

City of Mission



Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2020

City of Mission, Texas

CITY OF MISSION, TEXAS

Comprehensive Annual Financial Report

*For Fiscal Year Ended
September 30, 2020*

*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, 2020

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Transmittal Letter		3-7
GFOA Certificate of Achievement		8
List of Principal Officials		9
Organizational Chart		10
FINANCIAL SECTION		
Independent Auditors' Report		12-14
Management's Discussion and Analysis		15-26
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	29
Statement of Activities	A-2	30-31
Fund Financial Statements:		
Balance Sheet – Governmental Funds	A-3	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-4	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	A-5	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	A-6	35
Statement of Net Position – Proprietary Funds	A-7	37
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	A-8	38-39

CITY OF MISSION, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2020

TABLE OF CONTENTS (Continued)

	<u>Exhibit</u>	<u>Page No.</u>
Statement of Cash Flows – Proprietary Funds	A-9	41
Statement of Fiduciary Net Position – Fiduciary Funds	A-10	42
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	A-11	43
Notes to the Financial Statements		44-112
Required Supplementary Information:		
Budgetary Comparison Schedule – General Fund	B-1	115-125
Reconciliation of the General Fund Budgetary Schedule to the Statement of Revenues and Expenditures	B-2	126
Schedule of Changes in Net Pension Liability and Related Ratios For Agent Multiple-Employer Pension Plan-Texas Municipal Retirement System (TMRS)		127
Schedule of City’s Proportionate Share of the Net Pension Liabilities Of Cost-Sharing Multiple-Employer Pension Plan-Texas Emergency Services Retirement System (TESRS)		128
Schedule of City Contributions for all Pension Plans		129
Schedule of Changes in the Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios		130
Notes to Required Supplementary Information		131-133
Other Supplementary Information:		
Combining Balance Sheet – Non-Major Governmental Funds	C-1	139
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	C-2	141
Combining Balance Sheet – Non-Major Special Revenue Funds	C-3	142-145
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds	C-4	146-149
Community Development Fund – Budgetary Comparison Schedule	C-5	150

CITY OF MISSION, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2020

TABLE OF CONTENTS (Continued)

	<u>Exhibit</u>	<u>Page No.</u>
Police Department Special Fund - Budgetary Comparison Schedule	C-6	151
Police Federal Sharing Fund - Budgetary Comparison Schedule	C-7	152
Municipal Court Technology Fund - Budgetary Comparison Schedule	C-8	153
Drainage Assessment Fund - Budgetary Comparison Schedule	C-9	154-155
Cemetery Fund - Budgetary Comparison Schedule	C-10	156
Records Preservation Fund - Budgetary Comparison Schedule	C-11	157
Speer Memorial Library – Budgetary Comparison Schedule	C-12	158
Hotel/Motel Tax Fund – Budgetary Comparison Schedule	C-13	159
Mun. Court Bldg Security Fund - Budgetary Comparison Schedule	C-14	160
Park Dedication Fund – Budgetary Comparison Schedule	C-15	161
Juvenile Case Manager Fund – Budgetary Comparison Schedule	C-16	162
PEG Capital Fund – Budgetary Comparison Schedule	C-17	163
Tax Increment Reinvestment Zone Fund - Budgetary Comparison Schedule	C-18	164
Debt Service Fund - Budgetary Comparison Schedule	C-19	165
Designated Purpose Fund - Budgetary Comparison Schedule	C-20	166-169
2018 CO Capital Projects Fund - Budgetary Comparison Schedule	C-21	170
Utility Fund - Budgetary Comparison Schedule	C-22	172-175
Golf Course Fund - Budgetary Comparison Schedule	C-23	176-177
Solid Waste Fund - Budgetary Comparison Schedule	C-24	178-179
Event Center Fund – Budgetary Comparison Schedule	C-25	180-181

CITY OF MISSION, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2020

TABLE OF CONTENTS (Continued)

	<u>Exhibit</u>	<u>Page No.</u>
Capital Assets Used in the Operation of Governmental Funds:		
Capital Assets Used in the Operation of Governmental Funds Comparative Schedule by Source	D-1	185
Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity	D-2	186
Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity	D-3	187
Supplemental Schedules:		
Utility Fund - Schedule of Revenue Bond Coverage		190
Utility Fund - Schedule of Cash Receipts and Disbursements - Restricted Accounts Required by Revenue Bond Ordinance		191
STATISTICAL SECTION		
Net Position by Component		195
Changes in Net Position		196-197
Governmental Activities Tax Revenue by Source		198
Fund Balances of Governmental Funds		199
Changes in Fund Balances of Governmental Fund and Governmental Activities Tax Revenues by Source		200-201
Assessed Value and Estimated Actual Value of Taxable Property		202
Property Tax Rates Direct and Overlapping Governments		203
Principal Property Taxpayers		204
Property Tax Levies and Collections		205
Ratios of Outstanding Debt by Type		206

CITY OF MISSION, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2020

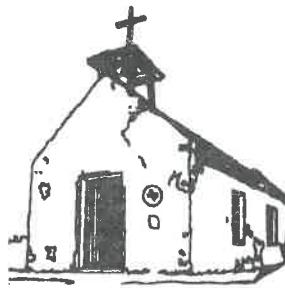
TABLE OF CONTENTS (Continued)

	<u>Page No.</u>
Ratios of General Bonded Debt Outstanding	207
Direct and Overlapping Governmental Activities Debt	208
Legal Debt Margin Information	209
Pledged-Revenue Coverage	210
Demographic and Economic Statistics	211
Principal Employers	212
Full-time Equivalent City Government Employees by Function	213
Operating Indicators by Function	214
Capital Assets Statistics by Function	215

INTRODUCTORY SECTION



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CITY OF MISSION

"Home of the Grapefruit"

May 6, 2021

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

The Comprehensive Annual Financial Report of the City of Mission, Texas (the City) for the fiscal year ended September 30, 2020, 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, 2020. 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 12.5 % to 6.18% as of November 2020.

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 2019-2020 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 \$12.8 million in State and Federal Grants for housing, public safety services and equipment, park improvements, homeless prevention programs, and education programs.
- Eight new homes were reconstructed and one home was 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.
- Completed the Dog park improvements at Bannworth Park and Bensten Palm Park.
- Continued the design, engineering and planning work for the interconnecting roadways for the future Inspiration Road/Military Parkway Loop.
- Commenced Library and Museum roof renovation projects.
- Commenced the design for a Lions Park all-inclusive park renovation.
- Continued a sewer line improvement project for the North Conway area.

- Completed 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.
- Continued Phase II of the Wastewater Treatment Plant Expansion Project
- Continued the Bentsen Palm Development Phase II project to include construction of a lift station.
- Successfully integrated the collection of in-house commercial sanitation pickup for the residents of our city.
- Completed technologically infrastructure and improvements that allow telework capabilities for essential employees.
- Completed city wide facility renovations as a result of COVID-19 compliance.

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

Major Initiatives For Fiscal Year 2020-2021

- 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. Nine homes are currently budgeted for reconstruction and three for rehabilitation 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.
- Continue with the planning for start-up of PEG Channel.
- Initiate planning of construction for an all-inclusive park project.
- Commence design and planning for drainage improvement project throughout the City.
- Commence the relocation of Golf maintenance building for grounds crew.
- Commence the engineering and design of the international Madero Bridge Project.
- Commence the design and construction for Police and Fire substation in the southwest section of the city.
- Continued to research and implement safe guard measures in relation to COVID-19 pandemic.

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 meet this requirement at year-end with an ending Unrestricted Fund Balance of \$7,730,941.

The City's FY 2020 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, 2019. 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, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF MISSION, TEXAS

List of Principal Officials Year Ended September 30, 2020

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 Interim Director
CDBG Director
Civil Service Director
Fire Chief
Fleet Director
Golf Course Director
Health Director
Human Resources Director
Information Technology Director
Library Director
Municipal Judge
Museum Director
Parks and Recreation Director
Planning and Zoning Director
Police Chief
Public Information Director
Public Works Director
Risk Management Director
Social Services Director
Solid Waste Director*

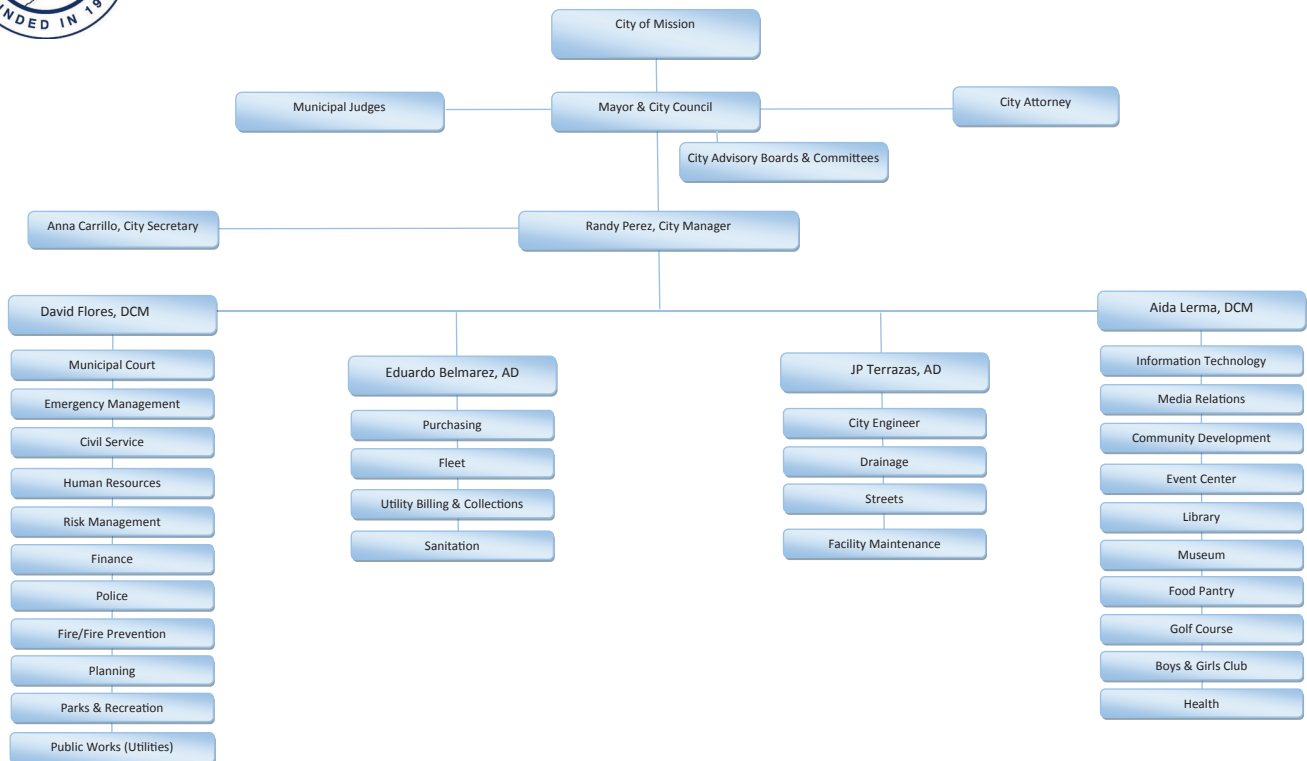
*Randy Perez
Aida Lerma
David Flores
Juan Pablo Terrazas
Eduardo Belmarez
Anna Carrillo
Angie Vela
Ezeiza Garcia
Gus Martinez
Rick Venecia
Joanne Longoria
Jesse Lerma
Gilbert Sanchez
J.C. Avila
Mario Flores
Noel Barrera
Noemi Munguia
Roland Rodriguez
Mayra Rocha
Jonathan Wehrmeister
Cynthia Lopez
Brad Bentsen
Susie De Luna
Robert Dominguez
Roxanne Lerma Casares
Roberto Salinas
Robert Hinojosa
Adela Ortega
Roel Mendiola*

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, 2020, 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 the Mission Redevelopment Authority, which statements reflect total assets of \$16,855,808 as of September 30, 2020, and total revenues of \$5,936,127 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 auditors' 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 City has elected to change its presentation of the Mission Event Center which was previously presented as a department of the Hotel/Motel Tax Fund. For the year ended September 30, 2020, the Mission Event Center is presented as a separate enterprise fund. 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 May 6, 2021, 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.

Carr, Riggs & Ingram, L.L.C.

McAllen, Texas
May 6, 2021

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, 2020. 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 \$172,136,907 (net position).
- The City's total net position increased by \$7,506,532. Governmental activities contributed an increase of \$9,677,333 while the Business-type activities contributed a decrease of \$2,170,801. Total revenues reflect an increase of 12.88% and total expenses reflect a decrease of 1.05% 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 \$16,458,152, a \$1,021,941 decrease in comparison to prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$5,168,125, an increase of \$3,763,547 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 four funds: utility (water and sewer); golf course; solid waste and event center.

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 29 to 31 of this report.

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

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

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

The City of Mission maintains twenty-four (24) 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, Designated Purpose 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 eighteen 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 32-35 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, solid waste operation and event center 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, solid waste operations and event center 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 37-41 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 42-43 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 44-112 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 115-133 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 \$172,136,907 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2020.

City of Mission Net Position September 30, 2020						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 32,044,017	\$ 24,616,861	\$ 8,823,389	\$ 10,464,353	\$ 40,867,406	\$ 35,081,214
Capital assets	147,585,899	145,282,550	97,734,218	100,208,319	245,320,117	245,490,869
Total assets	179,629,916	169,899,411	106,557,607	110,672,672	286,187,523	280,572,083
Total deferred outflows of resources	3,402,138	6,665,740	1,008,174	1,747,486	4,410,312	8,413,226
Long-term liabilities	64,642,828	73,345,898	34,983,048	38,533,581	99,625,876	111,879,479
Other liabilities	8,254,158	6,030,463	6,271,491	6,034,037	14,525,649	12,064,500
Total liabilities	72,896,986	79,376,361	41,254,539	44,567,618	114,151,525	123,943,979
Total deferred inflows of resources	3,526,393	340,852	783,010	70,102	4,309,403	410,954
Net position						
Net investment in capital assets	110,583,097	106,695,623	65,785,703	66,124,522	176,368,800	172,820,145
Restricted	6,270,366	5,071,768	2,928,340	4,875,498	9,198,706	9,947,266
Unrestricted (deficit)	(10,244,788)	(14,919,453)	(3,185,811)	(3,217,582)	(13,430,599)	(18,137,035)
Total net position	\$ 106,608,675	\$ 96,847,938	\$ 65,528,232	\$ 67,782,438	\$ 172,136,907	\$ 164,630,376

By far, the largest portion of the City's net position (102%) 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 increased \$7,506,532 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities -During the current fiscal year, net position for governmental activities increased by \$9,760,737 which includes a prior period adjustment of \$83,404, from the prior fiscal year for an ending balance of \$106,608,675.

The net position was increased due to an increase in receivables. The city was awarded monies from Hidalgo County regarding CARES Act Relief funding which was expensed in FY19-20 but approximately \$8 million remained as an outstanding receivable at end of year.

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, 2020.

City of Mission
Changes in Net Position
September 30, 2020

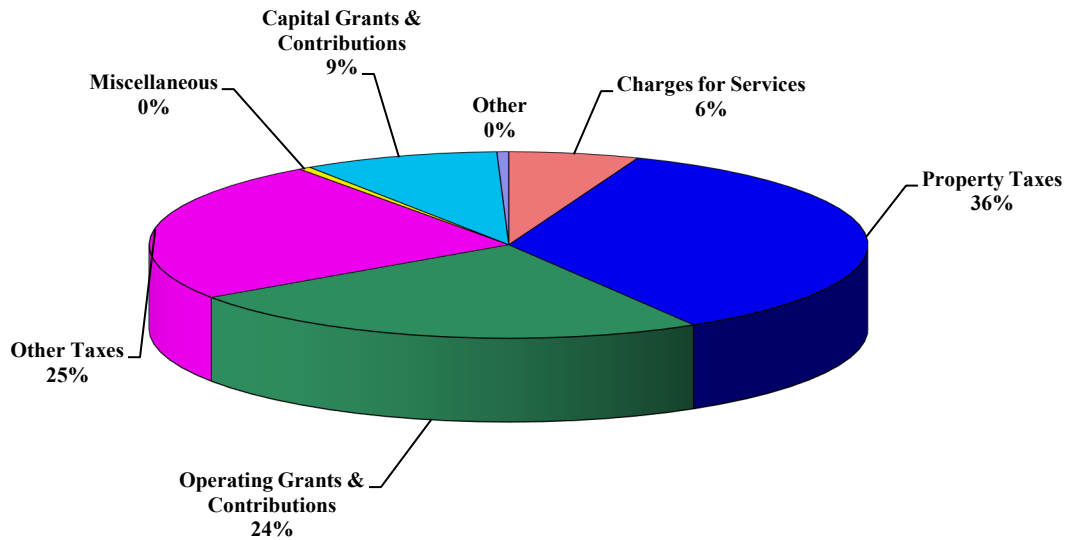
	Governmental Activities		Business-type Activities		Total	
	2020	Restated 2019	2020	Restated 2019	2020	Restated 2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,808,219	\$ 4,461,121	\$ 28,912,144	\$ 28,710,318	\$ 32,720,363	\$ 33,171,439
Operating grants and contributions	15,645,612	6,395,090	26,835	28,863	15,672,447	6,423,953
Capital grants and contributions	5,740,384	5,975,522	1,201,331	1,085,961	6,941,715	7,061,483
General revenues:						
Property taxes	23,164,868	20,736,937	-	-	23,164,868	20,736,937
Other taxes	16,053,624	16,084,972	-	-	16,053,624	16,084,972
Other	354,348	369,618	73,372	174,991	427,720	544,609
Miscellaneous	348,483	426,299	-	-	348,483	426,299
Total revenues	<u>65,115,538</u>	<u>54,449,559</u>	<u>30,213,682</u>	<u>30,000,133</u>	<u>95,329,220</u>	<u>84,449,692</u>
Expenses:						
General government	18,279,601	10,978,266	-	-	18,279,601	10,978,266
Public safety	19,694,004	25,991,960	-	-	19,694,004	25,991,960
Highways and streets	9,345,196	9,700,248	-	-	9,345,196	9,700,248
Economic development	5,980,468	5,778,839	-	-	5,980,468	5,778,839
Culture and recreation	6,629,959	8,244,066	-	-	6,629,959	8,244,066
Health and welfare	738,842	1,768,689	-	-	738,842	1,768,689
Interest on long-term debt	1,905,623	1,905,498	-	-	1,905,623	1,905,498
Utility	-	-	17,547,913	16,533,622	17,547,913	16,533,622
Golf course	-	-	1,332,422	1,389,008	1,332,422	1,389,008
Solid waste	-	-	5,693,262	6,466,352	5,693,262	6,466,352
Event Center	-	-	675,398	83,404	675,398	83,404
Total expenses	<u>62,573,693</u>	<u>64,367,566</u>	<u>25,248,995</u>	<u>24,472,386</u>	<u>87,822,688</u>	<u>88,756,548</u>
Increases(decreases) in net position before transfers	2,541,845	(9,918,007)	4,964,687	5,527,747	7,506,533	(4,306,856)
Transfers	7,135,488	5,446,591	(7,135,488)	(5,446,591)	-	-
Changes in net position	9,677,333	(4,471,416)	(2,170,801)	81,156	7,506,533	(4,306,856)
Net position - 10/01/19	96,931,342	101,402,759	67,699,033	67,617,877	164,630,375	169,020,635
Net position - 09/30/20	<u>\$ 106,608,674</u>	<u>\$ 96,931,342</u>	<u>\$ 65,528,232</u>	<u>\$ 67,699,033</u>	<u>\$ 172,136,907</u>	<u>\$ 164,713,778</u>

Total revenues generated from governmental activities for this year were \$65,115,538 reflecting a \$10,665,979 increase compared to last year. The majority of the increase is in operating grants and contributions. The most significant changes occurred in the following areas:

- Charges for services decreased by \$652,902 from prior year due to pandemic closures and reduction in services, while the operating grants and contributions increased by \$9,250.522 compared to prior year, due to the CARES Act Relief funding received from Hidalgo County in current year.

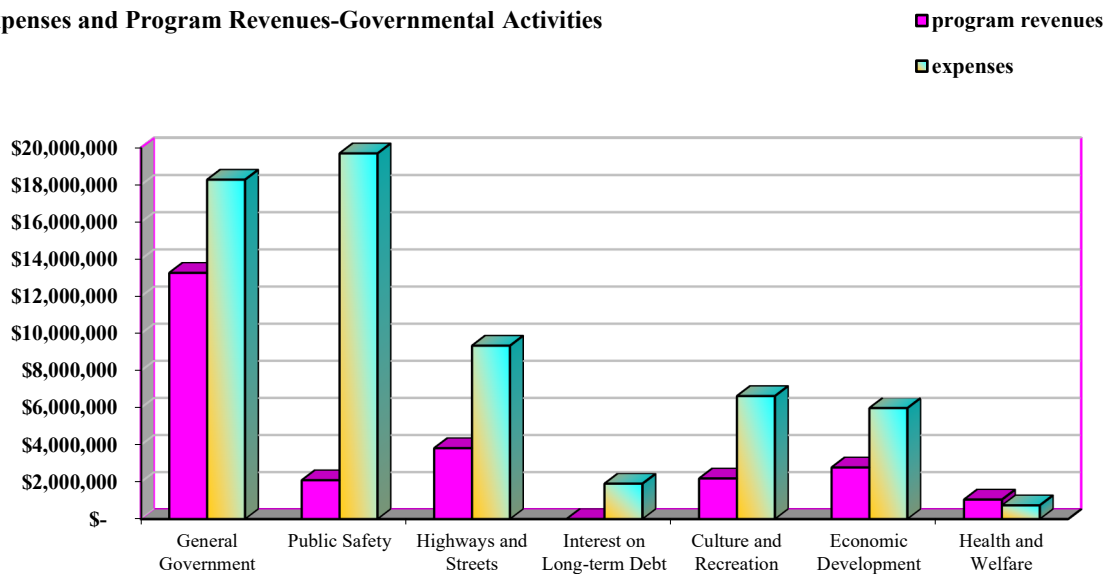
- Property taxes increased by \$2,427,931 compared to prior year. For fiscal year 19-20 City increased property tax rate by 0.035.

Revenues by Source-Governmental Activities



The following graph displays the portion of expenses funded by program revenues. Overall, general tax revenues funded approximately 61% of total expenses for fiscal year 2020.

Expenses and Program Revenues-Governmental Activities



Total expenses from governmental activities for this year were \$62,573,693 reflecting a \$1,793,873 decrease compared to last year. The most significant changes occurred in the following areas:

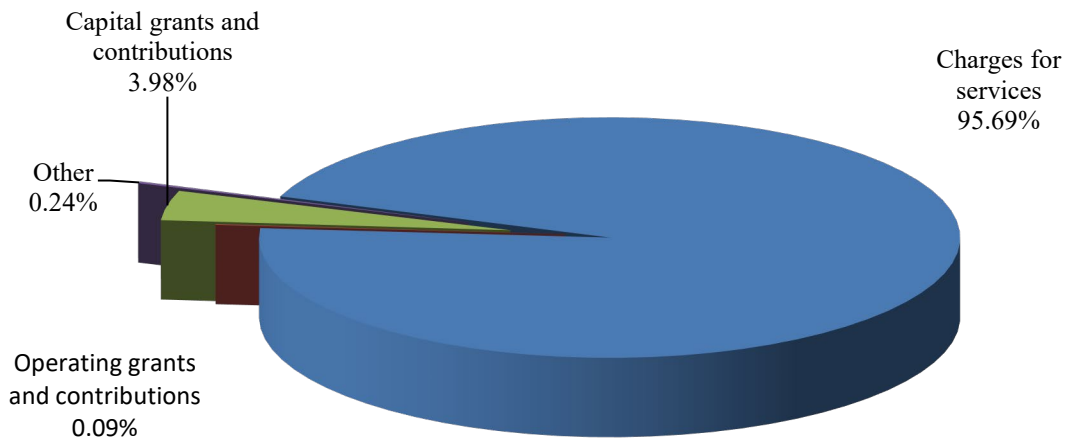
- Culture and Recreation decreased by \$1,614,107. The decreased was due to the completion of projects in prior year.

- General Government Activities increased by \$9,150,665. This is also in relation to the CARES Act Relief funding.
- Public Safety decreased by \$6,297,956. The decrease is due to the reimbursements of salaries from the CARES Act Relief funding for public safety.

Business-type Activities- Results of Business-type activities decreased the City of Mission's net position by \$2,170,801. Revenues increased by \$213,549 and expenses increased by \$776,610 in comparison with prior year.

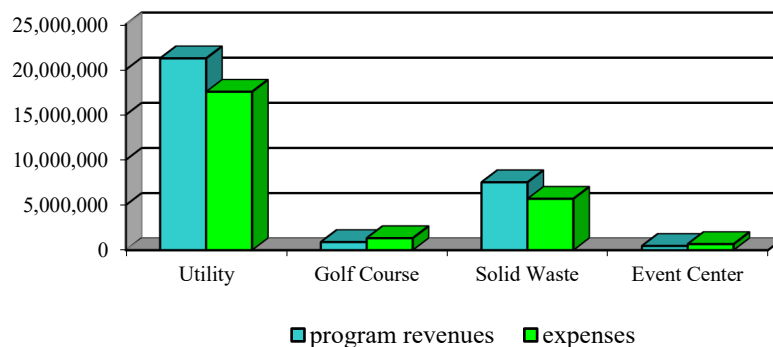
- Charges for Services increased by 0.01% in comparison to the prior year due to the COVID-19 pandemic closures.

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 \$25,248,995, an increase of \$776,610 compared to prior year. The increase was due the unexpected damages caused by Hurricane Hannah during the 2020 hurricane season.

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, 2020, the City of Mission's governmental funds reported a combined fund balance of \$16,458,152, a decrease of \$1,021,941 compared with the prior year.

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 \$7,846,028 an increase of \$4,817,852 compared to prior year, with the unassigned portion of the fund balance being \$5,168,125. 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 \$337,429 increase in fund balance during the current fiscal year. The increase was due to the 2018 CO issue came in mid-year versus one full year as anticipated.

