

City of Missouri City, Texas



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2014**

Edward Broussard, City Manager

Prepared by:

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December 18, 2014

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

We are pleased to submit to you the Comprehensive Annual Financial Report of the City of Missouri City, Texas, for the fiscal year ended June 30, 2014. This report is published to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosure, rests with the City. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its government-wide financial statements and its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

Whitley Penn, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Missouri City's financial statements for the year ended June 30, 2014. The independent auditor's report is located in 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 letter of transmittal and should be read in conjunction with it.

MISSION STATEMENT AND ORGANIZATIONAL GOALS

The City's mission statement is *"To provide the Citizens of Missouri City with quality service and efficient use of resources."*

The City's overall goal statement is shown below:

A city that has grown to maturity and continues to be a desirable place:

- **to live**, because of the existence of a wide range of housing types located in safe, well-kept neighborhoods which receive a full range of services and supporting infrastructure;
- **to work**, because of the existence of office and light manufacturing, industry, and business offering a variety of job opportunities;
- **to play**, because of the existence of a wide range of leisure time activities, both public and private; and
- **to shop**, because of the existence of adequate and attractive retail areas.

The City Council and the City Staff shall:

1. Perform with concern for the health, safety and well-being of our citizens and always consider how our actions affect citizens.
2. Reflect a positive image.
3. Establish good/sound financial planning.
4. Strive to develop Missouri City within parameters of the Comprehensive Plan.
5. Work toward the equitable distribution of City resources.

LOCAL ECONOMY

Missouri City is located approximately 20 miles southwest of downtown Houston, in northeast Fort Bend County. A small portion of the City extends into the southwestern section of Harris County, where its boundaries adjoin the City of Houston. Approximately 10 percent of the City's population resides in Harris County. A number of toll roads and highway expansions, including Highway 90A, Texas State Highway 6, and the Fort Bend Tollway, allow for more improved travel times throughout the region.

According to the Greater Fort Bend County Economic Development Council's Annual Report for Fiscal Year 2014, Fort Bend County's population is estimated at 652,365 which is a 4% increase over 2013. The County's labor force was 330,255 at June 30, 2014, while Missouri City's labor force was 39,668 (12% of the county). With an increase in local and regional business activity, the unemployment in Fort Bend County was 5.0 percent as compared to the state average of 5.5 percent and national average of 6.5 percent. Fort Bend County has the No. 1 fastest growing county of the ten largest counties in Texas, and is consistently ranked in the top 3% of the nation's counties in 5 key demographic measures.

While many governmental entities around the nation, state and region are working to keep their bottom lines strong in a slowly recovering economy, the City of Missouri City has seen more stable trends. Property tax income increased 12 percent in FY14, sales taxes increased 8 percent and franchise fees were up 15 percent. The last few budget years have presented challenges for Missouri City similar to most other cities. We have been finding alternative solutions to becoming less reliant on property taxes, and we will continue to craft strategic plans as a recovery continues to take place.

“SHOW ME” SUCCESS

Missouri City has achieved significant successes in FY2014 as the Great Recession sits in its rear view mirror. Economic and residential growth has been part of the City's story the past five to ten years, and all signs point to continued growth in the future. New industries continue to find a home here, producing goods and services in Missouri City for the world.

In the past five years, Missouri City's commercial tax base has grown 25 percent as the City continues to expand its commercial square footage to not only diversify the property tax base but to provide jobs for the citizens. In the past three years, more than 1,100 jobs, 600 of them non-retail, have been added to the City's workforce and commercial square footage has increased by 3.3 million. The Lakeview Business Park and the Beltway Crossing Complex are attractive locations for national and international respected companies.

“SHOW ME” THE FUTURE

As the economy is expected to improve ever so slightly, the Missouri City community anticipates a better year. A stable economy in the upcoming year will allow the City to stay on track with the capital improvement projects and to build and maintain staffing levels. In collaboration with our citizens and staff, the City Council is committed to maintaining the community at the level of a Top 100 American City.

ECONOMIC DEVELOPMENT

As we experience incredible growth, the City continues to provide effective, quality services to our community using strong, fiscal accountability. The investments the City has made in the TIRZs, tax abatement agreements, and other economic development tools have begun to bear fruit for increased sales tax growth and shifting property tax payment percentages from residential to commercial. The full benefit to the economic development investments in the city will come in future years, and the City is working within its means to build and provide for the economy and its citizens and businesses.

The City has always valued its partners during the past decades. As many governments learned in this past recession, the City cannot provide for the needs of the community on its own and must reach out to outside organizations, clubs, schools, and others. The City can serve a role as a facilitator for community groups and no longer afford to do everything on its own.

The recent success in attracting local and regional retail and warehousing and distribution facilities as well as energy-related electronics and instrumentation industries have expanded commercial development in all corners of the City. Ample open land with adequate utilities exists in nearby key roadways, so a continued emphasis on warehouse and distribution facilities is warranted.

COMPREHENSIVE PLAN

The Comprehensive Plan and other documents recommended special focus on certain key initiatives or target areas. Several business parks have opened such as the Beltway Crossing and Lakeview Business Parks as well as new business parks near the Fort Bend Tollway/Highway 6 area. The Texas Parkway/Cartwright Revitalization plan has been focused on bringing in more commercial tenants and on appropriate high-density housing or mixed use projects that can provide the population base to support existing and future businesses. Lifestyle amenities include compiling and publicizing Missouri City’s exceptional income and educational attainment demographics, identifying high-end retailers and restaurants, promoting office construction and professional service providers, encouraging “office-condo” redevelopment, and promoting certain destination venues such as the Quail Valley community center and golf course.

