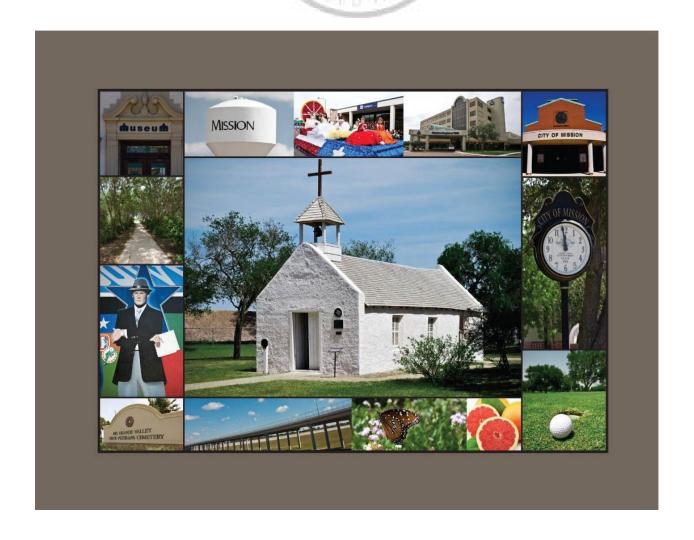
# City of Mission



## Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2013

City of Mission, Texas

# CITY OF MISSION, TEXAS

# Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2013

> Prepared By: Finance Department

# MISSION CITY COUNCIL



Norberto "Beto" Salinas Mayor





OF MISSION NDED



Maria Elena Ramirez Council Member



Ruben Plata Council Member



Dr. Armando O'Cana Council Member

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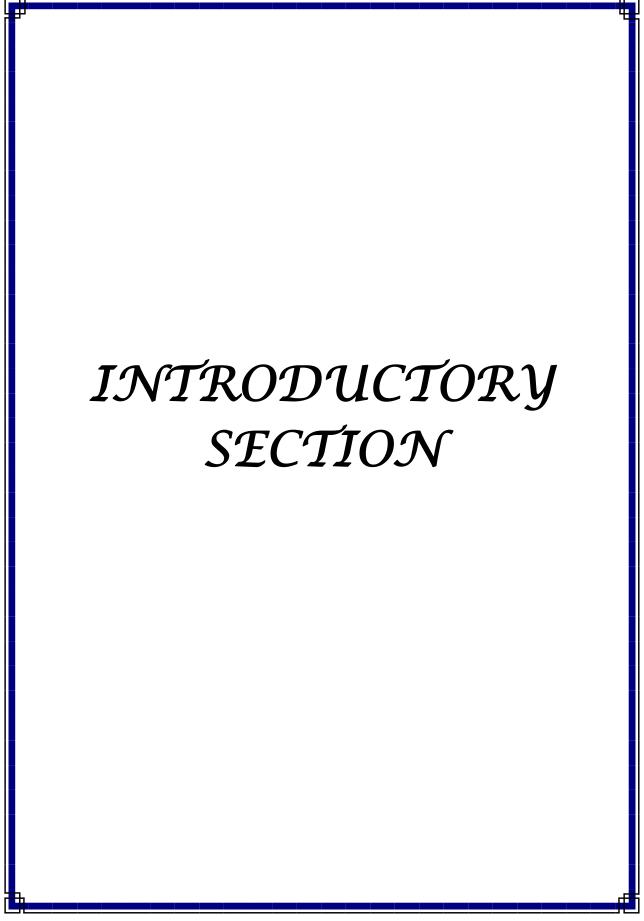
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February 4, 2014

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

The Comprehensive Annual Financial Report (the CAFR) of the City of Mission, Texas (the City) for the fiscal year ended September 30, 2013, 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.

Long Chilton, L.L.P., has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

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

#### CITY PROFILE AND STRUCTURE

The City of Mission was incorporated on March 19, 1910 and is located along the U.S. - Mexico border in South Texas. The City currently occupies a land area of approximately 34.92 square miles. The City's population has grown since the 2000 census from 45,408 to 77,058 as per the 2010 census, an increase of 70%. The City is empowered to levy a property tax on both real and personal property located within its boundaries and it is empowered by state statute to extend its corporate limits by annexation, when deemed appropriate by the City Council.

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

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

#### **Budget**

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

#### LOCAL ECONOMY

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

The economic turmoil facing the nation has affected the City's economic development; however, with the help from Mission Economic Development Corporation (MEDC), the Greater Mission Chamber of Commerce, and the Mission Redevelopment Authority (MRA), the City has continued to bring in residential and commercial development, though at a slower pace.

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 issued revenue bonds for the installation of wastewater infrastructure in the area. It is expected that once the area is fully developed, both property and sales tax revenues will increase. For FY 2013, sales tax reflected an increase of 1% compared to prior year.

#### **Tourism**

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 ten hotels that provide lodging to tourists. Hotel/motel occupancy tax receipts reflected a 7.5% increase compared to prior fiscal year.

#### **Employment**

According to the Texas Labor Market Review website, the City's unemployment rate was 8% as of November 2013.

Following is a list of various developments that have created several jobs in the City.

- In the retail sector and services category, eighteen businesses opened in different areas of the city creating over 42,000 sq. ft. of development space with a combined capital investment of \$5.1 million and approximately 41 new jobs were created.
- In the restaurant category, six restaurants opened for business at a combined capital investment of \$1.4 million and created 90 new jobs.

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

#### Fiscal Year 2012-2013 Accomplishments

Maintained the Tax Freeze for the elderly and disabled as well as the \$10,000 Tax Exemption for the elderly and disabled.

- The City was awarded \$1.7 million in State and Federal Grants for housing, public safety services and equipment, park improvements, homeless prevention programs, and education programs.
- Continued the philosophy in the CDBG program of focusing solely on the reconstruction of homes and the funding of several public agencies. Eighteen new homes were reconstructed by the CDBG housing program during the year.
- Completed the Bannworth Park and CWV Park improvements, which include a Boys and Girls Club facility at each park as well as a swimming pool at Bannworth Park.
- Completed the landscaping improvements for the Mission Historical Museum.
- ➤ Commenced the renovation of the CWV Community Center, which will be used for a food pantry, on Mayberry Road.
- Completed the Anzaldua's Highway and opened to the public.
- Commenced the expansion project of Inspiration Road from Expressway 83 to 3 Mile Line Road.
- Completed the Glasscock Storm Drainage Project.
- Commenced the Keralum Drainage Project.
- Commenced the 15" sewer line on Moorefield Road and Griffin Parkway (495).
- Commenced the planning and designing of the Streetscape Project along Conway Avenue.
- Commenced the pavilion at "Beto Salinas Park" formerly known as Madero Park.
- Completed the Hike and Bike Trail Improvements, which included a parking lot.
- Entered into a local agreement with City of McAllen and Hidalgo County to expand Taylor Road from Expressway 83 to Dove Avenue.
- Applied for a grant from the Federal Department of Transportation for the Streetscape Project.
- Entered into a lease agreement for 34 golf carts.
- Commenced the Inspiration Overpass Project in conjunction with TXDOT.

#### **Major Initiatives For Fiscal Year 2013-2014**

- Continue applying for federal and state grants that would enable the City to provide additional positions for the Police and Fire Departments.
- > Continuation of street and drainage infrastructure improvements.
- > Continue water and sewer line improvements to upgrade the City's utility infrastructure.
- Continue the alley paving program as funds become available.
- Continue to support residential and commercial growth throughout the City in the hope that it will spur economic growth and opportunities for the community.
- Initiate the in-house solid waste collection system.
- > Issue bonds for a new water tower on Lucksinger and demolish the existing one.
- Commenced the construction of the Streetscape Project along Conway Avenue.
- Commence the plans and specs for the Taylor Road Expansion Project.
- Complete the Keralum Drainage Project.

- Complete the renovation of the CWV Community Center, which will be used for a food pantry, on Mayberry Road.
- Enter into a lease/purchase agreement for a fire truck.
- Commence the Bentsen Palm Park Restroom Facility Project.
- Commence the Anzalduas Highway Wastewater Project, which will be funded by the Mission Redevelopment Authority.
- Complete the 15" sewer line on Moorefield Road and Griffin Parkway (495).

#### 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 met this requirement at year-end with an ending Unrestricted Fund Balance of \$7,250,611. Careful long-term financial planning is an on-going goal for the City; therefore, it is the intent of the City Council and management to continue meeting the Fund Balance Policy requirement.

The City's FY 2014 Budget was prepared very conservatively based on the current recession, and includes minimal funds for capital construction projects. The City will continue to apply for federal and state grants and will continue to fund capital needs through the issuance of debt.

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

#### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Mission, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This is the twelve consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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, Long Chilton, L.L.P., for their ongoing efforts, not only in the performance of the City's annual audit, but for their close working relationship in advising the City when questions arise throughout the year. They have been an excellent source of information for preparation of the report.

Respectfully submitted,

Martin Garza, Jr.

City Manager

Janie Flores

Finance Director



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

### City of Mission Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



#### CITY OF MISSION, TEXAS

#### List of Principal Officials Year Ended September 30, 2013

#### **CITY OFFICIALS**

Norberto "Beto" Salinas Mayor Mayor Pro Tem Norie Gonzalez Garza Council Member Maria Elena Ramirez. Dr. Armando O'Cana Council Member Council Member Ruben Plata

#### CITY ADMINISTRATION

Martin Garza, Jr. City Manager Anna Carrillo City Secretary Janie Flores Finance Director Assistant Finance Director Randy Perez David H. Guerra City Attorney CDBG Director Joanne Longoria Tesse Lerma

Civil Service Director Ricardo Saldana Fire Chief

Paul Schaefer, Jr. Golf Course Director Health Director Noel Barrera Human Resources Director Noemi Munguia

Library Director Myra Rocha

Municipal Judge Jonathan Wehrmeister Museum Director Luis Contreras

Parks and Recreation Director Julian Gonzalez Planning and Zoning Director Daniel Tijerina Robert Dominguez Police Chief

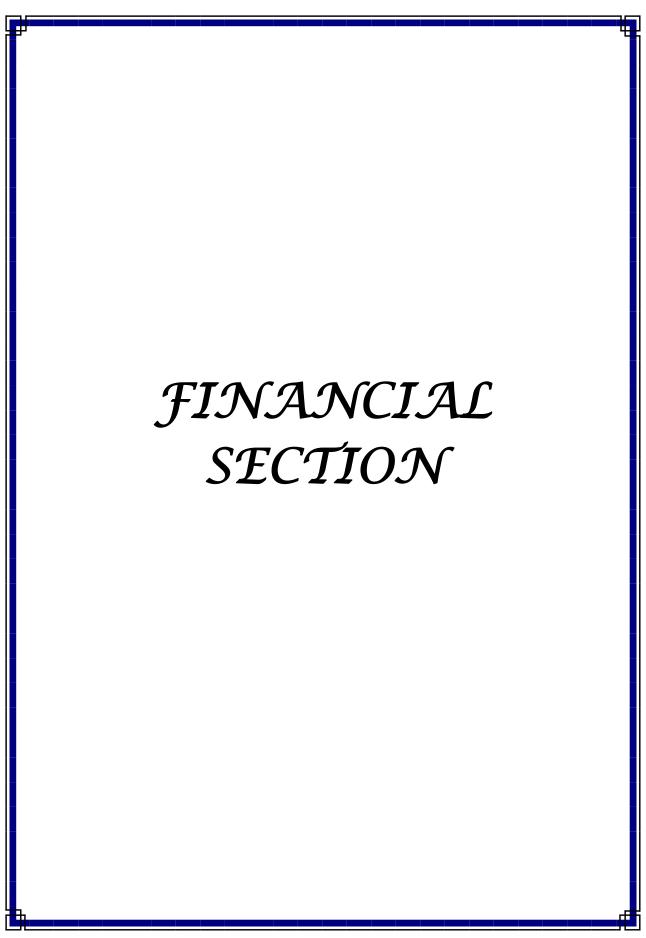
Public Works Director Roberto Salinas Eduardo Belmarez Purchasing Director

Risk Management Director Robert Hinojosa

#### OFFICIAL ISSUING REPORT

**Ianie Flores** Finance Director

#### SECRETARY PARKS & RECREATION GOLF COURSE CIVIL SERVICE -Aquatics -FacilityMaint. -Recreation -Parks CITY ATTORNEY FIRE & FIRE PREVENTION -Rabies & Animal Control HEALTH POLICE DEPUTY CITY MANAGER -Drainage -Water Departments -Wastewater Departments -Vehicle Maintenance -Inspection -Code Enforcement **PLANNING** PUBLIC WORKS **ORGANIZATIONAL CHART** CITY OF MISSION, TEXAS -Streets CITY COUNCIL CITY MANAGER BOYS & GIRLS CLUB VOTERS DEPUTY CITY MANAGER INFORMATION TECHNOLOGY HUMAN RESOURCES MUSEUM LIBRARY CDBG DEPUTY CITY MANAGER RISK MANAGEMENT SOLID WASTE MANAGEMENT **PURCHASING** MUNICIPAL JUDGES UTILITY BILLING & COLLECTING FINANCE MUNICIPAL COURT







Members - Division of Firms, American Institute of CPAs

#### INDEPENDENT AUDITOR'S REPORT

4100 N. 23rd McAllen, Texas 78504 (956) 686-3701 Fax (956) 686-6830 www.longchilton.com

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Mission, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Mission Redevelopment Authority were not audited in accordance with *Government Auditing Standards*.

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

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

#### **Opinions**

In our opinion, 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

#### Required Supplementary Information

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

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mission, Texas's basic financial statements. The introductory section, the other supplementary information section, the capital assets used in the operation of governmental funds section, the supplemental schedules section and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

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

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

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2014, on our consideration of the City of Mission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Mission, Texas' internal control over financial reporting and compliance.

LONG CHILTON, LLP

Certified Public Accountants

Long Chilton, LX

McAllen, Texas February 3, 2014

#### **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, 2013. 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 3-8 of this report.

#### **Financial Highlights**

- The assets of the City exceeded liabilities at the close of the most recent fiscal year by \$169,836,272 (net position). Of this amount, \$14,099,872 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,133,397. Governmental activities contributed an increase of \$4,325,052 while the Business-type activities contributed a decrease of \$2,191,655. Total revenues reflect an increase of 9.2% compared to prior year, while, expenses reflect an increase of 2.6%.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$16,323,683 a \$483,695 decrease in comparison with the prior year. Approximately 25% of this amount (\$4,053,466) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$4,053,466 or 11.5% of total General Fund expenditures.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Mission's basic financial statements. The City of Mission's basic financial statements comprise three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Net Position* presents information on all the City of Mission's assets and liabilities, with the difference between the two 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; sanitation; economic development; and culture and recreation. The business-type activities of the City of Mission include: a utility system (water and sewer); a golf course operation; and a solid waste operation.

The government-wide financial statements include not only the City of Mission itself (known as the primary government), but also legally separate component units for which the City of Mission is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 33-35 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-seven (27) 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 and the Debt Service Fund, which are considered major funds. Data of three additional funds is

incorporated with the General Fund as a result of Governmental Accounting Standards Board (GASB) Statement No. 54. Data from the other twenty-two 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 123 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 36-39 of this report.

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system, golf course operations, and solid waste operations, all of which are considered to be major funds of the City of Mission. Conversely, the internal service fund is a single presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 41-45 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 46-47 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 48-100 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 103-118 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 123 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 exceeded liabilities by \$169,836,272 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2013.

#### City of Mission Net Position September 30, 2013

	Government	Governmental Activities			Business-ty	pe A	ctivities	Total					
	2013		2012		2013		2012		2013	_	2012		
Current and other assets	\$ 24,643,634	\$	24,167,142	\$	21,363,005	\$	21,451,756	\$	46,006,639	\$	45,618,898		
Capital assets	 112,590,972		109,659,378		86,216,311		89,501,857		198,807,283		199,161,235		
Total assets	137,234,606		133,826,520		107,579,316		110,953,613		244,813,922		244,780,133		
Long-term liabilities	34,857,810		36,615,455		30,821,005		32,333,482		65,678,815		68,948,937		
Other liabilities	3,992,892		3,152,212		5,305,941		4,976,109		9,298,833		8,128,321		
Total liabilities	38,850,702		39,767,667		36,126,946		37,309,591		74,977,648		77,077,258		
Net position													
Invested in capital assets,													
net of related debt	86,989,075		83,493,816		56,518,755		58,362,060		143,507,830		141,855,876		
Restricted	7,775,480		6,781,019		4,453,091		4,357,163		12,228,571		11,138,182		
Unrestricted (deficit)	3,619,351		3,784,019		10,480,521		10,924,800		14,099,872		14,708,819		
Total net position	\$ 98,383,905	\$	94,058,854	\$	71,452,367	\$	73,644,023	\$	169,836,272	\$	167,702,877		

By far the largest portion of the City's net position (84 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Mission uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Mission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the City of Mission is able to report positive balances in all three categories of net position; both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's overall net position increased \$2,133,397 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 \$4,325,052 from the prior fiscal year for an ending balance of \$98,383,905.

#### **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, 2013.

City of Mission Changes in Net Position September 30, 2013

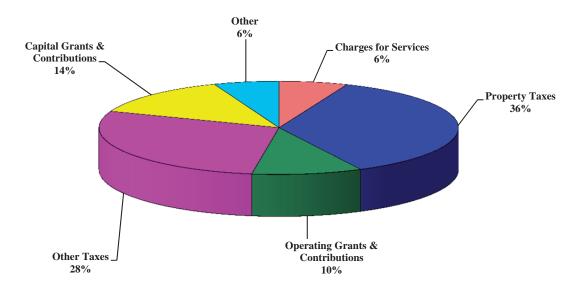
	Governmental Activities			Business-type Activities					Total				
	2013		2012		2013		2012		2013		2012		
Revenues:													
Program revenues:													
Charges for services	\$ 3,079,686	\$	3,008,202	\$	25,287,150	\$	24,756,473	\$	28,366,836	\$	27,764,675		
Operating grants and													
contributions	4,937,211		7,475,190		13,216		14,463		4,950,427		7,489,653		
Capital grants and													
contributions	6,673,301		1,067,989		483,302		393,825		7,156,603		1,461,814		
General Revenues:													
Property taxes	18,099,459	)	18,087,005		-		-		18,099,459		18,087,005		
Other taxes	14,107,423	;	14,258,445		-		-		14,107,423		14,258,445		
Other	2,926,766	<u> </u>	274,729		103,005		253,212		3,029,771		527,941		
Total revenues	49,823,846	<u> </u>	44,171,560		25,886,673		25,417,973		75,710,519		69,589,533		
Expenses:													
General government	7,937,668	3	8,764,781		-		-		7,937,668		8,764,781		
Public safety	21,229,856	j	21,485,642		-		-		21,229,856		21,485,642		
Highways and streets	7,297,376	j	6,532,351		-		-		7,297,376		6,532,351		
Economic development	4,840,988	}	3,585,902		-		-		4,840,988		3,585,902		
Culture and recreation	6,247,020	)	5,904,008		-		-		6,247,020		5,904,008		
Health and welfare	988,923	}	1,354,970		-		-		988,923		1,354,970		
Interest on long-term debt	1,556,963	;	1,457,105		-		-		1,556,963		1,457,105		
Utility system			-		16,290,053		15,668,400		16,290,053		15,668,400		
Golf course operations	-		-		1,403,124		1,414,494		1,403,124		1,414,494		
Solid waste operations			-		5,785,151		5,500,676		5,785,151		5,500,676		
Total expenses	50,098,794	<u> </u>	49,084,759		23,478,328		22,583,570		73,577,122		71,668,329		
Increases in net position before													
transfers	(274,948	3)	(4,913,199)		2,408,345		2,834,403		2,133,397		(2,078,796)		
Transfers	4,600,000		2,000,000		(4,600,000)		(2,000,000)		-				
Changes in net position	4,325,052		(2,913,199)		(2,191,655)		834,403		2,133,397		(2,078,796)		
Net position - 10/01/12	94,058,853	<u> </u>	96,972,052		73,644,022		72,809,619		167,702,875		169,781,671		
Net position - 09/30/13	\$ 98,383,905	\$	94,058,853	\$	71,452,367	\$	73,644,022	\$	169,836,272	\$	167,702,875		

Total revenues generated from governmental activities for this year were \$49,823,846 reflecting an increase of \$5,652,286 compared to last year.

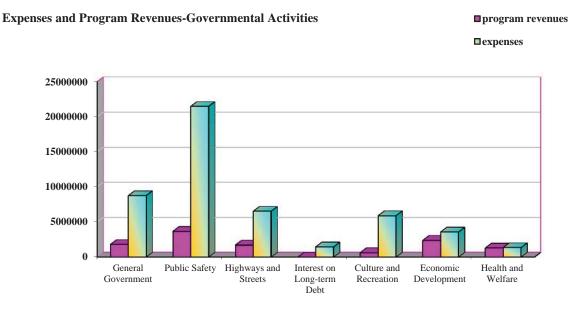
• Operating grants and contributions decreased by \$2,537,979 from prior year but the capital grants and contributions had an increase of \$5,605,312 compared to prior year.

• Other program revenue increased by \$2,652,035 compared to prior year. The Mission Economic Development Authority reimbursed the City due to a settlement agreement and sold various properties in their inventory that reflect the increase from the prior year.

#### **Revenues by Source-Governmental Activities**



The following graph displays the portion of expenses funded by program revenues. Overall, general revenues funded approximately 71% of total expenses for fiscal year 2013.



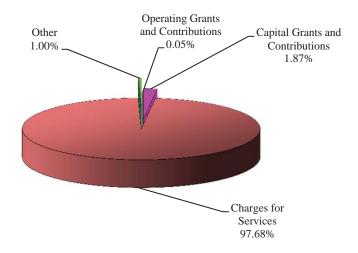
Expenses for governmental activities of the City totaled \$50,098,794 for the year ended September 30, 2013, an increase of 2% compared to FY 2012. The most significant increases occurred in the following areas:

- Highways and Streets Activities increased by \$765,025
- Economic Development Activities increased by \$1,255,086.
- Culture and Recreation Activities increased by \$343,012.

**Business-type Activities -** Results of Business-type activities decreased the City of Mission's net position by \$2,191,656. Revenues increased 1.8% and expenses increased by 3.8% in comparison with prior year.

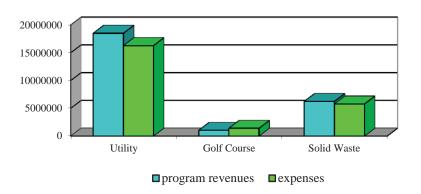
- Charges for Services increased 2.1% in comparison to the prior year due to the severe drought the Rio Grande Valley is experiencing, resulting in an increase in water sales.
- Charges for Service are 97.68% of the source of revenues for the Business-type activities.

#### 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 \$23,478,328 an increase of \$894,758 compared to prior year. The majority of the increase in the business-type activities is from the Utility system. Depreciation Expense increased by 12% compared to prior year. Solid Waste collection expenses increased by 5%.

#### **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, or 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, 2013, the City of Mission's governmental funds reported a combined fund balance of \$16,323,683, a decrease of \$483,695 compared with the prior year. Approximately 25% of this amount (\$4,053,466) constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is categorized as either: non-spendable, restricted, committed, or assigned to indicate that it is: a) not in spendable form (\$1,511,532), b) restricted for particular purposes (\$7,561,540), c) committed for particular purposes (\$326,012), or d) assigned for particular purposes (\$2,871,133).

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 increased to \$7,293,802, an increase of \$43,921, with the unassigned portion of the fund balance being \$4,053,466. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 12% of total General Fund expenditures, while total fund balance represents approximately 21% of the same amount.

The Debt Service Fund, a major fund, had a \$373,356 increase in fund balance during the current fiscal year. The increase was attributed to an increase in the Interest & Sinking (I&S) tax rate from \$0.1167 to \$0.1202.

Other governmental funds had a decrease of \$900,973 in fund balance during the current fiscal year. The overall revenues decreased by \$2,175,920 with the majority of the decrease in intergovernmental revenues, and the overall expenditures for other governmental funds decreased by \$935,101.

#### **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, 2013 and 2012.

- Intergovernmental revenues decreased due to less funds received from forfeiture funds and reduction of grants received by the City.
- Miscellaneous revenues increased due to a payment received by the City in the amount of \$1M from Mission Economic Development Authority (MEDA) in settlement of a lawsuit, in which the City was included.
- Transfers-in reflect an increase as the General Fund received an additional \$1.4M from the Utility Fund. The Utility Fund also transferred \$1.2M to the Drainage Fund during the fiscal year.

Revenues & Transfers-In	2013 Amount		 % of Total	2012 Amount	Amount of Increase Decrease)	% Increase (Decrease)
Taxes	\$	32,979,915	64.37%	\$ 32,951,668	\$ 28,247	0.09%
Licenses and permits		497,739	0.97%	554,324	(56,585)	-10.21%
Intergovernmental		5,086,832	9.93%	7,340,271	(2,253,439)	-30.70%
Charges for services		893,511	1.74%	905,492	(11,981)	-1.32%
Fines and forfeitures		814,105	1.59%	811,498	2,607	0.32%
Investment income		59,252	0.12%	57,649	1,603	2.78%
Miscellaneous		3,486,250	6.80%	1,420,086	2,066,164	145.50%
Transfers-in		7,420,764	14.48%	4,725,834	2,694,930	57.03%
Bond premium		-	0.00%	298,283	(298,283)	100.00%
Bond proceeds			 0.00%	5,800,000	 (5,800,000)	100.00%
Total	\$	51,238,368	100.00%	\$ 54,865,105	\$ (3,626,737)	-6.61%

#### **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, 2013 and 2012. Major differences are due to:

- Economic development expenses increased due to MEDA, a blended component unit of the City, paid the City \$1M in settlement of a lawsuit.
- Capital projects reflect a decrease since most of the budgeted projects did not commence until FY 2014.
- There were no bonds refunded or funds placed in escrow during FY 2013.

Expenditures & Transfer-Out		2013 Amount	Percent of Total	 2012 Amount	]	amount of Increase Decrease)	Percent of Increase (Decrease)	
General government	\$	7,903,412	15.28%	\$ 8,810,604	\$	(907,192)	-10.30%	
Public safety		20,502,037	39.64%	20,738,298		(236,261)	-1.14%	
Highways and streets		4,127,715	7.98%	4,504,778		(377,063)	-8.37%	
Health and welfare		1,007,745	1.95%	1,351,381		(343,636)	-25.43%	
Culture and recreation		5,632,997	10.89%	5,512,540		120,457	2.19%	
Economic development		4,840,988	9.36%	3,585,902		1,255,086	35.00%	
Capital projects		1,547,860	2.99%	3,104,751		(1,556,891)	-50.15%	
Debt service:								
Principal		2,143,719	4.14%	2,202,765		(59,046)	-2.68%	
Interest and fiscal charges		1,194,824	2.31%	1,308,490		(113,666)	-8.69%	
Payment to refunded bond escrow agent	t	-	0.00%	3,185,773		(3,185,773)	100.00%	
Transfers-out		2,820,764	5.45%	 2,725,835		94,929	3.48%	
Total	\$	51,722,061	100.00%	\$ 57,031,117	\$	(5,309,056)	-9.31%	

**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 \$9,833,942. The Utility Fund and the Solid Waste Fund had unrestricted net position of \$9,446,700 and \$1,933,949 respectively. The Golf Course Fund ended the year with a deficit in unrestricted net position of \$1,546,707. The Utility Fund unrestricted net position decreased by \$797,120. The decreased was largely due to additional transfer of funds to the General Fund and \$1.2M to the Drainage Fund.

The Golf Course Fund borrowed working capital from the Utility Fund in order to meet its daily operational expenses during the current year. Golf Course operating revenues reflect a decrease of \$49,235 or 5% from prior year. Expenses decreased by \$15,204 or 1% in comparison to prior year. The Golf Course continues its recovery from the loss of revenue during its expansion from an 18-hole course to a 27-hole course. All the improvements that have been completed at the Course are expected to attract Golf tournaments and bring in players who currently play at other area golf courses.

#### General Fund Budgetary Highlights

During the year the City Council amended the budget several times. Generally, adjustments to the budget relate to requests not considered during the normal budgetary process. Original estimated revenues were increased by \$2,132,325 while budgeted appropriations were increased by \$2,769,774 during the year.

- The most significant revenue variance (\$400,712) is reflected in franchise business tax and sales tax revenues. Both were budgeted for very conservatively due to the sluggish economy; however, both reflected increases towards the end of the fiscal year. Property taxes on the other hand reflected a decrease of \$420,709 in comparison to the budget.
- Charges for Service revenues reflect a positive net variance of \$110,224 compared to the budgeted amount.

- Miscellaneous revenues also reflected a positive variance of \$65,677. Due to their very nature, miscellaneous revenues are budgeted at a conservative level, since most of the revenues are normally considered one-time revenues.
- Expenditures came in under budget largely due to departments keeping a very close watch on expenditures and staying in line with the budget. The most significant savings are reflected in the Highways and Streets Department, coming in under budget by \$1,205,339 due to street projects that were budgeted but not commenced until the latter part of the fiscal year. Public Safety departments had a savings of \$574,104 mostly due to several positions not being filled immediately. The Culture and Recreation Departments also reflected a saving of \$216,190 due to the departments managing their operations effectively without cutting services.

#### **Capital Asset and Debt Administration**

**Capital assets.** The City of Mission's investment in capital assets for its governmental and business type activities as of September 30, 2013, amounts to \$198,806,458 (net of accumulated depreciation). Investment in capital assets includes: land, buildings and improvements, machinery and equipment, streets, storm drainage, sanitary sewer system, and water system. The total decrease in the City of Mission's investment in capital assets for the current fiscal year was \$354,779.

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

- Infrastructure increased in the governmental activities by \$2,775,981 (net) compared to prior year.
- Construction in progress in the governmental activities decreased by \$4,585,829. Some of the projects were completed to include the Bannworth Park project and various street improvements.
- Buildings and systems decreased in the business-type activities by \$3,407,358 (net) compared to prior year.

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

#### City of Mission Capital Assets Net of Depreciation

	Governmental Activities					Business-ty	pe A	ctivities	Total			
	2013		_	2012		2013		2012		2013		2012
Land and water rights	\$	33,641,748	\$	33,363,078	9	7,534,119	\$	7,435,220	\$	41,175,867	\$	40,798,298
Buildings and system		13,796,072		14,065,824		74,276,199		77,683,557		88,072,271		91,749,381
Improvements other than buildings		10,929,723		5,654,008		1,220,744		1,419,391		12,150,467		7,073,399
Machinery and equipment		7,368,289		7,911,480		2,719,509		2,825,739		10,087,798		10,737,219
Infrastructure		43,009,728		40,233,747		-		-		43,009,728		40,233,747
Construction in progress		3,845,413		8,431,242		464,914		137,951		4,310,327		8,569,193
Total	\$	112,590,973	\$	109,659,379	5	86,215,484	\$	89,501,858	\$	198,806,458	\$	199,161,237

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

**Long-term debt** - At the end of the current fiscal year, the City of Mission had total outstanding long-term debt of \$65,678,815, a decrease of \$3,270,124 compared to prior year. The reason for the decrease was that no new debt was issued and the regularly scheduled principal reductions on the existing outstanding debt.

Moody's Investors Service rated the City of Mission's bonds issued in the prior fiscal year, as "A1" and remains in that status.

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

#### City of Mission Outstanding Debt (net of depreciation)

	Government	al Activities	Business-ty	pe Activities	Total		
	2013	2012	2013	2012	2013	2012	
General obligation debt	\$ 28,877,394	\$ 30,982,041	\$ -	\$ -	\$ 28,877,394	\$ 30,982,041	
Revenue bonds	-	-	30,142,873	31,659,650	30,142,873	31,659,650	
Tax notes	-	24,000	-	-	-	24,000	
Capital leases	-	24,719	41,281	40,730	41,281	65,449	
Compensated absences	3,181,674	3,215,646	392,226	411,220	3,573,900	3,626,866	
City of McAllen-Anzalduas bridge	1,584,763	1,245,757	-	-	1,584,763	1,245,757	
Pension related debt	744,156	737,857	131,226	130,148	875,382	868,005	
OPEB related debt	469,823	385,436	113,399	91,735	583,222	477,171	
Total	\$ 34,857,810	\$ 36,615,456	\$ 30,821,005	\$ 32,333,483	\$ 65,678,815	\$ 68,948,939	

## **Economic Factors and Next Year's Budgets and Rates**

- According the November 2013 issue of the Texas Labor Market Review, the unemployment rate for the City of Mission was 8 percent, slightly increasing from 7.6% in prior year. The state and national average unemployment rates are 5.8 percent and 6.6 percent respectively.
- Appraised values provided by the Hidalgo County Appraisal District and used in preparing the 2013-2014 Budget were \$144 million higher than the prior year. This increase is due to the annexation of several tracts of land, expanding the City's city limits during the prior year.
- The 2014 Budget was prepared using an adopted tax rate of \$0.5288 per \$100 valuation, the same rate as the prior year.
- Water and sewer rates remained unchanged in the 2014 Budget.
- The 2013 General Fund operating budget was prepared using \$4,818,389 as the estimated unrestricted fund balance at September 30, 2013. The actual unrestricted fund balance for the

General Fund was \$7,250,611. For the upcoming 2013-14 fiscal year, \$3,491,944 is the projected unrestricted fund balance at September 30, 2014. Projected revenues reflect a 3% increase which includes an additional \$1 million transfer-in from the Utility Fund while expenditures reflect an 8% increase compared to FY 2013 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 2013, the General Fund Unrestricted Fund Balance did meet this requirement.

## **Requests for Information**

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

Martin Garza Jr.