The other governmental funds had a \$65,150 increase in fund balance during the current fiscal year. The overall revenues for other governmental funds decreased by \$3,574,857 with the majority of the decrease in intergovernmental revenues, and the overall expenditures for other governmental funds decreased by \$5,097,148. Both differences are contributed to the Designated Purpose Fund, relating to the CARES Act, which is being presented as a major fund this fiscal year.

The 2018 CO, a major capital projects fund had a fund balance of \$8,926,808 which was a decrease of \$727,333. The decrease was due to projects being completed in fiscal year 19-20.

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, 2020 and 2019.

- Fines and forfeitures decreased due to less issued citations during the pandemic and COVID related restrictions.

Revenues & Transfers-In	2020 Amount	% of Total	2019 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	\$ 40,086,786	60.18%	\$ 37,792,344	\$ 2,294,442	6.07%
Licenses and permits	738,605	1.11%	714,545	24,060	3.37%
Intergovernmental	11,076,767	16.63%	9,017,093	2,059,674	22.84%
Charges for services	982,697	1.48%	1,649,023	(666,326)	-40.41%
Fines and forfeitures	585,564	0.88%	723,578	(138,014)	-19.07%
Investment income	144,043	0.22%	224,665	(80,622)	-35.89%
Miscellaneous	1,945,438	2.92%	2,037,432	(91,994)	-4.52%
Transfers-in	11,051,299	16.59%	11,088,504	(37,205)	-0.34%
Total	<u>\$ 66,611,200</u>	<u>100.00%</u>	<u>\$ 63,247,184</u>	<u>\$ 3,364,016</u>	<u>5.32%</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, 2020 and 2019. Major differences are due to:

- General government expenditures increased due to the COVID-19 pandemic expenses related to CARES Act.
- Capital Projects and Highways and streets expenditures decreased due to the completion of several projects in prior fiscal year.

Expenditures & Transfers-Out	2020 Amount	Percent of Total	2019 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General government	\$ 21,362,993	30.70%	\$ 11,363,557	\$ 9,999,436	88.00%
Public safety	19,384,039	27.85%	23,177,920	(3,793,881)	-16.37%
Highways and streets	5,119,348	7.36%	5,431,006	(311,658)	-5.74%
Health and welfare	694,299	1.00%	607,996	86,303	14.19%
Culture and recreation	5,508,140	7.91%	8,420,063	(2,911,923)	-34.58%
Economic development	5,980,468	8.59%	5,778,839	201,629	3.49%
Capital projects	1,842,354	2.65%	4,522,539	(2,680,185)	-59.26%
Debt service:					
Principal	3,855,679	5.54%	3,587,876	267,803	7.46%
Bond issuance cost	-	0.00%	246,686	(246,686)	-100.00%
Interest and fiscal charges	1,932,451	2.78%	1,940,535	(8,084)	100.00%
Transfers-out	3,915,811	5.63%	3,688,505	227,306	6.16%
Total	<u>\$ 69,595,582</u>	<u>100.00%</u>	<u>\$ 68,765,522</u>	<u>\$ 830,060</u>	<u>1.21%</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 (\$2,742,715). The Solid Waste Fund had unrestricted net position of (\$461,735). The Solid Waste unrestricted net position decreased by (\$1,800,530). The Utility Fund and Golf Course Fund ended the year with an unrestricted net position of \$704,654 and (\$2,746,556), respectively. The Utility Fund unrestricted

net position increased by \$127,250 and the Golf Course unrestricted net position decreased by (\$428,640). The Event Center ended the year with an unrestricted net position of (\$103,459).

The Golf Course Fund borrowed working capital from the Utility Fund in order to meet its daily operational expenses during the current year. Golf Course operating revenues reflect a decrease of \$7,263 from prior year. Expenses decreased by \$32,044 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 \$172,014 and expenses decrease by \$1,148,546 compared to prior year.

The Solid Waste Fund commenced commercial collections at the end of fiscal year 2020. Total change in net position reflected a negative amount of \$1,800,530. Revenues increased by \$128,652 and expenses increased by \$722,100 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 \$98,768 while budgeted appropriations were increased by \$1,641,639 during the year.

- The most significant revenue variance, \$645,010, is reflected in tax revenue. In particular, the current ad valorem taxes revenues reflected an unfavorable variance of \$581,537 due to a decrease in the M&O rate related to the addition of the 2018 CO in the I&S rate calculation.
- Intergovernmental revenues reflect a negative net variance of \$232,643 compared to the budgeted amount. The variance is related to COVID-19 school closures which affected reimbursements to the city.
- Licenses and permits revenues reflect a positive variance of \$104,105, which was a result of continued new development and growth in the southern area of the city.
- Expenditures came in under budget largely due to the funding from the CARES act Relief from Hidalgo County. The most significant savings are reflected in public safety departments with a total of \$6,552,835.

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, 2020, amounts to \$245,320,117 (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 decrease in the City of Mission's investment in capital assets for the current fiscal year was \$170,753.

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

- Construction in progress in the governmental activities increased by \$1,071,282. The projects that contributed to the change in current year include the Taylor Road ROW, Bannworth gym expansion and the library/museum renovation.
- Construction in progress in the business-type activities increased by \$1,040,296. The projects that contributed to the change in current year include the Bentsen Palm Development Sanitary sewer improvement and the South Conway Lift Station 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	
	2020	2019	2020	2019	2020	2019
Land and water rights	\$ 40,868,284	\$ 39,914,655	\$ 7,412,258	\$ 7,412,258	\$ 48,280,542	\$ 47,326,913
Buildings and system	26,011,775	26,553,404	64,725,333	68,427,470	90,737,108	94,980,874
Improvements other than buildings	5,991,578	7,205,407	10,524	293,485	6,002,102	7,498,892
Machinery and equipment	12,460,482	7,882,828	6,127,795	5,657,095	18,588,277	13,539,923
Infrastructure	52,039,045	54,582,802	-	-	52,039,045	54,582,802
Construction in progress	10,214,735	9,143,453	19,458,308	18,418,012	29,673,043	27,561,465
Total	<u>\$ 147,585,899</u>	<u>\$ 145,282,549</u>	<u>\$ 97,734,218</u>	<u>\$ 100,208,320</u>	<u>\$ 245,320,117</u>	<u>\$ 245,490,869</u>

Additional information on the City of Mission's capital assets can be found in note 9 on pages 72-74 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 \$99,625,876, an increase of \$12,253,603 compared to prior year. Additional information on the City of Mission's long-term debt can be found in note 11 on pages 75-87 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	
	2020	2019	2020	2019	2020	2019
General obligation debt	\$ 43,111,570	\$ 47,248,002	\$ -	\$ -	\$ 43,111,570	\$ 47,248,002
Revenue bonds	-	-	31,104,623	34,472,017	31,104,623	34,472,017
Capital leases	3,881,997	1,973,192	1,094,425	56,585	4,976,422	2,029,777
Compensated absences	3,114,006	3,051,582	447,577	422,336	3,561,583	3,473,918
City of McAllen-Anzalduas bridge	3,840,774	3,532,926	-	-	3,840,774	3,532,926
Sales Tax Payable	137,921	235,277	-	-	137,921	235,277
Pension related debt	6,076,155	11,904,534	1,341,568	2,460,824	7,417,723	14,365,358
OPEB related debt	4,480,405	5,400,385	994,855	1,121,819	5,475,260	6,522,204
Total	<u>\$ 64,642,828</u>	<u>\$ 73,345,898</u>	<u>\$ 34,983,048</u>	<u>\$ 38,533,581</u>	<u>\$ 99,625,876</u>	<u>\$ 111,879,479</u>

Economic Factors and Next Year's Budgets and Rates

- According to the November 2020 issue of the Texas Labor Market Information, the unemployment rate for the City of Mission was 12.5%, increasing from 6.18% in prior year. The state and national average unemployment rates are 8.0%, respectively.
- Appraised values provided by the Hidalgo County Appraisal District and used in preparing the 2020-2021 Budget were \$238.8 million higher than the prior year.
- The 2020-2021 Budget was prepared using an adopted tax rate of \$0.5299 per \$100 valuation.
- Water and sewer rates unchanged in the 2020-2021 Budget.
- The 2020-2021 general fund operating budget was prepared using \$302,667 as the estimated unrestricted fund balance at September 30, 2020. The actual unrestricted fund balance for the general fund was \$7,846,028. For the upcoming 2020-2021 fiscal year, \$2,326,741 is the projected unrestricted fund balance at September 30, 2021. Projected revenues reflect a 6.5% increase and expenditures also reflect an 1.37% increase compared to FY 2020 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 2020, the general fund unrestricted fund balance did 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

BASIC FINANCIAL STATEMENTS



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CITY OF MISSION, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

EXHIBIT A-1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	MEDC	MRA
ASSETS					
Cash and cash equivalents	\$ 4,194,047	\$ 3,150	\$ 4,197,197	\$ 187,406	\$ 7,909,768
Investments	6,401,904	619,948	7,021,852	-	5,811,938
Receivables, net	15,160,226	4,291,692	19,451,918	816,173	19,113
Internal balances	4,294,882	(4,294,882)	-	-	-
Due from primary government	-	-	-	16,911	-
Due from component unit	746,614	246,307	992,921	-	156,439
Inventory	25,483	203,454	228,937	-	-
Land held for resale	1,104,518	-	1,104,518	4,734,945	-
Prepaid items	69,063	61,042	130,105	25,760	138,617
Redevelopment assets	-	-	-	-	2,819,933
Notes receivable current	26,739	-	26,739	-	-
Long-term receivable	20,541	-	20,541	-	-
Restricted assets	-	7,692,678	7,692,678	486,928	-
Capital assets:					
Land, water rights, and construction in progress	51,083,019	26,870,566	77,953,585	2,100,959	-
Other capital assets, net of accumulated depreciation	96,502,880	70,863,652	167,366,532	6,315,064	-
Total Assets	<u>179,629,916</u>	<u>106,557,607</u>	<u>286,187,523</u>	<u>14,684,146</u>	<u>16,855,808</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows	605,022	389,218	994,240	-	-
Deferred outflows related to pensions	2,215,803	489,878	2,705,681	-	-
Deferred outflows related to other post-employment benefits	581,313	129,078	710,391	-	-
Total Deferred Outflows of Resources	<u>3,402,138</u>	<u>1,008,174</u>	<u>4,410,312</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable	4,502,083	1,228,926	5,731,009	31,937	1,355
Customer deposits	-	2,593,442	2,593,442	-	-
Accrued interest payable	259,687	91,594	351,281	73,613	54,949
Other liabilities	553,836	193,201	747,037	9,302	-
Subdivider deposits	-	1,899,757	1,899,757	-	-
Retainage payable	99,876	76,209	176,085	-	-
Accrued payroll	532,766	143,365	676,131	15,952	-
Due to primary government	-	-	-	750,360	254,129
Due to component unit	161,782	-	161,782	-	-
Unearned revenues	2,144,128	44,997	2,189,125	-	-
Non-current liabilities:					
Due in more than one year	58,852,525	31,233,848	90,086,373	12,872,245	17,067,188
Due within one year	5,790,303	3,749,200	9,539,503	1,208,443	2,258,393
Total Liabilities	<u>72,896,986</u>	<u>41,254,539</u>	<u>114,151,525</u>	<u>14,961,852</u>	<u>19,636,014</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	2,911,842	646,553	3,558,395	-	-
Deferred inflows related to other post-employment benefits	614,551	136,457	751,008	-	-
Total Deferred Inflows of Resources	<u>3,526,393</u>	<u>783,010</u>	<u>4,309,403</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	110,583,097	65,785,703	176,368,800	(633,071)	-
Restricted for:					
Debt Service	1,301,830	1,270,713	2,572,543	391,289	2,964,149
Construction	-	1,657,627	1,657,627	-	-
Capital Improvements	2,265,714	-	2,265,714	-	-
Federal and other awards	793,628	-	793,628	-	-
Tourism	493,259	-	493,259	-	-
Municipal Court	417,483	-	417,483	-	-
MEDA	912,571	-	912,571	-	-
Other purposes	85,881	-	85,881	-	-
Unrestricted	(10,244,788)	(3,185,811)	(13,430,599)	(35,924)	(5,744,355)
Total Net Position	<u>\$ 106,608,675</u>	<u>\$ 65,528,232</u>	<u>\$ 172,136,907</u>	<u>\$ (277,706)</u>	<u>\$ (2,780,206)</u>

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

CITY OF MISSION, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 18,279,601	\$ 2,364,810	\$ 9,949,198	\$ 950,410
Public safety	19,694,004	71,085	1,630,692	389,537
Highways and streets	9,345,196	993,301	10,095	2,817,764
Health and welfare	738,842	248,360	802,137	-
Culture and recreation	6,629,959	130,663	472,666	1,582,673
Economic development	5,980,468	-	2,780,680	-
Interest and fiscal charges on long-term debt	1,905,623	-	144	-
Total Governmental Activities	62,573,693	3,808,219	15,645,612	5,740,384
Business-type activities:				
Utility	17,547,913	20,258,346	26,835	962,369
Golf Course	1,332,422	899,977	-	-
Solid Waste	5,693,262	7,524,352	-	-
Event Center	675,398	229,469	-	238,962
Total Business-type Activities	25,248,995	28,912,144	26,835	1,201,331
Total Primary Government	\$ 87,822,688	\$ 32,720,363	\$ 15,672,447	\$ 6,941,715
COMPONENT UNITS:				
Mission Economic Development Corporation	\$ 4,320,210	\$ 129,675	\$ 463,124	\$ -
Mission Redevelopment Authority	2,534,043	-	-	-
Total Component Units	\$ 6,854,253	\$ 129,675	\$ 463,124	\$ -

General revenues:

Property taxes
Sales taxes
Franchise taxes
Hotel/motel taxes
Alcoholic beverage taxes
Shared revenue-tax increment zone
Contributions and donations
Interest earned
Miscellaneous
Transfers

Total General Revenues

Change in Net Position

Net Position - 10/01/19
Prior period adjustment
Adjusted Net Position 10/01/19 RESTATED

Net Position - Ending

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

Net (Expenses) Revenues and Changes in Net Assets				
Primary Government				
Governmental Activities	Business-type Activities	Total	MEDC	MRA
\$ (5,015,183)	\$ -	\$ (5,015,183)	\$ -	\$ -
(17,602,690)	-	(17,602,690)	-	-
(5,524,036)	-	(5,524,036)	-	-
311,655	-	311,655	-	-
(4,443,957)	-	(4,443,957)	-	-
(3,199,788)	-	(3,199,788)	-	-
(1,905,479)	-	(1,905,479)	-	-
(37,379,478)	-	(37,379,478)	-	-
-	3,699,637	3,699,637	-	-
-	(432,445)	(432,445)	-	-
-	1,831,090	1,831,090	-	-
-	(206,967)	(206,967)	-	-
-	4,891,315	4,891,315	-	-
<u>\$ (37,379,478)</u>	<u>\$ 4,891,315</u>	<u>\$ (32,488,163)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (3,727,411)	\$ -
-	-	-	-	(2,534,043)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,727,411)</u>	<u>\$ (2,534,043)</u>
\$ 23,164,868	\$ -	\$ 23,164,868	\$ -	\$ -
12,837,891	-	12,837,891	4,279,297	-
2,740,250	-	2,740,250	-	-
448,409	-	448,409	-	-
27,074	-	27,074	-	-
288,385	-	288,385	-	5,767,693
-	-	-	-	7,779
65,963	11,357	77,320	-	160,655
348,483	62,015	410,498	448,460	-
7,135,488	(7,135,488)	-	-	-
47,056,811	(7,062,116)	39,994,695	4,727,757	5,936,127
9,677,333	(2,170,801)	7,506,532	1,000,346	3,402,084
96,847,938	67,782,437	164,630,375	(1,278,052)	(6,182,290)
83,404	(83,404)	-	-	-
96,931,342	67,699,033	164,630,375	(1,278,052)	(6,182,290)
<u>\$ 106,608,675</u>	<u>\$ 65,528,232</u>	<u>\$ 172,136,907</u>	<u>\$ (277,706)</u>	<u>\$ (2,780,206)</u>

CITY OF MISSION, TEXAS

BALANCE SHEET-GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

EXHIBIT A-3

	General Fund	Debt Service Fund	Designated Purpose Fund	2018 CO Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 429,378	\$ 644,088	\$ -	\$ 3,020,822	\$ 99,758	\$ 4,194,046
Investments	24,517	-	-	5,967,253	405,749	6,397,519
Prepaid items	69,063	-	-	-	-	69,063
Receivables:						
Taxes, including interest and penalties	2,071,314	453,344	-	-	-	2,524,658
Accounts	1,679,892	-	6,500	-	382,502	2,068,894
Special assessments	-	-	-	-	176,606	176,606
Less: allowance for uncollectibles	(1,932,428)	(176,675)	-	-	(14,881)	(2,123,984)
Accrued interest receivable	3,021	-	-	5,532	2,106	10,659
Due from other governments	2,683,755	-	8,699,711	-	1,139,901	12,523,367
Due from other funds	12,396,948	150,000	575,506	-	3,994,793	17,117,247
Due from component unit	758,182	-	-	-	-	758,182
Long-term receivable	20,541	-	-	-	-	20,541
Inventory	25,483	-	-	-	-	25,483
Land held for resale	-	-	-	-	1,104,518	1,104,518
Total Assets	<u>\$ 18,229,666</u>	<u>\$ 1,070,757</u>	<u>\$ 9,281,717</u>	<u>\$ 8,993,607</u>	<u>\$ 7,291,052</u>	<u>\$ 44,866,799</u>
LIABILITIES						
Accounts payable	\$ 1,572,871	\$ -	\$ 1,865,072	\$ 42,298	\$ 397,635	\$ 3,877,876
Other liabilities	531,700	-	18,800	-	3,336	553,836
Retainage payable	-	-	-	24,501	75,375	99,876
Accrued payroll	505,298	-	20,237	-	7,231	532,766
Due to other funds	6,396,725	-	6,824,444	-	291,328	13,512,497
Due to component unit	5,343	-	-	-	156,439	161,782
Unearned revenue	199,795	-	40,307	-	1,904,026	2,144,128
Total Liabilities	<u>9,211,732</u>	<u>-</u>	<u>8,768,860</u>	<u>66,799</u>	<u>2,835,370</u>	<u>20,882,761</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-CARES grant	-	-	6,090,088	-	-	6,090,088
Unavailable revenue-property taxes	1,171,906	263,892	-	-	-	1,435,798
Total deferred inflows of resources	<u>1,171,906</u>	<u>263,892</u>	<u>6,090,088</u>	<u>-</u>	<u>-</u>	<u>7,525,886</u>
	(9,703,251)	(263,892)	(14,858,948)	(66,799)	(2,835,370)	(27,728,260)
FUND BALANCES:						
Nonspendable	115,087	-	-	-	-	115,087
Restricted	-	806,865	-	8,926,808	4,455,682	14,189,355
Assigned	2,562,816	-	-	-	-	2,562,816
Unassigned	5,168,125	-	(5,577,231)	-	-	(409,106)
Total Fund Balances	<u>7,846,028</u>	<u>806,865</u>	<u>(5,577,231)</u>	<u>8,926,808</u>	<u>4,455,682</u>	<u>16,458,152</u>
Total Liabilities and Fund Balances	<u>\$ 18,229,666</u>	<u>\$ 1,070,757</u>	<u>\$ 9,281,717</u>	<u>\$ 8,993,607</u>	<u>\$ 7,291,052</u>	<u>\$ 44,866,799</u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**EXHIBIT A-4**

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020*

Total fund balances - governmental funds balance sheet \$ 16,458,152

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.	147,585,899
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,435,798
Grant receivable unavailable to pay for current period expenditures are deferred in the funds.	6,090,088
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	65,506
Payables for bond principal which are not due in the current period are not reported in the funds.	(39,082,303)
Payables for capital lease which are not due in the current period are not reported in the funds.	(3,881,995)
Payable for bond interest which are not due in the current period are not reported in the funds.	(259,687)
Payables for long term liability not due in the current period and not reported in the funds.	(3,978,695)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(3,114,008)
Payables for net pension liability which are not due in the current period are not reported in the funds.	(6,076,155)
Payables for net OPEB liability which are not due in the current period are not reported in the funds.	(4,480,405)
Unamortized deferred inflows related to pensions and OPEB are not reported in the funds.	(3,526,393)
Unamortized pension unavailable for current-period expenditures and are deferred in the SNP.	2,797,116
Unamortized pre-paid bond insurance unavailable for current-period expenditures and are deferred outflow in the SNP.	245,380
Unamortized bond deferred charge on refunding unavailable for current-period expenditures and are deferred in the SNP.	359,642
Unamortized premium unavailable for current-period expenditures and are in the SNP.	<u>(4,029,265)</u>

Net position of governmental activities - statement of net position \$ 106,608,675

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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, 2020

	General Fund	Debt Service Fund	Designated Purpose Fund	2018 CO Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 34,634,613	\$ 4,010,463	\$ -	\$ -	\$ 1,441,710	\$ 40,086,786
Licenses and permits	738,605	-	-	-	-	738,605
Intergovernmental	1,002,568	-	5,360,522	-	4,713,677	11,076,767
Charges for services	881,737	-	-	-	100,960	982,697
Fines	585,564	-	-	-	-	585,564
Interest	32,945	144	-	82,673	28,281	144,043
Miscellaneous	318,499	1,500,114	7,375	1,026	118,424	1,945,438
Total revenues	<u>38,194,531</u>	<u>5,510,721</u>	<u>5,367,897</u>	<u>83,699</u>	<u>6,403,052</u>	<u>55,559,900</u>
EXPENDITURES						
Current:						
General government	10,977,147	-	9,422,725	-	963,121	21,362,993
Public safety	17,284,019	-	1,999,188	-	100,832	19,384,039
Highways and streets	4,096,284	-	-	-	1,023,064	5,119,348
Health and welfare	639,776	-	-	-	54,523	694,299
Culture and recreation	5,070,300	-	14,000	-	423,840	5,508,140
Economic development	-	-	-	-	5,980,468	5,980,468
Capital projects	-	-	-	748,840	1,093,514	1,842,354
Debt service:						
Principal	550,825	3,290,000	-	-	14,854	3,855,679
Interest and fiscal charges	110,915	1,813,306	-	-	8,230	1,932,451
Total expenditures	<u>38,729,266</u>	<u>5,103,306</u>	<u>11,435,913</u>	<u>748,840</u>	<u>9,662,446</u>	<u>65,679,771</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(534,735)</u>	<u>407,415</u>	<u>(6,068,016)</u>	<u>(665,141)</u>	<u>(3,259,394)</u>	<u>(10,119,871)</u>
OTHER FINANCING SOURCES (USES)						
Capital leases	1,667,130	-	-	-	269,517	1,936,647
Proceeds from sale of capital assets	25,794	-	-	-	-	25,794
Transfers in	6,870,488	450,000	490,785	-	3,240,027	11,051,300
Transfers out	(3,210,825)	(519,986)	-	-	(185,000)	(3,915,811)
Total Other Financing Sources (uses)	<u>5,352,587</u>	<u>(69,986)</u>	<u>490,785</u>	<u>-</u>	<u>3,324,544</u>	<u>9,097,930</u>
Net change in fund balances	4,817,852	337,429	(5,577,231)	(665,141)	65,150	(1,021,941)
Fund balances at beginning of year	<u>3,028,176</u>	<u>469,436</u>	<u>-</u>	<u>9,591,949</u>	<u>4,390,532</u>	<u>17,480,093</u>
Fund balances at end of year	<u>\$ 7,846,028</u>	<u>\$ 806,865</u>	<u>\$ (5,577,231)</u>	<u>\$ 8,926,808</u>	<u>\$ 4,455,682</u>	<u>\$ 16,458,152</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, 2020*

Net change in fund balances - total governmental funds	\$ (1,021,941)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA	8,104,432
The depreciation of capital assets used in governmental activities is not reported in the funds.	(8,587,838)
The gain or loss on the sale of capital assets is not reported in the funds.	(146,999)
Donation of capital assets increase net position in the SOA but not in the funds.	2,933,759
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	176,414
Certain grant revenues are deferred in the funds. This is the change in these amounts this year.	6,090,088
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	3,290,000
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 and contractual obligations is an expenditure in the funds but is not an expense in the SOA.	468,322
Pension expense for current period	(455,707)
Other post employment benefit expense for current period	472,757
Long term payable is not an expenditure in the funds but is an expense in the SOA.	(307,849)
Other financing sources are reflected in the funds but not in the SOA.	(1,936,647)
Bond pre-paid insurance costs and similar items are amortized in the SOA but not in the funds.	333,150
(Increase) decrease in accrued interest from beginning of period to end of period.	(21,557)
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	252,019
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(62,426)
Change in net position of governmental activities - statement of activities	<u><u>\$ 9,677,333</u></u>

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The accompanying notes are an integral part of this statement.