Priority areas include the extension of the Fort Bend Tollroad and surrounding areas, and utilizing TIRZ financing for public improvements. Other long-term planning includes Town Center Development projects offering “class A” office space and daytime business growth.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

The City prepares its operating budget for a single year that integrates five-year projected expenditures based on the organizational strategies and goals. By integrating the five-year projections, the financial plan is better able to accommodate the City's future needs based on the vision, mission and goals of the City. The financial condition is also achieved by focusing on one of the City's financial policies to maintain a stable tax rate. This is achieved by developing programs to increase other revenue resources such as improved economic development efforts for sales and property tax generation.

The established long-range policies regarding financial management are to retain a sound financial condition, strive to retain the best possible bond rating on bonds, and provide future generations with the ability to borrow capital for construction of facilities and street and drainage improvements without severe financial burden. The City continues to utilize pay-as-you-go financing of capital improvements where feasible while planning for capital improvements on a five-year planning basis which is updated annually. Bond issues are scheduled so the principal and interest payments produce a declining balance each year so that new debt will not adversely affect the stable tax rates.

The \$9.0 million fund balance in the general fund is the equivalent of 97 days of expenditures and transfers.

Continuing the City's commitment to maintaining and protecting its strong fiscal position, the City's property tax rate for FY15 decreased from \$0.57375 to \$0.565000 per \$100 of valuation. The adopted rate is higher than the "effective tax rate" of \$0.544771 cents per \$100 of valuation and is expected to yield about \$924,086 more in revenues than staff projected. The increase will fund the purchase of a fire engine, public safety Coban in-car camera program, public safety audio recording system, and Phase II and Phase III of the Rocket Mobile Communications program for First Responder vehicles. Missouri City's FY15 General Fund operating budget of \$40.3 million represents a 15.1 percent increase, or \$5.3 million, in spending from the FY14 plan. The adopted property tax rate will allocate 38.71 cents for maintenance and operations (M&O) and 17.79 cents for capital projects (Interest & Sinking).

The City exempts \$15,000 of the assessed value of resident homesteads within the city of persons 65 years of age or older and \$10,000 of the assessed value of residence homesteads of persons, married or unmarried, including those living alone, who are under a disability for purposes of payment of disability insurance benefits under federal old-age, survivors and disability insurance or its successor, from all ad valorem taxes levied by the city.

CAPITAL IMPROVEMENTS PROGRAM

The City Council appointed a Citizens Advisory Committee in 2003 for bond elections to study and identify the long-term needs of the City. Subcommittees were formed to review public safety, drainage, transportation, facilities and parks and recreation needs. Supported by city staff, these volunteers identified costs and made recommendations with priorities to the City Council.

The 2003 Bond Election of \$75 million was approved with a 3:1 voter approval is scheduled to be sold in the following increments:

2003 Bond Election (3:1 voter approval)

FISCAL YEAR	PUBLIC SAFETY	DRAINAGE	TRANSPORATION	PARKS & RECREATIO	FACILITIES	MUNICIPAL COURT	TOTALS
2004-2014	\$6,466,000	\$5,943,000	\$17,316,000	\$15,550,000	\$2,110,000	\$1,030,000	\$48,415,000
2015	\$0	\$100,000	\$8,810,000	\$0	\$0	\$0	\$8,910,000
2016	\$510,000	\$4,520,000	\$1,984,000	\$0	\$0	\$0	\$7,014,000
2017	\$0	\$3,916,000	\$0	\$0	\$0	\$0	\$3,916,000
2018	\$1,224,000	\$3,801,000	\$0	\$0	\$0	\$0	\$5,025,000
2019	\$0	\$1,720,000	\$0				\$1,720,000
TOTALS	\$8,200,000	\$20,000,000	\$28,110,000	\$15,550,000	\$2,110,000	\$1,030,000	\$75,000,000

Anticipated spending over the next four years in public safety includes the renovation of the public safety headquarters and fire station, the construction of a new fire training facility, fire station and police firing range, and the purchase of a new fire truck. Drainage projects includes the purchase of major equipment for drainage maintenance obligations, improvements to several watersheds throughout the City, other general draining and flooding improvements throughout the City, and the rehabilitation of the El Dorado Bridge and Cartwright Bridge. Transportation projects includes additional traffic signals, various bridge rehabilitation and repairs, right of way management, improvements and roadway extensions as a result of new development and increased traffic, improvements to the Texas Parkway/Cartwright Corridors, sidewalk construction, and traffic system upgrades.

The 2008 Parks and Recreation Bond Election of \$17.5 million was approved with a 2:1 voter approval and is scheduled to be sold in the following increments:

**2008 Parks & Recreation
Bond Election (2:1 voter approval)**

FISCAL YEAR	PARKS & RECREATION
2010	\$8,000,000
2011	\$7,520,000
2012	\$0
2013	\$0
2014	\$0
2015	\$290,000
2016	\$1,209,000
2017	\$300,000
2018	\$181,000
2019	
TOTALS	\$17,500,000

The remaining funding over the next several years will be used for the Recreation and Tennis Center equipment, and for various park and beautification improvement projects.