City Manager

Janie Flores

Finance Director





CITY OF MISSION, TEXAS STATEMENT OF NET POSITION SEPTEMBER 2013

SELTEMBER 2013	P	rimary Governme	<b>Component Units</b>			
	Governmental Activities	Business-type Activities	Total	MEDC	MRA	
ASSETS						
Cash and cash equivalents	\$ 10,329,833	\$ 2,953,100	\$ 13,282,933	\$ 1,713,971	\$ 2,759,174	
Investments	7,676,352	7,525,694	15,202,046	1,697,762	1,936,057	
Receivables, net	5,091,038	3,448,704	8,539,742	683,388	-	
Internal balances	(635,206)	635,206	-	-	-	
Due from primary government	-	-	-	2,333	196,306	
Due from component unit	95,421	-	95,421	-	-	
Inventory	796	260,973	261,769	-	-	
Land held for resale	1,468,341	-	1,468,341	-	-	
Prepaid items	13,342	6,753	20,095	1,771	-	
Redevelopment assets	-	-	-	203,957	5,176,141	
Deferred charges	573,617	502,292	1,075,909	53,583	855,239	
Notes receivable current	2,400	-	2,400	-	-	
Long-term receivable	27,200	-	27,200	-	-	
Restricted assets	500	6,030,283	6,030,783	246,752	-	
Capital assets:						
Land, water rights, and construction in progress	37,487,161	7,999,034	45,486,195	-	-	
Other capital assets, net of accumulated depreciation	75,103,811	78,217,277	153,321,088	13,082	-	
Total Assets	137,234,606	107,579,316	244,813,922	4,616,599	10,922,917	
LIABILITIES						
Accounts payable	1,180,898	879,114	2,060,012	44,388	28,496	
Customer deposits	-,,	2,101,563	2,101,563	-		
Accrued interest payable	142,689	383,065	525,754	28,016	67,293	
Other liabilities	1,069,841	166,929	1,236,770	8,227	-	
Subdividers deposits	-	1,581,256	1,581,256	-	_	
Retainage payable	253,391	22,128	275,519	-	_	
Accrued payroll	583,167	121,982	705,149	7,469	_	
Due to primary government	-	,	-	-	95,420	
Due to component unit	198,639	_	198,639	-	-	
Unearned revenues	564,267	49,904	614,171	_	_	
Non-current liabilities:	,	,	0-1,-/-			
Due in more than one year	31,543,694	28,617,223	60,160,917	4,775,920	16,543,879	
Due within one year	3,314,116	2,203,782	5,517,898	973,105	977,999	
Total Liabilities	38,850,702	36,126,946	74,977,648	5,837,125	17,713,087	
NET POSITION						
Net investment in capital assets	86,989,075	56,518,755	143,507,830	13,082	_	
Restricted for:	,,	,5 10,100	,507,000	10,002		
Debt service	1,951,968	2,992,496	4,944,464	218,736	1,868,764	
Construction	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,449,100	1,449,100		-,555,751	
Capital improvements	1,769,423	5,288	1,774,711	_	-	
Federal and state awards	1,210,028		1,210,028	_	-	
Tourism	319,996	_	319,996	_	_	
Municipal court	451,862	-	451,862	_	_	
MEDA	1,975,376	_	1,975,376	_	-	
Other purposes	96,827	6,207	103,033	_	_	
Unrestricted	3,619,351	10,480,521	14,099,872	(1,452,344)	(8,658,934)	
Total Net Position	\$ 98,383,905	\$ 71,452,367	\$ 169,836,272	\$ (1,220,526)	\$ (6,790,170)	
· · · · · · · · · · · · · · · · · · ·		, ,	+, , , , , , , , , , , , , , , , , ,	. (-,220,820)	. (=,//0,1/0)	

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

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

TOK THE TEXACENDED SET TEMBER 30, 2	2013		Program Revenues	5	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities:					
General government	\$ 7,937,668	\$ 1,848,350	\$ -	\$ -	
Public safety	21,229,856	67,164	1,282,987	435,022	
Highways and streets	7,297,376	682,323	137,188	6,234,988	
Health and welfare	988,923	153,223	705,709	, , , , <u>-</u>	
Culture and recreation	6,247,020	328,626	332,320	3,291	
Economic development	4,840,988		2,473,694		
Interest and fiscal charges on long-term debt	1,556,963	_	5,313	_	
Total Governmental Activities	50,098,794	3,079,686	4,937,211	6,673,301	
Business-type activities:					
Utility	16,290,053	18,012,998	13,216	483,302	
Golf Course	1,403,124	1,031,598	-	-	
Solid Waste	5,785,151	6,242,554	_	_	
Total Business-type Activities	23,478,328	25,287,150	13,216	483,302	
Total Primary Government	\$ 73,577,122	\$ 28,366,836	\$ 4,950,427	\$ 7,156,603	
COMPONENT UNITS:					
Mission Economic Development Corporation	2,159,266	-	121,466	-	
Mission Redevelopment Authority	1,307,362			<u> </u>	
Total Component Units	\$ 3,466,628	\$ -	\$ 121,466	\$ -	
	General revenues	s:			
	Property taxes				
	Sales taxes				
	Franchise taxes				
	Hotel/motel tax	es			
	Alcoholic bever	rage taxes			
	Shared revenue	-tax increment zone	e		
	Grants and cont	ributions			
	Interest earned				
	Miscellaneous				
	Transfers				
	Total Gene	eral Revenues			
	Change in Net Po	osition			
	Net Position - Be				
	Net Position - Er	nding			

Net (Expenses) Revenues and Changes in Net Position

F	Primary Governmen	nt	Compor	ent Units
Governmental Activities	Business-type Activities	Total	MEDC	MRA
\$ (6,089,318)	\$ -	\$ (6,089,318)		
(19,444,683)	-	(19,444,683)		
(242,877)	-	(242,877)		
(129,991)	-	(129,991)		
(5,582,783)	-	(5,582,783)		
(2,367,294)	-	(2,367,294)		
(1,551,650)		(1,551,650)		
(35,408,596)		(35,408,596)		
_	2,219,463	2,219,463		
_	(371,526)	(371,526)		
_	457,403	457,403		
	2,305,340	2,305,340		
	2,000,010	2,000,010		
\$ (35,408,596)	\$ 2,305,340	\$ (33,103,256)		
			(2,037,800)	-
				(1,307,362)
			\$ (2,037,800)	\$ (1,307,362)
				•
18,099,459	_	18,099,459	_	3,580,066
10,917,924	_	10,917,924	3,639,308	-
2,542,621	_	2,542,621	-	_
577,711	_	577,711	_	_
69,167	_	69,167	_	_
274,030	_	274,030	_	_
-	_	-	_	-
66,153	50,944	117,097	9,140	7,397
2,586,583	52,061	2,638,644	4,150	· -
4,600,000	(4,600,000)	-	-	-
39,733,648	(4,496,995)	35,236,653	3,652,598	3,587,463
4,325,052	(2,191,655)	2,133,397	1,614,798	2,280,101
94,058,853	73,644,022			
94,058.853	/.5.044.07.7	167,702,875	(2,835,324)	(9,070,271)

**EXHIBIT A-3** 

CITY OF MISSION, TEXAS
BALANCE SHEET-GOVERNMENTAL FUNDS SEPTEMBER 30, 2013

	 General Fund	Debt Service Fund		e Governmental		Total Governmenta Funds	
ASSETS							
Cash and cash equivalents	\$ 2,157,031	\$	1,673,031	\$	5,632,316	\$	9,462,378
Investments	4,011,362		-		1,262,806		5,274,168
Prepaid items	12,795		-		547		13,342
Receivables:							
Taxes, including interest and penalties	1,623,720		509,788		-		2,133,508
Accounts	1,431,376		-		313,605		1,744,981
Special assessments	-		-		134,113		134,113
Less: allowance for uncollectibles	(1,468,750)		(157,427)		(3,565)		(1,629,742)
Accrued interest receivable	7,010		68		172		7,250
Due from other governments	2,265,884		-		427,261		2,693,145
Due from other funds	364,180		-		-		364,180
Due from component unit	95,421		-		-		95,421
Long-term receivable	27,200		-		-		27,200
Inventory	796		-		-		796
Land held for resale	-		-		1,468,341		1,468,341
Restricted assets	500		-				500
Total Assets	\$ 10,528,525	\$	2,025,460	\$	9,235,596	\$	21,789,581
LIABILITIES							
Accounts payable	\$ 888,786	\$	-	\$	157,726	\$	1,046,512
Other liabilities	716,359		-		353,482		1,069,841
Retainage payable	-		-		253,391		253,391
Accrued payroll	571,945		-		11,221		583,166
Due to other funds	22,144		-		357,754		379,898
Due to component unit	2,333		-		196,306		198,639
Deferred revenue	1,033,155		337,027		564,267		1,934,449
Total Liabilities	3,234,722		337,027		1,894,147		5,465,896
FUND BALANCES:							
Nonspendable	43,191		-		1,468,341		1,511,532
Restricted	-		1,688,433		5,873,107		7,561,540
Committed	326,012		-		-		326,012
Assigned	2,871,133		-		-		2,871,133
Unassigned	4,053,466		-		-		4,053,466
Total Fund Balances	7,293,802		1,688,433		7,341,448		16,323,683
Total Liabilities and Fund Balances	\$ 10,528,524	\$	2,025,460	\$	9,235,595	\$	21,789,579

**EXHIBIT A-4** 

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2013

Total fund balances - governmental funds balance sheet	\$ 16,323,683
Amounts reported for governmental activities in the statement of net position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	112,590,973
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,370,182
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	2,525,949
Payables for bond principal which are not due in the current period are not reported in the funds.	(28,710,000)
Payable for bond interest which are not due in the current period are not reported in the funds.	(142,689)
Payables for long term liability not due in the current period and not reported in the funds.	(1,584,763)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(3,181,674)
Payables for post employment benefits which are not due in the current period are not reported in the funds	(1,213,980)
Unamortized issuance cost unavailable for current-period expenditures and are deferred in the SNA	1,079,974
Unamortized premium unavailable for current-period expenditures and are deferred in the SNA	 (673,750)
Net position of governmental activities - statement of net position	\$ 98,383,905

**EXHIBIT A-5** 

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General	Debt Service	Other Governmental	Total Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Taxes and special assessments	\$ 27,601,003	\$ 4,118,878	\$ 1,260,035	\$ 32,979,916
Licenses and permits	497,739	-	-	497,739
Intergovernmental	1,662,755	-	3,424,077	5,086,832
Charges for services	690,925	-	202,586	893,511
Fines	814,104	-	-	814,104
Interest	38,847	5,313	15,091	59,251
Miscellaneous	1,956,500	- 124 101	154,979	2,111,479
Total Revenues	33,261,873	4,124,191	5,056,768	42,442,832
EXPENDITURES				
Current:				
General government	7,724,211	-	226,187	7,950,398
Public safety	19,212,759	-	1,289,279	20,502,038
Highways and streets	3,416,200	-	711,514	4,127,714
Health and welfare	379,261	-	581,500	960,761
Culture and recreation	4,431,035	-	1,201,963	5,632,998
Economic development	-	-	4,840,988	4,840,988
Capital projects	-	-	1,547,860	1,547,860
Debt service:				
Principal	24,719	2,119,000	-	2,143,719
Interest and fiscal charges	211	1,194,613		1,194,824
Total Expenditures	35,188,396	3,313,613	10,399,291	48,901,300
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(1,926,523)	810,578	(5,342,523)	(6,458,468)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	137,568	-	52,459	190,027
Gain/(Loss) on sale of land inventory	-	-	1,184,744	1,184,744
Transfers in	4,006,539	-	3,414,225	7,420,764
Transfers out	(2,173,664)	(437,221)	(209,879)	(2,820,764)
Total Other Financing Sources (Uses)	1,970,443	(437,221)	4,441,549	5,974,771
Net Change in Fund Balances	43,920	373,357	(900,974)	(483,697)
Fund Balances at Beginning of Year	7,249,882	1,315,076	8,242,422	16,807,380
Fund Balances at End of Year	\$ 7,293,802	\$ 1,688,433	\$ 7,341,448	\$ 16,323,683

**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, 2013

Net change in fund balances - total governmental funds	\$ (483,697)
Amounts reported for governmental activities in the statement of activities	
("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA	4,627,215
The depreciation of capital assets used in governmental activities is not reported in the funds.	(7,635,116)
The gain or loss on the sale of capital assets is not reported in the funds.	(109,611)
Donation of capital assets increase net position in the SOA but not in the funds.	6,049,107
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(90,712)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,119,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	24,719
Long term payable is not an expenditure in the funds but is an expense in the SOA.	(429,693)
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(39,212)
(Increase) decrease in accrued interest from beginning of period to end of period.	16,080
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	243,000
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	33,972
Change in net position of governmental activities - statement of activities	\$ 4,325,052



Nonmajor

STATEMENT OF NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

										Nonmajor
		Rusines	ss-tyne A	ctivities-Enterp	orise Fun	(			Int	ternal Service Fund
	-	Dusines	ss-type A	Golf	Solid		l .		- G	roup Health
	Util	ity		Course		Waste				nployee Plan
	Fu			Fund		Fund		Total		Fund
ASSETS										
Current Assets:										
Cash and cash equivalents	\$ 2,	054,848	\$	9,728	\$	888,524	\$	2,953,100	\$	867,455
Investments	7,	025,536		-		500,158		7,525,694		2,402,184
Restricted assets:										
Cash and cash equivalents	2,	007,205		-		-		2,007,205		-
Investments	4,	010,481		-		-		4,010,481		-
Accrued interest		12,597		-		-		12,597		-
Prepaid items		6,100		652		-		6,752		-
Receivables	2,	600,449		9,887		953,777		3,564,113		10,163
Less: allowance for uncollectibles		(98,907)		-		(28,818)		(127,725)		-
Accrued interest		12,308		-		8		12,316		21
Due from other funds		-		-		-		-		27,092
Inventories (at cost)		244,415		16,558		-		260,973		-
Total Current Assets	17,	875,032		36,825		2,313,649		20,225,506		3,306,915
Noncurrent Assets:										
Deferred charges		502,292		-		-		502,292		-
Advance of funds receivable	1,	312,980		-		-		1,312,980		-
Capital assets:										
Land, water rights, and construction in progress	6,	195,982		1,803,052		-		7,999,034		-
Other capital assets, net of accumulated depreciation	75,	196,860		3,004,725		15,692		78,217,277		-
Total Noncurrent Assets	83,	208,114		4,807,777		15,692		88,031,583		
Total Assets	\$ 101,	083,146	\$	4,844,602	\$	2,329,341	\$	108,257,089	\$	3,306,915
LIABILITIES										
Current Liabilities:										
Accounts payable	\$	537,494	\$	16,330	\$	325,290	\$	879,114	\$	21,157
Claims payable	Ψ	-	Ψ	10,330	Φ	323,270	Ψ	077,114	Ψ	113,230
Accrued payroll		98,828		21,295		1,859		121,982		113,230
Compensated absences payable		155,324		35,663		276		191,263		
Due to other funds		11,374		33,003		270		11,374		_
Unearned revenue		-		49,904		_		49,904		_
Accrued interest		382,971		94		_		383,065		_
Other liabilities		71,600		28,054		67,275		166,929		_
Subdividers deposits	1.	581,256		,				1,581,256		_
Retainage payable	-,	22,128		_		_		22,128		_
Customer deposits	2.	101,563		_		_		2,101,563		_
Current portion of long-term debt		000,000		12,519		_		2,012,519		_
Total Current Liabilities		962,538	_	163,859		394,700	_	7,521,097		134,387
Other Non-Current Liabilities:										
Long term compensated absences		121,200		79,763				200,963		
Capital lease payable		121,200		28,762		-		28,762		-
Advance of funds payable		_		1,312,980				1,312,980		
Revenue bonds, net of current portion, discount,				1,312,700				1,312,700		
and deferred amount on refunding	28	352,646		34,160		692		28,387,498		_
Total Other Non-Current Liabilities		473,846		1,455,665	_	692		29,930,203		
Total Liabilities	35,	436,384		1,619,524		395,392		37,451,300	\ <u>-</u>	134,387
NET POSITION										
Net investment in capital assets	51,	752,259		4,766,496		-		56,518,755		-
Restricted for: Debt service	2	992,496						2 002 406		
Capital projects		449,100		5,288		-		2,992,496 1,454,388		-
Other	1,			3,200		-				-
Unrestricted	9,	6,207 446,700		(1,546,706)		1,933,949		6,207 9,833,943		3,172,528
Total Net Position		646,762	\$	3,225,078	\$	1,933,949	\$	70,805,789	\$	3,172,528
			·							
Adjustment to reflect consolidation of internal service	ce fund activit	ies related t	o enterpri	se funds.				646,578		
Net Position of Business-type Activities							\$	71,452,367		
							_	_		

CITY OF MISSION, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-type Activities-Enterprise Fund					
		Utility Fund		Golf Course Fund		
Operating Revenues:						
Charges for services	Utility Fund  \$ 18,047,481 \$  717,729 2,397,682 1,719,387 1,766,040 232,167 458,310 222,097 441,193 2,132,662 4,962,580	\$	1,033,043			
Operating Expenses:						
Insurance claim drafts		-		-		
Health insurance cost		-		-		
Utility administration		717,729		-		
Water distribution		2,397,682		-		
Water treatment		1,719,387		-		
Wastewater treatment and collection		1,766,040		-		
Industrial pretreatment		232,167		-		
Utility collection		458,310		-		
Organizational expenses		222,097		-		
Meter readers		441,193		-		
Northside water treatment plant		2,132,662		_		
Depreciation		4,962,580		265,606		
Cost of sales		-		119,386		
Golf course operation		-		1,020,172		
Solid waste disposal		-		-		
Total Operating Expenses		15,049,847		1,405,164		
Operating Income (Loss)		2,997,634		(372,121)		
N. O. C. B. (T.						
Non Operating Revenues (Expenses) Gain (Loss) on disposal of capital assets		12.650				
				-		
Interest earned				8		
Other nonoperating revenue				-		
Bond interest expense				-		
Bond fiscal charges		(5,000)		-		
Other interest expense		<del></del>		(1,331)		
Total Non-Operating Revenues (Expenses)		(1,188,329)		(1,323)		
Net Income (Loss) Before Transfers						
and Capital Contributions		1.809.305		(373,444)		
1		-,,		(2.2,)		
Transfers In (Out)		(4 600 000)		_		
Capital Contributions				_		
Capital Contributions		403,302				
Change in Net Position		(2,307,393)		(373,444)		
Net Position-Beginning of Year		67,954,155		3,598,522		
Net Position-End of Year	\$	65,646,762	\$	3,225,078		

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

#### EXHIBIT A-8

				1	major Internal Nonmajor ernal Service
Busi Solid Waste Fund		ities-Enterpris	se Fund  Total		Fund oup Health ployee Plan Fund
\$ 6,	245,680	\$	25,326,204	\$	3,568,975
<del>,</del>		Ψ	20,020,201	<u> </u>	2,200,272
	_		_		2,545,078
	_		_		771,749
	_		717,729		-
	_		2,397,682		_
	_		1,719,387		
	_		1,766,040		
	-				-
	-		232,167		-
	-		458,310		-
	-		222,097		-
	-		441,193		-
	-		2,132,662		-
	826		5,229,012		-
	-		119,386		-
	-		1,020,172		-
5,	784,722		5,784,722		
5,	785,548		22,240,559		3,316,827
	460,132		3,085,645		252,148
	-		12,650		_
	5,039		64,161		14,863
	-		356		-
	-		(1,255,449)		_
	_		(5,000)		_
	_		(1,331)		_
	5,039		(1,184,613)	-	14,863
			(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
	465,171		1,901,032		267,011
	_		(4,600,000)		_
	_		483,302		
			403,302		
	465,171		(2,215,666)		267,011
1,	468,778				2,905,517
\$ 1,	933,949			\$	3,172,528
Some amounts reported for business-ty statement of activities (EXHIBIT A-2) the net revenue (expense) of the intern- reported with business-type activities.	are different be	cause	24,011		

(2,191,655)

Change in net position of business-type activities



STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

					Internal Service
		Enterprise Funds			Fund
	Utility	Golf Course	Solid Waste		Group
	Fund	Fund	Fund	Totals	Health
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 18,406,569	\$ 1,017,292	\$ 6,214,225	\$ 25,638,086	\$ -
Cash Received from Interfund Services Used	-	-	-	-	3,607,937
Cash Payments from Interfund Services Used	-	-	-	-	(3,303,260)
Cash Payments to Employees for Services	(3,917,666)	(723,766)	-	(4,641,432)	-
Cash Payments to Other Suppliers for Goods and Services	(6,173,112)	(263,666)	(5,771,893)	(12,208,671)	
Net Cash Provided (Used) by Operating Activities	8,315,791	29,860	442,332	8,787,983	304,677
Cash Flows from Non-Capital Financing Activities:					
Proceed from Insurance Settlement	356		_	356	
Transfers From (To) Other Funds	(4,600,000)	_	_	(4,600,000)	
Net Cash Provided (Used) by Non-Capital Financing Activities	(4,599,644)			(4,599,644)	
The Cash Floridea (Osca) by Hon-Capital Financing Activities	(4,377,044)			(4,377,044)	
Cash Flows from Capital and Related Financing Activities:					
Proceed from Sale of Capital Assets	13,774	-	-	13,774	-
Principal and Interest Paid	(3,150,137)	(23,952)	-	(3,174,089)	-
Acquisition or Construction of Capital Assets	(1,417,104)	(627)	(16,518)	(1,434,249)	-
Proceed from Issuance of Long-Term Debt	385,000			385,000	
Net Cash Provided (Used) for Capital & Related Financing Activities	(4,168,467)	(24,579)	(16,518)	(4,209,564)	
Cash Flows from Investing Activities:					
Purchase of Investment Securities	(8,815,886)		(500,158)	(9,316,044)	(2,010,956)
Proceeds from Sale and Maturities of Securities	7,335,717	-	300,000	7,635,717	1,000,000
Interest on Investments	49,555	8	5,807	55,370	14,842
Net Cash Provided (Used) for Investing Activities	(1,430,614)	8	(194,351)	(1,624,957)	(996,114)
The Cash Floridea (Osca) for investing retivities	(1,430,014)		(174,331)	(1,024,737)	(220,114)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,882,934)	5,289	231,463	(1,646,182)	(691,437)
Cash and Cash Equivalents at Beginning of Year	5,944,988	4,440	657,062	6,606,490	1,558,891
Cash and Cash Equivalents at End of Year	\$ 4,062,054	\$ 9,729	\$ 888,525	\$ 4,960,308	\$ 867,454
Reconciliation of Operating Income to Net Cash					
Provided by Operating Activities:					
Operating Income (Loss)	\$ 2,997,634	\$ (372,121)	\$ 460,132	\$ 3,085,645	\$ 252,148
Adjustments to Reconcile Operating Income to Net Cash	Ψ 2,771,034	ψ (372,121)	Ψ 400,132	Ψ 5,005,045	ψ 232,140
Provided by Operating Activities:					
Depreciation	4,962,580	265,606	826	5,229,012	
Proceed payment from component unit	4,702,500	203,000	-	5,225,012	
Change in Assets and Liabilities:					
Decrease (Increase) in Receivables	149,420	815	(31,455)	118,780	(6,665)
Decrease (Increase) in Inventories	660	1,810	(51,455)	2,470	(0,003)
Decrease (Increase) in Prepaid Expenses	-	558	_	558	_
Decrease (Increase) in Due from Other Funds	(124,584)	-	_	(124,584)	45,626
Increase (Decrease) in Accounts Payable	102,998	5,952	10,608	119,558	-5,020
Increase (Decrease) in Customer Deposits	66,651	-		66,651	_
Increase (Decrease) in Accrued Wages Payable	12,479	(1,125)	_	11,354	
Increase (Decrease) in Due to Other Funds	(5,739)	124,584	_	118,845	_
Increase (Decrease) in Other Liabilities	45,602	3,728	2,221	51,551	13,568
Increase (Decrease) in Subdividers Deposits Payable	143,016	5,720	2,221	143,016	13,300
Increase (Decrease) in Subarriaers Deposits Layable  Increase (Decrease) in Compensated Absences Payable	(34,928)	16,175	_	(18,753)	-
Increase (Decrease) in Deferred Revenue	(54,720)	(16,122)	_	(16,122)	-
Total Adjustments	5,318,155	401,981	(17,800)	5,702,336	52,529
Net Cash Provided (Used) by Operating Activities	\$ 8,315,791	\$ 29,860	\$ 442,332	\$ 8,787,983	\$ 304,677
(osea) of operating free free free free free free free fre	ψ 5,515,771	Ψ 27,000	ψ TT2,332	÷ 0,707,703	<u> </u>
Noncash Investing, Capital, and Financing Activities:					
Contributed Capital Assets	\$ 483,302	\$ -	\$ -	\$ 483,302	\$ -
Total Noncash Investing, Capital and Financing Activities	\$ 483,302	\$ -	\$ -	\$ 483,302	\$ -

**EXHIBIT A-10** 

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS SEPTEMBER 30, 2013

	Private-purpose		
		Trust	
		Fund	
	•	er Library eyfogle	
ASSETS			
Cash and cash equivalents	\$	6,782	
Total Assets	\$	6,782	
LIABILITIES	Ф		
Total Liabilities	<u>\$</u> 	<u>-</u>	
NET POSITION			
Held in trust for scholarships and books		6,782	
Total Net Position	\$	6,782	

**EXHIBIT A-11** 

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Private	e-purpose
	T	rust
	F	<sup>F</sup> und
	Speer	Library
	Bre	yfogle
Additions:		
Investment Income	\$	29
Total Additions		29
<b>Deductions:</b>		
Scholarship Awards		-
Miscellaneous		-
Total Deductions		-
Change in Net Position		29
Net Position-Beginning of the Year		6,753
W. D. H. D. L. M. W.	Φ.	- <b>-</b>
Net Position-End of the Year	\$	6,782

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the City of Mission as reflected in the accompanying financial statements conform to generally accepted accounting principles for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB).

During the year, the City implemented the requirements of GASB No. 62 and No. 63. However, the City does not have any items that would qualify as deferred inflows or deferred outflows as defined in that statement.

#### A. Reporting Entity

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

#### **Blended Component Units**

The Mission Economic Development Authority (MEDA) was originally organized to provide development activities that could not be carried out by the Mission Economic Development Corporation. In August 2012, effective control over this entity passed to the City of Mission. The Board now consists of 5 members, 4 of whom are Board Members of the MEDC. All Economic Development Activity on behalf of the City was reassigned by City Resolution to Mission Economic Development Corporation. MEDA holds an investment in several lots of land in the Mission Industrial Park which are available for sale. MEDA is presented as a Blended Component Unit - Special Revenue Fund.

#### Discretely Presented Component Units

On September 12, 1994 the Mission Economic Development Corporation (MEDC) was issued a Certificate of Incorporation by the State of Texas as a nonprofit corporation under the Development Corporation Act of 1979 Vernon's Ann Civ. St. Art. 5190.6 as amended by adding Sec. 413. The Mission Economic Development Corporation (MEDC) was organized on behalf of the City of Mission, Texas for the specific public purpose of the promotion and development of commercial, industrial and manufacturing enterprises to promote and

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

encourage employment and the public welfare. MEDC is governed by a seven member board of directors, each of which is appointed by the City Council. Any director may be removed from office by the City Council for cause or at will. MEDC's primary source of revenues is sales tax revenues generated by the City of Mission. In addition, the City approves the programs and expenditures of MEDC and must approve amendments to MEDC's bylaws and Articles of Incorporation. MEDC is presented as a governmental fund type and has a September 30 year end.

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.

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

Mission Economic Development Corporation 1201 E. 8<sup>th</sup> St. Mission, Texas 78572

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

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

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

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

#### B. Government-wide and fund financial statements

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

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

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

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

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

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

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

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.

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

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

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

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

<u>Capital Projects Funds</u> – Capital Projects Funds are used to account for financial resources to be used for the acquisition of capital assets or construction of major capital facilities, not being financed by the proprietary funds. None of the capital project funds are major.

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

<u>Enterprise Funds</u> – 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.

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

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

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

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

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

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

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

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

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

September 30, 2013

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing service and producing and delivering goods in connections 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 nonoperating revenues and expenses.

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

#### D. Deposits and Investments

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

Money market investments which are short-term, highly liquid debt instruments including commercial paper, bankers acceptance and U.S. Treasury and agency obligations are reported at amortized cost. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value except for certificates of deposit which are stated at cost.

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

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

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

# CITY OF MISSION, TEXAS NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

#### E. Interfund Activity

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

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

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

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.

#### F. Inventory

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

#### G. 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.

#### H. Land Held for Resale

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

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

#### I. Restricted Assets

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

#### J. Capital Assets

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

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

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

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

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

#### K. Construction Period Interest

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

#### L. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a 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.

#### M. Long-Term Obligations

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

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

# CITY OF MISSION, TEXAS NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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

Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

#### N. 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 redevelopment assets, 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, through the budget process, commit fund balance. Once committed, the funds cannot be used for any other purpose unless such constraints are removed or modified through the budget amendment process which must be approved 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. City Council retains the right to change or remove the assignment with majority vote.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

#### 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.

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

• 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.

#### O. Prepaid Items

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

#### P. 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.

#### Q. Use of Estimates

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

#### NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

As mandated by the City Charter, budgets are required for all City funds each year. For the year ended September 30, 2013 budgets were not adopted for the Fiduciary Funds, but were adopted for the Internal Service Funds. Budget comparisons to actual expenditures for these funds are not required to be included in the financial statements. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds except for the Capital Projects Funds. Budgets for the Capital Projects Funds are adopted over the multiple-year term of the projects.

#### **NOTE 3 – PROPERTY TAXES**

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

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

The City is a Home-Rule Charter City with a maximum authorized tax rate for all purposes of \$2.50 per \$100 valuation. The combined tax rate for the year ended September 30, 2013 (2012 levy), was \$0.5288 per \$100 valuation.

Taxes receivable consists of property taxes of \$2,133,508 and sales taxes of \$1,819,953 for a total taxes receivable of \$3,953,461.

#### **NOTE 4 – DEPOSITS AND INVESTMENTS**

#### A. Primary Government

Deposits – At September 30, 2013, the carrying value of the City's deposits was \$19,789,981 and the bank balance was \$20,398,337. 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. Deposits include demand accounts, money market and certificate of deposits.

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

#### Interest Rate Risk

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

#### **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

The City's investment policy limits average maturities of all investments to one year or less. The maximum final stated maturity of any investment shall not exceed five years. Portfolio diversification is employed as a way to control the risk. 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, 2013:

			Maturity Period									
	Amortized		3 Months		3 Months 4-12			Over One				
Investment Type		Cost	or Less		or Less		or Less		Me	onths		Year
Texpool	\$	3,680,951	\$	3,366,094	\$	-	\$	-				
Federal Farm Credit Bank		5,518,051		-		-		5,518,051				
Federal National Mortgage		4,512,599		-		-		4,512,599				
Federal Home Loan Bank		1,001,017		-				1,001,017				
	\$	14,712,617	\$	3,366,094	\$		\$	11,031,666				

#### 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 that AAA or AAA-m or an equivalent rating by at least one nationally recognized rating services; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

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

### **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

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).

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.

As of September 30, 2013, the following was the composition of the City's credit rating by investment:

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

Investment Type	Rating	Exposure
Texpool	AAA	25%
Federal Farm Credit Bank	AAA	34%
Federal National Mortgage	AAA	31%
Federal Home Loan Bank	AAA	9%

#### 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, 2013, the following was the composition of the City's investment portfolio:

Investment Type	Rating	Exposure
Texpool	AAA	25%
Federal Farm Credit Bank	AAA	34%
Federal National Mortage	AAA	31%
Federal Home Loan Bank	AAA	9%
		100%

#### 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.

# CITY OF MISSION, TEXAS NOTES TO FINANCIAL STATEMENTS

September 30, 2013

#### **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

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

Cash on hand	\$ 6,940
Carrying amount deposit	15,289,980
Investments	19,213,027
Less: Statement of Fiduciary Net Position - investments	(6,782)
Cash and Investments Statement of Net Position	\$ 34,503,165
Cash and cash equivalents	\$ 13,282,933
Investments	15,202,046
Restricted assets	6,030,783
Less: Accrued interest	 (12,597)
Cash and Investments Statement of Net Position	\$ 34,503,165

#### B. Component Units

#### Mission Economic Development Corporation

*Deposits* – At September 30, 2013, the carrying value of Mission Economic Development Corporation's deposit was \$1,843,688 and the bank balance was \$1,843,688. Deposits include

### **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

demand accounts, money market and certificate of deposits. All deposits were fully insured or collateralized.

*Investments* – During the year, MEDC's investments consisted of obligations of the U.S. Government or its Agencies and instrumentalities. Investments are categorized to give an indication of the level of risk assumed by MEDC at September 30, 2013.

#### Interest Rate Risk

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

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

The following is the Interest Rate Risk using Specific Identification, as of September 30, 2013:

			Maturity Period					
	Α	mortized	3 Mon	ths	4-	12	Ove	r One
Investment Type		Cost	or Le	ss	Mo	nths	Υe	ear
Texpool	\$	198,082	\$ 198,0	082	\$	-	\$	-
Texpool		116,775	116,	775		-		-
Federal Natl Mtg Assn Medium Term NTS		502,603		-		-	502	2,603
Federal Home Ln Mtg Corp Medium Term NTS		496,987					490	6,987
	\$	1,314,447	\$ 314,	357	\$		\$ 999	9,590

#### Credit Risk

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

MEDC's investment policy authorizes the following investment pools:

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

## CITY OF MISSION, TEXAS NOTES TO FINANCIAL STATEMENTS

September 30, 2013

### **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

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

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

As of September 30, 2013, the following was the composition of MEDC's credit rating by investment:

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

Investment Type	Rating	Exposure
Texpool	AAA	17%
Federal Natl Mtg Assn Medium Term NTS	AAA	42%
Federal Home Ln Mtg Corp Medium Term NTS	AAA	41%

A reconcilement of cash and investments as shown on the statement of Net Position for MEDC follows:

Petty Cash	\$ 250
Carrying amount deposit	1,843,688
Investments	1,814,527
Cash and Investments Statement of Net Position	\$ 3,658,465
Cash and cash equivalents	\$ 1,713,971
Investment-Certificate of Deposit Long Term	500,000
Investments	1,197,762
Restricted Assets	246,742
Less: accrued interest	 (10)
Cash and Investments Statement of Net Position	\$ 3,658,465

#### 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.

## **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

As of September 30, 2013, the following was the composition MEDC's investment portfolio:

Investment Type	Rating	<b>Exposure</b>
Federal Natl Mtg Assn Medium Term NTS	AAA	42%
Federal Home Ln Mtg Corp Medium Term NTS	AAA	41%
Texpool	AAA	<u>17%</u>
Total		100%

#### Custodial Credit Risk

For an investment, custodial credit risk is the risk that MEDC 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.

