-	-	155,568	-
Interest and fiscal charges	-	-	124,002	-
Total Expenditures	<u>1,287,958</u>	<u>23,754</u>	<u>303,427</u>	<u>42,893</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,688</u>	<u>(248,794)</u>	<u>(14,139)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	9,430	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(17,932)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>9,430</u>	<u>(17,932)</u>	<u>-</u>
Net Change in Fund Balances	-	12,118	(266,726)	(14,139)
Fund Balances at Beginning of Year	<u>-</u>	<u>53,408</u>	<u>303,668</u>	<u>182,519</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 65,526</u>	<u>\$ 36,942</u>	<u>\$ 168,380</u>

EXHIBIT C-4

Page 1 of 2

Designated Purpose Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund
\$ -	\$ 968,018	\$ -	\$ -
2,136,492	-	-	-
-	-	9,300	6,497
-	16,048	-	-
11,490	15,786	-	-
<u>2,147,982</u>	<u>999,852</u>	<u>9,300</u>	<u>6,497</u>
-	-	3,886	4,802
1,363,713	-	-	-
-	1,623,043	-	-
1,000,000	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,363,713</u>	<u>1,623,043</u>	<u>3,886</u>	<u>4,802</u>
<u>(215,731)</u>	<u>(623,191)</u>	<u>5,414</u>	<u>1,695</u>
-	-	-	-
215,731	-	-	-
-	-	-	-
<u>215,731</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(623,191)	5,414	1,695
-	1,887,594	39,203	8,344
<u>\$ -</u>	<u>\$ 1,264,403</u>	<u>\$ 44,617</u>	<u>\$ 10,039</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, 2019

	Speer Memorial Library	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
REVENUES				
Taxes and special assessments	\$ -	\$ 488,269	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	354,149	20,354	11,755
Interest	565	4,912	700	-
Miscellaneous	429	4,849	340	-
Total Revenues	994	852,179	21,394	11,755
EXPENDITURES				
Current:				
General government	-	-	27,646	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	1,010,104	-	11,755
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	1,010,104	27,646	11,755
Excess (Deficiency) of Revenues Over (Under) Expenditures	994	(157,925)	(6,252)	-
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	994	(157,925)	(6,252)	-
Fund Balances at Beginning of Year	26,256	799,252	91,631	-
Fund Balances at End of Year	\$ 27,250	\$ 641,327	\$ 85,379	\$ -

EXHIBIT C-4

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-2)
\$ -	\$ -	\$ -	\$ -	\$ 1,456,287
-	-	2,736,752	-	6,240,877
31,509	-	-	-	460,827
370	8,782	-	11,770	44,799
286	119,958	-	6,468	160,845
<u>32,165</u>	<u>128,740</u>	<u>2,736,752</u>	<u>18,238</u>	<u>8,363,635</u>
24,747	-	-	-	1,337,968
-	-	-	-	1,411,324
-	-	-	-	1,623,043
-	-	-	-	2,021,859
-	-	-	-	53,964
-	-	5,195,292	583,547	5,778,839
-	-	-	-	155,568
-	-	-	-	124,002
<u>24,747</u>	<u>-</u>	<u>5,195,292</u>	<u>583,547</u>	<u>12,506,567</u>
<u>7,418</u>	<u>128,740</u>	<u>(2,458,540)</u>	<u>(565,309)</u>	<u>(4,142,932)</u>
-	-	-	-	9,430
-	-	2,458,540	-	2,674,271
-	-	-	-	(17,932)
<u>-</u>	<u>-</u>	<u>2,458,540</u>	<u>-</u>	<u>2,665,769</u>
7,418	128,740	-	(565,309)	(1,477,163)
<u>159,458</u>	<u>622,170</u>	<u>3,555</u>	<u>1,690,637</u>	<u>5,867,695</u>
<u>\$ 166,876</u>	<u>\$ 750,910</u>	<u>\$ 3,555</u>	<u>\$ 1,125,328</u>	<u>\$ 4,390,532</u>

CITY OF MISSION, TEXAS
COMMUNITY DEVELOPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-5

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Community Development Block Grant	\$ 1,328,378	\$ 1,287,958	\$ (40,420)
Total Intergovernmental	1,328,378	1,287,958	(40,420)
 Total Revenues	 1,328,378	 1,287,958	 (40,420)
Expenditures:			
Current:			
General Government:			
General administration	231,474	210,599	(20,875)
Housing rehabilitation	1,042,904	1,023,395	(19,509)
Total General Government	1,274,378	1,233,994	(40,384)
Health and Welfare:			
Other social services	54,000	53,964	(36)
Total Health and Welfare	54,000	53,964	(36)
 Total Expenditures	 1,328,378	 1,287,958	 (40,420)
 Net Change in Fund Balance	 -	 -	 -
 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, 2019

EXHIBIT C-6

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State Seizures:			
State seizures	\$ -	\$ 25,747	\$ 25,747
Total State Seizures	-	25,747	25,747
Interest:			
Interest earned on investments	-	695	695
Total Interest	-	695	695
Total Revenues	-	26,442	26,442
Expenditures:			
Current:			
Public Safety:			
State Seizures:			
Supplies	2,875	2,865	10
Capital outlays	23,841	20,889	2,952
Total Public Safety	26,716	23,754	2,962
Total Expenditures	26,716	23,754	2,962
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,716)	2,688	29,404
Other Financing Sources (Uses):			
Sale of capital assets	-	9,430	9,430
Transfer out	(28,643)	-	28,643
Total Other Financing Sources (Uses)	(28,643)	9,430	38,073
Net Change in Fund Balance	(55,359)	12,118	67,477
Fund Balance at Beginning of Year	53,408	53,408	-
Fund Balance at End of Year	\$ (1,951)	\$ 65,526	\$ 67,477

CITY OF MISSION, TEXAS
POLICE FEDERAL SHARING FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-7

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Equitable Sharing	\$ 24,708	\$ 53,928	\$ 29,220
Miscellaneous Revenue	-	595	595
Total Intergovernmental	24,708	54,523	29,815
Interest:			
Interest earned on investments	-	110	110
Total Interest	-	110	110
Total Revenues	24,708	54,633	29,925
Expenditures:			
Current:			
Public Safety:			
Professional & technical services	12,538	10,000	2,538
Other purchased services	8,708	2,923	5,785
Supplies	13,000	10,613	2,387
Capital outlays	3,000	-	3,000
Debt service	268,310	279,570	(11,260)
Miscellaneous	-	321	(321)
Total Public Safety	305,556	303,427	2,129
Total Expenditures	305,556	303,427	2,129
Excess (Deficiency) of Revenues Over Expenditures	(280,848)	(248,794)	32,054
Other Financing Sources (Uses):			
Transfers out	-	(17,932)	(17,932)
Total Other Financing Sources (Uses)	-	(17,932)	(17,932)
Net Change in Fund Balance	(280,848)	(266,726)	14,122
Fund Balance at Beginning of Year	303,668	303,668	-
Fund Balance at End of Year	\$ 22,820	\$ 36,942	\$ 14,122

CITY OF MISSION, TEXAS
MUNICIPAL COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-8

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Court technology fees	\$ 35,000	\$ 27,263	\$ (7,737)
Total Charges for Services	35,000	27,263	(7,737)
Interest:			
Interest earned on investments	400	847	447
Interest earned on demand deposits	150	-	(150)
Total Interest	550	847	297
Miscellaneous Income:			
Miscellaneous	-	644	644
Total Miscellaneous Income	-	644	644
 Total Revenues	 35,550	 28,754	 (6,796)
Expenditures:			
Current:			
General Government:			
Purchased property services	2,306	1,906	400
Supplies	1,500	-	1,500
Capital outlays	60,000	40,158	19,842
Miscellaneous	1,175	829	346
Total General Government	64,981	42,893	22,088
 Total Expenditures	 64,981	 42,893	 22,088
 Net Change in Fund Balance	 (29,431)	 (14,139)	 15,292
Fund Balance at Beginning of Year	182,519	182,519	-
Fund Balance at End of Year	\$ 153,088	\$ 168,380	\$ 15,292

CITY OF MISSION, TEXAS**DESIGNATED PURPOSE FUND****SPECIAL REVENUE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2019****EXHIBIT C-9****Page 1 of 4**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
DHS-Stonegarden Grant 2016	325,000	-	(325,000)
Bullet Proof Vest Grant	21,277	17,932	(3,345)
Urban County Grant-B&G Club	15,867	-	(15,867)
SAFER EMW-2005-FF-01316	419,878	163,860	(256,018)
OVAG Grant# 0802439	42,000	42,231	231
SWAT-HOMELAND SECURITY	37,262	37,261	(1)
Adt/USAA Contributions	10,000	9,250	(750)
Local Border Security Program 2015	275,000	213,000	(62,000)
Tx. Dept of Transportation-STEP Grant	58,947	58,121	(826)
2011 SHSP Grant	250,000	249,700	(300)
TSLAC Grant	3,153	-	(3,153)
Cops Hiring	367,430	335,483	(31,947)
Texas Parks and Wildlife	500,000	500,000	-
LEOSE-Peace Officer Allocation	9,654	9,654	-
Valley Legacy-Birdwell Tennis Grant	500,000	500,000	-
Total Intergovernmental	2,835,468	2,136,492	(698,976)
Miscellaneous:			
Local Grant-Wal-Mart-Culture and Recreation	1,000	-	(1,000)
Local Wal-Mart Grants-Public Safety	4,500	1,987	(2,513)
Miscellaneous income	-	9,503	9,503
Misc-Insurance Settlement	28,328	-	(28,328)
Total Miscellaneous	33,828	11,490	(22,338)
Total Revenues	2,869,296	2,147,982	(721,314)
Expenditures:			
Current:			
Public Safety:			
SAFER EMW-2005-FF-013:			
Personnel services	427,555	162,941	264,614
Employee benefits	132,282	55,539	76,743
	559,837	218,480	341,357
Bullet Proof Vest Grant:			
Capital outlays	43,322	35,863	7,459
	43,322	35,863	7,459