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CITY OF MISSION, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2020

EXHIBIT A-7

	Business-type Activities Enterprise Fund				Internal Service Fund
	Utility	Golf Course	Solid Waste	Event Center	Group Health Employee Plan
	Fund	Fund	Fund	Total	Fund
ASSETS				Total Enterprise Funds	
Current Assets:					
Cash and cash equivalents	\$ -	\$ 650	\$ -	\$ 2,500	\$ 3,150
Investments	366,817	-	253,131	-	619,948
Restricted assets:					
Cash and cash equivalents	4,105,426	-	84,001	-	4,189,427
Investments	3,498,723	-	-	-	3,498,723
Accrued interest	4,528	-	-	-	4,528
Prepaid items	52,924	6,118	-	2,000	61,042
Receivables	3,352,483	2,447	1,341,135	9,057	4,705,122
Less: allowance for uncollectibles	(309,529)	-	(104,202)	-	(413,731)
Accrued interest	83	-	54	-	137
Due from other funds	497,576	-	-	-	497,576
Due from other governments	-	-	-	163	163
Due from component unit	246,307	-	-	-	246,307
Inventories (at cost)	161,530	34,768	-	7,156	203,454
Total Current Assets	11,976,868	43,983	1,574,119	20,876	13,615,846
Noncurrent Assets:					
Advance of funds receivable	2,518,884	-	-	-	2,518,884
Capital assets:					
Land, water rights, and construction in progress	25,227,647	1,642,919	-	-	26,870,566
Other capital assets, net of accumulated depreciation	64,889,696	1,755,892	4,082,444	135,620	70,863,652
Total Noncurrent Assets	92,636,227	3,398,811	4,082,444	135,620	100,253,102
Total Assets	\$ 104,613,095	\$ 3,442,794	\$ 5,656,563	\$ 156,496	\$ 113,868,948
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges related to loss on refunding	389,218	-	-	-	389,218
Deferred outflows related to pensions	310,858	46,373	115,392	17,255	489,878
Deferred outflows related to other post-employment benefits	81,908	12,219	30,405	4,546	129,078
Total Deferred Outflows of Resources	781,984	58,592	145,797	21,801	1,008,174
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 832,165	\$ 44,504	\$ 337,698	\$ 14,559	\$ 1,228,926
Claims payable	-	-	-	-	-
Accrued payroll	94,017	11,621	32,945	4,782	143,365
Compensated absences payable	149,522	23,505	11,202	-	184,229
Due to other funds	3,260,239	10,064	944,644	134,415	4,349,362
Due to component unit	-	-	-	-	-
Unearned revenue	-	29,407	-	15,590	44,997
Accrued interest	89,605	20	1,969	-	91,594
Other liabilities	48,519	37,566	104,581	2,535	193,201
Subdivider deposits	1,899,757	-	-	-	1,899,757
Retainage payable	76,209	-	-	-	76,209
Customer deposits	2,593,442	-	-	-	2,593,442
Current portion of long-term debt	2,737,639	8,208	819,124	-	3,564,971
Total Current Liabilities	11,781,114	164,895	2,252,163	171,881	14,370,053
Other Non-Current Liabilities:					
Long term compensated absences	210,071	39,456	13,821	-	263,348
Capital lease payable	964,087	-	22,761	-	986,848
Advance of funds payable	-	2,518,884	-	-	2,518,884
Net pension liability	851,309	126,995	316,011	47,254	1,341,569
Net other post employment benefits liability	631,297	94,174	234,341	35,042	994,854
Revenue bonds, net of current portion, discount, and deferred amount on refunding	27,647,229	-	-	-	27,647,229
Total Other Non-Current Liabilities	30,303,993	2,779,509	586,934	82,296	33,752,732
Total Liabilities	42,085,107	2,944,404	2,839,097	254,177	48,122,785
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	410,278	61,204	152,298	22,773	646,553
Deferred inflows related to other post-employment benefits	86,592	12,917	32,142	4,806	136,457
Total Deferred Inflows of Resources	496,870	74,121	184,440	27,579	783,010
NET POSITION					
Net investment in capital assets	59,184,607	3,224,917	3,240,558	135,620	65,785,702
Restricted for:					
Debt service	1,270,713	-	-	-	1,270,713
Construction	1,653,128	-	-	-	1,653,128
Capital Projects	-	4,499	-	-	4,499
Unrestricted	704,654	(2,746,555)	(461,735)	(239,079)	(2,742,715)
Total Net Position	\$ 62,813,102	\$ 482,861	\$ 2,778,823	\$ (103,459)	\$ 65,971,327
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.					(443,095)
Net Position of Business-type Activities					\$ 65,528,232

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, 2020

	Business-type Activities Enterprise Fund	
	Utility	Golf Course
	Fund	Fund
Operating Revenues:		
Charges for services	\$ 20,337,048	\$ 900,223
Operating Expenses:		
Insurance claim drafts	-	-
Health insurance cost	-	-
Utility administration	915,784	-
Water distribution	2,907,620	-
Water treatment	1,718,167	-
Wastewater treatment and collection	1,623,310	-
Industrial pretreatment	268,303	-
Utility collection	542,323	-
Organizational expenses	579,758	-
Meter readers	473,620	-
Northside water treatment plant	2,474,216	-
Depreciation	5,337,877	224,362
Cost of sales	-	97,929
Golf course operation	-	1,004,062
Solid waste disposal	-	-
Event center operation	-	-
Total Operating Expenses	16,840,978	1,326,353
Operating income (loss)	3,496,070	(426,130)
Non operating revenues (expenses)		
Gain (Loss) on disposal of capital assets	(22,490)	(1,591)
Interest earned	35,586	-
Other nonoperating revenue	620	-
Bond Interest expense	(671,367)	(919)
Bond fiscal charges	(3,050)	-
Total non-operating revenues (expenses)	(660,701)	(2,510)
Net Income (loss) before transfers and capital contributions	2,835,369	(428,640)
Transfers In (Out)	(3,670,488)	-
Capital Contributions	962,369	-
Change in Net Position	127,250	(428,640)
Net Position-Beginning of Year	62,685,852	911,501
Prior period adjustment	-	-
Adjusted Net Position 10/01/19 RESTATED	62,685,852	911,501
Net Position-End of Year	\$ 62,813,102	\$ 482,861

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	Event Center	Total Enterprise Funds	Group Health Employee Plan
Fund	Total		Fund
\$ 7,530,880	\$ 229,469	\$ 28,997,620	\$ 6,334,226
-	-	-	5,089,550
-	-	-	1,047,728
-	-	915,784	-
-	-	2,907,620	-
-	-	1,718,167	-
-	-	1,623,310	-
-	-	268,303	-
-	-	542,323	-
-	-	579,758	-
-	-	473,620	-
-	-	2,474,216	-
668,396	106,342	6,336,977	-
-	-	97,929	-
-	-	1,004,062	-
4,994,405	-	4,994,405	-
-	567,144	567,144	-
5,662,801	673,486	24,503,618	6,137,278
1,868,079	(444,017)	4,494,002	196,948
-	-	(24,081)	-
2,606	-	38,192	6,245
-	-	620	-
(20,915)	-	(693,201)	-
(300)	-	(3,350)	-
(18,609)	-	(681,820)	6,245
1,849,470	(444,017)	3,812,182	203,193
(3,650,000)	185,000	(7,135,488)	-
-	238,962	1,201,331	-
(1,800,530)	(20,055)	(2,121,975)	203,193
4,579,353	-	-	(580,782)
-	(83,404)	-	-
4,579,353	(83,404)	-	(580,782)
\$ 2,778,823	\$ (103,459)		\$ (377,589)

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 (48,826)

\$ (2,170,801)



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CITY OF MISSION, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT A-9

	Enterprise Funds				Internal Service Fund
	Utility Fund	Golf Course Fund	Solid Waste Fund	Event Center Fund	Group Health
Cash Flows from Operating Activities:					
<i>Cash Received from Customers</i>	\$ 20,767,852	\$ 1,064,038	\$ 8,878,184	\$ 241,616	\$ 30,951,690
<i>Cash Received from Interfund Services Used</i>	-	-	-	-	-
<i>Cash Payments from Interfund Services Used</i>	-	-	-	-	-
<i>Cash Payments to Employees for Services</i>	(4,510,762)	(899,863)	(1,924,811)	(275,741)	(7,611,177)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(7,240,015)	(119,825)	(2,681,576)	(145,375)	(10,186,791)
Net Cash Provided (Used) by Operating Activities	9,017,075	44,350	4,271,797	(179,500)	13,153,722
Cash Flows from Non-Capital Financing Activities:					
<i>Proceed from Insurance Settlement</i>	620	-	-	-	620
<i>Transfers From (To) Other Funds</i>	(3,670,488)	-	(3,650,000)	185,000	(7,135,488)
Net Cash Provided (Used) by Non-Capital Financing Activities	(3,669,868)	-	(3,650,000)	185,000	(7,134,868)
Cash Flows from Capital and Related Financing Activities:					
<i>Proceed from Sale of Capital Assets</i>	2,437	-	-	-	2,437
<i>Principal and Interest Paid</i>	(3,148,666)	(49,297)	(821,215)	-	(4,019,178)
<i>Acquisition or Construction of Capital Assets</i>	(2,346,197)	-	(330,581)	(3,000)	(2,679,778)
Net Cash Provided (Used) for Capital & Related Financing Activities	(5,492,426)	(49,297)	(1,124,911)	(3,000)	(6,669,634)
Cash Flows from Investing Activities:					
<i>Purchase of Investment Securities</i>	(3,463,385)	-	(502,008)	-	(3,965,393)
<i>Proceeds from Sale and Maturities of Securities</i>	2,251,089	-	996,000	-	3,247,089
<i>Interest on Investments</i>	48,345	-	9,922	-	58,267
Net Cash Provided (Used) for Investing Activities	(1,163,951)	-	503,914	-	(660,037)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,309,170)	(4,947)	800	2,500	(1,310,817)
Cash and Cash Equivalents at Beginning of Year	5,414,597	5,597	83,201	-	5,503,395
Cash and Cash Equivalents at End of Year	\$ 4,105,427	\$ 650	\$ 84,001	\$ 2,500	\$ 4,192,578
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 3,496,070	\$ (426,130)	\$ 1,868,079	\$ (444,017)	\$ 4,494,002
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
<i>Depreciation</i>	5,337,877	224,362	668,396	106,342	6,336,977
Change in Assets and Liabilities:					
<i>Decrease (Increase) in Receivables</i>	380,603	80,347	15,444	(31,023)	445,371
<i>Decrease (Increase) in Inventories</i>	23,175	8,581	-	(7,156)	24,600
<i>Decrease (Increase) in Prepaid Expenses</i>	7,363	-	-	(2,000)	5,363
<i>Decrease (Increase) in Due from Other Funds</i>	(645,144)	-	1,331,859	-	686,715
<i>Decrease (Increase) in Due from Other Governments</i>	(173,340)	-	-	-	(173,340)
<i>Increase (Decrease) in Accounts Payable</i>	54,837	26,625	31,491	14,560	127,513
<i>Increase (Decrease) in Customer Deposits</i>	79,194	-	-	-	79,194
<i>Increase (Decrease) in Accrued Wages Payable</i>	(9,267)	1,994	-	4,782	(2,491)
<i>Increase (Decrease) in Due to Other Funds</i>	(58,979)	199,031	449,498	134,415	723,965
<i>Increase (Decrease) in Other Liabilities</i>	530,127	(154,157)	(92,970)	1,427	284,427
<i>Increase (Decrease) in Subdividers Deposits Payable</i>	(28,994)	-	-	-	(28,994)
<i>Increase (Decrease) in Compensated Absences Payable</i>	23,553	229	-	-	23,782
<i>Increase (Decrease) in Unearned Revenue</i>	-	83,468	-	43,170	126,638
Total Adjustments	5,521,005	470,480	2,403,718	264,517	8,659,720
Net Cash Provided (Used) by Operating Activities	\$ 9,017,075	\$ 44,350	\$ 4,271,797	\$ (179,500)	\$ 13,153,722
Noncash Investing, Capital and Financing Activities:					
<i>Contributed Capital Assets</i>	\$ 962,369	\$ -	\$ -	\$ 238,962	\$ 1,201,331
<i>Increase (decrease) in fair value investments</i>	54,994	-	5,131	-	60,125
Total Noncash Investing, Capital and Financing Activities	\$ 1,017,363	\$ -	\$ 5,131	\$ 238,962	\$ 1,261,456

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**EXHIBIT A-10***STATEMENT OF FIDUCIARY NET POSITION**FIDUCIARY FUNDS**SEPTEMBER 30, 2020*

	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, 2020**

	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, 2020

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.

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.

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.

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, 2020.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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

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*.

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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

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

Amounts reported as *program revenues* include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, the Speer Memorial Library-Breyfogle, is a private purpose trust fund. 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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

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.

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, 2020, 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, 2020, three General Fund departments expenditures exceeded appropriations by a total of \$365,740, as reflected on exhibit B-1.

Net position deficit

A net position deficit exists in the amount of \$5,577,231 in the Designated Purpose fund for the year ended September 30, 2020. The negative balance is due to the timing of reimbursement receipts for expenditures related to the CARES Act.

Mission Economic Development Corporation

A net position deficit exists in the amount of \$277,706 for the year ended September 30, 2020. The negative balance is due to additional debt payment taken on by MEDC. The MEDC anticipates that with the expected

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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

development in the area, tax increment revenues will be sufficient to cover operating costs of MRA and to service the outstanding debt.

Mission Redevelopment Authority

A net position deficit exists in the amount of \$2,780,206 for year ended September 30, 2020. 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.

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 are significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at amortized cost. 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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

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.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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

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.

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:

Subdivider 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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the year ended September 30, 2020 (2019 levy), was \$0.5212 per \$100 valuation. Taxes receivable consists of property taxes of \$2,524,658 and sales taxes of \$2,345,575.

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	\$ 1,669,633
Debt Proceeds Capital Projects	697,694
Nonmajor Governmental Funds	3,752,707
Total	<u>\$ 6,120,034</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, 2020

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, May 6, 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 May 2020, the GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for the periods beginning after June 15, 2018 and later.

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. The requirements of this Statement has been postponed by 12 months per GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* and is now effective for reporting periods beginning after December 15, 2019.

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. However, this has been postponed by 18 months per GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* and is now effective for reporting periods beginning after June 15, 2021.

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, 2020

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. However, this has been postponed by 12 months per GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* and is now effective for reporting periods beginning after December 15, 2020.

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. However, this has been postponed by 12 months per GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*.

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 requirements of this Statement has been postponed by 12 months per GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* and is now effective for reporting periods beginning after December 15, 2021.

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, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Primary Government

Deposits – At September 30, 2020, the carrying value of the City’s deposits was \$8,375,465 and the bank balance was \$9,032,079. 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 fair 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, 2020:

Investments	
TexPool (reported at amortized cost)	\$ 5,231,098
Certificates of deposit (reported at amortized cost)	5,289,478
Total investments	\$ 10,520,576

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 \$168,130.

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, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

The following is the Interest Rate Risk using Specific Identification, as of September 30, 2020:

Investment Type	Reported Amount	Maturity Period		
		3 Months or Less	4-12 Months	Over One Year
TexPool	\$ 5,231,098	\$ 5,231,098	\$ -	\$ -

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 fair 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, 2020

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, 2020, the following was the composition of the City's credit rating by investment:

Investment Type	Rating	Exposure
TexPool	AAA	50%
Certificates of Deposits	N/A	50%

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, 2020

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	\$ 11,159
Carrying amount of deposits	8,375,465
Investments	10,520,576
Total Cash and Investments	\$ 18,907,200
<hr/>	
Cash and cash equivalents	\$ 4,197,197
Investments	7,021,853
Restricted assets (less accrued interest of \$4,528)	7,688,150
Total Cash, Investments and Restricted Assets on Statement of Net Position	\$ 18,907,200

B. Component Units

Mission Economic Development Corporation

Deposits - At September 30, 2020, the carrying value was \$420,801 and the bank balance of MEDC's deposits was \$668,049. Deposits include demand accounts and certificate of deposits with an initial maturity of three months or less. At September 30, 2020, 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, 2020

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 \$253,201 at September 30, 2020. At September 30, 2020, MEDC had deposits collateralized by pledged securities of \$515,534; 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	420,301
Investments	253,201
Total Cash and Investments	\$ 674,002

Cash and cash equivalents	\$ 187,406
Restricted assets (less accrued interest of \$332)	486,596
Total Cash and Restricted Assets on Statement of Net Position	\$ 674,002

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, 2020

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 fair 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 and carrying value of the Authority's deposits was \$7,909,768.

Investments

As of September 30, 2020, the Authority had the following investments and maturities:

Investment Type	Amortized Cost	Fair Value	Maturity Period		
			Less Than One Year	One to Five Years	Over Five Years
Certificate of Deposits	\$ 3,369,459	\$ 3,456,612	\$ 1,667,206	\$ 1,789,406	\$ -
U.S. Government Bonds	638,934	2,355,326	-	2,355,326	-
Total	\$ 4,008,393	\$ 5,811,938	\$ 1,667,206	\$ 4,144,732	\$ -

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020, 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, 2020 were as follows:

	Taxes	Accounts	Special Assessments	Due from Other Governments	Allowance for Uncollectible	Net
Governmental Activities						
General	\$ 2,071,314	\$ 1,679,892	\$ -	\$ 2,683,755	\$ (1,932,428)	\$ 4,502,533
Debt Service	453,344	-	-	-	(176,675)	276,669
Designated Purpose	-	6,500	-	8,699,711	-	8,706,211
Nonmajor Gov't	-	382,502	176,606	1,139,901	(14,881)	1,684,128
Total	\$ 2,524,658	\$ 2,068,894	\$ 176,606	\$ 12,523,367	\$ (2,123,984)	\$ 15,169,541
Business-Type Activities						
Utility	\$ -	\$ 3,352,483	\$ -	\$ -	\$ (309,529)	\$ 3,042,954
Golf Course	-	2,447	-	-	-	2,447
Solid Waste	-	1,341,135	-	-	(104,202)	1,236,933
Event Center	-	9,057	-	-	-	9,057
Internal Service	-	6,766	-	-	-	6,766
Total	\$ -	\$ 4,711,888	\$ -	\$ -	\$ (413,731)	\$ 4,298,157

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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	\$ 20,406,745	\$ 7,588,867
Uncollectible related to current year	(69,697)	(57,987)
Net operating revenues	\$ 20,337,048	\$ 7,530,880

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund receivable and payable balances at September 30, 2020 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utility Fund	\$ 3,189,526
General Fund	Designated Purpose Fund	6,823,996
General Fund	Solid Waste Fund	920,388
General Fund	Non-Major Governmental Funds	291,328
General Fund	ISF - Group Health Fund	1,036,873
General Fund	Golf Course Fund	3,200
General Fund	Event Center	131,639
Debt Service Fund	General Fund	150,000
Designated Purpose Fund	General Fund	575,506
Non-Major Governmental Funds	General Fund	3,994,383
Non-Major Governmental Funds	Designated Purpose Fund	218
Non-Major Governmental Funds	ISF - Group Health Fund	191
Utility Fund	General Fund	497,576
ISF - Group Health Fund	Designated Purpose Fund	230
ISF - Group Health Fund	General Fund	1,179,260
ISF - Group Health Fund	Utility Fund	70,713
ISF - Group Health Fund	Solid Waste Fund	24,257
ISF - Group Health Fund	Golf Course Fund	6,864
ISF - Group Health Fund	Event Center	2,777
Total		\$ 18,898,925

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, 2020

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

B. Due to/from the primary government and component units at September 30, 2020 were as follows:

Receivable Entity	Payable Entity	Amount
Primary Gov't - General Fund	Component Unit - MRA	\$ 7,822
Primary Gov't - General Fund	Component Unit - MEDC	750,360
Primary Gov't - Utility Fund	Component Unit - MRA	246,307
Component Unit - MRA	Primary Gov't - Non-Major Governmental Funds	156,439
Component Unit - MEDC	Group Health Fund	5,343
Component Unit - MEDC	Primary Gov't General Fund	11,568
Total		\$ 1,177,839

C. Interfund Transfers:

	Transfers In					Total
	General Fund	Debt Service Fund	Designated Purpose fund	Non-Major Governmental Funds	Event Center	
Transfers Out						
General Fund	\$ -	\$ -	\$ 490,785	\$ 2,720,041	\$ -	\$ 3,210,826
Debt Service Fund	-	-	-	519,986	-	519,986
Non-Major Governmental Funds	-	-	-	-	185,000	185,000
Utility Fund	3,670,488	-	-	-	-	3,670,488
Solid Waste Fund	3,200,000	450,000	-	-	-	3,650,000
Total Transfers Out	\$ 6,870,488	\$ 450,000	\$ 490,785	\$ 3,240,027	\$ 185,000	\$ 11,236,300

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020, 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.

The Mission Economic Development Corporation holds commercial real estate lots available for sale within an economically depressed area. At September 30, 2020, the remaining properties are stated at a cost of \$4,734,945, which is less than their estimated fair value. These lots will continue to be sold to attract development to further benefit the City.

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, 2020 are as follows:

Redevelopment Projects	September 30, 2019	Increase	Decrease	September 30, 2020
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	142,594	-	-	142,594
Military Highway West Wastewater and Water Trunklines	83,947	-	-	83,947
Anzalduas Lift Stations	346,380	-	-	346,380
Hoener Road Project	50,300	-	-	50,300
Total Redevelopment Assets	\$ 2,819,933	\$ -	\$ -	\$ 2,819,933

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

Mission Water Tower	\$ 6,200
Event Center	500,000
Inspiration Rd./Military Parkway Loop	21,054
South Conway Lift Station	249,879
Bentsen Palm Dev Sanitary Sewer Line	572,778
Total Redevelopment Expenditures	\$ 1,349,911

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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.

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, 2020</i>	Housing Rehab	Total
Notes receivable current	\$ 26,739	\$ 26,739
Long term receivables	20,541	20,541
Total notes receivable	\$ 47,280	\$ 47,280

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 8 – RESTRICTED ASSETS (Continued)

Restricted assets included in the Utility Fund as of September 30, 2020 consist of:

	Cash and Cash Equivalents	Investments	Accrued Interest	Total
Revenue bond reserve fund	\$ 241,458	\$ 346,602	\$ -	\$ 588,060
Bond interest and sinking	508,091	916,318	-	1,424,409
Cash with fiscal agent	2,541,921	-	-	2,541,921
Subdivides deposits	514,082	1,172,292	113	1,686,487
Capital recovery fund	299,874	1,063,511	427	1,363,812
I&S Fund	-	-	3,988	3,988
Total	\$ 4,105,426	\$ 3,498,723	\$ 4,528	\$ 7,608,677

Restricted assets included in the Solid Waste Fund as of September 30, 2020 consist of reserves to purchase our fleet of commercial trucks for the sanitation department and other item necessary for the buildup of that department in the amount of \$84,001.

B. Component Units

Mission Economic Development Corporation

Restricted assets held by Mission Economic Development Corporation at September 30, 2020 consisted of the following:

	Cash and Cash Equivalents	Investments	Accrued Interest	Total
Debt service fund	\$ 211,367	\$ 253,201	\$ 332	\$ 464,900
Capital projects fund	22,028	-	-	22,028
Total	\$ 233,395	\$ 253,201	\$ 332	\$ 486,928

Mission Redevelopment Authority

Restricted assets held by Mission Redevelopment Authority at September 30, 2020 consisted of debt service reserves held in investments as required by the bond covenants in the amount of \$2,964,149.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	(Restated) Beginning Balance	Increases	Decreases and Reclassifications	Ending Balance
Governmental Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 39,914,655	\$ 953,629	\$ -	\$ 40,868,284
Construction in progress	9,143,453	1,379,015	(307,733)	10,214,735
Total capital assets, not being depreciated	49,058,108	2,332,644	(307,733)	51,083,019
<i>Capital assets, being depreciated</i>				
Buildings	37,292,759	534,853	-	37,827,612
Improvements other than buildings	19,723,547	56,025	-	19,779,572
Machinery and equipment	33,674,025	6,308,356	(5,562,551)	34,419,830
Infrastructure	121,336,648	2,114,042	-	123,450,690
Total capital assets, being depreciated	212,026,979	9,013,276	(5,562,551)	215,477,704
<i>Less accumulated depreciation for</i>				
Buildings	(10,739,355)	(1,076,482)	-	(11,815,837)
Improvements other than buildings	(12,518,140)	(1,269,854)	-	(13,787,994)
Machinery and equipment	(25,791,197)	(1,583,702)	5,415,552	(21,959,347)
Infrastructure	(66,753,845)	(4,657,800)	-	(71,411,645)
Total accumulated depreciation	(115,802,538)	(8,587,838)	5,415,552	(118,974,824)
Total capital assets, being depreciated, net	96,224,442	425,438	(146,999)	96,502,880
Governmental activities capital assets, net	\$ 145,282,550	\$ 2,758,082	\$ (454,732)	\$ 147,585,899
Business-Type Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 3,541,694	\$ -	\$ -	\$ 3,541,694
Water rights	3,870,564	-	-	3,870,564
Construction in progress	18,418,012	1,040,296	-	19,458,308
Total capital assets, not being depreciated	25,830,271	1,040,296	-	26,870,566
<i>Capital assets, being depreciated</i>				
Buildings and system	148,783,919	1,168,234	-	149,952,153
Improvements other than buildings	3,710,148	-	-	3,710,148
Furniture and equipment	16,518,710	1,680,864	(992,526)	17,207,048
Total capital assets, being depreciated	169,012,777	2,849,098	(992,526)	170,869,349
<i>Less accumulated depreciation for</i>				
Buildings and system	(80,356,450)	(4,870,371)	-	(85,226,821)
Improvements other than buildings	(3,416,663)	(282,961)	-	(3,699,624)
Furniture and equipment	(10,861,615)	(1,183,645)	966,008	(11,079,252)
Total accumulated depreciation	(94,634,728)	(6,336,977)	966,008	(100,005,697)
Total capital assets, being depreciated, net	74,378,049	(3,487,879)	(26,518)	70,863,652
Business-type activities capital assets, net	\$ 100,208,320	\$ (2,447,583)	\$ (26,518)	\$ 97,734,218

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 – CAPITAL ASSETS (Continued)

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

For the year ending September 30, 2020

Governmental Activities	
General government	\$ 299,724
Public safety	1,357,919
Highways and streets, including depreciation of general infrastructure assets	5,021,184
Health and welfare	17,137
Culture and recreation	1,891,874
Total depreciation expense	<u>\$ 8,587,838</u>
 Business-Type Activities	
Utility	\$ 5,337,877
Golf course	224,362
Solid waste	668,396
Event Center	106,342
Total depreciation expense	<u>\$ 6,336,977</u>

As of September 30, 2020, interest cost in the amount of \$8,285 was capitalized during the construction period of water and wastewater projects in the Utility Fund out of a total amount of \$219,219 of interest costs capitalized over time by the City.

Mission Economic Development Corporation

Capital asset activity for the year ended September 30, 2020 for MEDC, was as follows:

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 – CAPITAL ASSETS (Continued)

	Restated Beginning Balance	Increases	Decreases and Reclassifications	Ending Balance
Governmental Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 2,100,959	\$ -	\$ -	\$ 2,100,959
Total capital assets, not being depreciated	2,100,959	-	-	2,100,959
<i>Capital assets, being depreciated</i>				
Machinery and equipment	1,287,011	4,543	(26,084)	1,265,470
Building	6,364,740	-	-	6,364,740
Total capital assets, being depreciated	7,651,751	4,543	(26,084)	7,630,210
<i>Less accumulated depreciation for</i>				
Machinery and equipment	(620,655)	(185,933)	13,158	(793,430)
Building	(275,652)	(246,064)	-	(521,716)
Total accumulated depreciation	(896,307)	(431,997)	13,158	(1,315,146)
Total capital assets, being depreciated, net	6,755,443	(427,454)	(12,926)	6,315,064
Governmental activities capital assets, net	\$ 8,856,403	\$ (427,454)	\$ (12,926)	\$ 8,416,023

Depreciation expense charged to governmental activities totaled \$431,997 for the year ended September 30, 2020.

