

City of Mission



Annual Comprehensive Financial Report For Fiscal Year Ended September 30, 2021

City of Mission, Texas

CITY OF MISSION, TEXAS

Annual Comprehensive Financial Report

*For Fiscal Year Ended
September 30, 2021*

*Prepared By:
Finance Department*

MISSION CITY COUNCIL



Dr. Armando O'Cana
Mayor



Jessica Ortega-Ochoa
Mayor Pro Tem



Norie Gonzalez Garza
Council Member



Jose Alberto Vela
Council Member



Ruben Plata
Council Member

CITY OF MISSION, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended September 30, 2021

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INTRODUCTORY SECTION



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CITY OF MISSION

"Home of the Grapefruit"

May 6, 2022

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

The Annual Comprehensive Financial Report of the City of Mission, Texas (the City) for the fiscal year ended September 30, 2021, 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, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' 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 auditors' 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 36.17 square miles. The City's population has grown since the 2010 census from 77,058 to 85,450 as per the 2021 census, an increase of 10%. 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.

The City of Mission has experienced significant economic growth and investment over the past 10 years. More than \$746 million in residential and commercial development have been completed or are in various phases throughout the City. Despite the increase in commercial and residential development, there was an increase in the City of Mission unemployment rate due to the Covid-19 pandemic. According to the Texas Labor Market Information website, the City’s unemployment rate increased from 7.7 % to 12.5% as of November 2021.

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 5,066 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 2020-2021 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 \$6.9 million in State and Federal Grants for housing, public safety services and equipment, park improvements, homeless prevention programs, and education programs.
- Ten new homes were reconstructed and three home was rehabilitated by the CDBG housing program during the year and eleven were approved towards the end of the fiscal year to be constructed in the FY 2022.
- Continued Phase III of the Taylor Road Expansion Project. This project will be funded through an inter-local agreement with City of Mission, City of McAllen, and Hidalgo County.
- Continued the design, engineering and planning work for the interconnecting roadways for the future Inspiration Road/Military Parkway Loop.
- Continued Library and Museum roof renovation projects.
- Continued the design for a Lions Park all-inclusive park renovation.
- Continued a sewer/water line improvement project on Conway.
- Continued Phase II of the Wastewater Treatment Plant Expansion Project

- Commenced the design for the Police and Fire substation in the southwest section of the city.
- Completed drainage improvement on Erma Street.
- Entered into an agreement with Texas Veterans Land Board, to oversee daily operations at local Veterans Cemetery.
- Prioritize community needs during the Covid-19 pandemic to utilize federal relief funds.

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

Major Initiatives For Fiscal Year 2021-2022

- 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. Eleven 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.
- Finalized and go live with the planning 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 engineering and design of the international Madero Bridge Project.
- Commence the Bentsen Palm Development Phase III project.
- Commence construction for Police and Fire substation in the southwest section of the city.
- Commence a vaccine incentive program to Mission Programs.

LONG-TERM FINANCIAL PLANNING

The City adopted a Fund Balance Policy on June 27, 2011 requiring the General Fund Unrestricted Fund Balance maintain a minimum of two (2) months of operating expenditures. Unrestricted Fund Balance is composed of unassigned, committed, and assigned net assets. The City did not meet this requirement at year-end with an ending Unrestricted Fund Balance of \$7,318,666.

The City's FY 2021 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 annual comprehensive financial report for the fiscal year ended September 30, 2020. This is the twentieth 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 annual comprehensive 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 annual comprehensive 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF MISSION, TEXAS

List of Principal Officials Year Ended September 30, 2021

CITY OFFICIALS

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

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

CITY ADMINISTRATION

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

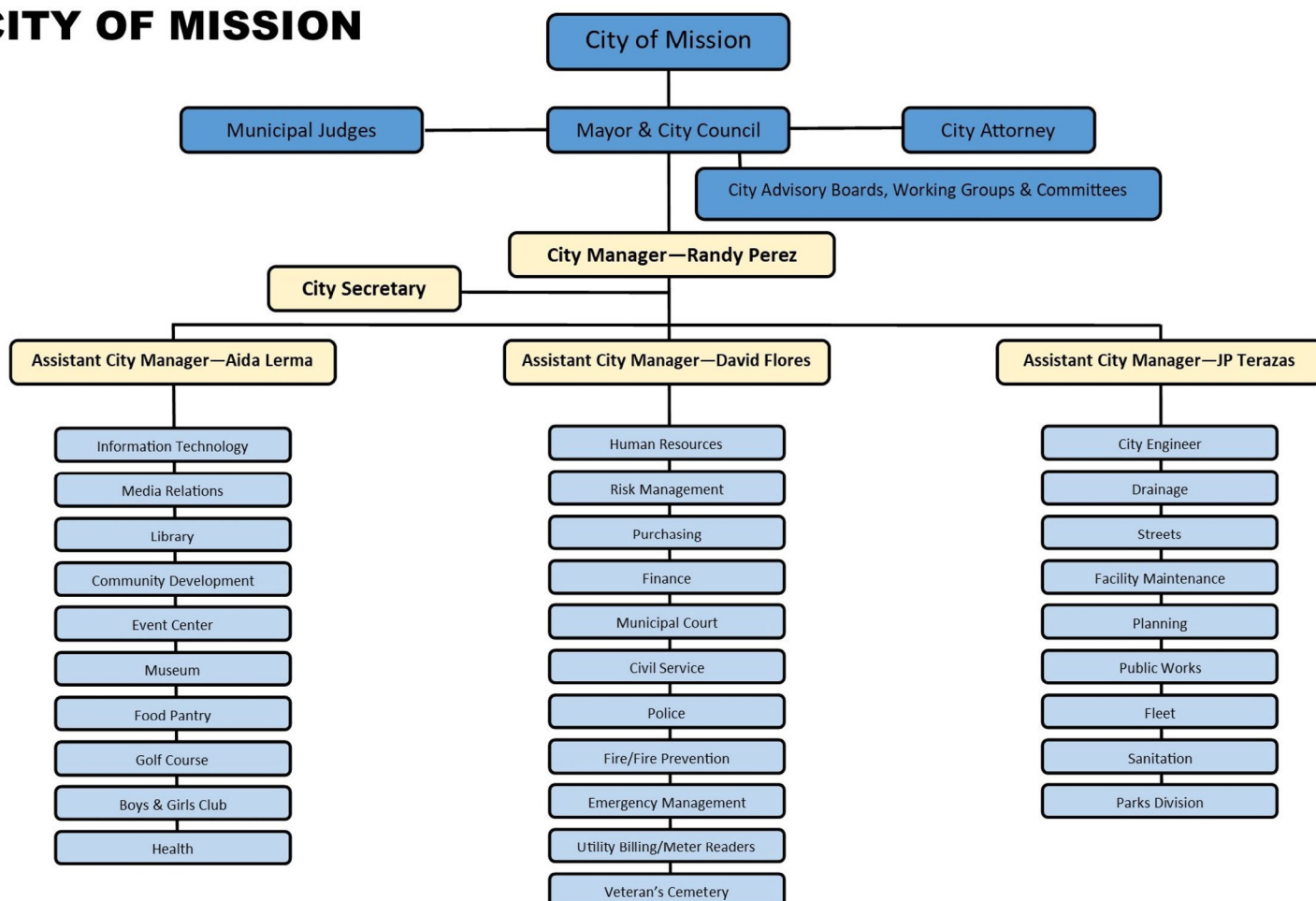
*Randy Perez
Aida Lerma
David Flores
Juan Pablo Terrazas
Anna Carrillo
Angie Vela
Ezeiza Garcia
Gus Martinez
Ricardo Venecia
Joanne Longoria
Jesse Lerma
Gilbert Sanchez
J.C. Avila
Mario Flores
Noel Barrera
Noemi Munguia
Roland Rodriguez
Mayra Rocha
Jonathan Wehrmeister
Cynthia Lopez
Brad Bentsen
Susie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

OFFICIALS ISSUING REPORT

*Angie Vela
Finance Director*



CITY OF MISSION



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements 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 (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the 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, 21, 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.

We did not audit the financial statements of the Mission Redevelopment Authority, which is a discretely presented component unit. 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 Mission Redevelopment Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mission, Texas, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mission, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Mission, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mission, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, is the responsibility of management and, 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 Supplementary Information, Capital Assets Used in the Operation of Governmental Funds Section, and the Supplemental Schedules

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was 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.

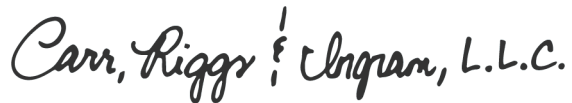
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2022, 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

McAllen, Texas
May 6, 2022

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, 2021. 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 \$183,525,361 (net position).
- The City's total net position increased by \$11,388,455. Governmental activities contributed an increase of \$12,439,585 while the Business-type activities contributed a decrease of \$1,051,130. Total revenues reflect an increase of 11.6% and total expenses reflect a decrease of 8.19% 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 \$41,557,150, a \$25,098,999 increase in comparison to prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,881,097, a decrease of \$3,287,028 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 31 to 33 of this report.

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

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

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

The City of Mission maintains twenty-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 2021 CO Capital Projects 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 144 of this report.

The City of Mission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 34-35 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 39-41 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 44-45 of this report.

Notes to the financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46-111 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 115-138 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 144 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 \$183,525,361 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2021.

City of Mission Net Position September 30, 2021						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 60,945,309	\$ 32,044,017	\$ 20,340,273	\$ 8,823,389	\$ 81,285,582	\$ 40,867,406
Capital assets	150,094,661	147,585,899	102,263,220	97,734,218	252,357,881	245,320,117
Total assets	211,039,970	179,629,916	122,603,493	106,557,607	333,643,463	286,187,523
Total deferred outflows of resources	3,355,705	3,402,138	917,953	1,008,174	4,273,658	4,410,312
Long-term liabilities	85,091,106	64,642,828	48,578,879	34,983,048	133,669,985	99,625,876
Other liabilities	6,997,557	8,254,158	9,806,574	6,271,491	16,804,131	14,525,649
Total liabilities	92,088,663	72,896,986	58,385,453	41,254,539	150,474,116	114,151,525
Total deferred inflows of resources	3,258,752	3,526,393	658,892	783,010	3,917,644	4,309,403
Net position						
Net investment in capital assets	111,809,778	110,583,097	71,512,801	65,785,703	183,322,579	176,368,800
Restricted	15,467,499	6,270,366	4,455,077	2,928,340	19,922,576	9,198,706
Unrestricted (deficit)	(8,229,017)	(10,244,788)	(11,490,777)	(3,185,811)	(19,719,794)	(13,430,599)
Total net position	\$ 119,048,260	\$ 106,608,675	\$ 64,477,101	\$ 65,528,232	\$ 183,525,361	\$ 172,136,907

By far, the largest portion of the City's net position (99.9%) 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 \$11,388,455 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 \$12,439,585 from the prior fiscal year for an ending balance of \$119,048,260.

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 most was expensed in FY19-20 but continue in FY 20-21.

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, 2021.

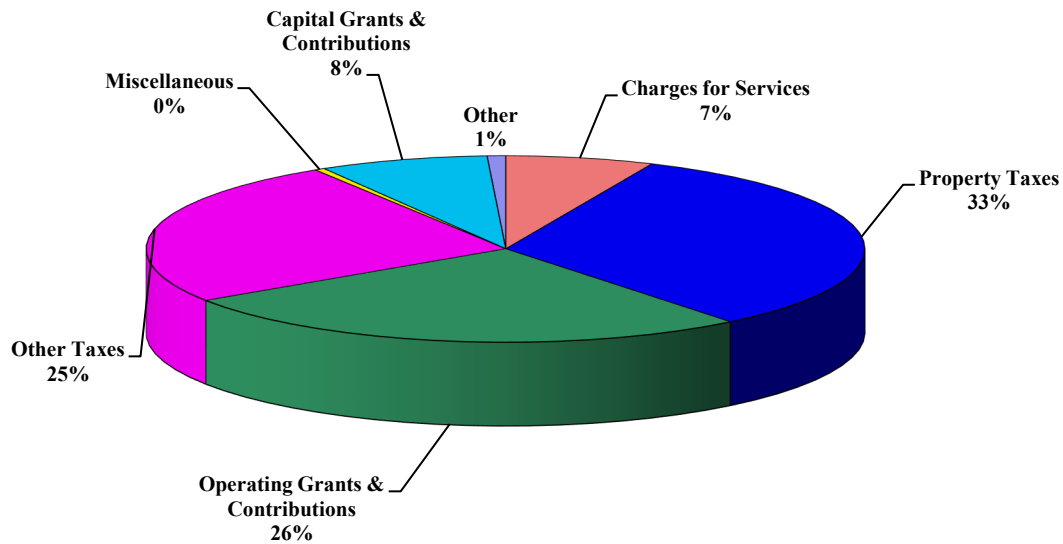
City of Mission
Changes in Net Position
September 30, 2021

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 5,049,550	\$ 3,808,219	\$ 29,267,774	\$ 28,912,144	\$ 34,317,324	\$ 32,720,363
Operating grants and contributions	19,955,799	15,645,612	29,474	26,835	19,985,273	15,672,447
Capital grants and contributions	5,764,197	5,740,384	1,451,375	1,201,331	7,215,572	6,941,715
General revenues:						
Property taxes	24,671,028	23,164,868	-	-	24,671,028	23,164,868
Other taxes	19,252,665	16,053,624	-	-	19,252,665	16,053,624
Other	339,380	354,348	(3,485)	73,372	335,895	427,720
Miscellaneous	629,781	348,483			629,781	348,483
Total revenues	<u>75,662,400</u>	<u>65,115,538</u>	<u>30,745,138</u>	<u>30,000,133</u>	<u>106,407,538</u>	<u>95,329,220</u>
Expenses:						
General government	13,761,832	18,279,601	-	-	13,761,832	18,279,601
Public safety	29,052,134	19,694,004	-	-	29,052,134	19,694,004
Highways and streets	9,218,394	9,345,196	-	-	9,218,394	9,345,196
Economic development	6,621,431	5,980,468	-	-	6,621,431	5,980,468
Culture and recreation	7,102,955	6,629,959	-	-	7,102,955	6,629,959
Health and welfare	1,016,751	738,842	-	-	1,016,751	738,842
Interest on long-term debt	2,399,062	1,905,623	-	-	2,399,062	1,905,623
Utility	-	-	17,995,692	17,547,913	17,995,692	17,547,913
Golf course	-	-	1,416,473	1,332,422	1,416,473	1,332,422
Solid waste	-	-	5,849,420	5,693,262	5,849,420	5,693,262
Event Center	-	-	584,939	675,398	584,939	675,398
Total expenses	<u>69,172,559</u>	<u>62,573,693</u>	<u>25,846,524</u>	<u>25,248,995</u>	<u>95,019,083</u>	<u>87,822,688</u>
Increases(decreases) in net position before transfers	6,489,841	2,541,845	4,898,614	4,964,687	11,388,455	7,506,532
Transfers	5,949,744	7,135,488	(5,949,744)	(7,135,488)	-	-
Changes in net position	12,439,585	9,677,333	(1,051,130)	(2,170,801)	11,388,455	7,506,532
Net position - 10/01/20	106,608,675	96,931,342	65,528,231	67,699,033	172,136,906	164,630,374
Net position - 09/30/21	<u>\$ 119,048,260</u>	<u>\$ 106,608,674</u>	<u>\$ 64,477,101</u>	<u>\$ 65,528,232</u>	<u>\$ 183,525,361</u>	<u>\$ 172,136,907</u>

Total revenues generated from governmental activities for this year were \$75,662,400 reflecting a \$10,546,862 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:

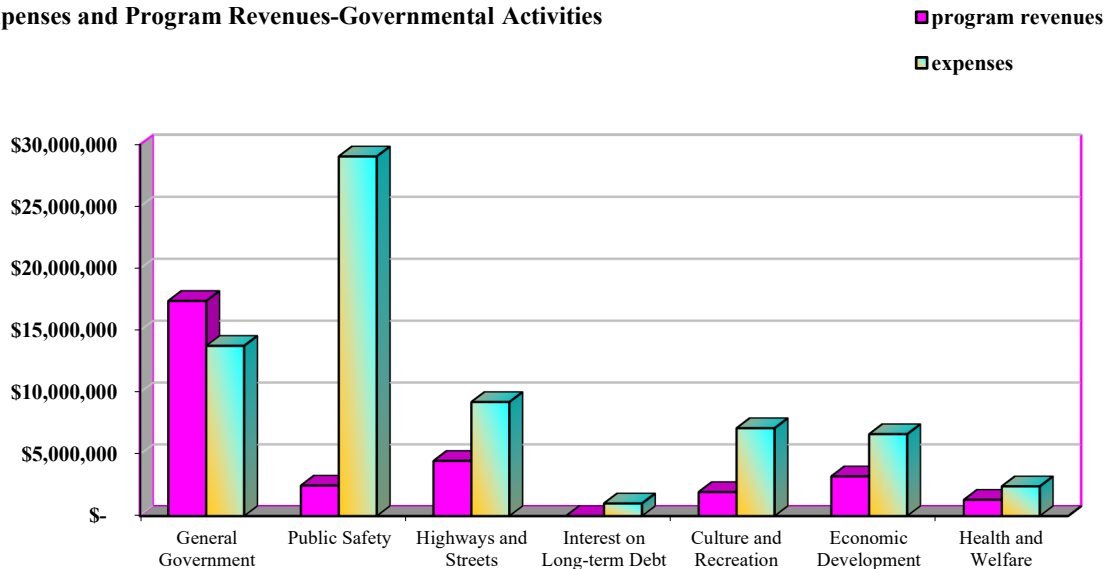
- Charges for services increased by \$1,241,331 from prior year due to post pandemic, while the operating grants and contributions increased by \$4,310,187 compared to prior year, due to the CARES Act Relief funding received from Hidalgo County in current year.
- Property taxes increased by 1,506,160 compared to prior year. For fiscal year 20-21 City increased property tax rate by 0.0087.

Revenues by Source-Governmental Activities



The following graph displays the portion of expenses funded by program revenues. Overall, general tax revenues funded approximately 59% of total expenses for fiscal year 2021.

Expenses and Program Revenues-Governmental Activities



Total expenses from governmental activities for this year were \$69,172,559 reflecting a \$6,559,866 increase compared to last year. The most significant changes occurred in the following areas:

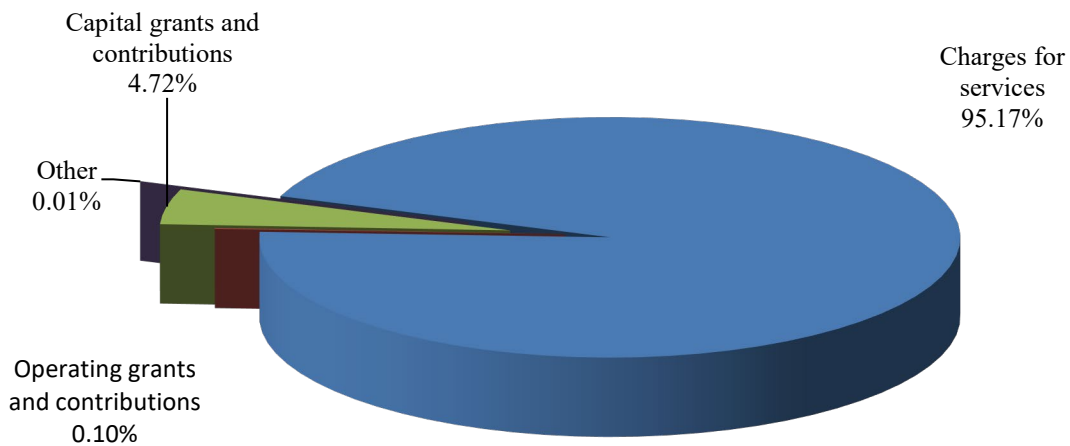
- Economic development increased by \$640,963. The increase was due to new business endeavors.
- General Government Activities decreased by \$4,517,769. This is also in relation to the CARES Act Relief funding.

- Public Safety increased by \$9,358,130. Prior year reflected CARES Act Relief reimbursements compared to this fiscal year 2020-2021.

Business-type Activities- Results of Business-type activities decreased the City of Mission's net position by \$1,051,130. Revenues increased by \$745,005 and expenses increased by \$597,529 in comparison with prior year.

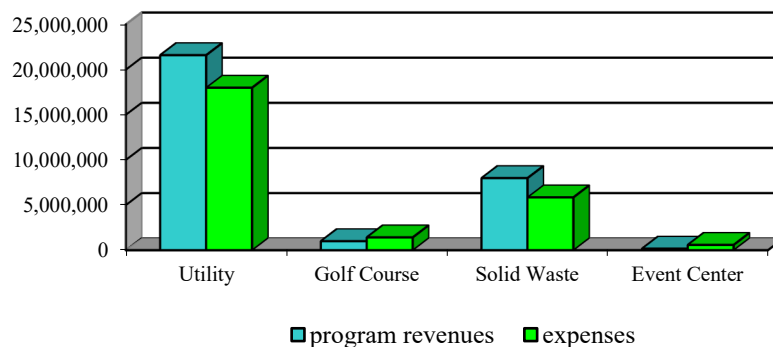
- Charges for Services increased by 0.52% in comparison to the prior year due to the COVID-19 pandemic.

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 \$25,846,524 an increase of \$597,529 compared to prior year. The increase was due more cost of goods and services as a result of the pandemic.

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, 2021, the City of Mission's governmental funds reported a combined fund balance of \$41,557,150, a decrease of \$25,098,999 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 \$7,446,716 a decrease of \$399,312 compared to prior year, with the unassigned portion of the fund balance being \$1,881,097. 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 \$211,389 increase in fund balance during the current fiscal year. The increase was due to 2 new bond issuances, 2021 CO and 2021 CO Refunding.

The non-major governmental funds had a \$2,104,281 decrease in fund balance during the current fiscal year. The overall revenues for non-major governmental funds increased by \$4,639,679 with the majority of the decrease in intergovernmental revenues, and the overall expenditures for other governmental funds increased by \$4,700,656. 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 Designated Purpose Fund, had a increase of \$5,368,173 in revenues and a decrease of \$5,832,633 in expenditures. Both differences are related to the CARES Act funding.

The 2021 Capital Projects Fund, a new major capital projects fund had a fund balance of \$21,813,971 which was issued in fiscal year 2020-2021.

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, 2021 and 2020.

- Investment income decreased due to investment maturity.

Revenues & Transfers-In	2021 Amount	% of Total	2020 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	\$ 45,052,483	59.25%	\$ 40,086,786	\$ 4,965,697	12.39%
Licenses and permits	1,066,542	1.40%	738,605	327,937	44.40%
Intergovernmental	17,449,835	22.95%	11,076,767	6,373,068	57.54%
Charges for services	1,734,444	2.28%	982,697	751,747	76.50%
Fines and forfeitures	725,713	0.95%	585,564	140,149	23.93%
Investment income	8,712	0.01%	144,043	(135,331)	-93.95%
Miscellaneous	2,284,774	3.00%	1,945,438	339,336	17.44%
Transfers-in	7,711,706	10.14%	11,051,299	(3,339,593)	-30.22%
Total	<u>\$ 76,034,209</u>	<u>100.00%</u>	<u>\$ 66,611,199</u>	<u>\$ 9,423,010</u>	<u>14.15%</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, 2021 and 2020. Major differences are due to:

- Capital Projects expenditures increased due 2018 CO capital improvements.
- Transfers-out expenditures decreased due to one less transfer for proper recording of tax revenues related to the TIRZ fund.

Expenditures & Transfers-Out	2021 Amount	of Total	2020 Amount	Increase (Decrease)	Increase (Decrease)
General government	\$ 15,593,551	20.36%	\$ 21,362,993	\$ (5,769,442)	-27.01%
Public safety	28,703,006	37.48%	19,384,039	9,318,967	48.08%
Highways and streets	5,665,912	7.40%	5,119,348	546,564	10.68%
Health and welfare	1,024,736	1.34%	694,299	330,437	47.59%
Culture and recreation	6,248,872	8.16%	5,508,140	740,732	13.45%
Economic development	6,621,430	8.65%	5,980,468	640,962	10.72%
Capital projects	3,822,816	4.99%	1,842,354	1,980,462	107.50%
Debt service:					
Principal	4,540,217	5.93%	3,855,679	684,538	17.75%
Bond issuance cost	421,330	0.55%	-	421,330	100.00%
Interest and fiscal charges	2,169,610	2.83%	1,932,451	237,159	12.27%
Transfers-out	1,761,961	2.30%	3,915,811	(2,153,850)	-55.00%
Total	<u>\$ 76,573,441</u>	<u>100.00%</u>	<u>\$ 69,595,582</u>	<u>\$ 6,977,859</u>	<u>10.03%</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 (\$11,044,189). The Solid Waste Fund had unrestricted net position of (\$387,508). The Solid Waste unrestricted net position decreased by 74,228. The Utility Fund and Golf Course Fund ended the year with an unrestricted

net position of (\$7,070,001) and (\$3,150,977), respectively. The Utility Fund unrestricted net position decreased by (\$7,774,655) and the Golf Course unrestricted net position increased by \$404,422. The Event Center ended the year with a decrease in unrestricted net position of (\$196,624).

The Golf Course Fund borrowed working capital from the Utility Fund in order to meet its daily operational expenses during the current year. Golf Course operating revenues reflect an increase of \$99,116 from prior year. Expenses increased by \$89,587 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 revenues increased by \$84,419 and expenses increased by \$316,362 compared to prior year. Utility growth can be attributable to annual growth of customer base.

The Solid Waste Fund completed its second full fiscal year of commercial collections at the end of fiscal year 2021. Total change in net position reflected a \$685,590. Revenues increased by \$130,757 and expenses increased by \$178,497 compared to prior year. Increase is due to annual growth.

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 \$211,392 while budgeted appropriations were increased by \$1,414,940 during the year.

- The most significant revenue variance, \$2,667,611, is reflected in tax revenue. In particular, the current ad valorem taxes revenues reflected an unfavorable variance of \$2,746,434 due to a change in the revenue recognition for taxes related to Tax Increment Zone collections.
- Licenses and permits revenues reflect a positive variance of \$327,042, which was a result of continued new development and growth in the southern area of the city.
- Miscellaneous revenues reflect a positive variance of \$275,239. The variance is related to insurance settlements from Hurricane Hanna.
- Expenditures came in under budget conservatively due to departments closely monitoring expenditures and staying in line with the budget. The most significant savings are reflected in parks department with a total of \$426,711. The savings in the parks department are related to vacancies in personnel throughout the year

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, 2021, amounts to \$252,357,881 (net of accumulated depreciation).