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

#### Mission Redevelopment Authority

Deposits -Custodial Credit Risk 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 Authority's deposit policy for custodial credit risk required compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporations or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. As of the fiscal year end, the carrying amount of the Authority's deposits was \$2,759,174 and the bank balance was \$2,759,173, of which \$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.

#### <u>Investments</u>

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,

## **NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

(8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

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 form the Board of Directors.

As of September 30, 2013, the Mission Redevelopment Authority had the following investments and maturities:

		Maturities in Years						
Fund and		Less Than					More	than
Investment Type	Fair Value	1	1-5	5	6-	10	1	0
Debt Service Fund		·						
Money Market Mutual Fund	\$1,936,059	\$1,936,059	\$	_	\$	_	\$	

#### Credit Risk

Credit Risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2013, the Authority's Money Market Mutual Fund investment rating was AAAm 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 a maturity of less than one year due to the fact that share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value.

## NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund receivable and payable balance at September 30, 2013 were as follows:

Receivable Fund	Payable Fund	<i>E</i>	Amount	
General Fund	Non-Major Governmental Funds	\$	357,754	
General Fund	Utility Fund		6,427	
Group Health Fund	General Fund		22,144	
Group Health Fund	Utility Fund		4,947	
		\$	391,272	

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

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 unit at September 30, 2013 were as follows:

Receivable Entity	Payable Entity	A	mount
Primary Government - General Fund	Component Unit - MRA	\$	9,815
Primary Government - Capt'l Proj Fund	Component Unit - MRA		85,605
Component Unit - MEDC	Primary Gov't Special Revenue Fund		2,333
Component Unit - MRA	Primary Gov't Special Revenue Fund		196,306
		\$	294,059

#### C. Interfund Transfers:

	Transfer In:						
	Nonmajor						
Transfer Out:	General Fund	Funds	Total				
General Fund	\$ -	\$ 2,173,664	\$ 2,173,664				
Utility Fund	3,400,000	1,200,000	4,600,000				
Debt Service Fund	-	437,221	437,221				
Nonmajor Governmental Funds	196,539	13,340	209,879				
Total Transfer Out	\$ 3,596,539	\$ 3,824,225	\$ 7,420,764				

Transfers out from the general to nonmajor governmental funds were to sustain the operating activities of those funds.

A transfer from the Nonmajor Governmental Funds to the General Fund was to sustain activities within the municipal court department and the streets department. A transfer from the Utility Fund to the General Fund was to help defray the maintenance and repair costs of damages to streets when water and sewer lines must be accessed as well as offset costs incurred by the General Fund in support of the Utility Fund operations.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	~	Balance at				_	~	Balance at
	Sep	otember 30, 2012		Increases		Decreases	Sep	tember 30, 2013
Governmental Activities:								
Capital assets, not being depreciated:	Ф	22.262.070	Ф	270 (70	Ф		ф	22 641 740
Land	\$	33,363,079	\$	278,670	\$	- (6.220.292)	\$	33,641,749
Construction in progress		8,431,242	_	1,753,453	_	(6,339,282)		3,845,413
Total capital assets, not being depreciated		41,794,321		2,032,123	_	(6,339,282)		37,487,162
Capital assets, being depreciated:								
Buildings		20,244,916		369,778		_		20,614,694
Improvements other than buildings		10,206,305		5,917,446		_		16,123,751
Machinery and equipment		23,686,603		1,791,481		(538,215)		24,939,869
Infrastructure		79,589,401		6,986,503				86,575,904
Total capital assets, being depreciated		133,727,225		15,065,208		(538,215)		148,254,218
Less accumulated depreciation for:								
Buildings		(6,179,092)		(639,530)		_		(6,818,622)
Improvements other than buildings		(4,552,297)		(641,731)		_		(5,194,028)
Machinery and equipment		(15,775,123)		(2,143,335)		346,878		(17,571,580)
Infrastructure		(39,355,656)		(4,210,521)		<u>-</u>		(43,566,177)
Total accumulated depreciation		(65,862,168)		(7,635,117)		346,878		(73,150,407)
Total capital assets, being depreciated, net		67,865,057		7,430,091		(191,337)		75,103,811
Governmental Activities Capital Assets, Net	\$	109,659,378	\$	9,462,214	\$	(6,530,619)	\$	112,590,973
Business-type Activities:							-	
Capital assets, not being depreciated:								
Land	\$	3,663,555	\$	-	\$	-	\$	3,663,555
Water Rights		3,771,664		98,900		-		3,870,564
Construction in progress		137,951		337,521		(10,558)		464,914
Total assets, not being depreciated		7,573,170		436,421		(10,558)		7,999,033
Capital assets, being depreciated:								
Buildings and system		126,973,610		688,525		-		127,662,135
Improvements other than buildings		3,275,525		-		-		3,275,525
Furniture and equipment		7,742,478		830,201		(211,596)		8,361,083
Total assets, being depreciated		137,991,613		1,518,726	_	(211,596)		139,298,743
Less accumulated depreciation for:								
Buildings and system		(49,290,053)		(4,095,884)		-		(53,385,937)
Improvements other than buildings		(1,856,134)		(198,647)		-		(2,054,781)
Furniture and equipment		(4,916,740)		(934,481)		209,647		(5,641,574)
Total accumulated depreciation		(56,062,927)		(5,229,012)		209,647		(61,082,292)
Total capital assets, being depreciated, net		81,928,686		(3,710,286)		(1,949)		78,216,451
Business-type Activities Capital Assets, Net	\$	89,501,856	\$	(3,273,865)	\$	(12,507)	\$	86,215,484

## **NOTE 6 – CAPITAL ASSETS (Continued)**

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

<b>Governmental Activities:</b>	
General government	\$ 172,541
Public safety	1,884,651
Highways and streets, including depreciation of	
general infrastructure assets	4,484,751
Sanitation	19,014
Culture and recreation	 1,074,159
Total depreciation expense - governmental activities	\$ 7,635,116
<b>Business-type Activities:</b>	
Utility	\$ 4,962,580
Golf Course	265,606
Solid Waste	 826
Total depreciation expense - business-type activities	\$ 5,229,012

## **NOTE 7 – RECEIVABLES**

Receivables at September 30, 2013 were as follows:

	Taxes	Accounts	Special sessments	Due from other overnments	Other	 llowance for ncollectibles	R	Net Receivables
Governmental Activities:								
General	\$1,623,720	\$ 1,439,139	\$ -	\$ 2,245,509	\$ 7,030	\$ (1,468,750)	\$	3,846,648
Debt Service	509,788	-	-	-	68	(157,427)		352,429
Other Governmental	-	313,605	134,113	447,636	173	(3,565)		891,962
Total Governmental								
Activites	\$2,133,508	\$ 1,752,744	\$ 134,113	\$ 2,693,145	\$ 7,271	\$ (1,629,742)	\$	5,091,039
Business-type Activities:			 					
Utility	\$ -	\$ 2,600,448	\$ -	\$ -	\$ 12,308	\$ (98,907)	\$	2,513,850
Golf Course	-	9,887	-	-	-	-		9,887
Solid Waste		 953,777	 -	 	8	(28,818)		924,967
Total Business-type								
Activities	\$ -	\$ 3,564,112	\$ -	\$ -	\$ 12,316	\$ (127,725)	\$	3,448,704

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

			S	olid Waste
_	<b>Utility Fund</b>			Fund
Gross Operating Revenues	\$	18,122,547	\$	6,271,649
Uncollectibles Related to Current Year		(75,066)	_	(25,970)
Net Operating Revenues	\$	18,047,481	\$	6,245,679

## NOTE 8 – DISAGGREGATION OF OTHER LIABILITIES

At September 30, 2013 the City had the following other liabilities:

	Govermental		Bus	siness-type	
Payable To	Activities		A	ctivities	 Total
Due to State	\$	127,192	\$	67,795	\$ 194,987
Due to other Government Agencies		124		-	124
Wages & Deductions		403,416		67,905	471,321
Court Deposits/Refunds		6,337		-	6,337
Due to Other		532,773		31,229	 564,002
	\$	1,069,842	\$	166,929	\$ 1,236,771

#### **NOTE 9 – LONG-TERM DEBT**

Certificates of Obligation

The City issues Certificates of Obligation to finance construction projects.

Certificates of Obligation payable at September 30, 2013 are comprised of the following:

## Governmental activities:

\$4,120,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2003, payable in annual installments ranging from \$120,000 to \$295,000 through February 15, 2028 interest at 3.00% to 5.00%.	\$ 155,000
\$1,035,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2004, payable in annual installments ranging from \$50,000 to \$100,000 through February 15, 2017 interest at 4.00% to 4.375%.	400,000
\$4,550,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2005, payable in annual installments ranging from \$75,000 to \$325,000 through February 15, 2025, interest at 3.00% to 4.25%.	2,415,000
\$4,100,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2005A, payable in annual installments ranging from \$140,000 to \$325,000 through February 15, 2026, interest at 4.00% to 5.25%.	3,170,000

## **NOTE 9 – LONG-TERM DEBT (Continued)**

\$7,000,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2007, payable in annual installments ranging from \$230,000 to \$475,000 through February 15, 2027, interest at 4.25% to 5.00%.	4,680,000
\$5,495,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2009, payable in annual installments ranging from \$85,000 to \$415,000 through February 15, 2029, interest at 3.00% to 5.25%.	4,755,000
\$2,930,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2010, payable in annual installments ranging from \$75,000 to \$340,000 through February 15, 2025, interest at 2.00% to 4.00%.	1,995,000
\$2,635,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2012, payable in annual installments ranging from \$100,000 to \$500,000 through February 15, 2032, interest at 2.00% to 4.00%	2,440,000

**Total Certificates of Obligation** 

\$ 20,010,000

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

	Governmental				
Year Ending		Activiti	es		
September 30,	Princ	Principal Inte			
2014	\$ 1,5	05,000	\$	805,876	
2015	1,3	95,000		754,401	
2016	1,3	80,000		703,976	
2017	1,4	45,000		650,264	
2018	1,1	25,000		600,175	
2019-2023	6,3	80,000	2	2,262,657	
2024-2028	5,7	10,000		793,874	
2029-2032	1,0	70,000		64,594	
Total	\$ 20,0	10,000	\$ 6	5,635,817	

## **NOTE 9 – 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, 2013 are comprised of the following:

#### Governmental activities:

\$7,565,000 Texas General Obligation Refunding Bonds, Series 2009, payable in annual installments ranging from \$230,000 to \$565,000 through February 15, 2026, interest at 3.00% to 5.25%.	\$ 5,565,000
\$3,165,000 Texas General Obligation Refunding Bonds, Series 2012, payable in annual installments ranging from \$30,000 to \$270,000 through February 15, 2028, interest at 1.00% to 3.50%.	 3,135,000
Total General Obligation Bonds	\$ 8,700,000

General Obligation debt service requirements to maturity are as follows:

	Governmental				
Year Ending		Activ	vities		
September 30,		Principal		Interest	
2014	\$	465,000	\$	302,002	
2015		630,000		286,827	
2016		655,000		269,452	
2017		640,000		249,777	
2018		660,000		227,777	
2019-2023		3,670,000		769,017	
2024-2028		1,980,000		171,369	
Total	\$	8,700,000	\$	2,276,221	

#### Revenue Bonds

The City also issued bonds for which it pledges net revenues derived from the waterworks and sewer system which is accounted for in the Utility Fund.

Revenue bonds payable at September 30, 2013 are comprised of the following:

## **NOTE 9 – LONG-TERM DEBT (Continued)**

Business-type ac	tivities:
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		_	_
Util	44	1000	. J.
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<u>Jtility Fund</u> :		
\$530,000 1995-A Waterworks and Sewer System ED AP Junior Lien Revenue Serial Bonds payable in annual installments ranging from \$16,000 to \$50,000 from February 1, 1995 through April 1, 2015; interest at 5.3% to 7.0%.	\$	97,000
\$1,832,000 1995-B Waterworks and Sewer System SRF Junior Lien Revenue Serial Bonds payable in annual installments ranging from \$64,000 to \$156,000 from February 1, 1995 through April 1, 2015; interest at 4.05% to 5.35%.		304,000
\$14,645,000 2004-A Waterworks and Sewer System Junior Lien Revenue Serial Bond payable in annual installments ranging from \$460,000 to \$1,155,000 from June 25, 2004 through April 1, 2026; interest payment starting October 1, 2004 at 3.15% to 5.70%.	1	1,025,000
\$603,000 2004-B Waterworks and Sewer System Junior Lien Revenue Serial Bond payable in annual installments ranging from \$18,000 to \$49,000 from July 1, 2004 through April 1, 2026; interest payments starting October 1, 2004 at 3.93% to 5.93%.		459,000
\$18,300,000 2006 Waterworks and Sewer System Revenue Refunding Serial Bonds payable in annual installments ranging from \$630,000 to \$1,185,000 from August 15, 2006 through February 15, 2027; interest at 4.25% to 5.0%.	1	1,740,000
\$8,285,000 2009 Waterworks and Sewer System Junior Lien Revenue Taxable Serial Bonds payable in annual installments ranging from \$ 275,000 to \$465,000 from December 30, 2009 through February 15, 2029; non-interest bearing.		5,955,00 <u>0</u>
Total Revenue Bonds Payable	<u>\$ 30</u>	0,058,000

## **NOTE 9 – LONG-TERM DEBT (Continued)**

Revenue bonds debt service requirements to maturity are as follows:

Business-type					
Activ	vities				
Principal	Interest				
\$ 2,000,000	\$ 1,115,474				
2,082,000	1,034,209				
2,343,000	945,430				
2,259,000	858,411				
1,866,000	785,126				
10,427,000	2,804,411				
9,178,000	619,517				
425,000					
\$ 30,580,000	\$ 8,162,578				
	Active Principal  \$ 2,000,000				

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 are used for projects to make water system improvements. The DWSRF funding mechanism allows the City to issue as many bond coupons in installments as needed to fund the authorized projects. As of September 30, 2013, the City had requested to sell coupons totaling \$7,780,000 to fund costs of the authorized project.

#### Arbitrage Compliance

The City of Mission is subject to federal arbitrage regulations and as of September 30, 2013, 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 is in the process of adopting written procedures to monitor post-issuance compliance of the federal tax laws applicable to the Bonds as requested by the Internal Revenue Service.

#### Prior Year Advance Refunding

In the prior year, the City of Mission partially advance refunded the 2003 Combination Tax and Unlimited Pledge Revenue Certificates of Obligation. Funds were deposited into an escrow account for payment to the bond holders who hold the certificates. As a result, the \$3,045,000 refunded portion of the Certificates of Obligation is considered to be defeased and the liability has been removed from the books. On February 15, 2013 these Certificates of Obligation were redeemed at 100% of par, plus accrued interest.

## **NOTE 9 – LONG-TERM DEBT (Continued)**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2013was as follows:

	Balance at	Additional		Balance at	Amounts	
	September 30,	Obligations and	Retirement and	September 30,	Due within	
	2012	Net Increases	Net Decreases	2013	One Year	
Governmental Activities:						
Bonds Payable:						
Certificates of Obligation	\$ 21,535,000	\$ -	\$ 1,525,000	\$ 20,010,000	\$ 1,505,000	
General Obligations	9,270,000	-	570,000	8,700,000	465,000	
Less: Loss on Refunding	(543,866)	-	(37,509)	(506,357)	-	
Plus Issuance Premium	720,908	-	47,157	673,751	-	
Total Bonds Payable	30,982,042		2,104,648	28,877,394	1,970,000	
Notes Payable	24,000	-	24,000	-	-	
Capital Leases	24,719	-	24,719	-	_	
Compensated Absences	3,215,646	1,365,850	1,399,822	3,181,674	1,344,116	
Net Pension Obligation	737,857	6,299	-	744,156	_	
Net Other Posteemployment				-		
Benefit Obligation	385,436	84,387	-	469,823	-	
Anzalduas Bridge Payable	1,245,757	339,006	-	1,584,763	-	
Governmental Activity						
Long-term Liabilities	\$ 36,615,457	\$ 1,795,542	\$ 3,553,189	\$ 34,857,810	\$ 3,314,116	
Business-type Activities:						
Bonds Payable:						
Revenue Bonds	32,128,000	385,000	1,933,000	30,580,000	2,000,000	
Less: Loss on Refunding	(569,067)	-	(37,938)	(531,129)	_	
Plus Issuance Premium	100,717	-	6,715	94,002	-	
Total Bonds Payable	31,659,650	385,000	1,901,777	30,142,873	2,000,000	
Capital Leases	40,729	23,137	22,585	41,281	12,519	
Compensated Absences	411,220	160,420	179,414	392,226	191,263	
Net Pension Obligation	130,148	1,078	-	131,226	-	
Net Other Posteemployment				-		
Benefit Obligation	91,734	21,665	-	113,399	-	
Business-type Activity						
Long-term Liabilities	\$ 32,333,481	\$ 591,300	\$ 2,103,776	\$ 30,821,005	\$ 2,203,782	

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

The Utility Fund capitalized \$1,867 of bond interest expense as part of various construction projects for the year-ended September 30, 2013.

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

#### NOTE 10 - COMPONENT UNIT - LONG-TERM DEBT PAYABLE

A. Mission Economic Development Corporation (MEDC)

Mission Economic Development Corporation (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, 2013 for the MEDC is comprised of the following:

\$4,380,000 Sales Tax Revenue Refunding Bonds, Series 2010 payable in annual principal installments ranging from \$90,000 to \$325,000, from February 15, 2011 through 2024; Interest at 3.85%.

\$ 3,705,000

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

Principal		Interest
\$ 315,000	\$	136,579
325,000		124,259
335,000		111,554
350,000		98,368
365,000		84,603
1,690,000		216,755
 325,000		6,256
\$ 3,705,000	\$	778,374
	\$ 315,000 325,000 335,000 350,000 365,000 1,690,000 325,000	\$ 315,000 \$ 325,000 \$ 350,000 \$ 365,000 \$ 1,690,000 \$ 325,000

Sales tax revenue notes payable at September 30, 2013 for the MEDC is comprised of the following:

\$3,000,000 Sales Tax Revenue Note payable in semi-annual principal installments ranging from \$109,259 to \$366,273; including interest at 3.9%. Note matures August 15, 2016. Secured by first priority perfected security interest in sales tax revenues collected pursuant to Section 4B of the Development Corporation Act of 1979.

\$ 2,044,025

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

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

Year Ending				
September 30,	1	Principal	]	Interest
2014	\$	658,105	\$	74,441
2015		684,385		48,161
2016		701,535		20,870
Total	\$	2,044,025	\$	143,472

The following is a summary of changes in long-term debt obligations for MEDC for the year ended September 30, 2013:

			Add	itional						
			Obligat	ions and	Retir	ements and	Se	ptember 30,	Due	within One
	Sept	ember 30, 2012	Net In	creases	Net	Decreases		2013	-	Year
Sales Tax Refunding Bond	\$	4,005,000	\$	-	\$	300,000	\$	3,705,000	\$	658,105
Sales Tax Revenue Note		2,676,860		_		632,835		2,044,025		315,000
	\$	6,681,860	\$		\$	932,835	\$	5,749,025	\$	973,105

The above listed refunding bond issue is to be repaid from the ½ cent sales tax levied under the Section 4B of the Texas Development Corporation Act of 1979.

#### B. Mission Redevelopment Authority

#### 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, 2013 for the MRA are comprised of the following:

\$8,960,000 Tax Increment Contract Revenue Bonds Series 2005 payable in annual installments ranging from \$295,000 to \$380,000 from September 1, 2006 through 2025; with interest ranging from 4.625% to 5.125%.

\$6,275,000

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

\$10,620,000 Tax Increment Contract Revenue Bonds Series 2009 payable in annual installments ranging from \$365,000 to \$790,000 from September 1, 2011 through 2029; with interest rates ranging from 3.0% to 5.25%.

9,065,000

\$ 15,340,000

As of September 30, 2013, the debt service requirements on the bonds outstanding were as follows:

Year Ending			
September 30,	Principal	Interest	Total
2014	\$ 795,000	\$ 745,813	\$ 1,540,813
2015	830,000	711,050	1,541,050
2016	870,000	674,738	1,544,738
2017	905,000	636,675	1,541,675
2018	950,000	595,925	1,545,925
2019-2023	5,465,000	2,259,674	7,724,674
2024-2028	4,735,000	854,675	5,589,675
2029	790,000	41,475	831,475
Total	\$15,340,000	\$6,520,025	\$21,860,025

State Infrastructure Loan Agreement

On March 25, 2008 the Mission Redevelopment Authority 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 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.

\$2,181,879

The following is a summary of changes in loan agreement for the MRA for the year ended September 30, 2013:

	Balance at	Additional	Retirement	Balance at	Amounts
	September 30,	Obligations and	and Net	September 30,	Due within
	2012	Net Increases	Decreases	2013	One Year
Loan Payable	\$ 2,358,092	\$ -	\$ 176,213	\$ 2,181,879	\$ 182,999
	\$ 2,358,092	\$ -	\$ 176,212	\$ 2,181,880	\$ 182,999

As of September 30, 2013, the debt service requirements on the loan agreement were as follows:

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

Principal	Interest	Total		
\$ 182,999	\$ 84,002	\$ 267,001		
190,044	76,957	267,001		
197,361	69,640	267,001		
204,959	62,042	267,001		
212,850	54,151	267,001		
1,193,666	141,338	1,335,004		
\$ 2,181,879	\$ 488,130	\$ 2,670,009		
	\$ 182,999 190,044 197,361 204,959 212,850 1,193,666	\$ 182,999 \$ 84,002 190,044 76,957 197,361 69,640 204,959 62,042 212,850 54,151 1,193,666 141,338		

#### 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, 2016 or September 1, 2020, for Series 2005 and Series 2009 bonds respectively.

#### Scheduled Mandatory Redemption for Tax Increment Contract Revenue Bonds

The Series 2005 Term bonds due September 1, 2016, September 1, 2019, September 1, 2022, and September 1, 2025, are subject to mandatory redemption by lot or other customary method at a price of par plus accrued interest on September 1<sup>st</sup> in the years and amounts as reflected in the debt service schedules.

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

#### **NOTE 11 – INTERFUND ADVANCES**

Continued improvements were made to the Golf Course with the Course anticipating increased revenues to repay advances in funding. Decrease in play due to extreme heat during the summer, and the ongoing recession resulted in decrease in play and revenue. Golf Course fees were increased in July for the lease/purchase of equipment. This will help in reducing the funding form the General Enterprise Fund. Golf Course staff will continue to monitor expenditures and promote the Course utilizing other City of Mission Departments such as Parks and Recreation, and Media Relations for advertising and using social media outlets to generate revenues to reduce the debt. The Advance payable increased by \$124,584 compared to prior year's balance. At September 30, 2013, the balance of the Advance in the amount of \$1,312,980 is reflected as a long-term Advance Receivable in the Utility Fund and a long term Advance Payable in the Golf Course Fund.

#### **NOTE 12 – DEFERRED REVENUE**

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned and thus are considered to be unavailable. At the end of the fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable		U	nearned	Deferred Revenue	
Delinquent property taxes	\$	1,370,182	\$	-	\$	1,370,182
Park dedication fees		-		424,128		424,128
Grants		-		1,508		1,508
Loan receivable - HOME		-		138,631		138,631
Contributions		_				_
	\$	1,370,182	\$	564,267	\$	1,934,449

Unearned revenues of \$49,904 in the Golf Course Fund, an enterprise fund, represent collections of annual membership dues that will be recognized as revenue in the next fiscal year.

#### **NOTE 13 – LONG-TERM RECEIVABLE**

Long-Term Notes Receivables at September 30, 2013 for the City of Mission are comprised of the following:

#### Governmental Activities:

#### Housing Rehab Receivable

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

rity date is January 9, 2026.	\$	29,600
Total Long-Term Notes Receivables Less: Current Portion	<u>\$</u>	29,600 (2,400) 27,200

#### **NOTE 14 – RESTRICTED ASSETS**

#### A. Primary Government

Business-Type Activities:

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

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

Restricted assets included in the Utility Fund as of September 30, 2013 consist of:

	Cash and				A	ccrued		
	Cash	Equivalents	In	Investments		Interest		Total
D D 1D D 1	Φ.	415.101	Φ.	1 220 124	Φ.	<b>5</b> 1 40	Φ.	1 651 202
Revenue Bond Reserve Fund	\$	417,121	\$	1,229,124	\$	5,148	\$	1,651,393
Bond Interest and Sinking		989,808		351,217		78		1,341,103
Revenue Bond Extension and								
Improvement Fund		54,331		254,002		4		308,337
Subdividers Deposits		331,776		1,251,791		3,931		1,587,498
Capital Recovery Fund		212,981		924,347		3,436		1,140,764
Water and Sewer Plant								
Improvements		1,188						1,188
	\$	2,007,205	\$	4,010,481	\$	12,597	\$	6,030,283

## A. Mission Economic Development Corporation

Restricted assets held by Mission Economic Development Corporation at September 30, 2013 consist of the following:

	Cash and Cash			Acc	rued			
	Equivalents		Investments		Interest		Total	
Debt Service Fund	\$	129,967	\$	116,775	\$	10	\$	246,752

## **NOTE 14 – RESTRICTED ASSETS (Continued)**

#### B. Mission Redevelopment Authority

Restricted assets held by Mission Redevelopment Authority at September 30, 2013 consisted of Debt Service Reserves required by the Tax Increment Contract Bonds in the amount of \$1,868,764.

#### **NOTE 15 – PENSION PLAN**

#### Plan Description:

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

_	Plan Year 2013	Plan Year 2012
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/ years of		
service)	60/5, 0/20 100% Repeating,	60/5, 0/20 100% Repeating,
Update Service Credit	Transfers	Transfers
Annuity Increase (to retirees)	0% of CPI	0% of CPI

#### Contributions:

Under the state law governing TMRS, the contributions rate for each City is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated

## **NOTE 15 – PENSION PLAN (Continued)**

annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The annual pension cost and net pension obligation/(asset) are as follows:

1. Annual Required Contribution (ARC)	\$ 1,969,967
2. Interest on Net Pension Obligation	60,760
3. Adjustment to the ARC	 (56,383)
4. Annual Pension Cost (APC)	1,977,344
5. Contributions Made	 (1,969,967)
6. Increase (decrease) in net pension obligation	 7,377
7. Net Pension Obligation/(Asset), beginning of year	 868,005
8. Net Pension Obligation/(Asset), end of year	\$ 875,382

Three Year Trend Information

Fiscal	Annual	Actual	Percentage	Net Pension				
Year	Pension Cost	Contribution	of APC	Obligation/				
Ending	(APC)	Made	Contributed	(Asset)				
2011	\$ 2,398,879	\$ 2,298,879	95.83%	\$ 859,557				
2012	2,068,331	2,059,883	99.59%	868,005				
2013	1,977,344	1,969,967	99.63%	875,383				

The required contribution rates for Fiscal Year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

## **NOTE 15 – PENSION PLAN (Continued)**

Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit	Projected Unit	Projected Unit
	Credit	Credit	Credit
Amortization Method	Level Percent	Level Percent	Level Percent
	of Payroll	of Payroll	of Payroll
GASB 25 Equivalent Single	26.9 years;	25.9 years;	25.0 years;
Amortization Period	closed period	closed period	closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10 year	10 year	10 year
	smoothed market	smoothed market	smoothed market
Actuarial Assumptions:			
Investment Rate of Return *	7.0%	7.0%	7.0%
Projected Salary Increases *	Varies by age	Varies by age	Varies by age
	and service	and service	and service
* Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	0.00%	0.00%	0.00%

The funded status as of December 31, 2012, the most recent actuarial valuation date, is as follows:

		Actuarial					UAAL as a
Actuarial	Actuatial	Accrued					Percentage
Valuation	Value of	Liability	Funded	Ţ	Unfunded	Covered	of Covered
Date	Assets	(AAL)	Ratio	AA	AL (UAAL)	Payroll	Payroll
12/31/2012	\$ 52,370,908	\$ 55,994,728	93.5%	\$	3,623,820	\$ 23,839,903	15.2%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedules of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

## NOTE 16 – PENSION PLAN – EMERGENCY SERVICES PERSONNEL RETIREMENT FUND

Plan Description

The City of Mission contributes to the Texas Emergency Services Retirement System (TESRS), 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 pension system was created by the S.B. 411, 65<sup>th</sup> Legislature, Regular Session (1977). The Texas Emergency Services Retirement System is considered a component unit of the State of Texas financial reporting entity and is included in the State's publicly available financial reports as a pension trust fund. That report may be obtained by writing to the Firefighter Pension Commission, Attn: Mr. Kevin Deiters, P.O. Box 12577, Austin, Texas 78711-2577, or by calling 1-512-936-3372 or website <a href="https://www.ffpc.state.tx.us/tesrs/tesrs.html">www.ffpc.state.tx.us/tesrs/tesrs.html</a>.

S.B. 411, 65<sup>th</sup> Legislative, Regular Session (1977) created TESRS and established the benefit provisions. The 79<sup>th</sup> Legislature, Regular Session (2005), recodified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. 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 become 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.

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 and continuing monthly payments to a member's surviving spouse and dependent children.

Contribution requirements were established by S.B. 411, 65<sup>th</sup> Legislative, Regular Session (1977) and were amended by board rule in 2006. The monthly contribution requirement per active emergency services personnel member is not actuarially determined, but rather, the minimum contribution requirement is set by board rule. No contributions are required by members. The governing bodies of participating department's members are required to contribute at least the minimum amount prescribed per month per each active member.

In addition to the contributions for dues and prior services made to the Texas Emergency Services Retirement System, some cities are required to make additional deposits. These additional deposits are for 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. For the City of Mission, this additional deposit was \$1,200.

# NOTE 16 – PENSION PLAN – EMERGENCY SERVICES PERSONNEL RETIREMENT FUND (Continued)

The City's total contributions to TESRS (including the deposit for TLFFRA) for the years ending September 30, 2013, 2012, and 2011 were \$7,320, \$10,128, and \$8,240 respectively, equal to the contributions required under both S.B. 411 and H.B. 258 for each year.

#### NOTE 17 - OTHER POST EMPLOYMENT BENEFITS -

#### A. Post Retirement Health Care Benefits

#### Plan Description

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

#### Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. Total premiums and health claims for fiscal year 2013 were \$75,564 for retirees, contributed by the City.

#### Annual OPEB Cost and Net OPEB Obligation

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

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

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

Annual required contribution	\$ 191,637
Interest on net OPEB obligation	18,132
Adjustment to annual required contribution	 (28,153)
Annual OPEB cost (expense)	181,616
Contributions made	 (75,564)
Increase in net OPEB Obligation	106,052
Net OPEB obligation - beginning of year	 477,169
Net OPEB obligation - end of year	\$ 583,221

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2013 is as follows:

Fiscal	Annual	Annual Percentage of Annual		Annual Percentage of Annual	
Year Ended	OPEB Cost	Cost Contributed	Obligation		
9/30/2010	\$ 149,163	4.82%	\$ 276,436		
9/30/2011	116,944	5.90%	386,485		
9/30/2012	184,512	50.85%	477,170		
9/30/2013	181,616	41.61%	583,221		

#### Funded Status and Funding Progress

As of September 30, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$1,386,881, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,386,881.

The covered payroll (annual payroll of active employees covered by the plan) was \$19,719,814 and the ratio of the UAAL to the covered payroll was 7.0%.

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

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

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

#### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2012, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3.8 percent investment rate of return given the fact that the City doesn't have a dedicated trust fund for paying the post-retirement benefits and an annual healthcare cost trend rate of that begins at 10 percent initially, and assumes a smooth decline in year-to-year increases with an ultimate trend rate of 5 percent first achieved in 2015.

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

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

Valuation date	September 30, 2012
Discount rate	3.8%
Claims costs	Derived from current COBRA premiums
	less the 2% administrative loading and
	adjusted for the risk characteristics of the
	covered group
Health Care Cost Trend for 2012 to 2084	8.0% - 4.2%
Rate of Inflation	2.5%
Rate of Growth in Real Income/GDP per capita	1.7%
Income Multiplier for Health Spending	1.4
Extra Trend due to Technology and other factors	1.1%
Health Share of GDP Resistance Point	25.0%
Year of Limiting Cost Growth to GDP Growth	2075

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

#### B. Supplemental Death Benefits

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

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

The City offers supplemental death benefits	Plan Year	Plan Year
to:	2012	2013
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

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

The City's contributions to the TMRS SDBF for the years ended 2013, 2012, and 2011 were \$30,703, \$31,264, and \$35,438 respectively, which equaled the required contributions each year.

#### **NOTE 18 – CONTINGENT LIABILITIES**

#### A. Litigation

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

#### B. Federally Assisted Grant Programs

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

#### NOTE 19 – CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At September 30, 2013, the City had several active construction projects. The projects include renovation of parks and improvements of infrastructure.