NOTE 10 – DISAGGREGATION OF OTHER LIABILITIES

At September 30, 2020 the City had the following other liabilities:

Payable To	Governmental Activities	Business-type Activities	Total
Due to state	\$ 124,730	\$ 90,867	\$ 215,597
Due to other governmental agencies	841	-	841
Wages and deductions	343,316	71,023	414,339
Court deposit/refunds	9,150	-	9,150
Due to others	75,799	31,311	107,110
Total	\$ 553,836	\$ 193,201	\$ 747,037

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020 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%.	\$ 1,235,000
\$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%.	460,000
\$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%.	1,695,000
\$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%.	13,985,000
\$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%.	10,730,000
	<u>\$ 28,105,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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
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
2025	2,125,000	865,089	2,990,089
Thereafter	18,000,000	2,846,791	20,846,791
Total	\$ 28,105,000	\$ 8,144,875	\$ 36,249,875

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, 2020 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%.	\$ 1,405,000
\$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%.	1,915,000
\$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%.	1,130,000
\$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%.	6,470,000
	<u>\$ 10,920,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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
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
2025	1,600,000	162,663	1,762,663
Thereafter	2,980,000	156,813	3,136,813
Total	\$ 10,920,000	\$ 1,663,615	\$ 12,583,615

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, 2020 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%.

\$ 57,304

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

<i>Year ending September 30,</i>	Governmental Activities		
	Principal	Interest	Total
2021	\$ 57,304	\$ 2,075	\$ 59,379

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 \$34,460,310. Principal and interest paid from the current year and total waterworks and sewer system net revenues were \$3,154,468 and \$8,859,989, respectively.

Revenue bonds payable at September 30, 2020 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.	\$ 4,105,000
\$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%.	5,875,000
\$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%.	14,180,000
\$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%.	5,285,000
	<u>\$ 29,445,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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
2021	\$ 2,505,000	\$ 661,035	\$ 3,166,035
2022	2,570,000	595,112	3,165,112
2023	2,640,000	523,712	3,163,712
2024	2,720,000	449,471	3,169,471
2025	2,800,000	367,158	3,167,158
Thereafter	16,210,000	2,418,822	18,628,822
Total	\$ 29,445,000	\$ 5,015,310	\$ 34,460,310

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, 2020 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% \$ 815,000

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
2021	\$ 815,000	\$ 7,620	\$ 822,620

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, 2020

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, 2020 totaled \$303,343.

Outstanding balance on partially defeased bonds are as follows at September 30, 2020:

\$5,495,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2009	\$ 1,235,000
\$7,565,000 Texas General Obligation Refunding Bonds, Series 2009	1,405,000
<u>Total</u>	<u>\$ 2,640,000</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, 2020, 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, 2020

NOTE 11 – LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

	Beginning Balance	Additional Obligations and Net Increases	Retirements and Net Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Certificates of obligation	\$ 29,990,000	\$ -	\$ 1,885,000	\$ 28,105,000	\$ 1,965,000
Public property finance contractual obligations	113,246	-	55,942	57,304	57,304
General obligations	12,325,000	-	1,405,000	10,920,000	1,460,000
Plus bond premium	4,435,221	-	405,955	4,029,266	405,955
Total bonds payable	46,863,467	-	3,751,897	43,111,570	3,888,259
Capital leases	2,357,730	1,936,647	412,380	3,881,997	609,810
Compensated absences	3,051,579	1,498,022	1,435,595	3,114,006	1,194,878
Net pension liability	11,904,534	-	5,828,379	6,076,155	-
Total OPEB liability	5,400,386	-	919,981	4,480,405	-
Anzalduas bridge payable	3,532,926	307,848	-	3,840,774	-
Sales tax payable	235,277	-	97,356	137,921	97,356
Governmental activities, total long-term liabilities	\$ 73,345,899	\$ 3,742,517	\$ 12,445,588	\$ 64,642,828	\$ 5,790,303
Business-type Activities					
Bonds payable					
Revenue bonds	\$ 31,875,000	\$ -	\$ 2,430,000	\$ 29,445,000	\$ 2,505,000
Public property finance contractual obligations	1,615,000	-	800,000	815,000	815,000
Plus bond premium	982,017	-	137,394	844,623	137,394
Total bonds payable	34,472,017	-	3,367,394	31,104,623	3,457,394
Capital leases	56,583	1,130,466	92,624	1,094,425	107,577
Compensated absences	422,336	244,391	219,150	447,577	184,229
Net pension liability	2,460,824	87,203	1,206,458	1,341,569	-
Total OPEB liability	1,121,819	39,753	166,718	994,854	-
Business-type activities long-term liabilities	\$ 38,533,579	\$ 1,501,813	\$ 5,052,344	\$ 34,983,048	\$ 3,749,200

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 \$8,285 of bond interest expense as part of various construction projects for the year ended September 30, 2020.

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, 2020 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%.

\$ 1,240,000

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

<i>Year ending September 30,</i>	Principal	Interest	Total
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	1,240,000	97,404	1,337,404
Current portion	(295,000)	(42,061)	(337,061)
Payable after one year	\$ 945,000	\$ 55,343	\$ 1,000,343

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 11 – LONG-TERM DEBT (Continued)

Sales tax revenue notes payable at September 30, 2020 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.	\$ 4,339,409
\$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.	1,339,581
\$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.	7,127,218
Total	\$ 12,806,208

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
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
2025	921,182	364,394	1,285,576
Thereafter	8,282,099	2,054,962	10,337,061
Total	12,806,208	4,236,545	17,042,754
Current portion	(889,104)	(507,488)	(1,396,592)
Payable after one year	\$ 11,917,104	\$ 3,729,057	\$ 15,646,162

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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	\$ 1,635,000	\$ -	\$ (395,000)	\$ 1,240,000	\$ 295,000
Sales tax revenue note - LSNB	1,523,859	-	(184,278)	1,339,581	193,147
Sales tax revenue note - Frost	4,639,409	-	(300,000)	4,339,409	300,000
Sales tax revenue note - BBVA	7,523,174	-	(395,956)	7,127,218	395,957
Total bonds and notes	15,321,442	-	(12,754,234)	14,046,208	1,184,104
Other Liabilities					
Repayment of sales tax	58,819	-	(24,339)	34,480	24,339
Total other liabilities	58,819	-	(8,855,597)	58,819	24,339
Total long-term debt obligations	\$ 15,380,261	\$ -	\$ (1,229,573)	\$ 14,080,688	\$ 1,208,443

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, 2020

NOTE 11 – LONG-TERM DEBT (Continued)

Bonds payable at September 30, 2020 for the MRA were comprised of the following:

\$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. \$ 4,855,000

\$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. 13,780,000

Total bonds	\$ 18,635,000
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The debt service requirements on the bonds outstanding were as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
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
2025	2,245,000	399,469	2,644,469
Thereafter	7,925,000	1,012,332	8,937,332
Total	\$ 18,635,000	\$ 3,531,501	\$ 22,166,501

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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.

\$ 743,066

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

<i>Year ending September 30,</i>	Principal	Interest	Total
2021	\$ 238,393	\$ 28,608	\$ 267,001
2022	247,571	19,430	267,001
2023	257,102	9,898	267,000
Total	\$ 743,066	\$ 57,936	\$ 801,002

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

	September 30, 2019	Additional Obligations and Net Increases	Retierments and Net Decreases	September 30, 2020	Due Within One Year
Tax increment contract revenue bond series 2009	\$ 510,000	\$ -	\$ (510,000)	\$ -	\$ -
Tax increment contract revenue bond series 2013	5,255,000	-	(400,000)	4,855,000	410,000
Tax increment contract revenue bond series 2017	14,820,000	-	(1,040,000)	13,780,000	1,610,000
Less issuance discount	(91,453)	-	8,314	(83,139)	-
Plus issuance premiums	779,827	-	(70,893)	708,934	-
Less losses	(746,108)	-	67,828	(678,280)	-
Total contract revenue bonds	20,527,266	-	(1,944,751)	18,582,515	2,020,000
State Infrastructure bank loan	972,621	-	(229,555)	743,006	238,392
Total MRA long-term obligations	\$ 21,499,887	\$ -	\$ (2,174,306)	\$ 19,325,521	\$ 2,258,392

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2024, or September 1, 2028 for Series 2013, and Series 2017 bonds, respectively.

Scheduled Mandatory Redemption for Tax Increment Contract Revenue Bonds

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 closures due to the COVID-19 pandemic for several weeks. The Golf Course has since reopened but has minimal activity due to remaining social distancing restrictions. 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 \$197,725 compared to prior years balance. At September 30, 2020 the balance of the advance in the amount of \$2,518,884 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, 2020

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:

	General Fund	Debt Service Fund	Designated Purpose Fund
Delinquent property taxes, unavailable	\$ 1,171,906	\$ 263,892	\$ -
CARES grant reimbursement revenue, unavailable	-	-	6,090,088
Total Deferred Inflows of Resources	\$ 1,171,906	\$ 263,892	\$ 6,090,088

At the government-wide financial statements, the City reports cumulative deferred charges on refunding as deferred outflows of resources in the amount of \$748,860 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	\$ 481,991
Capital projects -Taylor road expansion	1,422,035
Grants	40,307
Other	199,795
Total unearned revenue	\$ 2,144,128

Unearned revenues of \$29,407 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.

Unearned revenues of \$15,590 in the Event Center Fund, an enterprise fund, represents collections of prepaid rental fees of the Event Center that will be recognized as revenue in the next fiscal year.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 annual financial report (AFR) that can be obtained at www.tmrs.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 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, 2020

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	58	-
Inactive employees entitled to but not yet receiving benefits	369	-
Active employees	695	11
Total participants	1,122	11

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, 2020

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 8.67% and 8.58% in calendar years 2020 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$2,632,158 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 \$2,592 for the fiscal year ending September 30, 2020.

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, 2020 totaled \$5,433.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 15 – PENSION PLANS *(Continued)*

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2019 for TMRS and August 31, 2019 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	12/31/2019		8/31/2019
Actuarial Cost Method	Entry Age Normal		N/A
Inflation	2.50%		N/A
Investment Rate of Return	6.75%		7.75% net of pension plan
Mortality Assumption	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.		RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA
	Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale LIMP		

TMRS

For TMRS, actuarial assumptions used in the December 31, 2019 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 2019 valuation.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020

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, 2020

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 Rate	Current Discount Rate	1% Increase in Discount Rate
	5.75%	6.75%	7.75%
City's Net Pension Liability -TMRS	\$ 23,072,713	\$ 7,383,426	\$ (5,507,192)

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	6.75%	7.75%	8.75%
City's Proportionate Share of the Net Pension Liability -TESRS	\$ 60,960	\$ 34,298	\$ 16,451

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 9/30/2019	\$ 97,247,775	\$ 82,940,657	\$ 14,307,118
Changes for the year			
Service cost	3,891,979		3,891,979
Interest	6,564,000		6,564,000
Change of benefit terms			-
Difference between expected and actual experience	(504,947)		(504,947)
Change of assumptions	385,479		385,479
Contributions - employer		2,632,158	(2,632,158)
Contributions - employee		1,875,652	(1,875,652)
Net investment income		12,827,022	(12,827,022)
Benefit payments, including refunds of employee contributions	(3,898,636)	(3,898,636)	
Administrative expense		(72,453)	72,453
Other charges		(2,176)	2,176
Net changes	6,437,875	13,361,567	(6,923,692)
Balance at 9/30/2020	\$ 103,685,650	\$ 96,302,224	\$ 7,383,426

City Proportion of Net Pension Liability – TESRS

The City’s proportionate share of the net pension liability of the TESRS at September 30, 2020 is \$34,298, and the proportion percentage of the aggregate net pension liability allocated to the City is 0.121%, 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, 2020, the City recognized pension expense of \$583,203 for the TMRS pension plan and \$8,127 for the TESRS pension plan for a total pension expense of \$591,331.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 15 – PENSION PLANS (Continued)

At September 30, 2020, 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	\$ 62,247	\$ 651,307	\$ -	\$ 41	\$ 62,247	\$ 651,348
Changes in actuarial assumption	589,295	-	-	-	589,295	-
Net differences between projected and actual investments earnings	-	2,907,047	4,417	-	4,417	2,907,047
Contributions subsequent to the measurement date	2,044,538	-	5,184	-	2,049,722	-
Total	\$ 2,696,080	\$ 3,558,354	\$ 9,601	\$ 41	\$ 2,705,681	\$ 3,558,395

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,705,681 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
2021	\$ (715,645)	\$ 4,376
2022	(825,757)	-
2023	140,388	-
2024	(1,493,955)	-
2025	(11,843)	-
Thereafter	-	-
Total	\$ (2,906,812)	\$ 4,376

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 12 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 2020	Plan Year 2019
Active employees	Yes	Yes
Retirees	Yes	Yes

Employees Covered by Benefit Terms

The most recent measurement dates for THP and SDBF were September 30, 2020 and December 31, 2019, respectively. As of the most recent measurement date, measurement of participation in the plans were as follows:

	THP	SDBF
Inactive employees or beneficiaries currently receiving benefits	12	159
Inactive employees entitled to but not yet receiving benefits	-	58
Active employees	451	695
Total	463	912

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's total OPEB liability of \$4,012,007 for THP was measured as of September 30, 2020. The City's total OPEB liability of \$1,463,253 for SDBF was measured as of December 31, 2019. 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 \$5,475,260 at September 30, 2020.

Actuarial Assumptions and Other Inputs

THP

The Total OPEB liability in the September 30, 2020 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, 2020
Actuarial Valuation Date	September 30, 2020
Inflation	2.5%
Salary Increases	3.00%
Discount Rate	2.25%
Prior Year Discount Rate	3.17%
Health Care Cost Trend Rates:	Based on SOA 'Health Care Costs--From Birth to Death' study published in 2013

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, 2020

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

SDBF

The Total OPEB liability in the December 31, 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	December 31, 2019
Actuarial Valuation Date	December 31, 2019
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Discount Rate	2.75%
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	2019 Municipal Retiree of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP
Mortality Rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 09/30/2019	\$ 5,222,824	\$ 1,299,380	\$ 6,522,204
Changes for the year			
Service cost	317,252	75,026	392,278
Interest	173,961	49,483	223,444
Difference between expected and actual experience	306,073	(221,385)	84,688
Changes in assumptions/inputs	(573,806)	267,001	(306,805)
Change in benefit terms	(1,328,771)	-	(1,328,771)
Benefit payments	(64,028)	(6,252)	(70,280)
Administrative expense	(41,498)	-	(41,498)
Net Changes	(1,210,817)	163,873	(1,046,944)
Balance at 9/30/2020	\$ 4,012,007	\$ 1,463,253	\$ 5,475,260

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)	\$ 4,422,291	\$ 4,012,007	\$ 3,634,947
Total OPEB liability (SDBF)	1,798,784	1,463,253	1,202,617
Total OPEB liability	\$ 6,221,075	\$ 5,475,260	\$ 4,837,564

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)	\$ 3,482,424	\$ 4,012,007	\$ 4,647,158

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020, the City recognized OPEB expense of \$124,196 for SDBF. At September 30, 2020 the City recognized negative OPEB expense related to THP of \$701,914. This was due to a change in the benefit plan. The City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	SDBF		THP		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	\$ 120,310	\$ 192,445	\$ 262,348	\$ 491,834	\$ 382,658	\$ 684,279
Changes in actuarial assumptions or inputs	292,501	66,729	-	-	292,501	66,729
Employer amounts for OPEB subsequent to measurement date	35,232	-	-	-	35,232	-
Total	\$ 448,043	\$ 259,174	\$ 262,348	\$ 491,834	\$ 710,391	\$ 751,008

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$35,991 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>	SDBF	THP
2021	\$ 27,543	\$ (38,247)
2022	27,543	(38,247)
2023	27,543	(38,247)
2024	27,543	(38,247)
2025	25,316	(38,247)
Thereafter	18,148	(38,251)
Total	\$ 153,636	\$ (229,486)

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 17 – OUTSTANDING COMMITMENTS

A. Primary Government

At September 30, 2020, 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	\$ 4,901,741	\$ 948,850
Inspiration Rd/Military Loop	1,446,483	1,138,829	307,654
Library/Museum Renovation	1,165,209	569,221	595,988
Basham Waterlines	84,968	76,064	8,904
Conway Sewer Improvements	162,548	153,484	9,064
Shary Rd Sewer Improvements	60,900	22,500	38,400
Bryan Rd Reconstruction	137,000	130,000	7,000
NWWTP 4.5MGD Expansion Project	1,808,100	1,739,733	68,367
NE EDAP 4.5mi to 7mi Sewer Project	597,000	523,932	73,068
Bentsen Palm Sewer Improvements	650,806	644,670	6,136
S Conway Lift Station Improvements	2,461,057	421,418	2,039,640
Total	\$ 14,424,662	\$ 10,321,590	\$ 4,103,071

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	\$ 1,500,000	\$ 1,500,000
Cantu Bungalows	500,000	100,000	400,000
	\$ 3,500,000	\$ 1,600,000	\$ 1,900,000

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 17 – OUTSTANDING COMMITMENTS (Continued)

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, reimburses the City for such expenditures. For the year ended September 30, 2020, the Authority has the following outstanding commitments to the City:

Project	Total Commitment
Military and Inspiration Expansion	\$ 161,171
South Conway Lift Station	2,039,639
Bentsen Palm Development Sanitary Sewer Line	294,053
PD/Fire Substation	3,700,000
Walsh Road Expansion Project	1,023,941
Hoerner Street	274,700
Total	\$ 7,493,504

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 \$107,758 for the year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

<i>Year ending September 30,</i>	Amount
2021	\$ 144,732
Total	\$ 144,732

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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 \$33,282 for the year ended September 30, 2020. 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, 2020.

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, 2020.

The City entered into a lease agreement as a lease for financing the acquisition of three street sweepers and two vacuum trucks under governmental and business-type 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 \$1,652,601 at the inception date. Depreciation expense for the equipment totaled \$30,912 for the year ended September 30, 2020.

The City entered into a lease agreement as a lease for financing the acquisition of multiple vehicles under governmental and business-type activities. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value for the future minimum lease payments totaling \$1,414,513 at the inception date. Depreciation expense for the vehicles totaled \$18,519 for the year ended September 30, 2020.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 are as follows:

<i>Year ending September 30,</i>	<i>Amount</i>
2021	\$ 921,258
2022	913,021
2023	899,540
2024	1,107,728
2025	1,163,070
Thereafter	559,140
Total minimum lease payments	5,563,757
Less interest	(587,337)
Present value of minimum lease payments	\$ 4,976,420

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 20 – FUND BALANCES

At September 30, 2020 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.

Restricted– 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 repayment of debt, capital improvements and for a specific purpose as enabled by legislation, external parties or constitutional provisions.

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

	General Fund	Debt Service Fund	Designated Purpose Fund	2018 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund balances						
Nonspendable						
Long term receivable	\$ 20,541	\$ -	\$ -	\$ -	\$ -	\$ 20,541
Inventory	25,483	-	-	-	-	25,483
Prepaid	69,063	-	-	-	-	69,063
Restricted						
Capital improvements	-	-	-	8,926,808	-	8,926,808
Debt Service	-	806,865	-	-	-	806,865
Municipal courts						
Technology	-	-	-	-	160,155	160,155
Building security	-	-	-	-	99,522	99,522
Juvenile case manager	-	-	-	-	157,806	157,806
PD asset sharing	-	-	-	-	280,772	280,772
Drainage improvements	-	-	-	-	1,494,295	1,494,295
Scholarships and books	-	-	-	-	27,477	27,477
Tourism	-	-	-	-	493,259	493,259
Perpetual care	-	-	-	-	49,056	49,056
Records preservation	-	-	-	-	5,795	5,795
PEG	-	-	-	-	771,419	771,419
Economic development	-	-	-	-	912,571	912,571
Tax increment	-	-	-	-	3,555	3,555
Assigned						
Asset replacement	145,349	-	-	-	-	145,349
Subsequent year's budget- appropriation of fund balance	2,417,467	-	-	-	-	2,417,467
Unassigned	5,168,125	-	(5,577,231)	-	-	(409,106)
Total fund balances	\$ 7,846,028	\$ 806,865	\$ (5,577,231)	\$ 8,926,808	\$ 4,455,682	\$ 16,458,152

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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:

	2020	2019
Unpaid claims, beginning of fiscal year	\$ 164,583	\$ 143,867
Incurred claims and adjustments	5,089,550	4,879,741
Claims payments	(4,665,184)	(4,859,025)
Unpaid claims (IBNRs), end of fiscal year	\$ 588,949	\$ 164,583

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

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, 2020, the balance outstanding on the note was \$1,339,581.

During the year ended September 30, 2020 Mission Redevelopment Authority reimbursed the City for costs incurred related to various projects in the amount of \$1,349,911. At September 30, 2020, the MRA owed the City \$7,822 for administrative costs and \$246,307 for various other costs.

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, 2020, there were twelve series of Industrial Development Bonds outstanding. The aggregate principal amount payable for the three series issued after October 1, 2019 was \$162 million. The aggregate principal amount payable for the nine series issued prior to October 1, 2019 was \$586 million. Issuance dates for the twelve series range from December 2016 to July 2020 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, 2020, there were three 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, 2020

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, 2020, MEDC received \$724,835 of which \$341,893 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, 2020 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 ad valorem 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 \$2,987,013 and \$2,780,680 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, 2020

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, 2020, the amount advanced since the inception for the City of Mission is \$3,840,774 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 – CHANGE IN PRESENTATION

The City has elected to change its presentation of the Mission Event Center which was previously presented as a department of the Hotel/Motel Tax Fund. For the year ended September 30, 2020, the Mission Event Center is presented as a separate enterprise fund. This caused a prior period adjustment in order to move the liability and the deferred inflows and outflows related to pension and OPEB from government wide to the new Event Center fund. During the year, the Hotel/Motel Tax Fund contributed capital assets to the Mission Event Center fund in the amount of \$238,962 in order to start the fund.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 28 – CHANGE IN PRESENTATION (Continued)

	Governmental Activities	Event Center
Net Position - Beginning	(96,847,938)	-
Prior period adjustment		
Net Pension Liability	(87,202)	87,202
Net OPEB Liability	(39,753)	39,753
Deferred Outflows related to Pension	42,945	(42,945)
Deferred Inflows related to Pension	(2,008)	2,008
Deferred Outflows related to OPEB	3,089	(3,089)
Deferred Inflows related to OPEB	(477)	477
Adjusted Net Position - Beginning	(96,931,343)	83,405

NOTE 29 – UNCERTAINTIES

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 (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

NOTE 30 – SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to May 6, 2021, the date the report was available to be issued.

In October of 2020, the City obtained a line of credit for \$5,000,000 to cover reimbursable expenditures from Coronavirus Relief Fund passed through Hidalgo County. This line of credit was closed in February of 2021.

In December of 2020, the City entered into a master lease agreement with PNC for Pierce Enforcer Pumper Rescue Apparatus in the amount of \$775,666.

In January of 2021, the City issued Certificates of Obligation, series 2021, in the amount of \$22,000,000 for street and drainage, utility system, parks, facilities improvements and land acquisition.

In January of 2021, the City entered into a contract with Performance Services for replacement of water meters and LED lighting for \$20,857,213.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 30 – SUBSEQUENT EVENTS (*Continued*)

Subsequent to September 30, 2020, MEDC acknowledged to accept a \$3,750,000 grant from the U.S. Department of Commerce, Economic Development Administration of which \$3,000,000 and \$750,000 is considered the Federal and recipient's share of the cost respectively. Funds will be used for drainage infrastructure.

On December 9, 2020, MEDA's Board of Directors approved a revised project budget for the PD/Fire Substation Project of \$5,000,000. This is an increase of \$1,300,000 over the original project budget of \$3,700,000 as of September 30, 2020. The board approved this budget change with the condition that the project list be revised and funds be reallocated from other projects to cover the \$1.3 million dollar increase.