Investment in capital assets includes: land, buildings and improvements, machinery and equipment, streets, storm drainage, sanitary sewer system, and water system. The total increase in the City of Mission's investment in capital assets for the current fiscal year was \$7,460,098.

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

- Construction in progress in the governmental activities increased by \$3,183,941. The projects that contributed to the change in current year include the Taylor Road ROW, Police & Fire Substation No. 6 and the library/museum renovation.
- Construction in progress in the business-type activities increased by \$8,782,928. The projects that contributed to the change in current year include a smart meter project 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	
	2021	2020	2021	2020	2021	2020
Land and water rights	\$ 42,288,152	\$ 40,868,284	\$ 7,412,259	\$ 7,412,258	\$ 49,700,411	\$ 48,280,542
Buildings and system	24,918,950	26,011,775	58,125,312	64,725,333	83,044,263	90,737,108
Improvements other than buildings	4,905,771	5,991,578	2,633,303	10,524	7,539,074	6,002,102
Machinery and equipment	14,444,101	12,460,482	5,851,110	6,127,795	20,295,211	18,588,277
Infrastructure	50,139,011	52,039,045	-	-	50,139,011	52,039,045
Construction in progress	13,398,676	10,214,735	28,241,235	19,458,308	41,639,912	29,673,043
Total	<u>\$ 150,094,661</u>	<u>\$ 147,585,899</u>	<u>\$ 102,263,221</u>	<u>\$ 97,734,217</u>	<u>\$ 252,357,881</u>	<u>\$ 245,320,117</u>

Additional information on the City of Mission's capital assets can be found in note 9 on pages 73-75 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 \$133,669,985, an increase of \$34,044,109 compared to prior year. Additional information on the City of Mission's long-term debt can be found in note 11 on pages 76-85 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	
	2021	2020	2021	2020	2021	2020
General obligation debt	\$ 61,284,808	\$ 43,111,570	\$ -	\$ -	\$ 61,284,808	\$ 43,111,570
Revenue bonds	-	-	27,647,229	31,104,623	27,647,229	31,104,623
Capital leases	5,858,441	3,881,997	18,390,021	1,094,425	24,248,462	4,976,422
Compensated absences	3,271,231	3,114,006	418,293	447,577	3,689,524	3,561,583
City of McAllen-Anzalduas bridge	4,151,461	3,840,774	-	-	4,151,461	3,840,774
Sales Tax Payable	-	137,921	-	-	-	137,921
Pension related debt	5,407,658	6,076,155	1,088,183	1,341,568	6,495,841	7,417,723
OPEB related debt	5,117,507	4,480,405	1,035,153	994,855	6,152,660	5,475,260
Total	<u>\$ 85,091,106</u>	<u>\$ 64,642,828</u>	<u>\$ 48,578,879</u>	<u>\$ 34,983,047</u>	<u>\$ 133,669,985</u>	<u>\$ 99,625,876</u>

Economic Factors and Next Year's Budgets and Rates

- According to the November 2021 issue of the Texas Labor Market Information, the unemployment rate for the City of Mission was 7.7%, decreasing from 12.5% in prior year. The state and national average unemployment rates are 4.5% and 3.9%, respectively.
- Appraised values provided by the Hidalgo County Appraisal District and used in preparing the 2021-2022 Budget were \$248.6 million higher than the prior year.
- The 2021-2022 Budget was prepared using an adopted tax rate of \$0.5299 per \$100 valuation.
- Water and sewer rates unchanged in the 2021-2022 Budget.
- The 2021-2022 general fund operating budget was prepared using \$2,294,143 as the estimated unrestricted fund balance at September 30, 2021. The actual unrestricted fund balance for the general fund was \$7,446,716. For the upcoming 2021-2022 fiscal year, \$1,338,150 is the projected unrestricted fund balance at September 30, 2022. Projected revenues reflect a 11.4% increase and expenditures also reflect an 0.14% decrease 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 2021, the general fund unrestricted fund balance did not meet this requirement.

Requests for Information

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


Randy Perez
City Manager


Angie Vela
Finance Director



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BASIC FINANCIAL STATEMENTS



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CITY OF MISSION, TEXAS

STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

EXHIBIT A-1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	MEDC	MRA
ASSETS					
Cash and cash equivalents	\$ 16,058,804	\$ 234,145	\$ 16,292,949	\$ 652,778	\$ 13,828,509
Investments	16,266,222	1,708,547	17,974,769	-	1,505,911
Receivables, net	7,360,829	4,464,078	11,824,907	1,110,640	11,414
Internal balances	8,098,644	(8,098,644)	-	-	-
Due from primary government	-	-	-	3,825	152,844
Due from component unit	1,078,562	844,446	1,923,008	-	-
Inventory	24,343	194,824	219,167	-	-
Land held for resale	984,619	-	984,619	4,734,945	-
Prepaid items	95,706	49,561	145,267	-	-
Redevelopment assets	-	-	-	225,802	-
Notes receivable current	2,400	-	2,400	-	-
Long-term receivable	8,000	-	8,000	-	-
Restricted assets	10,967,180	20,943,316	31,910,496	1,216,235	-
Capital assets:					
Land, water rights, and construction in progress	55,686,828	35,653,494	91,340,322	2,100,959	-
Other capital assets, net of accumulated depreciation	94,407,833	66,609,726	161,017,559	5,899,033	-
Total Assets	<u>211,039,970</u>	<u>122,603,493</u>	<u>333,643,463</u>	<u>15,944,217</u>	<u>15,498,678</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows	444,422	330,030	774,452	-	735,207
Deferred outflow related to pensions	2,214,427	446,965	2,661,392	-	-
Deferred outflow related to other post-employment benefits	696,856	140,958	837,814	-	-
Total deferred outflow of resources	<u>3,355,705</u>	<u>917,953</u>	<u>4,273,658</u>	<u>-</u>	<u>735,207</u>
LIABILITIES					
Accounts payable	2,803,361	4,198,591	7,001,952	104,467	2,416
Customer deposits	-	2,682,826	2,682,826	-	-
Accrued interest payable	368,322	331,186	699,508	73,134	47,081
Other liabilities	791,229	263,643	1,054,872	-	-
Subdividers deposits	-	1,957,436	1,957,436	-	-
Retainage payable	45,178	127,605	172,783	-	-
Accrued payroll	692,588	192,996	885,584	-	-
Due to primary government	-	-	-	1,067,729	830,194
Due to component unit	156,669	-	156,669	-	-
Unearned revenues	2,140,210	52,291	2,192,501	1,150	-
Non-current liabilities:					
Due in more than one year	78,564,447	45,501,676	124,066,123	11,659,288	15,340,318
Due within one year	6,526,659	3,077,203	9,603,862	1,201,668	2,342,571
Total Liabilities	<u>92,088,663</u>	<u>58,385,453</u>	<u>150,474,116</u>	<u>14,107,436</u>	<u>18,562,580</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	2,704,686	546,817	3,251,503	-	-
Deferred inflows related to other post-employment benefits	554,066	112,075	666,141	-	-
Total deferred inflows of resources	<u>3,258,752</u>	<u>658,892</u>	<u>3,917,644</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	111,809,778	71,512,801	183,322,579	(649,255)	-
Restricted for:					
Debt Service	900,595	3,137,717	4,038,312	1,127,479	3,151,467
Construction	-	1,317,360	1,317,360	15,869	-
Capital Improvements	1,501,209	-	1,501,209	-	1,557,416
Federal and other awards	11,127,173	-	11,127,173	-	-
Tourism	449,793	-	449,793	-	-
Municipal Court	452,125	-	452,125	-	-
MEDA	971,991	-	971,991	-	-
Other purposes	64,613	-	64,613	-	-
Unrestricted	(8,229,017)	(11,490,777)	(19,719,794)	1,342,688	(7,037,578)
Total Net Position	<u>\$ 119,048,260</u>	<u>\$ 64,477,101</u>	<u>\$ 183,525,361</u>	<u>\$ 1,836,781</u>	<u>\$ (2,328,695)</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, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 13,761,832	\$ 3,452,933	\$ 13,931,889	\$ 1,753
Public safety	29,052,134	68,915	1,459,729	935,380
Highways and streets	9,218,394	997,684	152,098	3,306,048
Health and welfare	1,016,751	308,567	1,005,119	-
Culture and recreation	7,102,955	221,451	198,599	1,521,016
Economic development	6,621,431	-	3,208,137	-
Interest and fiscal charges on long-term debt	2,399,062	-	228	-
Total Governmental Activities	69,172,559	5,049,550	19,955,799	5,764,197
Business-type activities:				
Utility	17,995,692	20,444,741	29,474	1,125,137
Golf Course	1,416,473	997,573	-	-
Solid Waste	5,849,420	7,659,476	-	326,238
Event Center	584,939	165,984	-	-
Total Business-type Activities	25,846,524	29,267,774	29,474	1,451,375
Total Primary Government	\$ 95,019,083	\$ 34,317,324	\$ 19,985,273	\$ 7,215,572
COMPONENT UNITS:				
Mission Economic Development Corporation	3,825,077	226,048	76,128	225,802
Mission Redevelopment Authority	6,009,545	-	-	-
Total Component Units	\$ 9,834,622	\$ 226,048	\$ 76,128	\$ 225,802
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel/motel taxes				
Alcoholic beverage taxes				
Shared revenue-tax increment zone				
Interest earned				
Miscellaneous				
Transfers				
Total General Revenues				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

Net (Expenses) Revenues and Changes in Net Assets				
Primary Government				
Governmental Activities	Business-type Activities	Total	MEDC	MRA
\$ 3,624,743	\$ -	\$ 3,624,743	\$ -	\$ -
(26,588,110)	-	(26,588,110)	-	-
(4,762,564)	-	(4,762,564)	-	-
296,935	-	296,935	-	-
(5,161,889)	-	(5,161,889)	-	-
(3,413,294)	-	(3,413,294)	-	-
(2,398,834)	-	(2,398,834)	-	-
(38,403,013)	-	(38,403,013)	-	-
-	3,603,660	3,603,660	-	-
-	(418,900)	(418,900)	-	-
-	2,136,294	2,136,294	-	-
-	(418,955)	(418,955)	-	-
-	4,902,099	4,902,099	-	-
<u>\$ (38,403,013)</u>	<u>\$ 4,902,099</u>	<u>\$ (33,500,914)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(3,297,099)	-
-	-	-	-	(6,009,545)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,297,099)</u>	<u>\$ (6,009,545)</u>
24,671,028	-	24,671,028	-	-
15,920,130	-	15,920,130	5,306,710	-
2,795,860	-	2,795,860	-	-
494,355	-	494,355	-	-
42,320	-	42,320	-	-
322,601	-	322,601	-	6,452,027
16,779	7,012	23,791	-	9,029
629,781	(10,497)	619,284	104,876	-
5,949,744	(5,949,744)	-	-	-
50,842,598	(5,953,229)	44,889,369	5,411,586	6,461,056
12,439,585	(1,051,130)	11,388,455	2,114,487	451,511
106,608,675	65,528,231	172,136,906	(277,706)	(2,780,206)
<u>\$ 119,048,260</u>	<u>\$ 64,477,101</u>	<u>\$ 183,525,361</u>	<u>\$ 1,836,781</u>	<u>\$ (2,328,695)</u>

CITY OF MISSION, TEXAS

BALANCE SHEET-GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

EXHIBIT A-3

	General Fund	Debt Service Fund	Designated Purpose Fund	2021 CO Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,746,429	\$ -	\$ -	\$ 10,260,627	\$ 3,691,755	\$ 15,698,811
Investments	272,142	247,068	-	10,471,925	5,270,699	16,261,834
Prepaid items	95,706	-	-	-	-	95,706
Receivables:						
Taxes, including interest and penalties	2,007,578	435,448	-	-	-	2,443,026
Accounts	1,689,352	-	500	-	332,760	2,022,612
Special assessments	-	-	-	-	176,823	176,823
Less: allowance for uncollectibles	(1,958,169)	(174,981)	-	-	(14,238)	(2,147,388)
Accrued interest receivable	155	43	-	3,804	49	4,051
Due from other governments	3,280,720	-	659,730	-	919,891	4,860,341
Due from other funds	10,207,458	786,808	575,506	1,107,670	3,030,541	15,707,983
Due from component unit	1,061,617	-	-	-	3,191	1,064,808
Long-term receivable	8,000	-	-	-	-	8,000
Inventory	24,343	-	-	-	-	24,343
Land held for resale	-	-	-	-	984,619	984,619
Restricted assets	-	-	10,967,180	-	-	10,967,180
Total Assets	<u>\$ 18,435,331</u>	<u>\$ 1,294,386</u>	<u>\$ 12,202,916</u>	<u>\$ 21,844,026</u>	<u>\$ 14,396,090</u>	<u>\$ 68,172,749</u>
LIABILITIES						
Accounts payable	\$ 1,718,458	\$ -	\$ 21,408	\$ 30,055	\$ 327,880	\$ 2,097,801
Other liabilities	675,100	-	21,439	-	94,689	791,228
Retainage payable	-	-	-	-	45,179	45,179
Accrued payroll	651,409	-	24,891	-	16,289	692,589
Due to other funds	6,796,127	25,469	1,058,374	-	528,008	8,407,978
Due to component unit	3,826	-	-	-	152,844	156,670
Unearned revenue	60,239	-	126,981	-	1,952,991	2,140,211
Total Liabilities	<u>9,905,159</u>	<u>25,469</u>	<u>1,253,093</u>	<u>30,055</u>	<u>3,117,880</u>	<u>14,331,656</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-ARPA grant	-	-	10,949,823	-	-	10,949,823
Unavailable revenue-property taxes	1,083,456	250,664	-	-	-	1,334,120
Total deferred inflows of resources	<u>1,083,456</u>	<u>250,664</u>	<u>10,949,823</u>	<u>-</u>	<u>-</u>	<u>12,283,943</u>
FUND BALANCES:						
Nonspendable	128,050	-	-	-	-	128,050
Restricted	-	1,018,253	-	21,813,971	11,278,210	34,110,434
Assigned	5,437,569	-	-	-	-	5,437,569
Unassigned	1,881,097	-	-	-	-	1,881,097
Total Fund Balances	<u>7,446,716</u>	<u>1,018,253</u>	<u>-</u>	<u>21,813,971</u>	<u>11,278,210</u>	<u>41,557,150</u>
Total Liabilities and Fund Balances	<u>\$ 18,435,331</u>	<u>\$ 1,294,386</u>	<u>\$ 12,202,916</u>	<u>\$ 21,844,026</u>	<u>\$ 14,396,090</u>	<u>\$ 68,172,749</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, 2021**

Total fund balances - governmental funds balance sheet	\$ 41,557,150
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.	150,094,661
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,334,120
Grant receivable unavailable to pay for current period expenditures are deferred in the funds.	10,949,823
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	474,979
Payables for bond principal which are not due in the current period are not reported in the funds.	(54,015,000)
Payables for capital lease which are not due in the current period are not reported in the funds.	(5,858,441)
Payable for bond interest which are not due in the current period are not reported in the funds.	(368,322)
Payables for long term liability not due in the current period and not reported in the funds.	(4,151,461)
Receivables for non current assets not due in the current period and not reported in the funds.	-
Payables for compensated absences which are not due in the current period are not reported in the funds.	(3,271,231)
Payables for net pension liability which are not due in the current period are not reported in the funds.	(5,407,658)
Payables for net OPEB liability which are not due in the current period are not reported in the funds.	(5,117,508)
Unamortized deferred inflows related to pensions are not reported in the funds.	(3,258,752)
Unamortized pension unavailable for current-period expenditures and are deferred in the SNP.	2,911,283
Unamortized pre-paid bond insurance unavailable for current-period expenditures and are in the SNP.	216,410
Unamortized bond deferred charge on refunding unavailable for current-period expenditures and are deferred in the SNP.	228,012
Unamortized premium unavailable for current-period expenditures and are in the SNP.	<u>(7,269,807)</u>
Net position of governmental activities - statement of net position	<u><u>\$ 119,048,260</u></u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
EXHIBIT A-5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the year ended September 30, 2021

	General Fund	Debt Service Fund	Designated Purpose Fund	2021 CO Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 36,730,127	\$ 3,586,427	\$ -	\$ -	\$ 4,735,929	\$ 45,052,483
Licenses and permits	1,066,542	-	-	-	-	1,066,542
Intergovernmental	1,305,884	-	10,733,985	-	5,409,966	17,449,835
Charges for services	934,800	-	-	-	799,644	1,734,444
Fines	725,713	-	-	-	-	725,713
Interest	11,538	228	-	(10,790)	7,736	8,712
Miscellaneous	695,165	1,498,068	2,085	-	89,456	2,284,774
Total revenues	<u>41,469,769</u>	<u>5,084,723</u>	<u>10,736,070</u>	<u>(10,790)</u>	<u>11,042,731</u>	<u>68,322,503</u>
EXPENDITURES						
Current:						
General government	10,548,194	-	3,330,766	-	1,714,591	15,593,551
Public safety	26,486,135	-	2,034,649	-	182,222	28,703,006
Highways and streets	3,992,978	-	-	-	1,672,934	5,665,912
Health and welfare	719,297	-	233,445	-	71,994	1,024,736
Culture and recreation	5,838,266	-	4,420	-	406,186	6,248,872
Economic development	-	-	-	-	6,621,430	6,621,430
Capital projects	-	-	-	175,239	3,647,577	3,822,816
Debt service:						
Principal	1,077,054	3,425,000	-	-	38,163	4,540,217
Bond issuance cost	-	125,907	-	295,423	-	421,330
Interest and fiscal charges	263,271	1,898,334	-	-	8,005	2,169,610
Total expenditures	<u>48,925,195</u>	<u>5,449,241</u>	<u>5,603,280</u>	<u>470,662</u>	<u>14,363,102</u>	<u>74,811,480</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(7,455,426)</u>	<u>(364,518)</u>	<u>5,132,790</u>	<u>(481,452)</u>	<u>(3,320,371)</u>	<u>(6,488,977)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	4,955,000	-	18,965,000	-	23,920,000
Bond premium	-	720,248	-	3,330,423	-	4,050,671
Capital leases	2,902,450	-	-	-	-	2,902,450
Payment to refunded bond escrow agent	-	(5,549,341)	-	-	-	(5,549,341)
Proceeds from sale of assets	45,881	-	-	-	268,570	314,451
Transfers in	5,684,744	450,000	444,442	-	1,132,520	7,711,706
Transfers out	(1,576,961)	-	-	-	(185,000)	(1,761,961)
Total Other Financing Sources (uses)	<u>7,056,114</u>	<u>575,907</u>	<u>444,442</u>	<u>22,295,423</u>	<u>1,216,090</u>	<u>31,587,976</u>
Net change in fund balances	(399,312)	211,389	5,577,232	21,813,971	(2,104,281)	25,098,999
Fund balances at beginning of year	<u>7,846,028</u>	<u>806,864</u>	<u>(5,577,232)</u>	<u>-</u>	<u>13,382,491</u>	<u>16,458,151</u>
Fund balances at end of year	<u>\$ 7,446,716</u>	<u>\$ 1,018,253</u>	<u>\$ -</u>	<u>\$ 21,813,971</u>	<u>\$ 11,278,210</u>	<u>\$ 41,557,150</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, 2021*

Net change in fund balances - total governmental funds	\$ 25,098,999
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA	10,513,613
The depreciation of capital assets used in governmental activities is not reported in the funds.	(9,794,973)
The gain or loss on the sale of capital assets is not reported in the funds.	(339,707)
Donation of capital assets increase net position in the SOA but not in the funds.	2,129,829
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(101,678)
Certain grant revenues are deferred in the funds. This is the change in these amounts this year.	4,859,735
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	3,425,000
Repayment of long term liability is an expenditure in the funds but is not an expense in the SOA.	137,921
Repayment of capital lease and contractual obligations is an expenditure in the funds but is not an expense in the SOA.	983,309
Pension expense for current period	913,244
Other post employment benefit expense for current period	(500,041)
Long term payable is not an expenditure in the funds but is an expense in the SOA.	(310,687)
Bond issuance costs and bond premiums are reflected in the funds but not in the SOA.	(3,629,341)
Bond proceeds are reflected in the funds but not in the SOA.	(23,920,000)
Payment to bond escrow not reported as expense in the SOA	5,549,341
Other financing sources are reflected in the funds but not in the SOA.	(2,902,450)
Bond pre-paid insurance costs and similar items are amortized in the SOA but not in the funds.	183,857
(Increase) decrease in accrued interest from beginning of period to end of period.	(108,635)
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	409,474
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(157,224)</u>
Change in net position of governmental activities - statement of activities	<u><u>\$ 12,439,585</u></u>

The accompanying notes are an integral part of this statement.



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CITY OF MISSION, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2021

EXHIBIT A-7

	Business-type Activities Enterprise Fund					Internal Service Fund
	Utility Fund	Golf Course Fund	Solid Waste Fund	Event Center Total	Total Enterprise Funds	Group Health Employee Plan Fund
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 230,995	\$ 650	\$ -	\$ 2,500	\$ 234,145	\$ 359,993
Investments	1,457,707	-	250,840	-	1,708,547	4,388
Restricted assets:						
Cash and cash equivalents	17,847,428	31,860	97,600	-	17,976,888	-
Investments	2,960,054	-	-	-	2,960,054	-
Accrued interest	6,374	-	-	-	6,374	-
Prepaid items	45,561	2,000	-	2,000	49,561	-
Receivables	3,388,491	2,284	1,431,113	12,798	4,834,686	3,764
Less: allowance for uncollectibles	(265,714)	-	(106,178)	-	(371,892)	-
Accrued interest	996	-	20	-	1,016	-
Due from other funds	497,576	-	-	-	497,576	1,041,406
Due from other governments	-	-	-	266	266	-
Due from component unit	844,446	-	-	-	844,446	13,754
Inventories (at cost)	148,194	34,188	-	12,442	194,824	-
Total Current Assets	27,162,108	70,982	1,673,395	30,006	28,936,491	1,423,305
Noncurrent Assets:						
Advance of funds receivable	2,772,662	-	-	-	2,772,662	-
Capital assets:						
Land, water rights, and construction in progress	34,010,575	1,642,919	-	-	35,653,494	-
Other capital assets, net of accumulated depreciation	60,934,323	1,677,683	3,899,295	98,425	66,609,726	-
Total Noncurrent Assets	97,717,560	3,320,602	3,899,295	98,425	105,035,882	-
Total Assets	124,879,668	3,391,584	5,572,690	128,431	133,972,373	1,423,305
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges related to loss on refunding	330,030	-	-	-	330,030	-
Deferred outflows related to pensions	284,842	42,758	105,188	14,177	446,965	-
Deferred outflows related to other post-employment benefits	89,830	13,485	33,172	4,471	140,958	-
Total deferred outflows of resources	704,702	56,243	138,360	18,648	917,953	-
LIABILITIES						
Current Liabilities:						
Accounts payable	3,724,928	13,323	442,812	17,528	4,198,591	114,397
Claims payable	-	-	-	-	-	590,761
Accrued payroll	131,972	15,676	40,696	4,652	192,996	-
Compensated absences payable	167,033	24,958	8,756	-	200,747	-
Due to other funds	6,868,592	14,368	920,472	346,198	8,149,630	689,356
Unearned revenue	-	32,416	-	19,875	52,291	-
Accrued interest	330,892	159	135	-	331,186	-
Other liabilities	85,544	59,376	110,866	7,857	263,643	400
Subdividers deposits	1,957,436	-	-	-	1,957,436	-
Retainage payable	127,605	-	-	-	127,605	-
Customer deposits	2,682,826	-	-	-	2,682,826	-
Current portion of long-term debt	2,841,480	26,737	8,239	-	2,876,456	-
Total Current Liabilities	18,918,308	187,013	1,531,976	396,110	21,033,407	1,394,914
Other Non-Current Liabilities:						
Long term compensated absences	152,969	43,815	20,761	-	217,545	-
Capital lease payable	18,069,735	112,088	39,137	-	18,220,960	-
Advance of funds payable	-	2,772,662	-	-	2,772,662	-
Net pension liability	693,478	104,100	256,091	34,515	1,088,184	-
Net other post employment benefit obligations	659,683	99,026	243,611	32,833	1,035,153	-
Revenue bonds, net of current portion, discount, and deferred amount on refunding	24,939,834	-	-	-	24,939,834	-
Total Other Non-Current Liabilities	44,515,699	3,131,691	559,600	67,348	48,274,338	-
Total Liabilities	63,434,007	3,318,704	2,091,576	463,458	69,307,745	1,394,914
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	348,476	52,310	128,687	17,344	546,817	-
Deferred inflows related to other post-employment benefits	71,423	10,722	26,375	3,555	112,075	-
Total deferred outflows of resources	419,899	63,032	155,062	20,899	658,892	-
NET POSITION						
Net investment in capital assets	64,380,690	3,181,766	3,851,920	98,425	71,512,801	-
Restricted for:						
Debt service	3,137,717	-	-	-	3,137,717	-
Construction	1,282,058	-	-	-	1,282,058	-
Capital Projects	-	35,302	-	-	35,302	-
Unrestricted	(7,070,001)	(3,150,977)	(387,508)	(435,703)	(11,044,189)	28,391
Total Net Position	\$ 61,730,464	\$ 66,091	\$ 3,464,412	\$ (337,278)	\$ 64,923,689	\$ 28,391
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.					(446,588)	
Net Position of Business-type Activities					\$ 64,477,101	

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, 2021

	Business-type Activities Enterprise Fund	
	Utility Fund	Golf Course Fund
Operating Revenues:		
Charges for services	\$ 20,421,467	\$ 999,339
Operating Expenses:		
Insurance claim drafts	-	-
Health insurance cost	-	-
Utility administration	1,029,273	-
Water distribution	3,061,835	-
Water treatment	1,738,212	-
Wastewater treatment and collection	1,699,801	-
Industrial pretreatment	217,381	-
Utility collection	540,190	-
Organizational expenses	717,573	-
Meter readers	487,080	-
Northside water treatment plant	2,155,047	-
Depreciation	5,510,948	223,813
Cost of sales	-	119,040
Golf course operation	-	1,073,087
Solid waste disposal	-	-
Event center operation	-	-
Total Operating Expenses	17,157,340	1,415,940
Operating income (loss)	3,264,127	(416,601)
Non operating revenues (expenses)		
Gain (Loss) on disposal of capital assets	12,992	-
Interest earned	34,006	-
Other nonoperating revenue	1,857	-
Bond Interest expense	(833,014)	(167)
Bond fiscal charges	(3,000)	-
Total non-operating revenues (expenses)	(787,159)	(167)
Net Income (loss) before transfers and capital contributions	2,476,968	(416,768)
Transfers In (Out)	(4,684,744)	-
Capital Contributions	1,125,137	-
Change in Net Position	(1,082,639)	(416,768)
Net Position-Beginning of Year	62,813,103	482,861
Net Position-End of Year	\$ 61,730,464	\$ 66,091

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	Total Enterprise Funds	Group Health Employee Plan Fund
\$ 7,661,637	\$ 165,984	\$ 29,248,427	\$ 7,044,847
-	-	-	5,425,848
-	-	-	1,213,021
-	-	1,029,273	-
-	-	3,061,835	-
-	-	1,738,212	-
-	-	1,699,801	-
-	-	217,381	-
-	-	540,190	-
-	-	717,573	-
-	-	487,080	-
-	-	2,155,047	-
695,532	42,459	6,472,752	-
-	-	119,040	-
-	-	1,073,087	-
5,145,766	-	5,145,766	-
-	542,344	542,344	-
5,841,298	584,803	24,999,381	6,638,869
1,820,339	(418,819)	4,249,046	405,978
(6,002)	-	6,990	-
2,480	-	36,486	2
-	-	1,857	-
(7,465)	-	(840,646)	-
-	-	(3,000)	-
(10,987)	-	(798,313)	2
1,809,352	(418,819)	3,450,733	405,980
(1,450,000)	185,000	(5,949,744)	-
326,238	-	1,451,375	-
685,590	(233,819)	(1,047,636)	405,980
2,778,822	(103,459)		(377,589)
\$ 3,464,412	\$ (337,278)		\$ 28,391

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.