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***EXHIBIT C-9****Page 2 of 4**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
VCLG Grant:			
Personnel services	35,069	34,654	415
Employee benefits	6,931	7,577	(646)
	<u>42,000</u>	<u>42,231</u>	<u>(231)</u>
TXDOT-Step Grant:			
Personnel services	48,801	48,100	701
Employee benefits	10,146	10,021	125
	<u>58,947</u>	<u>58,121</u>	<u>826</u>
2017 Stonegarden Grant:			
Personnel services	83,064	82,559	505
Employee benefits	16,936	17,141	(205)
Capital outlays	150,000	150,000	-
	<u>250,000</u>	<u>249,700</u>	<u>300</u>
Adt/USAA Contributions:			
Capital outlays	10,000	9,250	750
	<u>10,000</u>	<u>9,250</u>	<u>750</u>
COPS Hiring			
Personnel services	370,714	369,574	1,140
Employee benefits	119,193	118,592	601
	<u>489,907</u>	<u>488,166</u>	<u>1,741</u>
Swat-Homeland Security Grant:			
Capital outlays	39,446	37,261	2,185
	<u>39,446</u>	<u>37,261</u>	<u>2,185</u>
Fire Prevention Grant			
Supplies	1,040	1,037	3
Capital outlay	3,460	950	2,510
	<u>4,500</u>	<u>1,987</u>	<u>2,513</u>
LEOSE Grant			
Other purchased services	9,654	9,654	-
	<u>9,654</u>	<u>9,654</u>	<u>-</u>

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***EXHIBIT C-9****Page 3 of 4**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Local Border Security Program 2015:			
Personnel services	228,705	176,148	52,557
Employee benefits	46,295	36,852	9,443
	<u>275,000</u>	<u>213,000</u>	<u>62,000</u>
Stonegarden Grant:			
Personnel services	140,390	-	140,390
Employee benefits	28,610	-	28,610
Capital outlays	156,000	-	156,000
	<u>325,000</u>	<u>-</u>	<u>325,000</u>
2012 Stonegarden Grant			
Capital outlay	28,328	-	28,328
	<u>28,328</u>	<u>-</u>	<u>28,328</u>
Total Public Safety	<u>2,135,941</u>	<u>1,363,713</u>	<u>772,228</u>
Culture and Recreation:			
Wal-Mart Grant:			
Capital Outlay	1,000	-	1,000
	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Texas State Library & Archives Commission:			
Capital outlays	3,153	-	3,153
	<u>3,153</u>	<u>-</u>	<u>3,153</u>
Urban County Grant-Boys & Girls Club:			
Personnel services	10,077	-	10,077
Employee benefits	2,040	-	2,040
Supplies	3,750	-	3,750
	<u>15,867</u>	<u>-</u>	<u>15,867</u>
Texas Parks and Wildlife:			
Capital outlay	1,000,000	1,000,000	-
	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total Culture and Recreation	<u>1,020,020</u>	<u>1,000,000</u>	<u>20,020</u>

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***EXHIBIT C-9****Page 4 of 4**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Total Expenditures	<u>3,155,961</u>	<u>2,363,713</u>	<u>792,248</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(286,665)</u>	<u>(215,731)</u>	<u>70,934</u>
Other Financing Sources (Uses)			
Transfers in	286,665	215,731	(70,934)
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>286,665</u>	<u>215,731</u>	<u>(70,934)</u>
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MISSION, TEXAS
DRAINAGE ASSESSMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-10

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments:			
Drainage assessments	\$ 870,000	\$ 965,040	\$ 95,040
Drainage assessments-Granjeno	2,800	2,978	\$ 178
Total Assessments	872,800	968,018	95,218
Interest:			
Interest earned on investments	1,000	16,048	15,048
Total Interest	1,000	16,048	15,048
Miscellaneous:			
Miscellaneous income	-	15,786	15,786
Total Miscellaneous	-	15,786	15,786
Total Revenues	873,800	999,852	126,052
Expenditures:			
Current:			
Highways and Streets:			
Personnel services	80,504	83,177	(2,673)
Employee benefits	33,868	33,819	49
Professional and technical services	570,000	517,194	52,806
Purchased property services	15,000	-	15,000
Other purchased services	-	10,219	(10,219)
Supplies	117,000	74,537	42,463
Capital outlays	1,437,040	904,097	532,943
Miscellaneous	2,000	-	2,000
Total Highways and Streets	2,255,412	1,623,043	632,369
Total Expenditures	2,255,412	1,623,043	632,369
Net Change in Fund Balance	(1,381,612)	(623,191)	758,421
Fund Balance at Beginning of Year	1,887,594	1,887,594	-
Fund Balance at End of Year	\$ 505,982	\$ 1,264,403	\$ 758,421

CITY OF MISSION, TEXAS
CEMETERY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-11

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest:			
Perpetual care	\$ 9,000	\$ 9,300	\$ 300
Total Interest	9,000	9,300	300
 Total Revenues	 9,000	 9,300	 300
Expenditures:			
Current:			
General Government			
Supplies	5,950	3,886	2,064
Miscellaneous	100	-	100
Capital outlay	10,000	-	10,000
Total General Government	16,050	3,886	12,164
 Total Expenditures	 16,050	 3,886	 12,164
 Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(7,050)	5,414	12,464
 Fund Balance at Beginning of Year	 39,203	 39,203	 -
 Fund Balance at End of Year	 \$ 32,153	 \$ 44,617	 \$ 12,464

CITY OF MISSION, TEXAS
RECORDS PRESERVATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-12

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Service:			
Vital statistics preservation fee	\$ 6,000	\$ 6,497	\$ 497
Total Charges for Service	6,000	6,497	497
 Total Revenues	 6,000	 6,497	 497
Expenditures:			
Current:			
Record Preservation:			
Purchased property services	1,000	1,000	-
Other purchased service	1,900	1,074	826
Supplies	4,100	2,728	1,372
Miscellaneous	100	-	100
Total Record Preservation	7,100	4,802	2,298
 Total Expenditures	 7,100	 4,802	 2,298
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (1,100)	 1,695	 2,795
 Fund Balance at Beginning of Year	 8,344	 8,344	 -
 Fund Balance at End of Year	 \$ 7,244	 \$ 10,039	 \$ 2,795

CITY OF MISSION, TEXAS
SPEER MEMORIAL LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-13

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest:			
Interest earned on investments	\$ -	\$ 565	\$ 565
Total Interest	-	565	565
Miscellaneous Income:			
Miscellaneous	\$ -	\$ 429	\$ 429
Total Miscellaneous Income	-	429	429
Total Revenues	-	994	994
Expenditures:			
Current:			
Culture and Recreation:			
Miscellaneous	-	-	-
Capital outlays	-	-	-
Total Culture and Recreation	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	994	994
Fund Balance at Beginning of Year	26,256	26,256	-
Fund Balance at End of Year	\$ 26,256	\$ 27,250	\$ 994

CITY OF MISSION, TEXAS*HOTEL/MOTEL TAX FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***EXHIBIT C-14****Page 1 of 2**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel occupancy tax	\$ 500,000	\$ 488,269	\$ (11,731)
Miscellaneous	-	4,849	4,849
Total Taxes	500,000	493,118	(6,882)
Charges for Services:			
Rent - Event Center	200,000	276,445	76,445
Beverage sales - Event Center	-	77,704	77,704
Total Charges for Services	200,000	354,149	154,149
Interest:			
Interest earned on demand deposits	500	-	(500)
Interest earned on investments	100	4,912	4,812
Total Interest	600	4,912	4,312
Total Revenues	700,600	852,179	151,579
Expenditures:			
Current:			
Culture and Recreation:			
Tourist Promotion & Advertising:			
Miscellaneous	446,500	405,132	41,368
Other purchased services	20,000	26,685	(6,685)
Total	466,500	431,817	34,683
Event Center Operations:			
Personnel services	201,341	190,162	11,179
Employee benefits	68,550	61,208	7,342
Purchased property services	198,632	194,794	3,838
Other purchased services	40,100	61,548	(21,448)
Supplies	80,500	34,499	46,001
Capital outlay	175,000	10,712	164,288
Miscellaneous	130,325	25,364	104,961
Total	894,448	578,287	316,161
Total Culture and Recreation	1,360,948	1,010,104	350,844
Total Expenditures	1,360,948	1,010,104	350,844
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(660,348)	(157,925)	502,423

CITY OF MISSION, TEXAS
HOTEL/MOTEL TAX FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-14
Page 2 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):			
Transfers in	260,000	-	(260,000)
Total Other Financing Sources (Uses)	260,000	-	(260,000)
Net Change in Fund Balance	(400,348)	(157,925)	242,423
Fund Balance at Beginning of Year	799,252	799,252	-
Fund Balance at End of Year	\$ 398,904	\$ 641,327	\$ 242,423

CITY OF MISSION, TEXAS
MUNICIPAL COURT BLDG SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-15

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Municipal court security fees	\$ 25,000	\$ 20,354	\$ (4,646)
Total Charges for Services	25,000	20,354	(4,646)
Interest:			
Interest earned on investments	-	700	700
Total Interest	-	700	700
Miscellaneous Income:			
Miscellaneous	-	340	340
Total Miscellaneous Income	-	340	340
Total Revenues	25,000	21,394	(3,606)
Expenditures:			
Current:			
Purchased property services	5,000	-	5,000
Other purchased services	15,000	8,822	6,178
Capital outlay	30,000	18,824	11,176
Miscellaneous	100	-	100
Total Expenditures	50,100	27,646	22,454
Net Change in Fund Balance	(25,100)	(6,252)	18,848
Fund Balance at Beginning of Year	91,631	91,631	-
Fund Balance at End of Year	\$ 66,531	\$ 85,379	\$ 18,848

CITY OF MISSION, TEXAS
PARK DEDICATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-16