*REQUIRED
SUPPLEMENTARY
INFORMATION*



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CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes:				
Ad valorem taxes:				
Current ad valorem taxes	\$ 18,840,000	\$ 18,840,000	\$ 18,258,463	\$ (581,537)
Delinquent ad valorem taxes	443,000	443,000	379,307	(63,693)
Interest and penalties on taxes	340,000	340,000	340,220	220
Net Ad Valorem Tax Revenue	19,623,000	19,623,000	18,977,990	(645,010)
Sales tax	8,300,000	8,300,000	8,558,594	258,594
Sales tax-tax abatement	4,100,000	4,100,000	4,279,297	179,297
Bingo tax	-	-	51,407	51,407
Franchise business tax	2,400,000	2,400,000	2,645,687	245,687
Telecommunication access fee	175,000	175,000	94,564	(80,436)
Mixed drink tax	30,000	30,000	27,074	(2,926)
Total Taxes	34,628,000	34,628,000	34,634,613	6,613
Licenses and permits:				
Occupational licenses	25,000	25,000	24,561	(439)
Moving and building permits	315,000	315,000	360,846	45,846
Health permits	30,000	30,000	23,952	(6,048)
Electrical permits	100,000	100,000	143,892	43,892
Mechanical permits	35,000	35,000	47,332	12,332
Plumbing permits	90,000	90,000	101,042	11,042
Alarm permits	9,500	9,500	9,130	(370)
Miscellaneous	30,000	30,000	27,850	(2,150)
Total Licenses and Permits	634,500	634,500	738,605	104,105
Intergovernmental:				
MCISD and SISD Dare Program	688,091	688,091	443,997	(244,094)
Reimb.-McAllen Bridge Board	30,000	30,000	10,000	(20,000)
County contribution-rural fires	25,000	25,000	29,325	4,325
County restitution reimbursement	500	500	127	(373)
Overhead-MRA	260,000	260,000	288,385	28,385
FEMA reimbursement	30,000	30,000	33,834	3,834
Task Force	20,000	20,000	27,954	7,954
Peace Officers Fire Prev.	1,000	1,000	1,019	19
DEA Overtime Task Force	37,298	37,298	24,646	(12,652)
Hidalgo County-library	15,000	90,000	89,959	(41)
Total Intergovernmental	1,106,889	1,181,889	949,246	(232,643)

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Charges for services:				
Birth certificate service	1,100	1,100	2,229	1,129
Inspection fee-2%	70,000	70,000	67,864	(2,136)
Planning Technology Fee	-	-	10,445	10,445
Construction material testing fee	40,000	40,000	148,691	108,691
Fire inspection fee	22,000	22,000	16,350	(5,650)
Judicial fee-City	4,000	4,000	1,153	(2,847)
Corporation court fines tax	40,000	40,000	41,784	1,784
Detaining Contract Services	-	-	9,509	9,509
Abandoned motor vehicle fee	2,500	2,500	600	(1,900)
Library reservations fee	100	100	-	(100)
Lot cleaning	80,000	80,000	68,758	(11,242)
Lot cleaning-admin. Fee	35,000	35,000	37,351	2,351
Lease-service center complex	20,688	20,688	15,157	(5,531)
Library copies	35,000	35,000	21,602	(13,398)
Rent-City buildings	9,000	9,000	6,003	(2,997)
Basketball fees & charges	5,000	5,000	2,295	(2,705)
Softball fees & charges	3,500	3,500	980	(2,520)
Football fees & charges	2,000	2,000	-	(2,000)
Kickball fees & charges	2,000	2,000	-	(2,000)
Volleyball fees & charges	6,000	6,000	-	(6,000)
Park facility rentals	25,000	25,000	13,312	(11,688)
Other recreational fees	2,000	2,000	100	(1,900)
Bannworth pool fees	45,000	45,000	21,248	(23,752)
Mayberry pool fees	30,000	30,000	282	(29,718)
TAAF summer programs	23,000	23,000	-	(23,000)
Year-round swim program	5,000	5,000	3,220	(1,780)
Library rentals	200	200	100	(100)
Cemetery charges	80,000	80,000	125,780	45,780
Vital statistics	120,000	120,000	83,702	(36,298)
Burial transit permit	1,000	1,000	1,106	106
Animal adoption fees	1,500	-	5,837	5,837
Animal control & shelter fee	3,500	3,500	4,210	710
Contracted animal service fee	45,000	45,000	32,330	(12,670)
Zoning and subdivision fees	40,000	40,000	40,600	600
ROW annual tower fees	1,500	-	500	500
Plans and specifications	-	-	50	50
5% credit card fee	15,000	15,000	16,883	1,883
Food manager/handler ID fee	2,000	2,000	-	(2,000)

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Arrest fees-M.P.D.	30,000	30,000	25,753	(4,247)
Truancy prevention & diversion	5,000	5,000	12,836	7,836
Police Dept. service charges	10,000	10,000	10,900	900
Total Charges for Services	862,588	859,588	849,520	(10,068)
Fines:				
Corporation court fines	550,000	550,000	484,589	(65,411)
Warrant execution fee	110,000	110,000	88,059	(21,941)
Library fines	15,000	15,000	12,916	(2,084)
Total Fines	675,000	675,000	585,564	(89,436)
Interest:				
Interest earned on investments	35,000	35,000	32,945	(2,055)
Total Interest	35,000	35,000	32,945	(2,055)
Miscellaneous:				
Reimb.-Other state agencies	20,000	20,000	-	(20,000)
Local Jury Fee	-	-	199	199
Child safety fees	7,000	7,000	4,203	(2,797)
Library donations/memorial	200	200	-	(200)
Insurance settlement	25,000	45,768	31,370	(14,398)
Miscellaneous income	80,000	80,000	189,426	109,426
Coke machine & vending machines	2,000	2,000	1,812	(188)
Street signs reimbursement	-	-	95	95
Universal service fund rebate	15,000	15,000	-	(15,000)
Contribution and donations	-	6,000	3,000	(3,000)
Total Miscellaneous	149,200	175,968	230,105	54,137
Total Revenues	38,091,177	38,189,945	38,020,598	(169,347)
Expenditures:				
Current:				
General Government:				
Legislative:				
Personal services	1,200	1,200	2,200	(1,000)
Employee benefits	92	92	1,568	(1,476)
Other purchased services	17,670	17,670	8,242	9,428
Supplies	5,000	5,000	1,259	3,741
Miscellaneous	10,575	10,575	5,375	5,200
	34,537	34,537	18,644	15,893

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Executive Administration:				
Personal services	472,959	472,959	366,898	106,061
Employee benefits	143,777	143,777	118,153	25,624
Purchased property services	3,099	4,157	4,133	24
Other purchased services	13,806	12,628	7,071	5,557
Supplies	4,250	4,350	4,204	146
Miscellaneous	1,475	1,495	1,495	-
	<u>639,366</u>	<u>639,366</u>	<u>501,954</u>	<u>137,412</u>
Finance Department:				
Personal services	383,497	383,497	353,520	29,977
Employee benefits	137,364	137,364	129,407	7,957
Purchased property services	5,930	7,283	6,521	762
Other purchased services	6,500	5,447	4,440	1,007
Supplies	6,250	5,850	5,621	229
Miscellaneous	1,050	1,050	861	189
	<u>540,591</u>	<u>540,491</u>	<u>500,370</u>	<u>40,121</u>
Municipal Court:				
Personal services	441,661	441,661	412,406	29,255
Employee benefits	167,778	167,778	161,226	6,552
Other purchased services	4,500	4,500	4,789	(289)
Supplies	5,500	5,500	5,540	(40)
Miscellaneous	6,970	6,970	7,136	(166)
	<u>626,409</u>	<u>626,409</u>	<u>591,097</u>	<u>35,312</u>
Planning:				
Personal services	542,077	542,077	450,925	91,152
Employee benefits	214,893	214,893	198,789	16,104
Professional & technical services	90,000	90,000	65,000	25,000
Purchased property services	26,367	22,367	8,854	13,513
Other purchased services	29,800	29,800	17,140	12,660
Supplies	16,850	20,850	15,951	4,899
Miscellaneous	118,000	118,000	91,605	26,395
	<u>1,037,987</u>	<u>1,037,987</u>	<u>848,264</u>	<u>189,723</u>
Facilities Maintenance:				
Personal services	417,288	417,288	374,384	42,904
Employee benefits	192,112	192,112	178,572	13,540

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Purchased property services	48,200	48,200	41,357	6,843
Other purchased services	4,800	4,800	3,667	1,133
Supplies	202,050	202,050	163,123	38,927
Miscellaneous	500	500	130	370
	<u>864,950</u>	<u>864,950</u>	<u>761,233</u>	<u>103,717</u>
Fleet Maintenance:				
Personal services	165,800	165,800	161,759	4,041
Employee benefits	61,329	61,329	56,225	5,104
Professional & technical services	758,500	733,500	1,041,304	(307,804)
Purchased property services	600	600	1,439	(839)
Other purchased services	4,880	4,880	3,580	1,300
Supplies	84,050	104,050	104,134	(84)
Capital outlay	-	5,000	3,371	1,629
Miscellaneous	111,000	111,000	91,937	19,063
	<u>1,186,159</u>	<u>1,186,159</u>	<u>1,463,749</u>	<u>(277,590)</u>
Organizational Expense:				
Professional & technical services	665,000	665,000	660,950	4,050
Purchased property services	118,575	118,575	106,711	11,864
Other purchased services	165,700	165,700	266,797	(101,097)
Supplies	6,000	6,000	2,955	3,045
Capital outlays	-	-	600	(600)
Miscellaneous	491,600	2,046,291	1,865,583	180,708
	<u>1,446,875</u>	<u>3,001,566</u>	<u>2,903,596</u>	<u>97,970</u>
Purchasing:				
Personal services	187,643	187,643	190,950	(3,307)
Employee benefits	66,752	66,752	66,322	430
Purchased property services	2,100	2,100	1,664	436
Other purchased services	15,500	15,000	14,227	773
Supplies	1,250	1,756	1,418	338
Miscellaneous	23,300	23,294	13,451	9,843
	<u>296,545</u>	<u>296,545</u>	<u>288,032</u>	<u>8,513</u>
City Secretary:				
Personal services	242,706	242,706	234,419	8,287
Employee benefits	91,844	91,844	88,482	3,362
Professional & technical services	4,500	4,500	4,267	233
Purchased property services	4,740	4,740	5,131	(391)

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Other purchased services	14,025	14,025	14,092	(67)
Supplies	700	700	564	136
Miscellaneous	980	980	654	326
	<u>359,495</u>	<u>359,495</u>	<u>347,609</u>	<u>11,886</u>
Risk Management:				
Personal services	88,764	88,764	79,351	9,413
Employee benefits	34,396	34,396	33,640	756
Professional & technical services	6,000	6,000	3,290	2,710
Purchased property services	8,500	8,500	4,491	4,009
Other purchased services	401,250	400,250	334,603	65,647
Supplies	8,400	8,400	7,841	559
Miscellaneous	11,650	12,650	11,837	813
	<u>558,960</u>	<u>558,960</u>	<u>475,053</u>	<u>83,907</u>
Elections:				
Professional & technical services	40,000	40,000	-	40,000
Other purchased services	10	10	-	10
	<u>40,010</u>	<u>40,010</u>	<u>-</u>	<u>40,010</u>
Civil Service:				
Personal services	90,195	90,195	79,382	10,813
Employee benefits	28,468	28,468	26,338	2,130
Professional & technical services	30,000	30,000	30,000	-
Other purchased services	4,150	1,609	2,068	(459)
Supplies	15,000	17,541	17,948	(407)
Miscellaneous	-	-	99	(99)
	<u>167,813</u>	<u>167,813</u>	<u>155,835</u>	<u>11,978</u>
Human Resources:				
Personal services	191,046	191,046	177,527	13,519
Employee benefits	67,322	67,322	63,302	4,020
Professional & technical services	13,500	13,975	10,276	3,699
Purchased property services	1,500	1,025	2,112	(1,087)
Other purchased services	3,210	3,210	3,284	(74)
Supplies	1,490	1,490	1,047	443
Miscellaneous	934	934	923	11
	<u>279,002</u>	<u>279,002</u>	<u>258,471</u>	<u>20,531</u>

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Information Technology:				
Personal services	169,597	169,597	155,517	14,080
Employee benefits	64,792	64,792	61,148	3,644
Purchased property services	93,000	93,150	93,113	37
Other purchased services	1,200	1,200	745	455
Supplies	1,200	1,050	351	699
Miscellaneous	100	100	-	100
	<u>329,889</u>	<u>329,889</u>	<u>310,874</u>	<u>19,015</u>
Media Relations:				
Personal services	187,687	187,687	144,804	42,883
Employee benefits	60,750	60,750	51,625	9,125
Purchased property services	-	594	594	-
Other purchased services	2,600	2,500	2,012	488
Supplies	2,100	1,800	1,224	576
Miscellaneous	1,920	1,726	1,844	(118)
	<u>255,057</u>	<u>255,057</u>	<u>202,103</u>	<u>52,954</u>
Legal:				
Personal services	174,980	174,980	157,935	17,045
Employee benefits	43,934	43,934	40,250	3,684
Purchased property services	19,394	19,394	18,434	960
Other purchased services	3,100	3,300	2,656	644
Supplies	1,300	950	841	109
Miscellaneous	1,600	1,750	1,810	(60)
	<u>244,308</u>	<u>244,308</u>	<u>221,926</u>	<u>22,382</u>
Total General Government	<u>8,907,953</u>	<u>10,462,544</u>	<u>9,848,810</u>	<u>613,734</u>
Public Safety:				
Police Department:				
Personal services	11,315,733	10,538,387	7,392,026	3,146,361
Employee benefits	3,714,856	3,714,856	2,802,164	912,692
Professional & technical services	129,300	126,445	107,440	19,005
Purchased property services	394,950	449,745	433,635	16,110
Other purchased services	268,000	268,600	226,411	42,189
Supplies	392,950	339,830	309,875	29,955

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Capital outlays	498,500	520,268	517,911	2,357
Miscellaneous	25,625	25,205	20,592	4,613
	<u>16,739,914</u>	<u>15,983,336</u>	<u>11,810,054</u>	<u>4,173,282</u>
Fire Department:				
Personal services	4,925,601	4,148,256	3,391,564	756,692
Employee benefits	1,531,609	1,531,609	1,097,165	434,444
Purchased property services	146,250	138,656	125,267	13,389
Other purchased services	116,350	106,150	109,993	(3,843)
Supplies	189,700	173,700	151,116	22,584
Capital outlays	-	1,072,987	56,672	1,016,315
Miscellaneous	98,200	62,944	47,789	15,155
	<u>7,007,710</u>	<u>7,234,302</u>	<u>4,979,566</u>	<u>2,254,736</u>
Fire Prevention Bureau:				
Personal services	448,565	448,565	361,853	86,712
Employee benefits	130,801	130,801	105,095	25,706
Purchased property services	6,300	6,300	3,850	2,450
Other purchased services	11,700	11,700	5,980	5,720
Supplies	20,250	20,250	16,569	3,681
Miscellaneous	1,600	1,600	1,052	548
	<u>619,216</u>	<u>619,216</u>	<u>494,399</u>	<u>124,817</u>
Total Public Safety	<u>24,366,840</u>	<u>23,836,854</u>	<u>17,284,019</u>	<u>6,552,835</u>
Highways and Streets:				
Street Department:				
Personal services	1,084,648	1,084,648	1,040,284	44,364
Employee benefits	562,208	562,208	527,163	35,045
Professional & technical services	58,000	103,000	104,912	(1,912)
Purchased property services	1,350,000	1,351,000	1,210,031	140,969
Other purchased services	11,700	13,000	12,925	75
Supplies	712,700	664,450	552,611	111,839
Capital outlays	50,000	589,034	572,712	16,322
Miscellaneous	116,000	116,950	75,646	41,304
	<u>3,945,256</u>	<u>4,484,290</u>	<u>4,096,284</u>	<u>388,006</u>
Total Highways and Streets	<u>3,945,256</u>	<u>4,484,290</u>	<u>4,096,284</u>	<u>388,006</u>

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Health and Welfare:				
Health Regulations and Inspections:				
Personal services	350,116	350,116	413,309	(63,193)
Employee benefits	152,713	152,713	158,685	(5,972)
Professional & technical services	6,000	7,802	8,007	(205)
Purchased property services	8,800	4,995	4,551	444
Other purchased services	10,700	9,700	9,360	340
Supplies	59,195	56,598	40,431	16,167
Capital outlays	-	8,600	3,807	4,793
Miscellaneous	3,200	3,200	1,626	1,574
	<u>590,724</u>	<u>593,724</u>	<u>639,776</u>	<u>(46,052)</u>
 Total Health and Welfare	 <u>590,724</u>	 <u>593,724</u>	 <u>639,776</u>	 <u>(46,052)</u>
 Culture and Recreation:				
Mission Historical Museum:				
Personal services	189,308	189,308	174,669	14,639
Employee benefits	83,999	83,999	77,797	6,202
Purchased property services	29,300	29,300	20,608	8,692
Other purchased services	9,050	9,050	7,478	1,572
Supplies	4,550	4,550	2,886	1,664
Miscellaneous	200	200	40	160
	<u>316,407</u>	<u>316,407</u>	<u>283,478</u>	<u>32,929</u>
 Parks and Recreation Administration:				
Personal services	224,496	224,496	118,460	106,036
Employee benefits	72,904	72,904	54,076	18,828
Purchased property services	27,000	28,000	25,319	2,681
Other purchased services	9,100	8,100	5,188	2,912
Supplies	3,450	3,450	2,522	928
Miscellaneous	380	380	240	140
	<u>337,330</u>	<u>337,330</u>	<u>205,805</u>	<u>131,525</u>
 Parks:				
Personal services	1,108,895	1,108,895	995,836	113,059
Employee benefits	536,085	536,085	501,284	34,801
Professional & technical services	15,000	15,000	395	14,605
Purchased property services	430,000	430,000	380,095	49,905
Other purchased services	13,000	13,000	11,642	1,358

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Supplies	223,950	223,950	171,939	52,011
Capital outlays	-	-	10,881	(10,881)
Miscellaneous	75,500	75,500	121,624	(46,124)
	<u>2,402,430</u>	<u>2,402,430</u>	<u>2,193,696</u>	<u>208,734</u>
Recreation:				
Personal services	206,742	206,742	62,470	144,272
Employee benefits	56,792	56,792	38,608	18,184
Professional and technical services	21,500	21,500	7,405	14,095
Other purchased services	32,500	32,500	745	31,755
Supplies	26,400	26,400	12,693	13,707
Miscellaneous	300	300	200	100
	<u>344,234</u>	<u>344,234</u>	<u>122,121</u>	<u>222,113</u>
Library:				
Personal services	768,586	768,586	660,256	108,330
Employee benefits	286,779	286,779	261,141	25,638
Purchased property services	79,500	79,500	73,203	6,297
Other purchased services	81,370	79,040	74,965	4,075
Supplies	31,450	31,950	27,255	4,695
Miscellaneous	84,540	161,370	156,557	4,813
	<u>1,332,225</u>	<u>1,407,225</u>	<u>1,253,377</u>	<u>153,848</u>
Bannworth Pool:				
Personal services	133,164	133,164	75,754	57,410
Employee benefits	37,277	37,277	28,002	9,275
Purchased property services	44,800	44,775	30,012	14,763
Other purchased services	2,350	2,350	2,049	301
Supplies	19,550	19,575	13,210	6,365
Miscellaneous	450	450	175	275
	<u>237,591</u>	<u>237,591</u>	<u>149,202</u>	<u>88,389</u>
Mayberry Pool:				
Personal services	178,334	178,334	69,231	109,103
Employee benefits	45,320	45,320	28,367	16,953
Purchased property services	37,500	37,500	13,559	23,941
Other purchased services	3,600	3,600	2,571	1,029
Supplies	27,275	27,275	22,658	4,617
Capital outlays	28,000	28,000	-	28,000

CITY OF MISSION, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Miscellaneous	300	300	-	300
	320,329	320,329	136,386	183,943
Total Culture and Recreation	5,290,546	5,365,546	4,344,065	1,021,481
Debt Service:				
Principal retirement	448,215	448,215	476,635	(28,420)
Interest	84,981	84,981	98,659	(13,678)
	533,196	533,196	575,294	(42,098)
Total Debt Service	533,196	533,196	575,294	(42,098)
Total Expenditures	43,634,515	45,276,154	36,788,248	8,487,906
Excess (Deficiency) of Revenue Over Expenditures	(5,543,338)	(7,086,209)	1,232,350	8,318,559
Other Financing Sources (Uses):				
Sale of capital assets	187,502	-	25,794	25,794
Other financing sources	-	1,539,971	539,034	(1,000,937)
Transfers in	7,813,452	7,813,452	6,870,488	(942,964)
Transfers out	(4,170,428)	(3,940,428)	(3,590,825)	349,603
Total Other Financing Sources (Uses)	3,830,526	5,412,995	3,844,491	(1,568,504)
Net Change in Fund Balance	(1,712,812)	(1,673,214)	5,076,841	6,750,055
Fund Balance at Beginning of Year	3,266,506	3,266,506	3,266,506	-
Fund Balance at End of Year	\$ 1,553,694	\$ 1,593,292	\$ 8,343,347	\$ 6,750,055

CITY OF MISSION, TEXAS

EXHIBIT B-2

*RECONCILIATION OF THE GENERAL FUND BUDGETARY SCHEDULE
TO THE STATEMENT OF REVENUES AND EXPENDITURES
SEPTEMBER 30, 2020*

Net Changes in the General Fund Fund Balance	\$ 5,076,841
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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	1,208,096
Boys and Girls Club Fund revenues and transfers-in	473,933

Expenditures:

Capital Assets expenditures	(1,214,784)
Boys and Girls Club expenditures	<u>(726,236)</u>

Net Change in Fund Balances	<u><u>\$ 4,817,850</u></u>
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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

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 3,891,979	\$ 3,688,502	\$ 3,574,775	\$ 3,428,663	\$ 3,146,606	\$ 2,887,755
Interest (on the total pension liability)	6,564,000	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	(504,947)	(193,776)	(110,717)	139,268	(255,681)	270,001
Change of assumptions	385,479	-	-	-	1,263,377	-
Benefit payments, including refunds of employee contributions	(3,898,636)	(3,707,083)	(2,754,877)	(2,396,210)	(2,443,370)	(2,158,651)
Net change in total pension liability	\$ 6,437,875	\$ 5,949,640	\$ 6,463,210	\$ 6,494,542	\$ 6,747,077	\$ 5,641,266
Total pension liability - beginning	97,247,775	91,298,135	84,834,925	78,340,383	71,593,306	65,952,040
Total pension liability - ending (a)	<u>\$ 103,685,650</u>	<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	\$ 2,632,158	\$ 2,535,283	\$ 2,425,326	\$ 2,171,026	\$ 2,068,394	\$ 1,973,751
Contributions - employee	1,875,652	1,783,321	1,724,168	1,657,278	1,563,024	1,528,747
Net investment income	12,827,022	(2,544,693)	10,178,044	4,560,867	97,759	3,514,549
Benefit payments, including refunds of employee contributions	(3,898,636)	(3,707,083)	(2,754,877)	(2,396,210)	(2,443,370)	(2,158,651)
Administrative expense	(72,453)	(49,166)	(52,727)	(51,496)	(59,540)	(36,688)
Other	(2,176)	(2,569)	(2,672)	(2,775)	(2,941)	(3,016)
Net change in plan fiduciary net position	13,361,568	(1,984,906)	11,517,263	5,938,690	1,223,327	4,818,692
Plan fiduciary net position - beginning	82,940,658	84,925,564	73,408,301	67,469,611	66,246,284	61,427,592
Plan fiduciary net position - ending (b)	<u>\$ 96,302,226</u>	<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>\$ 7,383,425</u>	<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]	92.88%	85.29%	93.02%	86.53%	86.12%	92.53%
Covered Payroll	\$ 31,260,874	\$ 29,722,014	\$ 28,736,135	\$ 27,583,776	\$ 26,048,066	\$ 25,321,089
Net Pension Liability as a Percentage of Covered Payroll	23.62%	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 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

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)

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.121%	0.269%	0.027%	0.038%	0.064%	0.079%
City's proportionate share of the net pension liability	\$ 34,298	\$ 58,240	\$ 6,480	\$ 11,069	\$ 17,038	\$ 14,356
City's number of active members*	11	14	14	3	3	7
City's net pension liability per active member	\$ 3,118	\$ 4,160	\$ 463	\$ 3,690	\$ 5,679	\$ 2,051
Plan fiduciary net position as a percentage of the total pension liability	80.2%	84.3%	81.4%	76.3%	76.9%	83.5%

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

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

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

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 contributions 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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Texas Emergency Services Retirement System (TESRS)						
Contractually required contribution	\$ 5,433	\$ 12,891	\$ 12,891	\$ 1,296	\$ 2,496	\$ 4,224
Contributions in relation to the contractually required contribution	<u>\$ 5,433</u>	<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*	11	14	14	3	3	7
Contributions per active member	\$ 494	\$ 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	\$ 2,632,158	\$ 2,535,283	\$ 2,425,326	\$ 2,171,026	\$ 2,068,394	\$ 2,041,476
Contributions in relation to the actuarially determined contribution	<u>\$ 2,632,158</u>	<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	\$ 31,316,511	\$ 31,009,300	\$ 29,326,387	\$ 28,707,904	\$ 28,187,323	\$ 25,843,740
Contributions as a percentage of covered payroll	8.41%	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

	2020	2019	2018
Total OPEB health benefit liability			
Service cost	\$ 317,252	\$ 111,966	\$ 109,235
Interest	173,961	151,729	173,867
Changes of benefit terms	(1,328,771)	-	-
Difference between expected and actual experience	306,073	55,046	194,658
Changes in assumptions or other inputs	(573,806)	326,189	-
Benefit payments	(105,526)	(193,101)	(345,959)
Net change in total OPEB liability	\$ (1,210,817)	\$ 451,829	\$ 131,801
Total OPEB liability - beginning	5,222,824	4,770,995	4,639,194
Total OPEB liability - ending	<u>\$ 4,012,007</u>	<u>\$ 5,222,824</u>	<u>\$ 4,770,995</u>
 Covered - Employee Payroll	 \$ 28,287,738	 \$ 18,502,671	 \$ 18,051,386
 Total OPEB Liability as a Percentage of			
Covered Employee Payroll	14.2%	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:

2.25%	3.17%	3.73%
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	2020	2019	2018
Total OPEB single death benefit liability			
Service cost	\$ 75,026	\$ 83,222	\$ 68,967
Interest	49,483	38,087	35,828
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(221,385)	161,654	-
Changes in assumptions or other inputs	267,001	(89,661)	96,765
Benefit payments	(6,252)	(5,944)	(5,747)
Net change in total OPEB liability	\$ 163,873	\$ 187,358	\$ 195,813
Total OPEB liability - beginning	1,299,380	1,112,022	916,209
Total OPEB liability - ending	<u>\$ 1,463,253</u>	<u>\$ 1,299,380</u>	<u>\$ 1,112,022</u>
 Covered - Employee Payroll	 \$ 31,260,874	 \$ 29,722,014	 \$ 28,736,135
 Total OPEB Liability as a Percentage of			
Covered Employee Payroll	4.68%	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:

2.75%	3.71%	3.31%
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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	\$ 11,675,231
Capital Project Funds	\$ 1,612,663

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, 2020, three General Fund Department expenditures exceeded appropriations by a total of \$365,740. See Exhibit B-1.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2020

Budget to GAAP Reconciliation

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

<u>Revenues:</u>	<u>General Fund</u>
Actual revenues (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$ 38,020,598
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund revenues	-
Boys and Girls Club revenues	<u>173,933</u>
Total adjustments necessary	<u>173,933</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$ 38,194,531</u>

Note: Does not include other financing resources.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2020

Budget to GAAP Reconciliation (*Continued*)

<u>Expenditures:</u>	<u>General Fund</u>
Actual expenditures (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$36,788,248
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund expenditures	1,214,784
Boys and Girls Club expenditures	<u>726,234</u>
Total adjustments necessary	<u>1,941,018</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$38,729,266</u>



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*OTHER
SUPPLEMENTARY
INFORMATION*



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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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.