(3,494)

Change in net position of business-type activities

\$ (1,051,130)



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CITY OF MISSION, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT A-9

	Enterprise Funds					Internal Service Fund
	Utility Fund	Golf Course Fund	Solid Waste Fund	Event Center Fund	Totals	Group Health
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ 20,551,263	\$ 993,769	\$ 7,435,273	\$ 162,897	\$ 29,143,202	\$ -
Cash Received from Interfund Services Used	-	-	-	-	-	6,917,512
Cash Payments from Interfund Services Used	-	-	-	-	-	(6,557,519)
Cash Payments to Employees for Services	(5,338,846)	(798,310)	(1,863,801)	(263,718)	(8,264,675)	-
Cash Payments to Other Suppliers for Goods and Services	(262,231)	(402,234)	(3,223,524)	(78,915)	(3,966,904)	-
Net Cash Provided (Used) by Operating Activities	14,950,186	(206,775)	2,347,948	(179,736)	16,911,623	359,993
Cash Flows from Non-Capital Financing Activities:						
Proceed from Insurance Settlement	1,857	-	-	-	1,857	-
Proceeds (payments) for advances to other funds	(253,778)	253,778	-	-	-	-
Transfers From (To) Other Funds	(4,684,744)	-	(1,450,000)	185,000	(5,949,744)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(4,936,665)	253,778	(1,450,000)	185,000	(5,947,887)	-
Cash Flows from Capital and Related Financing Activities:						
Proceed from Sale of Capital Assets	12,996	-	(6,002)	-	6,994	-
Principal and Interest Paid	(3,468,588)	(10,882)	(823,239)	-	(4,302,709)	-
Acquisition or Construction of Capital Assets	(9,311,036)	(145,604)	(385,496)	(5,264)	(9,847,400)	-
Proceed from Issuance of Long-Term Debt	17,247,078	141,344	-	-	17,388,422	-
Contributed Capital	-	-	325,582	-	325,582	-
Net Cash Provided (Used) for Capital & Related Financing Activities	4,480,450	(15,142)	(889,155)	(5,264)	3,570,889	-
Cash Flows from Investing Activities:						
Purchase of Investment Securities	(4,151,222)	-	(2,840)	-	(4,154,062)	(2)
Proceeds from Sale and Maturities of Securities	3,599,000	-	5,131	-	3,604,131	-
Interest on Investments	31,247	-	2,514	-	33,761	2
Net Cash Provided (Used) for Investing Activities	(520,975)	-	4,805	-	(516,170)	-
Net Increase (Decrease) in Cash and Cash Equivalents	13,972,996	31,861	13,599	-	14,018,455	359,993
Cash and Cash Equivalents at Beginning of Year	4,105,427	650	84,001	2,500	4,192,578	-
Cash and Cash Equivalents at End of Year	\$ 18,078,423	\$ 32,511	\$ 97,600	\$ 2,500	\$ 18,211,033	\$ 359,993
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Income (Loss)	\$ 3,264,127	\$ (416,601)	\$ 1,820,339	\$ (418,819)	\$ 4,249,046	\$ 405,978
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	5,510,948	223,813	695,532	42,459	6,472,752	-
Change in Assets and Liabilities:						
Decrease (Increase) in Receivables	(17,267)	2,510	(226,363)	(690)	(241,810)	3,002
Decrease (Increase) in Inventories	13,337	579	-	(5,285)	8,631	-
Decrease (Increase) in Prepaid Expenses	7,363	4,118	-	-	11,481	-
Decrease (Increase) in Due from Other Funds	-	-	-	-	-	228,940
Decrease (Increase) in Due from Other Governments	(598,139)	-	-	-	(598,139)	-
Increase (Decrease) in Accounts Payable	3,184,493	(31,180)	105,114	2,968	3,261,395	-
Increase (Decrease) in Customer Deposits	89,384	-	-	-	89,384	-
Increase (Decrease) in Accrued Wages Payable	37,955	4,054	-	(130)	41,879	-
Increase (Decrease) in Due to Other Funds	3,608,353	4,304	(34,248)	211,782	3,790,191	(359,277)
Increase (Decrease) in Other Liabilities	(39,010)	3,896	(12,426)	5,323	(42,217)	81,350
Increase (Decrease) in Subdividers Deposits Payable	57,679	-	-	-	57,679	-
Increase (Decrease) in Compensated Absences Payable	(39,591)	5,812	-	-	(33,779)	-
Increase (Decrease) in Unearned Revenue	(129,445)	(8,080)	-	(17,344)	(154,869)	-
Total Adjustments	11,686,059	209,826	527,609	239,083	12,662,577	(45,985)
Net Cash Provided (Used) by Operating Activities	\$ 14,950,186	\$ (206,775)	\$ 2,347,948	\$ (179,736)	\$ 16,911,623	\$ 359,993
Noncash Investing, Capital and Financing Activities:						
Contributed Capital Assets	\$ 1,125,137	\$ -	\$ -	\$ -	\$ 1,125,137	\$ -
Increase (decrease) in fair value investments	(50,193)	-	2,840	-	(47,354)	-
Total Noncash Investing, Capital and Financing Activities	\$ 1,074,943	\$ -	\$ 2,840	\$ -	\$ 1,077,783	\$ -

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

EXHIBIT A-10

	Private-purpose Trust Fund Speer Library- Breyfogle
ASSETS	
Cash and cash equivalents	\$ 6,812
Total Assets	\$ 6,812
LIABILITIES	
Accounts payable	\$ -
Total Liabilities	-
NET POSITION	
Held in trust for scholarships and books	6,812
Total Net Position	\$ 6,812

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, 2021*

	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, 2021

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 Annual Comprehensive Financial Report as a special revenue fund for the year ended September 30, 2021.

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, 2021

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, 2021

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, they are nevertheless shown in separate column in the government-wide financial statements.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Governmental funds are those through which most governmental functions of the City are financed. Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Governmental fund types include the general fund, special revenue funds, debt service fund and capital projects funds.

The City reports the following 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.

Designated Purpose Fund is used to account for federal, state and local awarded funds towards operations and infrastructure improvements in the City not accounted for in the General Fund.

Debt Service Funds are used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

2021 CO Capital Projects Fund is used to account for the acquisition and construction of street and drainage improvements, utility system improvements, parks improvements, facilities improvements, land acquisition, and professional services in connection therewith.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

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

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.

Event Center Fund accounts for the operations and maintenance of the Mission Events Center.

Internal Service Fund, the Group Health Employee Plan Fund, is 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. Deductions 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. 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, 2021, 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

Excess of expenditures over appropriations

During the year ended September 30, 2021, three General Fund departments expenditures exceeded appropriations by a total of \$121,000, as reflected on exhibit B-1.

Mission Redevelopment Authority

A net position deficit exists in the amount of \$2,328,695 for year ended September 30, 2021. 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

Receivables and Payables

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

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

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

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

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

Land Held for Resale

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

Redevelopment Assets

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

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 \$1,000 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 has capitalized interest cost during the construction period of water and wastewater projects. The capitalized interest is recorded as part of the cost of these projects and will be depreciated over the assets' estimated useful life. The amount of interest cost capitalized is net of interest earned on investments acquired with proceeds of related borrowings. Interest expense is not capitalized on capital assets of governmental funds.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

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, 2021

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 nature of the change, in

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

Pensions (continued)

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, 2021

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 for services 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (continued)

Property taxes are billed and collected by the Hidalgo County Tax Office for the City by contract agreement. Tax collections are transferred directly into the City's bank account. The City is a Home-Rule Charter City with a maximum authorized tax rate for all purposes of \$2.50 per \$100 valuation. The combined tax rate for the year ended September 30, 2021 (2020 levy), was \$0.5299 per \$100 valuation. Taxes receivable consists of property taxes of \$2,443,026 and sales taxes of \$2,838,280.

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. Operating revenues for the enterprise and internal service funds consist of 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	\$ 234,524
Debt Proceeds Capital Projects	3,871,783
Nonmajor Governmental Funds	13,191,409
Total	<u>\$ 17,297,716</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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

Rounding Adjustments

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

Reclassifications

Certain reclassifications were made to prior year balances to conform to current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 6, 2022. See Note 30 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

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This statement was adopted in the current year, resulting in no material effect to the financial statements.

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

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, 2021

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

Recently Issued and Implemented Accounting Pronouncements (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 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.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The primary objective of this statement is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. 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 June 15, 2021.

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

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Primary Government

Deposits – At September 30, 2021, the carrying value of the City’s deposits was \$45,225,759 and the bank balance was \$45,852,697. 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

The City’s investments are as follows at September 30, 2021:

Investments	
TexPool (reported at amortized cost)	\$ 10,234,335
Certificates of deposit (reported at amortized cost)	10,947,932
Total investments	\$ 21,182,267

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.

The following is the Interest Rate Risk using Specific Identification, as of September 30, 2021:

Investment Type	Reported Amount	Maturity Period		
		3 Months or Less	4-12 Months	Over One Year
TexPool	\$ 10,234,335	\$ 10,234,335	\$ -	\$ -
Certificates of Deposits	10,947,932	-	748,269	10,199,663
Total	\$ 21,182,267	\$ 10,234,335	\$ 748,269	\$ 10,199,663

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

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 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, 2021, the following was the composition of the City's credit rating by investment:

Investment Type	Rating	Exposure
TexPool	AAAm	48%
Certificates of Deposits	N/A	52%

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

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

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

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

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

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

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

Cash on hand	\$ 11,259
Carrying amount of deposits	45,225,759
Investments	20,934,822
Accrued interest receivable	6,374
Cash, Investments, and Accrued Interest Receivable	<u>\$ 66,178,214</u>
Cash and cash equivalents	\$ 16,292,949
Investments	17,974,769
Restricted assets	31,910,496
Total Cash, Investments, and Restricted Assets on Statement of Net Position	<u>\$ 66,178,214</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

B. Component Units

Mission Economic Development Corporation

Deposits - At September 30, 2021, the carrying value was \$1,620,849 and the bank balance of MEDC's deposits was \$1,890,581. Deposits include demand accounts and certificate of deposits with an initial maturity of three months or less. At September 30, 2021, 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.

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 fair value in the amount of \$247,444 at September 30, 2021.

At September 30, 2021, MEDC had deposits collateralized by pledged securities of \$1,292,683; 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:

Cash on hand	\$ 500
Cash and cash equivalents	1,620,849
Investments	247,444
Accrued interest receivable	220
<u>Cash, Investments, and Accrued Interest Receivable</u>	<u>\$ 1,869,013</u>
Cash and cash equivalents	\$ 652,778
Restricted assets	1,216,235
<u>Cash and Cash Equivalents and Restricted Assets on Statement of Net Position</u>	<u>\$ 1,869,013</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (*Continued*)

Mission Redevelopment Authority

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

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

Custodial Credit Risk

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (*Continued*)

Deposits

As of the fiscal year end, the bank balance and carrying value of the Authority's deposits was \$11,129,581.

Investments

As of September 30, 2021, 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	\$ 1,483,000	\$ 1,505,911	\$ 1,505,911	\$ -	\$ -
Total	\$ 1,483,000	\$ 1,505,911	\$ 1,505,911	\$ -	\$ -

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, 2021, the Authority's Money Market Mutual Fund investment rating was A- by Standard & Poor's Rating Service.

Interest Rate Risk

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 3 – RECEIVABLES

Receivables at September 30, 2021 were as follows:

	Taxes	Accounts	Special Assessments	Due from Other Governments	Allowance for Uncollectible	Accrued Interest Receivable	Net
Governmental Activities							
General	\$2,007,578	\$1,686,952	\$ -	\$3,280,720	\$(1,958,169)	\$ 155	\$5,017,236
Debt Service	435,448	-	-	-	(174,981)	43	260,510
Designated Purpose	-	500	-	659,730	-	-	660,230
2021 CO Capital							
Projects	-	-	-	-	-	3,804	3,804
Nonmajor Gov't	-	332,760	176,823	919,891	(14,238)	49	1,415,285
Internal Service	-	3,764	-	-	-	-	3,764
Total	\$2,443,026	\$2,023,976	\$ 176,823	\$4,860,341	\$(2,147,388)	\$ 4,051	\$7,360,829
Business-Type Activities							
Utility	\$ -	\$3,388,491	\$ -	\$ -	\$(265,714)	\$ 996	\$3,123,773
Golf Course	-	2,284	-	266	-	-	2,550
Solid Waste	-	1,431,113	-	-	(106,178)	20	1,324,955
Event Center	-	12,798	-	-	-	-	12,798
Total	\$ -	\$4,834,686	\$ -	\$ 266	\$(371,892)	\$ 1,016	\$4,464,076

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	\$ 20,536,424	\$ 7,714,872
Uncollectible related to current year	(114,957)	(53,235)
Net operating revenues	\$ 20,421,467	\$ 7,661,637

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund receivable and payable balances at September 30, 2021 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 501,358
General Fund	Designated Purpose Fund	1,058,240
General Fund	Group Health Fund	689,356
General Fund	Utility Fund	6,727,550
General Fund	Solid Waste Fund	890,526
General Fund	Golf Course Fund	4,571
General Fund	Event Center Fund	335,859
Debt Service Fund	General Fund	786,808
Designated Purpose Fund	General Fund	575,506
2021 CO Capital Projects Fund	General Fund	1,107,670
Non-Major Governmental Funds	General Fund	3,005,071
Non-Major Governmental Funds	Debt Service Fund	25,469
Utility Fund	General Fund	497,576
Group Health Fund	General Fund	823,496
Group Health Fund	Utility Fund	141,043
Group Health Fund	Golf Course Fund	9,797
Group Health Fund	Solid Waste Fund	29,947
Group Health Fund	Event Center Fund	10,339
Group Health Fund	Designated Purpose Fund	135
Group Health Fund	Non-Major Governmental Funds	26,649
Total		\$ 17,246,966

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

B. Due to/from the primary government and component units at September 30, 2021 were as follows:

Receivable Entity	Payable Entity	Amount
Primary Gov't General Fund	Component Unit - MEDC (non-profit)	\$ 1,053,975
Primary Gov't General Fund	Component Unit - MRA (non-profit)	7,642
Primary Gov't Utility Fund	Component Unit - MRA (non-profit)	844,446
Primary Gov't Non Governmental	Component Unit - MRA (non-profit)	3,191
Primary Gov't Non Governmental	Component Unit - MEDC (non-profit)	13,754
Component Unit - MRA	Primary Gov't Non Governmental	152,844
Component Unit - MEDC	Primary Gov't General Fund	3,825
Total		\$ 2,079,677

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

C. Interfund Transfers:

	Transfers In					Total
	General Fund	Debt Service Fund	Designated Purpose fund	Non-Major Governmental Funds	Event Center	
Transfers Out						
General Fund	\$ -	\$ -	\$ 444,442	\$ 1,132,520	\$ -	\$ 1,576,962
Debt Service Fund	-	-	-	-	-	-
Non-Major						
Governmental Funds	-	-	-	-	185,000	185,000
Utility Fund	4,684,744	-	-	-	-	4,684,744
Solid Waste Fund	1,000,000	450,000	-	-	-	1,450,000
Total Transfers Out	\$ 5,684,744	\$ 450,000	\$ 444,442	\$ 1,132,520	\$ 185,000	\$ 7,896,706

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

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

NOTE 5 – LAND HELD FOR RESALE

The City through its blended component unit, Mission Economic Development Authority, holds commercial real estate lots available for sale within an economically depressed area. At September 30, 2021, the remaining properties are stated at a cost of \$984,619, 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, 2021, 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 6 – REDEVELOPMENT ASSETS

Mission Redevelopment Authority

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

Redevelopment Projects	\$ 2,819,933
Event Center	500,000
Inspiration Rd./Military Parkway Loop	93,268
Police/ Fire Department Substation	309,983
South Conway Lift Station	1,097,873
Bentsen Palm Dev Sanitary Sewer Line	53,000
Total Redevelopment Expenditures	<u>\$ 4,874,057</u>

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

NOTE 7 – LONG-TERM RECEIVABLES

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

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

<i>September 30, 2021</i>	Housing Rehab	Total
Notes receivable current	\$ 2,400	\$ 2,400
Long term receivables	8,000	8,000
Total notes receivable	<u>\$ 10,400</u>	<u>\$ 10,400</u>

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 8 – RESTRICTED ASSETS (Continued)

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

Restricted assets included in the Utility Fund as of September 30, 2021 consist of:

	Cash and Cash Equivalents	Investments	Accrued Interest	Total
Revenue bond reserve fund	\$ 248,010	\$ 340,583	\$ -	\$ 588,593
Bond interest and sinking	1,816,369	903,381	-	2,719,750
Cash with fiscal agent	14,956,811	-	-	14,956,811
Subdivides deposits	516,562	914,334	-	1,430,896
Capital recovery fund	309,676	801,756	72	1,111,504
I&S Fund	-	-	6,302	6,302
Total	\$ 17,847,428	\$ 2,960,054	\$ 6,374	\$ 20,813,856

Restricted assets included in the Golf Course Fund as of September 30, 2021 consist of reserves to purchase capital equipment necessary for operations and maintenance of the grounds and club house in the amount of \$31,860.

Restricted assets included in the Solid Waste Fund as of September 30, 2021 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 \$97,600.

B. Component Units

Mission Economic Development Corporation

Restricted assets held by Mission Economic Development Corporation at September 30, 2021 consisted of the following:

	Cash and Cash Equivalents	Investments	Accrued Interest	Total
Debt service fund	\$ 952,307	\$ 247,444	\$ 220	\$ 1,199,971
Capital projects fund	16,264	-	-	16,264
Total	\$ 968,571	\$ 247,444	\$ 220	\$ 1,216,235

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases and Reclassifications	Ending Balance
Governmental Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 40,868,284	\$ 1,419,868	\$ -	\$ 42,288,152
Construction in progress	10,214,735	3,708,771	(524,830)	13,398,676
Total capital assets, not being depreciated	51,083,019	5,128,639	(524,830)	55,686,828
<i>Capital assets, being depreciated</i>				
Buildings	37,827,612	-	-	37,827,612
Improvements other than buildings	19,779,572	178,612	-	19,958,184
Machinery and equipment	34,419,829	5,092,940	(1,467,488)	38,045,281
Infrastructure	123,450,690	2,768,081	-	126,218,771
Total capital assets, being depreciated	215,477,703	8,039,633	(1,467,488)	222,049,848
<i>Less accumulated depreciation for</i>				
Buildings	(11,815,837)	(1,092,824)	-	(12,908,661)
Improvements other than buildings	(13,787,994)	(1,264,419)	-	(15,052,413)
Machinery and equipment	(21,959,347)	(2,769,615)	1,127,781	(23,601,181)
Infrastructure	(71,411,645)	(4,668,115)	-	(76,079,760)
Total accumulated depreciation	(118,974,823)	(9,794,973)	1,127,781	(127,642,015)
Total capital assets, being depreciated, net	96,502,880	(1,755,340)	(339,707)	94,407,833
Governmental activities capital assets, net	\$ 147,585,899	\$ 3,373,299	\$ (864,537)	\$ 150,094,661
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	19,458,308	8,920,007	(137,079)	28,241,236
Total capital assets, not being depreciated	26,870,566	8,920,007	(137,079)	35,653,494
<i>Capital assets, being depreciated</i>				
Buildings and system	147,111,905	1,125,138	-	148,237,043
Improvements other than buildings	6,550,395	70,000	-	6,620,395
Furniture and equipment	17,207,048	1,029,696	(211,546)	18,025,198
Total capital assets, being depreciated	170,869,348	2,224,834	(211,546)	172,882,636
<i>Less accumulated depreciation for</i>				
Buildings and system	(85,226,820)	(4,884,910)	-	(90,111,730)
Improvements other than buildings	(3,699,624)	(287,468)	-	(3,987,092)
Furniture and equipment	(11,079,253)	(1,300,374)	205,539	(12,174,088)
Total accumulated depreciation	(100,005,697)	(6,472,752)	205,539	(106,272,910)
Total capital assets, being depreciated, net	70,863,651	(4,247,918)	(6,007)	66,609,726
Business-type activities capital assets, net	\$ 97,734,217	\$ 4,672,089	\$ (143,086)	\$ 102,263,220

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 9 – CAPITAL ASSETS (Continued)

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

For the year ending September 30, 2021

Governmental Activities	
General government	\$ 1,027,388
Public safety	1,617,525
Highways and streets, including depreciation of general infrastructure assets	5,234,225
Health and welfare	27,041
Culture and recreation	1,888,794
Total depreciation expense	\$ 9,794,973
Business-Type Activities	
Utility	\$ 5,510,948
Golf course	223,813
Solid waste	695,532
Event Center	42,459
Total depreciation expense	\$ 6,472,752

As of September 30, 2021, interest cost in the amount of \$39,413 was capitalized during the construction period of water and wastewater projects in the Utility Fund out of a total amount of \$258,632 of interest costs capitalized over time by the City.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 9 – CAPITAL ASSETS (Continued)

Mission Economic Development Corporation

Capital asset activity for the year ended September 30, 2021 for MEDC, was as follows:

	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	1,265,470	7,407	-	1,272,877
Building	6,364,740	3,361	-	6,368,101
Total capital assets, being depreciated	7,630,210	10,768	-	7,640,978
<i>Less accumulated depreciation for</i>				
Machinery and equipment	(793,430)	(180,511)	-	(973,941)
Building	(521,716)	(246,288)	-	(768,004)
Total accumulated depreciation	(1,315,146)	(426,799)	-	(1,741,945)
Total capital assets, being depreciated, net	6,315,064	(416,031)	-	5,899,033
Governmental activities capital assets, net	\$ 8,416,023	\$ (416,031)	\$ -	\$ 7,999,992

Depreciation expense charged to governmental activities totaled \$426,799 for the year ended September 30, 2021.

NOTE 10 – DISAGGREGATION OF OTHER LIABILITIES

At September 30, 2021, the City had the following other liabilities:

Payable To	Governmental Activities	Business-type Activities	Total
Due to state	\$ 136,682	\$ 97,531	\$ 234,213
Due to other governmental agencies	9,663	-	9,663
Wages and deductions	484,467	117,043	601,510
Court deposit/refunds	16,589	-	16,589
Due to others	143,828	49,069	192,897
Total	\$ 791,229	\$ 263,643	\$ 1,054,872

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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, 2021 are comprised of the following:

Governmental activities:

\$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%.	\$ 12,995,000
\$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%.	10,235,000
\$18,965,000 Combination Tax & Revenue Certificates of Obligation Series 2021, Payable in annual installments ranging from \$200,000 to \$1,420,000 through February 15, 2040, interest at 3.00% to 5.00%.	18,965,000
	<u>\$ 42,195,000</u>

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

<i>Year ending September30,</i>	Governmental Activities		
	Principal	Interest	Total
2022	\$ 1,755,000	\$ 1,836,850	\$ 3,591,850
2023	1,940,000	1,744,475	3,684,475
2024	2,495,000	1,633,600	4,128,600
2025	2,705,000	1,503,600	4,208,600
2026	2,830,000	1,365,225	4,195,225
Thereafter	30,470,000	6,412,638	36,882,638
Total	\$ 42,195,000	\$ 14,496,388	\$ 56,691,388

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 11 – LONG-TERM DEBT (Continued)

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, 2021 are comprised of the following:

\$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%.	\$ 915,000
\$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%.	5,950,000
\$4,955,000 Texas General Obligation Refunding Bonds, Series 2021, payable in annual installments ranging from \$130,000 to \$1,195,000 through February 15, 2032, interest at 3.50% to 5.00%.	4,955,000
	<u>\$ 11,820,000</u>

General Obligation debt service requirements to maturity are as follows:

<i>Year ending September 30,</i>	Governmental Activities		
	Principal	Interest	Total
2022	\$ 1,950,000	\$ 508,778	\$ 2,458,778
2023	2,055,000	416,592	2,471,592
2024	1,795,000	325,852	2,120,852
2025	1,865,000	239,981	2,104,981
2026	1,605,000	156,075	1,761,075
Thereafter	2,550,000	196,425	2,746,425
Total	\$ 11,820,000	\$ 1,843,703	\$ 13,663,703

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 \$31,294,276. Principal and interest paid from the current year and total waterworks and sewer system net revenues were \$3,166,035 and \$8,780,100, respectively.

Revenue bonds payable at September 30, 2021 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.	\$ 3,645,000
\$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%.	5,010,000
\$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%.	13,685,000
\$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%.	4,600,000
	<u>\$ 26,940,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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
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	367,159	3,167,159
2026	2,885,000	283,227	3,168,227
Thereafter	13,325,000	2,135,594	15,460,594
Total	\$ 26,940,000	\$ 4,354,275	\$ 31,294,275

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

On August 16, 2016, the City issued General Obligation Refunding Series 2016 in the amount of \$8,085,000 to advance refund a portion of Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2005A; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2007; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2009; General Obligation Refunding Bonds, Series 2009. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of old debt resulting in an economic gain of \$920,000. Deferred loss on refunding at September 30, 2021 totaled \$260,008.