During the FY14 budget discussions, the City Council appointed a Citizens Advisory Committee for the 2014 bond election to review long term election needs of the City. On May 10, 2014, a bond issue was approved by the voters.

2014 Bond Election (3:1 voter approval)

FISCAL YEAR	PUBLIC SAFETY	DRAINAGE	TRANSPORATION	FACILITIES	TOTALS
TOTALS	\$5,000,000	\$6,500,000	\$22,800,000	\$5,700,000	\$40,000,000

PLANNED FUNDING/SCHEDULING OF BOND ISSUES

City staff projects capital expenditure needs for the next five years. Future maintenance and operating costs are also considered on the impact on the general operating budget before projects are approved. When applicable, assessments, impact fees, pro rata charges, interest earnings, contributions from developers and other agencies are used to leverage project costs.

Total project costs are adjusted yearly to account for the all funding sources and contributions. As projects are finalized or priorities adjusted, budget estimates are submitted to City Council for approval.

An implementation schedule was developed in phases to meet the following criteria: (1) To assure the sale of bonds was scheduled so that the debt service fund would not be impacted by more than a \$.04 property tax increase overall in both the 2003 and 2008 bond elections; and (2) Financing is provided by the cash flow approach, whereby bonds are sold as needed to generate enough cash flow for project commitments within the phased schedule.

For FY14, nearly \$12.1 million was estimated to be spent on Capital Improvement Projects. Of this, \$4.5 million (37%) was allocated for transportation projects, \$3 million (25%) was allocated for utilities projects, \$3.8 million (31%) was allocated for public safety projects, \$426,000 (4%) for drainage, \$292,000 (2%) was allocated for parks and recreation projects, and \$145,000 (1%) was allocation for other projects. Revenue sources to fund these projects were \$1.8 million in available bond funds, \$990,000 in certificates of obligation, \$3.3 million in metro and other sources were \$6 million.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

New single-family housing starts for FY14 totaled 1,347 new permits (58% increase), resulting in new valuation of \$119 million (64% increase) as compared to FY13. The average permit value was \$219,000 as compared to \$211,000 in FY13. Development continued in many areas of the City, including Olympia Estates, Creekmont, Crestmont, Garden Park Village, Lakeshore Harbor Section 4 and 5, Talia Woods, Oak Pointe and Flamingo Island. Existing home improvements and additions added 447 new permits, totaling \$5.4 million during the year, as compared to \$9.7 million in FY13 which had 284 permits. There was \$3.6 million fewer permit values for swimming pools.

Despite a slow nationwide financial recovery over the past few years, Missouri City has seen steady progress in new corporate opportunities, relocations and major project expansion. Significant industry and manufacturing activity continues in the Beltway Crossing and Lakeview Business Park with approximately 3 million square feet of industrial space.

Over the past several years, several large commercial businesses began operations or started construction in the Lakeview Business Park. There have been added space through Beltway Crossing Phase II and Colony Crossing Phase II development projects. Niagara Bottling, Bimbo

Bakeries, CNC Manufacturing, and Allied Fittings Group are a few of the major businesses to have operations here. From the eastern edges to the western edges, there have been many new establishments added such as urgent care facilities, 24-hour emergency centers, new office and shopping centers, senior living and nursing homes, day care centers, storage facilities, gas stations and convenience stores, and restaurants. Overall, new commercial values totaled \$120 million from 195 permits, which is a 100% increase in value over FY13. Also, there was \$19 million in new values for healthcare facilities and \$4.6 million in new value for new commercial lease space.

Retail and hotel growth along Highway 6, FM 1092 and the newly remodeled Texas Parkway continued in FY14 with many new businesses relocating to the community or constructing new sites. In the Fort Bend Town Center and Sienna Village areas, many more retail outlets opened during the year including added parcels for other retail development. A new Hampton Inn has been constructed which has added to the City's hotel tax base.

TRANSPORTATION AND TRAFFIC MANAGEMENT

The City began construction for Turtle Creek and Gregory Road construction projects in FY14. These projects will cover over 12,500 linear feet of two and four lane roads, providing divided medians, sidewalks, bike lanes, decorative railings, a City monument sign, and ADA ramps. The project is expected to be completed in November 2015.

Traffic operations staff in Public Works recently installed Bluetooth Radio's along the SH6 and FM1092 corridors as part of a demonstration period. With this new technology, the group will be able to collect a more reliable data when referencing vehicle movements throughout the city. The small, white, radios are mounted on some traffic signal cabinets. The Bluetooth technology allows our operations to track vehicles in many ways. The City is able to obtain travel times from these units and destination points for vehicles. This allows staff to see how many vehicles take a certain route throughout the day, in return helping the group track vehicle patterns and habits. The units communicate with a cellular modem connection, similar to cell phones. The speed data is currently available and is viewable on the Houston Transtar webpage. As the traffic speeds change due to heavier traffic flows, the map will change color according to the attached legend.

The cost is very minimal when compared to other tag reading devices and the radios are barely noticeable making them non-intrusive to roadways when installed. The Bluetooth system is cheaper, easier to maintain, and a more reliable functional data collecting device. The traffic operations staff plan to incorporate this technology throughout the entire city within FY15r, thus giving a better insight to traffic patterns for more effective long range planning and development.

In FY14, METRO announced plans for a permanent Missouri City Park and Ride project at the Fort Bend Parkway/SH6 intersection and are waiting on final clearance from the Federal Transit Administration on their reimbursement request. Once this clearance is granted, property acquisition is expected. The project is scheduled to be operational in FY18.