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Park dedication fee	\$ 325,496	\$ 11,755	\$ (313,741)
Total Charges for Services	325,496	11,755	(313,741)
 Total Revenues	 325,496	 11,755	 (313,741)
Expenditures:			
Current:			
Culture and Recreation:			
Zone 1-Northwest:			
Capital outlays	244,438	-	244,438
	244,438	-	244,438
Zone 2-Northeast:			
Capital outlays	7,240	6,840	400
	7,240	6,840	400
Zone 3-Southwest:			
Capital outlays	5,532	4,915	617
	5,532	4,915	617
Zone 4-Southeast:			
Capital outlays	68,286	-	68,286
	68,286	-	68,286
Zone 5 -Central:			
Capital outlays	-	-	-
	-	-	-
 Total Culture and Recreation	 325,496	 11,755	 313,741
 Total Expenditures	 325,496	 11,755	 313,741
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 -	 -	 -
 Fund Balance at Beginning of Year	 -	 -	 -
 Fund Balance at End of Year	 \$ -	 \$ -	 \$ -

CITY OF MISSION, TEXAS
JUVENILE CASE MANAGER FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-17

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Juvenile case manager fee	\$ 40,000	\$ 31,509	\$ (8,491)
Total Charges for Services	40,000	31,509	(8,491)
Interest:			
Interest earned on investments	150	370	220
Interest earned on demand deposits	200	-	(200)
Total Interest	350	370	20
Miscellaneous Income:			
Miscellaneous	-	286	286
Total Miscellaneous Income	-	286	286
Total Revenues	40,350	32,165	(8,185)
Expenditures:			
Current:			
Personnel services	23,005	15,762	7,243
Employee benefits	9,287	7,837	1,450
Other purchased services	3,000	-	3,000
Supplies	1,500	1,148	352
Capital Outlay	1,500	-	1,500
Miscellaneous	200	-	200
Total Expenditures	38,492	24,747	13,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,858	7,418	5,560
Fund Balance at Beginning of Year	159,458	159,458	-
Fund Balance at End of Year	\$ 161,316	\$ 166,876	\$ 5,560

CITY OF MISSION, TEXAS**EXHIBIT C-18***PEG CAPITAL FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
PEG capital fee	\$ 90,000	\$ 112,602	\$ 22,602
Total Charges for Services	90,000	112,602	22,602
Interest:			
Interest earned on investment	100	8,782	8,682
Total Interest	100	8,782	8,682
Miscellaneous Income:			
Miscellaneous	-	7,356	7,356
Total Miscellaneous Income	-	7,356	7,356
Total Revenues	90,100	128,740	38,640
Expenditures:			
Miscellaneous:			
Depository charges	500	-	500
Total Expenditures	500	-	500
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,600	128,740	39,140
Fund Balance at Beginning of Year	622,170	622,170	-
Fund Balance at End of Year	\$ 711,770	\$ 750,910	\$ 39,140

CITY OF MISSION, TEXAS

TAX INCREMENT REINVESTMENT ZONE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-19

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Contribution-Hidalgo County	\$ 2,650,000	\$ 2,736,752	\$ 86,752
Total Intergovernmental	2,650,000	2,736,752	86,752
 Total Revenues	 2,650,000	 2,736,752	 86,752
Expenditures:			
Current:			
Economic Development	5,280,050	5,195,292	84,758
Total Expenditures	5,280,050	5,195,292	84,758
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (2,630,050)	 (2,458,540)	 171,510
Other Financing Sources (Uses):			
Transfers in	2,630,000	2,458,540	(171,460)
Total Other Financing Sources (Uses)	2,630,000	2,458,540	(171,460)
 Net Change in Fund Balance	 (50)	 -	 50
 Fund Balance at Beginning of Year	 3,555	 3,555	 -
 Fund Balance at End of Year	 \$ 3,505	 \$ 3,555	 \$ 50

CITY OF MISSION, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-20

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Current ad valorem taxes	\$ 3,245,000	\$ 3,235,233	\$ (9,767)
Delinquent ad valorem taxes	110,000	91,439	\$ (18,561)
Interest & penalties on taxes	75,000	72,557	\$ (2,443)
Total Taxes	<u>3,430,000</u>	<u>3,399,229</u>	<u>(30,771)</u>
Interest:			
Interest earned on investments	<u>2,000</u>	<u>5,760</u>	<u>3,760</u>
Total Interest	<u>2,000</u>	<u>5,760</u>	<u>3,760</u>
Miscellaneous Income:			
Miscellaneous	<u>-</u>	<u>1,504,902</u>	<u>4,902</u>
Total Miscellaneous Income	<u>-</u>	<u>1,504,902</u>	<u>4,902</u>
Total Revenues	<u>3,432,000</u>	<u>4,909,891</u>	<u>(22,109)</u>
Expenditures:			
Current:			
Debt Service:			
Principal retirement	2,720,000	3,210,000	(490,000)
Interest and fiscal agent charges	<u>1,393,235</u>	<u>1,798,562</u>	<u>(405,327)</u>
Total Debt Service	<u>4,113,235</u>	<u>5,008,562</u>	<u>(895,327)</u>
Total Expenditures	<u>4,113,235</u>	<u>5,008,562</u>	<u>(895,327)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(681,235)</u>	<u>(98,671)</u>	<u>(917,436)</u>
Other Financing Sources (Uses):			
Transfers in	1,500,000	943	943
Transfers out	<u>(430,000)</u>	<u>(401,744)</u>	<u>28,256</u>
Total Other Financing Sources (Uses)	<u>1,070,000</u>	<u>(400,801)</u>	<u>29,199</u>
Net Change in Fund Balance	388,765	(499,472)	(888,237)
Fund Balance at Beginning of Year	<u>968,907</u>	<u>968,908</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,357,672</u>	<u>\$ 469,436</u>	<u>\$ (888,237)</u>

CITY OF MISSION, TEXAS*COMBINING BALANCE SHEET**NONMAJOR CAPITAL PROJECTS FUNDS**SEPTEMBER 30, 2019***EXHIBIT C-21**

	Capital Projects Funds	2009 Certificate of Obligation	2016 Certificate of Obligation	Total Nonmajor Capital Projects Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other governments	715,552	-	-	715,552
Due from Component Unit	2,448	-	-	2,448
Due from other funds	1,646,259	-	-	1,646,259
Total Assets	<u>\$ 2,364,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,364,259</u>
LIABILITIES				
Accounts payable	\$ 677,224	\$ -	\$ -	\$ 677,224
Retainage payable	75,375	-	-	75,375
Due to other funds	48,581	-	-	48,581
Unearned revenue	1,563,079	-	-	1,563,079
Total Liabilities	<u>2,364,259</u>	<u>-</u>	<u>-</u>	<u>2,364,259</u>
FUND BALANCES				
Reserved for encumbrances	-	-	-	-
Reserved for capital projects	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 2,364,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,364,259</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, 2019*

	Capital Projects Fund	2009 Certificate of Obligation	2016 Certificate of Obligation	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental	\$ 1,614,274	\$ -	\$ -	\$ 1,614,274
Total Revenues	<u>1,614,274</u>	<u>-</u>	<u>-</u>	<u>1,614,274</u>
Expenditures:				
Current:				
Capital projects	2,247,564	-	5,463	2,253,027
Total Expenditures	<u>2,247,564</u>	<u>-</u>	<u>5,463</u>	<u>2,253,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(633,290)</u>	<u>-</u>	<u>(5,463)</u>	<u>(638,753)</u>
Other Financing Sources (Uses):				
Transfers In	633,290	-	-	633,290
Transfers out	-	(942)	(1)	(943)
Total Other Financing Sources (Uses)	<u>633,290</u>	<u>(942)</u>	<u>(1)</u>	<u>632,347</u>
Net Change in Fund Balance	-	(942)	(5,464)	(6,406)
Fund Balance at Beginning of Year	<u>-</u>	<u>942</u>	<u>5,464</u>	<u>6,406</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Page 1 of 4

UTILITY FUND

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Water sales, net of adjustment	\$ 12,725,000	\$ 11,770,710	\$ (954,290)
Connection fee	120,000	126,053	6,053
Reconnect fee	100,000	117,320	17,320
W/W system cap. recovery fee	-	84,675	84,675
Sewage service	6,305,000	6,454,598	149,598
Wastewater assessment	75,000	74,370	(630)
Service charge	60,000	60,543	543
Industrial sewer surcharge	37,000	64,068	27,068
Waterline and sewer line	31,509	32,413	904
RMA reimbursement	370,000	-	(370,000)
TIRZ reimbursement	5,197,342	1,634,247	(3,563,095)
5% credit card fee	30,000	36,029	6,029
Miscellaneous income	30,000	54,036	24,036
Operating Revenues	25,080,851	20,509,062	(4,571,789)
Nonoperating Revenues:			
Interest earned	57,000	62,042	5,042
Gain (loss) on disposal of capital assets	-	2,220	2,220
Insurance settlement	-	5,130	5,130
Nonoperating Revenues	57,000	69,392	12,392
Total Revenues	25,137,851	20,578,454	(4,559,397)
Operating Expenses:			
Utility Administration:			
Personnel services	614,902	626,137	(11,235)
Employee benefits	169,831	134,917	34,914
Purchased property services	22,300	21,501	799
Other purchased services	15,000	13,093	1,907
Supplies	6,400	5,255	1,145
Miscellaneous	500	366	134
	828,933	801,269	27,664
Water Distribution:			
Personnel services	1,183,793	1,117,759	66,034
Employee benefits	455,695	422,367	33,328
Purchased property services	476,500	553,321	(76,821)
Other purchased services	32,000	28,120	3,880
Supplies	620,750	528,362	92,388
Capital outlays	4,989,541	1,701,679	3,287,862
Miscellaneous	13,300	10,872	2,428
	7,771,579	4,362,480	3,409,099

CITY OF MISSION, TEXAS**EXHIBIT C-23***UTILITY FUND***Page 2 of 4***ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019*