Arbitrage Compliance

The City of Mission is subject to federal arbitrage regulations and, as of September 30, 2021, 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, 2021

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	\$ 28,105,000	\$ 18,965,000	\$ 4,875,000	\$ 42,195,000	\$ 1,755,000
Public property finance					
contractual obligations	57,304	-	57,304	-	-
General obligations	10,920,000	4,955,000	4,055,000	11,820,000	1,950,000
Plus bond premium	4,029,264	4,026,870	786,326	7,269,808	605,370
Total bonds payable	43,111,568	27,946,870	9,773,630	61,284,808	4,310,370
Capital leases	3,881,996	2,902,450	926,005	5,858,441	1,025,133
Compensated absences	3,114,008	1,968,785	1,811,562	3,271,231	1,191,156
Net pension liability	6,076,115	-	668,497	5,407,658	-
Net other post employment					
benefit obligations	4,480,405	637,102	-	5,117,507	-
Anzalduas bridge payable	3,840,774	310,687	-	4,151,461	-
Sales tax payable	137,921	-	137,921	-	-
Governmental activities, total long-term liabilities	\$ 64,642,787	\$ 33,765,894	\$ 13,317,615	\$ 85,091,106	\$ 6,526,659
Business-type Activities					
Bonds payable					
Revenue bonds	\$ 29,445,000	\$ -	\$ 2,505,000	\$ 26,940,000	\$ 2,570,000
Public property finance					
contractual obligations	815,000	-	815,000	-	-
Plus bond premium	844,623	-	137,394	707,229	137,394
Total bonds payable	31,104,623	-	3,457,394	27,647,229	2,707,394
Capital leases	1,094,423	308,220	146,538	18,390,021	169,061
Compensated absences	447,578	-	337,505	418,293	200,748
Net pension liability	1,341,568	-	253,385	1,088,183	-
Net other post employment					
benefit obligations	994,855	42,507	2,209	1,035,153	-
Business-type activities long-term liabilities	\$ 34,983,047	\$ 350,727	\$ 4,197,031	\$ 48,578,879	\$ 3,077,203

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 \$39,413 of bond interest expense as part of various construction projects for the year ended September 30, 2021.

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, 2021 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%.

\$ 945,000

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

<i>Year ending September 30,</i>	Principal	Interest	Total
2022	\$ 305,000	\$ 30,511	\$ 335,511
2023	315,000	18,576	333,576
2024	325,000	6,256	331,256
Total	945,000	55,343	1,000,343
Current portion	(305,000)	(30,511)	(335,511)
Due in more than one year	\$ 640,000	\$ 24,832	\$ 664,832

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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.	\$ 4,039,409
\$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.	1,145,286
\$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.	6,731,261
	<u>\$ 11,915,956</u>

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
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
2026	930,003	327,820	1,257,823
Thereafter	7,350,948	1,727,142	9,078,090
Total	11,915,956	3,729,057	15,645,014
Current portion	(896,668)	(472,170)	(1,368,838)
Due in more than one year	\$ 11,019,288	\$ 3,256,887	\$ 14,276,176

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 11 – LONG-TERM DEBT (Continued)

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

	September 30 2020	Additional Obligations and Net Increases	Retirements and Net Decreases	September 30 2021	Due Within One Year
Bonds and notes:					
Sales tax refunding bond	\$ 1,240,000	\$ -	\$ (295,000)	\$ 945,000	\$ 305,000
Sales tax revenue note - LSNB	1,339,581	-	(194,295)	1,145,286	200,711
Sales tax revenue note - Frost	4,339,409	-	(300,000)	4,039,409	300,000
Sales tax revenue note - BBVA	7,127,218	-	(395,957)	6,731,261	395,957
Total bonds and notes	14,046,208	-	(1,185,252)	12,860,956	1,201,668
Repayment of sales tax	34,480	-	(34,480)	-	-
Total other liabilities	34,480	-	(34,480)	-	-
Total long-term debt obligations	\$ 14,080,688	\$ -	\$ (1,219,732)	\$ 12,860,956	\$ 1,201,668

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.

Bonds payable at September 30, 2021 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.	\$ 4,455,000
\$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.	12,170,000
	<u>\$ 16,625,000</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 11 – LONG-TERM DEBT (Continued)

The debt service requirements on the bonds outstanding were as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
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
2026	1,000,000	201,238	1,201,238
Thereafter	6,925,000	811,094	7,736,094
Total	\$ 16,615,000	\$ 2,906,251	\$ 19,521,251

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.

\$ 504,673

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

<i>Year ending September 30,</i>	Principal	Interest	Total
2022	\$ 247,571	\$ 19,430	\$ 267,001
2023	257,102	9,898	267,000
Total	\$ 504,673	\$ 29,328	\$ 534,001

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 11 – LONG-TERM DEBT (Continued)

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

	September 30, 2020	Additional Obligations and Net Increases	Retirements and Net Decreases	September 30, 2021	Due Within One Year
Tax increment contract revenue bond series 2013	\$ 4,855,000	\$ -	\$ (410,000)	\$ 4,445,000	\$ 425,000
Tax increment contract revenue bond series 2017	13,780,000	-	(1,610,000)	12,170,000	1,670,000
Less issuance discount	(83,139)	-	8,314	(74,825)	-
Plus issuance premiums	708,934	-	(70,893)	638,041	-
Less losses	(678,280)	-	67,828	(610,452)	-
Total contract revenue bonds	18,582,515	-	(2,014,751)	16,567,764	2,095,000
State infrastructure bank loan	743,006	-	(238,393)	504,613	247,571
Total MRA long-term obligations	\$ 21,499,887	\$ -	\$ (2,253,144)	\$ 17,072,377	\$ 2,342,571

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 12 – INTERFUND ADVANCES

The Golf Course experienced a slight increase in revenues during the year due to an increase in post pandemic outdoor activities, which has continued to grow. The City reviews all costs during budget preparation City administration is looking at possible long term planning to reduce the advances being incurred. Golf Course administration continues to find positive solutions to increase revenues and minimize operating losses. The advance payable increased by \$253,778 compared to prior years balance. At September 30, 2021 the balance of the advance in the amount of \$2,772,662 is reflected as long-term advance receivable in the Utility Fund; and long-term advance payable in the Golf Course Fund.

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	\$ 1,083,456	\$ 250,664	\$ -
ARPA grant reimbursement revenue, unavailable	-	-	10,949,823
Total deferred inflows of resources	\$ 1,083,456	\$ 250,664	\$ 10,949,823

At the government-wide financial statements, the City reports cumulative deferred charges on refunding as deferred outflows of resources in the amount of \$774,451 which is net of cumulative amortization of \$219,790.

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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	\$ 494,431
Capital projects -Taylor road expansion	1,331,307
Grants	254,234
Other	60,239
Total unearned revenue	<u>\$ 2,140,211</u>

Unearned revenues of \$32,416 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 \$19,875 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.

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 895 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 – PENSION PLANS (*Continued*)

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.

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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 – PENSION PLANS (*Continued*)

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	228	-
Inactive employees entitled to but not yet receiving benefits	383	-
Active employees	705	11
Total participants	1,316	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.

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 8.75% and 8.52% in calendar years 2021 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$2,787,422 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 – PENSION PLANS (*Continued*)

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, 2020, the Part Two contributions were established by the board to be 0% of the Part One contributions beginning September 1, 2019. Based on the August 31, 2020 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 \$2,160 for the fiscal year ending September 30, 2021.

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, 2021 totaled \$5,184.

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2020 for TMRS and August 31, 2020 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 – PENSION PLANS (Continued)

Actuarial Assumptions

Schedule of Actuarial Assumptions		TMRS	TESRS
Valuation Date	12/31/2020		8/31/2020
Actuarial Cost Method	Entry Age Normal		N/A
Inflation	2.50%		N/A
Investment Rate of Return	6.75%		7.50% net of pension plan
Mortality Assumption	<p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>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 UMP.</p>		PubS-2010 (public safety) below-median income mortality table for retirees, projected for mortality improvement generationally using projection scale MP-2019

TMRS

For TMRS, actuarial assumptions used in the December 31, 2020 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 2020 valuation.

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

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 – PENSION PLANS (Continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.41%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 7.5% assumption reflected a reduction of 0.25% for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Equities		
Large cap domestic	20%	5.83%
Small cap domestic	10%	5.94%
Developed International	15%	6.15%
Emerging markets	5%	7.25%
Global Infrastructure	5%	6.41%
Real estate	10%	4.48%
Multi asset income	5%	3.84%
Fixed income	30%	1.99%
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 7.50%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 – PENSION PLANS (Continued)

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	\$ 23,210,884	\$ 6,467,857	\$ (7,292,617)

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	6.50%	7.50%	8.50%
City's Proportionate Share of the Net Pension Liability -TESRS	\$ 53,916	\$ 27,984	\$ 9,967

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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, 2021 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 9/30/2020	\$ 103,685,650	\$ 96,302,225	\$ 7,383,425
Changes for the year			
Service cost	4,202,696	-	4,202,696
Interest	7,021,927	-	7,021,927
Change of benefit terms	-	-	-
Difference between expected and actual experience	(76,553)	-	(76,553)
Change of assumptions	-	-	-
Contributions - employer	-	2,817,225	(2,817,225)
Contributions - employee	-	1,983,964	(1,983,964)
Net investment income	-	7,311,595	(7,311,595)
Benefit payments, including refunds of employee contributions	(3,516,885)	(3,516,885)	-
Administrative expense	-	(47,301)	47,301
Other charges	-	(1,845)	1,845
Net changes	7,631,185	8,546,753	(915,568)
Balance at 9/30/2021	\$ 111,316,835	\$ 104,848,978	\$ 6,467,857

City Proportion of Net Pension Liability – TESRS

The City’s proportionate share of the net pension liability of the TESRS at September 30, 2021 is \$27,948, and the proportion percentage of the aggregate net pension liability allocated to the City is 0.111%, slight change from prior year measurement date where the allocation percentage was 0.121% 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 15 – PENSION PLANS (Continued)

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

For the year ended September 30, 2021, the City recognized pension expense of \$1,896,995 for the TMRS pension plan and \$7,405 for the TESRS pension plan for a total pension expense of \$1,904,400

At September 30, 2021, 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	\$ 26,408	\$ 530,322	\$ -	\$ 1,333	\$ 26,408	\$ 531,655
Changes in actuarial assumption	321,818	-	-	46	321,818	46
Net differences between projected and actual investments earnings	-	2,719,802	152	-	152	2,719,802
Contributions subsequent to the measurement date	2,308,406	-	4,608	-	2,313,014	-
Total	\$ 2,656,632	\$ 3,250,124	\$ 4,760	\$ 1,379	\$ 2,661,392	\$ 3,251,503

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,313,014 will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. 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
2022	\$ (1,002,522)	\$ (119,068)
2023	(36,125)	(24,456)
2024	(1,670,720)	96,219
2025	(188,608)	(75,362)
2026	(3,923)	-
Thereafter	-	-
Total	\$ (2,901,898)	\$ (122,667)

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

The City offers supplemental death benefits to:

	Plan Year 2021	Plan Year 2020
Active employees	Yes	Yes
Retirees	Yes	Yes

Employees Covered by Benefit Terms

The most recent measurement dates for THP and SDBF were September 30, 2021 and December 31, 2020, 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	13	170
Inactive employees entitled to but not yet receiving benefits	-	65
Active employees	703	705
Total	716	940

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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

Total OPEB Liability

The City's total OPEB liability of \$4,322,457 for THP was measured as of September 30, 2021. The City's total OPEB liability of \$1,830,203 for SDBF was measured as of December 31, 2020. The total OPEB liability for each plan was determined by an actuarial valuation as of their respective measurement date. Total OPEB liability for both plans was \$6,152,661 at September 30, 2021.

Actuarial Assumptions and Other Inputs

THP

The Total OPEB liability in the September 30, 2021 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, 2021
Actuarial Valuation Date	September 30, 2021
Inflation	2.5%
Salary Increases	3.00%
Discount Rate	2.25%
Prior Year Discount Rate	2.25%
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, 2020 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, 2021

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

SDBF

The Total OPEB liability in the December 31, 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	December 31, 2020
Actuarial Valuation Date	December 31, 2020
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Discount Rate	2.00%
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, 2020.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 09/30/2020	\$ 4,012,007	\$ 1,463,253	\$ 6,522,204
Changes for the year			
Service cost	324,390	109,118	433,508
Interest	96,335	41,649	137,984
Difference between expected and actual experience	-	(43,360)	(43,360)
Changes in assumptions/inputs	-	266,157	266,157
Change in benefit terms	-	-	-
Benefit payments	(66,909)	(6,614)	(73,523)
Administrative expense	(43,366)	-	(43,366)
Net Changes	310,450	366,950	677,400
Balance at 9/30/2021	\$ 4,322,457	\$ 1,830,203	\$ 6,152,660

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)	\$ 4,764,489	\$ 4,322,457	\$ 3,916,220
Total OPEB liability (SDBF)	2,278,199	1,830,203	1,486,452
Total OPEB liability	\$ 7,042,688	\$ 6,152,660	\$ 5,402,672

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)	\$ 3,751,894	\$ 4,322,457	\$ 5,006,756

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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, 2021, the City recognized OPEB expense of \$208,377 for SDBF. At September 30, 2021, the City recognized negative OPEB expense related to THP of \$630,302. 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	\$ 99,638	\$ 201,015	\$ 218,623	\$ -	\$ 318,261	\$ 201,015
Changes in actuarial assumptions or inputs	474,704	55,263	-	409,863	474,704	465,126
Employer amounts for OPEB subsequent to measurement date	44,849	-	-	-	44,849	-
Total	\$ 619,191	\$ 256,278	\$ 218,623	\$ 409,863	\$ 837,814	\$ 666,141

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$44,849 will be recognized as a reduction of total OPEB liability for the year ending September 30, 2021. 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
2022	\$ 57,610	\$ (38,248)
2023	57,610	(38,248)
2024	57,610	(38,248)
2025	55,383	(38,248)
2026	43,581	(38,248)
Thereafter	46,270	-
Total	\$ 318,064	\$ (191,240)

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 17 – OUTSTANDING COMMITMENTS

A. Primary Government

At September 30, 2021, 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	\$ 5,047,494	\$ 803,097
Inspiration Rd/Military Loop	5,045,581	2,178,541	2,867,040
Library/Museum Renovation	1,245,600	903,573	342,027
Basham Waterlines	84,968	76,064	8,904
Conway Sewer Improvements	162,548	159,704	2,844
Shary Rd Sewer Improvements	60,900	32,700	28,200
Bryan Rd Reconstruction	137,000	130,000	7,000
NWWTP 4.5MGD Expansion Project	1,808,100	1,751,933	56,167
NE EDAP 4.5mi to 7mi Sewer proj	597,000	523,932	73,068
Bentsen Palm Sewer Improvements	698,306	692,170	6,136
S Conway Lift Station Improvements	2,586,639	1,526,127	1,060,512
Lions Park	192,400	167,575	24,825
Mission Tennis Center	131,294	124,954	6,340
Madero International Bridge #2	3,301,991	266,504	3,035,487
Smart Meter Improvements	16,756,287	7,694,264	9,062,023
Total	\$ 38,659,205	\$ 21,275,535	\$ 17,383,670

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	Expended to Date	Remaining Commitment
Wonderful Citrus	\$ 3,000,000	\$ 1,800,000	\$ 1,200,000
Cantu Bungalows	500,000	150,000	350,000
Other Infrastructure Projects	152,325	-	152,325
Total	\$ 3,652,325	\$ 1,950,000	\$ 1,702,325

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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, 2021, the Authority has the following outstanding commitments to the City:

Project	Total Commitment
Military and Inspiration Expansion	\$ 67,903
South Conway Lift Station	1,067,349
Bentsen Palm Development Sanitary Sewer Line	1,886,069
PD/Fire Substation	4,690,017
Mission Event Center	500,000
Total	\$ 8,211,338

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 \$220,901 for the year ended September 30, 2021. The future minimum lease payments for these leases are as follows:

<i>Year ending September 30,</i>	Amount
2022	\$ 218,508
2023	218,508
2024	158,173
2025	37,506
2026	230
Total	\$ 632,925

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 \$367,082 at the inception date. Depreciation expense for the equipment totaled \$34,964 for the year ended September 30, 2021. The equipment and related depreciation is included in Note 9.

The City entered into lease agreements as a lessee for financing the acquisition of several fire pumper trucks and related equipment under governmental activities. The lease agreements qualify as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments totaling \$2,519,116 at the inception date. Depreciation expense for the fire pumper truck totaled \$92,666 for the year ended September 30, 2021.

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, 2021.

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 \$370,948 for the year ended September 30, 2021.

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 \$2,394,863 at the inception date. Depreciation expense for the vehicles totaled \$320,683 for the year ended September 30, 2021.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 are as follows:

<i>Year ending September 30,</i>	<i>Amount</i>
2022	\$ 1,912,642
2023	2,832,176
2024	2,862,199
2025	2,621,622
2026	2,428,848
Thereafter	17,072,328
Total minimum lease payments	29,729,815
Less interest	(5,481,353)
Present value of minimum lease payments	\$ 24,248,462

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 20 – FUND BALANCES

At September 30, 2021, 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	2021 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund balances						
Nonspendable						
Long term receivable	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Inventory	24,343	-	-	-	-	24,343
Prepaid	95,707	-	-	-	-	95,707
Restricted						
Capital improvements	-	-	-	21,813,971	7,661,128	29,475,099
Debt Service	-	1,018,253	-	-	-	1,018,253
Municipal courts						
Technology	-	-	-	-	171,911	171,911
Building security	-	-	-	-	126,651	126,651
Juvenile case manager	-	-	-	-	153,563	153,563
PD asset sharing	-	-	-	-	177,351	177,351
Drainage improvements	-	-	-	-	773,434	773,434
Scholarships and books	-	-	-	-	27,477	27,477
Tourism	-	-	-	-	449,793	449,793
Perpetual care	-	-	-	-	26,297	26,297
Records preservation	-	-	-	-	7,284	7,284
PEG	-	-	-	-	727,775	727,775
Economic development	-	-	-	-	971,991	971,991
Tax increment	-	-	-	-	3,555	3,555
Assigned						
Asset replacement	138,670	-	-	-	-	138,670
Subsequent year's budget-						
appropriation of fund balance	5,298,899	-	-	-	-	5,298,899
Unassigned	1,881,097	-	-	-	-	1,881,097
Total fund balances	\$ 7,446,716	\$ 1,018,253	\$ -	\$ 21,813,971	\$ 11,278,210	\$ 41,557,150

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 21 – NET POSITION

Net position is composed of three categories: net investments in capital assets, restricted and unrestricted.

	Governmental Activities	Business-type Activities	Component Units	
			MEDC	MRA
Net investment in capital assets:				
Capital assets, net of accumulated depreciation	\$150,094,661	\$102,263,221	\$ 7,999,992	\$ -
Less related liabilities	(59,873,443)	(45,330,022)	(8,665,511)	-
Less unamortized bond premium	(7,269,808)	(707,229)	-	-
Plus deferred charge on refunding	444,422	330,030	-	-
Plus unexpended debt proceeds (capital projects)	28,413,946	14,956,801	16,264	-
Net investment in capital assets	111,809,778	71,512,801	(649,255)	-
Restricted net position consists of the following:				
Debt Service	900,595	3,137,717	1,127,479	3,151,467
Construction	-	1,317,360	15,869	-
Capital Improvements	1,501,209	-	-	1,557,416
Federal and other awards	11,127,173	-	-	-
Tourism	449,793	-	-	-
Municipal Court	452,125	-	-	-
MEDA	971,991	-	-	-
Other purposes	64,613	-	-	-
Restricted net position	15,467,499	4,455,077	1,143,348	4,708,883
Unrestricted net position (deficit)	(8,229,017)	(11,490,777)	1,342,688	(7,037,578)
Total net position	\$119,048,260	\$ 64,477,101	\$ 1,836,781	\$ (2,328,695)

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 22 – 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 23 – 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:

	2021	2020
Unpaid claims, beginning of fiscal year	\$ 588,949	\$ 164,583
Incurred claims and adjustments	5,425,848	5,089,550
Claims payments	(5,424,036)	(4,665,184)
Unpaid claims (IBNRs), end of fiscal year	\$ 590,761	\$ 588,949

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 24 – 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, 2021, the balance outstanding on the note was \$1,145,286.

During the year ended September 30, 2021, Mission Redevelopment Authority reimbursed the City for costs incurred related to various projects in the amount of \$2,054,124. At September 30, 2021, the MRA owed the City \$7,642 for administrative costs and \$822,552 for various other costs.

NOTE 25 – 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, 2021, there were twelve series of Industrial Development Bonds outstanding. There were no issuances in the current fiscal year. The aggregate principal amount payable for the nine series issued prior to October 1, 2020 was \$645 million. Issuance dates for the nine series range from May 2007 to July 2020 and interest rates range from 0.650% to 12%. Maturity dates range from December 2024 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, 2021, there were four 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, 2021

NOTE 25 – 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 points to 5 basis points depending on the type of project and the rating of the bonds being issued. For the year ended September 30, 2021, MEDC received \$199,073 of which \$99,536 was paid to the advisor for local access fees

NOTE 26 – 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, 2021 the City's Utility Fund met these coverage requirements.

NOTE 27 – 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 \$3,243,891 and \$3,208,137 from the City and County, respectively.

NOTE 28 – 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 is 66 2/3% and 33 1/3%, respectively.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 28 – 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, 2021, the amount advanced since the inception for the City of Mission is \$4,151,461 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 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.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 30 – SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to May 6, 2022, the date the report was available to be issued.

In January 2022, the City canceled its contract with Performance Services, Inc. for the installation of Automated Metering Infrastructure (AMI) and LED products. The estimated value of uninstalled inventory is \$1,050,701. The outstanding payable balance is \$2,777,440. The City will be going to arbitration, although no date has been determined yet.

In February of 2022, the Mission Economic Development Authority sold Blizzard Shelled Technology all of Lot 11B of the replat of Lots 5A & 11A, Expressway Business Park Phase VIII, Mission, Texas, in the amount of \$325,563.

In March 2022, the City purchased a Peterbilt 37 Grapple Truck for \$179,181 to be used for sanitation.

Mission Redevelopment Authority

On October 26, 2021, the Mission Redevelopment Authority's Board of Directors approved a budget amendment for an increase to the South Conway Lift Station Project and the Bentsen Palm Development Sanitary Sewer Project of \$70,000 and \$1,262,995, respectively.