Traffic Operations staff deployed the Missouri City Web Client, which is a webpage based software that is designed to allow access to the City's 29 Pan Tilt Zoom (PTZ) cameras located throughout Missouri City at the signalized intersections. The software easily accessible allows the "live" video feed. This can be a great tool during emergencies, incidents, and natural disasters or in response to a citizen's request.

The City of Missouri City updated its Traffic Management Plan, which includes a Thoroughfare Plan. The blueprint serves as a guideline to seek federal and state funding for major transportation projects. The plan is based on the expected growth in the City through the year 2025 and provides a road map for a comprehensive transportation network to allow staff to better manage existing and projected transportation needs for major roadways.

The City has completed construction of additional turn lanes, new signals and raised medians along Highway 6 and Texas Parkway at a total cost of \$11 million. The improvements are part of the City's Intelligent Transportation System and Traffic Management Center to improve travel times and reduce emissions throughout the city. In addition, the use of Wayfinding signs were added to help facilitate finding various to major civic, visitor, and recreational destinations. Wayfinding signs are a systematic network of directional signs installed and maintained by a city to help direct the public. The signs were installed on Texas Parkway (FM 2234), Cartwright Road (FM 3345) and on Murphy Road (FM 1092).

Two interlocal agreements exist for roadway construction. One is with the Fort Bend County Toll Road Authority and the Sienna Plantation Municipal Management District for the extension of the Fort Bend Parkway to Sienna Parkway, and another with the Fort Bend County for roadway extension of Vicksburg Boulevard.

In addition, the City is preparing for a Commuter Rail Transit Station to advance commuter rail along U.S. 90A for improved regional mobility providing a direct link to the Texas Medical Center and downtown Houston. The proposed infrastructure improvements were identified as a priority transportation investment in the voter-approved 2003 METRO Solutions Plan and recently as part of the Houston-Galveston Area Council 2035 Regional Transportation Plan. According to METRO, the METRO Board is currently committed to the design and engineering work for the US90A/Southwest Rail Corridor extending to the West Sam Houston Tollway (Beltway 8) in Missouri City.

GROUNDWATER REDUCTION PLAN/REGIONAL WATER TREATMENT PLANT

The Fort Bend Subsidence District has set forth a mandate that specific areas in Fort Bend County must meet specific groundwater reduction goals. This mandate requires that groundwater withdrawals must be reduced by 30 percent of the total water demand by the end of the 2014 well permit. This will be increased to a 60 percent reduction of total water demand by the end of the 2025 well permit. The development of this project began many years ago when the City acquired surface water from the Gulf Coast Water Authority (GCWA) for water from the Brazos River. This project brought together 20 separate entities and consolidated 42 well permits under a single permit. The City and its partners developed a Groundwater Reduction Plan (GRP) that has been approved by the Fort Bend Subsidence District to meet these goals.

A state-of-the art \$50 million dollar Regional Water Treatment Plant (RWTP) was constructed on a 40-acre site along the Brazos River. The RWTP as currently constructed can treat up to 10 million gallons of water per day and has the capabilities to be expanded to a total capacity of 33 million gallons. Expansion of the RWTP will occur as the demand and the groundwater reduction goals dictate the expansion. It is currently anticipated that there will be two phased expansions to increase to the total capacity. The first expansion is anticipated to happen in 2020 (20 million gallons) and the final expansion in 2030 (33 million gallons). The RWTP can currently store up to 100 million gallons of water in its on-site reservoirs by taking surface water from the GCWA B-canal, which takes water from the Brazos River. The RWTP utilizes high-tech membrane filters to treat and disinfect the water and send the water to various utility

districts. The RWTP operators continually test the water on a daily basis to ensure the water meets regulatory standards.

STEEP BANK/FLAT BANK WASTEWATER TREATMENT PLANT

Originally built in 1998, the Steep Bank/Flat Bank WWTP completed expansion in FY2011 from a 1.5 million gallon per day treatment facility to process 3 million gallons per day, and can now serve 9,375 equivalent single family residences. The cost of the project was funded by utility district capital recovery charges.

STORMWATER MANAGEMENT

The City along with 15 other Municipal Utility Districts (MUDs) implemented a Storm Water Management Program designed to address storm water quality management issues typical of a growing residential community. Stormwater management is an essential component of community infrastructure and serves to provide both increased convenience and protection of lives and property. A properly designed system will control and carry away runoff from rainfall events while allowing the movement of vehicles to homes and businesses. It will also ensure the runoffs will carry the minimum amount of pollutants in area water bodies. In a time when subsidence issues are forcing communities to go to surface water sources to meet our drinking water needs, the protection of water quality becomes especially critical.

Missouri City and other small municipalities with populations less than 100,000 are now regulated as Phase II municipalities under the National Pollutant Discharge Elimination System (NPDES) and Texas Pollutant Discharge Elimination System (TPDES) municipal separate storm sewer systems (MS4) permit requirements.

TECHNOLOGY AND TELECOMMUNICATIONS EQUIPMENT

The City received a grant from the Department of Homeland Security to purchase technology and pieces of telecommunications equipment. During FY13 and FY14, a total of \$795,494 has been received for public safety equipment and safety communications.