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 Zone 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.

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 2020

EXHIBIT C-1

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and cash equivalents	\$ 99,758	\$ -	\$ 99,758
Investments	405,749	-	405,749
Receivables:			
Accounts	382,502	-	382,502
Special assessments	176,606	-	176,606
Less: allowance for uncollectibles	(14,881)	-	(14,881)
Accrued interest receivable	2,106	-	2,106
Due from other governments	213,921	925,980	1,139,901
Due from other funds	3,423,363	571,430	3,994,793
Land held for resale	1,104,518	-	1,104,518
Total Assets	<u>\$ 5,793,642</u>	<u>\$ 1,497,410</u>	<u>\$ 7,291,052</u>
LIABILITIES			
Accounts payable	\$ 397,635	\$ -	\$ 397,635
Other liabilities	3,336	-	3,336
Retainage payable	-	75,375	75,375
Accrued payroll	7,231	-	7,231
Due to other funds	291,328	-	291,328
Due to component unit	156,439	-	156,439
Unearned revenue	481,991	1,422,035	1,904,026
Total Liabilities	<u>1,337,960</u>	<u>1,497,410</u>	<u>2,835,370</u>
FUND BALANCES			
Restricted	4,455,682	-	4,455,682
Total Fund Balances	<u>4,455,682</u>	<u>-</u>	<u>4,455,682</u>
Total Liabilities and Fund Balances	<u>\$ 5,793,642</u>	<u>\$ 1,497,410</u>	<u>\$ 7,291,052</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, 2020

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES			
Taxes and special assessments	\$ 1,441,710	\$ -	\$ 1,441,710
Intergovernmental	3,873,177	840,500	4,713,677
Charges for services	100,960	-	100,960
Interest	28,281	-	28,281
Miscellaneous	118,424	-	118,424
Total Revenues	<u>5,562,552</u>	<u>840,500</u>	<u>6,403,052</u>
EXPENDITURES			
Current:			
General government	963,121	-	963,121
Public safety	100,832	-	100,832
Highways and streets	1,023,064	-	1,023,064
Culture and recreation	423,840	-	423,840
Health and welfare	54,523	-	54,523
Economic development	5,980,468	-	5,980,468
Capital projects	-	1,093,514	1,093,514
Debt service:			
Principal	14,854	-	14,854
Interest and fiscal charges	8,230	-	8,230
Total Expenditures	<u>8,568,932</u>	<u>1,093,514</u>	<u>9,662,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,006,380)</u>	<u>(253,014)</u>	<u>(3,259,394)</u>
OTHER FINANCING SOURCES (USES)			
Capital leases	269,517	-	269,517
Transfers in	2,987,013	253,014	3,240,027
Transfers out	(185,000)	-	(185,000)
Total Other Financing Sources (Uses)	<u>3,071,530</u>	<u>253,014</u>	<u>3,324,544</u>
Net Change in Fund Balances	65,150	-	65,150
Fund Balances at Beginning of Year	<u>4,390,532</u>	<u>-</u>	<u>4,390,532</u>
Fund Balances at End of Year	<u>\$ 4,455,682</u>	<u>\$ -</u>	<u>\$ 4,455,682</u>

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2020

	CDBG	Police Department Special Fund	Police Federal Sharing Fund
ASSETS			
Cash and cash equivalents	\$ 6,196	\$ -	\$ -
Investments	-	30,673	40,756
Receivables:			
Accounts	169	2,831	-
Special assessments	-	-	-
Less: allowance for uncollectibles	-	-	-
Accrued interest receivable	-	-	34
Due from other governments	213,847	-	-
Due from other funds	75	74,214	183,293
Land held for resale	-	-	-
Total Assets	<u>\$ 220,287</u>	<u>\$ 107,718</u>	<u>\$ 224,083</u>
LIABILITIES			
Accounts payable	\$ 200,967	\$ 9,154	\$ 41,875
Other liabilities	2,236	-	-
Accrued payroll	4,787	-	-
Due to other funds	12,297	-	-
Due to component unit	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>220,287</u>	<u>9,154</u>	<u>41,875</u>
FUND BALANCES			
Restricted	-	98,564	182,208
Total Fund Balances	<u>-</u>	<u>98,564</u>	<u>182,208</u>
 Total Liabilities and Fund Balances	 <u>\$ 220,287</u>	 <u>\$ 107,718</u>	 <u>\$ 224,083</u>

Municipal Court Technology Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund	Speer Memorial Library
\$ -	\$ -	\$ -	\$ 5,796	\$ -
-	-	-	-	-
-	109	-	-	-
-	176,606	-	-	-
-	(14,881)	-	-	-
70	1,035	-	-	46
-	-	-	-	-
163,544	1,346,854	49,209	-	27,430
-	-	-	-	-
<u>\$ 163,614</u>	<u>\$ 1,509,723</u>	<u>\$ 49,209</u>	<u>\$ 5,796</u>	<u>\$ 27,476</u>
\$ 3,459	\$ 12,613	\$ 153	\$ 1	\$ -
-	851	-	-	-
-	1,964	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,459</u>	<u>15,428</u>	<u>153</u>	<u>1</u>	<u>-</u>
160,155	1,494,295	49,056	5,795	27,476
<u>160,155</u>	<u>1,494,295</u>	<u>49,056</u>	<u>5,795</u>	<u>27,476</u>
<u>\$ 163,614</u>	<u>\$ 1,509,723</u>	<u>\$ 49,209</u>	<u>\$ 5,796</u>	<u>\$ 27,476</u>

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2020

	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	71,307	40,756	-
Receivables:			
Accounts	350,553	-	-
Special assessments	-	-	-
Less: allowance for uncollectibles	-	-	-
Accrued interest receivable	395	35	-
Due from other governments	74	-	-
Due from other funds	163,547	63,318	481,991
Land held for resale	-	-	-
Total Assets	<u>\$ 585,876</u>	<u>\$ 104,109</u>	<u>\$ 481,991</u>
LIABILITIES			
Accounts payable	\$ 92,616	\$ 4,586	\$ -
Other liabilities	-	-	-
Accrued payroll	-	-	-
Due to other funds	-	-	-
Due to component unit	-	-	-
Unearned revenue	-	-	481,991
Total Liabilities	<u>92,616</u>	<u>4,586</u>	<u>481,991</u>
FUND BALANCES			
Restricted	493,260	99,523	-
Total Fund Balances	<u>493,260</u>	<u>99,523</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 585,876</u>	<u>\$ 104,109</u>	<u>\$ 481,991</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)
\$ -	\$ -	\$ -	\$ 87,766	\$ 99,758
-	222,257	-	-	405,749
-	28,840	-	-	382,502
-	-	-	-	176,606
-	-	-	-	(14,881)
-	491	-	-	2,106
-	-	-	-	213,921
158,612	551,282	159,994	-	3,423,363
-	-	-	1,104,518	1,104,518
<u>\$ 158,612</u>	<u>\$ 802,870</u>	<u>\$ 159,994</u>	<u>\$ 1,192,284</u>	<u>\$ 5,793,642</u>
\$ 77	\$ 31,451	\$ -	\$ 683	\$ 397,635
249	-	-	-	3,336
480	-	-	-	7,231
-	-	-	279,031	291,328
-	-	156,439	-	156,439
-	-	-	-	481,991
<u>806</u>	<u>31,451</u>	<u>156,439</u>	<u>279,714</u>	<u>1,337,960</u>
157,806	771,419	3,555	912,570	4,455,682
<u>157,806</u>	<u>771,419</u>	<u>3,555</u>	<u>912,570</u>	<u>4,455,682</u>
<u>\$ 158,612</u>	<u>\$ 802,870</u>	<u>\$ 159,994</u>	<u>\$ 1,192,284</u>	<u>\$ 5,793,642</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, 2020

	CDBG	Police Department Special Fund	Police Federal Sharing Fund
REVENUES			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	815,752	50,871	225,874
Charges for services	-	-	-
Interest	-	277	202
Miscellaneous	-	1,157	756
Total Revenues	<u>815,752</u>	<u>52,305</u>	<u>226,832</u>
EXPENDITURES			
Current:			
General government	761,229	-	-
Public safety	-	19,267	81,565
Highways and streets	-	-	-
Culture and recreation	-	-	-
Health and welfare	54,523	-	-
Economic development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>815,752</u>	<u>19,267</u>	<u>81,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>33,038</u>	<u>145,267</u>
OTHER FINANCING SOURCES (USES)			
Capital Lesases	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	33,038	145,267
Fund Balances at Beginning of Year	<u>-</u>	<u>65,526</u>	<u>36,941</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 98,564</u>	<u>\$ 182,208</u>

Municipal Court Technology Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund	Speer Memorial Library
\$ -	\$ 993,301	\$ -	\$ -	\$ -
-	-	-	-	-
29,255	-	14,700	5,006	-
852	13,074	-	-	567
-	149	-	-	-
<u>30,107</u>	<u>1,006,524</u>	<u>14,700</u>	<u>5,006</u>	<u>567</u>
38,332	-	10,261	9,250	-
-	-	-	-	-
-	1,023,064	-	-	-
-	-	-	-	341
-	-	-	-	-
-	-	-	-	-
-	14,854	-	-	-
-	8,230	-	-	-
<u>38,332</u>	<u>1,046,148</u>	<u>10,261</u>	<u>9,250</u>	<u>341</u>
<u>(8,225)</u>	<u>(39,624)</u>	<u>4,439</u>	<u>(4,244)</u>	<u>226</u>
-	269,517	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>269,517</u>	<u>-</u>	<u>-</u>	<u>-</u>
(8,225)	229,893	4,439	(4,244)	226
<u>168,380</u>	<u>1,264,402</u>	<u>44,617</u>	<u>10,039</u>	<u>27,250</u>
<u>\$ 160,155</u>	<u>\$ 1,494,295</u>	<u>\$ 49,056</u>	<u>\$ 5,795</u>	<u>\$ 27,476</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, 2020

	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
REVENUES			
Taxes and special assessments	\$ 448,409	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	19,693	7,152
Interest	4,871	259	-
Miscellaneous	1	762	-
Total Revenues	<u>453,281</u>	<u>20,714</u>	<u>7,152</u>
EXPENDITURES			
Current:			
General government	-	6,571	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	416,347	-	7,152
Health and welfare	-	-	-
Economic development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>416,347</u>	<u>6,571</u>	<u>7,152</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36,934</u>	<u>14,143</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Other financing sources	-	-	-
Transfers in	-	-	-
Transfers out	(185,000)	-	-
Total Other Financing Sources (Uses)	<u>(185,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(148,066)	14,143	-
Fund Balances at Beginning of Year	<u>641,326</u>	<u>85,380</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 493,260</u>	<u>\$ 99,523</u>	<u>\$ -</u>

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)
\$ -	\$ -	\$ -	\$ -	\$ 1,441,710
-	-	2,780,680	-	3,873,177
25,154	-	-	-	100,960
-	8,162	-	17	28,281
-	115,599	-	-	118,424
<u>25,154</u>	<u>123,761</u>	<u>2,780,680</u>	<u>17</u>	<u>5,562,552</u>
34,225	103,253	-	-	963,121
-	-	-	-	100,832
-	-	-	-	1,023,064
-	-	-	-	423,840
-	-	-	-	54,523
-	-	5,767,693	212,775	5,980,468
-	-	-	-	14,854
-	-	-	-	8,230
<u>34,225</u>	<u>103,253</u>	<u>5,767,693</u>	<u>212,775</u>	<u>8,568,932</u>
<u>(9,071)</u>	<u>20,508</u>	<u>(2,987,013)</u>	<u>(212,758)</u>	<u>(3,006,380)</u>
-	-	-	-	269,517
-	-	2,987,013	-	2,987,013
-	-	-	-	(185,000)
<u>-</u>	<u>-</u>	<u>2,987,013</u>	<u>-</u>	<u>3,071,530</u>
(9,071)	20,508	-	(212,758)	65,150
<u>166,877</u>	<u>750,911</u>	<u>3,555</u>	<u>1,125,328</u>	<u>4,390,532</u>
<u>\$ 157,806</u>	<u>\$ 771,419</u>	<u>\$ 3,555</u>	<u>\$ 912,570</u>	<u>\$ 4,455,682</u>

CITY OF MISSION, TEXAS
COMMUNITY DEVELOPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-5

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Community Development Block Grant	\$ 1,529,172	\$ 815,752	\$ (713,420)
Total Intergovernmental	1,529,172	815,752	(713,420)
 Total Revenues	 1,529,172	 815,752	 (713,420)
Expenditures:			
Current:			
General Government:			
General administration	804,876	223,207	581,669
Housing rehabilitation	664,296	538,022	126,274
Total General Government	1,469,172	761,229	707,943
Health and Welfare:			
Other social services	60,000	54,523	5,477
Total Health and Welfare	60,000	54,523	5,477
 Total Expenditures	 1,529,172	 815,752	 713,420
 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, 2020

EXHIBIT C-6

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State Seizures:			
State seizures	\$ -	\$ 50,871	\$ 50,871
Miscellaneous	-	1,157	1,157
Total State Seizures	-	52,028	52,028
Interest:			
Interest earned on investments	-	277	277
Total Interest	-	277	277
Total Revenues	-	52,305	52,305
Expenditures:			
Current:			
Public Safety:			
State Seizures:			
Purchased property services	20,000	2,475	17,525
Supplies	15,000	12,006	2,994
Capital outlays	36,863	4,786	32,077
Total Public Safety	71,863	19,267	52,596
Total Expenditures	71,863	19,267	52,596
Net Change in Fund Balance	(71,863)	33,038	104,901
Fund Balance at Beginning of Year	65,526	65,526	-
Fund Balance at End of Year	\$ (6,337)	\$ 98,564	\$ 104,901

CITY OF MISSION, TEXAS*POLICE FEDERAL SHARING FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-7**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Equitable Sharing	\$ -	\$ 225,874	\$ 225,874
Miscellaneous Revenue	-	756	756
Total Intergovernmental	-	226,630	226,630
Interest:			
Interest earned on investments	-	202	202
Total Interest	-	202	202
Total Revenues	-	226,832	226,832
Expenditures:			
Current:			
Public Safety:			
Other purchased services	15,700	49	15,651
Supplies	17,300	9,580	7,720
Capital outlays	75,766	69,995	5,771
Miscellaneous	-	1,941	(1,941)
Total Public Safety	108,766	81,565	27,201
Total Expenditures	108,766	81,565	27,201
Net Change in Fund Balance	(108,766)	145,267	254,033
Fund Balance at Beginning of Year	36,941	36,941	-
Fund Balance at End of Year	\$ (71,825)	\$ 182,208	\$ 254,033

CITY OF MISSION, TEXAS**MUNICIPAL COURT TECHNOLOGY FUND****SPECIAL REVENUE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2020****EXHIBIT C-8**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Court technology fees	\$ -	\$ 29,255	\$ 29,255
Total Charges for Services	-	29,255	29,255
Interest:			
Interest earned on investments	400	852	452
Total Interest	400	852	452
 Total Revenues	 400	 30,107	 29,707
Expenditures:			
Current:			
General Government:			
Purchased property services	2,306	2,331	(25)
Supplies	1,675	1,549	126
Capital outlays	60,000	33,035	26,965
Miscellaneous	1,000	1,417	(417)
Total General Government	64,981	38,332	26,649
 Total Expenditures	 64,981	 38,332	 26,649
 Net Change in Fund Balance	 (64,581)	 (8,225)	 56,356
 Fund Balance at Beginning of Year	 168,380	 168,380	 -
 Fund Balance at End of Year	 \$ 103,799	 \$ 160,155	 \$ 56,356

CITY OF MISSION, TEXAS*DRAINAGE ASSESSMENT FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-9**

Page 1 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments:			
Drainage assessments	\$ 925,000	\$ 990,252	\$ 65,252
Drainage assessments-Granjeno	2,800	3,049	249
Total Assessments	927,800	993,301	65,501
Interest:			
Interest earned on investments	1,000	13,074	12,074
Total Interest	1,000	13,074	12,074
Miscellaneous:			
Miscellaneous income	-	149	149
Total Miscellaneous	-	149	149
Total Revenues	928,800	1,006,524	77,724
Expenditures:			
Current:			
Highways and Streets:			
Personal services	88,498	87,364	1,134
Employee benefits	41,015	39,510	1,505
Professional and technical services	550,000	429,840	120,160
Purchased property services	65,000	6,000	59,000
Other purchased services	-	6,933	(6,933)
Supplies	54,000	25,752	28,248
Capital outlays	987,517	423,767	563,750
Debt Service	54,612	23,084	31,528
Miscellaneous	500	3,898	(3,398)
Total Highways and Streets	1,841,142	1,046,148	794,994
Total Expenditures	1,841,142	1,046,148	794,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(912,342)	(39,624)	872,718
Other Financing Sources (Uses):			
Capital leases	269,517	269,517	-
Total Other Financing Sources (Uses)	269,517	269,517	-

CITY OF MISSION, TEXAS*DRAINAGE ASSESSMENT FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-9**

Page 2 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Net Change in Fund Balance	<u>(642,825)</u>	<u>229,893</u>	<u>872,718</u>
Fund Balance at Beginning of Year	<u>1,264,402</u>	<u>1,264,402</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 621,577</u></u>	<u><u>\$ 1,494,295</u></u>	<u><u>\$ 872,718</u></u>

CITY OF MISSION, TEXAS*CEMETERY FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-10**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Perpetual care	\$ 9,000	\$ 14,700	\$ 5,700
Total Charges for Services	9,000	14,700	5,700
 Total Revenues	 9,000	 14,700	 5,700
Expenditures:			
Current:			
General Government			
Supplies	5,950	2,483	3,467
Miscellaneous	50	-	50
Capital outlay	10,000	7,778	2,222
Total General Government	16,000	10,261	5,739
 Total Expenditures	 16,000	 10,261	 5,739
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (7,000)	 4,439	 11,439
 Fund Balance at Beginning of Year	 44,617	 44,617	 -
 Fund Balance at End of Year	 \$ 37,617	 \$ 49,056	 \$ 11,439

CITY OF MISSION, TEXAS*RECORDS PRESERVATION FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-11**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Vital statistics preservation fee	\$ 6,000	\$ 5,006	\$ (994)
Total Charges for Service	6,000	5,006	(994)
 Total Revenues	 6,000	 5,006	 (994)
Expenditures:			
Current:			
General Government:			
Purchased property services	1,000	583	417
Other purchased service	1,050	1,038	12
Supplies	4,100	3,918	182
Capital outlays	3,660	3,711	(51)
Miscellaneous	50	-	50
Total General Government	9,860	9,250	610
 Total Expenditures	 9,860	 9,250	 610
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (3,860)	 (4,244)	 (1,604)
 Fund Balance at Beginning of Year	 10,039	 10,039	 -
 Fund Balance at End of Year	 \$ 6,179	 \$ 5,795	 \$ (1,604)

CITY OF MISSION, TEXAS*SPEER MEMORIAL LIBRARY**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-12**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest:			
Interest earned on investments	\$ 200	\$ 567	\$ 367
Total Interest	200	567	367
 Total Revenues	 200	 567	 367
Expenditures:			
Current:			
Culture and Recreation:			
Miscellaneous	-	341	341
Total Culture and Recreation	-	341	341
 Total Expenditures	 -	 341	 341
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 200	 226	 26
 Fund Balance at Beginning of Year	 27,250	 27,250	 -
 Fund Balance at End of Year	 \$ 27,450	 \$ 27,476	 \$ 26

CITY OF MISSION, TEXAS*HOTEL/MOTEL TAX FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-13**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel occupancy tax	\$ 350,000	\$ 448,409	\$ 98,409
Miscellaneous	-	1	1
Total Taxes	350,000	448,410	98,410
Interest:			
Interest earned on investments	100	4,871	4,771
Total Interest	100	4,871	4,771
 Total Revenues	 350,100	 453,281	 103,181
Expenditures:			
Current:			
Culture and Recreation:			
Tourist Promotion & Advertising:			
Miscellaneous	443,550	412,322	31,228
Other purchased services	20,000	4,025	15,975
	463,550	416,347	47,203
 Total Expenditures	 463,550	 416,347	 47,203
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (113,450)	 36,934	 150,384
Other Financing Sources (Uses):			
Transfer out	(185,000)	(185,000)	-
Total Other Financing Sources (Uses)	(185,000)	(185,000)	-
 Net Change in Fund Balance	 (298,450)	 (148,066)	 150,384
 Fund Balance at Beginning of Year	 641,326	 641,326	 -
 Fund Balance at End of Year	 \$ 342,876	 \$ 493,260	 \$ 150,384

CITY OF MISSION, TEXAS*MUNICIPAL COURT BLDG SECURITY FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-14**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Municipal court security fees	\$ 20,000	\$ 19,693	\$ (307)
Total Charges for Services	20,000	19,693	(307)
Interest:			
Interest earned on investments	-	259	259
Total Interest	-	259	259
Miscellaneous Income:			
Miscellaneous	-	762	762
Total Miscellaneous Income	-	762	762
 Total Revenues	 20,000	 20,714	 714
Expenditures:			
Current:			
General Government:			
Purchased property services	5,000	370	4,630
Other purchased services	15,000	1,985	13,015
Capital outlay	30,000	4,216	25,784
Miscellaneous	100	-	100
Total Expenditures	50,100	6,571	43,529
 Net Change in Fund Balance	 (30,100)	 14,143	 44,243
 Fund Balance at Beginning of Year	 85,380	 85,380	 -
 Fund Balance at End of Year	 \$ 55,280	 \$ 99,523	 \$ 44,243

CITY OF MISSION, TEXAS**EXHIBIT C-15***PARK DEDICATION FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Park dedication fee	\$ 430,183	\$ 7,152	\$ (423,031)
Total Charges for Services	430,183	7,152	(423,031)
 Total Revenues	 430,183	 7,152	 (423,031)
Expenditures:			
Current:			
Culture and Recreation:			
Zone 1-Northwest:			
Capital outlays	277,138	4,896	272,242
	277,138	4,896	272,242
Zone 2-Northeast:			
Capital outlays	4,340	2,256	2,084
	4,340	2,256	2,084
Zone 3-Southwest:			
Capital outlays	21,318	-	21,318
	21,318	-	21,318
Zone 4-Southeast:			
Capital outlays	127,387	-	127,387
	127,387	-	127,387
 Total Culture and Recreation	 430,183	 7,152	 423,031
 Total Expenditures	 430,183	 7,152	 423,031
 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, 2020***EXHIBIT C-16**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Juvenile case manager fee	\$ 30,000	\$ 25,154	\$ (4,846)
Total Charges for Services	30,000	25,154	(4,846)
Interest:			
Interest earned on investments	150	-	(150)
Total Interest	150	-	(150)
Total Revenues	30,150	25,154	(4,996)
Expenditures:			
Current:			
General Government:			
Personal services	21,944	22,108	(164)
Employee benefits	10,989	10,679	310
Other purchased services	3,000	-	3,000
Supplies	1,500	1,438	62
Capital Outlay	1,500	-	1,500
Miscellaneous	50	-	50
Total Expenditures	38,983	34,225	4,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,833)	(9,071)	(238)
Fund Balance at Beginning of Year	166,877	166,877	-
Fund Balance at End of Year	\$ 158,044	\$ 157,806	\$ (238)

CITY OF MISSION, TEXAS**EXHIBIT C-17***PEG CAPITAL FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
PEG capital fee	\$ 90,000	\$ 115,599	\$ 115,599
Total Charges for Services	90,000	115,599	115,599
Interest:			
Interest earned on investment	100	8,162	8,062
Total Interest	100	8,162	8,062
 Total Revenues	 90,100	 123,761	 123,661
Expenditures:			
Current:			
General Government:			
Miscellaneous:			
Capital Outlay	808,455	103,253	705,202
Depository charges	50	-	50
Total Expenditures	808,505	103,253	705,252
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (718,405)	 20,508	 828,913
 Fund Balance at Beginning of Year	 750,911	 750,911	 -
 Fund Balance at End of Year	 \$ 32,506	 \$ 771,419	 \$ 828,913

CITY OF MISSION, TEXAS**EXHIBIT C-18***TAX INCREMENT REINVESTMENT ZONE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Contribution-Hidalgo County	\$ 2,960,000	\$ 2,780,680	\$ (179,320)
Total Intergovernmental	2,960,000	2,780,680	(179,320)
 Total Revenues	 2,960,000	 2,780,680	 (179,320)
Expenditures:			
Current:			
Economic Development	5,955,050	5,767,693	187,357
Total Expenditures	5,955,050	5,767,693	187,357
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (2,995,050)	 (2,987,013)	 8,037
Other Financing Sources (Uses):			
Transfers in	2,995,000	2,987,013	(7,987)
Total Other Financing Sources (Uses)	2,995,000	2,987,013	(7,987)
 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, 2020***EXHIBIT C-19**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Current ad valorem taxes	\$ 3,980,000	\$ 3,857,062	\$ (122,938)
Delinquent ad valorem taxes	110,000	81,351	(28,649)
Interest & penalties on taxes	75,000	72,050	(2,950)
Total Taxes	<u>4,165,000</u>	<u>4,010,463</u>	<u>(154,537)</u>
Interest:			
Interest earned on investments	7,500	144	(7,356)
Total Interest	<u>7,500</u>	<u>144</u>	<u>(7,356)</u>
Miscellaneous Income:			
Miscellaneous	-	1,500,114	114
Total Miscellaneous Income	<u>-</u>	<u>1,500,114</u>	<u>114</u>
Total Revenues	<u>4,172,500</u>	<u>5,510,721</u>	<u>(161,779)</u>
Expenditures:			
Current:			
Debt Service:			
Principal retirement	3,290,000	3,290,000	-
Interest and fiscal agent charges	1,815,807	1,813,306	2,501
Total Debt Service	<u>5,105,807</u>	<u>5,103,306</u>	<u>2,501</u>
Total Expenditures	<u>5,105,807</u>	<u>5,103,306</u>	<u>2,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(933,307)</u>	<u>407,415</u>	<u>(159,278)</u>
Other Financing Sources (Uses):			
Transfers in	1,950,000	450,000	-
Transfers out	(770,000)	(519,986)	250,014
Total Other Financing Sources (Uses)	<u>1,180,000</u>	<u>(69,986)</u>	<u>250,014</u>
Net Change in Fund Balance	246,693	337,429	90,736
Fund Balance at Beginning of Year	<u>469,436</u>	<u>469,436</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 716,129</u>	<u>\$ 806,865</u>	<u>\$ 90,736</u>