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*REQUIRED
SUPPLEMENTARY
INFORMATION*



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CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes:				
Ad valorem taxes:				
Current ad valorem taxes	\$ 19,800,000	\$ 19,800,000	\$ 17,053,566	\$ (2,746,434)
Delinquent ad valorem taxes	450,000	450,000	490,199	40,199
Interest and penalties on taxes	360,000	360,000	398,624	38,624
Less: Tax adjustments and refunds	-	-	-	-
Net Ad Valorem Tax Revenue	20,610,000	20,610,000	17,942,389	(2,667,611)
Sales tax	8,800,000	8,800,000	10,613,420	1,813,420
Sales tax-tax abatement	4,400,000	4,400,000	5,306,710	906,710
Bingo tax	50,000	50,000	29,428	(20,572)
Franchise business tax	2,700,000	2,700,000	2,724,222	24,222
Telecommunication access fee	215,000	215,000	71,638	(143,362)
Mixed drink tax	35,000	35,000	42,320	7,320
Total Taxes	36,810,000	36,810,000	36,730,127	(79,873)
Licenses and permits:				
Occupational licenses	30,000	30,000	37,216	7,216
Moving and building permits	360,000	360,000	593,829	233,829
Health permits	30,000	30,000	31,510	1,510
Electrical permits	125,000	125,000	179,600	54,600
Mechanical permits	45,000	45,000	53,796	8,796
Plumbing permits	105,000	105,000	139,000	34,000
Alarm permits	9,500	9,500	8,686	(814)
Miscellaneous	35,000	35,000	22,905	(12,095)
Total Licenses and Permits	739,500	739,500	1,066,542	327,042
Intergovernmental:				
MCISD and SISD Dare Program	600,000	600,000	703,497	103,497
Reimb.-Mcallen Bridge Board	30,000	30,000	-	(30,000)
Reimb. Other Local Govt	-	-	3,000	3,000
County contribution-rural fires	20,000	20,000	37,365	17,365
County restitution reimbursement	500	500	1,130	630
Overhead-MRA	270,000	270,000	322,601	52,601
FEMA reimbursement	30,000	30,000	-	(30,000)
FBI overtime	-	-	1,029	1,029
Task Force	20,000	20,000	30,722	10,722
Peace Officers Fire Prev.	1,000	1,000	938	(62)
DEA Overtime Task Force	37,298	37,298	27,427	(9,871)
Hidalgo County-library	15,000	150,552	135,551	(15,001)
Total Intergovernmental	1,023,798	1,159,350	1,263,260	103,910

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Charges for services:				
Birth certificate service	1,700	1,700	2,002	302
Inspection fee-2%	80,000	80,000	54,076	(25,924)
Planning Technology Fee	12,000	12,000	18,695	6,695
Construction material testing fee	85,000	85,000	66,068	(18,932)
Fire inspection fee	25,000	25,000	13,395	(11,605)
Judicial fee-City	4,500	4,500	(114)	(4,614)
Corporation court fines tax	45,000	45,000	47,958	2,958
Detaining Contract Services	15,000	15,000	5,616	(9,384)
Abandoned motor vehicle fee	2,500	2,500	320	(2,180)
Security event fee	-	-	3,000	3,000
Library reservations fee	100	100	-	(100)
Lot cleaning	100,000	100,000	71,285	(28,715)
Lot cleaning-admin. Fee	75,000	75,000	29,257	(45,743)
Lease-service center complex	20,688	20,688	15,460	(5,228)
Library copies	35,000	35,000	10,411	(24,589)
Rent-City buildings	3,000	3,000	5,940	2,940
Basketball fees & charges	5,000	5,000	1,250	(3,750)
Softball fees & charges	3,500	3,500	1,250	(2,250)
Football fees & charges	2,000	2,000	1,200	(800)
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	14,522	(10,478)
Other recreational fees	2,000	2,000	2,714	714
Bannworth pool fees	45,000	45,000	8,104	(36,896)
Mayberry pool fees	30,000	30,000	11,056	(18,944)
TAAF summer programs	23,000	23,000	14,520	(8,480)
Year-round swim program	5,000	5,000	4,800	(200)
Library rentals	200	200	50	(150)
Cemetery charges	100,000	100,000	117,380	17,380
Vital statistics	130,000	130,000	107,402	(22,598)
Burial transit permit	1,500	1,500	941	(559)
Animal adoption fees	3,000	3,000	1,340	(1,660)
Animal control & shelter fee	4,500	4,500	3,605	(895)
Contracted animal service fee	45,000	45,000	64,390	19,390
Zoning and subdivision fees	45,000	45,000	71,234	26,234
5% credit card fee	20,000	20,000	25,211	5,211
Food manager/handler ID fee	2,000	2,000	38	(1,962)
Arrest fees-M.P.D.	35,000	35,000	32,745	(2,255)
Truancy prevention & diversion	7,500	7,500	28,308	20,808
Police Dept. service charges	15,000	15,000	6,472	(8,528)
Total Charges for Services	1,061,688	1,061,688	861,901	(199,787)

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Fines:				
Corporation court fines	600,000	600,000	606,338	6,338
Warrant execution fee	110,000	110,000	108,661	(1,339)
Library fines	15,000	15,000	10,714	(4,286)
Total Fines	725,000	725,000	725,713	713
Interest:				
Interest earned on investments	50,000	50,000	11,538	(38,462)
Interest earned on demand deposits	-	-	-	-
Total Interest	50,000	50,000	11,538	(38,462)
Miscellaneous:				
Reimb.-LRGVDC	122,599	122,599	81,123	(41,476)
Reimb.-Other state agencies	20,000	20,000	64,950	44,950
Local Jury Fee	-	-	547	547
Child safety fees	7,000	7,000	2,201	(4,799)
Library donations/memorial	200	200	-	(200)
Insurance settlement	25,000	73,953	270,178	196,225
Miscellaneous income	150,000	150,000	244,710	94,710
Coke machine & vending machines	2,000	2,000	2,282	282
Universal service fund rebate	15,000	41,887	26,887	(15,000)
Total Miscellaneous	341,799	417,639	692,878	275,239
Total Revenues	40,751,785	40,963,177	41,351,959	388,782
Expenditures:				
Current:				
General Government:				
Legislative:				
Personal services	2,100	2,100	2,100	-
Employee benefits	1,453	1,453	1,452	1
Other purchased services	16,920	16,920	18,738	(1,818)
Supplies	3,000	3,000	1,123	1,877
Miscellaneous	8,575	8,575	5,186	3,389
	32,048	32,048	28,599	3,449
Executive Administration:				
Personal services	496,383	496,383	485,437	10,946
Employee benefits	145,323	145,323	144,408	915
Purchased property services	3,045	3,045	3,534	(489)
Other purchased services	16,600	16,500	16,306	194
Supplies	4,650	4,986	4,812	174
Miscellaneous	1,475	1,239	1,296	(57)
	667,476	667,476	655,793	11,683

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Finance Department:				
Personal services	404,917	404,917	391,634	13,283
Employee benefits	145,814	145,814	142,221	3,593
Purchased property services	5,300	5,300	5,500	(200)
Other purchased services	6,250	5,930	5,091	839
Supplies	6,125	6,125	4,560	1,565
Miscellaneous	1,050	1,370	198	1,172
	<u>569,456</u>	<u>569,456</u>	<u>549,204</u>	<u>20,252</u>
Municipal Court:				
Personal services	493,396	493,396	449,877	43,519
Employee benefits	182,306	182,306	173,141	9,165
Other purchased services	4,500	5,500	5,860	(360)
Supplies	5,500	5,500	4,933	567
Miscellaneous	8,250	7,250	7,787	(537)
	<u>693,952</u>	<u>693,952</u>	<u>641,598</u>	<u>52,354</u>
Planning:				
Personal services	575,130	575,130	515,594	59,536
Employee benefits	234,090	234,090	216,109	17,981
Professional & technical services	15,000	15,000	15,000	-
Purchased property services	12,867	12,867	9,449	3,418
Other purchased services	27,500	26,000	24,897	1,103
Supplies	16,850	20,850	21,906	(1,056)
Capital outlays	11,200	11,200	10,885	315
Miscellaneous	118,000	115,500	124,201	(8,701)
	<u>1,010,637</u>	<u>1,010,637</u>	<u>938,041</u>	<u>72,596</u>
Facilities Maintenance:				
Personal services	441,812	441,812	375,912	65,900
Employee benefits	205,323	205,323	190,190	15,133
Purchased property services	76,200	76,200	53,433	22,767
Other purchased services	4,800	4,800	3,954	846
Supplies	229,350	229,350	209,150	20,200
Capital outlays	23,200	23,200	9,557	13,643
Miscellaneous	500	500	50	450
	<u>981,185</u>	<u>981,185</u>	<u>842,246</u>	<u>138,939</u>
Fleet Maintenance:				
Personal services	173,990	173,990	172,134	1,856
Employee benefits	65,491	65,491	63,429	2,062
Professional & technical services	704,500	704,500	616,114	88,386
Purchased property services	1,500	1,500	1,811	(311)
Other purchased services	4,880	4,880	2,890	1,990
Supplies	85,750	85,750	121,773	(36,023)
Capital outlay	-	2,571	2,571	-
Miscellaneous	101,000	98,429	89,452	8,977
	<u>1,137,111</u>	<u>1,137,111</u>	<u>1,070,174</u>	<u>66,937</u>

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Organizational Expense:				
Professional & technical services	675,000	723,000	746,998	(23,998)
Purchased property services	137,019	182,019	178,864	3,155
Other purchased services	192,026	189,526	199,038	(9,512)
Supplies	6,000	10,980	7,103	3,877
Capital outlays	-	590,062	667,366	(77,304)
Miscellaneous	478,100	720,370	586,405	133,965
	<u>1,488,145</u>	<u>2,415,957</u>	<u>2,385,774</u>	<u>30,183</u>
Purchasing:				
Personal services	196,397	196,397	185,533	10,864
Employee benefits	70,247	70,247	67,862	2,385
Purchased property services	2,010	1,710	1,544	166
Other purchased services	15,700	15,700	18,771	(3,071)
Supplies	1,550	1,850	1,838	12
Miscellaneous	11,815	11,815	15,942	(4,127)
	<u>297,719</u>	<u>297,719</u>	<u>291,490</u>	<u>6,229</u>
City Secretary:				
Personal services	257,504	257,504	253,217	4,287
Employee benefits	97,671	97,671	96,228	1,443
Professional & technical services	4,200	4,200	4,626	(426)
Purchased property services	4,740	4,740	3,094	1,646
Other purchased services	16,975	16,975	14,816	2,159
Supplies	700	700	634	66
Miscellaneous	980	980	363	617
	<u>382,770</u>	<u>382,770</u>	<u>372,978</u>	<u>9,792</u>
Risk Management:				
Personal services	92,547	92,547	92,874	(327)
Employee benefits	37,204	37,204	37,161	43
Professional & technical services	6,000	6,000	3,455	2,545
Purchased property services	8,800	8,800	1,813	6,987
Other purchased services	392,250	392,250	381,329	10,921
Supplies	15,400	15,400	9,976	5,424
Miscellaneous	11,650	11,650	12,260	(610)
	<u>563,851</u>	<u>563,851</u>	<u>538,868</u>	<u>24,983</u>
Elections:				
Other purchased services	20	20	-	20
	<u>20</u>	<u>20</u>	<u>-</u>	<u>20</u>

CITY OF MISSION, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Civil Service:				
Personal services	92,901	92,901	93,237	(336)
Employee benefits	29,530	29,530	29,427	103
Professional & technical services	30,000	30,000	30,000	-
Other purchased services	4,710	4,710	1,492	3,218
Supplies	10,000	10,000	4,134	5,866
Miscellaneous	100	100	23	77
	<u>167,241</u>	<u>167,241</u>	<u>158,313</u>	<u>8,928</u>
Human Resources:				
Personal services	199,473	199,473	200,190	(717)
Employee benefits	70,770	70,770	69,678	1,092
Professional & technical services	13,500	13,500	12,367	1,133
Purchased property services	1,750	1,750	1,813	(63)
Other purchased services	3,500	3,500	2,294	1,206
Supplies	1,450	1,450	1,493	(43)
Miscellaneous	924	924	3,014	(2,090)
	<u>291,367</u>	<u>291,367</u>	<u>290,849</u>	<u>518</u>
Information Technology:				
Personal services	178,008	178,008	194,966	(16,958)
Employee benefits	75,632	75,632	70,399	5,233
Purchased property services	95,000	95,000	31,728	63,272
Other purchased services	11,400	11,400	769	10,631
Supplies	1,200	1,200	7,944	(6,744)
Capital outlay	-	-	8,582	(8,582)
Miscellaneous	150	150	40	110
	<u>361,390</u>	<u>361,390</u>	<u>314,428</u>	<u>46,962</u>
Media Relations:				
Personal services	217,781	217,781	217,334	447
Employee benefits	67,787	67,787	67,298	489
Purchased property services	1,500	1,500	1,555	(55)
Other purchased services	5,400	3,400	2,215	1,185
Supplies	2,700	2,700	1,047	1,653
Miscellaneous	2,000	4,000	3,192	808
	<u>297,168</u>	<u>297,168</u>	<u>292,641</u>	<u>4,527</u>
Legal:				
Personal services	181,260	181,260	181,913	(653)
Employee benefits	46,171	46,171	45,673	498
Purchased property services	3,000	3,000	2,751	249
Other purchased services	3,100	1,953	1,936	17
Supplies	1,300	2,347	2,075	272
Miscellaneous	1,600	1,700	1,557	143
	<u>236,431</u>	<u>236,431</u>	<u>235,905</u>	<u>526</u>
Total General Government	<u>9,177,967</u>	<u>10,105,779</u>	<u>9,606,901</u>	<u>498,878</u>

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Public Safety:				
Police Department:				
Personal services	11,979,826	11,854,876	11,523,456	331,420
Employee benefits	3,967,056	3,967,056	3,789,230	177,826
Professional & technical services	109,300	109,300	109,915	(615)
Purchased property services	386,500	386,500	485,612	(99,112)
Other purchased services	295,157	295,157	311,346	(16,189)
Supplies	376,650	376,650	439,500	(62,850)
Capital outlays	22,330	22,330	37,968	(15,638)
Miscellaneous	28,325	28,325	12,057	16,268
	<u>17,165,144</u>	<u>17,040,194</u>	<u>16,709,084</u>	<u>331,110</u>
Fire Department:				
Personal services	5,120,428	5,058,784	5,043,270	15,514
Employee benefits	1,689,289	1,689,289	1,500,821	188,468
Purchased property services	141,750	153,750	150,900	2,850
Other purchased services	115,850	111,850	98,874	12,976
Supplies	208,700	204,900	173,147	31,753
Capital outlays	1,807,276	1,807,276	2,093,019	(285,743)
Miscellaneous	59,400	55,200	55,576	(376)
	<u>9,142,693</u>	<u>9,081,049</u>	<u>9,115,607</u>	<u>(34,558)</u>
Fire Prevention Bureau:				
Personal services	467,462	467,462	489,023	(21,561)
Employee benefits	144,268	144,268	138,362	5,906
Professional & technical services	-	600	520	80
Purchased property services	6,300	4,175	3,025	1,150
Other purchased services	11,700	11,025	8,635	2,390
Supplies	18,600	20,800	21,154	(354)
Miscellaneous	1,600	1,600	725	875
	<u>649,930</u>	<u>649,930</u>	<u>661,444</u>	<u>(11,514)</u>
Total Public Safety	<u>26,957,767</u>	<u>26,771,173</u>	<u>26,486,135</u>	<u>285,038</u>

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Highways and Streets:				
Street Department:				
Personal services	1,152,121	1,152,121	1,167,089	(14,968)
Employee benefits	584,004	584,004	588,272	(4,268)
Professional & technical services	100,000	100,000	47,252	52,748
Purchased property services	1,327,500	1,355,510	1,127,339	228,171
Other purchased services	13,000	13,000	14,848	(1,848)
Supplies	703,200	703,200	740,287	(37,087)
Capital outlays	50,000	261,364	237,250	24,114
Miscellaneous	116,000	116,000	70,641	45,359
	<u>4,045,825</u>	<u>4,285,199</u>	<u>3,992,978</u>	<u>292,221</u>
Total Highways and Streets	<u>4,045,825</u>	<u>4,285,199</u>	<u>3,992,978</u>	<u>292,221</u>
Health and Welfare:				
Health Regulations and Inspections:				
Personal services	381,093	381,093	448,422	(67,329)
Employee benefits	166,426	166,426	172,878	(6,452)
Professional & technical services	6,000	6,000	5,873	127
Purchased property services	7,650	7,650	5,900	1,750
Other purchased services	11,650	11,650	11,331	319
Supplies	63,350	63,350	58,601	4,749
Capital outlays	6,000	6,000	14,565	(8,565)
Miscellaneous	2,200	2,200	1,727	473
	<u>644,369</u>	<u>644,369</u>	<u>719,297</u>	<u>(74,928)</u>
Total Health and Welfare	<u>644,369</u>	<u>644,369</u>	<u>719,297</u>	<u>(74,928)</u>
Culture and Recreation:				
Mission Historical Museum:				
Personal services	201,296	201,296	149,789	51,507
Employee benefits	88,662	88,662	75,369	13,293
Purchased property services	27,500	27,500	18,427	9,073
Other purchased services	8,450	8,218	8,755	(537)
Supplies	4,500	4,732	4,393	339
Miscellaneous	200	200	40	160
	<u>330,608</u>	<u>330,608</u>	<u>256,773</u>	<u>73,835</u>
Parks and Recreation Administration:				
Personal services	225,118	225,118	157,863	67,255
Employee benefits	75,098	75,098	62,611	12,487
Purchased property services	23,600	23,600	22,592	1,008
Other purchased services	7,400	7,400	4,857	2,543
Supplies	3,250	3,250	3,214	36
Miscellaneous	380	380	248	132
	<u>334,846</u>	<u>334,846</u>	<u>251,385</u>	<u>83,461</u>

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Parks:				
Personal services	1,208,335	1,208,335	1,067,324	141,011
Employee benefits	574,745	574,745	546,513	28,232
Professional & technical services	15,000	246,590	162,675	83,915
Purchased property services	425,000	445,943	394,587	51,356
Other purchased services	12,000	12,000	12,397	(397)
Supplies	219,950	219,950	191,093	28,857
Capital outlays	217,050	217,050	107,328	109,722
Miscellaneous	96,500	96,500	112,485	(15,985)
	<u>2,768,580</u>	<u>3,021,113</u>	<u>2,594,402</u>	<u>426,711</u>
Recreation:				
Personal services	227,982	227,982	158,673	69,309
Employee benefits	60,940	60,940	51,314	9,626
Professional and technical services	43,500	43,500	7,297	36,203
Other purchased services	34,000	28,200	15,549	12,651
Supplies	21,200	27,000	26,105	895
Capital outlays	21,000	21,000	20,754	246
Miscellaneous	800	800	515	285
	<u>409,422</u>	<u>409,422</u>	<u>280,207</u>	<u>129,215</u>
Library:				
Personal services	880,743	880,743	745,918	134,825
Employee benefits	324,177	324,177	297,096	27,081
Purchased property services	88,500	84,250	82,003	2,247
Other purchased services	84,070	80,280	76,270	4,010
Supplies	29,950	51,192	34,895	16,297
Capital outlays	-	38,365	1,651	36,714
Miscellaneous	84,570	195,442	190,358	5,084
	<u>1,492,010</u>	<u>1,654,449</u>	<u>1,428,191</u>	<u>226,258</u>
Bannworth Pool:				
Personal services	149,004	149,004	65,438	83,566
Employee benefits	40,464	40,464	29,062	11,402
Purchased property services	40,000	40,000	29,967	10,033
Other purchased services	2,350	2,350	2,321	29
Supplies	15,050	15,050	17,613	(2,563)
Capital outlays	1,500	1,500	-	1,500
Miscellaneous	3,450	3,450	260	3,190
	<u>251,818</u>	<u>251,818</u>	<u>144,661</u>	<u>107,157</u>

CITY OF MISSION, TEXAS*GENERAL FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Mayberry Pool:				
Personal services	208,934	208,934	133,753	75,181
Employee benefits	50,494	50,494	38,882	11,612
Purchased property services	36,500	36,500	17,314	19,186
Other purchased services	3,600	3,600	2,793	807
Supplies	20,575	20,575	8,312	12,263
Capital outlays	34,000	34,000	37,476	(3,476)
Miscellaneous	300	300	-	300
	<u>354,403</u>	<u>354,403</u>	<u>238,530</u>	<u>115,873</u>
 Total Culture and Recreation	 <u>5,941,687</u>	 <u>6,356,659</u>	 <u>5,194,149</u>	 <u>1,162,510</u>
Debt Service:				
Principal retirement	649,666	667,280	706,433	(39,153)
Interest	148,925	150,687	206,447	(55,760)
	<u>798,591</u>	<u>817,967</u>	<u>912,880</u>	<u>(94,913)</u>
Total Debt Service	<u>798,591</u>	<u>817,967</u>	<u>912,880</u>	<u>(94,913)</u>
 Total Expenditures	 <u>47,566,206</u>	 <u>48,981,146</u>	 <u>46,912,340</u>	 <u>2,068,806</u>
Excess (Deficiency) of				
Revenue Over Expenditures	<u>(6,814,421)</u>	<u>(8,017,969)</u>	<u>(5,560,381)</u>	<u>2,457,588</u>
Other Financing Sources (Uses):				
Sale of capital assets	-	-	45,881	45,881
Other financing sources	1,764,448	1,975,812	1,975,812	-
Transfers in	5,956,621	5,956,621	5,684,744	(271,877)
Transfers out	<u>(3,966,785)</u>	<u>(3,974,879)</u>	<u>(2,319,060)</u>	<u>1,655,819</u>
Total Other Financing Sources (Uses)	<u>(3,754,284)</u>	<u>(3,957,554)</u>	<u>(5,387,377)</u>	<u>1,429,823</u>
 Net Change in Fund Balance	 (3,060,137)	 (4,060,415)	 (173,004)	 3,887,411
 Fund Balance at Beginning of Year	 <u>8,343,349</u>	 <u>8,343,349</u>	 <u>8,343,349</u>	 <u>-</u>
 Fund Balance at End of Year	 <u>\$ 5,283,212</u>	 <u>\$ 4,282,934</u>	 <u>\$ 8,170,345</u>	 <u>\$ 3,887,411</u>

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

*RECONCILIATION OF THE GENERAL FUND BUDGETARY SCHEDULE
TO THE STATEMENT OF REVENUES AND EXPENDITURES
SEPTEMBER 30, 2021*

Net Changes in the General Fund Fund Balance \$ (173,004)

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	1,368,736
Boys and Girls Club Fund revenues and transfers-in	417,811

Expenditures:

Capital Assets expenditures	(1,368,736)
Boys and Girls Club expenditures	<u>(644,119)</u>

Net Change in Fund Balances \$ (399,312)

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
DESIGNATED PURPOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT B-3
Page 1 of 6

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Final Budget		
Revenues:				
Intergovernmental:				
DHS-Stonegarden Grant 2020	\$ -	\$ 325,000	\$ 117,362	\$ (207,638)
Bullet Proof Vest Grant	17,377	17,377	16,136	(1,241)
SAFER EMW 2017	505,950	505,950	277,702	(228,248)
EDA Public Works & Economic	125,000	125,000	1,946	(123,054)
OVAG Grant	42,000	42,000	42,213	213
Fire Homeland Security Grant - 2020	-	4,280	4,079	(201)
Fire Homeland Security Grant - 2021	-	80,341	-	(80,341)
CDBG - TERA/TERAP Program	-	255,349	229,015	(26,334)
FM Global Grant - Fire Prevention	-	-	1,650	1,650
2020 COPS Hiring	-	-	360,772	360,772
Local Border Security Program 2016	275,000	275,000	185,000	(90,000)
CESF Grant	134,990	134,990	65,416	(69,574)
Tx. Dept of Transportation-STEP Grant	45,989	45,989	48,040	2,051
2019 Stonegarden Grant:	233,360	330,000	330,000	-
Pet Co Grant	-	50,000	4,430	(45,570)
TSLAC Grant	3,153	3,153	4,420	1,267
Body worn cameras	18,825	18,825	18,825	-
Cops Hiring	433,448	433,448	-	(433,448)
Texas Parks and Wildlife	248,602	248,602	-	(248,602)
LEOSE-Peace Officer Allocation	9,900	9,900	8,326	(1,574)
County-CARES Act Covid Relief	-	7,799,054	7,286,198	(512,856)
US Treasury-ARPA Funds	-	12,522,431	1,572,608	(10,949,823)
SWAT Equipment Grant	-	35,000	35,000	-
United Way - Emergency Food & Shelter	-	-	18,986	18,986
First Responder Mental Health Grant	-	36,000	36,000	-
Regional Response Grant	-	50,000	50,000	-
Emergency Message Board Grant	-	20,000	19,861	(139)
Total Intergovernmental	<u>2,093,594</u>	<u>23,367,689</u>	<u>10,733,985</u>	<u>(12,633,704)</u>
Miscellaneous:				
Local Wal-Mart Grants-Public Safety	-	2,127	2,085	(42)
Miscellaneous Reimbursement	-	10,500	-	(10,500)
Total Miscellaneous	<u>-</u>	<u>12,627</u>	<u>2,085</u>	<u>(10,542)</u>
Total Revenues	<u>2,093,594</u>	<u>23,380,316</u>	<u>10,736,070</u>	<u>(12,644,246)</u>

CITY OF MISSION, TEXAS
DESIGNATED PURPOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT B-3
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	Budgeted Amounts			Variance
	Original Budget	Final Final Budget	Actual	Positive (Negative)
Expenditures:				
Current:				
General Government:				
County Cares Act Covid Relief:				
Personal services	-	316,505	344,278	(27,773)
Employee benefits	-	71,563	71,564	(1)
Purchased Property Services	-	2,583	2,583	-
Supplies	-	14,575	14,573	2
Capital Outlay	-	1,279,684	1,279,684	-
Miscellaneous	-	24,056	24,057	(1)
	-	1,708,966	1,736,739	(27,773)
EDA Public Works & Economic:				
Miscellaneous	125,000	125,000	2,433	122,567
	125,000	125,000	2,433	122,567
Emergency Food & Shelter Board Program:				
Miscellaneous	-	-	18,986	(18,986)
	-	-	18,986	(18,986)
US Treasury ARPA Funds:				
Personal services	-	1,334,000	1,333,237	763
Employee benefits	-	219,590	219,590	(0)
Supplies	-	100,000	19,782	80,218
Capital Outlay	-	9,818,841	-	9,818,841
Miscellaneous	-	1,050,000	-	1,050,000
	-	12,522,431	1,572,608	10,949,823
Total General Government	125,000	14,356,397	3,330,766	11,025,631
Public Safety:				
SAFER EMW-2017				
Personal services	505,079	505,079	382,935	122,144
Employee benefits	169,521	169,521	155,731	13,790
	674,600	674,600	538,666	135,934
Body Worn Camera Grant:				
Capital outlays	37,650	37,650	37,650	-
	37,650	37,650	37,650	-

CITY OF MISSION, TEXAS
DESIGNATED PURPOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT B-3
Page 3 of 6

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Final Budget		
Bullet Proof Vest Grant:				
Capital outlays	34,753	34,753	32,272	2,481
	34,753	34,753	32,272	2,481
OVAG Grant:				
Personal services	34,806	34,806	35,251	(445)
Employee benefits	7,194	7,194	6,962	232
	42,000	42,000	42,213	(213)
TXDOT-Step Grant:				
Personal services	38,041	38,041	48,040	(9,999)
Employee benefits	7,948	7,948	-	7,948
	45,989	45,989	48,040	(2,051)
Mission SWAT Equipment:				
Capital outlay	-	35,000	35,000	-
	-	35,000	35,000	-
2019 Stonegarden Grant:				
Personal services	193,837	193,837	193,550	287
Employee benefits	31,480	39,524	39,810	(286)
Capital outlays	8,044	96,640	96,640	-
	233,361	330,001	330,000	1

CITY OF MISSION, TEXAS
DESIGNATED PURPOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT B-3
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	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Final Budget		
Wal-Mart Grant:				
Capital outlays	-	2,127	2,085	42
	-	2,127	2,085	42
FM Global Grant:				
Supplies	-	-	1,650	(1,650)
	-	-	1,650	(1,650)
CESF Grant:				
Supplies	97,110	97,110	13,335	83,775
Capital outlays	37,880	37,880	52,081	(14,201)
	134,990	134,990	65,416	69,574
2020 COPS Hiring				
Personal services	-	-	354,334	(354,334)
Employee benefits	-	-	126,695	(126,695)
	-	-	481,029	(481,029)
2016 COPS Hiring				
Personal services	427,128	427,128	-	427,128
Employee benefits	150,803	150,803	-	150,803
	577,931	577,931	-	577,931
First Responder Mental Health Program:				
Professional and technical services	-	46,500	36,000	10,500
	-	46,500	36,000	-

CITY OF MISSION, TEXAS
DESIGNATED PURPOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT B-3
Page 5 of 6

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original Budget	Final Final Budget		
EMG Message Board Grant				
Capital outlay	-	20,000	19,861	139
	-	20,000	19,861	139
LEOSE Grant				
Other purchased services	9,900	9,900	8,326	1,574
	9,900	9,900	8,326	1,574
Regional Response Grant:				
Purchased property services	-	20,448	12,926	7,522
Capital outlays	-	29,552	37,074	(7,522)
	-	50,000	50,000	-
Local Border Security Program 2016				
Personal services	227,895	227,895	153,060	74,835
Employee benefits	47,105	47,105	31,940	15,165
	275,000	275,000	185,000	90,000
Capital outlays	-	88,375	-	88,375
	-	88,375	-	88,375
2020 Stonegarden Grant				
Personal services	-	219,281	97,058	122,223
Employee benefits	-	45,369	20,304	25,065
Capital outlay	-	60,350	-	60,350
	-	325,000	117,362	207,638
Fire Homeland Security Grant 2020				
Supplies	-	1,170	1,027	143
Capital outlay	-	3,110	3,052	58
	-	4,280	4,079	201
Total Public Safety	2,066,174	2,734,096	2,034,649	688,947

CITY OF MISSION, TEXAS
DESIGNATED PURPOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT B-3
Page 6 of 6

	Budgeted Amounts			Variance
	Original Budget	Final Final Budget	Actual	Positive (Negative)
Health and Welfare:				
CDBG - TERAP & TEDP:				
Personal services	-	18,559	6,557	12,002
Employee benefits	-	1,765	502	1,263
Supplies	-	2,500	174	2,326
Miscellaneous	-	232,525	221,782	10,743
	-	255,349	229,015	26,334
PetCo Grant:				
Professional and technical services	-	50,000	4,430	45,570
	-	50,000	4,430	45,570
Total Health and Welfare	-	305,349	233,445	71,904
Culture and Recreation:				
Texas State Library & Archives Commission:				
Miscellaneous	3,153	3,153	4,420	(1,267)
	3,153	3,153	4,420	(1,267)
Parks & Wildlife Grant:				
Capital outlay	297,204	297,204	-	297,204
	297,204	297,204	-	297,204
Total Culture and Recreation	300,357	300,357	4,420	295,937
Total Expenditures	2,491,531	17,696,199	5,603,280	12,082,419
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(397,937)	5,684,117	5,132,790	(561,827)
Other Financing Sources (Uses)				
Transfers in	397,937	405,971	444,442	38,471
Total Other Financing Sources (Uses)	397,937	405,971	444,442	38,471
Net Change in Fund Balance	-	6,090,088	5,577,232	(523,356)
Fund Balance at Beginning of Year	-	-	(5,577,232)	-
Fund Balance at End of Year	\$ -	\$ 6,090,088	\$ -	\$ (523,356)

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

PLAN YEAR ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 4,202,696	\$ 3,891,979	\$ 3,688,502	\$ 3,574,775	\$ 3,428,663	\$ 3,146,606	\$ 2,887,755
Interest (on the total pension liability)	7,021,927	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	(76,553)	(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 contribution	(3,516,885)	(3,898,636)	(3,707,083)	(2,754,877)	(2,396,210)	(2,443,370)	(2,158,651)
Net change in total pension liability	\$ 7,631,185	\$ 6,437,875	\$ 5,949,640	\$ 6,463,210	\$ 6,494,542	\$ 6,747,077	\$ 5,641,266
Total pension liability - beginning	103,685,650	97,247,775	91,298,135	84,834,925	78,340,383	71,593,306	65,952,040
Total pension liability - ending(a)	<u>\$ 111,316,835</u>	<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	\$ 2,817,225	\$ 2,632,158	\$ 2,535,283	\$ 2,425,326	\$ 2,171,026	\$ 2,068,394	\$ 1,973,751
Contributions - employee	1,983,964	1,875,652	1,783,321	1,724,168	1,657,278	1,563,024	1,528,747
Net investment income	7,311,595	12,827,022	(2,544,693)	10,178,044	4,560,867	97,759	3,514,549
Benefit payments, including refunds of employee contribution	(3,516,885)	(3,898,636)	(3,707,083)	(2,754,877)	(2,396,210)	(2,443,370)	(2,158,651)
Administrative expense	(47,301)	(72,453)	(49,166)	(52,727)	(51,496)	(59,540)	(36,688)
Other	(1,845)	(2,176)	(2,569)	(2,672)	(2,775)	(2,941)	(3,016)
Net change in plan fiduciary net position	8,546,751	13,361,567	(1,984,906)	11,517,263	5,938,690	1,223,327	4,818,692
Plan fiduciary net position - beginning	96,302,225	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>\$ 104,848,976</u>	<u>\$ 96,302,225</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>\$ 6,467,859</u>	<u>\$ 7,383,426</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]	94.19%	92.88%	85.29%	93.02%	86.53%	86.12%	92.53%
Covered Payroll	\$ 33,066,058	\$ 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	19.56%	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.