In the current year, fifteen (15) of the thirty (30) locations for the Traffic Signal Box Art Works project have been installed. The remaining ten (10) will be installed in FY15. While the initial art work was selected by staff from submissions by area students, the Parks Board has agreed to serve as the selection committee for the locations to be installed after the initial 15 locations.

The City also began the implementation of the SeeClickFix software to engage with citizens, provide self-serve tools and information, and automatically route requests into the City's existing workflow. Citizens will use mobile apps and website widgets to report service requests, such as potholes, light outages, and graffiti. Citizens will then be prompted to enter the relevant information such as photos and descriptions. City officials will be able to engage with these requests, manage routing, configure settings and generate detailed reports via the SeeClickFix hosted web application.

COMMUNITY NEWS

Missouri City reaches out to meet the needs of residents through a strong homeowner's association liaison program. Missouri City uses a variety of communications tools to keep the community informed, such as its award winning website, the quarterly citizen newsletter, the Missouri City cable television station, daily news releases and the 1690 AM radio station.

Key to residents is the City's ongoing proactive community-based public safety programs. During the year, the City implemented a new five (5) unit Motorcycle patrol to work on traffic enforcement and accident investigations. They are equipped with Panasonic G1 tough pads and a Coban Video recording system to keep the officers on the street longer, be involved with selective traffic enforcement such have locations with the most collisions and traffic violations, instant access to critical information and upload all videos remotely. This continued plans from FY13 when the City opened a new Mini-Station on Texas Parkway for closer citizen and business involvement at the closest point to the Houston city limits.

During FY14, various Missouri City Police Department (MCPD) activities were held. These include the "Krav Maga" which is a train the trainer class that is a very progressive form of defensive tactics training developed by the Israeli Defense Force. Also, the MCPD partnered with ACRS (Appriss Collision Reporting Solutions) to make it more convenient for citizens and insurance companies to access accident reports via the web. In addition, the MCPD Partnered with CVS Pharmacy in the "Medication Disposal for Safer Communities" program to bring additional awareness to the community by placing signage at each Missouri City CVS location advertising the existence of our prescription drug take back program.

The MCPD passed the State mandated CJIS (Criminal Justice Information System) audit. The purpose of this audit is to ensure that City departments accessing Criminal Justice Information are doing so as mandated by the Department of Public Safety's guidelines.

Lastly, In September 2011 the MCPD obtained the Department of Justice COPS (Community Oriented Policing Services) Hiring Grant to hire four new police officers. At the time, the grant funds were extremely competitive and Missouri City was one of only five communities in all of Texas to receive an award. The funding reimburses the City for all personnel and associated benefit and insurance costs for the three years of the multi-year grant. The grant total is \$893,676. Originally set to end on August 31, 2014, a request was made by the City and an extension was granted to end on July 16, 2015.

In FY14, the Missouri City Auto Burglary and Theft Prevention Task Force (BAT Team) continued to receive funding from the Auto Burglary and Theft Prevention Authority in the amount of \$266,916, an increase of \$8,185 over FY13. The City's portion of the funding is 20% and will be only used for existing personnel, and will not be used for equipment, overtime, or new personnel. The City budgeted \$120,553 for FY14, which is a 7.3% increase in funding over the prior year.

The City completed construction of Fire Station No. 5 in the ETJ of Sienna Plantation during the year, which is to be funded by the Sienna Plantation Municipal Utility District #1 (SPMUD#1). Included in the funding was the purchase of a new fire engine and associated equipment paid by the SPMUD#1. As of June 30, 2014, the station is not operating yet as final negotiations for an operations agreement are being discussed. Also, site acquisition for Fire Station No. 6 is in review to cover the Lake Olympia area and portions of Quail Valley.

The City began a sidewalk maintenance program in FY13 as many neighborhoods have been reporting many sidewalk concerns. The most recent survey in FY13 indicated that approximately \$6 million may be needed to fix, repair, or replace current sidewalks to meet the sidewalk repair policy. For FY13 and FY14, \$388,072 and \$353,296 were spent respectively on sidewalk maintenance. For FY15, \$464,254 is planned for sidewalk maintenance costs.

The Missouri City Parks and Recreation Department received two community related grants. One is a \$2,500 grant for a Compost Bin Education Program and the second is a \$30,000 grant to host a Household Hazardous Waste collection event in FY15. The Parks and Recreation Department also hosted the first concert in the park with Ezra Charles playing to over 100 people in Community Park. Also, the Missouri City Trash-off event was an overwhelming success, organized by the City and the Missouri City Green Foundation. Almost 300 civic-minded participants attended to pick up over 200 bags of trash in city parks, waterways, neighborhoods and streets.

COMPONENT UNITS

In June 2000, the Missouri City Council approved the creation of a Development Authority for the City that is responsible for management of all Public Improvement Districts (PIDs) and Tax Increment Reinvestment Zones (TIRZs) created by the City. One zone was formed to develop a problem area that had long been noted for substandard housing and a lack of public infrastructure. Another zone was formed so that drainage problems could be handled on a regional basis.

In FY09, the City of Missouri City established the Missouri City Recreation and Leisure Local Government Corporation (LGC) to provide aid, and act on behalf of the City of Missouri City, in acquiring, improving, maintaining, or operating public parks and other public recreational facilities within the City of Missouri City, including, without limitation, golf courses, tennis centers, recreational centers, sports complexes, hikes and bike trails, and nature preserves. At the beginning of FY09, the City operated the Quail Valley Golf Course while settlement negotiations for ownership of the course were in progress. Finally, in May 2010, settlement was completed, and final sale of the course to the City was \$7.375 million. The Missouri City Recreation and Leisure LGC was established as an Enterprise Fund providing golf and restaurant services to the general public.