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Water Treatment:			
Personnel services	433,775	424,043	9,732
Employee benefits	157,783	145,494	12,289
Professional & technical services	110,000	87,410	22,590
Purchased property services	336,300	187,969	148,331
Other purchased services	10,250	10,282	(32)
Supplies	904,000	745,913	158,087
Capital outlays	72,700	68,621	4,079
Miscellaneous	31,900	31,750	150
	<u>2,056,708</u>	<u>1,701,482</u>	<u>355,226</u>
Wastewater Treatment and Collection:			
Personnel services	455,918	458,954	(3,036)
Employee benefits	158,372	149,046	9,326
Professional & technical services	55,000	86,317	(31,317)
Purchased property services	712,850	718,567	(5,717)
Other purchased services	12,050	10,822	1,228
Supplies	163,600	125,321	38,279
Capital outlays	1,838,210	172,190	1,666,020
Miscellaneous	203,500	118,922	84,578
	<u>3,599,500</u>	<u>1,840,139</u>	<u>1,759,361</u>
Industrial Pretreatment:			
Personnel services	49,408	48,922	486
Employee benefits	16,285	14,721	1,564
Purchased property services	165,000	102,131	62,869
Other purchased services	600	1,225	(625)
Supplies	10,450	5,139	5,311
Capital outlays	40,100	26,730	13,370
Miscellaneous	70,000	177,462	(107,462)
	<u>351,843</u>	<u>376,330</u>	<u>(24,487)</u>
Utility Billing and Collection:			
Personnel services	256,944	243,894	13,050
Employee benefits	91,908	80,044	11,864
Purchased property services	18,800	19,433	(633)
Other purchased services	152,500	155,339	(2,839)
Supplies	16,500	14,046	2,454
Miscellaneous	4,875	3,809	1,066
	<u>541,527</u>	<u>516,565</u>	<u>24,962</u>

CITY OF MISSION, TEXAS**UTILITY FUND****ENTERPRISE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2019****EXHIBIT C-23****Page 3 of 4**

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Organizational Expense:			
Professional & technical services	216,000	2,600	213,400
Other purchased services	189,000	177,731	11,269
Capital outlays	20,000	-	20,000
Miscellaneous	372,200	266,053	106,147
	<u>797,200</u>	<u>446,384</u>	<u>350,816</u>
Meter Readers:			
Personnel services	265,141	270,994	(5,853)
Employee benefits	112,144	107,336	4,808
Purchased property services	16,000	15,647	353
Other purchased services	4,200	3,736	464
Supplies	72,600	69,739	2,861
Capital outlays	29,500	1,313	28,187
Miscellaneous	700	595	105
	<u>500,285</u>	<u>469,360</u>	<u>30,925</u>
Northside Water Treatment Plant:			
Personnel services	362,587	365,526	(2,939)
Employee benefits	134,233	127,786	6,447
Professional & technical services	25,000	13,478	11,522
Purchased property services	412,300	383,949	28,351
Other purchased services	4,300	4,042	258
Supplies	1,178,450	1,157,058	21,392
Capital outlays	109,351	87,354	21,997
Miscellaneous	700	638	62
	<u>2,226,921</u>	<u>2,139,831</u>	<u>87,090</u>
2015 TWDB:			
Capital outlays	-	307,667	(307,667)
	<u>-</u>	<u>307,667</u>	<u>(307,667)</u>
Total Operating Expenses	<u>18,674,496</u>	<u>12,961,507</u>	<u>5,712,989</u>
Nonoperating Expenses:			
Bond interest expense	784,803	676,054	108,749
Bond fiscal charges	4,400	3,850	550
Bond principal	2,370,000	2,370,000	-
Nonoperating Expenses	<u>3,159,203</u>	<u>3,049,904</u>	<u>109,299</u>

CITY OF MISSION, TEXAS
UTILITY FUND
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-23
Page 4 of 4

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Transfers:			
Transfers in (out)	<u>(4,600,000)</u>	<u>(4,600,000)</u>	<u>-</u>
Capital Contributions	<u>250,000</u>	<u>1,085,961</u>	<u>835,961</u>
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	<u>26,183,699</u>	<u>19,525,450</u>	<u>6,658,249</u>
Net Position (Budgetary Basis)	<u>\$ (1,045,848)</u>	1,053,004	<u>\$ 2,098,852</u>
Adjustments:			
Current year depreciation of capital assets, not budgeted		(5,096,478)	
Bond principal		2,370,000	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		<u>2,365,553</u>	
		<u>(360,925)</u>	
Net Position (GAAP Basis)		<u>\$ 692,079</u>	

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***EXHIBIT C-24****Page 1 of 2**

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Pro shop sales	\$ 60,000	\$ 56,030	\$ (3,970)
Cart and club rental	150,000	163,588	13,588
Pull carts and club rentals	1,000	1,046	46
Food and beverage sales	100,000	101,843	1,843
Daily green fees	320,000	314,854	(5,146)
Trail fees	45,000	34,858	(10,142)
Juniors' fees	30,000	35,991	5,991
Capital fees	43,000	39,390	(3,610)
Prepaid members	120,000	125,915	5,915
Driving range	40,000	31,783	(8,217)
Miscellaneous income	1,000	2,188	1,188
Operating Revenues	910,000	907,486	(2,514)
Total Revenues	910,000	907,486	(2,514)
Operating Expenses:			
Cost of sales-pro shop	60,000	54,740	5,260
Cost of sales-restaurant	52,000	58,040	(6,040)
Total Cost of Sales	112,000	112,780	(780)
Golf Course Operation:			
Club House:			
Personnel services	280,074	228,992	51,082
Employee benefits	94,427	77,017	17,410
Purchased property services	131,900	106,764	25,136
Other purchased services	7,650	10,074	(2,424)
Supplies	11,000	7,524	3,476
Capital outlays	-	3,342	(3,342)
Miscellaneous	200	171	29
	525,251	433,884	91,367
Grounds:			
Personnel services	314,440	308,229	6,211
Employee benefits	125,821	115,197	10,624
Purchased property services	55,000	38,133	16,867
Supplies	101,500	68,600	32,900
Capital outlays	1,600	1,563	37
	598,361	531,722	66,639

CITY OF MISSION, TEXAS
GOLF COURSE FUND
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-24
Page 2 of 2

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Restaurant:			
Personnel services	37,846	30,934	6,912
Employee benefits	8,849	5,889	2,960
Supplies	200	-	200
Capital outlays	3,400	-	3,400
Miscellaneous	200	150	50
	<u>50,495</u>	<u>36,973</u>	<u>13,522</u>
Organizational Expense:			
Other purchased services	13,000	11,865	1,135
Miscellaneous	18,000	23,442	(5,442)
	<u>31,000</u>	<u>35,307</u>	<u>(4,307)</u>
 Total Golf Course Operation	 <u>1,317,107</u>	 <u>1,150,666</u>	 <u>166,441</u>
 Depreciation	 -	 212,635	 (212,635)
 Total Operating Expenses	 <u>1,317,107</u>	 <u>1,363,301</u>	 <u>(46,194)</u>
Nonoperating Expenses:			
Capital lease interest expense	3,850	2,350	1,500
Bond and capital lease principal	45,564	46,950	(1,386)
Nonoperating Expenses	<u>49,414</u>	<u>49,300</u>	<u>114</u>
 Operating and Nonoperating Expenses, and Capital Contributions (Budgetary Basis)	 <u>1,366,521</u>	 <u>1,412,601</u>	 <u>(46,080)</u>
 Net Position (Budgetary Basis)	 <u>\$ (456,521)</u>	 (505,115)	 <u>\$ (48,594)</u>
Adjustments:			
Bond and capital lease principal		46,950	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		<u>4,905</u>	
		<u>51,855</u>	
 Net Position (GAAP Basis)		 <u>\$ (453,260)</u>	

CITY OF MISSION, TEXAS

SOLID WASTE

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT C-25

Page 1 of 2

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Garbage fees	\$ 6,285,000	\$ 6,518,759	\$ 233,759
Brush fees	662,500	757,599	95,099
Roll-off fees	5,000	20,326	15,326
Franchise fees	60,000	85,721	25,721
Miscellaneous income	3,000	19,823	16,823
Operating Revenues	7,015,500	7,402,228	386,728
Nonoperating Revenues:			
Interest earned	9,100	26,000	16,901
Nonoperating Revenues	9,100	26,000	16,901
Total Revenues	7,024,600	7,428,228	403,629
Operating Expenses:			
Personnel services	1,244,805	1,241,539	3,266
Employee benefits	407,208	775,824	(368,616)
Purchase property services	807,035	826,443	(19,408)
Other purchased services	61,200	54,238	6,962
Supplies	622,473	651,279	(28,806)
Solid waste disposal	70,000	97,666	(27,666)
Landfill-Waste disposal service	1,660,000	2,008,702	(348,702)
Landfill charges-Ash Disposal	16,000	14,501	1,499
Landfill charges-Brush	150,000	126,351	23,649
Miscellaneous	13,500	8,786	4,714
	5,052,221	5,805,329	(753,108)
Total Expenses	5,052,221	5,805,329	(753,108)
Depreciation	-	579,573	(579,573)
Total Operating Expense	5,052,221	6,384,902	(1,332,681)
Non Operating Expenses:			
Bond interest	37,540	33,905	3,635
Bond fiscal charges	1,100	300	800
Bond principal	785,000	785,000	-
Non-operating Expenses	823,640	819,205	4,435
Transfers:			
Transfers in (out)	(2,800,000)	(2,800,000)	-
Capital Contributions	-	1,953,409	1,953,409

CITY OF MISSION, TEXAS*SOLID WASTE**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2019***EXHIBIT C-25****Page 2 of 2**

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	<u>8,675,861</u>	<u>8,050,698</u>	<u>625,163</u>
Net Position (Budgetary Basis)	<u><u>\$ (1,651,261)</u></u>	<u>(622,470)</u>	<u><u>\$ (221,534)</u></u>
Adjustments:			
Bond and capital lease principal		785,000	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		<u>-</u>	
		<u>785,000</u>	
Net position (GAAP Basis)		<u><u>\$ 162,530</u></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, 2019 and 2018