#### A. Primary Government

	Spent to	Remaining	Financing
Project	Date	Commitment	Sources
Inspiration Rd. US Exp. N. to Mile 3	\$ 1,767,990	\$ 668,970	2010 CO
Mile 2 N. Conway W. to Inspiration	890,836	138,253	Operating
HCID #1 Canal Lateral Drainage	357,953	205,083	2010 CO
Conway Ave. Streetscape Project	85,605	55,645	Operating
CWV Center Building Improvements	222,141	206,875	2009 CO
15" Sanitary Sewer Extension	226,269	139,343	Operating
Corinthan / Adjacent Property Drain	43,560	9,240	Operating
WL, So. Shary Rd. Military Rd	58,750	1,232	Operating
WL, Military Rd Loop Improvement	42,029	20,892	Operating
W/S L, US 83 Inspiration Overpass	69,222	7,156	Operating
Keralum-1St. To St. Marie Drainage	97,500	2,000	Operating
Taylor Rd. US83 exp to N. Dove	68,558	1,046,442	Operating
	\$ 3,930,414	\$ 2,501,130	

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 basically 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. Mission Redevelopment Authority

For the year ended September 30, 2013, the Authority has construction commitments of \$48,650, for the engineering contract on the Military Highway West Wastewater & Water Trunklines Project.

#### **NOTE 20 – OPERATING LEASE COMMITMENTS**

#### A. Primary Government

The City leases office equipment under operating leases and has entered into operating leases for golf carts which begin in the 2014 fiscal year. Total costs for such leases were \$8,184 for the year ended September 30, 2013. The future minimum lease payments for these leases are as follows:

September	30,
2014	\$ 24,974
2015	23,610
2016	16,790
2017	16,790
	Total \$ 82,164

#### B. Mission Economic Development Corporation

MEDC leased office equipment under an operating lease. Total costs for such lease was \$4,655 for the year ended September 30, 2013. The future minimum lease payments for the lease are as follows:

#### **NOTE 21 – CAPITAL LEASE COMMITMENTS**

The City has entered into a lease agreement as a lessee for financing the acquisition of golf carts, air aerator and mowers for the golf course owned by the City reflected here under business-type activities and the acquisition of IBM servers and a motor grader for governmental 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 as of the inception date. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013 are as follows:

## **NOTE 21 – CAPITAL LEASE COMMITMENTS (Continued)**

		Governmental Activities		siness-type activities
Assets:				
Machinery & Equipment	\$	268,569	\$	418,921
Less: Accumulated Depreciation		(131,255)		(302,160)
Total	\$	137,314	\$	116,761
September 30,				
2014	\$	-	\$	14,207
2015		-		14,208
2016		-		10,947
2017				5,310
Total minimum lease payments		-		44,672
Less: amount representing interest				(3,391)
Present value of minimum lease payments	\$	_	\$	41,281

#### **NOTE 22 – RISK MANAGEMENT**

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

The City established a limited risk management program for workers' compensations 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.

## **NOTE 22 – RISK MANAGEMENT (Continued)**

The following is a reconciliation of the claims liability:

		2013		2012
Unpaid claims, beginning of fiscal year	\$	74,691	\$	118,295
Incurred claims (including IBNRs) and adjustments		2,545,078		2,436,623
Claims payments		(2,506,538)	(2,480,227	
Unpaid claims, end of fiscal year	\$	113,231	\$	74,691

#### **NOTE 23 – COMPONENT UNIT TRANSACTIONS**

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

City of Mission provides personnel services to carry out the daily operating activities of MEDC. MEDC reimburses the City of Mission for the services provided as well as accounting and overhead costs.

B. During the year ended September 30, 2013 Mission Redevelopment Authority reimbursed the City for costs incurred related to the Conway Streetscape Project in the amount of \$85,605. At September 30, 2013, the MRA owed the City \$9,815 for administrative costs. Additionally, the City owed MRA \$196,306 for property taxes collected but not yet remitted.

#### **NOTE 24 – CONDUIT DEBT OBLIGATIONS**

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

	Balance at September 30, 2013		
\$1,341,250 Industrial Development Revenue Bond (4 Over, Inc. Project) Series 2009A dated February 1, 2009	\$	531,911	
\$1,702,000 Industrial Development Revenue Bond (4 Over, Inc. Project) Series 2009B dated August 1, 2012		701,356	
\$56,200,000 Solid Waste Disposal Variable Rate Demand Revenue Bond (Allied Waste North America, Inc. Project) Series 2008A dated May 1, 2008		56,200,000	

## **NOTE 24 – CONDUIT DEBT OBLIGATIONS (Continued)**

\$6,800,000 Industrial Development Revenue Bond (AmeriTex Pipe & Products LLC) Series 2013 dated August 30, 2013	6,502,981
\$40,200,000 Solid Waste Disposal Revenue Bonds (Dallas Clean Energy McCommas Bluff, LLC Project) Series 2011 dated March 1, 2011	37,600,000
\$24,000,000 Variable Rate Demand Solid Waste Disposal Revenue Bonds (IESI Texas Corporation Project) Series 2007 dated March 1, 2007	24,000,000
\$9,000,000 Taxable Power Purchase Agreement Revenue Bonds (Nelson Garden Energy) Series 2013 dated September 30, 2013	9,000,000
\$56,800,000 Solid Waste Disposal Revenue Bonds (Republic Service, Inc) Series 2012 A dated August 1, 2012	56,800,000
\$6,000,000 Variable Rate Demand Industrial Development Revenue Bonds (CMI Project) Series 2007 dated May 1, 2007	5,120,000
\$41,750,000 Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project) Series 2006 dated December 1, 2006	41,750,000
\$67,000,000 Solid Waste Disposal Revenue Bond (Waste Management Inc, Project), Series 2008 dated August 1, 2008	67,000,000

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

305,206,248

Neither the State of Texas, Mission, Texas nor any political corporation, subdivision or agency of the State of Texas shall be obligated to pay the principal of, premium, if any, the

#### **NOTE 24 – CONDUIT DEBT OBLIGATIONS (Continued)**

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 payments of the principal of, premium, if any, interest on, or the purchase price of the bonds.

In connection with the process which ultimately may lead to the issuance of the conduit debt, MEDC charges an application fee of \$2,500 per application. During the year ended September 30, 2013, MEDC received \$7,500, net of \$3,750 paid to advisors.

In the current year, MEDC was paid issuance costs of \$74,400 for the refinancing and for issuing new conduit debt of which \$37,200 was paid to advisors for issuance costs.

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, 2013, MEDC received a \$159,556 of which \$79,778 was paid to the advisor for local access fees.

#### NOTE 25 – COMPLIANCE WITH REVENUE BOND COVENANTS

## A. Certain Required Annual Disclosure

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

#### B. Revenue Bond Coverage

Per the Revenue Bond debt covenants the City's Utility Fund is required to maintain a 125% coverage over the succeeding fiscal year's debt service requirement (first lien bonds); or 125% over the greater of the average annual debt service requirements or the succeeding fiscal year's debt service requirements (junior lien bonds). For the fiscal year ended September 30, 2013 the City's Utility Fund met these coverage requirements.

## NOTE 26 – TAX INCREMENT REINVESTMENT ZONE

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

#### **NOTE 26 – TAX INCREMENT REINVESTMENT ZONE (Continued)**

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 \$1,838,694 and \$1,929,796 from the County and City respectively.

#### NOTE 27 – INTEREST IN INTERNATIONAL TOLL BRIDGE

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

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

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

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

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.

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

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, 2013, the amount advanced since the inception for the City of Mission is \$1,584,763 and is reflected as part of Non-current liabilities due in more than one year in the Statement of Net Position. See also Note 9.

#### NOTE 28 – COMPLIANCE AND ACCOUNTABILITY

A. Finance – Related Legal and Contractual Provision

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

Expenditures Exceeding Appropriations

During the year ended September 30, 2013 the City complied with the budgetary requirements for the General Fund.

Deficit Fund Balance or Fund Net Position of Individual Funds:

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

Fund Name	Deficit Amount	Remarks
None Reported	Not Applicable	Not Applicable

#### **NOTE 29 – FUND BALANCES**

At September 30, 2013 the City of Mission has classified its fund balances with the following hierarchy:

Committed - The City Council has Committed resources 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.

Assigned – The City Council has assigned resources for the purpose of payment of construction under encumbrances outstanding at year end which will be honored in the subsequent year.

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

## **NOTE 29 – FUND BALANCES (Continued)**

	_	General Fund	Debt Service Fund		Service Governmental		nental	Total Governmental Funds	
Fund balance:									
Nonspendable									
Long term receivable	\$	29,600	\$	-	\$	-	\$	29,600	
Inventory		796		-		-		796	
Prepaid		12,795		-		-		12,795	
MEDA-land for resale		-		-	1,46	8,341		1,468,341	
Restricted									
Capital imrprovements		-		-	1,51	7,937		1,517,937	
Debt service		-	1,68	38,433		-		1,688,433	
Aquatics programs		-		-	1	0,000		10,000	
Municipal Court									
Technology		-		-	18	8,727		188,727	
Building security		-		-	15	8,706		158,706	
Juvenile case manager		-		-	10	4,428		104,428	
PD Asset Sharing		-		-	1,21	0,030		1,210,030	
Drainage improvements		-		-	1,62	3,508		1,623,508	
Scholarships and books		-		-	2	5,703		25,703	
Tourism		-		-	31	9,996		319,996	
Perpetual care		-		-	4	6,572		46,572	
Records preservation		-		-	1	0,733		10,733	
PEG (public, educational, and governmental)		-		-	14	5,915		145,915	
Economic Development		-		-	50	7,035		507,035	
Tax increment		-		-		3,817		3,817	
Committed									
Asset replacement		5,589		-		-		5,589	
Boys and Girls Club		320,423		-		-		320,423	
Assigned									
Subsequent year's budget-appropriation									
of fund balance	2	2,871,133		-		-		2,871,133	
Unassigned	4	,053,466		-		-		4,053,466	
Total Fund Balances	\$ 7	7,293,802	\$ 1,68	38,433	\$ 7,34	1,448	\$ 1	6,323,683	

# CITY OF MISSION, TEXAS NOTES TO FINANCIAL STATEMENTS

September 30, 2013

#### **NOTE 30 – INCENTIVES COMMITMENTS**

#### A. Mission Economic Development Corporation

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

			Expended to		Remaining		
Incentives:		Committed		Date		Commitment	
Small business	\$ 100,000		\$	-	\$	100,000	
North American Butterfly Association		100,000		50,000		50,000	
Other Infrastructure projects		180,000		37,156		142,844	
Infrastructure projects ***	1,000,000			166,801		833,199	
	\$	1,380,000	\$	253,957	\$	1,126,043	

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

#### **NOTE 31 – REDEVELOPMENT ASSETS**

#### A. Mission Economic Development Corporation

In accordance with its Strategic Plan, the MEDC has established the Mission Corridors Fund which allows MEDC to set aside \$1 million to be used specifically on the Shary Road and Anzalduas International Corridor (Bryan Road). In the current year, \$53,000 was expended for these projects. MEDC also funded other infrastructure projects including sanitary sewer and paving projects.

The amount expended in the current year was \$27,633 for the sanitary sewer project.

When these construction projects are completed, the redeveloped asset will be transferred to the City of Mission.

	В	Balance at					Balance at		
	Octo	ber 1, 2012	Ir	Increases		Decreases		September 30, 2013	
		_						_	
Redevelopment Assets	\$	123,324	\$	80,633	\$		\$	203,957	

#### B. Mission Redevelopment Authority

Redevelopment assets include engineering and design costs for various road improvement and infrastructure related projects. The changes in redevelopment assets for the year ended September 30, 2013 are as follows:

## CITY OF MISSION, TEXAS NOTES TO FINANCIAL STATEMENTS

September 30, 2013

## NOTE 31 – REDEVELOPMENT ASSETS (Continued)

	Balance Oct	Balance Sept.			
Redevelopment Projects	1, 2012	Increase	Decrease	30, 2013	
Anzalduas & FM 396 Overpass-Phase I	\$ 1,874,970	) \$ -	\$ -	\$ 1,874,970	
Fm 396 Overpass at US 83 Expressway	526,218	-	-	526,218	
FM 396 Overpass Right of Way Acquisition	181,244	1 -	-	181,244	
US 83 Overpass at Inspiration Road-Phase I	336,250	3,500	-	399,750	
US 83 Overpass at Inspiration Road-Phase II	1,611,399	244,706	-	1,856,105	
Bryan Road Lift Stations	341,505	5 -	-	341,505	
Military Highway West Wastewater & Water					
Trunklines Project		56,350		56,350	
	\$ 4,871,585	\$ 304,556	\$ -	\$ 5,176,141	

The Authority reimbursed \$85,605 to the City of Mission for costs associated with the Conway Streetscape Project and \$106,789 to the Texas Department of Transportation for costs associated with the FM 396 Extension Advance Funding Agreement. The total of these reimbursements are recorded as redevelopment expenses on the Statement of Activities and Governmental Funds Revenues Expenditures and Changes in Fund Balances.

#### NOTE 32 – LAND HELD FOR RESALE

The City through its blended component unit, Mission Economic Development Authority holds commercial real estate lots available for sale within an economically depressed area. During the year, three of these properties were sold. At September 30, 2013 the remaining properties are stated at a cost of \$1,468,341, which is less than their estimated fair value. These lots will continue to be sold to attract development to further benefit the City.

#### **NOTE 33 – SUBSEQUENT EVENTS**

Subsequent to year end, the following events or transactions occurred.

#### A. Mission Redevelopment Authority Bonds

In October 2013, the Authority issued \$7,600,000 in Tax Increment Contract Revenue Bonds Series 2013, the proceeds of which will be used to finance the right of way acquisition for the improved extension of Inspiration Road and costs of installing water and sewer infrastructure improvements in an area along the Anzalduas Bridge corridor.

#### B. Economically Distressed Areas Program Grant

In December 2013, the City was awarded a grant by the Texas Water Development Board in the amount of \$284,000 from the Economically Distressed Areas Program. These funds will be used for planning and design of the first phase of future projects to expand wastewater services.

# REQUIRED SUPPLEMENTARY INFORMATION



## CITY OF MISSION, TEXAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 1 of 9

	Budgeted	Budgeted Amounts		Variance with Final Budget Positive
	Budget	Final Budget	Budget Basis	(Negative)
Revenues:				
Taxes:				
Ad valorem taxes:				
Current ad valorem taxes	\$ 13,547,000	\$ 13,547,000	\$ 13,316,089	\$ (230,911)
Delinquent ad valorem taxes	555,000	555,000	426,250	(128,750)
Interest and penalties on taxes	390,000	390,000	328,952	(61,048)
Net Ad Valorem Tax Revenue	14,492,000	14,492,000	14,071,291	(420,709)
Sales tax	7,100,000	7,100,000	7,278,616	178,616
Sales tax-tax abatement	3,550,000	3,550,000	3,639,308	89,308
Franchise business tax	2,185,000	2,185,000	2,325,412	140,412
Telecommunication access fee	212,000	212,000	217,209	5,209
Mixed drink tax	82,000	82,000	69,167	(12,833)
Total Taxes	27,621,000	27,621,000	27,601,003	(19,997)
Licenses and permits:				
Occupational licenses	52,000	52,000	46,287	(5,713)
Moving and building permits	280,000	280,000	247,091	(32,909)
Health permits	27,000	27,000	33,260	6,260
Electrical permits	93,000	93,000	57,384	(35,616)
Mechanical permits	45,000	45,000	25,644	(19,356)
Plumbing permits	80,000	80,000	50,648	(29,352)
Alarm permits	8,000	8,000	12,055	4,055
Miscellaneous	24,000	24,000	25,370	1,370
Total Licenses and Permits	609,000	609,000	497,739	(111,261)
Intergovernmental:				
MCISD and SISD Dare Program	655,000	655,000	690,744	35,744
G.R.E.A.T Program	185,000	185,000	151,161	(33,839)
Reimb TXDOT/ROW	-	1,086,000	298,973	(787,027)
ReimbHidalgo CoTaylor Rd.	-	-	22,853	22,853
ReimbCity of McAllen-Taylor Rd.	-	-	22,853	22,853
County contribution-rural fires	55,000	55,000	23,675	(31,325)
County restitution reimbursement	2,653	2,653	2,465	(188)
Overhead-MRA	200,000	200,000	188,425	(11,575)
TIRZ Reimbursement	-	1,000,000	85,605	(914,395)
FEMA reimbursement	-	-	32,048	32,048
FBI overtime	15,000	15,000	8,893	(6,107)
Task Force	30,000	30,000	22,372	(7,628)
DEA Overtime Task Force	30,000	30,000	32,079	2,079
Hidalgo County-library		16,179	16,149	(30)
Total Intergovernmental	1,172,653	3,274,832	1,598,295	(1,676,537)
		<del></del>	<del></del>	

CITY OF MISSION, TEXAS
GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

Page 2 of 9

	Budgeted Amounts		Actual Budget	Final Budget Positive	
	Budget	Final Budget	Basis	(Negative)	
Charges for services:					
Birth certificate service	1,100	1,100	1,196	96	
Inspection fee-2%	30,000	30,000	26,914	(3,086)	
Construction material testing fee	4,000	4,000	57,619	53,619	
Fire inspection fee	26,000	26,000	24,595	(1,405)	
Judicial fee-City	4,026	4,026	4,152	126	
Corporation court fines tax	34,000	34,000	40,155	6,155	
Library reservations fee	63	63	25	(38)	
Lot cleaning	10,000	10,000	23	(10,000)	
Lot cleaning  Lot cleaning-admin. fee	10,000	10,000	_	(10,000)	
Lease-service center complex	6,000	6,000	6,000	(10,000)	
Library copies	28,787	28,787	29,856	1,069	
Rent-City buildings	5,000	5,000	6,077	1,077	
Basketball fees & charges	30,000	30,000	11,391	(18,609)	
Softball fees & charges	25,000	25,000	19,247	(5,753)	
Football fees & charges	17,000	17,000	9,806	(7,194)	
Kickball fees & charges	1,000	1,000	1,600	600	
Volleyball fees & charges	1,000	1,000	3,934	3,934	
Park facility rentals	_	_	7,632	7,632	
Other recreational fees	_	_	12,253	12,253	
Library rentals	155	155	25	(130)	
Cemetery charges	40,000	40,000	86,955	46,955	
Vital statistics	110,000	110,000	128,745	18,745	
Burial transit permit	1,320	1,320	1,241	(79)	
Animal control & shelter fee	500	500	3,336	2,836	
Zoning and subdivision fees	30,000	30,000	37,475	7,475	
Plans and specifications	30,000	320	37,473	(320)	
5% credit card fee	5,000	5,000	6,499	1,499	
Food manager/handler ID fee	18,000	18,000	18,705	705	
Fire Dept. training fees	18,000	10,000	2,030	2,030	
Arrest fees-M.P.D.	35,000	35,000	36,283	1,283	
Police Dept. service charges	8,385	8,385	7,134	(1,251)	
Total Charges for Services	480,656	480,656	590,880	110,224	
Total Charges for Services	480,030	460,030	390,880	110,224	
Fines:					
Corporation court fines	700,000	700,000	668,154	(31,846)	
Warrant execution fee	130,000	130,000	129,836	(164)	
Library fines	20,000	20,000	16,114	(3,886)	
Total Fines	850,000	850,000	814,104	(35,896)	
Interest:					
Interest earned on investments	15,000	15,000	29,271	14,271	
Interest earned on demand deposits	5,000	5,000	8,175	3,175	
Total Interest	20,000	20,000	37,446	17,446	

## CITY OF MISSION, TEXAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 3 of 9

	Budgeted Amounts		Actual Budget	Final Budget Positive	
	Budget	Final Budget	Basis	(Negative)	
M. II					
Miscellaneous: ReimbTX Citrus Fiesta	45,500	45 500	42 441	(2.050)	
		45,500	43,441	(2,059)	
Child safety fees	14,000	14,000	9,730	(4,270)	
Library donations/memorial	200	200	819	619	
Insurance settlement Miscellaneous income	30,000	30,000	33,534	3,534	
	35,000	35,000	100,302	65,302	
Coke machine & vending machines	3,500	3,500	4,181	681	
Street signs reimbursement	1,000	1,000	3,225	2,225	
Subdividers reimbstreets	10,000	10,000	9,608	(392)	
Universal service fund rebate	-	29,146	29,147	1	
Reimbursement-MEDA	1,000,000	1,000,000	1,000,000	-	
Oil lease	2,400	2,400	3,436	1,036	
Reimbursement-MEDC	635,000	635,000	635,000	-	
Contribution and donations	<del>-</del>	1,000		(1,000)	
Total Miscellaneous	1,776,600	1,806,746	1,872,423	65,677	
Total Revenues	32,529,909	34,662,234	33,011,890	(1,650,344)	
Expenditures:					
General Government:					
Legislative:					
Personal services	2,400	2,400	2,118	282	
Employee benefits	1,430	1,430	1,376	54	
Other purchased services	12,900	12,900	17,814	(4,914)	
Supplies	1,500	2,000	1,962	38	
Miscellaneous	1,050	550	32	518	
	19,280	19,280	23,302	(4,022)	
Executive Administration:					
Personal services	341,272	421,272	434,541	(13,269)	
Employee benefits	109,849	122,549	105,850	16,699	
Other purchased services	14,375	14,375	14,141	234	
Supplies	2,500	2,700	1,575	1,125	
Miscellaneous	1,400	1,200	715	485	
	469,396	562,096	556,822	5,274	
Einanga Danautmant.					
Finance Department:	200 (05	200 (05	401 211	(1.526)	
Personal services	399,685	399,685	401,211	(1,526)	
Employee benefits	113,595	113,595	108,027	5,568	
Purchased property services	4,000	4,000	3,630	370	
Other purchased services	8,025	8,025	5,602	2,423	
Supplies	6,400	6,400	5,345	1,055	
Miscellaneous	1,050	1,050	646	404	
	532,755	532,755	524,461	8,294	

CITY OF MISSION, TEXAS
GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

Page 4 of 9

	Budgeted	Budgeted Amounts		Final Budget Positive	
	Budget	Final Budget	Basis	(Negative)	
Municipal Court:					
Personal services	473,660	473,660	474,659	(999)	
Employee benefits	144,554	144,554	137,612	6,942	
Professional & technical services	10,000	10,000	11,000	(1,000)	
Other purchased services	3,400	3,400	3,485	(85)	
Supplies	5,800	5,800	5,709	91	
Miscellaneous	11,750	11,750	3,858	7,892	
	649,164	649,164	636,323	12,841	
Planning:					
Personal services	537,036	537,036	481,481	55,555	
Employee benefits	165,072	165,072	149,621	15,451	
Purchased property services	9,690	9,690	8,190	1,500	
Other purchased services	21,200	23,200	21,001	2,199	
Supplies	21,800	21,800	15,850	5,950	
Miscellaneous	15,250	13,250	11,308	1,942	
	770,048	770,048	687,451	82,597	
Facilities Maintenance:					
Personal services	341,941	354,541	345,715	8,826	
Employee benefits	126,230	128,255	121,962	6,293	
Purchased property services	55,500	55,500	33,252	22,248	
Other purchased services	3,500	3,500	2,544	956	
Supplies	156,150	156,150	152,541	3,609	
Miscellaneous	6,000	6,000	1,386	4,614	
	689,321	703,946	657,400	46,546	
Fleet Maintenance:					
Professional & technical services	800,000	792,000	772,300	19,700	
Supplies	-	8,000	7,293	707	
Miscellaneous	40,000	40,000	40,751	(751)	
	840,000	840,000	820,344	19,656	
Organizational Expense:					
Professional & technical services	958,710	988,710	1,039,447	(50,737)	
Purchased property services	152,000	152,000	149,302	2,698	
Other purchased services	114,710	114,710	141,214	(26,504)	
Supplies	8,750	8,750	7,000	1,750	
Capital outlays	-	835,000	174,163	660,837	
Miscellaneous	545,200	1,274,324	761,211	513,113	
	1,779,370	3,373,494	2,272,337	1,101,157	
	2,777,370	2,273,171	2,2,2,33,	1,101,137	

## CITY OF MISSION, TEXAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 5 of 9

	Budgeted Amounts		Actual Budget	Final Budget Positive	
	Budget	Final Budget	Basis	(Negative)	
Purchasing:	120, 602	120, 602	120.664	10	
Personal services	120,683	120,683	120,664	19	
Employee benefits	34,132	34,132	32,725	1,407	
Purchased property services	2,550	2,550	2,275	275	
Other purchased services	14,900	14,900	11,567	3,333	
Supplies	1,600	1,600	1,701	(101)	
Miscellaneous	900 174,765	900 174,765	735 169,667	5,098	
	<u> </u>		· · · · · · · · · · · · · · · · · · ·		
City Secretary:					
Personal services	210,673	210,673	211,423	(750)	
Employee benefits	67,766	67,766	65,200	2,566	
Professional & technical services	12,000	11,000	10,200	800	
Purchased property services	1,400	1,400	1,352	48	
Other purchased services	13,350	14,350	15,957	(1,607)	
Supplies	1,000	1,000	565	435	
Miscellaneous	1,960	1,960	1,630	330	
	308,149	308,149	306,327	1,822	
Risk Management:					
Personal services	80,916	80,916	80,893	23	
Employee benefits	27,722	27,722	26,858	864	
Professional & technical services	12,000	12,000	3,230	8,770	
Purchased property services	1,725	1,725	1,738	(13)	
Other purchased services	284,370	284,370	277,842	6,528	
Supplies	12,750	12,750	10,756	1,994	
Miscellaneous	350	350	10,750	350	
Miscertaneous	419,833	419,833	401,317	18,516	
G. H.G.					
Civil Service: Personal services	81,817	81,817	82,131	(314)	
Employee benefits	23,212	23,212	22,585	627	
Professional & technical services	40,000	40,000	35,880	4,120	
Other purchased services	5,200	5,200	2,629	2,571	
Supplies	20,000	20,000	19,744	256	
Miscellaneous	20,000	20,000	58	(58)	
Wilscenaneous	170,229	170,229	163,027	7,202	
	<u> </u>		· · · · · · · · · · · · · · · · · · ·		
Human Resources:					
Personal services	180,784	180,784	173,808	6,976	
Employee benefits	48,836	48,836	45,932	2,904	
Professional & technical services	11,500	12,500	14,029	(1,529)	
Purchased property services	1,500	1,500	1,338	162	

## CITY OF MISSION, TEXAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 6 of 9

	Budgeted Amounts		Actual Budget	Final Budget Positive	
	Budget	Final Budget	Basis	(Negative)	
		·			
Other purchased services	4,800	3,143	2,512	631	
Supplies	2,582	2,539	2,343	196	
Miscellaneous	1,570 251,572	2,270 251,572	1,636 241,598	9,974	
Information Technology:					
Personal services	154,271	154,271	148,787	5,484	
Employee benefits	51,421	51,421	48,571	2,850	
Purchased property services	67,000	67,000	63,556	3,444	
Other purchased services	4,300	4,300	2,153	2,147	
Supplies	1,750	1,750	750	1,000	
Miscellaneous	200	200	18	182	
	278,942	278,942	263,835	15,107	
Total General Government	7,352,824	9,054,273	7,724,211	1,330,062	
Public Safety:					
Police Department:					
Personal services	9,689,514	9,689,514	9,390,915	298,599	
Employee benefits	2,766,704	2,766,704	2,627,970	138,734	
Professional & technical services	107,000	102,000	99,862	2,138	
Purchased property services	375,500	386,130	421,415	(35,285)	
Other purchased services	229,200	220,495	216,723	3,772	
Supplies	465,400	468,475	454,800	13,675	
Miscellaneous	25,900	25,900	23,375	2,525	
	13,659,218	13,659,218	13,235,060	424,158	
Fire Department:					
Personal services	3,861,277	3,839,949	3,783,923	56,026	
Employee benefits	1,048,695	1,041,862	995,890	45,972	
Purchased property services	164,100	162,400	148,246	14,154	
Other purchased services	80,100	80,100	84,961	(4,861)	
Supplies	189,250	192,383	167,735	24,648	
Capital outlays	-	27,728	27,652	76	
Miscellaneous	22,030	22,030	19,747	2,283	
	5,365,452	5,366,452	5,228,154	138,298	
Fire Prevention Bureau:					
Personal services	384,679	384,679	382,642	2,037	
Employee benefits	102,345	102,345	98,174	4,171	
Other purchased services	12,000	12,000	9,261	2,739	
Supplies	12,000	12,000	9,299	2,701	
	511,024	511,024	499,376	11,648	
Total Public Safety	19,535,694	19,536,694	18,962,590	574,104	

## CITY OF MISSION, TEXAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 7 of 9

	Budgeted	Amounts	Actual Budget	
	Budget	Final Budget	Basis	(Negative)
Highways and Streets:				
Street Department:				
Personal services	798,340	798,340	775,205	23,135
Employee benefits	363,057	363,057	347,177	15,880
Professional & technical services	45,000	45,000	58,692	(13,692)
Purchased property services	1,131,000	1,131,000	1,096,816	34,184
Other purchased services	9,500	9,500	6,706	2,794
Supplies	428,500	535,500	508,436	27,064
Capital outlays	835,000	1,735,000	620,252	1,114,748
Miscellaneous	11,202	4,202	2,916	1,286
	3,621,599	4,621,599	3,416,200	1,205,399
Total Highways and Streets	3,621,599	4,621,599	3,416,200	1,205,399
Health and Welfare:				
Health Regulations and Inspections:				
Personal services	232,555	232,555	237,545	(4,990)
Employee benefits	79,277	79,277	76,850	2,427
Purchased property services	1,200	1,200	560	640
Other purchased services	6,650	6,650	5,096	1,554
Supplies	39,600	39,600	29,447	10,153
Capital outlays	30,000	30,000	28,499	1,501
Miscellaneous	2,000	2,000	1,264	736
Wiscenaneous	391,282	391,282	379,261	12,021
Total Health and Welfare	391,282	391,282	379,261	12,021
Culture and Recreation:				
Mission Historical Museum:				
Personal services	163,697	163,697	152,236	11,461
Employee benefits	53,617	53,617	48,716	4,901
Purchased property services	5,800	5,800	4,958	842
Other purchased services	8,100	8,300	7,311	989
Supplies	6,300	6,100	2,608	3,492
Miscellaneous	500	500	170	330
	238,014	238,014	215,999	22,015
Parks and Recreation Administration:				
Personal services	193,306	193,306	194,703	(1,397)
Employee benefits	56,967	56,967	54,820	2,147
Purchased property services	28,000	28,000	28,316	(316)
Other purchased services	2,550	2,550	2,793	(243)
Supplies	2,700	2,700	2,572	128
Miscellaneous	100	100	101	(1)
	283,623	283,623	283,305	318

## CITY OF MISSION, TEXAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 8 of 9

	Budgeted	Budgeted Amounts		Final Budget Positive	
	Budget	Final Budget	Budget Basis	(Negative)	
Parks:					
Personal services	834,684	834,684	789,189	45,495	
Employee benefits	342,787	342,787	321,538	21,249	
Purchased property services	450,000	445,000	451,492	(6,492)	
Other purchased services	11,000	11,000	8,844	2,156	
Supplies	186,800	191,800	182,159	9,641	
Capital outlays	57,500	79,500	76,900	2,600	
Miscellaneous	3,000	3,000	1,666	1,334	
	1,885,771	1,907,771	1,831,788	75,983	
Recreation:					
Personal services	197,772	197,772	182,214	15,558	
Employee benefits	45,314	45,314	41,574	3,740	
Professional and technical services	73,000	73,000	59,286	13,714	
Other purchased services	31,500	31,500	33,465	(1,965)	
Supplies	26,900	26,900	23,712	3,188	
Miscellaneous	4,500	4,500	4,260	240	
	378,986	378,986	344,511	34,475	
Library:					
Personal services	756,345	756,345	718,341	38,004	
Employee benefits	221,007	221,007	203,115	17,892	
Purchased property services	111,600	115,100	99,734	15,366	
Other purchased services	49,760	51,260	43,955	7,305	
Supplies	36,200	36,800	35,017	1,783	
Capital outlays	-	31,000	30,649	351	
Miscellaneous	63,800	72,525	69,827	2,698	
	1,238,712	1,284,037	1,200,638	83,399	
Total Culture and Recreation	4,025,106	4,092,431	3,876,241	216,190	
Debt Service:					
Principal retirement	24,720	24,720	24,719	1	
Interest	212	212	211	1	
	24,932	24,932	24,930	2	
Total Debt Service	24,932	24,932	24,930	2	
Total Expenditures	34,951,437	37,721,211	34,383,433	3,337,778	
Excess (Deficiency) of					
Revenue Over Expenditures	(2,421,528)	(3,058,977)	(1,371,543)	1,687,434	

**EXHIBIT B-1** 

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GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Amounts	Actual Budget	Variance with Final Budget Positive
	Budget	Final Budget	Basis	(Negative)
Other Financing Sources (Uses):				
Sale of capital assets	-	-	137,568	137,568
Transfers in	3,601,339	3,601,339	3,596,539	(4,800)
Transfers out	(2,298,953)	(2,373,953)	(2,173,664)	200,289
Total Other Financing Sources (Uses)	1,302,386	1,227,386	1,560,443	333,057
Net Change in Fund Balance	(1,119,142)	(1,831,591)	188,900	2,020,491
Fund Balance at Beginning of Year	6,778,892	6,778,892	6,778,892	
Fund Balance at End of Year	\$ 5,659,750	\$ 4,947,301	\$ 6,967,792	\$ 2,020,491



Net Changes in the General Fund Fund Balance

Boys and Girls Club Fund revenues and transfers-in

**EXHIBIT B-2** 

188,900

80,537

579,447

\$

RECONCILIATION OF THE GENERAL FUND BUDGETARY SCHEDULE TO THE STATEMENT OF REVENUES AND EXPENDITURES SEPTEMBER 30, 2013

Amounts included in the Statement of Revenues and Expenditures for funds which didn't mee	t the requirements
for GASB 54 and were merged into the General Fund. Budgets were approved for these fund	S.
Revenues:	

Expenditures:

Expenditures:	
Capital Assets expenditures	(250,169)
Boys and Girls Club expenditures	 (554,791)
Net Change in Fund Balances	\$ 43,924

The accompanying notes are an integral part of this statement.