Excluded from the reporting entity of the City are various special districts established under state law and operating under related regulations for the purpose of providing residential and commercial water, sewer, storm, drainage, and flood control services.

The City requires developers to construct streets, drainage, utilities, etc., according to City specifications. Street light installation and operation are paid by the homeowner associations for three years or until the subdivision is 80 percent complete. After that time, the City is responsible for the electricity if the HOA or responsible party requests the City take over the maintenance.

In accordance with the implementation of the Texas Property Tax Code, the Fort Bend County Central Appraisal District and Harris County Appraisal District provide appraisals of property located within the City.

AWARDS

Money Magazine/CNNMoney recognized Missouri City for its “**Top 10 Most Affordable Places Cities for Homebuyers**” list with a #3 national ranking. Missouri City was previously ranked #56 in 2008 and #21 in 2010. To determine the top cities, an independent research firm compiles city statistics using federal government databases to identify locations with economic strength, quality health care, low crime, great schools and lots to do. Then the magazine’s reporters visited 29 top-scoring places to “assess what the numbers can’t tell you—whether a town is a true community.” Based on this information, Money determines the factors important for their selection to the top 100 list.

24/7 Wall St., a web-based corporation designed to report financial news and opinions, recently ranked Missouri City 16th on their list of the **“Top 50 places to live in the United States.”** Using data to rank municipalities based on factors such as employment, economy and infrastructure, 24/7 Wall St. celebrated Missouri City’s low crime rate, proximity to Houston and affordability.

Real estate website Movoto recently ranked the “Show Me City” as the **“Sixth Safest City in Texas.”** Compiling crime data from the top 100 most populous municipalities in the State, Movoto used the FBI’s 2012 Uniform Crime Report to make its determination, noting that Missouri City’s average crime rate is 1,362 per 100,000 people, making it not only one of the safest cities in the Greater-Houston area but also in the entire state.

The City of Missouri City was ranked as the **“20th Safest City”** in Texas by SafeWise, a company that specializes in home safety and security resources. SafeWise combined data from recent FBI Crime Reports with other law-enforcement data the company compiled in-house. Based on reports from 2011, Missouri City made the list with less than 300 burglaries, 11 arsons, and 35 robberies for a population of approximately 70,000.

According to the Neighborhood Scout, a national data research firm, the City of Missouri City is ranked the **“89th Safest City in the United States.”** This list is for the top 100 safest cities in America with populations of over 25,000, based on total number of property and violent crimes per every thousand residents reported to the FBI. The crimes included burglary, larceny-theft, motor vehicle theft, murder, forcible rape, armed robbery, and aggravated assault.

The Missouri City Public Works Department received the Texas Public Works Association’s (TPWA) Field Service Award. Of the three categories in the program, TPWA awarded the Missouri City with two of the awards, the **“In House Project of the Year”** and the **“Field Excellence Award.”**

The Missouri City Parks and Recreation received the **“Houston-Galveston Area Council Parks and Natural Areas Award”** for its Virtual Memorial Tree Program.

The City’s Finance Department has been recognized by the State Comptroller with the **“2013 Gold Leadership Circle Award”** under the “Texas Transparency” program run by the Comptroller’s Office. The Gold Leadership Circle Award is the highest that a city can earn. The Finance Department also earned the **“Distinguished Budget Award”** and **“Comprehensive Annual Financial Report Award”** from the Government Finance Officer’s Association.

The MCPD achieved **“Re-Recognized Status”** from the Texas Police Chiefs Association (TPCA) Law Enforcement Recognition Program. Begun in 2006, the Recognition Program evaluates a Police Department’s compliance with over 165 Best Business Practices for Texas Law Enforcement Agencies. These Best Practices were carefully developed by Texas law enforcement professionals to assist agencies in the efficient and effective delivery of service and the protection of individual’s rights and cover all aspects of law enforcement operations including use of force, protection of citizen rights, vehicle pursuits, property and evidence management, and patrol and investigative operations.

The MCPD was also notified that it is the 17th agency in Texas to again receive the coveted **“Recognized Status”** award. Missouri City is one of only 81 agencies in the state with this recognition. This process provided for an independent review of the department’s operations and

should assure the citizens of Missouri City that its Police Department is conforming to the most current law enforcement practices.

The City's golf Quail Valley received the recognition from *Avid Golfer Houston* 2013. The El Dorado Course at Quail Valley was recognized as the “**#1 Best Value Under \$50**” and as the “**Second Best Intermediate-priced Course.**” The La Quinta Course was recognized as the “**Third Best Course in the Value Priced (under \$40)**” category. QVGC is also now the third location for the First Tee of Greater Houston, a youth development program that teaches life lessons such as the importance of honesty, sportsmanship, perseverance, responsibility and judgment.

ACCOUNTING SYSTEMS AND BUDGETING CONTROL

ACCOUNTING SYSTEMS

The City's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues recorded when available and measurable and expenditures recorded when the services and goods are received and the liabilities are incurred. Accounting records for the City's proprietary activities are maintained on the accrual basis.