	2019	2018
Governmental Funds Capital Assets:		
Land	\$ 39,914,655	\$ 38,612,979
Buildings and structures	37,292,759	37,258,780
Improvements other than buildings	19,723,547	19,631,373
Furniture and equipment	33,674,025	33,007,818
Construction in progress	9,143,453	18,728,355
Infrastructure	121,336,647	106,690,711
	<u>261,085,086</u>	<u>253,930,016</u>
Total Governmental Funds Capital Assets	<u>\$ 261,085,086</u>	<u>\$ 253,930,016</u>
Investment in Governmental Funds Capital Assets by Source:		
General fund revenues	\$ 125,857,316	\$ 123,072,465
Bond funds	55,081,041	54,768,732
Enterprise funds	1,264	1,264
Special funds	30,964,857	28,725,331
Donations	15,245,498	15,312,144
Developers	33,935,110	32,050,080
	<u>261,085,086</u>	<u>253,930,016</u>
Total Governmental Funds Capital Assets	<u>\$ 261,085,086</u>	<u>\$ 253,930,016</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, 2019

<u>Function and Activity:</u>	<u>Governmental Funds Capital Assets September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets September 30, 2019</u>
General Government	\$ 12,419,755	\$ 87,349	\$ -	\$ 12,507,104
Public Safety	35,563,559	346,246	131,117	35,778,688
Highways and Streets	160,343,180	4,503,362	17,892	164,828,650
Health and Welfare	256,557	9,068	-	265,625
Cultural and Recreational	<u>45,346,965</u>	<u>2,426,550</u>	<u>68,496</u>	<u>47,705,019</u>
Total Governmental Funds Capital Assets	<u>\$ 253,930,016</u>	<u>\$ 7,372,575</u>	<u>\$ 217,505</u>	<u>\$ 261,085,086</u>

CITY OF MISSION, TEXAS
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2019

Function and Activity	Land	Buildings and Structures	Improvements Other Than Buildings	Furniture and Equipment	Infrastructure	Construction In Progress	Total
General Government	\$ 6,148,074	\$ 3,712,695	\$ 602,628	\$ 2,002,392	\$ 41,314	\$ -	\$ 12,507,104
Public Safety	729,497	11,408,007	271,804	23,367,755	1,625	-	35,778,688
Highways and Streets	31,515,586	-	583,315	4,898,274	121,061,721	6,769,753	164,828,650
Health and Welfare	-	17,406	258	247,960	-	-	265,625
Cultural and Recreational	1,521,497	22,154,651	18,265,541	3,157,643	231,987	2,373,700	47,705,019
Total Governmental Funds Capital Assets	\$ 39,914,655	\$ 37,292,759	\$ 19,723,547	\$ 33,674,024	\$ 121,336,647	\$ 9,143,453	\$ 261,085,086



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SUPPLEMENTARY SCHEDULES

CITY OF MISSION, TEXAS
UTILITY FUND
SCHEDULE OF REVENUE BOND COVERAGE
Year Ended September 30, 2019

Operating Revenues	\$ 20,509,062	
Interest Earned by funds Created by the Bond Indenture	<u>28,863</u>	
Gross Revenues Per Bond Ordinance		<u>\$ 20,537,925</u>
Operating Expenses	15,692,432	
Less: Depreciation Expense	<u>(5,096,478)</u>	
Operating Expenses Per Bond Ordinance		<u>10,595,954</u>
Net Revenue Per Bond Ordinance		<u>\$ 9,941,971</u>
Average Annual Debt Service Requirements		<u>\$ 2,774,062</u>
Succeeding Fiscal Year Debt Service Requirement		<u>\$ 3,154,468</u>
Required Coverage Ratio		<u>110% & 125%</u>
Calculated Coverage Ratio		
A) Based upon Average Annual Debt Service Requirements		<u>358%</u>
B) Based upon Succeeding Fiscal Year Debt Service Requirements		<u>315%</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, 2019

	Interest and Sinking Cash	Waterworks and Sewer Construction Cash	Reserve Cash	Total
Cash	\$ 581,201	\$ 966,667	\$ 221,187	\$ 1,895,000
Investments	1,053,282	483,289	191,099	1,882,880
Due From (To) other funds	<u>35,341</u>	<u>100,000</u>	<u>60,502</u>	<u>231,130</u>
Cash and investments September 30, 2018	<u>\$ 1,669,823</u>	<u>\$ 1,549,956</u>	<u>\$ 472,788</u>	<u>\$ 4,009,010</u>
Cash receipts:				
Transfer from operating cash	3,155,264	122,104	-	3,277,368
Interest received	<u>17,145</u>	<u>8,438</u>	<u>3,280</u>	<u>28,863</u>
Total cash receipts	<u>3,172,409</u>	<u>130,542</u>	<u>3,280</u>	<u>3,306,232</u>
Total cash and investments available	<u>4,842,232</u>	<u>1,680,498</u>	<u>476,068</u>	<u>7,315,241</u>
Cash disbursements:				
Principal payments	2,370,000	-	-	2,370,000
Interest and fiscal charges	<u>788,653</u>	<u>-</u>	<u>-</u>	<u>788,653</u>
Transfer to other I&S accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash disbursements	<u>3,158,653</u>	<u>-</u>	<u>-</u>	<u>3,158,653</u>
Cash and investments, September 30, 2019	<u>\$ 1,683,579</u>	<u>\$ 1,680,498</u>	<u>\$ 476,068</u>	<u>\$ 4,156,588</u>
Total Cash and investments Restricted at September 30, 2019 is composed of the following:				
Cash and cash equivalents	\$ 690,203	\$ 850,618	\$ 322,337	\$ 2,090,245
Investments	708,014	629,880	93,207	1,487,580
Due From (To) other funds	<u>285,363</u>	<u>100,000</u>	<u>60,524</u>	<u>481,196</u>
Total	<u>\$ 1,683,579</u>	<u>\$ 1,580,498</u>	<u>\$ 476,068</u>	<u>\$ 4,059,020</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	193
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed overtime.	
Revenue Capacity	200
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	204
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	209
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	212
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

	2010	2011 ⁽¹⁾	2012	2013 ⁽²⁾	2014 ⁽³⁾	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets	\$ 83,887,342	\$ 84,133,258	\$ 83,493,816	\$ 86,989,075	\$ 90,947,382	\$ 89,565,993	\$ 90,942,556	\$ 102,466,220	\$ 106,676,410	\$ 106,695,623
Restricted	3,438,023	5,637,112	6,781,018	6,968,743	8,343,486	8,551,701	9,418,977	7,761,373	7,460,257	5,071,768
Unrestricted	7,082,454	7,201,682	3,784,019	3,619,351	(1,587,640)	2,462,989	170,518	(3,781,146)	(12,357,324)	(14,919,453)
Total governmental activities net position	\$ 94,407,819	\$ 96,972,052	\$ 94,058,853	\$ 97,577,169	\$ 97,703,228	\$ 100,580,683	\$ 100,532,051	\$ 106,446,447	\$ 101,779,343	\$ 96,847,938
Business-Type Activities										
Net investment in capital assets	\$ 58,268,682	\$ 59,964,330	\$ 58,362,060	\$ 56,518,755	\$ 54,832,203	\$ 55,987,441	\$ 41,651,937	\$ 52,564,331	\$ 63,237,664	\$ 66,124,522
Restricted	4,891,629	4,324,052	4,357,163	4,116,713	3,451,514	3,394,903	18,219,378	12,543,135	4,650,576	4,800,506
Unrestricted	6,126,919	8,521,237	10,924,800	10,480,521	10,588,851	8,329,980	9,660,134	3,667,449	(270,361)	(3,142,591)
Total business-type activities net position	\$ 69,287,230	\$ 72,809,619	\$ 73,644,022	\$ 71,115,988	\$ 68,872,567	\$ 67,712,324	\$ 69,531,449	\$ 68,774,915	\$ 67,617,879	\$ 67,782,437
Primary Government										
Net investment in capital assets	\$ 142,156,024	\$ 144,097,588	\$ 141,855,876	\$ 143,507,830	\$ 145,779,585	\$ 145,553,434	\$ 132,594,493	\$ 155,030,551	\$ 169,914,074	\$ 172,820,145
Restricted	8,329,652	9,961,164	11,138,181	11,085,456	11,795,000	11,946,604	27,638,355	20,304,508	12,110,833	9,872,274
Unrestricted	13,209,373	15,722,919	14,708,819	14,099,872	9,001,211	10,792,969	9,830,652	(113,697)	(12,627,685)	(18,062,044)
Total primary government net position	\$ 163,695,049	\$ 169,781,671	\$ 167,702,875	\$ 168,693,157	\$ 166,575,796	\$ 168,293,007	\$ 170,063,500	\$ 175,221,362	\$ 169,397,222	\$ 164,630,375