#### CITY OF MISSION, TEXAS TEXAS MUNICIPAL RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

Actuarial	Actuarial	Accrued		Unfunded	Annual	Percentage
Valuation	Value of	(AAL)	Percent	AAL	Covered	Covered
Date	Assets	Liability	Funded	(UAAL)	Payroll	Payroll
December 31,	 (a)	(b)	(a/b)	(b-a)	(c)	((b-a)/c)
2010	\$ 42,277,894	\$ 47,734,098	88.6%	\$ 5,456,204	\$ 21,431,600	25.5%
2011	\$ 47,502,963	\$ 52,011,146	91.3%	\$ 4,508,183	\$ 22,008,197	20.5%
2012	\$ 52,370,908	\$ 55,994,728	93.5%	\$ 3,623,820	\$ 23,839,903	15.2%

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

			Actuarial				UAAL as a
Actuarial	Actuarial		Accrued		Unfunded	Annual	Precentage
Valuation	Value of		(AAL)	Percent	AAL	Covered	Covered
Date	Assets		Liability	Funded	(UAAL)	Payroll	Payroll
July 1,	(a)		(b)	(a/b)	(b-a)	(c)	((b-a)/c)
2008	\$	-	\$ 989,421	0.00%	\$ 989,421	\$ 19,624,191	5.0%
2010	\$	-	\$ 868,410	0.00%	\$ 868,410	\$ 21,444,146	4.0%
2012	\$	_	\$ 1,386,881	0.00%	\$ 1,386,881	\$ 19,719,814	7.0%

## CITY OF MISSION, TEXAS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION September 30, 2013

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 \$ 4,084,225 \*Capital Project Funds \$ 3,063,146

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 committed.

<sup>\*</sup> The original approved budget does not include the Capital Project Funds since these are project-length budgets; therefore, budgets for these funds are included with the supplemental appropriations approved throughout the year.

# CITY OF MISSION, TEXAS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION September 30, 2013

During the year ended September 30, 2013, one General Fund Department expenditures exceeded appropriations by a total of \$4,022. See Exhibit B-1.

#### **Budget to GAAP Reconciliation**

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

Revenues:		General Fund
Actual revenues (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)		\$ 33,011,890
Adjustments due to GASB Statement 54: Capital Asset Replacement Fund revenues Boys and Girls Club revenues	536 249,446	
Total adjustments necessary		249,982
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)		\$ 33,261,87 <u>2</u>

Note: Does not include other financing resources.

# CITY OF MISSION, TEXAS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION September 30, 2013

#### **Budget to GAAP Reconciliation** (Continued)

Expenditures:		General Fund
Actual expenditures (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)  Adjustments due to GASB Statement 54: Capital Asset Replacement Fund expenditures Boys and Girls Club expenditures	250,169 554,794	\$34,383,433
Total adjustments necessary		804,963
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)		<u>\$35,188,396</u>

# OTHER SUPPLEMENTARY INFORMATION



#### 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.

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

<u>Aquatics Fund</u>: To account for the swimming pool recreation facility.

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

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

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

<u>Designated Purpose Fund</u>: To account for revenues and expenditures of various grants.

<u>Drainage Assessment Fund</u>: 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.

<u>Cemetery Fund</u>: 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.

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

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

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

<u>Park Dedication Fund</u>: To account for park dedication fees received from Developers for new parks and park improvements.

## NON-MAJOR GOVERNMENTAL FUNDS (CONT'D)

#### SPECIAL REVENUE FUNDS (Cont'd)

<u>Juvenile Case Manager</u>: 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.

<u>PEG Capital Fund:</u> 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.

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

#### **CAPITAL PROJECT FUNDS**

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

<u>2007 Certificates of Obligations</u>: To account for various street improvements, park improvements, new city hall annex building, and machinery and equipment.

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

<u>2010 Certificates of Obligations</u>: To account for drainage projects and expenditures related to the purchase of machinery, equipment, vehicles and fire trucks.

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

Total

CITY OF MISSION, TEXAS COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2013

ASSETS	 Special Revenue Funds	 Capital Projects Funds	Nonmajor Governmental Funds (See Exhibit A-3)		
Cash and cash equivalents	\$ 3,951,989	\$ 1,680,327	\$	5,632,316	
Investments	873,751	389,055		1,262,806	
Prepaid items	547	-		547	
Receivables:					
Accounts	294,777	18,828		313,605	
Special assessments	134,113	-		134,113	
Less: allowance for uncollectibles	(3,565)	-	(3,565)		
Accrued interest receivable	95	77		172	
Due from other governments	427,261	-	427,261		
Land held for resale	1,468,341	-		1,468,341	
Total Assets	\$ 7,147,309	\$ 2,088,287	\$	9,235,596	
LIABILITIES					
Accounts payable	\$ 113,567	\$ 44,158	\$	157,725	
Other liabilities	77,229	276,253		353,482	
Retainage payable	3,453	249,939		253,392	
Accrued payroll	11,221	-		11,221	
Due to other funds	357,754	_		357,754	
Due to component unit	196,306	-		196,306	
Deferred revenue	564,267	_		564,267	
Total Liabilities	 1,323,797	570,350		1,894,147	
FUND BALANCES					
Nonspendable	1,468,341	-		1,468,341	
Restricted	4,355,170	1,517,937		5,873,107	
Total Fund Balances	 5,823,511	1,517,937		7,341,448	
Total Liabilities and Fund Balances	\$ 7,147,308	\$ 2,088,287	\$	9,235,595	



Total

#### **CITY OF MISSION, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	 Special Revenue Funds	 Capital Projects Funds	Nonmajor Governmental Funds (See Exhibit A-5)		
REVENUES					
Taxes and special assessments	\$ 1,260,035	\$ -	\$	1,260,035	
Intergovernmental	3,424,077	-		3,424,077	
Charges for services	202,586	-		202,586	
Interest	12,442	2,649		15,091	
Miscellaneous	 154,979	 		154,979	
Total Revenues	 5,054,119	 2,649		5,056,768	
EXPENDITURES					
Current:					
General government	226,187	-		226,187	
Public safety	1,289,279	-		1,289,279	
Highways and streets	711,514	-		711,514	
Culture and recreation	1,201,963	-		1,201,963	
Health and welfare	581,500	-		581,500	
Economic development	4,840,988	-		4,840,988	
Capital projects	-	1,547,860		1,547,860	
Total Expenditures	8,851,431	1,547,860		10,399,291	
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	 (3,797,312)	 (1,545,211)		(5,342,523)	
OTHER FINANCING SOURCES (USES)					
Gain/Loss sale of land inventory	1,184,744	-		1,184,744	
Sale of capital assets	52,459	-		52,459	
Transfers in	3,414,225	-		3,414,225	
Transfers out	(209,879)	-		(209,879)	
Total Other Financing Sources (Uses)	4,441,549	-		4,441,549	
Net Change in Fund Balances	644,237	(1,545,211)		(900,974)	
Fund Balances at Beginning of Year	 5,179,275	 3,063,147		8,242,422	
Fund Balances at End of Year	\$ 5,823,512	\$ 1,517,936	\$	7,341,448	

CITY OF MISSION, TEXAS COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS SEPTEMBER 30, 2013

	CDBG			equatics Fund	Police Department Special Fund		
ASSETS							
Cash and cash equivalents	\$	2,156	\$	1,454	\$	395,659	
Investments		-		-		422,653	
Prepaid items		347		-		-	
Receivables:							
Accounts		138,631		-		-	
Special assessments		-		-		-	
Less: allowance for uncollectibles		-		-		-	
Accrued interest receivable		-		-		-	
Due from other governments		29,516		122,123		-	
Land held for resale				-		-	
Total Assets	\$	170,650	\$	123,577	\$	818,312	
LIABILITIES							
Accounts payable	\$	26,411	\$	19,331	\$	-	
Other liabilities		1,852		2,574		-	
Retainage payable		-		-		-	
Accrued payroll		3,755		6,414		-	
Due to other funds		-		85,258		-	
Due to component unit		-		-		-	
Deferred revenue		138,631					
Total Liabilities		170,649		113,577		-	
FUND BALANCES							
Nonspendable		_		-		-	
Restricted		-		10,000		818,312	
Total Fund Balances		-		10,000		818,312	
Total Liabilities and Fund Balances	\$	170,649	\$	123,577	\$	818,312	

Police Federal aring Fund	icipal Court echnology Fund	esignated Purpose Fund		Drainage Assessment Fund	 Cemetery Fund		Records Preservation Fund	
\$ 348,091	\$ 88,793	\$ -	\$	1,548,953	\$ 46,572	\$	10,733	
51,270	99,957	-		-	-		-	
200	-	-		-	-		-	
-	-	-		-	-		-	
-	-	-		134,113	-		-	
-	-	-		(3,565)	-		-	
11	-	-		17	-		-	
-	-	275,622		-	-		-	
\$ 399,572	\$ 188,750	\$ 275,622	\$	1,679,518	\$ 46,572	\$	10,733	
\$ 7,855 - - - - - - - - 7,855	\$ 24 24	\$ 1,053 272,462 - 1,508 275,622	\$	56,010 - - - - - - 56,010	\$ - - - - - -	\$	- - - - - -	
 391,716 391,716	 188,727 188,727	 - - -	_	1,623,508 1,623,508	 46,572 46,572		10,733 10,733	
\$ 399,571	\$ 188,751	\$ 275,622	\$	1,679,518	\$ 46,572	\$	10,	

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS SEPTEMBER 30, 2013

	Spee	Hotel/Motel Tax Fund		Municipal Court Building Security Fund		
ASSETS						
Cash and cash equivalents	\$	25,703	\$	189,415	\$	61,385
Investments		-		-		99,957
Prepaid items		-		-		-
Receivables:						
Accounts		-		135,316		-
Special assessments		-		-		-
Less: allowance for uncollectibles		-		-		-
Accrued interest receivable		-		18		-
Due from other governments		-		-		-
Land held for resale		-		-		-
Total Assets	\$	25,703	\$	324,749	\$	161,342
LIABILITIES						
Accounts payable	\$	-	\$	1,300	\$	2,636
Other liabilities		-		-		-
Retainage payable		-		3,453		-
Accrued payroll		-		-		-
Due to other funds		-		-		-
Due to component unit		-		-		-
Deferred revenue		-		-		-
Total Liabilities		-		4,753		2,636
FUND BALANCES						
Nonspendable		-		_		_
Restricted		25,703		319,996		158,706
Total Fund Balances		25,703		319,996		158,706
Total Liabilities and Fund Balances	\$	25,703	\$	324,749	\$	161,342

D	Park edication Fund		venile Case Manager Fund	PE	G Capital Fund	Re	Increment investment one Fund	H De	Mission Economic evelopment Authority	Spe I	Total Nonmajor ecial Revenue Funds (See exhibit C-1)
\$	324,199	\$	104,429	\$	25,128	\$	200,124	\$	579,195	\$	3,951,989
_	99,957	т	-	<b>T</b>	99,957	•	-	Ť	-	*	873,751
	, -		-		, -		-		-		547
	-		-		20,830		-		-		294,777
	-		-		-		-		-		134,113
	-		-		-		-		-		(3,565)
	6		-		-		-		44		95
	-		-		-		-		-		427,261
\$	424,162	\$	104,429	\$	145,915	\$	200,124	\$	1,468,341 2,047,580	\$	1,468,341 7,147,309
					_						
\$	-	\$	-	\$	-	\$	-	\$	-	\$	113,567
	-		-		-		-		72,203		77,228
	-		-		-		-		-		3,453
	-		-		-		-		-		11,222
	34		-		-		-		-		357,754
	- 424 129		-		-		196,306		-		196,306
	424,128 424,162						196,306		72,203		564,267 1,323,797
	424,102						170,300		72,203		1,323,777
	-		-		-		-		1,468,341		1,468,341
			104,429		145,915		3,818		507,035		4,355,170
			104,429		145,915		3,818		1,975,376		5,823,511
\$	424,162	\$	104,429	\$	145,915	\$	200,124	\$	2,047,579	\$	7,147,308

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	CDBG	Aquatics Fund	Police Department Special Fund	
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	
Intergovernmental	683,253	122,123	41,805	
Charges for services	-	100,774	-	
Interest	-	-	2,608	
Miscellaneous	-	184	-	
Total Revenues	683,253	223,081	44,413	
EXPENDITURES				
Current:				
General government	161,422	-	-	
Public safety	-	-	38,507	
Highways and streets	-	-	-	
Culture and recreation	-	381,956	-	
Health and welfare	559,044	-	-	
Economic development	-	-	-	
Total Expenditures	720,466	381,956	38,507	
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(37,214)	(158,875)	5,906	
OTHER FINANCING SOURCES (USES) Sale of capital assets	-	_	52,459	
Gain/(loss) on sale of land inventory	_	_	-	
Transfers in	37,214	158,875	_	
Transfers out	-	-	_	
Total Other Financing Sources (Uses)	37,214	158,875	52,459	
Net Change in Fund Balances	-	-	58,365	
Fund Balances at Beginning of Year		10,000	759,948	
Fund Balances at End of Year	\$ -	\$ 10,000	\$ 818,313	

Police Federal Sharing Fund	Municipal Court Technology Fund	Designated Purpose Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund
\$ -	\$ -	\$ -	\$ 682,323	\$ -	\$ -
162,462	-	575,740	-	-	-
-	29,509	-	-	10,000	6,620
2,938	1,319	1.002	1,889	107	45
61,116 226,516	30,828	1,992 577,732	7,884 692,096	10,107	6,665
220,310	30,828	311,132	092,090	10,107	0,003
-	26,608	-	-	1,077	8,948
834,554	-	416,218	-	-	-
-	-	78,650	632,864	-	-
-	-	73,747	-	-	-
-	-	22,456	-	-	-
924.554	- 26,600	501.071		1.077	- 0.040
834,554	26,608	591,071	632,864	1,077	8,948
(608,038)	4,220	(13,340)	59,232	9,030	(2,283)
-	-	-	-	-	-
-	-	-	-	-	-
(12.240)	-	13,340	1,200,000	-	-
(13,340)		13,340	(150,000) 1,050,000	<del>-</del>	
(15,540)		15,540	1,030,000	<del>-</del>	
(621,378)	4,220	-	1,109,232	9,030	(2,283)
1,013,094	184,506		514,275	37,541	13,016
\$ 391,716	\$ 188,726	\$ -	\$ 1,623,507	\$ 46,571	\$ 10,733

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Speer Memorial Library	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	
REVENUES				
Taxes and special assessments	\$ -	\$ 577,711	\$ -	
Intergovernmental	-	-	-	
Charges for services	-	-	21,931	
Interest	109	591	1,293	
Miscellaneous			<u> </u>	
Total Revenues	109	578,302	23,224	
EXPENDITURES				
Current:				
General government	-	-	12,491	
Public safety	-	-	-	
Highways and streets	-	-	-	
Culture and recreation	-	746,260	-	
Health and welfare	-	-	-	
Economic development	-	-	-	
Total Expenditures		746,260	12,491	
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	109	(167,958)	10,733	
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	
Gain/(loss) on sale of land inventory	-	-	-	
Transfers in	-	75,000	-	
Transfers out			(46,539)	
Total Other Financing Sources (Uses)		75,000	(46,539)	
Net Change in Fund Balances	109	(92,958)	(35,806)	
Fund Balances at Beginning of Year	25,594	412,953	194,512	
Fund Balances at End of Year	\$ 25,703	\$ 319,995	\$ 158,706	

Park Dedication Fund	Juvenile Case Manager Fund	PEG Capital Fund	Tax Increment Reinvestment Zone Fund	Mission Economic Development Authority	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,260,035
-	-	-	1,838,694	-	3,424,077
-	33,752	-	-	-	202,586
-	482	661	42	357	12,442
		83,803			154,979
-	34,234	84,464	1,838,736	357	5,054,119
-	15,376	265	-	-	226,187
-	-	-	-	-	1,289,279
-	-	-	-	-	711,514
-	-	-	-	-	1,201,963
-	-	-	-	-	581,500
-	<u> </u>		3,768,714	1,072,275	4,840,988
-	15,376	265	3,768,714	1,072,275	8,851,431
	18,858	84,199	(1,929,978)	(1,071,918)	(3,797,312)
_	_	_	_	_	52,459
_	-	-	-	1,184,744	1,184,744
_	-	<u>-</u>	1,929,796	-,,,	3,414,225
_	-	_	-	_	(209,879)
-	_	-	1,929,796	1,184,744	4,441,549
-	18,858	84,199	(182)	112,826	644,237
	85,570	61,716	3,999	1,862,550	5,179,275
\$ -	\$ 104,428	\$ 145,915	\$ 3,817	\$ 1,975,376	\$ 5,823,512

Variance with

#### **CITY OF MISSION, TEXAS**

COMMUNITY DEVELOPMENT FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Actual	Final Budget Positive (Negative)	
Revenues:				
Intergovernmental:				
Community Development Block Grant	\$ 1,213,583	\$ 683,253	\$ (530,330)	
Total Intergovernmental	1,213,583	683,253	(530,330)	
Total Revenues	1,213,583	683,253	(530,330)	
Expenditures:				
Current:				
General Government:				
General administration	169,214	161,422	7,792	
Total General Government	169,214	161,422	7,792	
Health and Welfare:				
Housing rehabilitation	1,039,855	518,251	521,604	
Other social services	45,000	40,793	4,207	
Total Health and Welfare	1,084,855	559,044	525,811	
Total Expenditures	1,254,069	720,466	533,603	
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(40,486)	(37,214)	3,272	
Other Financing Sources (Uses):				
Transfers in	40,486	37,214	(3,272)	
Transfers out	-	-	-	
Total Other Financing Sources (Uses)	40,486	37,214	(3,272)	
Net Change in Fund Balance	-	-	-	
Fund Balance at Beginning of Year	<u>-</u> _			
Fund Balance at End of Year	\$ -	\$ -	\$ -	

Variance with

## CITY OF MISSION, TEXAS

AQUATICS FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

						nal Budget
					Positive	
	Bu	dgeted		Actual	[]	Negative)
Revenues:						
Intergovernmental:						
MCISD contribution	\$	153,277	\$	122,123	\$	(31,154)
SISD contribution		95,190		-		(95,190)
Miscellaneous				184		184
Total Intergovernmental		248,467		122,307		(126,160)
Charges for Service:						
Aquatics		75,000		100,774		25,774
Total Charges for Services		75,000		100,774		25,774
Total Revenues		323,467		223,081		(100,386)
Expenditures:						
Current:						
Culture and Recreation:						
Personal services		268,199		210,048		58,151
Employee benefits		66,035		41,854		24,181
Professional and technical		9,992		-		9,992
Purchased property services		107,515		62,873		44,642
Other purchased services		24,178		12,096		12,082
Supplies		85,700		44,845		40,855
Capital outlays		10,000		9,388		612
Miscellaneous		315		852		(537)
Total Culture and Recreation		571,934		381,956		189,978
Total Expenditures		571,934		381,956		189,978
Excess (Deficiency) of						
Revenues Over (Under) Expenditures		(248,467)		(158,875)		89,592
Other Financing Sources (Uses):						
Transfers in		248,467		158,875		(89,592)
Total Other Financing Sources (Uses)		248,467		158,875		(89,592)
Net Change in Fund Balance		-		-		-
Fund Balance at Beginning of Year		10,000		10,000		
Fund Balance at End of Year	\$	10,000	\$	10,000	\$	

Variance with

CITY OF MISSION, TEXAS
POLICE DEPARTMENT SPECIAL FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Actual	Final Budget Positive (Negative)	
Revenues:				
State Seizures:				
State seizures	\$ -	\$ 41,805	\$ 41,805	
Total State Seizures	<u> </u>	41,805	41,805	
Interest:				
Interest earned on investments	-	1,310	1,310	
Interest earned on demand deposits		1,298	1,298	
Total Interest	<del>-</del>	2,608	2,608	
Total Revenues	<u> </u>	44,413	44,413	
Expenditures:				
Current:				
Public Safety:				
State Seizures:				
Personal services	100,000	5,981	94,019	
Employee benefits	-	1,179	(1,179)	
Professional & technical services	30,000	30,000	-	
Purchased property services	50,000	-	50,000	
Other purchased services	50,000	-	50,000	
Supplies	40,000	-	40,000	
Capital outlays	480,000	-	480,000	
Miscellaneous	9,948	1,347	8,601	
Total Public Safety	759,948	38,507	721,441	
Total Expenditures	759,948	38,507	721,441	
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(759,948)	5,906	765,854	
Other Financing Sources (Uses):				
Sale of capital assets		52,459	52,459	
Total Other Financing Sources (Uses)		52,459	52,459	
Net Change in Fund Balance	(759,948)	58,365	818,313	
Fund Balance at Beginning of Year	759,948	759,948		
Fund Balance at End of Year	\$ -	\$ 818,313	\$ 818,313	

#### **EXHIBIT C-8**

Variance with

CITY OF MISSION, TEXAS POLICE FEDERAL SHARING FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Actual	Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Equitable sharing	\$ -	\$ 162,462	\$ 162,462
Miscellaneous revenue	-	61,116	61,116
Total Intergovernmental		223,578	223,578
Interest:			
Interest earned on investments	-	1,872	1,872
Interest earned on demand deposits	-	1,066	1,066
Total Interest		2,938	2,938
Total Revenues		226,516	226,516
Expenditures:			
Current:			
Public Safety:			
Professional & technical services	50,000	3,112	46,888
Purchased property services	125,000	40,558	84,442
Other purchased services	35,000	28,225	6,775
Supplies	70,000	33,872	36,128
Capital outlays	718,648	719,222	(574)
Miscellaneous	14,446	9,565	4,881
Total Public Safety	1,013,094	834,554	178,540
Total Expenditures	1,013,094	834,554	178,540
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(1,013,094)	(608,038)	405,056
Other Financing Sources (Uses):			
Transfers out	(13,340)	(13,340)	
Total Other Financing Sources (Uses)	(13,340)	(13,340)	
Net Change in Fund Balance	(1,026,434)	(621,378)	405,056
Fund Balance at Beginning of Year	1,013,094	1,013,094	
Fund Balance at End of Year	\$ (13,340)	\$ 391,716	\$ 405,056

#### **EXHIBIT C-9**

Variance with

CITY OF MISSION, TEXAS
MUNICIPAL COURT TECHNOLOGY FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

						al Budget ositive
	В	Budgeted		Actual		egative)
Revenues:	-					
Charges for Services:						
Court technology fees	\$	30,000	\$	29,509	\$	(491)
Total Charges for Services		30,000		29,509		(491)
Interest:						
Interest earned on investments		400		922		522
Interest earned on demand deposits		300		397		97
Total Interest		700		1,319		619
Total Revenues		30,700		30,828		128
Expenditures:						
Current:						
General Government:						
Purchased property services		5,800		4,845		955
Supplies		1,468		1,245		223
Capital outlays		30,000		18,960		11,040
Miscellaneous		5,932		1,558		4,374
Total General Government		43,200		26,608		16,592
Total Expenditures		43,200		26,608		16,592
Excess (Deficiency) of						
Revenues Over (Under) Expenditures		(12,500)		4,220		16,720
Other Financing Sources (Uses):						
Transfer out						_
Total Other Financing Sources (Uses)						
Net Change in Fund Balance		(12,500)		4,220		16,720
Fund Balance at Beginning of Year		184,506		184,506		
Fund Balance at End of Year	\$	172,006	\$	188,726	\$	16,720

Variance with Final Budget

CITY OF MISSION, TEXAS DESIGNATED PURPOSE FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

Page 1 of 3

Revenues:   Intergovernmental:		Budgeted	Budgeted Actual	
DHS-Stonegarden Grant 2011   \$ 102,962   \$ 102,778   \$ (184)     Bullet Proof Vest Grant   \$ 13,340   \$ 13,340   \$ - \$ \$ 100,000   \$ - \$ 100	Revenues:			
Bullet Proof Vest Grant	Intergovernmental:			
Urban County Grant-B&G Club         37,000         37,000           OVAG Granter 0802439         38,566         42,101         3,535           Energy Efficiency Grant         117,019         78,650         38,369           LRGVDC Solid Waste Grant         22,512         22,456         (56)           Local Border Security Program         30,000         30,000         -           Local Border Security Program 2013         150,000         150,000         -           Tx. Dept of Transportation-STEP Grant         31,875         36,214         4,339           2012 SHBF Grant         26,455         26,453         (2)           Fire Prevention Grant         2,500         1,992         (508)           Texas Parks and Wildlife Grant         76,057         36,747         (39,310)           Total Intergovernmental         648,286         577,731         (70,555)           Expenditures:           Current:         VCLG         26,680         26,680         -           Poblic Safety:         Sale         26,680         -         -           Bullet Proof Vest Grant:         VCLG Grant:	DHS-Stonegarden Grant 2011	\$ 102,962	\$ 102,778	\$ (184)
OVAG Grant# 0802439         38,566         42,101         3,535           Energy Efficiency Grant         117,019         78,650         (38,369)           Local Border Security Program         30,000         30,000         -           Local Border Security Program 2013         150,000         150,000         -           Local Border Security Program 2013         150,000         150,000         -           Tx. Dep to Transportation-STEP Grant         26,455         26,453         (2)           Fire Prevention Grant         2,500         1,992         (508)           Texus Parks and Wildlife Grant         76,057         36,747         (39,310)           Total Intergovernmental         648,286         577,731         (70,555)           Expenditures:         2         26,680         577,731         (70,555)           Expenditures:         2         26,680         26,680         -           Current:         2         26,680         26,680         -           VCLG Grant:         2         26,680         26,680         -           Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           TXDOT-S	Bullet Proof Vest Grant	13,340	13,340	-
Energy Efficiency Grant	-			-
LRGVDC Solid Waste Grant   22,512   22,456   (56)     Local Border Security Program   30,000   30,000   50,00				
Local Border Security Program   30,000   30,000   150,000   150,000   - 150,		117,019		(38,369)
Local Border Security Program 2013   150,000				(56)
Tx. Dept of Transportation-STEP Grant         31,875         36,214         4,339           2012 SHSP Grant         26,455         26,455         (2)           Fire Prevention Grant         2,500         1,992         (508)           Texas Parks and Wildlife Grant         76,057         36,747         (39,310)           Total Intergovernmental         648,286         577,731         (70,555)           Total Revenues         648,286         577,731         (70,555)           Expenditures:         Current:         VCLCG         Septemble Stafety:           Bullet Proof Vest Grant:         26,680         26,680         -           Capital outlays         26,680         26,680         -           VCLG Grant:         VCLG Grant:         Septemble Stafety:         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)         3,535           TXDOT-Step Grant:         VCLG Grant: </td <td>,</td> <td></td> <td></td> <td>-</td>	,			-
2012 SHSP Grant         26,455         26,453         (2)           Fire Prevention Grant         2,500         1,992         (508)           Texas Parks and Wildlife Grant         76,057         36,747         (39,310)           Total Intergovernmental         648,286         577,731         (70,555)           Expenditures:           Current:           Public Safety:           Bullet Proof Vest Grant:         26,680         26,680         -           Capital outlays         26,680         26,680         -           VCLG Grant:           Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           TXDOT-Step Grant:           Personal services         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           TXDOT-Step Grant:           Personal services         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           Capital outlays         26,455         26,453 <t< td=""><td></td><td></td><td></td><td>-</td></t<>				-
Fire Prevention Grant         2,500         1,992         (508)           Texas Parks and Wildlife Grant         76,057         36,747         (39,310)           Total Intergovernmental         648,286         577,731         (70,555)           Total Revenues         648,286         577,731         (70,555)           Expenditures:         Current:           Public Safety:         Bullet Proof Vest Grant:           Capital outlays         26,680         26,680         -           VCLG Grant:         Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           TXDOT-Step Grant:         Personal services         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           Employee benefits         4,500         5,230         (730)           2012 SHSP:         Capital outlays         26,455         26,453         2           Capital outlays         26,455         26,453         2           Local Border Security Program 2013:         Personal services         122,157         117,106         5,051           Employee benefits				
Texas Parks and Wildlife Grant Total Intergovernmental         76,057         36,747         (39,310)           Total Intergovernmental         648,286         577,731         (70,555)           Total Revenues         648,286         577,731         (70,555)           Expenditures:         Current:           Public Safety:         Bullet Proof Vest Grant:           Capital outlays         26,680         26,680         -           VCLG Grant:         Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           5 200 T-Step Grant:         Personal services         27,375         30,983         (3,608)           Employee benefits         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           2012 SHSP:         Capital outlays         26,455         26,453         2           Capital outlays         26,455         26,453         2           Local Border Security Program 2013:         2         26,455         26,453         2           Personal services         122,157         117,106         5,051           Emp				
Total Intergovernmental         648,286         577,731         (70,555)           Total Revenues         648,286         577,731         (70,555)           Expenditures:         Use productives:           Current:         Public Safety:           Bullet Proof Vest Grant:         Capital outlays         26,680         26,680         -           VCLG Grant:           Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           TXDOT-Step Grant:         Personal services         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           2012 SHSP:         Capital outlays         26,455         26,453         2           Capital outlays         26,455         26,453         2           Local Border Security Program 2013:         Personal services         122,157         117,106         5,051           Employee benefits         -         8,959         (8,959)           Supplies         27,843         23,936         3,907				
Total Revenues         648,286         577,731         (70,555)           Expenditures:         Current:           Public Safety:         Bullet Proof Vest Grant:           Capital outlays         26,680         26,680         -           VCLG Grant:         Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           TXDOT-Step Grant:         Personal services         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           Employee benefits         4,500         5,230         (730)           2012 SHSP:         Capital outlays         26,455         26,453         2           Capital outlays         26,455         26,453         2           Local Border Security Program 2013:         Personal services         122,157         117,106         5,051           Employee benefits         -         8,959         (8,959)           Supplies         27,843         23,936         3,907			_	
Expenditures: Current: Public Safety: Bullet Proof Vest Grant: Capital outlays  26,680 26,680 26,680 -  VCLG Grant: Personal services 33,721 33,846 (125) Employee benefits 4,845 8,255 (3,410) 38,566 42,101 (3,535)  TXDOT-Step Grant: Personal services 27,375 30,983 (3,608) Employee benefits 4,500 5,230 (730) 31,875 36,213 (4,338)  2012 SHSP: Capital outlays 26,455 26,453 2 Local Border Security Program 2013: Personal services 122,157 117,106 5,051 Employee benefits - 8,959 (8,959) Supplies 27,843 23,936 3,907	Total Intergovernmental	648,286	577,731	(70,555)
Current:         Public Safety:         Bullet Proof Vest Grant:       26,680       26,680	Total Revenues	648,286	577,731	(70,555)
Public Safety:           Bullet Proof Vest Grant:         26,680         26,680         -           Capital outlays         26,680         26,680         -           VCLG Grant:           Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           TXDOT-Step Grant:         -         -           Personal services         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           2012 SHSP:         31,875         36,213         (4,338)           2012 SHSP:         26,455         26,453         2           Capital outlays         26,455         26,453         2           Local Border Security Program 2013:         -         8,959         (8,959)           Employee benefits         -         8,959         (8,959)           Supplies         27,843         23,936         3,907	Expenditures:			
Bullet Proof Vest Grant:         Capital outlays       26,680       26,680       -         VCLG Grant:         Personal services       33,721       33,846       (125)         Employee benefits       4,845       8,255       (3,410)         TXDOT-Step Grant:         Personal services       27,375       30,983       (3,608)         Employee benefits       4,500       5,230       (730)         31,875       36,213       (4,338)         2012 SHSP:         Capital outlays       26,455       26,453       2         Local Border Security Program 2013:       2         Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907	Current:			
Capital outlays         26,680         26,680         -           VCLG Grant:         Personal services         33,721         33,846         (125)           Employee benefits         4,845         8,255         (3,410)           Employee benefits         4,845         8,255         (3,410)           TXDOT-Step Grant:         Personal services         27,375         30,983         (3,608)           Employee benefits         4,500         5,230         (730)           31,875         36,213         (4,338)           2012 SHSP:         Capital outlays         26,455         26,453         2           Local Border Security Program 2013:         Personal services         122,157         117,106         5,051           Employee benefits         -         8,959         (8,959)           Supplies         27,843         23,936         3,907	Public Safety:			
VCLG Grant:     26,680     26,680     -       Personal services     33,721     33,846     (125)       Employee benefits     4,845     8,255     (3,410)       TXDOT-Step Grant:     38,566     42,101     (3,535)       TXDOT-Step Grant:     27,375     30,983     (3,608)       Employee benefits     4,500     5,230     (730)       Employee benefits     4,500     5,230     (730)       2012 SHSP:     2       Capital outlays     26,455     26,453     2       Local Border Security Program 2013:     2       Personal services     122,157     117,106     5,051       Employee benefits     -     8,959     (8,959)       Supplies     27,843     23,936     3,907	Bullet Proof Vest Grant:			
VCLG Grant:         Personal services       33,721       33,846       (125)         Employee benefits       4,845       8,255       (3,410)         38,566       42,101       (3,535)         TXDOT-Step Grant:         Personal services       27,375       30,983       (3,608)         Employee benefits       4,500       5,230       (730)         31,875       36,213       (4,338)         2012 SHSP:         Capital outlays       26,455       26,453       2         26,455       26,453       2         Local Border Security Program 2013:       2         Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907	Capital outlays			
Personal services       33,721       33,846       (125)         Employee benefits       4,845       8,255       (3,410)         38,566       42,101       (3,535)         TXDOT-Step Grant:         Personal services       27,375       30,983       (3,608)         Employee benefits       4,500       5,230       (730)         31,875       36,213       (4,338)         2012 SHSP:         Capital outlays       26,455       26,453       2         26,455       26,453       2         26,455       26,453       2         Local Border Security Program 2013:       2         Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907		26,680	26,680	
Employee benefits       4,845       8,255       (3,410)         38,566       42,101       (3,535)         TXDOT-Step Grant:         Personal services       27,375       30,983       (3,608)         Employee benefits       4,500       5,230       (730)         31,875       36,213       (4,338)         2012 SHSP:         Capital outlays       26,455       26,453       2         26,455       26,453       2         Local Border Security Program 2013:       2       2         Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907	VCLG Grant:			
TXDOT-Step Grant:       Personal services     27,375     30,983     (3,535)       Employee benefits     27,375     30,983     (3,608)       Employee benefits     4,500     5,230     (730)       31,875     36,213     (4,338)       2012 SHSP:     Capital outlays     26,455     26,453     2       Capital outlays     26,455     26,453     2       Local Border Security Program 2013:     Personal services     117,106     5,051       Employee benefits     -     8,959     (8,959)       Supplies     27,843     23,936     3,907	Personal services	33,721	33,846	(125)
TXDOT-Step Grant:         Personal services       27,375       30,983       (3,608)         Employee benefits       4,500       5,230       (730)         31,875       36,213       (4,338)         2012 SHSP:       Capital outlays       26,455       26,453       2         Capital outlays       26,455       26,453       2         Local Border Security Program 2013:       Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907	Employee benefits	4,845	8,255	(3,410)
Personal services       27,375       30,983       (3,608)         Employee benefits       4,500       5,230       (730)         31,875       36,213       (4,338)         2012 SHSP:       Capital outlays       26,455       26,453       2         Local Border Security Program 2013:       Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907		38,566	5 42,101	(3,535)
Employee benefits       4,500       5,230       (730)         31,875       36,213       (4,338)         2012 SHSP:         Capital outlays       26,455       26,453       2         26,455       26,453       2         Local Border Security Program 2013:       2         Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907	TXDOT-Step Grant:			
31,875     36,213     (4,338)       2012 SHSP:     26,455     26,453     2       Capital outlays     26,455     26,453     2       26,455     26,453     2       26,455     26,453     2       Local Border Security Program 2013:       Personal services     117,106     5,051       Employee benefits     -     8,959     (8,959)       Supplies     27,843     23,936     3,907		27,375	30,983	(3,608)
2012 SHSP:       Capital outlays     26,455     26,453     2       26,455     26,453     2       Local Border Security Program 2013:     2       Personal services     122,157     117,106     5,051       Employee benefits     -     8,959     (8,959)       Supplies     27,843     23,936     3,907	Employee benefits	4,500	5,230	(730)
Capital outlays         26,455         26,453         2           26,455         26,453         2           Local Border Security Program 2013:         Personal services         122,157         117,106         5,051           Employee benefits         -         8,959         (8,959)           Supplies         27,843         23,936         3,907		31,875	36,213	(4,338)
Local Border Security Program 2013:         26,455         26,453         2           Personal services         122,157         117,106         5,051           Employee benefits         -         8,959         (8,959)           Supplies         27,843         23,936         3,907	2012 SHSP:			
Local Border Security Program 2013:         Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907	Capital outlays	26,455	5 26,453	2
Personal services       122,157       117,106       5,051         Employee benefits       -       8,959       (8,959)         Supplies       27,843       23,936       3,907		26,455	5 26,453	2
Employee benefits         -         8,959         (8,959)           Supplies         27,843         23,936         3,907	Local Border Security Program 2013:			
Supplies         27,843         23,936         3,907	Personal services	122,157	7 117,106	5,051
	Employee benefits		- 8,959	(8,959)
150,000 150,001 (1)	Supplies	27,843	3 23,936	3,907
		150,000	150,001	(1)