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-20**

Page 1 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
DHS-Stonegarden Grant 2018	\$ 325,000	\$ 324,042	\$ (959)
Bullet Proof Vest Grant	26,975	26,853	(122)
SAFER EMW 2017	481,810	358,402	(123,408)
OVAG Grant	42,000	41,213	(787)
Energy Efficiency Grant	1,500,000	-	(1,500,000)
Rifle Resistant Body	25,566	25,536	(30)
Local Border Security Program 2020	275,000	184,814	(90,186)
CESF Grant	134,990	-	(134,990)
Tx. Dept of Transportation-STEP Grant	64,986	51,985	(13,001)
2017 Stonegarden Grant:	96,640	-	(96,640)
TSLAC Grant	3,153	-	(3,153)
NIBRS project grant	338,757	220,000	(118,757)
Cops Hiring	90,292	174,356	84,064
Technology Project Grant	89,745	89,475	(270)
LEOSE-Peace Officer Allocation	9,900	9,352	(548)
County-CARES Act Covid Relief	9,613,734	3,845,494	(5,768,240)
B&G Blind Tennis	3,000	3,000	-
US Tennis Association	6,000	6,000	-
Total Intergovernmental	13,127,548	5,360,522	(7,767,027)
Miscellaneous:			
Local Grant-Wal-Mart-Culture and Recreation	5,000	5,000	-
Local Wal-Mart Grants-Public Safety	2,500	2,375	(125)
Total Miscellaneous	7,500	7,375	(125)
Total Revenues	13,135,048	5,367,897	(7,767,152)
Expenditures:			
Current:			
General Government:			
County Cares Act Covid Relief:			
Personal services	5,101,007	5,101,005	2
Employee benefits	1,037,011	1,037,010	1
Purchased Property Services	18,295	32,879	(14,584)
Other Purchased Services	5,000	4,450	550
Supplies	188,518	91,661	96,857

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-20**

Page 2 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay	3,251,253	3,068,371	182,882
Miscellaneous	12,650	87,349	(74,699)
	<u>9,613,734</u>	<u>9,422,725</u>	<u>191,009</u>
 Total General Government	 <u>9,613,734</u>	 <u>9,422,725</u>	 <u>191,009</u>
 Public Safety:			
SAFER EMW-2017			
Personal services	476,920	342,759	134,161
Employee benefits	165,494	135,111	30,383
	<u>642,414</u>	<u>477,870</u>	<u>164,544</u>
 Bullet Proof Vest Grant:			
Capital outlays	55,500	53,706	1,794
	<u>55,500</u>	<u>53,706</u>	<u>1,794</u>
 OVAG Grant:			
Personal services	35,069	35,218	(149)
Employee benefits	6,931	5,995	936
	<u>42,000</u>	<u>41,213</u>	<u>787</u>
 TXDOT-Step Grant:			
Personal services	53,887	51,985	1,902
Employee benefits	11,099	-	11,099
	<u>64,986</u>	<u>51,985</u>	<u>13,001</u>
 2017 Stonegarden Grant:			
Capital outlays	96,640	-	96,640
	<u>96,640</u>	<u>-</u>	<u>96,640</u>
 CESF Grant:			
Supplies	97,110	-	97,110
Capital outlays	37,880	-	37,880
	<u>134,990</u>	<u>-</u>	<u>134,990</u>
 COPS Hiring			
Personal services	395,454	382,121	13,333
Employee benefits	139,367	136,700	2,667
	<u>534,821</u>	<u>518,821</u>	<u>16,000</u>

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-20**

Page 3 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Rifle Resistant Body:			
Capital outlays	25,566	25,536	30
	<u>25,566</u>	<u>25,536</u>	<u>30</u>
Fire Prevention Grant			
Supplies	2,500	2,375	125
	<u>2,500</u>	<u>2,375</u>	<u>125</u>
LEOSE Grant			
Other purchased services	9,900	9,352	548
	<u>9,900</u>	<u>9,352</u>	<u>548</u>
Technology Project Grant:			
Capital outlays	89,745	89,475	270
	<u>89,745</u>	<u>89,475</u>	<u>270</u>
Local Border Security Program 2020:			
Personal services	228,705	153,183	75,522
Employee benefits	46,295	31,631	14,664
	<u>275,000</u>	<u>184,814</u>	<u>90,186</u>
NIBRS Grant:			
Capital outlays	338,757	220,000	118,757
	<u>338,757</u>	<u>220,000</u>	<u>118,757</u>
Stonegarden Grant:			
Personal services	140,390	139,229	1,161
Employee benefits	28,610	28,812	(202)
Capital outlays	156,000	156,000	-
	<u>325,000</u>	<u>324,041</u>	<u>959</u>
 Total Public Safety	 <u>2,637,819</u>	 <u>1,999,188</u>	 <u>638,631</u>
Highways and Streets:			
Energy Efficiency Grant:			
Capital outlays	1,500,000	-	1,500,000
	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>

CITY OF MISSION, TEXAS
DESIGNATED PURPOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-20
Page 4 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Total Highways and Streets	1,500,000	-	1,500,000
Culture and Recreation:			
Wal-Mart Grant:			
Capital Outlay	5,000	5,000	-
	5,000	5,000	-
Texas State Library & Archives Commission:			
Capital outlays	3,153	-	3,153
	3,153	-	3,153
US Tennis Association:			
Supplies	6,000	6,000	-
	6,000	6,000	-
B&G Blind Tennis:			
Other professional &	3,000	3,000	-
	3,000	3,000	-
Total Culture and Recreation	17,153	14,000	3,153
Total Expenditures	13,768,706	11,435,913	2,332,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	(633,658)	(6,068,016)	(5,434,359)
Other Financing Sources (Uses)			
Transfers in	633,658	490,785	(142,874)
Total Other Financing Sources (Uses)	633,658	490,785	(142,874)
Net Change in Fund Balance	-	(5,577,231)	(5,577,233)
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	\$ (5,577,231)	\$ (5,577,233)

CITY OF MISSION, TEXAS*2018 CO CAPITAL PROJECTS FUND**CAPITAL PROJECTS FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-21**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ -	\$ 82,673	\$ 82,673
Miscellaneous	-	1,026	1,026
Total Revenues	-	83,699	83,699
Expenditures:			
Current:			
Capital projects	1,612,663	748,840	863,823
Total Expenditures	1,612,663	748,840	863,823
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(1,612,663)	(665,141)	947,522
Net Change in Fund Balance	(1,612,663)	(665,141)	947,522
Fund Balance at Beginning of Year	9,591,949	9,591,949	-
Fund Balance at End of Year	\$ 7,979,286	\$ 8,926,808	\$ 947,522

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.

Event Center Fund: To account for the operations and maintenance of a city venue which hosts weddings, receptions, birthday parties, reunions, gatherings for public and private use.

CITY OF MISSION, TEXAS

UTILITY FUND

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-22

Page 1 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Water sales, net of adjustment	\$ 12,725,000	\$ 12,545,000	\$ (180,000)
Connection fee	120,000	114,020	(5,980)
Reconnect fee	110,000	42,620	(67,380)
W/W system cap. recovery fee	-	61,600	61,600
Sewage service	6,542,000	6,504,125	(37,875)
Wastewater assessment	70,000	57,770	(12,230)
Service charge	60,000	51,514	(8,486)
Industrial sewer surcharge	50,000	23,846	(26,154)
Waterline and sewer line	2,000	-	(2,000)
RMA reimbursement	370,000	-	(370,000)
TIRZ reimbursement	3,191,112	828,857	(2,362,255)
5% credit card fee	30,000	28,994	(1,006)
Miscellaneous income	20,000	78,702	58,702
Operating Revenues	23,290,112	20,337,048	(2,953,064)
Nonoperating Revenues:			
Interest earned	45,000	35,586	(9,414)
Other	1,103,581	-	(1,103,581)
Gain (loss) on disposal of capital assets	94,564	(22,490)	(117,054)
Insurance settlement	-	620	620
Nonoperating Revenues	1,243,145	13,716	(1,229,429)
Total Revenues	24,533,257	20,350,764	(4,182,493)
Operating Expenses:			
Utility Administration:			
Personal services	715,312	660,106	55,206
Employee benefits	218,399	211,508	6,891
Purchased property services	24,050	24,323	(273)
Other purchased services	15,316	13,715	1,601
Supplies	6,400	5,672	728
Miscellaneous	504	460	44
	979,981	915,784	64,197
Water Distribution:			
Personal services	1,177,019	1,094,089	82,930
Employee benefits	522,063	497,304	24,759
Purchased property services	891,825	800,319	91,506

CITY OF MISSION, TEXAS

UTILITY FUND

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-22

Page 2 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Other purchased services	27,100	24,357	2,743
Supplies	563,265	481,413	81,852
Capital outlays	3,882,394	1,061,269	2,821,125
Miscellaneous	11,500	10,138	1,362
	<u>7,075,166</u>	<u>3,968,889</u>	<u>3,106,277</u>
Water Treatment:			
Personal services	450,395	448,246	2,149
Employee benefits	182,926	178,396	4,530
Professional & technical services	100,000	76,531	23,469
Purchased property services	276,500	274,601	1,899
Other purchased services	10,450	2,729	7,721
Supplies	747,250	686,288	60,962
Miscellaneous	51,700	51,376	324
	<u>1,819,221</u>	<u>1,718,167</u>	<u>101,054</u>
Wastewater Treatment and Collection:			
Personal services	491,350	470,674	20,676
Employee benefits	196,259	187,743	8,516
Professional & technical services	85,000	76,713	8,287
Purchased property services	737,550	582,271	155,279
Other purchased services	9,550	4,893	4,657
Supplies	146,000	90,381	55,619
Capital outlays	1,778,210	249,879	1,528,331
Miscellaneous	208,500	210,635	(2,135)
	<u>3,652,419</u>	<u>1,873,189</u>	<u>1,779,230</u>
Industrial Pretreatment:			
Personal services	49,408	49,826	(418)
Employee benefits	18,178	17,918	260
Purchased property services	129,980	120,468	9,512
Other purchased services	600	-	600
Supplies	6,470	1,974	4,496
Miscellaneous	70,000	78,117	(8,117)
	<u>274,636</u>	<u>268,303</u>	<u>6,333</u>
Utility Billing and Collection:			
Personal services	251,766	247,075	4,691
Employee benefits	107,988	107,208	780

CITY OF MISSION, TEXAS*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-22**

Page 3 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Purchased property services	24,900	22,003	2,897
Other purchased services	147,900	146,426	1,474
Supplies	23,500	15,802	7,698
Miscellaneous	3,850	3,809	41
	<u>559,904</u>	<u>542,323</u>	<u>17,581</u>
Organizational Expense:			
Professional & technical services	81,950	9,581	72,369
Purchased property services	12,000	13,375	(1,375)
Other purchased services	232,050	244,071	(12,021)
Capital outlays	944,050	844,050	100,000
Miscellaneous	357,700	312,731	44,969
	<u>1,627,750</u>	<u>1,423,808</u>	<u>203,942</u>
Meter Readers:			
Personal services	265,141	255,374	9,767
Employee benefits	130,966	127,851	3,115
Purchased property services	22,800	22,739	61
Other purchased services	7,500	6,755	745
Supplies	63,700	60,261	3,439
Capital outlays	100,039	100,039	-
Miscellaneous	700	640	60
	<u>590,846</u>	<u>573,659</u>	<u>17,187</u>
Northside Water Treatment Plant:			
Personal services	368,619	350,792	17,827
Employee benefits	154,424	151,065	3,359
Professional & technical services	20,000	14,188	5,812
Purchased property services	402,700	500,860	(98,160)
Other purchased services	4,050	3,784	266
Supplies	1,158,405	1,253,397	(94,992)
Miscellaneous	250,545	200,130	50,415
	<u>2,358,743</u>	<u>2,474,216</u>	<u>(115,473)</u>
2015 TWDB:			
Capital outlays	165,420	90,960	74,460
	<u>165,420</u>	<u>90,960</u>	<u>74,460</u>
Total Operating Expenses	<u>19,104,086</u>	<u>13,849,298</u>	<u>5,254,788</u>

CITY OF MISSION, TEXAS*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-22**

Page 4 of 4

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Nonoperating Expenses:			
Bond interest expense	751,782	671,367	80,415
Bond fiscal charges	4,400	3,050	1,350
Bond principal	2,525,950	2,474,249	51,701
Nonoperating Expenses	3,282,132	3,148,666	133,466
Transfers:			
Transfers in (out)	(4,363,452)	(3,670,488)	692,964
Capital Contributions	250,000	962,369	712,369
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	26,499,670	19,706,083	6,793,587
Change In Net Position (Budgetary Basis)	<u>\$ (1,966,413)</u>	644,681	<u>\$ 2,611,094</u>
Adjustments:			
Current year depreciation of capital assets, not budgeted		(5,337,877)	
Bond principal		2,474,249	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		2,346,197	
		<u>(517,431)</u>	
Change In Net Position (GAAP Basis)		<u>\$ 127,250</u>	

CITY OF MISSION, TEXAS

GOLF COURSE FUND

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-23

Page 1 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Pro shop sales	\$ 60,000	\$ 48,910	\$ (11,090)
Cart and club rental	150,000	194,484	44,484
Pull carts and club rentals	1,000	624	(376)
Food and beverage sales	100,000	81,275	(18,725)
Daily green fees	310,000	351,585	41,585
Trail fees	35,000	34,412	(588)
Juniors' fees	35,000	22,084	(12,916)
Capital fees	39,000	41,266	2,266
Prepaid members	120,000	91,561	(28,439)
Driving range	30,000	33,775	3,775
Miscellaneous income	2,500	247	(2,253)
Operating Revenues	882,500	900,223	17,723
Nonoperating Revenues:			
Gain (loss) on disposal of capital assets	-	(1,591)	(1,591)
Nonoperating Revenues	-	(1,591)	(1,591)
Total Revenues	882,500	898,632	16,132
Operating Expenses:			
Cost of sales-pro shop	57,810	48,153	9,657
Cost of sales-restaurant	59,925	49,775	10,150
Total Cost of Sales	117,735	97,928	19,807
Golf Course Operation:			
Club House:			
Personal services	265,431	208,472	56,959
Employee benefits	94,904	76,264	18,640
Purchased property services	134,000	118,146	15,854
Other purchased services	12,050	9,829	2,221
Supplies	14,800	6,390	8,410
Miscellaneous	390	388	2
	521,575	419,489	102,086
Grounds:			
Personal services	308,490	295,386	13,104
Employee benefits	145,283	131,147	14,136

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-23**

Page 2 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Purchased property services	46,500	24,942	21,558
Supplies	154,500	59,140	95,360
	<u>654,773</u>	<u>510,615</u>	<u>144,158</u>
Restaurant:			
Personal services	37,846	30,749	7,097
Employee benefits	8,868	6,029	2,839
Supplies	200	82	118
Miscellaneous	1,075	1,063	12
	<u>47,989</u>	<u>37,923</u>	<u>10,066</u>
Organizational Expense:			
Other purchased services	11,501	11,501	-
Miscellaneous	23,499	24,535	(1,036)
	<u>35,000</u>	<u>36,036</u>	<u>(1,036)</u>
Total Golf Course Operation	<u>1,377,072</u>	<u>1,101,991</u>	<u>275,081</u>
Depreciation	-	224,362	(224,362)
Total Operating Expenses	<u>1,377,072</u>	<u>1,326,353</u>	<u>50,719</u>
Nonoperating Expenses:			
Capital lease interest expense	1,036	919	117
Bond and capital lease principal	48,378	48,378	-
Nonoperating Expenses	<u>49,414</u>	<u>49,297</u>	<u>117</u>
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	<u>1,426,486</u>	<u>1,375,650</u>	<u>50,836</u>
Change In Net Position (Budgetary Basis)	<u>\$ (543,986)</u>	<u>(477,018)</u>	<u>\$ 66,968</u>
Adjustments:			
Bond and capital lease principal		<u>48,378</u>	
		<u>48,378</u>	
Change In Net Position (GAAP Basis)		<u>\$ (428,640)</u>	

CITY OF MISSION, TEXAS*SOLID WASTE**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-24**

Page 1 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Garbage fees	\$ 6,415,000	\$ 6,683,203	\$ 268,203
Brush fees	702,500	779,788	77,288
Roll-off fees	15,000	22,298	7,298
Franchise fees	-	39,063	39,063
Miscellaneous income	3,000	6,528	3,528
Operating Revenues	7,135,500	7,530,880	395,380
Nonoperating Revenues:			
Interest earned	5,000	2,606	(2,394)
Other	26,885	-	(26,885)
Nonoperating Revenues	31,885	2,606	(29,279)
Total Revenues	7,167,385	7,533,486	366,101
Operating Expenses:			
Personal services	1,260,055	1,332,276	(72,221)
Employee benefits	466,679	499,566	(32,887)
Purchase property services	842,848	1,000,627	(157,779)
Other purchased services	68,270	54,996	13,274
Supplies	783,180	628,592	154,588
Capital outlays	374,885	330,581	44,304
Solid waste disposal	456,000	463,662	(7,662)
Landfill-Waste disposal service	800,000	976,493	(176,493)
Landfill charges-Ash Disposal	16,000	8,402	7,598
Landfill charges-Brush	150,000	26,143	123,857
Miscellaneous	157,480	3,648	153,832
	5,375,397	5,324,986	50,411
Total Expenses	5,375,397	5,324,986	50,411
Depreciation	-	668,396	(668,396)
Total Operating Expense	5,375,397	5,993,382	(617,985)

CITY OF MISSION, TEXAS*SOLID WASTE**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2020***EXHIBIT C-24**

Page 2 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Non Operating Expenses:			
Bond interest	22,720	20,915	1,805
Bond fiscal charges	1,100	300	800
Bond principal	800,000	800,000	-
Non-operating Expenses	823,820	821,215	2,605
Transfers:			
Transfers in (out)	(3,650,000)	(3,650,000)	-
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	9,849,217	10,464,597	(615,380)
Change In Net Position (Budgetary Basis)	<u>\$ (2,681,832)</u>	(2,931,111)	<u>\$ (249,279)</u>
Adjustments:			
Bond and capital lease principal		800,000	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		330,581	
		<u>1,130,581</u>	
Change In Net Position (GAAP Basis)		<u>\$ (1,800,530)</u>	

CITY OF MISSION, TEXAS

EVENT CENTER

ENTERPRISE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-25

Page 1 of 2

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Rental revenues	\$ 250,000	\$ 173,273	\$ (76,727)
Beverage sales	60,000	56,141	(3,859)
Miscellaneous income	-	55	55
Operating Revenues	<u>310,000</u>	<u>229,469</u>	<u>(80,531)</u>
Nonoperating Revenues:			
Interest earned	<u>600</u>	<u>-</u>	<u>(600)</u>
Nonoperating Revenues	<u>600</u>	<u>-</u>	<u>(600)</u>
Total Revenues	<u>310,600</u>	<u>229,469</u>	<u>(81,131)</u>
Operating Expenses:			
Personal services	211,520	198,535	12,985
Employee benefits	82,632	83,416	(784)
Purchase property services	203,000	176,125	26,875
Other purchased services	76,900	58,061	18,839
Supplies	56,033	27,877	28,156
Capital outlays	30,000	3,000	27,000
Miscellaneous	<u>65,232</u>	<u>23,130</u>	<u>42,102</u>
	<u>725,317</u>	<u>570,144</u>	<u>155,173</u>
Total Expenses	<u>725,317</u>	<u>570,144</u>	<u>155,173</u>
Depreciation	-	106,342	(106,342)
Total Operating Expense	<u>725,317</u>	<u>676,486</u>	<u>48,831</u>
Transfers:			
Transfers in (out)	<u>415,000</u>	<u>185,000</u>	<u>(230,000)</u>
Capital Contributions	<u>-</u>	<u>238,962</u>	<u>238,962</u>
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	<u>310,317</u>	<u>252,524</u>	<u>57,793</u>
Change In Net Position (Budgetary Basis)	<u>\$ 283</u>	<u>(23,055)</u>	<u>\$ (23,338)</u>

CITY OF MISSION, TEXAS
EVENT CENTER
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Adjustments:			
Amount budgeted as expense per budget basis, capitalized per GAAP basis		3,000	
		3,000	
Change In Net Position (GAAP Basis)		\$ (20,055)	



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*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, 2020 and 2019

	2020	2019
Governmental Funds Capital Assets:		
Land	\$ 40,868,284	\$ 39,914,655
Buildings and structures	37,827,612	37,292,759
Improvements other than buildings	19,779,572	19,723,547
Furniture and equipment	34,419,828	33,674,025
Construction in progress	10,214,735	9,143,453
Infrastructure	123,450,690	121,336,647
	<u>266,560,721</u>	<u>261,085,086</u>
Total Governmental Funds Capital Assets	<u>\$ 266,560,721</u>	<u>\$ 261,085,086</u>
Investment in Governmental Funds Capital Assets by Source:		
General fund revenues	\$ 125,505,454	\$ 125,857,316
Bond funds	55,214,325	55,081,041
Enterprise funds	1,264	1,264
Special funds	33,777,603	30,964,857
Donations	16,152,701	15,245,498
Developers	35,909,374	33,935,110
	<u>266,560,721</u>	<u>261,085,086</u>
Total Governmental Funds Capital Assets	<u>\$ 266,560,721</u>	<u>\$ 261,085,086</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, 2020

<u>Function and Activity:</u>	<u>Governmental Funds Capital Assets September 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets September 30, 2020</u>
General Government	\$ 12,507,104	\$ 4,155,260	\$ 223,381	\$ 16,438,983
Public Safety	35,778,688	1,981,963	4,536,904	33,223,747
Highways and Streets	164,828,650	3,890,786	182,154	168,537,282
Health and Welfare	265,625	82,135	34,619	313,142
Cultural and Recreational	<u>47,705,019</u>	<u>928,044</u>	<u>585,495</u>	<u>48,047,568</u>
Total Governmental Funds Capital Assets	<u><u>\$ 261,085,086</u></u>	<u><u>\$ 11,038,187</u></u>	<u><u>\$ 5,562,553</u></u>	<u><u>\$ 266,560,721</u></u>

CITY OF MISSION, TEXAS
 CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 September 30, 2020

Function and Activity	Land	Buildings and Structures	Improvements Other Than Buildings	Furniture and Equipment	Infrastructure	Construction In Progress	Total
General Government	\$ 7,095,484	\$ 3,712,695	\$ 610,406	\$ 4,979,083	\$ 41,314		\$ 16,438,982
Public Safety	729,497	11,408,007	271,804	20,812,814	1,625		33,223,747
Highways and Streets	31,521,806	124,728	583,315	5,559,522	123,175,763	7,572,148	168,537,282
Health and Welfare		17,406	3,490	292,246			313,142
Cultural and Recreational	<u>1,521,497</u>	<u>22,564,775</u>	<u>18,310,557</u>	<u>2,776,164</u>	<u>231,987</u>	<u>2,642,587</u>	<u>48,047,567</u>
Total Governmental Funds Capital Assets	<u>\$ 40,868,284</u>	<u>\$ 37,827,612</u>	<u>\$ 19,779,572</u>	<u>\$ 34,419,828</u>	<u>\$123,450,690</u>	<u>\$ 10,214,735</u>	<u>\$ 266,560,721</u>



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SUPPLEMENTARY SCHEDULES

CITY OF MISSION, TEXAS
UTILITY FUND
SCHEDULE OF REVENUE BOND COVERAGE
Year Ended September 30, 2020

Operating Revenues	\$ 20,337,048	
Interest Earned by funds Created by the Bond Indenture	<u>26,320</u>	
Gross Revenues Per Bond Ordinance		<u>\$ 20,363,368</u>
Operating Expenses	16,840,978	
Less: Depreciation Expense	<u>(5,337,877)</u>	
Operating Expenses Per Bond Ordinance		<u>11,503,101</u>
Net Revenue Per Bond Ordinance		<u>\$ 8,860,267</u>
Average Annual Debt Service Requirements		<u>\$ 2,749,022</u>
Succeeding Fiscal Year Debt Service Requirement		<u>\$ 3,166,035</u>
Required Coverage Ratio		<u>110% & 125%</u>
Calculated Coverage Ratio		
A) Based upon Average Annual Debt Service Requirements		<u>322%</u>
B) Based upon Succeeding Fiscal Year Debt Service Requirements		<u>280%</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, 2020

	Interest and Sinking Cash	Waterworks and Sewer Construction Cash	Reserve Cash	Total
Cash	\$ 295,996	\$ 850,618	\$ 489,458	\$ 1,636,072
Investments	651,534	629,880	93,207	1,374,621
Due From (To) other funds	<u>250,000</u>	<u>100,000</u>	<u>60,577</u>	<u>410,577</u>
Cash and investments				
September 30, 2019	<u>\$ 1,197,530</u>	<u>\$ 1,580,498</u>	<u>\$ 643,242</u>	<u>\$ 3,421,271</u>
Cash receipts:				
Transfer from operating cash	3,354,015	-	-	3,354,015
Interest received	<u>10,979</u>	<u>14,492</u>	<u>849</u>	<u>26,320</u>
Total cash receipts	<u>3,364,993</u>	<u>14,492</u>	<u>849</u>	<u>3,380,335</u>
Total cash and investments available	<u>4,562,524</u>	<u>1,594,990</u>	<u>644,092</u>	<u>6,801,606</u>
Cash disbursements:				
Principal payments	2,430,000	-	-	2,430,000
Interest and fiscal charges	<u>727,518</u>	<u>-</u>	<u>-</u>	<u>727,518</u>
Transfer to				
other I&S accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash disbursements	<u>3,157,518</u>	<u>-</u>	<u>-</u>	<u>3,157,518</u>
Cash and investments,				
September 30, 2019	<u>\$ 1,405,006</u>	<u>\$ 1,594,990</u>	<u>\$ 644,092</u>	<u>\$ 3,644,088</u>
Total Cash and investments				
Restricted at September 30, 2020				
is composed of the following:				
Cash and cash				
equivalents	\$ 508,091	\$ 299,875	\$ 489,458	\$ 1,297,423
Investments	896,915	1,047,116	342,056	2,286,087
Due From (To) other funds	<u>-</u>	<u>248,000</u>	<u>(187,423)</u>	<u>60,577</u>
Total	<u>\$ 1,405,006</u>	<u>\$ 1,594,990</u>	<u>\$ 644,092</u>	<u>\$ 3,644,088</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	195
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed overtime.	
Revenue Capacity	202
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	206
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	211
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	214
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