(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

	2010	2011	2012	2013 (1)	2014 (2)	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government										
Public Safety	\$ 14,511,545	\$ 7,570,043	\$ 8,764,781	\$ 7,937,668	\$ 8,446,306	\$ 8,014,892	\$ 8,405,138	\$ 10,095,896	\$ 16,027,197	\$ 10,978,266
Highways and streets	19,309,796	19,387,472	21,485,642	21,229,856	23,499,056	21,729,071	23,957,241	23,685,949	23,876,784	25,991,960
Health and welfare	6,427,413	6,255,895	6,532,351	7,297,376	6,963,677	7,450,999	7,493,232	7,571,683	9,421,794	9,700,248
Economic development	570,197	903,935	1,354,970	988,923	1,200,976	1,290,357	1,306,154	1,371,370	1,112,193	1,768,689
Culture and recreation	3,466,582	3,670,268	3,585,902	4,840,988	4,231,038	4,544,891	4,933,314	7,837,590	5,619,556	8,327,470
Interest on long-term debt	5,661,309	6,044,088	5,904,008	6,247,020	7,073,892	6,499,768	7,220,861	5,309,186	2,057,199	5,778,839
Total governmental activities expenses	1,525,661	1,582,058	1,457,105	2,363,699	1,458,261	1,334,983	1,314,872	1,605,954	1,519,729	1,905,498
Total primary government expenses	\$ 51,472,503	\$ 45,413,759	\$ 49,084,759	\$ 50,905,530	\$ 52,873,206	\$ 50,864,961	\$ 54,630,812	\$ 57,477,628	\$ 59,634,452	\$ 64,450,970
Business-type Activities										
Utility system	15,305,547	15,376,432	15,668,400	16,626,432	16,581,213	16,226,988	17,110,233	17,031,578	16,506,827	16,533,621
Golf course operations	1,288,879	1,374,400	1,414,494	1,403,124	1,396,091	1,272,835	1,285,977	1,318,098	1,316,225	1,389,008
Solid waste operations	4,931,714	5,188,079	5,500,676	5,785,151	7,360,428	4,727,683	4,958,069	5,206,165	5,738,342	6,466,352
Total business-type activities expenses	21,526,140	21,938,911	22,583,570	23,814,707	25,337,732	22,227,506	23,354,279	23,555,841	23,561,394	24,388,981
Total primary government expenses	\$ 72,998,643	\$ 67,352,670	\$ 71,668,329	\$ 74,720,237	\$ 78,210,938	\$ 73,092,467	\$ 77,985,091	\$ 81,033,469	\$ 83,195,846	\$ 88,839,951
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 1,625,962	\$ 1,647,709	\$ 1,810,743	\$ 1,848,350	\$ 2,086,383	\$ 1,940,954	\$ 2,025,367	\$ 1,896,971	\$ 1,991,318	\$ 2,288,769
Public Safety	110,007	105,723	83,142	67,164	118,310	61,898	106,985	62,576	67,321	71,984
Highways and streets	630,054	644,298	541,497	682,323	884,355	902,318	918,844	935,777	943,562	968,018
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and welfare	274,502	134,981	235,708	153,223	237,738	225,047	263,320	221,780	298,306	396,260
Culture and recreation	279,180	306,294	337,112	328,626	371,962	554,618	413,331	384,671	557,152	736,090
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	7,271,889	6,152,917	7,475,190	4,937,211	7,905,942	5,896,938	6,538,968	7,865,910	7,326,112	6,395,090
Capital grants and contributions	7,701,238	1,170,433	1,067,989	6,673,301	1,962,278	4,870,238	4,950,222	11,139,643	4,198,191	5,975,522
Total governmental activities program revenues	17,892,832	10,162,355	11,551,381	14,690,198	13,566,968	14,452,011	15,217,037	22,507,328	15,381,962	16,831,733
Business-type activities										
Charges for services										
Utility system	15,140,398	17,412,060	17,643,636	18,012,998	19,207,446	17,674,185	20,983,312	19,036,658	21,693,229	20,422,614
Golf course operation	905,113	1,137,503	1,080,635	1,031,598	909,563	874,434	900,914	900,432	848,699	905,298
Solid waste operation	5,187,400	5,813,098	6,032,202	6,242,554	6,348,108	6,425,096	6,564,955	6,660,358	6,783,334	7,382,406
Operating grants and contributions	26,525	17,397	14,463	13,216	24,921	13,587	12,082	73,923	57,968	28,863
Capital grants and contributions	677,685	3,157,395	393,825	483,302	836,355	324,385	924,694	893,581	176,592	1,085,961
Total business-type activities program revenues	21,937,121	27,537,453	25,164,761	25,783,668	27,326,393	25,311,687	29,385,957	27,564,952	29,559,822	29,825,142
Total primary government program revenues	\$ 39,829,953	\$ 37,699,808	\$ 36,716,142	\$ 40,473,866	\$ 40,893,361	\$ 39,763,698	\$ 44,602,994	\$ 50,072,280	\$ 44,941,784	\$ 46,656,875

	2010	2011	2012	2013 (1)	2014 (2)	2015	2016	2017	2018	2019
Net (expense)/revenue										
Governmental activities	\$ (33,579,671)	\$ (35,251,404)	\$ (37,533,378)	\$ (36,215,332)	\$ (39,306,238)	\$ (36,412,950)	\$ (39,413,775)	\$ (34,970,300)	\$ (44,252,490)	\$ (47,619,237)
Business-type activities	410,981	5,598,542	2,581,191	1,968,961	1,988,661	3,084,181	6,031,678	4,009,111	5,998,428	5,436,161
Total primary government net expense	<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>	<u>\$ (38,254,062)</u>	<u>\$ (42,183,076)</u>
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 17,795,460	18,143,896	18,087,005	18,099,459	18,913,123	19,020,437	19,481,719	20,369,113	20,404,015	20,736,937
Sales taxes	9,814,665	10,234,485	10,857,234	10,917,924	11,496,695	11,479,463	11,376,026	11,109,005	11,591,778	12,704,132
Franchise taxes	2,326,751	2,396,994	2,790,119	2,542,621	2,636,048	2,650,031	2,668,473	2,730,594	2,807,323	2,860,767
Hotel/motel taxes	490,446	496,759	537,574	577,711	650,142	748,812	685,834	528,962	412,047	488,269
Alcoholic beverage taxes	79,864	78,066	73,518	69,167	48,018	36,258	31,131	21,983	24,518	31,804
Shared revenue-tax increment zone	2,013,239	1,395,342	201,902	274,030	520,000	210,674	239,545	755,307	762,620	259,765
Unrestricted grants and contributions	-	-	2	724	-	-	-	-	-	-
Investment earnings	29,131	41,545	54,703	66,153	99,730	101,357	97,218	102,977	125,138	109,853
Miscellaneous	533,384	965,999	18,122	2,586,583	667,816	643,372	385,199	406,755	628,185	426,299
Special item	-	-	-	-	-	-	-	-	-	-
Transfers	2,100,000	2,200,000	2,000,000	4,600,000	4,400,000	4,400,000	4,400,000	4,860,000	6,400,000	5,446,591
Total governmental activities	<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>	<u>43,155,624</u>	<u>43,064,417</u>
Business-type activities										
Investment earnings	17,060	16,782	34,678	50,944	77,145	81,229	77,203	62,283	86,804	59,180
Miscellaneous	221,302	107,065	218,534	52,061	90,774	74,346	110,242	32,074	30,060	115,811
Transfers	(2,100,000)	(2,200,000)	(2,000,000)	(4,600,000)	(4,400,000)	(4,400,000)	(4,400,000)	(4,860,000)	(6,400,000)	(5,446,591)
Total business-type activities	<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>	<u>(6,283,136)</u>	<u>(5,271,600)</u>
Total primary government	<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>	<u>\$ 36,872,488</u>	<u>\$ 37,792,817</u>
Change in Net Position										
Governmental activities	\$ 1,603,269	\$ 701,683	\$ (2,913,199)	\$ 3,518,316	\$ 126,058	\$ 2,877,454	\$ (48,630)	\$ 5,914,396	\$ (1,096,866)	\$ (4,554,820)
Business-type activities	(1,450,657)	3,522,389	834,403	(2,528,034)	(2,243,420)	(1,160,244)	1,819,124	(756,532)	(284,708)	164,561
Total primary government	<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>	<u>\$ (1,381,574)</u>	<u>\$ (4,390,259)</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
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
2018	\$ 20,404,015	\$ 11,591,778	\$ 2,807,323	\$ 412,047	\$ 24,518	\$ 35,239,681
2019	\$ 20,736,937	\$ 12,704,132	\$ 2,860,767	\$ 488,269	\$ 31,804	\$ 36,821,909