#### CITY OF MISSION, TEXAS EXHIBIT C-10

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DESIGNATED PURPOSE FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

FOR THE TEAR ENDED SETTEMBER 30, 2013	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Local Border Security Program:			
Personal services	30,000	30,000	
	30,000	30,000	
Fire Prevention Grants:			
Capital outlays	2,000	1,992	8
	2,000	1,992	8
Standard County			
Stonegarden Grant: Personal services	24,840	24,840	
Employee benefits	5,782	5,598	184
Capital outlays	72,340	72,340	164
Capitai outiays	102,962	102,778	184
	102,902	102,778	104
Total Public Safety	408,538	416,218	(7,680)
Health and Welfare:			
LRGVDC Contract:			
Capital outlays	22,512	22,456	56
	22,512	22,456	56
Total Health and Welfare	22,512	22,456	56
Highways and Streets:			
Energy Efficiency Grant:			
Capital outlays	117,019	78,650	38,369
	117,019	78,650	38,369
Total Highways and Streets	117,019	78,650	38,369
Culture and Recreation:			
Urban County Grant-Boys & Girls Club:			
Personal services	30,700	30,700	-
Employee benefits	2,800	2,800	-
Supplies	3,500	3,500	-
	37,000	37,000	-
Texas Parks and Wildlife Grant:			
Capital outlays	76,057	36,747	39,310
•	76,057	36,747	39,310
Total Culture and Recreation	113,057	73,747	39,310

EXHIBIT C-10

Variance with

Page 3 of 3

DESIGNATED PURPOSE FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Buc	lgeted	A	ctual	Po	Budget sitive gative)
Excess (Deficiency) of						
Revenues Over (Under) Expenditures		(12,840)		(13,340)		(500)
Other Financing Sources (Uses)						
Transfers in		13,340		13,340		-
Total Other Financing Sources (Uses)		13,340		13,340		-
Net Change in Fund Balance		500		-		(500)
Fund Balance at Beginning of Year						
Fund Balance at End of Year	\$	500	\$	<u>-</u>	\$	(500)

#### **EXHIBIT C-11**

Variance with

CITY OF MISSION, TEXAS DRAINAGE ASSESSMENT FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		Final Budget Positive (Negative)
Revenues:	Budgeted	Actual	(Tregative)
Special Assessments:			
Drainage assessments	\$ 545,000	\$ 682,323	\$ 137,323
Total Assessments	545,000	682,323	137,323
Interest:			
Interest earned on investments	400	784	384
Interest earned on demand deposits	500	1,105	605
Total Interest	900	1,889	989
Miscellaneous:			
Drainage reimbsubdividers	7,000	7,754	754
Miscellaneous income	<u> </u>	130	130
Total Miscellaneous	7,000	7,884	884
Total Revenues	552,900	692,096	139,196
Expenditures:			
Current:			
Highways and Streets:			
Professional and technical services	30,000	1,850	28,150
Other purchased services	-	248	(248)
Capital outlays	1,770,000	613,492	1,156,508
Supplies	3,000	16,031	(13,031)
Miscellaneous	1,100	1,243	(143)
Total Highways and Streets	1,804,100	632,864	1,171,236
Total Expenditures	1,804,100	632,864	1,171,236
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(1,251,200)	59,232	1,310,432
Other Financing Sources (Uses):			
Transfer in	1,200,000	1,200,000	-
Transfers out	(150,000)	(150,000)	
Total Other Financing Sources (Uses)	1,050,000	1,050,000	
Net Change in Fund Balance	(201,200)	1,109,232	1,310,432
Fund Balance at Beginning of Year	514,275	514,275	
Fund Balance at End of Year	\$ 313,075	\$ 1,623,507	\$ 1,310,432

**EXHIBIT C-12** 

Variance with

CEMETERY FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		Actual		Final Budget Positive (Negative)	
Revenues:						
Interest:						
Interest earned on demand deposits	\$	-	\$	107	\$	107
Perpetual care		_		10,000	·	10,000
Total Interest		-		10,107		10,107
Total Revenues				10,107		10,107
Expenditures:						
Current:						
Supplies		-		812		(812)
Miscellaneous				265		(265)
		_		1,077		(1,077)
Total Expenditures		_		1,077		(1,077)
Excess (Deficiency) of						
Revenues Over (Under) Expenditures		-		9,030		9,030
Fund Balance at Beginning of Year		37,541		37,541		
Fund Balance at End of Year	\$	37,541	\$	46,571	\$	9,030

**EXHIBIT C-13** 

Variance with

CITY OF MISSION, TEXAS RECORDS PRESERVATION FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		Budgeted Actual		Actual		P	al Budget ositive egative)
Revenues:			-					
Charges for Service:								
Vital statistics preservation fee	\$	7,000	\$	6,620	\$	(380)		
Total Charges for Service		7,000		6,620		(380)		
Interest:								
Interest earned on demand deposits		-		45		45		
Total Interest		-		45		45		
Total Revenues		7,000		6,665		(335)		
Expenditures:								
Current:								
Record Preservation:								
Purchased property services		1,199		1,199		-		
Supplies		6,551		5,832		719		
Capital Outlays		2,000		1,869		131		
Miscellaneous		250		48		202		
Total Record Preservation		10,000		8,948		1,052		
Total Expenditures		10,000		8,948		1,052		
Excess (Deficiency) of Revenues Over Expenditures		(3,000)		(2,283)		717		
Fund Balance at Beginning of Year		13,016		13,016				
Fund Balance at End of Year	\$	10,016	\$	10,733	\$	717		

**EXHIBIT C-14** 

Variance with

SPEER MEMORIAL LIBRARY SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Actual	Final Budget Positive (Negative)
Revenues:			
Interest:			
Interest earned on investments	\$	- \$ 109	\$ 109
Total Interest		- 109	109
Total Revenues			109
Expenditures:			
Current:			
Culture and Recreation:			
Miscellaneous			-
Capital outlays		<u>-</u>	<u> </u>
Total Culture and Recreation		<u> </u>	
Total Expenditures		<u> </u>	
Excess (Deficiency) of			
of Revenues Over (Under) Expenditures		- 109	109
Fund Balance at Beginning of Year	25,59	25,594	
Fund Balance at End of Year	\$ 25,59	\$ 25,703	\$ 109

**EXHIBIT C-15** 

Variance with

HOTEL/MOTEL TAX FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

Budgeted		Actual	Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel occupancy tax	\$ 500,000	\$ 572,329	\$ 72,329
Penalties and interest-hotel occupancy tax		5,382	5,382
Total Taxes	500,000	577,711	77,711
Interest:			
Interest earned on demand deposits	200	319	119
Interest earned on investments	400	272	(128)
Total Interest	600	591	(9)
Total Revenues	500,600	578,302	77,702
Expenditures:			
Current:			
General Government:			
Tourist Promotion & Advertising:			
Miscellaneous	461,196	456,129	5,067
Other purchased services	39,304	30,345	8,959
Capital outlay	260,000	259,786	214
	760,500	746,260	14,240
Total Culture and Recreation	760,500	746,260	14,240
Total Expenditures	760,500	746,260	14,240
Excess (Deficiency) of			
of Revenues Over (Under) Expenditures	(259,900)	(167,958)	91,942
Other Financing Sources (Uses):			
Transfers in	75,000	75,000	
Total Other Financing Sources (Uses)	75,000	75,000	
Net Change in Fund Balance	(184,900)	(92,958)	91,942
Fund Balance at Beginning of Year	412,953	412,953	
Fund Balance at End of Year	\$ 228,053	\$ 319,995	\$ 91,942

#### **EXHIBIT C-16**

Variance with

CITY OF MISSION, TEXAS
MUNICIPAL COURT BLDG SECURITY FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted		Actual		Final Budge Positive (Negative)	
Revenues:			-			
Charges for Services:						
Municipal court security fees	\$	19,000	\$	21,931	\$	2,931
Total Charges for Services		19,000		21,931		2,931
Interest:						
Interest earned on investments		200		864		664
Interest earned on demand deposits	<u> </u>	600		429		(171)
Total Interest		800		1,293		493
Total Revenues		19,800		23,224		3,424
Expenditures:						
Current:						
Purchased property services		5,000		-		5,000
Other purchased services		8,071		5,706		2,365
Supplies		500		-		500
Capital outlay		10,000		6,356		3,644
Miscellaneous		550		429		121
Total Expenditures		24,121		12,491		11,630
Excess (Deficiency) of						
Revenues Over (Under) Expenditures		(4,321)		10,733		15,054
Other Financing Sources (Uses):						
Transfers in (out)		(51,339)		(46,539)		4,800
Total Other Financing Sources (Uses)		(51,339)		(46,539)		4,800
Net Change in Fund Balance		(55,660)		(35,806)		19,854
Fund Balance at Beginning of Year		194,512		194,512		
Fund Balance at End of Year	\$	138,852	\$	158,706	\$	19,854

**EXHIBIT C-17** 

Variance with

PARK DEDICATION FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

Bud		Actual	Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Park dedication fee	\$ 30,000	\$ -	\$ (30,000)
Total Charges for Services	30,000		(30,000)
Total Revenues	30,000		(30,000)
Expenditures:			
Current:			
Culture and Recreation:			
Zone 3-Southwest:			
Capital outlays	30,000		30,000
	30,000		30,000
Total Culture and Recreation	30,000		30,000
Total Expenditures	30,000		30,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	-	-	-
Fund Balance at Beginning of Year			
Fund Balance at End of Year	\$ -	\$ -	\$ -

**EXHIBIT C-18** 

Variance with

JUVENILE CASE MANAGER FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Actual	Final Budget Positive (Negative)	
Revenues:				
Charges for Services:				
Juvenile case manager fee	\$ 31,500	\$ 33,752	\$ 2,252	
Total Charges for Services	31,500	33,752	2,252	
Interest:				
Interest earned on investments	50	256	206	
Interest earned on demand deposits	100	226	126	
Total Interest	150	482	332	
Total Revenues	31,650	34,234	2,584	
Expenditures:				
Current:				
Personal services	19,864	9,243	10,621	
Employee benefits	7,969	5,900	2,069	
Miscellaneous	350	233	117	
Total Expenditures	28,183	15,376	12,807	
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	3,467	18,858	15,391	
Fund Balance at Beginning of Year	85,570	85,570		
Fund Balance at End of Year	\$ 89,037	\$ 104,428	\$ 15,391	

**EXHIBIT C-19** 

Variance with

PEG CAPITAL FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Bu	dgeted	Actual	Final Budget Positive (Negative)	
Revenues:					
Charges for Services:					
PEG capital fee	\$	-	\$ 83,803	\$	83,803
Total Charges for Services		-	83,803		83,803
Interest:					
Interest earned on investment		-	399		399
Interest earned on demand deposit		-	262		262
Total Interest		-	661		661
Total Revenues			 84,464		84,464
Expenditures:					
Miscellaneous:					
Depository charges			 265		(265)
Total Expenditures		-	 265		(265)
Excess (Deficiency) of					
Revenues Over (Under) Expenditures		-	84,199		84,199
Fund Balance at Beginning of Year		61,716	 61,716		
Fund Balance at End of Year	\$	61,716	\$ 145,915	\$	84,199

**EXHIBIT C-20** 

Variance with

CITY OF MISSION, TEXAS
TAX INCREMENT REINVESTMENT ZONE FUND SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Actual	Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
Contribution-Hidalgo County	\$ 1,800,000	\$ 1,838,694	\$ 38,694
Total Intergovernmental	1,800,000	1,838,694	38,694
Interest:			
Interest earned on demand deposits	30	42	12
Total Interest	30	42	12
Total Revenues	1,800,030	1,838,736	38,706
Expenditures:			
Current:			
Economic Development	3,900,138	3,768,714	131,424
Total Expenditures	3,900,138	3,768,714	131,424
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(2,100,108)	(1,929,978)	170,130
Other Financing Sources (Uses):			
Transfers in	2,100,000	1,929,796	(170,204)
Total Other Financing Sources (Uses)	2,100,000	1,929,796	(170,204)
Net Change in Fund Balance	(108)	(182)	(74)
Fund Balance at Beginning of Year	3,999	3,999	
Fund Balance at End of Year	\$ 3,891	\$ 3,817	\$ (74)

**EXHIBIT C-21** 

Variance with

DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted	Actual	Final Budget Positive (Negative)	
Revenues:				
Taxes:				
Current ad valorem taxes	\$ 3,700,000	\$ 3,917,264	\$ 217,264	
Delinquent ad valorem taxes	128,000	111,098	(16,902)	
Interest & penalties on taxes	97,000	90,516	(6,484)	
Total Taxes	3,925,000	4,118,878	193,878	
Interest:				
Interest earned on investments	1,000	1,279	279	
Interest earned on demand deposits	4,000	4,034	34	
Total Interest	5,000	5,313	313	
Total Revenues	3,930,000	4,124,191	194,191	
Expenditures:				
Current:				
Debt Service:				
Principal retirement	2,119,000	2,119,000	-	
Interest and fiscal agent charges	1,220,170	1,194,613	25,557	
Total Debt Service	3,339,170	3,313,613	25,557	
Total Expenditures	3,339,170	3,313,613	25,557	
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	590,830	810,578	219,748	
Other Financing Sources (Uses):				
Transfers out	(500,000)	(437,221)	62,779	
Total Other Financing Sources (Uses)	(500,000)	(437,221)	62,779	
Net Change in Fund Balance	90,830	373,357	282,527	
Fund Balance at Beginning of Year	1,315,076	1,315,076		
Fund Balance at End of Year	\$ 1,405,906	\$ 1,688,433	\$ 282,527	

CITY OF MISSION, TEXAS COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS SEPTEMBER 30, 2013

ASSETS	Capi	tal Projects Fund	 2007 tificates of bligation	 2009 rtificates of obligation	 2010 rtificates of obligation	2012 rtificates of Obligation	]	Total Nonmajor Capital Projects Funds (See xhibit C-1)
Cash and cash equivalents Investments	\$	61,568	\$ 54,270	\$ 510,062 389,055	\$ 126,834	\$ 927,593	\$	1,680,327 389,055
Receivables: Accounts		_	_	18,828	_	_		18,828
Accrued interest receivable		_	_	-	_	77		77
Total Assets	\$	61,568	\$ 54,270	\$ 917,945	\$ 126,834	\$ 927,670	\$	2,088,287
LIABILITIES								
Accounts payable	\$	-	\$ _	\$ 3,517	\$ 956	\$ 39,685	\$	44,158
Other liabilities		-	-	276,253	-	-		276,253
Retainage payable			 -	218,647	31,292	 -		249,939
Total Liabilities				498,417	 32,248	39,685	_	570,350
FUND BALANCES								
Reserved for capital projects		61,568	54,270	419,529	94,586	887,984		1,517,937
Total Fund Balances		61,568	54,270	419,529	94,586	887,984		1,517,937
Total Liabilities and Fund Balances	\$	61,568	\$ 54,270	\$ 917,946	\$ 126,834	\$ 927,669	\$	2,088,287

**CITY OF MISSION, TEXAS** *COMBINING STATEMENT OF REVENUES, EXPENDITURES,* AND CHANGES IN FUND BALANCE NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Projects Fund	2007 Certificates of Obligation	2009 Certificates of Obligation	2010 Certificates of Obligation	2012 Certificates of Obligation	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:						
Interest	\$ -	\$ 157	\$ 700	\$ 270	\$ 1,522	\$ 2,649
Total Revenues		157	700	270	1,522	2,649
Expenditures:						
Current:						
Capital projects	4,369	8,778	632,460	344,465	557,788	1,547,860
Total Expenditures	4,369	8,778	632,460	344,465	557,788	1,547,860
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	(4,369)	(8,621)	(631,760)	(344,195)	(556,266)	(1,545,211)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-		-		-
Net Change in Fund Balance	(4,369)	(8,621)	(631,760)	(344,195)	(556,266)	(1,545,211)
Fund Balance at Beginning of Year	65,937	62,891	1,051,288	438,781	1,444,250	3,063,147
Fund Balance at End of Year	\$ 61,568	\$ 54,270	\$ 419,528	\$ 94,586	\$ 887,984	\$ 1,517,936

#### 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.

<u>Utility Fund</u>: 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.

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



UTILITY FUND
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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FOR THE YEAR ENDED SEPTEMBER 30, 2013	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)	
Operating Revenues:	ф. 11 040 000	ф. 11 c50 550	Φ (10.550	
Water sales, net of adjustment	\$ 11,040,000	\$ 11,653,573	\$ 613,573	
Connection fee	140,000	99,691	(40,309)	
Reconnect fee	90,000	91,120	1,120	
W/W system cap. recovery fee	<del>-</del>	51,649	51,649	
Sewage service	5,675,000	5,957,291	282,291	
Wastewater assessment	65,000	45,800	(19,200)	
Service charge	70,000	58,232	(11,768)	
Industrial sewer surcharge	45,000	36,467	(8,533)	
Waterline and sewer line	1,000	11,430	10,430	
5% credit card fee	16,000	19,175	3,175	
Miscellaneous income	20,000	23,054	3,054	
Operating Revenues	17,162,000	18,047,482	885,482	
Nonoperating Revenues:				
Interest earned	30,000	59,114	29,114	
Gain (loss) on disposal of capital assets	-	12,650	12,650	
Insurance settlement	-	355	355	
Nonoperating Revenues	30,000	72,119	42,119	
Total Revenues	17,192,000	18,119,601	927,601	
Operating Expenses:				
Utility Administration:				
Personal services	583,340	532,212	51,128	
Employee benefits	168,415	148,705	19,710	
Purchased property services	18,200	16,713	1,487	
Other purchased services	23,150	13,781	9,369	
Supplies	8,750	5,502	3,248	
Miscellaneous	1,350	816	534	
	803,205	717,729	85,476	
Water Distribution:				
Personal services	1,000,207	921,093	79,114	
Employee benefits	385,537	372,392	13,145	
Purchased property services	559,000	400,950	158,050	
Other purchased services	26,700	33,561	(6,861)	
Supplies	883,500	652,743	230,757	
Capital outlays	1,761,800	1,100,197	661,603	
Miscellaneous	20,500	16,944	3,556	

UTILITY FUND
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Page 2 of 4

	Budgeted	Actual Budget	Variance Positive
	Amounts	Basis	(Negative)
Water Treatment:			( 18 1
Personal services	352,115	350,745	1,370
Employee benefits	133,706	131,005	2,701
Professional & technical services	80,000	66,633	13,367
Purchased property services	312,100	307,624	4,476
Other purchased services	22,000	12,753	9,247
Supplies	888,300	801,406	86,894
Capital outlays	115,067	94,408	20,659
Miscellaneous	71,500	49,222	22,278
	1,974,788	1,813,796	160,992
Wastewater Treatment and Collection:			
Personal services	389,445	342,058	47,387
Employee benefits	137,788	128,886	8,902
Professional & technical services	50,000	44,962	5,038
Purchased property services	848,500	807,966	40,534
Other purchased services	7,400	7,321	79
Supplies	243,600	213,045	30,555
Capital outlays	90,000	87,145	2,855
Miscellaneous	265,000	221,802	43,198
	2,031,733	1,853,185	178,548
Industrial Pretreatment:			
Personal services	42,563	42,679	(116)
Employee benefits	13,902	13,814	88
Purchased property services	135,000	139,445	(4,445)
Other purchased services	1,100	745	355
Supplies	13,800	11,668	2,132
Capital outlays	9,000	8,261	739
Miscellaneous	75,000	23,815	51,185
	290,365	240,427	49,938
Utility Billing and Collection:			
Personal services	239,438	243,336	(3,898)
Employee benefits	81,745	79,048	2,697
Purchased property services	25,200	17,311	7,889
Other purchased services	149,075	104,894	44,181
Supplies	19,340	11,478	7,862
Capital outlays	35,000	9,499	25,501
Miscellaneous	3,000	2,244	756
	552,798	467,810	84,988

UTILITY FUND
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Page 3 of 4

Organizational Expense:         140,000         17,203         122,797           Professional & technical services         73,000         68,419         4,581           Capital outlays         30,000         -         30,000           Miscellaneous         404,333         136,474         267,839           Meter Readers:         242,255         240,885         1,370           Employee benefits         98,396         95,847         2,549           Purchased property services         8,500         7,355         1,145           Other purchased services         111,340         2,203         90,77           Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           Capital outlays         61,200         55,826         5,374           Northside Water Treatment Plant:         223,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         233,789         228,599         5,190           Professional & technical services         3,900         3,228         672           Supplies         1,455,150         130,2171	FOR THE YEAR ENDED SEPTEMBER 30, 2013	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Other purchased services         73,000         68,419         4,581           Capital outlays         30,000         -         30,000           Miscellaneous         404,333         136,474         267,859           Meter Readers:         2         22,255         240,885         1,370           Employee benefits         98,396         95,847         2,549           Purchased property services         8,500         7,355         1,145           Other purchased services         111,340         2,263         90,77           Supplies         115,200         94,843         20,375           Capital outlays         61,200         55,826         5,374           Capital outlays         61,200         55,826         5,374           Northside Water Treatment Plant:         2         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,906         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92				
Capital outlays         30,000         -         30,000           Miscellaneous         404,333         136,474         267,859           Meter Readers:         Personal services         242,255         240,885         1,370           Employee benefits         98,396         95,847         2,549           Purchased property services         85,000         7,355         1,145           Other purchased services         113,40         2,263         9,077           Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           Northside Water Treatment Plant:         Personal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         23,789         228,599         5,190           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Miscellaneous         44,000         5,509         38,491           Professiona				
Miscellaneous         404,333 (42,33)         136,474 (22,327)         267,859 (42,237)           Meter Readers:         Personal services         242,255 (240,885)         1,370 (25,49)           Employee benefits         98,396 (95,847)         2,549 (25,49)           Purchased property services         8,500 (7,355)         1,145 (14,50)           Other purchased services         111,340 (2,263)         9,077 (25,37)           Supplies         115,200 (4,843)         20,357 (25,37)           Capital outlays         61,200 (55,826)         5,374 (25,37)           Northside Water Treatment Plant:         Personal services         233,789 (28,599)         5,190 (27,37)           Personal services         25,500 (16,660)         14,340 (27,37)	-		68,419	
Meter Readers:         Personal services         242,255         240,885         1,370           Employee benefits         98,396         95,847         2,549           Purchased property services         8,500         7,355         1,145           Other purchased services         11,340         2,263         9,077           Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           536,891         497,019         39,872           Northside Water Treatment Plant:         Personal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Miscellaneous         44,000         43,652         348           Miscellaneous         7,555         -         7,555           Capital outlay			-	
Meter Readers:         Personal services         242,255         240,885         1,370           Employee benefits         98,396         95,847         2,549           Purchased property services         8,500         7,355         1,145           Other purchased services         111,340         2,263         9,077           Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           Northside Water Treatment Plant:         233,789         228,599         5,190           Personal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,390         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           Professional & technical services         7,555	Miscellaneous			
Personal services         242,255         240,885         1,370           Employee benefits         98,396         95,847         2,549           Purchased property services         8,500         7,355         1,145           Other purchased services         11,340         2,263         9,077           Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           Northside Water Treatment Plant:         ***         ***           Personal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         34,84           Miscellaneous         44,000         5,509         38,491           Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         7,555           Capit		047,333	222,096	425,237
Employee benefits   98,396   95,847   2,549     Purchased property services   8,500   7,355   1,145     Other purchased services   11,340   2,263   9,077     Supplies   115,200   94,843   20,357     Capital outlays   61,200   55,826   5,374     536,891   497,019   39,872     Northside Water Treatment Plant:     Personal services   233,789   228,599   5,190     Employee benefits   96,984   93,989   2,995     Professional & technical services   25,000   10,660   14,340     Purchased property services   497,400   428,506   68,894     Other purchased services   3,900   3,228   672     Supplies   1,455,150   1,362,171   92,979     Capital outlays   44,000   43,652   348     Miscellaneous   44,000   5,509   38,491     Z,400,223   2,176,314   223,909    2006 A Revenue Bond   Professional & technical services   7,555   - 7,555     Capital outlays   10,560   18,115   (7,555)     Capital outlays   1,560   18,115   (7,555)     Total Operating Expenses   1,892,695   11,504,371   2,388,324    Nonoperating Expenses   1,192,442   1,255,449   (63,007)     Bond principal   1,933,000   1,933,000   1,000     Transfers:   Transfers in (out)   (4,600,000)   (4,600,000)   - 1,000     Transfers:   Transfers in (out)   (4,600,000)   (4,600,000)   - 1,000     Transfers in (out)   (4,60	Meter Readers:			
Purchased property services         8,500         7,355         1,145           Other purchased services         11,340         2,263         9,077           Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           Northside Water Treatment Plant:         Presonal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses	Personal services	242,255	240,885	1,370
Other purchased services         11,340         2,263         9,077           Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           Sofa,891         497,019         39,872           Northside Water Treatment Plant:         Teasure of the property services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         7,555           Capital outlays         13,892,695         11,504,371         2,388,324           Nonoperating Expenses         1,932,000         1,933,00	Employee benefits	98,396	95,847	2,549
Supplies         115,200         94,843         20,357           Capital outlays         61,200         55,826         5,374           536,891         497,019         39,872           Northside Water Treatment Plant:         Tersonal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995         1,90           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses         6,000         5,000 </td <td>Purchased property services</td> <td>8,500</td> <td>7,355</td> <td>1,145</td>	Purchased property services	8,500	7,355	1,145
Capital outlays         61,200         55,826         5,374           536,891         497,019         39,872           Northside Water Treatment Plant:         Personal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Capital outlays         13,892,695         11,504,371         2,388,324           Nonoperating Expenses         1,192,442         1,255,449         (63,007)           Bond fiscal charges         6,000         5,000         1,000	Other purchased services	11,340	2,263	9,077
Northside Water Treatment Plant:   Personal services   233,789   228,599   5,190     Employee benefits   96,984   93,989   2,995     Professional & technical services   25,000   10,660   14,340     Purchased property services   497,400   428,506   68,894     Other purchased services   3,900   3,228   672     Supplies   1,455,150   1,362,171   92,979     Capital outlays   44,000   43,652   348     Miscellaneous   44,000   5,509   38,491     2,400,223   2,176,314   223,909     2006 A Revenue Bond   Professional & technical services   7,555   7,555     Capital outlays   10,560   18,115   (7,555)     Total Operating Expenses   1,192,442   1,255,449   (63,007)     Bond interest expense   1,192,442   1,255,449   (63,007)     Bond principal   1,933,000   1,933,000   - 1,000     Transfers   Transfers in (out)   (4,600,000)   (4,600,000)   - 1,000     Transfers   Transfers in (out)   (4,600,000)   (4,600,000)   - 1,000   - 1,000     Transfers in (out)   (4,600,000)   (4,600,000)   - 1,000     Transfers in (out)   (4,600,000)	Supplies	115,200	94,843	20,357
Northside Water Treatment Plant:         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Capital outlays         10,560         18,115         -           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)	Capital outlays	61,200	55,826	5,374
Personal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         38           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Capital outlays         10,560         18,115         -           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses:         5,000         5,000         1,000           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Ex		536,891	497,019	39,872
Personal services         233,789         228,599         5,190           Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         38           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Capital outlays         10,560         18,115         -           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses:         5,000         5,000         1,000           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Ex	Northside Water Treatment Plant:			
Employee benefits         96,984         93,989         2,995           Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Capital outlays         10,560         18,115         -           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses:         1,192,442         1,255,449         (63,007)           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)		233.789	228,599	5.190
Professional & technical services         25,000         10,660         14,340           Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         7,555         -         7,555           Capital outlays         10,560         18,115         7,555           Capital outlays         10,560         18,115         -           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses:         1,192,442         1,255,449         (63,007)           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)           Transfers:         Transfers in (out)         (4,600,000)         (4,600,000)         <				
Purchased property services         497,400         428,506         68,894           Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Capital outlays         13,892,695         11,504,371         2,388,324           Nonoperating Expenses         1,192,442         1,255,449         (63,007)           Bond interest expense         1,192,442         1,255,449         (63,007)           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)           Transfers:         Transfers in (out)         (4,600,000)         (4,600,000)         -				
Other purchased services         3,900         3,228         672           Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses         1,192,442         1,255,449         (63,007)           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)           Transfers:         Transfers in (out)         (4,600,000)         (4,600,000)         -				
Supplies         1,455,150         1,362,171         92,979           Capital outlays         44,000         43,652         348           Miscellaneous         44,000         5,509         38,491           2,400,223         2,176,314         223,909           2006 A Revenue Bond         Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses:         8         1,192,442         1,255,449         (63,007)           Bond interest expense         1,192,442         1,255,449         (63,007)           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)           Transfers:         Transfers in (out)         (4,600,000)         (4,600,000)         -				
Capital outlays       44,000       43,652       348         Miscellaneous       44,000       5,509       38,491         2,400,223       2,176,314       223,909         2006 A Revenue Bond       Professional & technical services       7,555       -       7,555         Capital outlays       10,560       18,115       (7,555)         Capital outlays       13,892,695       11,504,371       2,388,324         Nonoperating Expenses       1,192,442       1,255,449       (63,007)         Bond interest expense       6,000       5,000       1,000         Bond principal       1,933,000       1,933,000       -         Nonoperating Expenses       3,131,442       3,193,449       (62,007)         Transfers:       Transfers in (out)       (4,600,000)       (4,600,000)       -	-			
Miscellaneous         44,000 2,400,223         5,509 2,176,314         38,491 223,909           2006 A Revenue Bond Professional & technical services         7,555 - 7,5				
2,400,223   2,176,314   223,909				
Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           18,115         18,115         18,115         -           Total Operating Expenses           Bond interest expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses         1,192,442         1,255,449         (63,007)           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)           Transfers:           Transfers in (out)         (4,600,000)         (4,600,000)         -				
Professional & technical services         7,555         -         7,555           Capital outlays         10,560         18,115         (7,555)           18,115         18,115         18,115         -           Total Operating Expenses           Bond principal Expenses:         1,192,442         1,255,449         (63,007)           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)           Transfers:           Transfers in (out)         (4,600,000)         (4,600,000)         -	2006 A Revenue Rond			
Total Operating Expenses  13,892,695  11,504,371  2,388,324  Nonoperating Expenses:  Bond interest expense  Bond fiscal charges  Bond principal  Nonoperating Expenses  1,192,442 1,255,449 (63,007) 1,000 Bond principal 1,933,000 1,933,000 - Nonoperating Expenses  Transfers:  Transfers in (out)  (4,600,000)  (4,600,000)  -		7,555	-	7,555
Total Operating Expenses         13,892,695         11,504,371         2,388,324           Nonoperating Expenses:         8000         1,192,442         1,255,449         (63,007)           Bond fiscal charges         6,000         5,000         1,000           Bond principal         1,933,000         1,933,000         -           Nonoperating Expenses         3,131,442         3,193,449         (62,007)           Transfers:         (4,600,000)         (4,600,000)         -	Capital outlays	10,560	18,115	(7,555)
Nonoperating Expenses:  Bond interest expense		18,115	18,115	-
Bond interest expense       1,192,442       1,255,449       (63,007)         Bond fiscal charges       6,000       5,000       1,000         Bond principal       1,933,000       1,933,000       -         Nonoperating Expenses       3,131,442       3,193,449       (62,007)         Transfers:         Transfers in (out)       (4,600,000)       (4,600,000)       -	Total Operating Expenses	13,892,695	11,504,371	2,388,324
Bond interest expense       1,192,442       1,255,449       (63,007)         Bond fiscal charges       6,000       5,000       1,000         Bond principal       1,933,000       1,933,000       -         Nonoperating Expenses       3,131,442       3,193,449       (62,007)         Transfers:         Transfers in (out)       (4,600,000)       (4,600,000)       -	Nonoperating Expenses:			
Bond fiscal charges       6,000       5,000       1,000         Bond principal       1,933,000       1,933,000       -         Nonoperating Expenses       3,131,442       3,193,449       (62,007)         Transfers:         Transfers in (out)       (4,600,000)       (4,600,000)       -		1.192.442	1.255.449	(63.007)
Bond principal       1,933,000       1,933,000       -         Nonoperating Expenses       3,131,442       3,193,449       (62,007)         Transfers:         Transfers in (out)       (4,600,000)       (4,600,000)       -				
Nonoperating Expenses 3,131,442 3,193,449 (62,007)  Transfers: Transfers in (out) (4,600,000) (4,600,000) -				-
Transfers in (out) (4,600,000) (4,600,000) -				(62,007)
Transfers in (out) (4,600,000) (4,600,000) -	Transfers:			
Capital Contributions - 483,302 483,302		(4,600,000)	(4,600,000)	
	Capital Contributions		483,302	483,302