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014 - 2018
	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
	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 UMP.

Other Information:

Notes There were no benefit changes during the year.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.111%	0.121%	0.269%	0.027%	0.038%	0.064%	0.079%
City's proportionate share of the net pension liability	\$ 27,984	\$ 34,298	\$ 58,240	\$ 6,480	\$ 11,069	\$ 17,038	\$ 14,356
City's number of active members*	8	11	14	14	3	3	7
City's net pension liability per active member	\$ 3,498	\$ 3,118	\$ 4,160	\$ 463	\$ 3,690	\$ 5,679	\$ 2,051
Plan fiduciary net position as a percentage of the total pension liability	83.3%	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, 2021

	<u>2021</u>	<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	\$ 5,184	\$ 5,433	\$ 12,891	\$ 12,891	\$ 1,296	\$ 2,496	\$ 4,224
Contributions in relation to the contractually required contribution	<u>5,184</u>	<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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Number of active members*	8	11	14	14	3	3	7
Contributions per active member	\$ 648	\$ 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	\$ 3,081,345	\$ 2,660,844	\$ 2,618,761	\$ 2,495,533	\$ 2,384,392	\$ 2,221,294	\$ 2,041,476
Contributions in relation to the actuarially determined contribution	<u>3,081,345</u>	<u>2,660,844</u>	<u>2,618,761</u>	<u>2,495,533</u>	<u>2,384,392</u>	<u>2,221,294</u>	<u>2,041,476</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 35,453,838	\$ 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	8.69%	8.50%	8.45%	8.51%	8.31%	7.88%	7.90%

Notes to Schedule of Contributions

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

	2021	2020	2019	2018
Total OPEB health benefit liability				
Service cost	\$ 324,390	\$ 317,252	\$ 111,966	\$ 109,235
Interest	96,335	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	(110,275)	(105,526)	(193,101)	(345,959)
Net change in total OPEB liability	\$ 310,450	\$ (1,210,817)	\$ 451,829	\$ 131,801
Total OPEB liability - beginning	4,012,007	5,222,824	4,770,995	4,639,194
Total OPEB liability - ending	<u>\$ 4,322,457</u>	<u>\$ 4,012,007</u>	<u>\$ 5,222,824</u>	<u>\$ 4,770,995</u>
Covered - Employee Payroll	\$ 29,136,370	\$ 28,287,738	\$ 18,502,671	\$ 18,051,386
Total OPEB Liability as a Percentage of Covered Employee Payroll	14.8%	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%	2.25%	3.17%	3.73%
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	2021	2020	2019	2018
Total OPEB single death benefit liability				
Service cost	\$ 109,118	\$ 75,026	\$ 83,222	\$ 68,967
Interest	41,649	49,483	38,087	35,828
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(43,360)	(221,385)	161,654	-
Changes in assumptions or other inputs	266,157	267,001	(89,661)	96,765
Benefit payments	(6,614)	(6,252)	(5,944)	(5,747)
Net change in total OPEB liability	\$ 366,950	\$ 163,873	\$ 187,358	\$ 195,813
Total OPEB liability - beginning	1,463,253	1,299,380	1,112,022	916,209
Total OPEB liability - ending	<u>\$ 1,830,203</u>	<u>\$ 1,463,253</u>	<u>\$ 1,299,380</u>	<u>\$ 1,112,022</u>
Covered - Employee Payroll	\$ 33,066,058	\$ 31,260,874	\$ 29,722,014	\$ 28,736,135
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.53%	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:

2.00%	2.75%	3.71%	3.31%
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CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2021

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	\$ 16,946,950
Capital Project Funds	\$ 27,456,465

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, 2021, three General Fund Department expenditures exceeded appropriations by a total of \$121,000. See Exhibit B-1.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2021

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)	\$ 41,351,959
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund revenues	-
Boys and Girls Club revenues	<u>117,811</u>
Total adjustments necessary	<u>117,811</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$ 41,469,769</u>

Note: Does not include other financing resources.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2021

Budget to GAAP Reconciliation (*Continued*)

<u>Expenditures:</u>	<u>General Fund</u>
Actual expenditures (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$46,912,340
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund expenditures	1,368,736
Boys and Girls Club expenditures	<u>644,119</u>
Total adjustments necessary	<u>2,012,855</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$48,925,195</u>

*OTHER
SUPPLEMENTARY
INFORMATION*



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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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.

Veterans Cemetery Fund: To account for management and operation of the Rio Grandy Valley State Veterans Cemetery.

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.

2021 Certificate of Obligations: To account for street and drainage, utility systems, parks, and facilities improvements and land acquisition.

2021 Certificate of Obligations Refunding: To refund a portion of the City's outstanding indebtedness and pay the costs of issuance and expenses relating to the Bonds.



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CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 2021

EXHIBIT C-1

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and cash equivalents	\$ 638,868	\$ 3,052,887	\$ 3,691,755
Investments	645,996	4,624,703	5,270,699
Receivables:			
Accounts	332,760	-	332,760
Special assessments	176,823	-	176,823
Less: allowance for uncollectibles	(14,238)	-	(14,238)
Accrued interest receivable	49	-	49
Due from other governments	274,653	645,238	919,891
Due from other funds	2,265,901	764,640	3,030,541
Due from Component Unit	-	3,191	3,191
Land held for resale	984,619	-	984,619
Total Assets	<u>\$ 5,305,431</u>	<u>\$ 9,090,659</u>	<u>\$ 14,396,090</u>
LIABILITIES			
Accounts payable	\$ 274,841	\$ 53,039	\$ 327,880
Other liabilities	94,689	-	94,689
Retainage payable	-	45,179	45,179
Accrued payroll	16,289	-	16,289
Due to other funds	528,002	6	528,008
Due to component unit	152,844	-	152,844
Unearned revenue	621,684	1,331,307	1,952,991
Total Liabilities	<u>1,688,349</u>	<u>1,429,531</u>	<u>3,117,880</u>
FUND BALANCES			
Restricted	<u>3,617,082</u>	<u>7,661,128</u>	<u>11,278,210</u>
Total Fund Balances	<u>3,617,082</u>	<u>7,661,128</u>	<u>11,278,210</u>
Total Liabilities and Fund Balances	<u>\$ 5,305,431</u>	<u>\$ 9,090,659</u>	<u>\$ 14,396,090</u>

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, 2021

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES			
Taxes and special assessments	\$ 4,735,929	\$ -	\$ 4,735,929
Intergovernmental	4,163,087	1,246,879	5,409,966
Charges for services	799,644	-	799,644
Interest	5,239	2,497	7,736
Miscellaneous	89,456	-	89,456
Total Revenues	9,793,355	1,249,376	11,042,731
EXPENDITURES			
Current:			
General government	1,714,591	-	1,714,591
Public safety	182,222	-	182,222
Highways and streets	1,672,934	-	1,672,934
Health and welfare	71,994	-	71,994
Culture and recreation	406,186	-	406,186
Economic development	6,621,430	-	6,621,430
Capital projects	-	3,647,577	3,647,577
Debt service:			
Principal	38,163	-	38,163
Interest and fiscal charges	8,005	-	8,005
Total Expenditures	10,715,525	3,647,577	14,363,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	(922,170)	(2,398,201)	(3,320,371)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	268,570	-	268,570
Transfers in	-	1,132,520	1,132,520
Transfers out	(185,000)	-	(185,000)
Total Other Financing Sources (Uses)	83,570	1,132,520	1,216,090
Net Change in Fund Balances	(838,600)	(1,265,681)	(2,104,281)
Fund Balances at Beginning of Year	4,455,682	8,926,809	13,382,491
Fund Balances at End of Year	\$ 3,617,082	\$ 7,661,128	\$ 11,278,210

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2021

	CDBG	Police Department Special Fund	Police Federal Sharing Fund
ASSETS			
Cash and cash equivalents	\$ 260,469	\$ -	\$ -
Investments	-	30,688	40,029
Receivables:			
Accounts	650	698	-
Special assessments	-	-	-
Less: allowance for uncollectibles	-	-	-
Accrued interest receivable	-	-	-
Due from other governments	87,512	-	-
Due from other funds	766	63,750	53,149
Land held for resale	-	-	-
Total Assets	<u>\$ 349,397</u>	<u>\$ 95,136</u>	<u>\$ 93,178</u>
LIABILITIES			
Accounts payable	\$ 242,723	\$ 2,600	\$ -
Other liabilities	2,360	8,364	-
Accrued payroll	4,272	-	-
Due to other funds	100,042	-	-
Due to component unit	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>349,397</u>	<u>10,964</u>	<u>-</u>
FUND BALANCES			
Restricted	-	84,172	93,178
Total Fund Balances	<u>-</u>	<u>84,172</u>	<u>93,178</u>
Total Liabilities and Fund Balances	<u>\$ 349,397</u>	<u>\$ 95,136</u>	<u>\$ 93,178</u>

Municipal Court Technology Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund	Speer Memorial Library
\$ -	\$ -	\$ -	\$ 7,284	\$ -
-	247,795	-	-	-
-	109	-	-	-
-	176,823	-	-	-
-	(14,238)	-	-	-
-	-	-	-	-
-	-	-	-	-
171,910	373,587	26,678	-	27,477
-	-	-	-	-
<u>\$ 171,910</u>	<u>\$ 784,076</u>	<u>\$ 26,678</u>	<u>\$ 7,284</u>	<u>\$ 27,477</u>
\$ -	\$ 5,903	\$ 380	\$ -	\$ -
-	938	-	-	-
-	1,725	-	-	-
-	2,077	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>10,643</u>	<u>380</u>	<u>-</u>	<u>-</u>
171,910	773,433	26,298	7,284	27,477
<u>171,910</u>	<u>773,433</u>	<u>26,298</u>	<u>7,284</u>	<u>27,477</u>
<u>\$ 171,910</u>	<u>\$ 784,076</u>	<u>\$ 26,678</u>	<u>\$ 7,284</u>	<u>\$ 27,477</u>

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2021

	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund	Juvenile Case Manager Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	69,589	40,029	-	-
Receivables:				
Accounts	330,815	-	-	-
Special assessments	-	-	-	-
Less: allowance for uncollectibles	-	-	-	-
Accrued interest receivable	9	-	-	-
Due from other governments	-	-	-	-
Due from other funds	126,881	86,622	494,431	154,880
Land held for resale	-	-	-	-
Total Assets	<u>\$ 527,294</u>	<u>\$ 126,651</u>	<u>\$ 494,431</u>	<u>\$ 154,880</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	77,500	-	-	403
Accrued payroll	-	-	-	543
Due to other funds	-	-	-	371
Due to component unit	-	-	-	-
Unearned revenue	-	-	494,431	-
Total Liabilities	<u>77,500</u>	<u>-</u>	<u>494,431</u>	<u>1,317</u>
FUND BALANCES				
Restricted	449,794	126,651	-	153,563
Total Fund Balances	<u>449,794</u>	<u>126,651</u>	<u>-</u>	<u>153,563</u>
Total Liabilities and Fund Balances	<u>\$ 527,294</u>	<u>\$ 126,651</u>	<u>\$ 494,431</u>	<u>\$ 154,880</u>

EXHIBIT C-3

Page 2 of 2

PEG Capital Fund	Veteran's Cemetery Fund	Tax Increment Reinvestment Zone Fund	Mission Economic Development Authority	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ -	\$ 33,383	\$ -	\$ 337,732	\$ 638,868
217,866	-	-	-	645,996
488	-	-	-	332,760
-	-	-	-	176,823
-	-	-	-	(14,238)
40	-	-	-	49
-	187,141	-	-	274,653
529,371	-	156,399	-	2,265,901
-	-	-	984,619	984,619
<u>\$ 747,765</u>	<u>\$ 220,524</u>	<u>\$ 156,399</u>	<u>\$ 1,322,351</u>	<u>\$ 5,305,431</u>
\$ 19,990	\$ 3,178	\$ -	\$ 67	\$ 274,841
-	5,124	-	-	94,689
-	9,749	-	-	16,289
-	75,220	-	350,292	528,002
-	-	152,844	-	152,844
-	127,253	-	-	621,684
<u>19,990</u>	<u>220,524</u>	<u>152,844</u>	<u>350,359</u>	<u>1,688,349</u>
<u>727,775</u>	<u>-</u>	<u>3,555</u>	<u>971,992</u>	<u>3,617,082</u>
<u>727,775</u>	<u>-</u>	<u>3,555</u>	<u>971,992</u>	<u>3,617,082</u>
<u>\$ 747,765</u>	<u>\$ 220,524</u>	<u>\$ 156,399</u>	<u>\$ 1,322,351</u>	<u>\$ 5,305,431</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, 2021

	CDBG	Police Department Special Fund	Police Federal Sharing Fund
REVENUES			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	916,607	8,828	29,515
Charges for services	-	-	-
Interest	-	15	400
Miscellaneous	-	296	-
Total Revenues	916,607	9,139	29,915
EXPENDITURES			
Current:			
General government	844,613	-	-
Public safety	-	63,277	118,945
Highways and streets	-	-	-
Culture and recreation	-	-	-
Health and welfare	71,994	-	-
Economic development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	916,607	63,277	118,945
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	-	(54,138)	(89,030)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	-	39,746	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	39,746	-
Net Change in Fund Balances	-	(14,392)	(89,030)
Fund Balances at Beginning of Year	-	98,564	182,208
Fund Balances at End of Year	\$ -	\$ 84,172	\$ 93,178

EXHIBIT C-4

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Municipal Court Technology Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund	Speer Memorial Library
\$ -	\$ 997,684	\$ -	\$ -	\$ -
-	-	-	-	-
48,740	-	16,000	5,944	-
-	416	-	-	-
-	140	-	-	-
<u>48,740</u>	<u>998,240</u>	<u>16,000</u>	<u>5,944</u>	<u>-</u>
36,985	-	38,758	4,455	-
-	-	-	-	-
-	1,672,934	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	38,163	-	-	-
-	8,005	-	-	-
<u>36,985</u>	<u>1,719,102</u>	<u>38,758</u>	<u>4,455</u>	<u>-</u>
<u>11,755</u>	<u>(720,862)</u>	<u>(22,758)</u>	<u>1,489</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,755	(720,862)	(22,758)	1,489	-
<u>160,155</u>	<u>1,494,295</u>	<u>49,056</u>	<u>5,795</u>	<u>27,477</u>
<u>\$ 171,910</u>	<u>\$ 773,433</u>	<u>\$ 26,298</u>	<u>\$ 7,284</u>	<u>\$ 27,477</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, 2021

	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
REVENUES			
Taxes and special assessments	\$ 494,355	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	30,531	51,960
Interest	1,406	400	-
Miscellaneous	-	-	-
Total Revenues	<u>495,761</u>	<u>30,931</u>	<u>51,960</u>
EXPENDITURES			
Current:			
General government	-	3,802	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	354,226	-	51,960
Health and welfare	-	-	-
Economic development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>354,226</u>	<u>3,802</u>	<u>51,960</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	<u>141,535</u>	<u>27,129</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	-	-	-
Transfers out	(185,000)	-	-
Total Other Financing Sources (Uses)	<u>(185,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(43,465)	27,129	-
Fund Balances at Beginning of Year	<u>493,259</u>	<u>99,522</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 449,794</u>	<u>\$ 126,651</u>	<u>\$ -</u>

EXHIBIT C-4

Page 2 of 2

Juvenile Case Manager Fund	PEG Capital Fund	Veteran's Cemetery Fund	Tax Increment Reinvestment Zone Fund	Mission Economic Development Authority	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ -	\$ -	\$ -	\$ 3,243,890	\$ -	\$ 4,735,929
-	-	-	3,208,137	-	4,163,087
32,435	-	614,034	-	-	799,644
-	2,602	-	-	-	5,239
-	89,020	-	-	-	89,456
<u>32,435</u>	<u>91,622</u>	<u>614,034</u>	<u>6,452,027</u>	<u>-</u>	<u>9,793,355</u>
36,678	135,266	614,034	-	-	1,714,591
-	-	-	-	-	182,222
-	-	-	-	-	1,672,934
-	-	-	-	-	406,186
-	-	-	-	-	71,994
-	-	-	6,452,027	169,403	6,621,430
-	-	-	-	-	38,163
-	-	-	-	-	8,005
<u>36,678</u>	<u>135,266</u>	<u>614,034</u>	<u>6,452,027</u>	<u>169,403</u>	<u>10,715,525</u>
<u>(4,243)</u>	<u>(43,644)</u>	<u>-</u>	<u>-</u>	<u>(169,403)</u>	<u>(922,170)</u>
-	-	-	-	228,824	268,570
-	-	-	-	-	(185,000)
-	-	-	-	228,824	83,570
(4,243)	(43,644)	-	-	59,421	(838,600)
<u>157,806</u>	<u>771,419</u>	<u>-</u>	<u>3,555</u>	<u>912,571</u>	<u>4,455,682</u>
<u>\$ 153,563</u>	<u>\$ 727,775</u>	<u>\$ -</u>	<u>\$ 3,555</u>	<u>\$ 971,992</u>	<u>\$ 3,617,082</u>

CITY OF MISSION, TEXAS
COMMUNITY DEVELOPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT C-5

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Community Development Block Grant	\$ 2,202,625	\$ 916,607	\$ (1,286,018)
Total Intergovernmental	2,202,625	916,607	(1,286,018)
 Total Revenues	 2,202,625	 916,607	 (1,286,018)
Expenditures:			
Current:			
General Government:			
General administration	1,318,315	369,387	948,928
Housing rehabilitation	805,510	475,226	330,284
Total General Government	2,123,825	844,613	1,279,212
Health and Welfare:			
Other social services	78,800	71,994	6,806
Total Health and Welfare	78,800	71,994	6,806
 Total Expenditures	 2,202,625	 916,607	 1,286,018
 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, 2021

EXHIBIT C-6

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State Seizures:			
State seizures	\$ -	\$ 8,828	\$ 8,828
Miscellaneous	-	296	296
Total State Seizures	-	9,124	9,124
Interest:			
Interest earned on investments	-	15	15
Total Interest	-	15	15
Total Revenues	-	9,139	9,139
Expenditures:			
Current:			
Public Safety:			
State Seizures:			
Professional & technical services	-	1,469	(1,469)
Purchased property services	10,000	10,004	(4)
Supplies	25,564	9,573	15,991
Capital outlays	63,000	42,231	20,769
Total Public Safety	98,564	63,277	35,287
Total Expenditures	98,564	63,277	35,287
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,564)	(54,138)	44,426
Other Financing Sources (Uses):			
Sale of capital assets	-	39,746	39,746
Total Other Financing Sources (Uses)	-	39,746	39,746
Net Change in Fund Balance	(98,564)	(14,392)	84,172
Fund Balance at Beginning of Year	98,564	98,564	-
Fund Balance at End of Year	\$ -	\$ 84,172	\$ 84,172

CITY OF MISSION, TEXAS*POLICE FEDERAL SHARING FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021***EXHIBIT C-7**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Equitable Sharing	\$ -	\$ 29,515	\$ 29,515
Miscellaneous Revenue	-	-	-
Total Intergovernmental	-	29,515	29,515
Interest:			
Interest earned on investments	-	400	400
Total Interest	-	400	400
Total Revenues	-	29,915	29,915
Expenditures:			
Current:			
Public Safety:			
Professional & technical services	-	7,500	(7,500)
Purchased property services	32,515	31,711	804
Supplies	54,693	39,714	14,979
Capital outlays	95,000	39,293	55,707
Miscellaneous	-	727	(727)
Total Public Safety	182,208	118,945	63,263
Total Expenditures	182,208	118,945	63,263
Net Change in Fund Balance	(182,208)	(89,030)	93,178
Fund Balance at Beginning of Year	182,208	182,208	-
Fund Balance at End of Year	\$ -	\$ 93,178	\$ 93,178

CITY OF MISSION, TEXAS**MUNICIPAL COURT TECHNOLOGY FUND****SPECIAL REVENUE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2021****EXHIBIT C-8**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Court technology fees	\$ 25,000	\$ 48,740	\$ 23,740
Total Charges for Services	25,000	48,740	23,740
Interest:			
Interest earned on investments	400	-	(400)
Total Interest	400	-	(400)
Total Revenues	25,400	48,740	23,340
Expenditures:			
Current:			
General Government:			
Purchased property services	16,407	16,304	103
Supplies	1,000	710	290
Capital outlays	46,000	19,211	26,789
Miscellaneous	1,000	760	240
Total General Government	64,407	36,985	27,422
Total Expenditures	64,407	36,985	27,422
Net Change in Fund Balance	(39,007)	11,755	50,762
Fund Balance at Beginning of Year	160,155	160,155	-
Fund Balance at End of Year	\$ 121,148	\$ 171,910	\$ 50,762

CITY OF MISSION, TEXAS*DRAINAGE ASSESSMENT FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021***EXHIBIT C-9**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments:			
Drainage assessments	\$ 950,000	\$ 994,653	\$ 44,653
Drainage assessments-Granjeno	2,900	3,031	131
Total Assessments	952,900	997,684	44,784
Interest:			
Interest earned on investments	1,000	416	(584)
Total Interest	1,000	416	(584)
Miscellaneous:			
Miscellaneous income	100	140	40
Total Miscellaneous	100	140	40
Total Revenues	954,000	998,240	44,240
Expenditures:			
Current:			
Highways and Streets:			
Personal services	94,738	86,999	7,739
Employee benefits	43,164	41,943	1,221
Professional and technical services	36,000	5,903	30,097
Purchased property services	79,000	39,781	39,219
Other purchased services	-	6,660	(6,660)
Supplies	52,500	41,019	11,481
Capital outlays	915,615	1,449,424	(533,809)
Debt Service	46,168	46,168	-
Miscellaneous	-	1,205	(1,205)
Total Highways and Streets	1,267,185	1,719,102	(451,917)
Total Expenditures	1,267,185	1,719,102	(451,917)
Net Change in Fund Balance	(313,185)	(720,862)	(407,677)
Fund Balance at Beginning of Year	1,494,295	1,494,295	-
Fund Balance at End of Year	\$ 1,181,110	\$ 773,433	\$ (407,677)

CITY OF MISSION, TEXAS**EXHIBIT C-10***CEMETERY FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Perpetual care	\$ 9,000	\$ 16,000	\$ 7,000
Total Charges for Services	9,000	16,000	7,000
 Total Revenues	 9,000	 16,000	 7,000
Expenditures:			
Current:			
General Government			
Supplies	35,200	29,482	5,718
Capital outlay	10,000	9,276	724
Total General Government	45,200	38,758	6,442
 Total Expenditures	 45,200	 38,758	 6,442
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (36,200)	 (22,758)	 13,442
 Fund Balance at Beginning of Year	 49,056	 49,056	 -
 Fund Balance at End of Year	 \$ 12,856	 \$ 26,298	 \$ 13,442