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

	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND										
Pre GASB 54										
Reserved	\$ 189,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,861,173	-	-	-	-	-	-	-	-	-
Total Pre GASB 54	<u>\$ 8,050,779</u>	<u>\$ -</u>	<u>\$ -</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	\$ 17,600	\$ 47,280
Inventory	-	713	885	796	1,332	500	826	1,067	33,552	27,702
Prepaid	-	9,079	16,380	12,795	14,336	16,290	23,750	41,194	23,025	74,134
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Significant encumbrance	-	707,546	625,681	172,579	1,357,108	183,359	580,875	3,489,260	2,340,039	1,420,605
Funds assigned for asset replacement	-	95,006	175,221	5,589	85,909	6,000	86,250	68,093	68,331	66,232
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	1,302,071	(12,355)
Unassigned	-	9,179,554	4,984,804	3,880,888	2,591,168	3,487,394	4,073,075	986,387	(477,004)	1,404,578
Total Post GASB 54	<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>	<u>\$ 3,307,615</u>	<u>\$ 3,028,176</u>
ALL OTHER GOVERNMENTAL FUNDS										
Pre GASB 54										
Reserved	\$ 9,412,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in	1,218,688	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Total Pre GASB 54	<u>\$ 10,631,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Post GASB 54										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,619
Inventory	-	-	-	-	-	-	-	-	-	-
Restricted										
Capital Improvements	\$ -	\$ 3,265,269	\$ 3,124,863	\$ 1,663,852	\$ 1,251,969	\$ 1,625,340	\$ 20,525,988	\$ 5,058,220	\$ 6,406	\$ 9,591,949
Economic Development	-	1,862,550	1,862,550	1,975,376	2,151,493	1,937,871	1,963,328	1,794,321	1,690,637	1,125,328
Debt Service	-	1,114,955	1,315,076	1,688,433	2,065,837	2,429,498	2,819,500	1,293,342	968,906	469,436
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	433,608	420,635
PD Asset Sharing	-	935,693	1,773,041	1,210,028	1,680,978	1,051,581	947,086	656,734	357,075	102,468
Drainage Improvements	-	533,047	514,275	1,623,508	1,028,237	1,278,474	1,583,039	1,682,091	1,887,594	1,264,403
Scholarships and Books	-	25,453	25,594	25,703	25,799	25,826	25,826	25,972	26,256	27,250
Tourism	-	437,435	412,953	319,997	539,027	849,426	1,068,442	1,163,835	799,251	628,708
Perpetual Care	-	33,839	37,541	46,572	45,074	52,487	35,335	36,374	39,203	44,617
Records Preservation	-	-	-	-	-	6,918	6,850	9,157	8,344	10,039
PEG (public, educational, and governmental)	-	-	-	-	-	-	-	-	-	-
Tax Increment	-	4,402	3,999	3,818	3,487	3,536	419,765	515,003	622,170	750,910
Total Post GASB 54	<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>	<u>\$ 6,843,005</u>	<u>\$ 14,451,917</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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 30,541,631	\$ 31,444,318	\$ 32,411,636	\$ 32,297,592	\$ 33,758,579	\$ 33,951,830	\$ 34,238,861	\$ 34,738,879	\$ 35,273,803	\$ 36,824,326
Licenses and permits	552,496	643,827	554,324	497,739	573,875	550,463	634,871	555,266	528,545	714,545
Intergovernmental	15,305,799	7,161,137	7,340,271	5,086,832	8,414,336	10,068,205	8,596,963	16,844,356	10,672,035	9,017,093
Charges for services	853,506	718,021	905,492	893,511	1,048,380	1,249,275	1,191,107	1,036,163	1,273,238	1,649,023
Fines	775,992	613,174	811,498	814,104	1,016,847	848,264	807,026	832,596	661,650	723,578
Investment earnings	41,819	54,112	57,649	59,252	87,731	90,628	83,949	163,061	135,555	224,665
Special assessments	523,299	531,715	540,032	682,323	884,355	902,318	918,844	935,777	943,562	968,018
Miscellaneous	1,639,861	1,711,765	1,160,974	2,111,479	1,792,201	1,137,003	1,782,135	1,490,207	1,735,783	2,037,432
Total Revenues	50,234,403	42,878,069	43,781,876	42,442,832	47,576,304	48,797,986	48,253,756	56,596,305	51,224,171	52,158,680
Expenditures										
General government	14,177,581	7,338,930	8,810,604	7,950,398	9,391,353	9,057,775	8,878,525	9,782,891	10,992,563	11,363,557
Public safety	18,642,783	18,575,214	20,738,298	20,502,038	20,727,655	21,544,530	21,601,527	21,860,971	22,883,344	23,177,920
Highways and streets	5,327,032	4,356,144	4,504,778	4,127,714	7,276,217	5,336,817	5,304,862	6,612,678	7,201,117	5,431,006
Health and Welfare	566,753	872,624	1,351,381	960,761	426,376	426,037	459,716	459,447	562,204	607,996
Economic and physical development	3,466,582	3,670,268	5,512,540	4,840,988	4,231,038	4,544,891	4,933,314	5,309,187	5,644,555	5,778,839
Culture and recreation	4,883,052	5,092,616	3,585,902	5,632,998	5,518,783	5,454,124	5,668,891	6,676,409	7,040,940	8,420,063
Capital projects	2,664,844	6,274,155	3,104,751	1,547,860	797,446	3,862,838	3,629,593	24,359,561	8,782,432	4,522,539
Debt service										
Principal	2,010,834	2,299,748	2,202,765	2,143,719	1,970,000	2,088,321	2,099,452	2,986,003	2,762,660	3,587,876
Bond issuance costs	-	-	-	-	-	-	-	-	-	246,686
Interest	1,297,107	1,291,973	1,302,540	1,186,585	1,139,237	1,029,937	1,088,156	1,549,344	1,474,920	1,935,185
Other charges	7,450	5,950	5,950	8,239	5,450	5,650	6,300	5,800	5,350	5,350
Total expenditures	53,044,018	49,777,622	51,119,509	48,901,300	51,483,555	53,350,920	53,670,336	79,602,291	67,350,085	65,077,017
Excess of revenues over (under) expenditures	(2,809,615)	(6,899,553)	(7,337,633)	(6,458,468)	(3,907,251)	(4,552,934)	(5,416,580)	(23,005,986)	(16,125,914)	(12,918,337)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other financing sources (uses)										
Transfers in	6,267,545	4,997,949	4,725,834	7,420,764	7,399,432	7,706,335	7,361,618	9,002,594	10,635,383	11,088,504
Transfers out	(4,167,545)	(2,797,949)	(2,725,835)	(2,820,764)	(2,999,433)	(3,306,334)	(2,961,619)	(4,142,594)	(4,235,384)	(3,688,505)
Refunding bond issued	-	-	3,165,000	-	-	-	8,085,000	-	-	-
Bonds issued	-	2,930,000	2,635,000	-	2,653,865	-	17,610,000	-	-	11,690,000
Long-term debt proceeds	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	84,236	298,283	-	-	-	4,028,801	-	-	1,056,686
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	(3,185,773)	-	(2,232,849)	-	(9,385,029)	-	-	-
Capital leases	108,326	-	-	-	53,325	-	-	-	530,306	-
Sale of capital assets	46,800	114,205	259,112	190,027	262,322	296,156	-	-	-	-
Proceeds from sale of assets	-	-	-	1,184,744	-	-	153,566	13,060	282,076	17,963
Total other financing sources (uses)	2,255,126	5,328,441	5,171,621	5,974,771	5,136,662	4,696,157	24,892,337	4,873,060	7,212,381	20,164,648
Special and extraordinary items:										
Special item	-	-	-	-	-	-	-	-	-	-
Total special and extraordinary items	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (554,489)	\$ (1,571,112)	\$ (2,166,012)	\$ (483,697)	\$ 1,229,411	\$ 143,223	\$ 19,475,758	\$ (18,132,925)	\$ (8,913,533)	\$ 7,246,311

Debt service as a percentage of noncapital expenditures⁽¹⁾ 7.15% 8.90% 7.90% 7.54% 7.00% 6.94% 6.75% 8.81% 7.95% 9.27%

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
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
2018	20,438,137	11,591,778	2,807,323	412,126	24,518	35,273,882
2019	20,739,355	12,704,131	2,860,767	488,269	31,804	36,824,326

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						
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%
2018	1,760,460,244	2,648,234,484	403,540,221		677,902,135	4,134,332,814	0.4862	4,812,234,949	0.86%
2019	1,808,503,794	2,712,396,420	405,637,957		701,693,123	4,224,845,048	0.4862	4,926,538,171	0.86%

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		
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	
2017-18	0.4058	0.0804	0.4862	0.5800	1.3502	1.3755	1.3110	0.0492	0.0951	0.1850	5.43	
2018-19	0.4058	0.0804	0.4862	0.5800	1.3398	1.3755	1.3110	0.0492	0.0951	0.1780	5.41	

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 2019			Tax Year 2010		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Frontera Generation LTD	\$ 56,052,250	1	1.33%	-	-	-
AEP Texas Central Co	29,688,890	2	0.70%	13,115,090	5	0.42%
Sharyland Retail LTD	29,422,344	3	0.70%	33,460,184	1	0.01
Wal-Mart Real Estate Business	18,569,984	4	0.44%	10,499,287	7	0.34%
Bert Ogden Chevrolet	17,303,897	5	0.41%	15,967,478	4	0.51%
Shary Retail LTD	17,230,766	6	0.41%	-	-	0.00%
Royal Technologies Corporation	17,137,402	7	0.41%	-	-	0.00%
Juniper Sharyland LTD	16,500,000	8	0.39%	-	-	0.00%
Sharyland Utilities LP	16,090,020	9	0.38%	31,991,180	2	1.02%
Royal Technologies Corp.	14,419,602	10	0.34%	-	-	0.00%
Halliburton Energy Serv (HS)	-	-	-	16,209,540	3	0.52%
BBCW/Moran Sharyland LP	-	-	-	12,653,271	6	0.40%
H E Butt Grocery Company	-	-	-	9,911,097	8	0.32%
Southwestern Bell Telephone	-	-	-	9,284,570	9	0.30%
CNMK Texas Properties LTD	-	-	-	9,088,506	10	0.29%
Total	<u>\$ 232,415,155</u>		<u>5.50%</u>	<u>\$ 162,180,203</u>		<u>5.19%</u>

Source: Hidalgo County Appraisal District

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
2010	17,361,554	16,529,835	95.2%	765,193	17,295,028	99.6%
2011	17,803,116	16,989,023	95.4%	740,571	17,729,594	99.6%
2012	17,798,270	17,102,655	96.1%	619,080	17,721,735	99.6%
2013	17,835,988	17,194,844	96.4%	553,933	17,748,777	99.5%
2014	18,585,075	17,937,794	96.5%	550,961	18,488,755	99.5%
2015	18,689,445	18,034,797	96.5%	532,152	18,566,949	99.3%
2016	19,097,947	18,465,405	96.7%	450,267	18,915,672	99.0%
2017	20,104,913	19,358,866	96.3%	481,457	19,840,323	98.7%
2018	19,976,560	19,370,557	97.0%	261,682	19,632,239	98.3%
2019	20,411,954	19,757,581	96.8%	-	19,757,581	96.8%

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	Revenue Bonds	General		Capital Leases			
	Obligation Bonds	Capital Leases			Obligation Bonds	Capital Leases				
2010	29,502,057		168,000		29,959,204	-	206,332	59,978,825	0.37%	833
2011	30,348,323		96,000		32,089,427	-	113,252	62,717,486	0.37%	814
2012	30,982,042		24,000		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%	695
2016	44,118,902		-		40,719,199	3,930,000	198,500	88,966,601	0.43%	1,079
2017	40,800,667		-		37,826,805	3,170,000	149,097	81,946,569	0.39%	964
2018	38,236,080		-		35,364,411	2,400,000	103,535	76,104,026	0.35%	885
2019	47,248,002		-		32,857,017	1,615,000	56,585	81,776,604	0.36%	939

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⁾
2010	29,502,057	1,472,816	-	28,029,241	0.96%	389.28
2011	30,348,323	1,114,955	-	29,233,368	0.94%	379.37
2012	30,982,042	1,315,076	-	29,666,966	0.92%	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%	283.02
2016	48,048,902	2,819,500	3,930,000	41,299,402	1.07%	501.02
2017	43,970,667	1,293,342	3,170,000	39,507,325	0.97%	464.99
2018	40,636,080	968,905	2,400,000	37,267,175	0.90%	433.21
2019	48,863,002	469,436	1,615,000	46,778,566	1.11%	537.07