**EXHIBIT C-24** 

Page 4 of 4

UTILITY FUND
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Actual	Variance
Budgeted	Budget	Positive
Amounts	Basis	(Negative)
21,624,137	18,814,518	2,809,619
\$ (4,432,137)	(694,917)	\$ 3,737,220
	(4,962,580)	
	1,933,000	
	1,417,104	
	(1,612,476)	
	\$ (2,307,393)	
	Amounts 21,624,137	Budgeted Budget Amounts Basis  21,624,137 18,814,518  \$ (4,432,137) (694,917)  (4,962,580) 1,933,000  1,417,104 (1,612,476)

GOLF COURSE FUND ENTERPRISE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 1 of 2

•	Budgeted	Actual Budget	Variance Positive (Negative)	
	Amounts	Basis		
Operating Revenues:			,	
Pro shop sales	\$ 100,000	\$ 81,089	\$ (18,911)	
Cart and club rental	185,000	171,145	(13,855)	
Pull carts and club rentals	2,600	2,006	(594)	
Food and beverage sales	105,000	108,771	3,771	
Daily green fees	385,000	345,957	(39,043)	
Trail fees	65,000	57,371	(7,629)	
Juniors' fees	30,000	21,577	(8,423)	
Capital fees	-	5,288	5,288	
Prepaid members	235,000	208,035	(26,965)	
Driving range	41,000	30,358	(10,642)	
Miscellaneous income	2,000	1,446	(554)	
Operating Revenues	1,150,600	1,033,043	(117,557)	
Nonoperating Revenues:				
Interest earned		8	8	
Nonoperating Revenues	<del>-</del> _	8	8	
Total Revenues	1,150,600	1,033,051	(117,549)	
Operating Expenses:				
Cost of sales-pro shop	70,000	64,293	5,707	
Cost of sales-restaurant	55,000	55,093	(93)	
Total Cost of Sales	125,000	119,386	5,614	
Golf Course Operation:				
Club House:				
Personal services	247,004	236,484	10,520	
Employee benefits	76,096	68,819	7,277	
Purchased property services	47,000	46,917	83	
Other purchased services	7,120	6,583	537	
Supplies	40,750	32,707	8,043	
Capital outlays	1,000	627	373	
Miscellaneous	960	1,039	(79)	
	419,930	393,176	26,754	
Grounds:				
Personal services	299,852	302,470	(2,618)	
Employee benefits	118,594	115,742	2,852	
Purchased property services	34,222	36,760	(2,538)	
Other purchased services	1,000	_	1,000	
Supplies	134,278	110,204	24,074	
Capital outlays	1,000	-	1,000	
Miscellaneous	500	-	500	
	589,446	565,176	24,270	

## CITY OF MISSION, TEXAS EXHIBIT C-25

GOLF COURSE FUND ENTERPRISE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 2013 Page 2 of 2

	Budgeted	Actual Budget	Variance Positive
	Amounts	Basis	(Negative)
Restaurant:			,
Personal services	40,385	31,710	8,675
Employee benefits	9,544	6,543	3,001
Miscellaneous	1,000	631	369
	50,929	38,884	12,045
Organizational Expense:			
Other purchased services	5,000	8,807	(3,807)
Miscellaneous	16,480	14,756	1,724
	21,480	23,563	(2,083)
Total Golf Course Operation	1,206,785	1,140,185	66,600
Depreciation	-	265,606	(265,606)
Total Operating Expenses	1,206,785	1,405,791	(199,006)
Nonoperating Expenses:			
Capital lease interest expense	1,206	1,331	(125)
Bond and capital lease principal	26,099	22,585	3,514
Nonoperating Expenses	27,305	23,916	3,389
Transfers:			
Transfers in (out)		<u> </u>	
Capital Contributions			
Operating and Nonoperating Expenses,			
Transfers and Capital Contributions (Budgetary Basis)	1,234,090	1,429,707	(195,617)
Net Income (Budgetary Basis)	\$ (83,490)	(396,656)	\$ (313,166)
Adjustments:			
Bond and capital lease principal		22,585	
Amount budgeted as expense per budget basis,			
capitalized per GAAP basis		627	
		23,212	
Net Income (GAAP Basis)		\$ (373,444)	

**EXHIBIT C-26** 

SOLID WASTE ENTERPRISE FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED SEPTEMBER 30, 201

FOR THE YEAR ENDED SEPTEMBER 30, 2013			
			Variance
			Positive
	Budget	Actual	(Negative)
Operating Revenues:			
Garbage fees	\$ 5,200,000	\$ 5,482,848	\$ 282,848
Brush fees	615,000	634,855	19,855
Roll-off fees	5,000	3,829	(1,171)
Franchise fees	115,000	121,022	6,022
Miscellaneous income	3,000	3,126	126
Operating Revenues	5,938,000	6,245,680	307,680
Nonoperating Revenues:			
Interest earned	2,000	5,039	3,039
Nonoperating Revenues	2,000	5,039	3,039
Total Revenues	5,940,000	6,250,719	310,719
Operating Expenses:			
Personal services	44,299	48,064	(3,765)
Employee benefits	18,552	18,909	(357)
Other purchased services	570	346	224
Supplies	400	-	400
Capital outlays	24,700	16,518	8,182
Solid waste disposal	5,450,000	5,713,744	(263,744)
Miscellaneous	2,700	3,659	(959)
Rental-machinery & equipment	5,000	-	5,000
Supplies	400	_	400
Total Expenses	5,546,621	5,801,240	(254,619)
Depreciation		826	(826)
Total Operating Expense	5,546,621	5,802,066	(255,445)
Transfers:			
Transfers in (out)	-	-	-
Tamoreto III (out)			
Operating and Nonoperating Expenses,			
Transfers and Capital Contributions (Budgetary Basis)	5,546,621	5,802,066	(255,445)
Net Income (Budgetary Basis)	\$ 393,379	448,653	\$ 55,274
A disastance of			
Adjustments:  Bond and capital lease principal			
Amount budgeted as expense per budget basis,		-	
capitalized per GAAP basis		16 510	
capitalized per GAAF Dasis		16,518	
		16,518	
Net Income (GAAP Basis)		\$ 465,171	



CAPITAL ASSETS
USED IN THE
OPERATION OF
GOVERNMENTAL
FUNDS



# CITY OF MISSION, TEXAS CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULE BY SOURCE

As of September 30, 2013 and 2012

	2013	2012
Governmental Funds Capital Assets:		
Land	\$ 33,641,748	\$ 33,363,078
Buildings and structures	20,614,693	20,244,915
Improvements other than buildings	16,123,750	10,206,304
Furniture and equipment	24,939,868	23,686,603
Construction in progress	3,845,413	8,431,242
Infrastructure	86,575,905	79,589,402
Total Governmental Funds Capital Assets	\$ 185,741,377	\$ 175,521,544
Investment in Governmental Funds Capital Assets by Source:		
General fund revenues	\$ 90,304,042	\$ 89,659,595
Bond funds	33,393,660	31,852,657
Enterprise funds	1,264	1,264
Special funds	19,014,634	16,893,072
Donations	15,113,032	9,858,795
Developers	27,914,745	27,256,161
Total Governmental Funds Capital Assets	\$ 185,741,377	\$ 175,521,544

## 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, 2013

Function and Activity:	Ca	rnmental Funds apital Assets ptember 30, 2012	A	dditions	De	eductions	C	rnmental Funds apital Assets eptember 30, 2013
General Government	\$	8,971,552	\$	558,566	\$	381,591	\$	9,148,527
Public Safety		28,275,449		1,258,665		298,748		29,235,366
Highways and Streets		113,193,238	:	8,929,651		987,946		121,134,943
Health and Welfare		194,420		30,618		-		225,038
Cultural and Recreational		24,886,885		6,325,019		5,214,400		25,997,504
Total Governmental Funds Capital Assets	\$	175,521,544	\$ 1	7,102,519	\$	6,882,685	\$	185,741,378

CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY

September 30, 2013

Function and Activity	Land	Buildings and Structures	Improvements Other Than Buildings	Furniture and Equipment	Infrastructure	Construction In Progress	Total
General Government	\$ 3,497,295	\$ 3,450,090	\$ 542,810	\$ 1,621,401	\$ 36,930		\$ 9,148,526
Public Safety	600,757	10,622,311	216,672	17,794,002	1,625	1	29,235,367
Highways and Streets	28,022,199	ı	354,917	2,911,884	86,308,362	3,537,582	121,134,944
Health and Welfare	ı	15,640	ı	209,397	ı	ı	225,037
Cultural and Recreational	1,521,497	6,526,652	15,009,352	2,403,184	228,987	307,831	25,997,503
Total Governmental Funds Capital Assets	\$ 33,641,748	\$ 20,614,693	\$ 16,123,751	\$ 24,939,868	\$ 86,575,904	\$ 3,845,413	\$ 185,741,377





## CITY OF MISSION, TEXAS UTILITY FUND

## SCHEDULE OF REVENUE BOND COVERAGE

Year Ended September 30, 2013

-	g Revenues Earned by funds Created by	\$	18,047,481 6,035	
	the Bond Indenture		<u> </u>	
	Gross Revenues Per Bond Ordin	nance		\$ 18,053,516
	g Expenses preciation Expense		15,049,847 (4,962,580)	
	Operating Expenses Per Bond C	Ordinar	ice	 10,087,267
	Net Revenue Per Bo	ond Or	dinance	\$ 7,966,249
Average A	Annual Debt Service Requirements			\$ 2,557,741
Succeedin	ng Fiscal Year Debt Service Requirement			\$ 3,115,474
Required Coverage Ratio				<u>125</u> %
Calculate	d Coverage Ratio			
A)	Based upon Average Annual Debt Service	Requi	rements	<u>311</u> %
B)	Based upon Succeeding Fiscal Year Debt	Service	Requirements	<u>256</u> %

## CITY OF MISSION, TEXAS UTILITY FUND

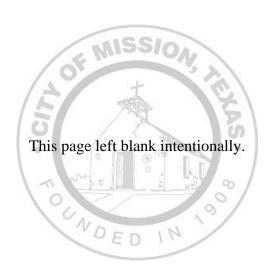
#### SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-

#### RESTRICTED ACCOUNTS

## REVENUE BOND COVERAGE SCHEDULE REQUIRED BY REVENUE BOND ORDINANCE

Year Ended September 30, 2013

	Interest and Sinking Cash	Waterworks and Sewer Construction Cash	Reserve Cash	Extension and Improvement Cash	Total
Cash	\$ 966,680	\$ 19,304	\$ 211,449	\$ 10,165	\$ 1,207,598
Investments	350,885	-	1,429,428	296,156	2,076,469
Cash and Investments September 30, 2012	\$ 1,317,565	\$ 19,304	\$ 1,640,877	\$ 306,321	\$ 3,284,067
Cash Receipts: Transfer from operating cash Transfer from construction accts Transfer from	3,172,384	- -	2,558	750 -	3,175,692
other I&S accounts	-	-	-	-	-
Bond Proceeds Refund on issuance cost	-	-	-	-	-
Interest received	1,713	_	2,990	1,332	6,035
Total Cash Receipts	3,174,097		5,548	2,082	3,181,727
Total Cash And Investments Available	4,491,662	19,304	1,646,425	308,403	6,465,794
Cash Disbursements: Principal payments Interest and fiscal	1,933,000	-	-	-	1,933,000
charges	1,217,137	-	-	-	1,217,137
Bank Charges Transfer to Debt	501	-	180	70	751
Transfer to Best Transfer to Reserve Transfer to	-	-	-	-	-
other I&S accounts	-	-	-	-	-
Construction costs Total Cash Disbursements	3,150,638	18,116 18,116	180	70	<u>18,116</u> 3,169,004
Cash and Investments,	<del>-</del>				
September 30, 2012	\$ 1,341,024	\$ 1,188	\$ 1,646,245	\$ 308,333	\$ 3,296,790
Total Cash and Investments Restricted at September 30, 2013 is Composed of the Following: Cash and cash equivalents	\$ 989,807	\$ 1,188	\$ 417,121	\$ 54,331	\$ 1,462,447
Investments	351,217	-	1,229,124	254,002	1,834,343
Total	\$ 1,341,024	\$ 1,188	\$ 1,646,245	\$ 308,333	\$ 3,296,790
1 0001	,1,021	- 1,100	÷ -,, <b>-</b>	, 200,000	, -,-,-,,,,



## STATISTICAL SECTION

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

Contents	<b>Page</b>
Financial Trends	177
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed overtime.	
Revenue Capacity	184
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	188
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	193
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	195
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.	



City of Mission Net Position by Component Last Ten Fiscal Years

				FISCAL	FISCAL YEAR					
	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013
Governmental Activities Net investment in capital assets Restricted Unrestricted	\$ 59,147,606 \$ 56,117,203 800,978 802,534 3,140,122 9,351,081	\$ 56,117,203 802,534 9,351,081	\$ 67,235,280 1,288,945 4,758,744	\$ 70,919,116 2,061,067 6,276,658	\$ 80,154,508 3,366,072 8,107,109	\$ 81,796,368 3,176,789 7,831,393	\$ 83,887,342 3,438,023 7,082,454	\$ 84,133,258 5,637,112 7,201,682	\$ 83,493,816 6,781,018 3,784,019	\$ 86,989,075 7,775,479 3,619,351
Total governmental activities net position	\$ 63,088,706	\$ 66,270,818	\$ 73,282,969	\$ 79,256,841	\$ 91,627,689	\$ 92,804,550	\$ 94,407,819	\$ 96,972,052	\$ 94,058,853	\$ 98,383,905
Business-Type Activities  Not investment in capital assets	\$ 30.774.825	\$ 43.815.647	\$ 50 914 486	\$ 53.887.018	\$ 59.781.770	\$ 58 872 531	28 388 687	\$ 59 964 330	090 698 85 \$	\$ 56 518 755
Restricted	3,827,894	3,634,865	1,993,403	3,673,491	4,611,532	5,054,584	4,891,629	4,324,052	4,357,163	4,453,092
Unrestricted	3,683,488	2,852,339	6,319,627	6,735,489	6,311,881	6,694,247	6,126,919	8,521,237	10,924,800	10,480,521
Total business-type activities net position	\$ 38,286,207	\$ 50,302,851	\$ 59,227,516	\$ 64,290,998	\$ 70,705,183	\$ 70,621,362	\$ 69,287,230	\$ 72,809,619	\$ 73,644,022	\$ 71,452,367
Primary Government Net investment in capital assets	\$ 89,922,431	\$ 99,932,850	\$118,149,766	\$124,801,134	\$139,936,278	\$140,668,899	\$142,156,024	\$144,097,588	\$ 141,855,876	\$ 143,507,830
Restricted	4,628,872	4,437,399	3,282,348	5,734,558	7,977,604	8,231,373	8,329,652	9,961,164	11,138,181	12,228,571
Unrestricted	6,823,610	12,203,420	11,078,371	13,012,147	14,418,990	14,525,640	13,209,373	15,722,919	14,708,819	14,099,872
Total primary government net position	\$ 101,374,913	\$116,573,669	\$132,510,485	\$143,547,839	\$162,332,872	\$163,425,912	\$163,695,049	\$ 169,781,671	\$ 167,702,875	\$ 169,836,272

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

City of Mission Changes in Net Position Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
General Government	\$ 6,905,631	\$ 7,109,520	\$ 8,112,283	\$ 7,742,186	\$ 8,100,542	\$ 7,742,072	\$ 14,511,545	\$ 7,570,043	\$ 8,764,781	\$ 7,937,668
Public Safety	10,633,900	12,438,467	13,451,482	14,890,373	16,907,573	20,240,072	19,309,796	19,387,472	21,485,642	21,229,856
Highways and streets	3,968,401	4,430,985	5,466,843	5,479,786	5,654,237	4,223,462	6,427,413	6,255,895	6,532,351	7,297,376
Sanitation	•	•	•	•	•	•	•	•	•	•
Health and welfare	511,520	522,734	526,449	359,073	334,726	374,867	570,197	903,935	1,354,970	988,923
Economic development	315,013	602,633	897,118	1,147,191	2,301,994	3,084,465	3,466,582	3,670,268	3,585,902	4,840,988
Culture and recreation	3,200,156	3,494,941	4,619,038	4,320,014	4,905,126	5,125,473	5,661,309	6,044,088	5,904,008	6,247,020
Interest on long-term debt	837,851	930,755	1,096,972	1,027,984	1,512,067	1,730,135	1,525,661	1,582,058	1,457,105	1,556,963
Total governmental activities expenses	26,372,472	29,530,035	34,170,185	34,966,607	39,716,265	42,520,546	51,472,503	45,413,759	49,084,759	50,098,794
Business-type Activities										
Utility system	11,056,182	11,434,910	11,362,995	12,225,436	14,665,301	15,343,467	15,305,547	15,376,432	15,668,400	16,290,053
Golf course operations	1,276,211	1,282,405	1,285,326	1,319,407	1,276,139	1,388,041	1,288,879	1,374,400	1,414,494	1,403,124
Solid waste operations	2,868,909	3,250,388	3,552,159	3,970,782	4,372,005	4,780,337	4,931,714	5,188,079	5,500,676	5,785,151
Total business-type activities expenses	15,201,302	15,967,703	16,200,480	17,515,625	20,313,445	21,511,845	21,526,140	21,938,911	22,583,570	23,478,328
Total primary government expenses	\$ 41,573,774	\$ 45,497,738	\$ 50,370,665	\$ 52,482,232	\$ 60,029,710	\$ 64,032,391	\$ 72,998,643	\$ 67,352,670	\$ 71,668,329	\$ 73,577,122
Program Revenues Governmental Activities Charcos for services										
General oovernment	\$ 1.093.022	\$ 1217 942	\$ 2,676,159	\$ 2,494,543	\$ 2.038.016	\$ 1.658320	\$ 1625 962	\$ 1 647 709	\$ 1810743	\$ 1848350
Public Safety										
Highways and streets	601,073	607,249	536,943	571,890	593,759	565,910	630,054	644,298	541,497	682,323
Sanitation	•	•	•	•	•	•	•	•	•	•
Health and welfare	213,159	174,673	165,112	308,457	284,437	256,293	274,502	134,981	235,708	153,223
Culture and recreation Other activities	439,014	272,120	148,885	283,201	350,394	351,378	279,180	306,294	337,112	328,626
Operating grants and contributions	3,872,830	3,529,449	3,146,796	4,659,478	6,453,451	6,389,650	7,271,889	6,152,917	7,475,190	4,937,211
Capital grants and contributions	5,650,496	5,627,239	8,801,715	5,251,523	11,098,136	1,962,259	7,701,238	1,170,433	1,067,989	6,673,301
Total governmental activities program revenues	12,846,320	12,477,565	15,582,131	13,663,976	20,916,929	11,304,813	17,892,832	10,162,355	11,551,381	14,690,198
Business-type activities										
Utility system	9.905.636	11.798.496	14.852.124	14.184.351	15.716.066	16.114.327	15.140.398	17.412.060	17.643.636	18.012.998
Golf course operation	1,020,308	1,028,222	1,036,110	1,056,872	1,077,578	1,047,543	905,113	1,137,503	1,080,635	1,031,598
Solid waste operation	3,017,843	3,253,240	3,569,570	3,951,204	4,505,551	4,777,898	5,187,400	5,813,098	6,032,202	6,242,554
Operating grants and contributions	236,991	210,701	214,527	778,236	518,466	172,971	26,525	17,397	14,463	13,216
Capital grants and contributions	5,327,926	11,635,606	5,739,699	2,866,803	5,629,521	684,120	677,685	3,157,395	393,825	483,302
Total business-type activities program revenues	19,508,704	27,926,265	25,412,030	22,837,466	27,447,182	22,796,859	21,937,121	27,537,453	25,164,761	25,783,668
Total primary government program revenues	\$ 32,355,024	\$ 40,403,830	\$ 40,994,161	\$ 36,501,442	\$ 48,364,111	\$ 34,101,672	\$ 39,829,953	\$ 37,699,808	\$ 36,716,142	\$ 40,473,866

	1	7000	3000	2000	2000	0000	0000	0100	2011	0100	2000
		<b>+007</b>	2002	2000	7007	2000	2002	2010	2011	2012	2102
	Net (expense)/revenue Governmental activities	\$ (13,526,152)	\$ (17,052,470)	\$ (18,588,054)	\$ (21,302,634)	\$ (18,799,336)	\$ (31,215,733)	\$ (33,579,671)	\$ (35,251,404)	\$ (37,533,378)	\$ (35,408,596)
	Business-type activities	4,307,402	11,958,562	9,211,550	5,321,841	7,133,738	1,285,014	410,981	5,598,542	2,581,191	2,305,340
	Total primary government net expense	\$ (9,218,750)	\$ (5,093,908)	\$ (9,376,504)	\$ (15,980,793)	\$ (11,665,598)	\$ (29,930,719)	\$ (33,168,690)	\$ (29,652,862)	\$ (34,952,187)	\$ (33,103,256)
	General Revenue and Other Changes in Net Position	ition									
	Governmental activities										
	Taxes										
	Property taxes	\$ 9,087,576	\$ 10,324,334	\$ 12,569,230	\$ 13,778,424	\$ 16,335,934	\$ 17,798,280	\$ 17,795,460	18,143,896	18,087,005	18,099,459
	Sales taxes	6,006,568	6,787,566	7,961,019	8,859,345	9,784,575	9,552,728	9,814,665	10,234,485	10,857,234	10,917,924
	Franchise taxes	1,692,582	2,013,665	2,028,000	2,069,904	2,248,558	2,265,859	2,326,751	2,396,994	2,790,119	2,542,621
	Hotel/motel taxes	249,137	283,886	309,496	358,276	479,950	400,690	490,446	496,759	537,574	577,711
	Alcoholic beverage taxes	27,189	33,608	51,914	59,529	79,084	86,136	79,864	78,066	73,518	69,167
	Shared revenue-tax increment zone	•	•	1,409,272	421,603	113,975	137,427	2,013,239	1,395,342	201,902	274,030
	Unrestricted grants and contributions	8,993	22,130	70,184	•	80,883	1,002		•	2	
	Investment earnings	103,604	124,325	280,538	371,301	328,642	110,515	29,131	41,545	54,703	66,153
	Miscellaneous	95,027	495,068	370,546	678,123	718,583	636,427	533,384	666,596	18,122	2,586,583
	Special item	•	•	•	•	•	(196,470)	•	1	•	
	Transfers	1,564,172	150,000	550,000	000,000	1,000,000	1,600,000	2,100,000	2,200,000	2,000,000	4,600,000
	Total governmental activities	18,834,848	20,234,582	25,600,199	27,276,505	31,170,184	32,392,594	35,182,940	35,953,087	34,620,179	39,733,648
	Business-type activities										
	Investment earnings	157,423	108,774	152,995	317,265	179,189	71,342	17,060	16,782	34,678	50,944
	Miscellaneous	14,435	99,307	110,121	104,376	101,258	159,822	221,302	107,065	218,534	52,061
1′	Transfers	(1,564,172)	(150,000)	(550,000)	(680,000)	(1,000,000)	(1,600,000)	(2,100,000)	(2,200,000)	(2,000,000)	(4,600,000)
79	Total business-type activities	(1,392,314)	58,081	(286,884)	(258,359)	(719,553)	(1,368,836)	(1,861,638)	(2,076,153)	(1,746,788)	(4,496,995)
	Total primary government	\$ 17,442,534	\$ 20,292,663	\$ 25,313,315	\$ 27,018,146	\$ 30,450,631	\$ 31,023,758	\$ 33,321,302	33,876,934	32,873,391	35,236,653
	Change in Net Position										
	Governmental activities	\$ 5,308,696	\$ 3,182,112	\$ 7,012,145	\$ 5,973,871	\$ 12,370,848	\$ 1,176,861	\$ 1,603,269	\$ 701,683	\$ (2,913,199)	\$ 4,325,052
	Business-type activities	2,915,088	12,016,643	8,924,666	5,063,483	6,414,185	(83,822)	(1,450,657)	3,522,389	834,403	(2,191,655)
	Total primary government	\$ 8,223,784	\$ 15,198,755	\$ 15,936,811	\$ 11,037,354	\$ 18,785,033	\$ 1,093,039	\$ 152,612	4,224,072	(2,078,797)	2,133,397

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

Fiscal	Property	Sales	Franchise	Hotel Occupancy	Alcoholic Beverage	
Year	Tax	Tax	Tax	Tax	Tax	Total
2004	9,087,576	6,006,568	1,692,582	249,137	27,189	17,063,052
2005	10,324,334	6,787,566	2,013,665	283,886	33,608	19,443,059
2006	12,569,230	7,961,019	2,028,000	309,496	51,914	22,919,659
2007	13,778,424	8,859,345	2,069,904	358,276	59,529	25,125,478
2008	16,335,934	9,784,577	2,248,558	479,950	79,084	28,928,103
2009	17,798,280	9,552,728	2,265,859	400,690	86,136	30,103,693
2010	17,795,460	9,814,665	2,326,751	490,446	79,864	30,507,186
2011	18,143,897	10,234,485	2,396,994	496,759	78,066	31,350,202
2012	18,087,005	10,857,234	2,790,119	537,574	73,518	32,345,450
2013	18,099,459	10,917,924	2,542,621	577,711	69,167	32,206,882

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

232,659       \$ 107,877       \$ 252,164       \$ 1,643,102       \$ 194,874       \$ 189,606         2,987,048       \$ 4341,125       \$ 121,470       \$ 4,206,593       7,083,203       7,861,173         1,219,707       \$ 4,344,002       \$ 5,373,634       \$ 5,849,695       \$ 7,278,077       \$ 8,050,779         1,254,71       \$ 4,572,792       \$ 4,322,710       \$ 8,976,608       \$ 11,61,627       \$ 1,1218,688         1,392,02       \$ 5,091,133       \$ 9,912,814       \$ 11,958,365       \$ 10,631,174         1,579,202       \$ 5,091,133       \$ 9,912,814       \$ 11,958,365       \$ 10,631,174         1,579,202       \$ 5,091,133       \$ 9,912,814       \$ 11,958,365       \$ 10,631,174         1,579,202       \$ 5,091,133       \$ 5,091,2814       \$ 11,958,365       \$ 10,631,174		2004	2005	2006	2007	2008	08 2009	2010	2011(1)	2012	2013
\$ 3,087,189 \$ 3,254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 1,786,5825 \$ 5,5074,179 \$ 5,091,133 \$ 9,912,814 \$ 11,958,365 \$ 10,0531,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 298,568 2,617,788 \$ 2,916,356	\$ 232,659 2,987,048	\$ 107,877 4,341,125 \$ 4,449,002	\$ 252,164 5,121,470 \$ 5,373,634	\$ 1,643,102 4,206,593 \$ 5,849,695	7 7	\$ 189,606 7,861,173 \$ 8,050,779	\$ \$	· · · ·	• • •
\$ 3.087,189 \$ 3.254,271 \$ 4572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486  \begin{tabular}{c c c c c c c c c c c c c c c c c c c										,	
\$ 3,087,189 \$ 3,254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 32,65,825 \$ 5,579,202 \$ 5,074,179 \$ 5,091,133 \$ 9,912,814 \$ 11,958,365 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		€	+	•	•	+	•	•			
\$ 3.087,189 \$ 3.254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 110,796,738 \$ 9,412,486 \$ 17,865,825 \$ 3.579,202 \$ 5,001,133 \$ 5,9012,814 \$ 111,61,627 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		·	·	·		·	×	·	\$ 34,400	\$ 32,000	\$ 29,600
\$ 3.087.189 \$ 3.254.271 \$ 4.572.792 \$ 4.322.710 \$ 8.976,608 \$ 10.796.738 \$ 9.412.486  \$ 3.265.825 \$ 3.579.202 \$ 5.074.179 \$ 5.091.133 \$ 9.912.814 \$ 11.958.365 \$ 10.631.174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		•	'	1	•		'	•	0.070	000	96/
\$ 3,087,189 \$ 3,254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 178,636 \$ 3,579,202 \$ 5,041,179 \$ 5,091,133 \$ 9,912,814 \$ 11,958,365 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		•	ı	1	•	ı	•	•	610,6	10,200	12,77
\$ 3.087,189 \$ 3.254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 178,636 \$ 5,579,202 \$ 5,074,179 \$ 5,091,133 \$ 9,912,814 \$ 11,958,365 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		•	,	,	,	,	'	,	707 546	,	172 579
\$ 3.087,189 \$ 3.254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 178,635 \$ 5,379,202 \$ 5,5091,133 \$ 9,912,814 \$ 11,958,365 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	nlacement	•	•	ı	•	İ	•	•	95,707	175 271	5 580
\$ 3.087.189 \$ 3.254.271 \$ 4.572.792 \$ 4.322.710 \$ 8.976.608 \$ 10.796,738 \$ 9.412.486  \$ 3.265.825 \$ 3.579.202 \$ 5.074.179 \$ 5.091.133 \$ 9.912.814 \$ 11.958.365 \$ 10.631.174  \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	epiacement	•	•	'	•	'	•	•	25,000	177,571	600,0
\$ 3.087,189 \$ 3.254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 178,636 \$ 3.24,931 \$ 5,091,133 \$ 9,912,814 \$ 11,958,365 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	x Giris Ciuo	•	1	•	•	1	•	•	20/,190	792,708	320,477
\$ 3,087,189 \$ 3,254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 178,636 \$ 324,931 \$ 5,091,133 \$ 9,912,814 \$ 11,958,365 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0								00000		
\$ 3.087.189 \$ 3.254.271 \$ 4.572.792 \$ 4.322.710 \$ 8.976.608 \$ 10,796,738 \$ 9,412,486  178.636	on programs	•	•	'	•	'	•	•	32,029	. 61011	
\$       \$ <th< td=""><td>propriation</td><td>•</td><td></td><td>i</td><td>•</td><td>i</td><td>'</td><td>•</td><td>1 1</td><td>1,119,142</td><td>2,8/1,133</td></th<>	propriation	•		i	•	i	'	•	1 1	1,119,142	2,8/1,133
\$ 3.087,189 \$ 3.254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 10,796,738 \$ 9,412,486 \$ 178,636 \$ 3.579,202 \$ 5,074,179 \$ 5,091,133 \$ 9,912,814 \$ 11,61,627 \$ 1,218,688 \$ 10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		9	9	9	9	•	3	9	9,179,554	3,010,483	5,880,888
\$ 3,087,189 \$ 3,254,271 \$ 4,572,792 \$ 4,322,710 \$ 8,976,608 \$ 110,796,738 \$ 9,412,486 \$ 178,636 \$ 1324,931 \$ 501,387 \$ 768,423 \$ 936,206 \$ 1,161,627 \$ 1,218,688 \$ 13,265,825 \$ \$ 3,579,202 \$ \$ 5,074,179 \$ \$ 5,091,133 \$ \$ 9,912,814 \$ \$ 11,958,365 \$ \$ 10,631,174 \$ \$ \$ \$ 1,000,000 \$ \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$ \$ 1,000,000 \$		÷	÷	÷	9	•	÷	÷	410,020,020	700,717,10	
3,087,189       \$ 3,254,271       \$ 4,572,792       \$ 4,322,710       \$ 8,976,608       \$ 10,796,738       \$ 9,412,486         178,636       324,931       501,387       768,423       936,206       1,161,627       1,218,688         3,265,825       \$ 3,579,202       \$ 5,074,179       \$ 5,091,133       \$ 9,912,814       \$ 11,958,365       \$ 10,631,174         -       \$       -       \$       -       \$       -         -       \$       -       \$       -       \$         -       -       \$       -       \$       -         -       -       \$       -       \$       -         -       -       \$       -       \$       -         -       -       -       \$       -       \$         -       -       -       -       -       -         -       -       -       -       -       -         -       -       -       -       -       -         -       -       -       -       -       -         -       -       -       -       -       -         -       -       -       -	FAL FUNDS										
178,636       \$324,931       \$5074,179       \$5,091,133       \$9,912,814       \$11,61,627       \$1,218,688         3,265,825       \$3,579,202       \$5,074,179       \$5,091,133       \$9,912,814       \$11,958,365       \$10,631,174         -       \$       -       \$       -       \$       -       \$         -       \$       -       \$       -       \$       -       -         -       -       -       -       -       -       -       -       -       -         -       <		\$ 3,087,189	\$ 3,254,271	\$ 4,572,792	\$ 4,322,710	\$ 8,976,608	\$10,796,738	\$ 9,412,486	<b>S</b>	· \$	· ·
1/8,036 3,265,825 \$ \$3,579,202 \$ \$5,074,179 \$ \$5,091,133 \$ \$9,912,814 \$ \$11,958,365 \$ \$10,631,174 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		0		0	0	000		000			
		\$ 3,265,825	3	\$5,074,179	\$ 5,091,133	\$ 9,912,814	\$11,958,365	\$10,631,174	\$	· · ·	\$
		<b>⇔</b>	•	· ·	· •	· ·	•	<b>€</b>	\$ 1,862,550	\$ 1,862,550	\$ 1,468,341
		•	•	•	•	•	•	•	3,265,269	3,124,863	1,663,852
		•	•	•	•	•	•	•	•	•	507,035
		•	•	1	•	1	•	•	1,114,955	1,315,076	1,688,433
		•	•	i	•	i	•	•	10,000	10,000	10,000
		•		•	•	1	•	•	414,497	464.588	451,861
		•	•	1	•	1	•	•	935,693	1,773,041	1.210,028
		•	•	•	•	•	•	•	533,047	514,275	1,623,508
		•	•	1	•	1	•	•	25,453	25,594	25,703
		•	•	1	1	1	1	1	437,435	412,953	319,997
		•	1	ı	•	•	•	•	33,839	37,541	46,572
		•	1	•	•	•	•	•	9,929	13,016	10,733
		•	•	1	•	1	•	•	4,402	3,999	3,818
		\$	-	-	-	-	-	-	\$ 8,647,069	\$ 9,557,498	\$ 9,029,881