CITY OF MISSION, TEXAS*RECORDS PRESERVATION FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021***EXHIBIT C-11**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Service:			
Vital statistics preservation fee	\$ 6,000	\$ 5,944	\$ (56)
Total Charges for Service	6,000	5,944	(56)
 Total Revenues	 6,000	 5,944	 (56)
Expenditures:			
Current:			
Record Preservation:			
Purchased property services	1,000	-	1,000
Other purchased service	500	-	500
Supplies	5,100	4,455	645
Total Record Preservation	6,600	4,455	2,145
 Total Expenditures	 6,600	 4,455	 2,145
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (600)	 1,489	 2,089
 Fund Balance at Beginning of Year	 5,795	 5,795	 -
 Fund Balance at End of Year	 \$ 5,195	 \$ 7,284	 \$ 2,089

CITY OF MISSION, TEXAS**EXHIBIT C-12***SPEER MEMORIAL LIBRARY**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest:			
Interest earned on investments	\$ 200	\$ -	\$ (200)
Total Interest	200	-	(200)
 Total Revenues	 200	 -	 (200)
 Expenditures:			
Current:			
Culture and Recreation:			
Miscellaneous	-	-	-
Capital outlays	-	-	-
Total Culture and Recreation	-	-	-
 Total Expenditures	 -	 -	 -
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 200	 -	 (200)
 Fund Balance at Beginning of Year	 27,477	 27,477	 -
 Fund Balance at End of Year	 \$ 27,677	 \$ 27,477	 \$ (200)

CITY OF MISSION, TEXAS*HOTEL/MOTEL TAX FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021***EXHIBIT C-13**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel occupancy tax	\$ 370,000	\$ 494,355	\$ 124,355
Total Taxes	370,000	494,355	124,355
Interest:			
Interest earned on investments	100	1,406	1,306
Total Interest	100	1,406	1,306
Total Revenues	370,100	495,761	125,661
Expenditures:			
Current:			
Culture and Recreation:			
Tourist Promotion & Advertising:			
Other purchased services	20,000	-	20,000
Miscellaneous	383,500	354,226	29,274
	403,500	354,226	49,274
Total Expenditures	403,500	354,226	49,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,400)	141,535	174,935
Other Financing Sources (Uses):			
Transfer out	(185,000)	(185,000)	-
Total Other Financing Sources (Uses)	(185,000)	(185,000)	-
Net Change in Fund Balance	(218,400)	(43,465)	174,935
Fund Balance at Beginning of Year	493,259	493,259	-
Fund Balance at End of Year	\$ 274,859	\$ 449,794	\$ 174,935

CITY OF MISSION, TEXAS*MUNICIPAL COURT BLDG SECURITY FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021***EXHIBIT C-14**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Municipal court security fees	\$ 20,000	\$ 30,531	\$ 10,531
Total Charges for Services	20,000	30,531	10,531
Interest:			
Interest earned on investments	-	400	400
Total Interest	-	400	400
Miscellaneous Income:			
Miscellaneous	-	-	-
Total Miscellaneous Income	-	-	-
Total Revenues	20,000	30,931	10,931
Expenditures:			
Current:			
Purchased property services	5,000	-	5,000
Other purchased services	15,000	3,075	11,925
Capital outlay	30,000	-	30,000
Miscellaneous	-	727	(727)
Total Expenditures	50,000	3,802	46,198
Net Change in Fund Balance	(30,000)	27,129	57,129
Fund Balance at Beginning of Year	99,522	99,522	-
Fund Balance at End of Year	\$ 69,522	\$ 126,651	\$ 57,129

CITY OF MISSION, TEXAS

EXHIBIT C-15

PARK DEDICATION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Park dedication fee	\$ 479,331	\$ 51,960	\$ (427,371)
Total Charges for Services	479,331	51,960	(427,371)
 Total Revenues	 479,331	 51,960	 (427,371)
Expenditures:			
Current:			
Culture and Recreation:			
Zone 1-Northwest:			
Capital outlays	277,242	1,590	275,652
	277,242	1,590	275,652
Zone 2-Northeast:			
Capital outlays	17,984	10,890	7,094
	17,984	10,890	7,094
Zone 3-Southwest:			
Capital outlays	21,318	12,708	8,610
	21,318	12,708	8,610
Zone 4-Southeast:			
Capital outlays	162,787	26,772	136,015
	162,787	26,772	136,015
 Total Culture and Recreation	 479,331	 51,960	 427,371
 Total Expenditures	 479,331	 51,960	 427,371
 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, 2021***EXHIBIT C-16**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Juvenile case manager fee	\$ 30,000	\$ 32,435	\$ 2,435
Total Charges for Services	30,000	32,435	2,435
 Total Revenues	 30,000	 32,435	 2,435
Expenditures:			
Current:			
Personal services	24,024	23,956	68
Employee benefits	11,787	11,404	383
Other purchased services	3,000	-	3,000
Supplies	1,500	1,318	182
Total Expenditures	40,311	36,678	3,633
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (10,311)	 (4,243)	 6,068
 Fund Balance at Beginning of Year	 157,806	 157,806	 -
 Fund Balance at End of Year	 \$ 147,495	 \$ 153,563	 \$ 6,068

CITY OF MISSION, TEXAS**EXHIBIT C-17***PEG CAPITAL FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
PEG capital fee	\$ 100,000	\$ -	\$ (100,000)
Total Charges for Services	100,000	-	(100,000)
Interest:			
Interest earned on investment	100	2,602	2,502
Total Interest	100	2,602	2,502
Miscellaneous Income:			
Miscellaneous	-	89,020	89,020
Total Miscellaneous Income	-	89,020	89,020
Total Revenues	100,100	91,622	(8,478)
Expenditures:			
Miscellaneous:			
Capital Outlay	800,000	135,266	664,734
Depository charges	-	-	-
Total Expenditures	800,000	135,266	664,734
Excess (Deficiency) of Revenues Over (Under) Expenditures	(699,900)	(43,644)	656,256
Fund Balance at Beginning of Year	771,419	771,419	-
Fund Balance at End of Year	\$ 71,519	\$ 727,775	\$ 656,256

CITY OF MISSION, TEXAS*VETERAN'S CEMETERY FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021***EXHIBIT C-18**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Veterans land board reimbursement	\$ 750,000	\$ 614,034	\$ (135,966)
Total Charges for Services	750,000	614,034	(135,966)
 Total Revenues	 750,000	 614,034	 (135,966)
Expenditures:			
Current:			
General Government			
Personal services	358,342	338,356	19,986
Employee benefits	142,926	130,457	12,469
Professional and technical services	68,182	56,245	11,937
Purchased services	36,000	21,434	14,566
Other purchased services	60,600	5,536	55,064
Supplies	79,000	59,901	19,099
Miscellaneous	4,950	2,105	2,845
Total General Government	750,000	614,034	135,966
 Total Expenditures	 750,000	 614,034	 135,966
 Fund Balance at Beginning of Year	 -	 -	 -
 Fund Balance at End of Year	 \$ -	 \$ -	 \$ -

CITY OF MISSION, TEXAS*TAX INCREMENT REINVESTMENT ZONE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021***EXHIBIT C-19**

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Current ad valorem taxes	\$ -	\$ 3,191,312	\$ 3,191,312
Delinquent ad valorem taxes	-	52,578	52,578
Total Taxes	-	3,243,890	3,243,890
Intergovernmental:			
Contribution-Hidalgo County	3,000,000	3,208,137	208,137
Total Intergovernmental	3,000,000	3,208,137	208,137
Total Revenues	3,000,000	6,452,027	3,452,027
Expenditures:			
Current:			
Economic Development	6,180,000	6,452,027	(272,027)
Total Expenditures	6,180,000	6,452,027	(272,027)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,180,000)	-	3,180,000
Other Financing Sources (Uses):			
Transfers in	3,180,000	-	(3,180,000)
Total Other Financing Sources (Uses)	3,180,000	-	(3,180,000)
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	3,555	3,555	-
Fund Balance at End of Year	\$ 3,555	\$ 3,555	\$ -

CITY OF MISSION, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT C-20

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Current ad valorem taxes	\$ 4,000,000	\$ 3,405,307	\$ (594,693)
Delinquent ad valorem taxes	110,000	97,819	(12,181)
Interest & penalties on taxes	75,000	83,301	8,301
Total Taxes	4,185,000	3,586,427	(598,573)
Interest:			
Interest earned on investments	1,000	228	(772)
Total Interest	1,000	228	(772)
Miscellaneous Income:			
Miscellaneous	-	1,498,068	1,498,068
Total Miscellaneous Income	-	1,498,068	1,498,068
Total Revenues	4,186,000	5,084,723	898,723
Expenditures:			
Current:			
Debt Service:			
Principal retirement	3,425,000	3,425,000	-
Interest and fiscal agent charges	1,811,900	2,024,241	(212,341)
Total Debt Service	5,236,900	5,449,241	(212,341)
Total Expenditures	5,236,900	5,449,241	(212,341)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,050,900)	(364,518)	686,382
Other Financing Sources (Uses):			
Issuance of debt	4,955,000	4,955,000	-
Bond premium	720,248	720,248	-
Payment to refunded bond escrow agent	(5,549,341)	(5,549,341)	-
Transfers in	1,950,000	450,000	(1,500,000)
Transfers out	(530,000)	-	530,000
Total Other Financing Sources (Uses)	1,545,907	575,907	(970,000)
Net Change in Fund Balance	495,007	211,389	(283,618)
Fund Balance at Beginning of Year	806,864	806,864	-
Fund Balance at End of Year	\$ 1,301,871	\$ 1,018,253	\$ (283,618)

CITY OF MISSION, TEXAS*COMBINING BALANCE SHEET**NONMAJOR CAPITAL PROJECTS FUNDS**SEPTEMBER 30, 2021***EXHIBIT C-21**

	Capital Projects Fund	2018 Certificates of Obligation	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 3,052,887	\$ 3,052,887
Investments	-	4,624,703	4,624,703
Due from other governments	645,238	-	645,238
Due from Component Unit	3,191	-	3,191
Due from other funds	735,917	28,723	764,640
Total Assets	<u>\$ 1,384,346</u>	<u>\$ 7,706,313</u>	<u>\$ 9,090,659</u>
LIABILITIES			
Accounts payable	\$ 53,039	\$ -	\$ 53,039
Retainage payable	-	45,179	45,179
Due to other funds	-	6	6
Unearned revenue	1,331,307	-	1,331,307
Total Liabilities	<u>1,384,346</u>	<u>45,185</u>	<u>1,429,531</u>
FUND BALANCES			
Reserved for capital projects	-	7,661,128	7,661,128
Total Fund Balances	<u>-</u>	<u>7,661,128</u>	<u>7,661,128</u>
Total Liabilities and Fund Balances	<u>\$ 1,384,346</u>	<u>\$ 7,706,313</u>	<u>\$ 9,090,659</u>

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

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Capital Projects Fund	2018 Certificates of Obligation	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$ 1,246,879	\$ -	\$ 1,246,879
Interest	-	2,497	2,497
Total Revenues	1,246,879	2,497	1,249,376
Expenditures:			
Current:			
Capital projects	2,379,399	1,268,178	3,647,577
Total Expenditures	2,379,399	1,268,178	3,647,577
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,132,520)	(1,265,681)	(2,398,201)
Other Financing Sources (Uses):			
Transfers In	1,132,520	-	1,132,520
Total Other Financing Sources (Uses)	1,132,520	-	1,132,520
Net Change in Fund Balance	-	(1,265,681)	(1,265,681)
Fund Balance at Beginning of Year	-	8,926,809	8,926,809
Fund Balance at End of Year	\$ -	\$ 7,661,128	\$ 7,661,128



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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, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Water sales, net of adjustment	\$ 12,725,000	\$ 12,173,137	\$ (551,863)
Connection fee	120,000	161,556	41,556
Reconnect fee	110,000	133,768	23,768
W/W system cap. recovery fee	-	53,450	53,450
Sewage service	6,542,000	6,592,441	50,441
Wastewater assessment	70,000	85,410	15,410
Service charge	60,000	52,943	(7,057)
Industrial sewer surcharge	50,000	13,870	(36,130)
Waterline and sewer line	2,000	-	(2,000)
RMA reimbursement	370,000	-	(370,000)
TIRZ reimbursement	135,000	1,150,872	1,015,872
5% credit card fee	30,000	27,027	(2,973)
Miscellaneous income	20,000	(23,007)	(43,007)
Operating Revenues	20,234,000	20,421,467	187,467
Nonoperating Revenues:			
Interest earned	45,000	34,006	(10,994)
Gain (loss) on disposal of capital assets	94,564	12,992	(81,572)
Insurance settlement	80,915	1,857	(79,058)
Nonoperating Revenues	220,479	48,855	(171,624)
Total Revenues	20,454,479	20,470,322	15,843
Operating Expenses:			
Utility Administration:			
Personal services	798,480	758,094	40,386
Employee benefits	251,479	230,633	20,846
Purchased property services	24,300	24,620	(320)
Other purchased services	15,905	10,318	5,587
Supplies	6,400	4,860	1,540
Miscellaneous	500	747	(247)
	1,097,064	1,029,272	67,792

CITY OF MISSION, TEXAS*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Water Distribution:			
Personal services	1,258,139	1,129,912	128,227
Employee benefits	549,932	463,449	86,483
Professional & technical services	-	132,500	(132,500)
Purchased property services	991,276	814,380	176,896
Other purchased services	26,100	26,054	46
Supplies	576,750	483,265	93,485
Capital outlays	996,850	164,403	832,447
Miscellaneous	7,500	12,274	(4,774)
	<u>4,406,547</u>	<u>3,226,237</u>	<u>1,180,310</u>
Water Treatment:			
Personal services	478,055	475,119	2,936
Employee benefits	191,780	165,909	25,871
Professional & technical services	100,000	80,875	19,125
Purchased property services	221,500	240,634	(19,134)
Other purchased services	10,450	9,345	1,105
Supplies	802,350	694,879	107,471
Miscellaneous	76,700	71,451	5,249
	<u>1,880,835</u>	<u>1,738,212</u>	<u>142,623</u>
Wastewater Treatment and Collection:			
Personal services	505,770	444,921	60,849
Employee benefits	205,508	165,120	40,388
Professional & technical services	85,000	77,743	7,257
Purchased property services	762,550	741,697	20,853
Other purchased services	9,550	9,098	452
Supplies	146,000	74,304	71,696
Capital outlays	320,000	1,421,493	(1,101,493)
Miscellaneous	177,500	186,919	(9,419)
	<u>2,211,878</u>	<u>3,121,295</u>	<u>(909,417)</u>
Industrial Pretreatment:			
Personal services	49,408	50,795	(1,387)
Employee benefits	18,402	15,117	3,285
Purchased property services	130,000	99,136	30,864
Other purchased services	600	494	106
Supplies	6,450	4,257	2,193
Miscellaneous	70,000	47,582	22,418
	<u>274,860</u>	<u>217,381</u>	<u>57,479</u>

CITY OF MISSION, TEXAS*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Utility Billing and Collection:			
Personal services	270,486	251,197	19,289
Employee benefits	115,295	90,713	24,582
Purchased property services	24,500	23,926	574
Other purchased services	146,400	146,398	2
Supplies	27,500	22,699	4,801
Miscellaneous	5,300	5,257	43
	<u>589,481</u>	<u>540,190</u>	<u>49,291</u>
Organizational Expense:			
Professional & technical services	85,000	4,898	80,102
Purchased property services	44,985	46,852	(1,867)
Other purchased services	232,050	271,605	(39,555)
Capital outlays	100,000	-	100,000
Miscellaneous	335,780	394,219	(58,439)
	<u>797,815</u>	<u>717,574</u>	<u>80,241</u>
Meter Readers:			
Personal services	277,423	277,922	(499)
Employee benefits	129,011	116,039	12,972
Purchased property services	17,000	15,246	1,754
Other purchased services	6,500	8,936	(2,436)
Supplies	69,800	68,312	1,488
Miscellaneous	800	625	175
	<u>500,534</u>	<u>487,080</u>	<u>13,454</u>
Northside Water Treatment Plant:			
Personal services	398,301	389,828	8,473
Employee benefits	170,966	149,011	21,955
Professional & technical services	20,000	21,173	(1,173)
Purchased property services	444,123	397,742	46,381
Other purchased services	3,800	2,278	1,522
Supplies	1,159,700	1,044,126	115,574
Capital outlays	18,677	18,677	-
Miscellaneous	150,500	150,889	(389)
	<u>2,366,067</u>	<u>2,173,724</u>	<u>192,343</u>

CITY OF MISSION, TEXAS*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
2021 PSI Project:			
Professional & technical services	-	251,344	(251,344)
Purchased property services	-	338,314	(338,314)
Supplies	-	4,424,393	(4,424,393)
Capital outlays	-	2,680,183	(2,680,183)
	-	7,694,234	(7,694,234)
2015 TWDB:			
Capital outlays	-	12,200	(12,200)
	-	12,200	(12,200)
Total Operating Expenses	14,125,081	20,957,399	(6,832,318)
Nonoperating Expenses:			
Bond interest expense	688,587	833,014	(144,427)
Bond fiscal charges	4,400	3,000	1,400
Bond principal	2,592,573	2,632,573	(40,000)
Nonoperating Expenses	3,285,560	3,468,587	(183,027)
Transfers:			
Transfers in (out)	(4,756,621)	(4,684,744)	71,877
Capital Contributions	250,000	1,125,137	875,137
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	21,917,262	27,985,593	(6,068,331)
Net Position (Budgetary Basis)	<u>\$ (1,462,783)</u>	(7,515,271)	<u>\$ (6,052,488)</u>
Adjustments:			
Current year depreciation of capital assets, not budgeted		(5,510,948)	
Bond principal		2,632,573	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		9,311,007	
		6,432,632	
Net Position (GAAP Basis)		<u>\$ (1,082,639)</u>	

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Pro shop sales	\$ 60,000	\$ 52,869	\$ (7,131)
Cart and club rental	150,000	214,576	64,576
Pull carts and club rentals	1,000	249	(751)
Food and beverage sales	100,000	105,314	5,314
Daily green fees	310,000	372,230	62,230
Trail fees	35,000	38,813	3,813
Juniors' fees	35,000	27,020	(7,980)
Capital fees	39,000	41,696	2,696
Prepaid members	120,000	109,043	(10,957)
Driving range	30,000	35,762	5,762
Miscellaneous income	2,500	1,767	(733)
Operating Revenues	882,500	999,339	116,839
Total Revenues	882,500	999,339	116,839
Operating Expenses:			
Cost of sales-pro shop	60,000	58,362	1,638
Cost of sales-restaurant	60,000	60,678	(678)
Total Cost of Sales	120,000	119,040	960
Golf Course Operation:			
Club House:			
Personal services	302,128	247,123	55,005
Employee benefits	104,110	83,097	21,013
Purchased property services	164,048	118,426	45,622
Other purchased services	9,170	17,151	(7,981)
Supplies	12,900	7,187	5,713
Miscellaneous	200	393	(193)
	592,556	473,377	119,179
Grounds:			
Personal services	331,370	312,236	19,134
Employee benefits	156,367	132,306	24,061
Purchased property services	36,500	17,518	18,982
Supplies	130,500	64,989	65,511
Capital outlays	231,648	145,604	86,044
	886,385	672,653	213,732

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Restaurant:			
Personal services	44,086	32,296	11,790
Employee benefits	10,293	5,631	4,662
Supplies	200	36	164
Miscellaneous	200	127	73
	<u>54,779</u>	<u>38,090</u>	<u>16,689</u>
Organizational Expense:			
Other purchased services	12,730	11,985	745
Miscellaneous	22,000	22,586	(586)
	<u>34,730</u>	<u>34,571</u>	<u>159</u>
 Total Golf Course Operation	 <u>1,688,450</u>	 <u>1,337,731</u>	 <u>350,719</u>
 Depreciation	 -	 223,813	 (223,813)
 Total Operating Expenses	 <u>1,688,450</u>	 <u>1,561,544</u>	 <u>126,906</u>
Nonoperating Expenses:			
Capital lease interest expense	-	167	(167)
Bond and capital lease principal	12,300	10,726	1,574
Nonoperating Expenses	<u>12,300</u>	<u>10,893</u>	<u>1,407</u>
 Operating and Nonoperating Expenses, and Capital Contributions (Budgetary Basis)	 <u>1,700,750</u>	 <u>1,572,437</u>	 <u>128,313</u>
 Net Position (Budgetary Basis)	 <u><u>\$ (818,250)</u></u>	 <u><u>(573,098)</u></u>	 <u><u>\$ 245,152</u></u>
Adjustments:			
Bond and capital lease principal		10,726	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		<u>145,604</u>	
		<u>156,330</u>	
 Net Position (GAAP Basis)		 <u><u>\$ (416,768)</u></u>	

CITY OF MISSION, TEXAS*SOLID WASTE**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Garbage fees	\$ 6,717,000	\$ 6,776,771	\$ 59,771
Brush fees	778,500	793,280	14,780
Roll-off fees	25,000	48,115	23,115
Franchise fees	40,000	41,311	1,311
Miscellaneous income	3,000	2,160	(840)
Operating Revenues	<u>7,563,500</u>	<u>7,661,637</u>	<u>98,137</u>
Nonoperating Revenues:			
Interest earned	5,000	2,480	(2,520)
Gain (loss) on disposal of capital assets	-	(6,002)	(6,002)
Other	-	-	-
Nonoperating Revenues	<u>5,000</u>	<u>(3,522)</u>	<u>(8,522)</u>
Total Revenues	<u>7,568,500</u>	<u>7,658,115</u>	<u>89,615</u>
Operating Expenses:			
Personal services	1,331,948	1,420,129	(88,181)
Employee benefits	500,467	431,246	69,221
Purchase property services	404,820	520,222	(115,402)
Other purchased services	65,985	63,140	2,845
Supplies	912,955	894,694	18,261
Capital outlays	359,595	192,148	167,447
Solid waste disposal	450,000	566,048	(116,048)
Landfill-Waste disposal service	925,000	1,130,153	(205,153)
Landfill charges-Ash Disposal	16,000	3,027	12,973
Landfill charges-Brush	75,000	110,892	(35,892)
Miscellaneous	185,500	6,215	179,285
	<u>5,227,270</u>	<u>5,337,914</u>	<u>(110,644)</u>
Total Expenses	<u>5,227,270</u>	<u>5,337,914</u>	<u>(110,644)</u>
Depreciation	-	695,532	(695,532)
Total Operating Expense	<u>5,227,270</u>	<u>6,033,446</u>	<u>(806,176)</u>

CITY OF MISSION, TEXAS*SOLID WASTE**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Non Operating Expenses:			
Bond interest	7,620	7,465	155
Bond fiscal charges	1,100	-	1,100
Bond principal	815,000	823,239	(8,239)
Non-operating Expenses	823,720	830,704	(6,984)
Transfers:			
Transfers in (out)	(1,450,000)	(1,450,000)	-
Capital Contributions	118,000	326,238	208,238
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	7,382,990	7,987,912	(604,922)
Net Position (Budgetary Basis)	\$ 185,510	(329,797)	\$ (515,307)
Adjustments:			
Bond and capital lease principal		823,239	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		192,148	
		1,015,387	
Net position (GAAP Basis)		\$ 685,590	

CITY OF MISSION, TEXAS*EVENT CENTER**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Rental revenues	\$ 250,000	\$ 96,272	\$ (153,728)
Beverage sales	75,000	69,712	(5,288)
Operating Revenues	325,000	165,984	(159,016)
Nonoperating Revenues:			
Interest earned	100	-	(100)
Nonoperating Revenues	100	-	(100)
Total Revenues	325,100	165,984	(159,116)
Operating Expenses:			
Personal services	223,630	191,091	32,539
Employee benefits	87,849	63,122	24,727
Purchase property services	208,500	188,061	20,439
Other purchased services	72,100	56,539	15,561
Supplies	61,250	31,045	30,205
Capital outlays	35,100	5,264	29,836
Miscellaneous	66,700	12,486	54,214
	755,129	547,608	207,521
Total Expenses	755,129	547,608	207,521
Depreciation	-	42,459	-
Total Operating Expense	755,129	590,067	207,521
Transfers:			
Transfers in (out)	415,000	185,000	(230,000)
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	340,129	405,067	(22,479)
Net Position (Budgetary Basis)	\$ (15,029)	(239,083)	\$ (181,595)

CITY OF MISSION, TEXAS*EVENT CENTER**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2021*

	Budget	Actual	Variance with Final Budget Positive (Negative)
Adjustments:			
Bond and capital lease principal		-	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		5,264	
		5,264	
Net position (GAAP Basis)		\$ (233,819)	



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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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Governmental Funds Capital Assets:		
Land	\$ 42,288,152	\$ 40,868,284
Buildings and structures	37,827,612	37,827,612
Improvements other than buildings	19,958,184	19,779,572
Furniture and equipment	38,045,281	34,419,828
Construction in progress	13,398,676	10,214,735
Infrastructure	<u>126,218,771</u>	<u>123,450,690</u>
Total Governmental Funds Capital Assets	<u>\$ 277,736,676</u>	<u>\$ 266,560,721</u>
Investment in Governmental Funds Capital Assets by Source:		
General fund revenues	\$ 130,838,953	\$ 125,505,454
Bond funds	56,216,348	55,214,325
Enterprise funds	1,264	1,264
Special funds	36,971,651	33,777,603
Donations	15,739,916	16,152,701
Developers	<u>37,968,543</u>	<u>35,909,374</u>
Total Governmental Funds Capital Assets	<u>\$ 277,736,676</u>	<u>\$ 266,560,721</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, 2021

<u>Function and Activity:</u>	Governmental Funds Capital Assets September 30, 2020	Additions	Deductions	Governmental Funds Capital Assets September 30, 2021
General Government	\$ 16,438,984	\$ 2,437,055	\$ 133,340	\$ 18,742,698
Public Safety	33,223,747	3,803,522	1,118,008	35,909,261
Highways and Streets	168,537,282	5,363,094	38,703	173,861,673
Health and Welfare	313,142	14,565	7,395	320,312
Cultural and Recreational	<u>48,047,568</u>	<u>1,015,130</u>	<u>159,966</u>	<u>48,902,732</u>
Total Governmental Funds Capital Assets	<u>\$ 266,560,722</u>	<u>\$ 12,633,366</u>	<u>\$ 1,457,412</u>	<u>\$ 277,736,676</u>

CITY OF MISSION, TEXAS
 CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 September 30, 2021