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, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Hidalgo County	\$ 350,540,000	11.26%	\$ 39,470,804
Hidalgo County Drainage District #1	183,725,000	11.79%	21,661,178
Hidalgo Independent School District	29,709,000	0.31%	92,098
La Joya Independent School District	210,465,945 ⁽¹⁾	14.49%	30,496,515
Mission Consolidated Independent School District	118,288,000 ⁽¹⁾	72.20%	85,403,936
Sharyland Independent School District	102,135,000 ⁽¹⁾	59.62%	60,892,887
South Texas College District	136,110,000	10.54%	14,345,994
Subtotal Overlapping Debt			<u>\$ 252,363,412</u>
City of Mission	49,221,197	100.00%	49,221,197
Total Direct and Overlapping Debt			<u><u>\$ 301,584,609</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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 156,318,534	\$ 161,628,078	\$ 166,019,529	\$ 170,324,333	\$ 176,039,557	\$ 177,025,921	\$ 192,200,038	\$ 203,970,823	\$ 206,716,641	\$ 211,242,252
Total net debt applicable to limit	28,029,241	29,233,368	29,666,966	27,188,961	25,837,459	23,329,311	41,299,402	39,507,325	37,267,175	46,778,566
Legal debt margin	\$ 128,289,293	\$ 132,394,710	\$ 136,352,563	\$ 143,135,372	\$ 150,202,098	\$ 153,696,610	\$ 150,900,636	\$ 164,463,498	\$ 169,449,466	\$ 164,463,686
Total net debt applicable to the limit as a percentage of debt limit	17.93%	18.09%	17.87%	15.96%	14.68%	13.18%	21.49%	19.37%	18.03%	22.14%
Legal Debt Margin Calculation for Fiscal Year										
Assessed value	\$ 3,126,370,682	\$ 3,232,561,565	\$ 3,320,390,575	\$ 3,540,518,418	\$ 3,520,791,142	\$ 3,540,518,418	\$ 3,844,000,757	\$ 4,079,416,450	\$ 4,134,332,814	\$ 4,224,845,048
Add back: exempt real property	-	-	-	-	-	-	-	-	-	-
Total assessed value	\$ 3,126,370,682	\$ 3,232,561,565	\$ 3,320,390,575	\$ 3,540,518,418	\$ 3,520,791,142	\$ 3,540,518,418	\$ 3,844,000,757	\$ 4,079,416,450	\$ 4,134,332,814	\$ 4,224,845,048
Debt limit (5% of total assessed value)	156,318,534	161,628,078	166,019,529	170,324,333	176,039,557	177,025,921	192,200,038	203,970,823	206,716,641	211,242,252
Debt applicable to limit:										
General obligation bonds	29,502,057	30,348,323	30,982,042	28,877,394	32,783,296	30,433,810	48,048,902	43,970,667	40,636,080	48,863,002
Less: Amount set aside for repayment of general obligation debt	(1,472,816)	(1,114,955)	(1,315,076)	(1,688,433)	(2,065,837)	(2,429,499)	(2,819,500)	(1,293,342)	(968,905)	(469,436)
Less: Business-type general obligations	-	-	-	-	(4,880,000)	(4,675,000)	(3,930,000)	(3,170,000)	(2,400,000)	(1,615,000)
Total net debt applicable to limit	28,029,241	29,233,368	29,666,966	27,188,961	25,837,459	23,329,311	41,299,402	39,507,325	37,267,175	46,778,566
Legal debt margin	\$ 128,289,293	\$ 132,394,710	\$ 136,352,563	\$ 143,135,372	\$ 150,202,098	\$ 153,696,610	\$ 150,900,636	\$ 164,463,498	\$ 169,449,466	\$ 164,463,686

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: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service ⁽³⁾		
				Principal	Interest	
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%
2018	21,778,460	10,511,723	11,266,737	2,370,000	784,803	3.57%
2019	20,537,925	10,919,007	9,618,918	2,430,000	724,468	3.05%

(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					
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%
2018	86,025	21,955,456,357	25,400	30.5	92.9		25,861	6.10%
2019	87,100	22,866,607,795	26,010	31.7	94.8		25,835	6.00%

(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: Texas Labor Market Information

(3) Source: Texas Education Agency, Mission CISD & added Sharyland ISD 2012

(4) Source: Texas Labor Market Information

City of Mission
Principal Employers
Current Year and Nine Years Ago

Employer	2019⁽¹⁾			2010⁽¹⁾		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mission CISD	2,349	1	3.26%	2,268	1	3.72%
Sharyland ISD	1,700	2	2.36%	1,232	2	2.02%
Mission Regional Medical Center	877	3	1.22%	838	3	1.37%
T-Mobile	830	4	1.15%	813	4	1.33%
City of Mission	720	5	1.00%	610	6	1.00%
H.E.B.	647	6	0.90%	671	5	1.10%
Wal-Mart Super Center	410	7	0.57%	332	7	0.54%
Home Depot	180	8	0.25%	160	9	0.26%
Royal Technologies	178	9	0.25%			
Target	170	10	0.24%	150	10	0.25%
Haliburton Energy Services				180	8	0.30%
Total	<u>8,061</u>		<u>11.20%</u>	<u>7,254</u>		<u>11.89%</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	79	77	77	76	82	87	89	90	99	102
Public Safety										
Police										
Officers	130	140	146	146	146	146	149	157	157	157
Civilians	52	53	53	51	50	50	46	46	50	50
Fire										
Firefighters and Officers	67	66	67	67	67	67	67	67	67	77
Civilians	6	8	7	7	7	7	7	7	7	7
Highways and Streets										
Streets	33	33	32	32	32	32	32	37	37	36
Health and Welfare										
Health	7	7	8	8	8	8	8	9	11	12
Culture and recreation										
Aquatics	3	3	2	3	2	2	2	0	0	0
Mayberry Pool	0	0	0	0	0	0	0	2	2	1
Bannworth Pool	0	0	0	0	0	0	0	1	1	1
Museum	4	4	4	4	5	5	5	5	5	5
Parks and Recreation	44	45	45	44	45	45	52	52	52	50
Library	20	22	21	19	19	19	19	18	19	17
Golf Course	16	17	17	17	17	17	15	15	15	14
Sanitation										
Water distribution	83	87	86	88	87	87	88	90	90	92
Wastewater	12	12	15	13	14	14	13	13	13	14
Solid Waste ⁽¹⁾	-	-	-	-	17	17	19	19	22	26
Community Development	5	4	3	3	3	3	3	3	3	3
Total	561	578	583	578	601	606	614	631	650	664

Source: City of Mission Finance Department-Budget Office.

(1) City began in-house solid waste collection in FY2014

City of Mission
Operating Indicators by Function
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	4,373	3,000	4,305	4,079	3,632	3,050	3,135	3,998	2,538	1,929
Parking Violation	41	35	75	55	29	75	45	23	17	30
Traffic Violations	10,957	12,970	13,685	8,093	12,071	19,882	12,112	10,601	9,118	6,909
Fire										
Number of calls answered	2,450	2,738	3,239	2,818	3,715	3,888	3,636	3,557	3,657	3,635
Inspections	2,392	2,154	1,803	2,599	1,773	2,116	2,474	1,343	2,205	1,860
Highways and Streets										
Streets resurfacing (miles)	5,596	4,240	5,530	5,130	6,070	10,110	4,860	7,100	13,600	3,794
Potholes repaired	12,449	6,710	15,783	21,122	30,911	23,898	21,031	14,939	13,587	13,859
Sanitation										
Refuse collected (tons/day) ⁽¹⁾	173	176	218	225	377	443	451	521	509	227
Recyclables collected (tons/day)	0.16	0.26	0.26	0.24	0.27	0.34	0.44	0.38	0.38	0.78
Culture and recreation										
Golf Course										
Rounds	52,491	59,162	54,056	60,306	46,388	36,971	46,477	46,709	42,227	46,004
Recreation										
Programs	32	32	32	37	31	22	14	17	17	19
Parks Maintained	25	25	25	25	25	25	25	25	25	25
Water										
New connections (year)	463	512	370	353	297	486	398	393	407	464
Water mains breaks (year)	649	452	507	395	463	344	258	198	161	187
Average daily consumption (millions of gallons)	11.00	13.63	12.63	13.02	12.56	10.62	12.42	14.25	12.94	12.65
Wastewater										
Average daily sewage treatment	6.57	6.32	6.68	7.09	7.19	7.42	7.39	7.14	7.46	7.53

Sources: Various City departments.

Note: Indicators are not available for the general government function.

(1) Information for 2006 estimated.

City of Mission
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police Protection										
Stations	1	2	2	2	2	2	2	2	2	2
Patrol Units	87	100	111	111	111	111	111	112	114	115
Fire Protection										
Fire Stations	4	5	5	5	5	5	5	5	5	5
Highways and Streets										
Streets (miles)	549.02	554.20	555.66	560.79	387.14	387.45	389.06	396.44	396.79	399.02
Number of Streetlights	4,856	4,945	4,473	4,158	4,261	4,281	4,332	4,367	4,411	4,480
Culture and recreation										
Parks acreage	419	419	419	419	419	419	419	235	235	235
Parks	25	25	25	25	25	25	25	25	25	25
Swimming pools	2	2	3	3	3	3	2	2	2	2
Tennis Courts	4	4	4	9	9	9	9	9	9	22
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)	429.07	436.35	442.21	457.45	460.79	459.23	461.33	454.35	464.78	468.03
Fire hydrants	2,481	2,496	2,784	2,803	2,813	2,820	2,835	2,849	2,854	2,880
Number of Service connections	24,248	24,734	25,157	25,510	25,807	26,293	26,713	27,072	27,500	27,936
Number of Gallons Sold (in millions)	3,613.76	4,513.88	4,678.99	4,844.63	4,305.08	3,609.67	3,973.49	4,675.53	4,341.58	4,144.69
Daily Average Consumption (gallons) ⁽¹⁾	9.90	12.37	12.81	13.27	11.80	9.89	10.88	12.80	11.89	10.83
Sewer										
Number of Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	325.93	328.70	328.71	356.75	357.77	358.14	359.99	362.3	362.33	365.2
Number of Service connections	21,694	22,110	22,439	22,815	23,028	23,437	23,871	24,222	24,571	25,969
Storm sewers (miles)	116.83	118.99	121.16	145.03	145.92	146.02	146.79	148.07	148.1	149.75
Daily average treatment in gallons ⁽¹⁾	6.57	6.60	6.70	7.10	7.20	7.40	7.40	7.10	7.50	7.50
Maximum daily treatment capacity ⁽¹⁾	12.92	7.87	8.60	9.18	12.00	9.98	11.90	9.28	14.46	10.30

Source: City departments.

(1) Amount is in millions.

Note: No capital asset indicators are available for the general government function.



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