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues Taxes	\$ 17,447,440	\$ 19,450,112	\$ 22,683,237	\$ 25,120,622	\$ 28,690,115	\$ 29,812,749	\$ 30,541,631	\$ 31,444,318	\$ 32,411,636	\$ 32,297,592
Licenses and permits Intergovernmental	3.180.900	999,942 4.855.473	1,176,810	1,048,873	696,135 5.624.673	515,229	552,496	643,827	554,324	497,739
Charges for services	486,941	516,484	785,816	1,126,575	1,131,486	954,560	853,506	718,021	905,492	893,511
Fines	908,040	946,280	1,008,935	928,498	845,877	820,359	775,992	613,174	811,498	814,104
Investment earnings	197,213	224,856	462,951	519,103	570,477	132,095	41,819	54,112	57,649	59,252
Special assessments	437,495	426,252	400,179	472,710	494,579	506,520	523,299	531,715	540,032	682,323
Miscellaneous	2,305,501	1,860,804	966,855	1,397,770	1,896,000	2,636,184	1,639,861	1,711,765	1,160,974	2,111,479
Total Revenues	25,831,142	29,280,203	32,009,913	35,207,411	39,949,342	40,380,098	50,234,403	42,878,069	43,781,876	42,442,832
Exnenditures										
General government	7,535,033	7,658,126	7,543,408	7,509,552	7,906,361	7,708,433	14,177,581	7,338,930	8,810,604	7,950,398
Public safety	10,160,519	12,804,066	12,739,371	15,400,283	16,849,849	17,265,004	18,642,783	18,575,214	20,738,298	20,502,038
Highways and streets	4,354,478	4,031,056	2,495,682	2,689,557	3,547,259	3,598,796	5,327,032	4,356,144	4,504,778	4,127,714
Sanitation	•	1	1	i	1	i	Ì	1	1	1
Health and Welfare	465,285	497,496	551,362	357,778	343,248	373,037	566,753	872,624	1,351,381	960,761
Economic and physical development	315,013	602,633	897,118	1,147,191	2,301,994	3,084,465	3,466,582	3,670,268	5,512,540	4,840,988
Culture and recreation	3,407,854	3,357,198	3,809,523	4,625,680	4,759,234	4,778,975	4,883,052	5,092,616	3,585,902	5,632,998
Capital projects	3,198,994	1,851,950	3,326,307	951,640	4,174,716	4,388,605	2,664,844	6,274,155	3,104,751	1,547,860
Debt service		0								
Principal	1,065,000	1,340,000	1,640,000	1,479,385	1,803,502	1,723,765	2,010,834	2,299,748	2,202,765	2,143,719
Interest	797,036	795,997	944,053	1,160,599	1,230,572	1,253,891	1,297,107	1,291,973	1,302,540	1,186,585
Other charges	6,565	8,280	8,930	8,503	8,630	8,630	7,450	5,950	5,950	8,239
Total expenditures	31,305,777	32,946,802	33,955,754	35,330,168	42,925,365	44,183,600	53,044,018	49,777,622	51,119,509	48,901,300
Excess of revenues										
over (under) expenditures	(5,474,635)	(3,666,599)	(1,945,841)	(122,757)	(2,976,023)	(3,803,503)	(2,809,615)	(6,899,553)	(7,337,633)	(6,458,468)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other financing sources (uses)										
Transfers in	4,006,959	3,174,927	4,517,001	4,580,409	2,867,662	5,593,315	6,267,545	4,997,949	4,725,834	7,420,764
Transfers out	(2,442,787)	(3,024,927)	(3,967,001)	(3,900,410)	(1,867,662)	(3,993,315)	(4,167,545)	(2,797,949)	(2,725,835)	(2,820,764)
Refunding bond issued	•	1	1	1	•	1	•	•	3,165,000	•
Bonds issued	1,285,000	4,115,000	4,100,000	1	7,000,000	5,804,678	•	2,930,000	2,635,000	1
Long-term debt proceeds	1	1	1	1	1	1	1	ı	1	ı
Premium on bonds issued	1	•	1	1	168,426	168,441	1	84,236	298,283	1
Discount on bonds issued	•	1	•	1	1	•	•	ı	•	ı
Payments to refunded bond escrow agent	•	•	•	•	•	•	•	•	(3,185,773)	•
Capital leases	•	1	•	384,344	1	•	108,326	1	•	1
Sale of capital assets	80,448	18,323	20,114	•	105,340	•	46,800	114,205	259,112	190,027
Gain/(Loss) on sale of land inventory	1	•	•	1	1	•	•	•	•	1,184,744
Total other financing										
sources (uses)	2,929,620	4,283,323	4,670,114	1,064,343	8,273,766	7,573,120	2,255,126	5,328,441	5,171,621	5,974,771
Special and extraordinary items:										
Special item Total enecial and	1	ı	1	1	1	(295,683)	1	ī		1
extraordinary items				1	1	(295,683)				1
Net change in fund balances	\$ (2,545,015) \$ 616,724	\$ 616,724	\$ 2,724,273	\$ 941,586	\$ 5,297,743	\$ 3,473,934	\$ (554,489)	\$ (1,571,112)	\$ (2,166,012)	\$ (483,697)
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	7.60%	7.78%	8.32%	8.15%	8.16%	7.91%	7.15%	8.90%	7.90%	7.54%

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

Total	17,348,288	19,450,112	22,683,237	25,120,622	28,690,115	29,812,747	30,541,629	31,442,891	32,410,170	32,297,592
Alcoholic Beverage Tax	27,189	33,608	51,914	59,529	79,084	86,136	79,864	78,066	73,518	69,167
Hotel Occupancy Tax	249,137	283,886	309,496	358,276	479,950	400,690	490,446	496,759	537,574	577,711
Franchise Tax	1,692,582	2,013,665	2,028,000	2,069,905	2,248,558	2,265,859	2,326,751	2,396,994	2,790,119	2,542,621
Sales Tax	6,390,956	6,787,566	7,961,019	8,859,345	9,784,577	9,552,728	9,814,665	10,234,485	10,857,234	10,917,924
Property Tax	8,988,424	10,331,387	12,332,808	13,773,567	16,097,946	17,507,334	17,829,903	18,236,586	18,151,725	18,190,169
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013

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

Assessed Value as a	Percentage of	Actual Value	0.84%	0.84%	0.85%	0.84%	0.84%	0.87%	0.87%	0.86%	0.86%	0.86%
Estimated Actual	Taxable	Value <sup>2</sup>	1,896,010,048	2,192,384,911	2,503,715,998	2,787,286,465	3,258,595,272	3,333,160,683	3,613,272,066	3,764,863,710	3,879,134,802	3,962,365,852
Total	Direct	Tax Rate <sup>1</sup>	0.5500	0.5398	0.5589	0.5566	0.5566	0.5666	0.5566	0.5566	0.5388	0.5288
Total Taxable	Assessed	Value	1,592,195,140	1,844,913,851	2,139,312,290	2,352,554,809	2,729,118,025	2,913,058,674	3,126,370,682	3,232,561,565	3,320,390,575	3,406,486,662
Less:	Tax Exempt	Real Property	303,814,908	347,471,060	364,403,708	434,731,656	529,477,247	420,102,009	486,901,384	532,302,145	558,744,227	555,879,190
Non-Real Property	Personal	Property	205,978,259	245,449,393	266,242,149	277,201,924	318,353,327	287,384,742	274,072,218	268,558,129	366,527,219	376,726,890
operty	Commercial	Property	1,024,129,078	1,141,385,750	1,321,705,696	1,512,771,351	1,738,634,339	1,737,671,626	1,937,539,558	2,032,661,499	2,043,740,424	2,085,403,055
Real Property	Residential	Property	665,902,711	805,549,768	915,768,153	997,313,190	1,201,607,606	1,308,104,315	1,401,660,290	1,463,644,082	1,468,867,159	1,500,235,907
Fiscal Year	Ended	September 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013

<sup>1.</sup> 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

						Ove	Overlapping Rates	tes <sup>1</sup>			
	•	City of Mission	u			School District	District				Total
		Debt	Total	Hidalgo	Mission	Sharyland	La Joya	South Texas	Drainage	South Texas	Direct &
Fiscal	Operating	Service	City	County	ISD	ISD	ISD	ISD	Dist. No. 1	College	Overlapping
Year	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Tax Rate	Rates <sup>2</sup>
2004-05	0.4222	0.1176	0.5398	0.5900	1.5691	1.5650	1.6420	0.0392	0.0435	0.1647	6.15
2005-06	0.4344	0.1245	0.5589	0.5900	1.5632	1.5650	1.6420	0.0392	0.0435	0.1589	6.16
2006-07	0.4455	0.1111	0.5566	0.5900	1.4574	1.5451	1.5800	0.0392	0.0413	0.1548	5.96
2007-08	0.4455	0.1111	0.5566	0.5900	1.1800	1.1850	1.2520	0.0492	0.0492	0.1540	5.02
2008-09	0.4609	0.1057	0.5666	0.5900	1.1240	1.1850	1.3216	0.0492	0.0700	0.1498	5.06
2009-10	0.4413	0.1153	0.5566	0.5900	1.2800	1.2000	1.3110	0.0492	0.0725	0.1491	5.21
2010-11	0.4498	0.1068	0.5566	0.5900	1.3000	1.2000	1.3110	0.0492	0.0725	0.1497	5.23
2011-12	0.4221	0.1167	0.5388	0.5900	1.3000	1.2000	1.3110	0.0492	0.0733	0.1507	5.21
2012-13	0.4086	0.1202	0.5288	0.5900	1.3000	1.2855	1.3110	0.0492	0.0750	0.1507	5.29
2013-14 Source: Hid	0.4212 lalgo County Ta	0.1076 tx Office and La	2013-14         0.4212         0.1076         0.5288           Source: Hidalgo County Tax Office and La Joya Tax Office.	0.5900	1.3000	1.2855	1.3110	0.0492	0.0957	0.1500	5.31

<sup>1.</sup> 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).

<sup>2. (</sup>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 September 30, 2013

Tax Year 2013 Tax Year 2003 Percentage Percentage of Total of Total Taxable Taxable Taxable Taxable Taxpayer Value Value Value Value Rank Rank Frontera Generation LTD 1.79% 63,178,400 1 Sharyland Utilities LP 44,352,960 2 1.26% Shary Retail LTD 38,245,154 3 1.09% Bert Ogden Chevrolet 4 17,663,429 0.50% 11,872,618 4 0.75% AEP Texas Central Co 5 15,714,660 5 0.34% 10,087,980 0.63% Wal-Mart Real Estate Business 11,937,402 6 0.45% 6,552,052 10 0.41%7 Halliburton Energy Serv 0.32% 17,567,320 11,773,430 1.11% VRS Sharyland LLC 8 11,342,347 0.33% H.E.Butt Grocery Company 9 8 10,755,593 0.31% 7,954,305 0.50% **CNMK Texas Properties LTD** 10,650,741 10 6 0.30% 8,379,483 0.53% Rio Grande Snack Co. 2 12,986,401 0.82%3 Southwestern Bell Telephone 11,989,816 0.75% Wal-Mart Stores Texas LP 8,029,990 7 0.51% 9 Spikes Motor Company, Inc. 7,773,614 0.49% Total \$ 235,614,116 6.69% \$ 103,193,579 6.49%

Source: Hidalgo County Tax Assessor.

## City of Mission Property Tax Levies and Collections Last Ten Fiscal Years

#### **Collection within the**

Fiscal Year	<b>Total Tax</b>	Fiscal Year	of the Levy		Total Coll	ection to Date
Ended September 30	Levy for Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2004	8,774,242	8,227,346	93.8%	516,520	8,743,866	99.6%
2005	9,928,090	9,342,725	94.1%	538,292	9,881,017	99.5%
2006	12,045,882	11,347,253	94.2%	640,907	11,988,160	99.5%
2007	13,241,161	12,684,294	95.8%	483,390	13,167,684	99.4%
2008	15,893,072	15,035,133	94.6%	752,420	15,787,553	99.2%
2009	17,305,109	16,251,424	93.9%	900,932	17,152,356	98.8%
2010	17,361,554	16,529,835	95.2%	624,585	17,154,420	98.4%
2011	17,803,116	16,989,023	95.4%	541,086	17,530,109	97.7%
2012	17,798,270	17,102,655	96.1%	305,119	17,407,774	96.1%
2013	17,835,988	17,194,844	96.4%	-	17,194,844	96.1%

City of Mission Ratio of Outstanding Debt by Type Last Ten Fiscal Years

	Govern	<b>Governmental Activities</b>	Š	Busin	<b>Business-Type Activities</b>	ies			
	General				General		Total	Percentage	
Fiscal Year	Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Obligation Bonds	Capital Leases	Primary Government	of Personal Income	Per Capita
								1	
2004	17,400,000	200,000	•	33,363,000	1,470,000		52,433,000	6.55%	954
2005	20,225,000	150,000	ı	32,232,000	1,615,000	1	54,222,000	9:29	958
2006	22,735,000	100,000	1	35,050,000	1,295,000	119,372	59,299,372	6.95%	1,018
2007	21,405,000	50,000	284,958	41,944,570	845,000	84,651	64,614,179	7.33%	1,056
2008	26,750,000	•	186,457	39,870,811	430,000	46,603	67,283,871	7.39%	1,030
2009	31,220,000	272,001	81,739	37,813,939	220,000	300,706	69,908,385	7.43%	1,019
2010	29,360,000	168,000	143,232	30,490,000	•	206,332	60,367,564	6.21%	838
2011	30,135,000	000'96	70,484	32,589,000	1	113,252	63,003,736	6.27%	818
2012	30,805,000	24,000	24,719	32,128,000	1	40,730	63,022,449	6.28%	794
2013	28,710,000	ı	ı	30,580,000	1	41,282	59,331,282	5.54%	737

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)
2004	18.870.000	556.088	1.470.000	16.843.912	1.06%	306.62
2005	21,840,000	581,562	1,615,000	19,643,438	1.06%	347.17
2006	24,030,000	732,719	1,295,000	22,002,281	1.03%	377.53
2007	22,250,000	828,010	845,000	20,576,990	0.87%	336.26
2008	27,180,000	989,174	430,000	25,760,826	0.94%	394.44
2009	31,440,000	1,140,526	220,000	30,079,474	1.03%	438.63
2010	29,360,000	1,472,816	-	27,887,184	0.89%	387.30
2011	30,135,000	1,114,955	-	29,020,045	0.90%	376.60
2012	30,805,000	1,722,612	-	29,082,388	0.88%	366.42
2013	28,710,000	2,025,460	-	26,684,540	0.78%	331.68

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>(2)</sup> 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, 2013

Governmental Unit	(	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Hidalgo County	\$	162,385,000	13.37%	\$ 21,710,875
Hidalgo County Drainage District #1		163,535,000	12.86%	21,030,601
Hidalgo Independent School District		45,165,000	0.28%	126,462
La Joya Independent School District		281,931,002 (1)	13.63%	38,427,196
Mission Consolidated Independent School District		143,480,222 (1)	70.46%	101,096,164
Sharyland Independent School District		123,462,559 (1)	56.61%	69,892,155
South Texas College District		42,314,991	11.49%	4,861,992
Subtotal Overlapping Debt				\$ 257,145,445
City of Mission	\$	28,710,000	100.00%	\$ 28,710,000
Total Direct and Overlapping Debt				\$ 285,855,445

<sup>(1)</sup> 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.

Legal Debt Margin Information Last Ten Fiscal Years City of Mission

Debt Limit \$		1	6							
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$ 79,609,757	\$ 92,245,693	\$ 106,965,615	\$ 117,604,999	\$ 136,482,301	\$ 145,652,934	\$ 156,318,534	\$ 161,628,078	\$ 166,019,529	\$ 170,324,333
Total net debt applicable to limit	16,843,912	19,643,438	22,002,281	20,576,990	25,760,826	30,079,474	28,055,184	29,020,045	29,082,388	26,684,540
Legal debt margin	62,765,845	\$ 62,765,845 \$ 72,602,255	\$ 84,963,334	\$ 97,028,009	\$ 110,721,475	\$ 115,573,460	\$ 128,263,350	\$ 132,608,033	\$ 136,937,141	\$ 143,639,793
Total net debt applicable to the limit as a percentage of debt limit	21.16%	21.29%	20.57%	17.50%	18.87%	20.65%	17.95%	17.95%	17.52%	15.67%
Legal Debt Margin Calculation for Fiscal Year	al Year									
Assessed value Add back: exempt real property Total assessed value	·	\$ 1,844,913,851 \$ - \$ 1,844,913,851	\$ 2,139,312,290 \$ - \$ 2,139,312,290	\$ 2,352,099,983 \$ - \$ 2,352,099,983	\$ 2,729,646,025 \$ \$ 2,729,646,025	\$ 2,913,058,674 \$ \$ 2,913,058,674	\$ 3,126,370,682 \$ \$ 3,126,370,682	\$ 3,232,561,565 \$ \$ 3,232,561,565	\$ 3,320,390,575 \$ - \$ 3,320,390,575	\$ 3,406,486,662 \$ - \$ 3,406,486,662
Debt limit (5% of total assessed value)		92,245,693	106,965,615	117,604,999	136,482,301	145,652,934	156,318,534	161,628,078	166,019,529	170,324,333
General obligation bonds  Less: Amount set aside for repayment	payment	21,840,000 (581,562)	24,030,000 (732,719)	22,250,000 (828,010)	27,180,000 (989,174)	31,440,000 (1,140,526)	29,528,000 (1,472,816)	30,135,000 (1,114,955)	30,805,000 (1,722,612)	28,710,000 (2,025,460)
or general obligation debt Less: Business-type general obligations	obligations	(1,615,000)	(1,295,000)	(845,000)	(430,000)	(220,000)	1	1	•	•
Total net debt applicable to limit	•	19,643,438	22,002,281	20,576,990	25,760,826	30,079,474	28,055,184	29,020,045	29,082,388	26,684,540
Legal debt margin		\$ 72,602,255	\$ 84,963,334	\$ 97,028,009	\$ 110,721,475	\$ 115,573,460	\$ 128,263,350	\$ 132,608,033	\$ 136,937,141	\$ 143,639,793

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

#### **Revenue Bonds**

Fiscal	Charges	Less: Operating	Net Available	Debt Ser	rvice (3)	
Year	and Other (1)	Expenses (2)	Revenue	Principal	Interest	Coverage (4)
2004	10,182,330	8,298,124	1,884,206	1,131,000	1,682,697	0.67%
2005	12,130,545	8,098,284	4,032,261	1,197,000	1,620,913	1.43%
2006	15,074,316	7,786,843	7,287,473	1,486,000	1,615,995	2.35%
2007	15,000,320	8,016,670	6,983,650	2,073,759	1,406,974	2.01%
2008	16,339,351	9,205,146	7,134,205	2,056,873	1,691,463	1.90%
2009	16,289,267	9,016,007	7,273,260	2,172,316	1,966,747	1.76%
2010	15,272,007	9,197,669	6,074,338	2,056,000	1,339,718	1.79%
2011	17,530,504	9,422,969	8,107,535	1,856,000	1,265,272	2.60%
2012	17,754,118	10,004,211	7,749,907	1,933,000	1,192,441	2.48%
2013	18,053,516	10,087,267	7,966,249	2,000,000	1,115,474	2.56%

<sup>(1)</sup> Total operating revenues including interest earned on funds created by the bond ordinance.

Note: The City does not have special assessment bonds.

<sup>(2)</sup> Total operating expenses exclusive of depreciation.

<sup>(3)</sup> Revenue bonds only. Amounts do not include the general obligation bonds reported in the Utility Fund or debt defeasance transactions-succeeding year.

<sup>(4)</sup> Per first lien revenue bond covenants, the required coverage is 1.25.

Demographic and Economic Statistics Last Ten Fiscal Years City of Mission

Unemployment Rate (4)	%00.6	5.20%	5.20%	2.60%	7.30%	9.30%	%06'6	10.20%	8.10%	7.90%
School Enrollment (3)	14,156	14,869	15,341	15,536	15,451	15,439	15,341	15,517	20,767	25,749
Percentage High School Graduates ③	81.7	84.8	93.1	85.3	80.0	9.62	82.4	82.9	89.0	88.9
Median Age ()	31.00	30.50	31.70	32.00	32.70	32.20	30.90	30.90	29.80	27.20
MSA(2) Capita Personal Income	14,562	14,604	14,647	14,410	13,947	13,721	13,499	13,030	21,620	22,400
MSA <sub>(2)</sub> Personal Income	799,938,672	826,336,648	853,605,758	881,774,748	910,873,314	940,932,134	971,982,894	1,004,058,330	1,037,192,254	1,071,419,599
Population (1)	54,934	56,582	58,279	61,193	65,310	68,575	72,004	77,058	79,368	80,452
Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013

Estimated (except for the FY 2011-information was received from the 2010 US Census).
 MSA-Metropolitan Statistical Area for Mission-McAllen-Edinburg- Source: Tracer-Texas Labor Market.
 Source: Region One, Texas Education Agency, Local School Directory.com, Mission CISD & Sharyland ISD
 Source: Labor Market & Career Information, Texas Workforce Commission

#### City of Mission Principal Employers

		2013(1	)		2003(2)	
<b>Employer</b>	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mission CISD	2,230	1	3.96%	-	-	0.00%
Sharyland ISD	1,187	2	2.11%	-	-	0.00%
Mission Regional Medical Center	1,196	3	2.12%	-	-	0.00%
T-Mobile	832	4	1.48%	-	-	0.00%
H.E.B. Grocery	651	5	1.16%	-	-	0.00%
City of Mission	563	6	1.00%	-	-	0.00%
Wal-Mart Super Center	344	7	0.61%	-	-	0.00%
Haliburton Energy Services	187	8	0.33%	-	-	0.00%
Home Depot	165	9	0.29%	-	-	0.00%
Target	153	10	0.27%	-	-	0.00%
Total	7,508		13.34%	_		0.00%

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

(2) Source: Information not available.

City of Mission
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

		Full-ti	me Equivale	nt Employee	1-time Equivalent Employees as of September 30	mber 30				
;	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General government	74	78	75	92	80	80	79	77	77	76
Public Safety										
Police										
Officers	113	114	116	116	120	126	130	140	146	146
Civilians	41	40	42	44	46	51	52	53	53	51
Fire										
Firefighters and Officers (1)	36	51	63	63	49	29	29	99	29	29
Civilians	8	3	2	9	9	9	9	8	7	7
Highways and Streets										
Streets	27	27	26	27	30	33	33	33	32	32
Health and Welfare										
Health	6	10	7	7	7	7	7	7	8	8
Culture and recreation										
Aquatics	3	3	2	2	2	3	3	3	2	3
Museum	33	æ	2	2	2	3	4	4	4	4
Parks and Recreation	32	34	35	35	38	47	44	45	45	4
Library	25	22	20	20	20	20	20	22	21	19
Golf Course	31	27	20	20	27	17	16	17	17	17
Sanitation										
Water distribution	62	77	78	78	78	79	83	87	98	88
Wastewater	13	12	12	13	13	13	12	12	15	13
Community Development	4	c	8	8	8	m	5	4	3	e
Total	493	504	503	512	536	555	561	578	583	578

Source: City of Mission Finance Department-Budget Office. (1) SAFER Grant allowed City to hire 12 additional FF in 2006.

Operating Indicators by Function Last Ten Fiscal Years City of Mission

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police Physical arrests Parking Violation Traffic Violations	3,779 118 14,850	3,892 59 15,118	3,943 44 12,042	4,592 96 13,217	4,081 64 22,473	4,002 67 20,757	4,373 41 10,957	3,000 35 12,970	4,305 75 13,685	4,079 55 8,093
Fire  Number of calls answered  Inspections  Highways and Streets	2,118	1,938	1,977	2,159	2,270 2,479	1,967	2,450 2,392	2,738	3,239	2,818
Streets resurfacing (miles) Potholes repaired Sanitation	38.900 18,288	28.600 15,379	20.000	8.564 24,729	6.088	3.750 6,438	5.596 12,449	4.240 6,710	5.530 15,783	5.130 21,122
Refuse collected (tons/day) <sup>(1)</sup> Recyclables collected (tons/day) Culture and recreation Golf Course	145	150	159	193	146	150	173	176	218	225
Rounds Recreation Programs Parks Maintained	57,040 17 22	54,588 17 22	53,464	54,125 32 24	68,173 32 24	65,942 32 25	52,491 32 25	59,162 32 25	54,056 32 25	60,306 37 25
Water New connections (year) Water mains breaks (year)	1,321	1,122	1,237	1,202 459	650	1,748	463 649	512 452	370 507	353 395
Average daily consumption (millions of gallons) Wastewater Average daily sewage treatment	8.31	10.56	12.56	10.85	12.44	13.23	11.00	13.63	12.63	13.02

Sources: Various City departments.

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

(1) Information for 2006 estimated.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
Public Safety										
Police Protection										
Stations	1	1	1	1	1	1	1	2	2	2
Patrol Units	71	80	85	88	94	96	87	100	1111	111
Fire Protection										
Fire Stations	4	4	4	4	4	4	4	5	5	5
Highways and Streets										
Streets (miles)	298	306	535	539.52	543.46	548.67	549.02	554.20	555.66	560.79
Number of Streetlights	4,583	4,673	4,767	2,636	2,679	2,726	4,856	4,945	4,473	4,158
Culture and recreation										
Parks acreage	226	226	310	310	419	419	419	419	419	419
Parks	22	22	24	24	24	25	25	25	25	25
Swimming pools	2	2	2	2	2	2	2	2	æ	33
Tennis Courts	2	2	2	2	3	4	4	4	4	6
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)	270	270	410	415.86	422.56	425.36	429.07	436.35	442.21	457.45
Fire hydrants	1,990	3,000	2,254	2,408	2,444	2,457	2,481	2,496	2,784	2,803
Number of Service connections	19,931	20,763	21,995	22,902	23,308	23,785	24,248	24,734	25,157	25,510
Number of Gallons Sold (in millions)	2,647.40	3,387.70	4,172.14	3,425.39	3,906.65	4,228,779	3,613,761	4,513,884	4,678,994	4,844,627
Daily Average Consumption (gallons) (1)	8.20	10.60	12.56	10.85	12.44	11.59	6.90	12.37	12.81	13.27
Sewer										
Number of Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	200	200	315	319.45	323.16	325.11	325.93	328.70	328.707	356.75
Number of Service connections	16,682	17,683	18,606	18,632	20,510	21,285	21,694	22,110	22,439	22,815
Storm sewers (miles)	75	75	110	112.17	114.95	115.91	116.83	118.99	121.16	145.03
Daily average treatment in gallons (1)	4.20	4.60	00.9	6.03	90.9	5.97	6.57	09.9	6.70	7.10
Maximum daily treatment capacity (1)	4.99	5.16	7.00	7.34	8.12	6.70	12.92	7.87	8.60	9.18

Source: City departments.

(1) Amount is in millions. Note: No capital asset indicators are available for the general government function.









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# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the 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, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise of the City of Mission's basic financial statements, and have issued our report thereon dated February 3, 2014. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The financial statements of Mission Redevelopment Authority, a component unit of the City, were not audited in accordance with Government Auditing Standards and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Mission Redevelopment Authority.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Mission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Mission's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Mission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LONG CHILTON, LLP

Certified Public Accountants

Long Chilton, ZZP

McAllen, TX February 3, 2014



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

#### Report on Compliance for Each Major Federal Program

We have audited City of Mission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Mission's major federal programs for the year ended September 30, 2013. City of Mission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Mission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Mission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Mission's compliance.

#### Opinion on Each Major Federal Program

In our opinion, City of Mission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

#### Report on Internal Control over Compliance

Management of the City of Mission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Mission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The City of Mission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

LONG CHILTON, LLP
Certified Public Accountants

Long Chilton, ZXP

McAllen, Texas February 3, 2014

# CITY OF MISSION, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended September 30, 2013

Section I - Summary of A	uditor's Results
Financial Statements	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	yes X no
• Reportable condition(s) identified that are	
not considered to be material weaknesses?	yes _X_ none reported
Noncompliance material to financial statements noted?	yes <u>X</u> no
Federal Awards	
Internal control over major programs:	
• Material weakness(es) identified?	yes <u>X</u> no
• Reportable condition(s) identified that are not considered to be material weaknesses?	yesX_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yesXno
Identification of major programs:	
<u>CFDA number(s)</u>	Name of Federal Program or Cluster
16.000 14.218	Equitable Sharing Program Community Development Block Grant
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	X yes no

# CITY OF MISSION, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) For the Year Ended September 30, 2013

Section II – Financial Statement Findings				
None.				
Section III -	Federal Award Findings and Questioned Costs			
PROGRAM	<b>DESCRIPTION</b>			
None.				

#### CITY OF MISSION, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) STATUS OF PRIOR YEAR FINDINGS

For the Year Ended September 30, 2013

Section II – Financial Statement Findings			
PROGRAM	STATUS OF PRIOR YEAR FINDING/		
	<u>NONCOMPLIANCE</u>		
None.			
Section I	II - Federal Award Findings and Questioned Costs		
PROGRAM	STATUS OF PRIOR YEAR FINDING/ NONCOMPLIANCE		
None.	THOMAS AND THE STATE OF THE STA		

#### CITY OF MISSION, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) CORRECTIVE ACTION PLAN

For the Year Ended September 30, 2013

PROGRAM	CORRECTIVE ACTION PLAN
None.	

## CITY OF MISSION, TEXAS SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2013

(01)		(02)	(03)	(04)
Project Number	Federal Grantor/ Pass Trough Grantor/ Program Title	Federal CDFA Number	Expenditures, Indirect Costs and Refunds	Amount in (03) Relating to Pass Through to Subrecipients
	Federal Emergency Management Agency Passed Through Texas Department of Public Safety - Division of Emergency Management:			
13TX-EMPG-0715	Emergency Management Assistance	97.042	32,048	
	<b>Total Pass Through Programs</b>		32,048	
	Total Federal Emergency Management Agency		32,048	
	U.S. Department of Homeland Security Passed Through Texas Governor's Division Of Emergency Management: Homeland Security Grant Program:			
2011-SS-0019	Operation Stonegarden Grant	97.067	102,778	-
2012-SR-48768-01	State Homeland Security Program  Total Pass Through TX Governor's Division  Of Emergency Management	97.067	26,453 129,231	
	Total U.S. Department of Homeland Security		129,231	_
582EGF6162	National Highway Traffic Safety Administration STEP	20.600	31,789	
	Total National Highway Traffic Safety Administration		31,789	
	<u>U.S. Department of Justice</u> Direct Programs:			
	Equitable Sharing Program Bullet Proof Vest Program	16.000 16.607	847,894 13,340	-
	Total Direct Programs		861,234	_
	Total U.S. Department of Justice		861,234	
	<u>U.S. Department of Housing and Urban Development</u> Direct Programs:			
B-11-MC-48-0513 B-12-MC-48-0514	Community Development Block Grant Community Development Block Grant	14.218 14.218	319,571 400,896	40,793
	Total Direct Programs		720,467	40,793
	Total U.S. Department of Housing and Urban Developme	ent	720,467	40,793

## CITY OF MISSION, TEXAS SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) Year Ended September 30, 2013

(01)		(02)	(03)	(04) Amount in (03)
Project Number	Federal Grantor/ Pass Trough Grantor/ Program Title	Federal CDFA Number	Expenditures, Indirect Costs and Refunds	Relating to Pass Through to Subrecipients
	U.S. Department of Energy Direct Programs:			
SC0003145	ARRA Energy Efficiency and Conservation Block Grant	81.128	78,650	
	Total Direct Programs		78,650	
	Total U.S. Department of Energy		78,650	
	TOTAL FEDERAL AWARDS EXPENDED		\$ 1,853,419	\$ 40,793

## CITY OF MISSION, TEXAS NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended September 30, 2013

#### **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Mission, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.