	2011 ⁽¹⁾	2012	2013 ⁽²⁾	2014 ⁽³⁾	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 110,583,097
Restricted	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	6,270,366
Unrestricted	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)	(10,244,788)
Total governmental activities net position	<u>\$ 96,972,052</u>	<u>\$ 94,058,853</u>	<u>\$ 97,577,169</u>	<u>\$ 97,703,228</u>	<u>\$ 100,580,683</u>	<u>\$ 100,532,051</u>	<u>\$ 106,446,447</u>	<u>\$ 101,779,343</u>	<u>\$ 96,847,938</u>	<u>\$ 106,608,675</u>
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 65,785,703
Restricted	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	2,928,340
Unrestricted	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)	(3,185,811)
Total business-type activities net position	<u>\$ 72,809,619</u>	<u>\$ 73,644,022</u>	<u>\$ 71,115,988</u>	<u>\$ 68,872,567</u>	<u>\$ 67,712,324</u>	<u>\$ 69,531,449</u>	<u>\$ 68,774,915</u>	<u>\$ 67,617,879</u>	<u>\$ 67,782,437</u>	<u>\$ 65,528,232</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 176,368,800
Restricted	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	9,198,706
Unrestricted	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)	(13,430,599)
Total primary government net position	<u>\$ 169,781,671</u>	<u>\$ 167,702,875</u>	<u>\$ 168,693,157</u>	<u>\$ 166,575,796</u>	<u>\$ 168,293,007</u>	<u>\$ 170,063,500</u>	<u>\$ 175,221,362</u>	<u>\$ 169,397,222</u>	<u>\$ 164,630,375</u>	<u>\$ 172,136,907</u>

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

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

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

**City of Mission
Changes in Net Position
Last Ten Fiscal Years**

	2011	2012	2013 (1)	2014 (2)	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 18,279,601
Public Safety	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	19,694,004
Highways and streets	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	9,345,196
Health and welfare	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	738,842
Economic development	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	5,980,468
Culture and recreation	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	6,629,959
Interest on long-term debt	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	1,905,623
Total governmental activities expenses	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	62,573,693
Business-type Activities										
Utility system	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	17,547,913
Golf course operations	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	1,332,422
Solid waste operations	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	5,693,262
Event Center	-	-	-	-	-	-	-	-	-	675,398
Total business-type activities expenses	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	25,248,995
Total primary government expenses	<u>\$ 67,352,670</u>	<u>\$ 71,668,329</u>	<u>\$ 74,720,237</u>	<u>\$ 78,210,938</u>	<u>\$ 73,092,467</u>	<u>\$ 77,985,091</u>	<u>\$ 81,033,469</u>	<u>\$ 83,195,846</u>	<u>\$ 88,839,951</u>	<u>\$ 87,822,688</u>
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 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	\$ 2,364,810
Public Safety	105,723	83,142	67,164	118,310	61,898	106,985	62,576	67,321	71,984	71,085
Highways and streets	644,298	541,497	682,323	884,355	902,318	918,844	935,777	943,562	968,018	993,301
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and welfare	134,981	235,708	153,223	237,738	225,047	263,320	221,780	298,306	396,260	248,360
Culture and recreation	306,294	337,112	328,626	371,962	554,618	413,331	384,671	557,152	736,090	130,663
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	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	15,645,612
Capital grants and contributions	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	5,740,384
Total governmental activities program revenues	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	25,194,215
Business-type activities										
Charges for services										
Utility system	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	20,258,346
Golf course operation	1,137,503	1,080,635	1,031,598	909,563	874,434	900,914	900,432	848,699	905,298	899,977
Solid waste operation	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	7,524,352
Event Center	-	-	-	-	-	-	-	-	-	229,469
Operating grants and contributions	17,397	14,463	13,216	24,921	13,587	12,082	73,923	57,968	28,863	26,835
Capital grants and contributions	3,157,395	393,825	483,302	836,355	324,385	924,694	893,581	176,592	1,085,961	1,201,331
Total business-type activities program revenues	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	30,140,310
Total primary government program revenues	<u>\$ 37,699,808</u>	<u>\$ 36,716,142</u>	<u>\$ 40,473,866</u>	<u>\$ 40,893,361</u>	<u>\$ 39,763,698</u>	<u>\$ 44,602,994</u>	<u>\$ 50,072,280</u>	<u>\$ 44,941,784</u>	<u>\$ 46,656,875</u>	<u>\$ 55,334,525</u>

	2011	2012	2013 (1)	2014 (2)	2015	2016	2017	2018	2019	2020
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (37,379,478)
Business-type activities	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	4,891,315
Total primary government net expense	<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>	<u>\$ (32,488,163)</u>
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	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	23,164,868
Sales taxes	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	12,837,891
Franchise taxes	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	2,740,250
Hotel/motel taxes	496,759	537,574	577,711	650,142	748,812	685,834	528,962	412,047	488,269	448,409
Alcoholic beverage taxes	78,066	73,518	69,167	48,018	36,258	31,131	21,983	24,518	31,804	27,074
Shared revenue-tax increment zone	1,395,342	201,902	274,030	520,000	210,674	239,545	755,307	762,620	259,765	288,385
Unrestricted grants and contributions	-	2	-	724	-	-	-	-	-	-
Investment earnings	41,545	54,703	66,153	99,730	101,357	97,218	102,977	125,138	109,853	65,963
Miscellaneous	965,999	18,122	2,586,583	667,816	643,372	385,199	406,755	628,185	426,299	348,483
Special item	-	-	-	-	-	-	-	-	-	-
Transfers	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	7,135,488
Total governmental activities	<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>	<u>47,056,811</u>
Business-type activities										
Investment earnings	16,782	34,678	50,944	77,145	81,229	77,203	62,283	86,804	59,180	11,357
Miscellaneous	107,065	218,534	52,061	90,774	74,346	110,242	32,074	30,060	115,811	62,015
Transfers	(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)	(7,135,488)
Total business-type activities	<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>	<u>(7,062,116)</u>
Total primary government	<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>	<u>\$ 39,994,695</u>
Change in Net Position										
Governmental activities	\$ 701,683	\$ (2,913,199)	\$ 3,518,316	\$ 126,058	\$ 2,877,454	\$ (48,630)	\$ 5,914,396	\$ (1,096,866)	\$ (4,554,820)	\$ 9,677,333
Business-type activities	3,522,389	834,403	(2,528,034)	(2,243,420)	(1,160,244)	1,819,124	(756,532)	(284,708)	164,561	(2,170,801)
Total primary government	<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>	<u>\$ 7,506,532</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
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
2020	\$ 23,164,868	\$ 12,837,891	\$ 2,740,250	\$ 448,409	\$ 27,074	\$ 39,218,492

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

	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL FUND										
Pre GASB 54										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Total Pre GASB 54	<u>\$ -</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	\$ 20,541
Inventory	713	885	796	1,332	500	826	1,067	33,552	27,702	25,483
Prepaid	9,079	16,380	12,795	14,336	16,290	23,750	41,194	23,025	74,134	69,063
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	1,669,633
Funds assigned for asset replacement	95,006	175,221	5,589	85,909	6,000	86,250	68,093	68,331	66,232	145,349
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)	747,834
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	5,168,125
Total Post GASB 54	<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>	<u>\$ 7,846,028</u>
ALL OTHER GOVERNMENTAL FUNDS										
Pre GASB 54										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Total Pre GASB 54	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Post GASB 54										
Nonspendable										
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,619	\$ -
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	\$ 8,926,808
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	912,571
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	806,865
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	417,483
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	280,772
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	1,494,295
Scholarships and Books	25,453	25,594	25,703	25,799	25,826	25,826	25,972	26,256	27,250	27,477
Tourism	437,435	412,953	319,997	539,027	849,426	1,068,442	1,163,835	799,251	628,708	493,259
Perpetual Care	33,839	37,541	46,572	45,074	52,487	35,335	36,374	39,203	44,617	49,056
Records Preservation	9,929	13,016	10,733	8,184	6,918	6,850	9,157	8,344	10,039	5,795
PEG (public, educational, and governmental)	-	-	-	-	-	419,765	515,003	622,170	750,910	771,419
Tax Increment	4,402	3,999	3,818	3,487	3,536	3,554	3,562	3,555	3,555	3,555
Unassigned	-	-	-	-	-	-	-	-	-	(5,577,231)
Total Post GASB 54	<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>	<u>\$ 8,612,124</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 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	\$ 39,093,485
Licenses and permits	643,827	554,324	497,739	573,875	550,463	634,871	555,266	528,545	714,545	738,605
Intergovernmental	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	11,076,767
Charges for services	718,021	905,492	893,511	1,048,380	1,249,275	1,191,107	1,036,163	1,273,238	1,649,023	982,697
Fines	613,174	811,498	814,104	1,016,847	848,264	807,026	832,596	661,650	723,578	585,564
Investment earnings	54,112	57,649	59,252	87,731	90,628	83,949	163,061	135,555	224,665	144,043
Special assessments	531,715	540,032	682,323	884,355	902,318	918,844	935,777	943,562	968,018	993,301
Miscellaneous	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	1,945,438
Total Revenues	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	55,559,900
Expenditures										
General government	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	21,362,993
Public safety	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	19,384,039
Highways and streets	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	5,119,348
Health and Welfare	872,624	1,351,381	960,761	426,376	426,037	459,716	459,447	562,204	607,996	694,299
Economic and physical development	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	5,980,468
Culture and recreation	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	5,508,140
Capital projects	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	1,842,354
Debt service										
Principal	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	3,855,679
Bond issuance costs	-	-	-	-	-	-	-	-	246,686	-
Interest	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	1,925,651
Other charges	5,950	5,950	8,239	5,450	5,650	6,300	5,800	5,350	5,350	6,800
Total expenditures	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	65,679,771
Excess of revenues over (under) expenditures	(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)	(10,119,871)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Transfers in	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	11,051,300
Transfers out	(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)	(3,915,811)
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	-	-	-	-	-	-	-	530,306	-	1,936,647
Sale of capital assets	114,205	259,112	190,027	53,325	-	-	-	-	-	-
Proceeds from sale of assets	-	-	1,184,744	262,322	296,156	153,566	13,060	282,076	17,963	25,794
Total other financing sources (uses)	<u>5,328,441</u>	<u>5,171,621</u>	<u>5,974,771</u>	<u>5,136,662</u>	<u>4,696,157</u>	<u>24,892,337</u>	<u>4,873,060</u>	<u>7,212,381</u>	<u>20,164,648</u>	<u>9,097,930</u>
Special and extraordinary items:										
Special item	-	-	-	-	-	-	-	-	-	-
Total special and extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,571,112)</u>	<u>\$ (2,166,012)</u>	<u>\$ (483,697)</u>	<u>\$ 1,229,411</u>	<u>\$ 143,223</u>	<u>\$ 19,475,758</u>	<u>\$ (18,132,925)</u>	<u>\$ (8,913,533)</u>	<u>\$ 7,246,311</u>	<u>\$ (1,021,941)</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	8.90%	7.90%	7.54%	7.00%	6.94%	6.75%	8.81%	7.95%	9.27%	10.04%

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	Bingo Tax	Franchise Tax	Hotel Occupancy Tax	Alcoholic Beverage Tax	Total
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
2020	22,988,453	12,837,891	51,407	2,740,251	448,409	27,074	39,093,485

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:	Total Taxable	Total	Estimated	Assessed
	Residential Property	Commercial Property	Personal Property	Tax Exempt Real Property	Assessed Value	Direct Tax Rate ¹	Actual Taxable Value ²	Value as a Percentage of Actual Value
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%
2020	1,892,428,537	2,894,056,051	441,989,231	770,066,470	4,458,407,349	0.5212	5,228,473,819	0.85%

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				Drainage Dist. No. 1 Tax Rate	South Texas College Tax Rate	
					Mission ISD Tax Rate	Sharyland ISD Tax Rate	La Joya ISD Tax Rate	South Texas ISD Tax Rate			
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
2019-20	0.4303	0.0909	0.5212	0.5750	1.2396	1.2987	1.3110	0.0492	0.1051	0.1733	5.27

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 2020			Tax Year 2011		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Frontera Generation LTD	\$ 54,735,630	1	1.23%	70,561,190	1	0.02
AEP Texas Central Co	36,397,220	2	0.82%	12,018,590	4	0.37%
Sharyland Retail LTD(641983)	29,717,991	3	0.67%	-	-	-
Bert Ogden Chevrolet	18,654,567	4	0.42%	11,448,981	6	0.35%
Wal-Mart Real Estate Business	18,106,509	5	0.41%	11,658,417	5	0.36%
Royal Technologies Corporation	17,079,352	6	0.38%	-	-	0.00%
Sharyland Utilities LP(930526)	16,513,280	7	0.37%	35,324,260	2	1.09%
Juniper Sharyland LTD	16,000,000	8	0.36%	-	-	0.00%
Royal Technologies Corp.	14,107,380	9	0.32%	-	-	0.00%
Shary Retail LTD(1051882)	13,777,224	10	0.31%	33,940,911	3	1.05%
Halliburton Energy Serv (HS)	-	-	-	10,602,620	8	0.33%
VRS Sharyland LLP	-	-	-	11,076,748	7	0.34%
H E Butt Grocery Company	-	-	-	9,921,039	9	0.31%
Southwestern Bell Telephone	-	-	-	-	-	0.00%
CNMK Texas Properties LTD	-	-	-	9,903,229	10	0.31%
Total	<u>\$ 235,089,153</u>		<u>5.27%</u>	<u>\$ 216,455,985</u>		<u>6.70%</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
2011	17,803,116	16,989,023	95.4%	746,232	17,735,255	99.6%
2012	17,798,270	17,102,655	96.1%	625,290	17,727,945	99.6%
2013	17,835,988	17,194,844	96.4%	562,576	17,757,420	99.6%
2014	18,585,075	17,937,794	96.5%	563,508	18,501,302	99.5%
2015	18,689,445	18,034,797	96.5%	552,247	18,587,044	99.5%
2016	19,097,947	18,465,405	96.7%	502,706	18,968,111	99.3%
2017	20,104,913	19,358,866	96.3%	556,532	19,915,398	99.1%
2018	19,976,560	19,370,557	97.0%	367,773	19,738,330	98.8%
2019	20,411,954	19,757,581	96.8%	273,716	20,031,297	98.1%
2020	22,947,927	22,069,269	96.2%	-	22,069,269	96.2%

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 Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	General Obligation Bonds	Capital Leases			
2011	30,348,323	96,000	70,484	32,089,427	-	113,252	62,717,486	0.37%	814
2012	30,982,042	24,000	24,719	31,659,650	-	40,730	62,731,141	0.35%	790
2013	28,877,394	-	-	30,142,873	-	41,282	59,061,549	0.32%	734
2014	27,903,296	-	-	29,032,906	4,880,000	28,762	61,844,964	0.33%	763
2015	25,758,810	-	-	26,861,210	4,675,000	15,644	57,310,664	0.29%	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
2020	43,111,570	-	3,881,997	30,289,623	815,000	1,094,425	79,192,615	0.34%	898

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⁾
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
2020	43,926,570	806,865	815,000	42,304,705	0.95%	479.70

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, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Hidalgo County	\$ 366,620,000	11.31%	\$ 41,464,722
Hidalgo County Drainage District #1	172,350,000	11.80%	20,337,300
Hidalgo Independent School District	27,314,000	0.09%	24,583
La Joya Independent School District	234,777,680 ⁽¹⁾	14.90%	34,981,874
Mission Consolidated Independent School District	113,468,000 ⁽¹⁾	71.67%	81,322,516
Sharyland Independent School District	97,290,000 ⁽¹⁾	60.04%	58,412,916
South Texas College District	128,814,693	10.63%	13,693,002
Subtotal Overlapping Debt			<u>\$ 250,236,912</u>
Anzualdua Bridge	3,840,774	100.00%	3,840,774
City of Mission	46,993,567	100.00%	46,993,567
Total Direct and Overlapping Debt			<u><u>\$ 301,071,253</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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 222,920,367
Total net debt applicable to limit	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	42,304,705
Legal debt margin	<u>\$ 132,394,710</u>	<u>\$ 136,352,563</u>	<u>\$ 143,135,372</u>	<u>\$ 150,202,098</u>	<u>\$ 153,696,610</u>	<u>\$ 150,900,636</u>	<u>\$ 164,463,498</u>	<u>\$ 169,449,466</u>	<u>\$ 164,463,686</u>	<u>\$ 180,615,662</u>
Total net debt applicable to the limit as a percentage of debt limit	18.09%	17.87%	15.96%	14.68%	13.18%	21.49%	19.37%	18.03%	22.14%	18.98%

Legal Debt Margin Calculation for Fiscal Year

Assessed value	\$ 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	\$ 4,458,407,349
Add back: exempt real property	-	-	-	-	-	-	-	-	-	-
Total assessed value	<u>\$ 3,232,561,565</u>	<u>\$ 3,320,390,575</u>	<u>\$ 3,540,518,418</u>	<u>\$ 3,520,791,142</u>	<u>\$ 3,540,518,418</u>	<u>\$ 3,844,000,757</u>	<u>\$ 4,079,416,450</u>	<u>\$ 4,134,332,814</u>	<u>\$ 4,224,845,048</u>	<u>\$ 4,458,407,349</u>
Debt limit (5% of total assessed value)	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	222,920,367
Debt applicable to limit:										
General obligation bonds	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	43,926,570
Less: Amount set aside for repayment of general obligation debt	(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)	(806,865)
Less: Business-type general obligations	-	-	-	(4,880,000)	(4,675,000)	(3,930,000)	(3,170,000)	(2,400,000)	(1,615,000)	(815,000)
Total net debt applicable to limit	<u>29,233,368</u>	<u>29,666,966</u>	<u>27,188,961</u>	<u>25,837,459</u>	<u>23,329,311</u>	<u>41,299,402</u>	<u>39,507,325</u>	<u>37,267,175</u>	<u>46,778,566</u>	<u>42,304,705</u>
Legal debt margin	<u>\$ 132,394,710</u>	<u>\$ 136,352,563</u>	<u>\$ 143,135,372</u>	<u>\$ 150,202,098</u>	<u>\$ 153,696,610</u>	<u>\$ 150,900,636</u>	<u>\$ 164,463,498</u>	<u>\$ 169,449,466</u>	<u>\$ 164,463,686</u>	<u>\$ 180,615,662</u>

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	
2011	17,530,504	9,422,969	8,107,535	2,056,000	1,339,718	2.39%
2012	17,754,118	10,004,211	7,749,907	1,856,000	1,265,272	2.48%
2013	18,053,516	10,087,267	7,966,249	1,933,000	1,192,441	2.55%
2014	19,289,418	10,112,569	9,176,849	2,000,000	1,115,474	2.95%
2015	17,748,586	10,453,361	7,295,225	2,091,000	888,111	2.45%
2016	21,047,816	10,556,595	10,491,221	2,360,000	792,799	3.33%
2017	19,119,210	11,481,589	7,637,621	2,755,000	869,530	2.11%
2018	21,778,460	10,511,723	11,266,737	2,325,000	833,553	3.57%
2019	20,537,925	10,919,007	9,618,918	2,370,000	784,803	3.05%
2020	20,363,368	11,503,101	8,860,267	2,430,000	724,468	2.81%

(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⁾ Personal Income	MSA⁽²⁾ Capita Personal Income	Median Age ⁽¹⁾	Percentage High School Graduates ⁽³⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
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%
2020	88,189	23,358,239,863	26,634	32.2	87.5	25,611	12.10%

(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	2020⁽¹⁾			2011⁽¹⁾		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mission CISD	2,378	1	3.25%	2,150	1	3.52%
Sharyland ISD	1,726	2	2.36%	1,175	2	1.93%
Mission Regional Medical Center	891	3	1.22%	1,168	3	1.91%
T-Mobile	842	4	1.15%	820	4	1.34%
City of Mission	732	5	1.00%	610	6	1.00%
H.E.B.	668	6	0.91%	663	5	1.09%
Wal-Mart Super Center	423	7	0.58%	332	7	0.54%
Home Depot	210	8	0.29%	165	9	0.27%
Royal Technologies	194	9	0.27%			
Target	173	10	0.24%	156	10	0.26%
Haliburton Energy Services				192	8	0.31%
Total	<u>8,237</u>		<u>11.25%</u>	<u>7,431</u>		<u>12.18%</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	77	77	76	82	87	89	90	99	102	96
Public Safety										
Police										
Officers	140	146	146	146	146	149	157	157	157	164
Civilians	53	53	51	50	50	46	46	50	50	50
Fire										
Firefighters and Officers	66	67	67	67	67	67	67	67	77	78
Civilians	8	7	7	7	7	7	7	7	7	7
Highways and Streets										
Streets	33	32	32	32	32	32	37	37	36	37
Health and Welfare										
Health	7	8	8	8	8	8	9	11	12	12
Culture and recreation										
Aquatics	3	2	3	2	2	2	0	0	0	0
Mayberry Pool	0	0	0	0	0	0	2	2	1	1
Bannworth Pool	0	0	0	0	0	0	1	1	1	1
Museum	4	4	4	5	5	5	5	5	5	5
Parks and Recreation	45	45	44	45	45	52	52	52	50	50
Library	22	21	19	19	19	19	18	19	17	18
Golf Course	17	17	17	17	17	15	15	15	14	14
Event Center ⁽²⁾	0	0	0	0	0	0	0	0	0	6
Sanitation										
Water distribution	87	86	88	87	87	88	90	90	92	92
Wastewater	12	15	13	14	14	13	13	13	14	14
Solid Waste ⁽¹⁾	-	-	-	17	17	19	19	22	26	29
Community Development	4	3	3	3	3	3	3	3	3	3
Total	578	583	578	601	606	614	631	650	664	677

Source: City of Mission Finance Department-Budget Office.

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

(2) Event Center became an enterprise fund in FY2020

City of Mission
Operating Indicators by Function
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Physical arrests	3,000	4,305	4,079	3,632	3,050	3,135	3,998	2,538	1,929	2,352
Parking Violation	35	75	55	29	75	45	23	17	30	25
Traffic Violations	12,970	13,685	8,093	12,071	19,882	12,112	10,601	9,118	6,909	6,405
Fire										
Number of calls answered	2,738	3,239	2,818	3,715	3,888	3,636	3,557	3,657	3,635	3,111
Inspections	2,154	1,803	2,599	1,773	2,116	2,474	1,343	2,205	1,860	1,195
Highways and Streets										
Streets resurfacing (miles)	4.240	5.530	5.130	6.070	10.110	4.860	7.100	13.600	3.794	2.281
Potholes repaired	6,710	15,783	21,122	30,911	23,898	21,031	14,939	13,587	13,859	8,049
Sanitation										
Refuse collected (tons/day) ⁽¹⁾	176	218	225	377	443	451	521	509	227	245
Recyclables collected (tons/day)	0.26	0.26	0.24	0.27	0.34	0.44	0.38	0.38	0.78	0.53
Culture and recreation										
Golf Course										
Rounds	59,162	54,056	60,306	46,388	36,971	46,477	46,709	42,227	46,004	44,362
Recreation										
Programs	32	32	37	31	22	14	17	17	19	3*
Parks Maintained	25	25	25	25	25	25	25	25	25	25
Water										
New connections (year)	512	370	353	297	486	398	393	407	464	417
Water mains breaks (year)	452	507	395	463	344	258	198	161	187	281
Average daily consumption (millions of gallons)	13.63	12.63	13.02	12.56	10.62	12.42	14.25	12.94	12.65	13.59
Wastewater										
Average daily sewage treatment	6.32	6.68	7.09	7.19	7.42	7.39	7.14	7.46	7.53	7.82

Sources: Various City departments.

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

(*) 2020 Programs affected by COVID-19.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Public Safety										
Police Protection										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	100	111	111	111	111	111	112	114	115	121
Fire Protection										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Highways and Streets										
Streets (miles)	554.20	555.66	560.79	387.14	387.45	389.06	396.44	396.79	399.02	400.21
Number of Streetlights	4,945	4,473	4,158	4,261	4,281	4,332	4,367	4,411	4,480	4,494
Culture and recreation										
Parks acreage	419	419	419	419	419	419	235	235	235	235
Parks	25	25	25	25	25	25	25	25	25	25
Swimming pools	2	3	3	3	3	2	2	2	2	2
Tennis Courts	4	4	9	9	9	9	9	9	22	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)	436.35	442.21	457.45	460.79	459.23	461.33	454.35	464.78	468.03	470.22
Fire hydrants	2,496	2,784	2,803	2,813	2,820	2,835	2,849	2,854	2,880	2,900
Number of Service connections	24,734	25,157	25,510	25,807	26,293	26,713	27,072	27,500	27,936	28,440
Number of Gallons Sold (in millions)	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	4,312.03
Daily Average Consumption (gallons) ⁽¹⁾	12.37	12.81	13.27	11.80	9.89	10.88	12.80	11.89	10.83	11.81
Sewer										
Number of Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	328.70	328.71	356.75	357.77	358.14	359.99	362.3	362.33	365.2	367.38
Number of Service connections	22,110	22,439	22,815	23,028	23,437	23,871	24,222	24,571	25,969	25,449
Storm sewers (miles)	118.99	121.16	145.03	145.92	146.02	146.79	148.07	148.1	149.75	151.07
Daily average treatment in gallons ⁽¹⁾	6.60	6.70	7.10	7.20	7.40	7.40	7.10	7.50	7.50	7.82
Maximum daily treatment capacity ⁽¹⁾	7.87	8.60	9.18	12.00	9.98	11.90	9.28	14.46	10.30	13.78

Source: City departments.

(1) Amount is in millions.

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



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