Consideration of adequate internal accounting controls has been made in designing the City's accounting system. Internal accounting controls, instituted by the Finance Department as part of the accounting system, are designed to provide reasonable assurances that assets are properly safeguarded against loss from unauthorized use or disposition, that financial records used in preparation of the financial statements are reliable, and that accountability for the City's assets is maintained. The concept of reasonable assurance in relation to internal controls recognizes that the cost of a control process should not exceed the benefits derived from the performance of related procedures and that the City's management must make estimates and judgments in evaluating the cost and benefit relationships relating to internal control processes and procedures that become a part of the City's accounting system.

BUDGETARY COMPLIANCE

Because budgetary compliance is significant in managing governmental activities, budgetary compliance controls are critical. The objective of these controls is to ensure compliance with legal spending limits in annual or project appropriated budgets approved by City Council. The City Charter provides that the City Council shall adopt annual or project budgets every fiscal year for all City funds. The budgets are prepared and maintained by the city management.

The budgetary process is initiated by a goal setting meeting and budget planning session with City Council. The City Council reviews the five-year general operating revenue and expenditure projections and determines the City's goals and priorities for the year. Following this meeting, budget revenue estimates are made by the Finance Director in March of each year and are amended in early May. The estimates are evaluated by the City Manager before inclusion in the total budget. Basic budget requests are developed at the department level and submitted to the Finance Department for analysis and compilation. The basic budget is considered to be the minimum budget that is necessary for the continuation of current municipal service levels during the next fiscal year. Supplemental requests for proposed changes from the basic budget, except for certain capital items, are then submitted by the Department Heads to the City Manager.

Finally, the five-year capital requests are submitted. After the City Manager's review and approval, the proposed budget is compiled by the Finance Department and submitted to the City Council Budget Committee, comprised of three City Council members, City Manager and Finance Director, for consideration, review and changes for final approval by the entire City Council.

BUDGETARY CONTROLS

During the year, expenditure controls are maintained by each department with review of the budget provided by the Finance Director and overall control exercised by the City Manager. Constant review of revenue and expenditure estimates is performed to assure the integrity of the adopted budget and to assure funds are available to meet current obligations. As a result of this review, it is possible to exercise administrative budgetary controls throughout the year. As demonstrated by the financial statements presented in this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

FISCAL 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 the City of Missouri City, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily-readable and efficiently-organized comprehensive annual financial report, the contents of which conform to program standards. Such comprehensive annual financial reports must satisfy both U.S. Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Missouri City has received a Certificate of Achievement for 30 consecutive years. We believe our current Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

In addition, the City received the GFOA's award for Distinguished Budget Presentation for its annual budget document dated July 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department and the cooperation of all other City departments. We like to express our appreciation to all members of the finance department staff and other City department staff who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor, City Council, and Audit Committee members for their unflinching support for maintaining the highest standards of professionalism in the management of the City of Missouri City's finances.


REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Missouri City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 1522 Texas Parkway, Missouri City, TX 77489, phone 281-403-8500, email address wvela@missouricitytx.gov.