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Structures</u>	<u>Improvements Other Than Buildings</u>	<u>Furniture and Equipment</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
General Government	\$ 8,481,352	\$ 3,712,695	\$ 709,206	\$ 5,798,131	\$ 41,314		\$ 18,742,698
Public Safety	729,497	11,408,007	271,804	23,206,546	1,625	291,783	35,909,262
Highways and Streets	31,528,806	124,728	583,315	5,952,511	125,943,845	9,728,468	173,861,673
Health and Welfare		17,406	9,305	293,601			320,312
Cultural and Recreational	<u>1,548,497</u>	<u>22,564,775</u>	<u>18,384,554</u>	<u>2,794,492</u>	<u>231,987</u>	<u>3,378,426</u>	<u>48,902,732</u>
Total Governmental Funds Capital Assets	<u>\$ 42,288,152</u>	<u>\$ 37,827,612</u>	<u>\$ 19,958,184</u>	<u>\$ 38,045,281</u>	<u>\$ 126,218,771</u>	<u>\$ 13,398,676</u>	<u>\$ 277,736,676</u>



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SUPPLEMENTARY SCHEDULES

CITY OF MISSION, TEXAS
UTILITY FUND
SCHEDULE OF REVENUE BOND COVERAGE
Year Ended September 30, 2021

Operating Revenues	\$ 20,421,467	
Interest Earned by funds Created by the Bond Indenture	<u>29,474</u>	
Gross Revenues Per Bond Ordinance		<u>\$ 20,450,941</u>
Operating Expenses	17,152,315	
Less: Depreciation Expense	<u>(5,510,948)</u>	
Operating Expenses Per Bond Ordinance		<u>11,641,367</u>
Net Revenue Per Bond Ordinance		<u>\$ 8,809,574</u>
Average Annual Debt Service Requirements		<u>\$ 2,718,952</u>
Succeeding Fiscal Year Debt Service Requirement		<u>\$ 3,165,112</u>
Required Coverage Ratio		<u>110% & 125%</u>
Calculated Coverage Ratio		
A) Based upon Average Annual Debt Service Requirements		<u>324%</u>
B) Based upon Succeeding Fiscal Year Debt Service Requirements		<u>278%</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, 2021

	Interest and Sinking Cash	Waterworks and Sewer Construction Cash	Reserve Cash	Extension & Improvement 02-10040 02-10220	Total
Cash	\$ 508,091	\$ 299,875	\$ 241,458	\$ 227,086	\$ 1,276,510
Investments	896,915	1,047,116	342,056	56,994	2,343,081
Due From (To) other funds	-	248,000	(187,423)	35,309	95,887
Cash and investments September 30, 2020	<u>1,405,006</u>	<u>1,594,990</u>	<u>396,092</u>	<u>319,389</u>	<u>3,715,478</u>
Cash receipts:					
Transfer from operating cash	4,467,465	-	-	-	4,467,465
Interest received	10,023	11,814	7,599	38	29,474
Total cash receipts	<u>4,477,488</u>	<u>11,814</u>	<u>7,599</u>	<u>38</u>	<u>4,496,939</u>
Total cash and investments available	<u>5,882,494</u>	<u>1,606,805</u>	<u>403,691</u>	<u>319,427</u>	<u>8,212,417</u>
Cash disbursements:					
Principal payments	2,505,000	-	-	-	2,505,000
Interest and fiscal charges	664,135	-	-	-	664,135
Transfer to other I&S accounts	-	-	-	-	-
Total cash disbursements	<u>3,169,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,169,135</u>
Cash and investments, September 30, 2020	<u>\$ 2,713,360</u>	<u>\$ 1,606,805</u>	<u>\$ 403,691</u>	<u>\$ 319,427</u>	<u>\$ 5,043,282</u>
Total Cash and investments Restricted at September 30, 2021 is composed of the following:					
Cash and cash equivalents	\$ 1,816,369	\$ 309,676	\$ 248,010	\$ 227,095	\$ 2,601,150
Investments	895,991	801,129	343,103	57,022	2,097,245
Due From (To) other funds	<u>1,000</u>	<u>496,000</u>	<u>(187,423)</u>	<u>35,309</u>	<u>344,887</u>
Total	<u>\$ 2,713,360</u>	<u>\$ 1,606,805</u>	<u>\$ 403,691</u>	<u>\$ 319,427</u>	<u>\$ 5,043,282</u>



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STATISTICAL SECTION

This part of the City of Mission's annual comprehensive 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	197
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed overtime.	
Revenue Capacity	204
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	208
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	213
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	216
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**

	2012	2013 ⁽¹⁾	2014 ⁽²⁾	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 111,809,778
Restricted	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	15,467,499
Unrestricted	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)	(8,229,017)
Total governmental activities net position	<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>	<u>\$ 119,048,260</u>
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 71,512,801
Restricted	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	4,455,077
Unrestricted	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)	(11,490,777)
Total business-type activities net position	<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>\$ 65,528,231</u>	<u>\$ 64,477,101</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 183,322,579
Restricted	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	19,922,576
Unrestricted	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)	(19,719,794)
Total primary government net position	<u>\$ 167,702,876</u>	<u>\$ 168,693,157</u>	<u>\$ 166,575,795</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>\$ 172,136,906</u>	<u>\$ 183,525,361</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
Changes in Net Position
Last Ten Fiscal Years**

	2012	2013 (1)	2014 (2)	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 13,761,832
Public Safety	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	29,052,134
Highways and streets	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	9,218,394
Health and welfare	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	1,016,751
Economic development	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	6,621,431
Culture and recreation	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	7,102,955
Interest on long-term debt	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	2,399,062
Total governmental activities expenses	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	69,172,559
Business-type Activities										
Utility system	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	17,995,692
Golf course operations	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	1,416,473
Solid waste operations	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	5,849,420
Event Center	-	-	-	-	-	-	-	-	675,398	584,939
Total business-type activities expenses	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	25,846,524
Total primary government expenses	\$ 71,668,329	\$ 74,720,237	\$ 78,210,938	\$ 73,092,467	\$ 77,985,091	\$ 81,033,469	\$ 83,195,846	\$ 88,839,951	\$ 87,822,688	\$ 95,019,083
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 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	\$ 3,452,933
Public Safety	83,142	67,164	118,310	61,898	106,985	62,576	67,321	71,984	71,085	68,915
Highways and streets	541,497	682,323	884,355	902,318	918,844	935,777	943,562	968,018	993,301	997,684
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and welfare	235,708	153,223	237,738	225,047	263,320	221,780	298,306	396,260	248,360	308,567
Culture and recreation	337,112	328,626	371,962	554,618	413,331	384,671	557,152	736,090	130,663	221,451
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	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	19,955,799
Capital grants and contributions	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	5,764,197
Total governmental activities program revenues	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	30,769,546
Business-type activities										
Charges for services										
Utility system	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	20,444,741
Golf course operation	1,080,635	1,031,598	909,563	874,434	900,914	900,432	848,699	905,298	899,977	997,573
Solid waste operation	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	7,659,476
Event Center	-	-	-	-	-	-	-	-	229,469	165,984
Operating grants and contributions	14,463	13,216	24,921	13,587	12,082	73,923	57,968	28,863	26,835	29,474
Capital grants and contributions	393,825	483,302	836,355	324,385	924,694	893,581	176,592	1,085,961	1,201,331	1,451,375
Total business-type activities program revenues	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	30,748,623
Total primary government program revenues	\$ 36,716,142	\$ 40,473,866	\$ 40,893,361	\$ 39,763,698	\$ 44,602,994	\$ 50,072,280	\$ 44,941,784	\$ 46,656,875	\$ 55,334,525	\$ 61,518,169
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (38,403,013)
Business-type activities	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	4,902,099
Total primary government net expense	\$ (34,952,187)	\$ (34,246,371)	\$ (37,317,577)	\$ (33,328,769)	\$ (33,382,097)	\$ (30,961,189)	\$ (38,254,062)	\$ (42,183,076)	\$ (32,488,163)	\$ (33,500,914)

	2012	2013 ⁽¹⁾	2014 ⁽²⁾	2015	2016	2017	2018	2019	2020	2021
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 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	\$ 24,671,028
Sales taxes	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	15,920,130
Franchise taxes	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	2,795,860
Hotel/motel taxes	537,574	577,711	650,142	748,812	685,834	528,962	412,047	488,269	448,409	494,355
Alcoholic beverage taxes	73,518	69,167	48,018	36,258	31,131	21,983	24,518	31,804	27,074	42,320
Shared revenue-tax increment zone	201,902	274,030	520,000	210,674	239,545	755,307	762,620	259,765	288,385	322,601
Unrestricted grants and contributions	2	-	724	-	-	-	-	-	-	-
Investment earnings	54,703	66,153	99,730	101,357	97,218	102,977	125,138	109,853	65,963	16,779
Miscellaneous	18,122	2,586,583	667,816	643,372	385,199	406,755	628,185	426,299	348,483	629,781
Special item	-	-	-	-	-	-	-	-	-	-
Transfers	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	5,949,744
Total governmental activities	<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>	<u>50,842,598</u>
Business-type activities										
Investment earnings	34,678	50,944	77,145	81,229	77,203	62,283	86,804	59,180	11,357	7,012
Miscellaneous	218,534	52,061	90,774	74,346	110,242	32,074	30,060	115,811	62,015	(10,497)
Transfers	(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)	(5,949,744)
Total business-type activities	<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>	<u>(5,953,229)</u>
Total primary government	<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>	<u>\$ 44,889,369</u>
Change in Net Position										
Governmental activities	\$ (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	\$ 12,439,585
Business-type activities	834,403	(2,528,034)	(2,243,420)	(1,160,244)	1,819,124	(756,532)	(284,708)	164,561	(2,170,801)	(1,051,130)
Total primary government	<u>\$ (2,078,796)</u>	<u>\$ 990,281</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>	<u>\$ 11,388,455</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
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
2021	\$ 24,671,028	\$ 15,920,130	\$ 2,795,860	\$ 494,355	\$ 42,320	\$ 43,923,693

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	\$ 32,000	\$ 29,600	\$ 27,200	\$ 24,800	\$ 22,400	\$ 20,000	\$ 17,600	\$ 47,280	\$ 20,541	\$ 8,000
Inventory	885	796	1,332	500	826	1,067	33,552	27,702	25,483	24,343
Prepaid	16,380	12,795	14,336	16,290	23,750	41,194	23,025	74,134	69,063	95,707
Committed	-	-	-	-	-	-	-	-	-	-
Assigned										
Significant encumbrance	625,681	172,579	1,357,108	183,359	580,875	3,489,260	2,340,039	1,420,605	1,669,633	234,524
Funds assigned for asset replacement	175,221	5,589	85,909	6,000	86,250	68,093	68,331	66,232	145,349	138,660
Funds assigned for Boys & Girls Club	295,768	320,422	163,271	87,141	-	-	-	-	-	-
Funds assigned for recreation programs	-	-	-	-	-	-	-	-	-	-
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	5,064,385
Unassigned	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	1,881,097
Total Post GASB 54	<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>	<u>\$ 7,446,716</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	3,124,863	1,663,852	1,251,969	1,625,340	20,525,988	5,058,220	6,406	9,591,949	8,926,808	29,475,099
Economic Development	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	971,992
Debt Service	1,315,076	1,688,433	2,065,837	2,429,498	2,819,500	1,293,342	968,906	469,436	806,865	1,018,253
Aquatics Programs	10,000	10,000	10,000	10,000	-	-	-	-	-	-
Municipal Court	464,588	451,861	345,637	371,415	415,524	416,451	433,608	420,635	417,483	452,124
PD Asset Sharing	1,773,041	1,210,028	1,680,978	1,051,581	947,086	656,734	357,075	102,468	280,772	177,350
Drainage Improvements	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	773,433
Scholarships and Books	25,594	25,703	25,799	25,826	25,826	25,972	26,256	27,250	27,477	27,477
Tourism	412,953	319,997	539,027	849,426	1,068,442	1,163,835	799,251	628,708	493,259	449,794
Perpetual Care	37,541	46,572	45,074	52,487	35,335	36,374	39,203	44,617	49,056	26,298
Records Preservation	13,016	10,733	8,184	6,918	6,850	9,157	8,344	10,039	5,795	7,284
PEG (public, educational, and governmental)	-	-	-	-	419,765	515,003	622,170	750,910	771,419	727,775
Tax Increment	3,999	3,818	3,487	3,536	3,554	3,562	3,555	3,555	3,555	3,555
Unassigned	-	-	-	-	-	-	-	-	(5,577,231)	-
Total Post GASB 54	<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>	<u>\$ 34,110,434</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 44,054,799
Licenses and permits	554,324	497,739	573,875	550,463	634,871	555,266	528,545	714,545	738,605	1,066,542
Intergovernmental	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	17,449,835
Charges for services	905,492	893,511	1,048,380	1,249,275	1,191,107	1,036,163	1,273,238	1,649,023	982,697	1,734,444
Fines	811,498	814,104	1,016,847	848,264	807,026	832,596	661,650	723,578	585,564	725,713
Investment earnings	57,649	59,252	87,731	90,628	83,949	163,061	135,555	224,665	144,043	38,020
Special assessments	540,032	682,323	884,355	902,318	918,844	935,777	943,562	968,018	993,301	997,684
Miscellaneous	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	2,284,774
Total Revenues	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	68,351,811
Expenditures										
General government	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	15,593,551
Public safety	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	28,703,006
Highways and streets	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	5,665,912
Health and Welfare	1,351,381	960,761	426,376	426,037	459,716	459,447	562,204	607,996	694,299	1,024,736
Economic and physical development	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	6,621,430
Culture and recreation	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	6,248,872
Capital projects	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	3,852,124
Debt service										
Principal	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	4,540,217
Bond issuance costs	-	-	-	-	-	-	-	246,686	-	421,330
Interest	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	2,166,610
Other charges	5,950	8,239	5,450	5,650	6,300	5,800	5,350	5,350	6,800	3,000
Total expenditures	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	74,840,788
Excess of revenues over (under) expenditures	(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)	(6,488,977)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing sources (uses)										
Transfers in	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	7,711,706
Transfers out	(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)	(1,761,961)
Refunding bond issued	3,165,000	-	-	-	8,085,000	-	-	-	-	-
Bonds issued	2,635,000	-	2,653,865	-	17,610,000	-	-	11,690,000	-	23,920,000
Long-term debt proceeds	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	298,283	-	-	-	4,028,801	-	-	1,056,686	-	4,050,671
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(3,185,773)	-	(2,232,849)	-	(9,385,029)	-	-	-	-	(5,549,341)
Capital leases	-	-	-	-	-	-	530,306	-	1,936,647	2,902,450
Sale of capital assets	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	314,451
Total other financing sources (uses)	5,171,621	5,974,771	5,136,662	4,696,157	24,892,337	4,873,060	7,212,381	20,164,648	9,097,930	31,587,976
Special and extraordinary items:										
Special item	-	-	-	-	-	-	-	-	-	-
Total special and extraordinary items	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	<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>	<u>\$ 25,098,999</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	7.90%	7.54%	7.00%	6.94%	6.75%	8.81%	7.95%	9.27%	10.04%	10.43%

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
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
2021	24,772,706	15,920,130	29,428	2,795,860	494,355	42,320	44,054,799

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
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%
2021	2,023,109,348	2,938,361,396	444,921,569	784,710,965	4,621,681,348	0.5299	5,406,392,313	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			
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
2020-21	0.4417	0.0882	0.5299	0.5750	1.1993	1.2808	1.3110	0.0492	0.1026	0.1718	5.22

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 2021			Tax Year 2012		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Frontera Generation LTD	\$ 53,435,540	1	1.16%	\$ 70,561,190	1	0.02
AEP Texas Central Co	35,311,010	2	0.76%	12,470,850	4	0.32%
Sharyland Retail LTD(641983)	28,496,340	3	0.62%	34,267,370	3	0.01
Bert Ogden Chevrolet	18,680,702	4	0.40%	11,673,236	5	0.30%
Juniper Sharyland LTD	16,400,000	5	0.35%	-	-	0.00%
Royal Technologies Corporation	16,289,371	6	0.35%	-	-	0.00%
Stanley Black & Decker	16,001,577	7	0.35%	-	-	0.00%
Wal-Mart Real Estate Business	14,959,856	8	0.32%	11,658,417	6	0.30%
Santa Lucia at Bentsen Lakes LLC	14,663,414	9	0.32%	-	-	0.00%
Sharyland Utilities LP(930526)	14,335,200	10	0.31%	40,228,950	2	1.04%
Halliburton Energy Serv (HS)	-	-	-	10,999,490	7	0.28%
VRS Sharyland LLP	-	-	-	10,572,048	8	0.27%
Wal-Mart Stores Texas LLC	-	-	-	10,134,525	9	0.26%
CNMK Texas Properties LTD	-	-	-	9,903,229	10	0.26%
Total	<u>\$ 228,573,010</u>		<u>4.95%</u>	<u>\$ 222,469,305</u>		<u>5.74%</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
2012	17,798,270	17,102,655	96.1%	635,474	17,738,129	99.7%
2013	17,835,988	17,194,844	96.4%	574,790	17,769,634	99.6%
2014	18,585,075	17,937,794	96.5%	574,801	18,512,595	99.6%
2015	18,689,445	18,034,797	96.5%	567,824	18,602,621	99.5%
2016	19,097,947	18,465,405	96.7%	529,909	18,995,314	99.5%
2017	20,104,913	19,358,866	96.3%	617,660	19,976,526	99.4%
2018	19,976,560	19,370,557	97.0%	433,164	19,803,721	99.1%
2019	20,411,954	19,757,581	96.8%	406,178	20,163,759	98.8%
2020	22,947,927	22,069,269	96.2%	452,507	22,521,776	98.1%
2021	24,033,922	23,623,588	98.3%	-	23,623,588	98.3%

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			
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
2021	61,284,808	-	5,858,441	27,647,229	-	18,390,021	113,180,499	0.48%	1,319

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⁾
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
2021	61,284,808	1,018,253	-	60,266,555	1.30%	702.59

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, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Hidalgo County	\$ 354,620,000	11.24%	\$ 39,859,288
Hidalgo County Drainage District #1	183,859,000	11.68%	21,474,731
Hidalgo Independent School District	25,359,000	0.10%	25,359
La Joya Independent School District	215,657,680 ⁽¹⁾	15.49%	33,405,375
Mission Consolidated Independent School District	107,272,960 ⁽¹⁾	71.20%	76,378,348
Sharyland Independent School District	88,475,000 ⁽¹⁾	59.90%	52,996,525
South Texas College District	120,914,693	10.53%	12,732,317
Subtotal Overlapping Debt			<u>\$ 236,871,943</u>
Anzualdua Bridge	4,151,461	100.00%	4,151,461
City of Mission	46,993,567	100.00%	46,993,567
Total Direct and Overlapping Debt			<u><u>\$ 288,016,971</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 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	\$ 231,084,067
Total net debt applicable to limit	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	60,266,555
Legal debt margin	<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>	<u>\$ 170,817,512</u>
Total net debt applicable to the limit as a percentage of debt limit	17.87%	15.96%	14.68%	13.18%	21.49%	19.37%	18.03%	22.14%	18.98%	26.08%
Legal Debt Margin Calculation for Fiscal Year										
Assessed value	\$ 3,320,390,575	\$ 3,406,486,662	\$ 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	\$ 4,621,681,348
Add back: exempt real property	-	-	-	-	-	-	-	-	-	-
Total assessed value	<u>\$ 3,320,390,575</u>	<u>\$ 3,406,486,662</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>	<u>\$ 4,621,681,348</u>
Debt limit (5% of total assessed value)	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	231,084,067
Debt applicable to limit:										
General obligation bonds	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	61,284,808
Less: Amount set aside for repayment of general obligation debt	(1,315,076)	(1,688,433)	(2,065,837)	(2,429,499)	(2,819,500)	(1,293,342)	(968,905)	(469,436)	(806,865)	(1,018,253)
Less: Business-type general obligations	-	-	(4,880,000)	(4,675,000)	(3,930,000)	-	(2,400,000)	(1,615,000)	(815,000)	-
Total net debt applicable to limit	<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>42,677,325</u>	<u>37,267,175</u>	<u>46,778,566</u>	<u>42,304,705</u>	<u>60,266,555</u>
Legal debt margin	<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>\$ 161,293,498</u>	<u>\$ 169,449,466</u>	<u>\$ 164,463,686</u>	<u>\$ 180,615,662</u>	<u>\$ 170,817,512</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	
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%
2021	20,450,941	11,641,367	8,809,574	2,505,000	661,035	2.78%

(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⁾
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%
2021	85,778	23,815,443,000	27,415	33.0	96.7	24,781	8.20%

(1) Estimated (except for the FY 2011-information was received from the 2010 US Census) & Texas Demographics.

(2) MSA-Metropolitan Statistical Area for Mission-McAllen-Edinburg- Source: 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	2021⁽²⁾			2012⁽¹⁾		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mission CISD	2,213	1	2.99%	2,330	1	4.11%
Sharyland ISD	1,333	2	1.80%	1,214	2	2.14%
H.E.B.	1,100	3	1.48%	647	5	1.14%
T-Mobile	850	4	1.15%	832	4	1.47%
Mission Regional Medical Center	830	5	1.12%	1,193	3	2.10%
City of Mission	741	6	1.00%	567	6	1.00%
Wal-Mart Super Center	383	7	0.52%	346	7	0.61%
Target	165	8	0.22%	145	10	0.26%
Home Depot	150	9	0.20%	176	9	0.31%
Royal Technologies	138	10	0.19%			
Haliburton Energy Services				182	8	0.32%
Total	<u>7,765</u>		<u>10.67%</u>	<u>7,632</u>		<u>13.46%</u>

(1) Source: Mission Economic Development Corporation and City of Mission's budget office.

(2) Source: The University of Texas Rio Grande Valley 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	77	76	82	87	89	90	99	102	96	100
Public Safety										
Police										
Officers	146	146	146	146	149	157	157	157	164	164
Civilians	53	51	50	50	46	46	50	50	50	50
Fire										
Firefighters and Officers	67	67	67	67	67	67	67	77	78	78
Civilians	7	7	7	7	7	7	7	7	7	8
Highways and Streets										
Streets	32	32	32	32	32	37	37	36	37	40
Health and Welfare										
Health	8	8	8	8	8	9	11	12	12	11
Culture and recreation										
Aquatics	2	3	2	2	2	0	0	0	0	0
Mayberry Pool	0	0	0	0	0	2	2	1	1	2
Bannworth Pool	0	0	0	0	0	1	1	1	1	1
Museum	4	4	5	5	5	5	5	5	5	5
Parks and Recreation	45	44	45	45	52	52	52	50	50	58
Library	21	19	19	19	19	18	19	17	18	19
Golf Course	17	17	17	17	15	15	15	14	14	15
Event Center ⁽²⁾	0	0	0	0	0	0	0	0	6	6
Sanitation										
Water distribution	86	88	87	87	88	90	90	92	92	87
Wastewater	15	13	14	14	13	13	13	14	14	14
Solid Waste ⁽¹⁾	-	-	17	17	19	19	22	26	29	29
Community Development	3	3	3	3	3	3	3	3	3	3
Total	583	578	601	606	614	631	650	664	677	690

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	4,305	4,079	3,632	3,050	3,135	3,998	2,538	1,929	2,352	2,564
Parking Violation	75	55	29	75	45	23	17	30	25	51
Traffic Violations	13,685	8,093	12,071	19,882	12,112	10,601	9,118	6,909	6,405	8,266
Fire										
Number of calls answered	3,239	2,818	3,715	3,888	3,636	3,557	3,657	3,635	3,111	2,249
Inspections	1,803	2,599	1,773	2,116	2,474	1,343	2,205	1,860	1,195	1,154
Highways and Streets										
Streets resurfacing (miles)	5.530	5.130	6.070	10.110	4.860	7.100	13.600	3.794	2.281	5.710
Potholes repaired	15,783	21,122	30,911	23,898	21,031	14,939	13,587	13,859	8,049	8,482
Sanitation										
Refuse collected (tons/day) ⁽¹⁾	218	225	377	443	451	521	509	227	245	259
Recyclables collected (tons/day)	0.26	0.24	0.27	0.34	0.44	0.38	0.38	0.78	0.53	0.11
Culture and recreation										
Golf Course										
Rounds	54,056	60,306	46,388	36,971	46,477	46,709	42,227	46,004	44,362	41,789
Recreation										
Programs	32	37	31	22	14	17	17	19	3*	11
Parks Maintained	25	25	25	25	25	25	25	25	25	25
Water										
New connections (year)	370	353	297	486	398	393	407	464	417	413
Water mains breaks (year)	507	395	463	344	258	198	161	187	281	285
Average daily consumption (millions of gallons)	12.63	13.02	12.56	10.62	12.42	14.25	12.94	12.65	13.59	12.58
Wastewater										
Average daily sewage treatment	6.68	7.09	7.19	7.42	7.39	7.14	7.46	7.53	7.82	7.97

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Public Safety										
Police Protection										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	111	111	111	111	111	112	114	115	121	116
Fire Protection										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Highways and Streets										
Streets (miles)	555.66	560.79	387.14	387.45	389.06	396.44	396.79	399.02	400.21	401.7
Number of Streetlights	4,473	4,158	4,261	4,281	4,332	4,367	4,411	4,480	4,494	4,510
Culture and recreation										
Parks acreage	419	419	419	419	419	235	235	235	235	235
Parks	25	25	25	25	25	25	25	25	25	25
Swimming pools	3	3	3	3	2	2	2	2	2	2
Tennis Courts	4	9	9	9	9	9	9	22	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)	442.21	457.45	460.79	459.23	461.33	454.35	464.78	468.03	470.22	472.79
Fire hydrants	2,784	2,803	2,813	2,820	2,835	2,849	2,854	2,880	2,900	2,920
Number of Service connections	25,157	25,510	25,807	26,293	26,713	27,072	27,500	27,936	28,440	29,021
Number of Gallons Sold (in millions)	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	4,181.53
Daily Average Consumption (gallons) ⁽¹⁾	12.81	13.27	11.80	9.89	10.88	12.80	11.89	10.83	11.81	11.45
Sewer										
Number of Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	328.71	356.75	357.77	358.14	359.99	362.3	362.33	365.2	367.38	369.47
Number of Service connections	22,439	22,815	23,028	23,437	23,871	24,222	24,571	25,969	25,449	25,770
Storm sewers (miles)	121.16	145.03	145.92	146.02	146.79	148.07	148.1	149.75	151.07	152.67
Daily average treatment in gallons ⁽¹⁾	6.70	7.10	7.20	7.40	7.40	7.10	7.50	7.50	7.82	7.97
Maximum daily treatment capacity ⁽¹⁾	8.60	9.18	12.00	9.98	11.90	9.28	14.46	10.30	13.78	16.75

Source: City departments.

(1) Amount is in millions.

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



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