Respectfully submitted,



Edward Broussard
City Manager



Wesley J. Vela, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

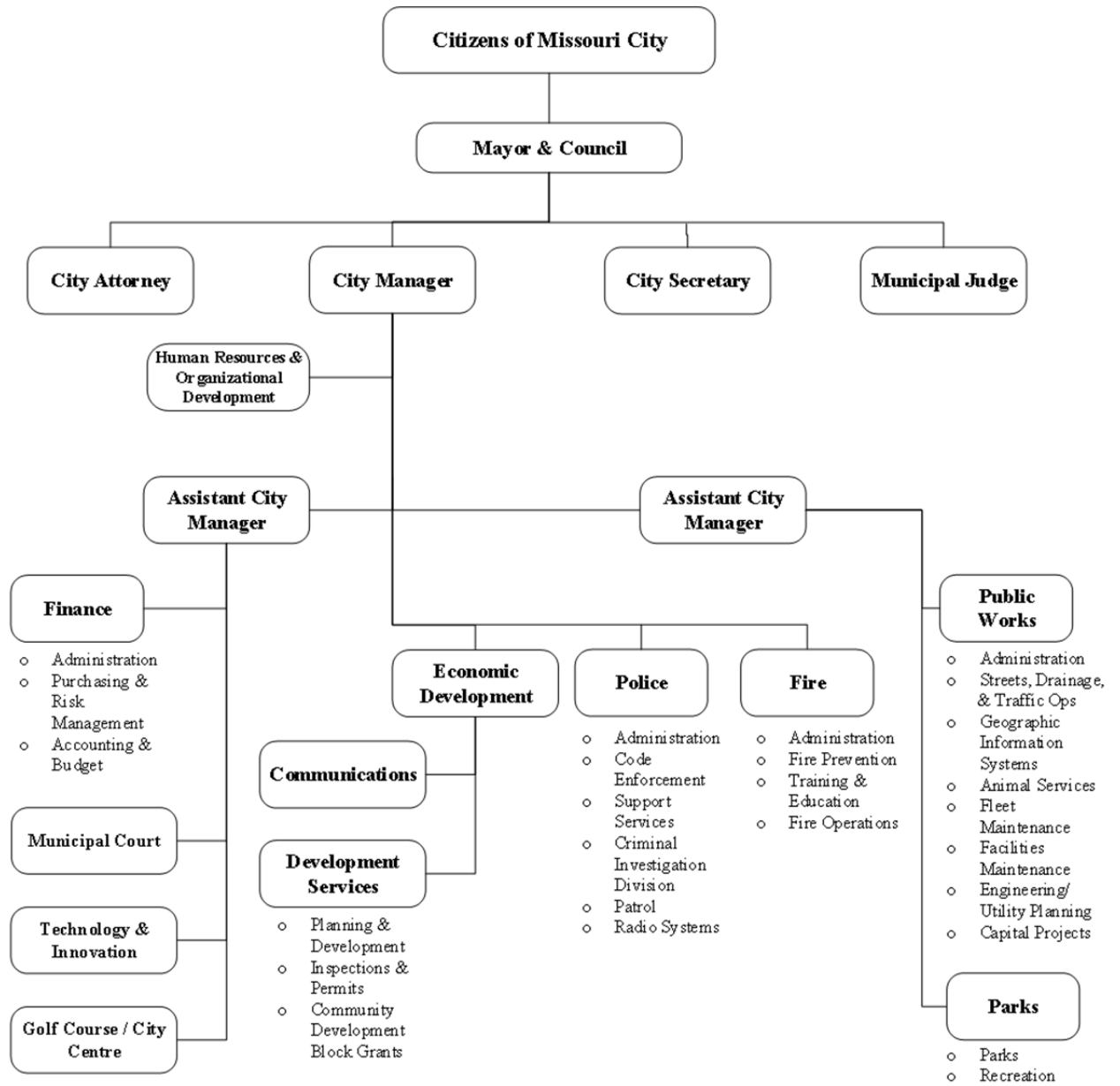
City of Missouri City

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive
Director/CEO



CITY OF MISSOURI CITY, TEXAS
List of Principal Officials
As of June 30, 2014



Allen Owen
Mayor
aowen@missouricitytx.gov



Jerry Wyatt
Mayor Pro Tem
Council at Large, Position 1
jwyatt@missouricitytx.gov



Chris Preston
Council at Large, Position 1
chris.preston@missouricitytx.gov



Yolanda Ford
Council, District A
yford@missouricitytx.gov



Don Smith
Council, District A
donsmith@missouricitytx.gov



Robin Elackatt
Council, District B
relackatt@missouricitytx.gov



Floyd Emery
Council, District C
femery@missouricitytx.gov

Elected Officials

Allen Owen	Mayor
Jerry Wyatt (At Large, Position 1)	Mayor Pro Tem
Chris Preston (At Large, Position 2)	Council Member
Yolanda Ford (District A)	Council Member
Don Smith (District B)	Council Member
Robin Elackatt (District C)	Council Member
Floyd Emery (District D)	Council Member

Appointed Officials

Edward Broussard	City Manager
Maria Gonzalez	City Secretary
Caroline Kelly	City Attorney

Executive Managers

Bill Atkinson	Assistant City Manager
Scott Elmer	Assistant City Manager
Wes Vela	Director of Finance
Michael Berezin	Police Chief
Russell Sander	Fire Chief
Vacant	Director of Public Works
Larry Foos	Director of Parks & Recreation
Gary Smith	Director of Development Services
Edward Williams	Director of Human Resources/ Organizational Development
Stacie Walker	Director of Communications
Sedrick Cole	Director of Technology and Innovation

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

REPORT OF INDEPENDENT AUDITORS

To the Honorable Mayor and
Members of City Council
City of Missouri City, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Missouri City, Texas (the “City”) as of and for the year ended June 30, 2014, 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.

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, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, 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.

To the Honorable Mayor and
Members of City Council
City of Missouri City, Texas

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison as well as pension and other postemployment funding information on pages 4–13 and 66-70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements 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 December 17, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Houston, Texas
December 17, 2014

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Missouri City, we offer readers of the City of Missouri City's financial statements this narrative overview and analysis of the financial activities of the City of Missouri City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-xiv of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Missouri City exceeded its liabilities at the close of the most recent fiscal year by \$178.2 million (net position). Of this amount, \$20.2 million is restricted for special purposes and \$26.4 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$7 million during the year, as compared to a \$181,000 increase in FY13.
- The City of Missouri City's total expenses were \$67.4 million. Program revenues of \$33.8 million reduced the net cost of the City's functions to be financed from the City's general revenues to \$40.2 million.
- The City of Missouri City's total debt decreased by \$3.4 million, or 2%, during the current fiscal year.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of three sections: introductory, financial and statistical. As the following chart shows, the financial section of this report has three components - *management's discussion and analysis* (this section), the *basic financial statements* and *required supplementary information*.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the City as a whole and about its activities in a way that helps answer the question of whether the City is better off this year as compared to last year. These statements include

all assets and liabilities and are presented on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are 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 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 include general government, finance, police, fire, public works, certain regional wastewater treatment services for local municipal utility districts (non-enterprise), parks and recreation and planning. The business-type activities of the City include regional wastewater treatment services for local municipal utility districts.

The government-wide financial statements include not only the City of Missouri City itself (known as the primary government), but also legally separate component units for which the City of Missouri City is financially accountable. These component units are the Missouri City Development Authority, Tax Increment Reinvestment Zones 1, 2 and 3, and Public Improvement Districts 2, 3 and 4. All of these component units function for all practical purposes as departments of the City, almost entirely benefiting the City, and, therefore, have been included as an integral part ("blended") of the primary government.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more information about the City's most significant funds - not the City as a whole. The City has two types of funds:

Governmental Funds - Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's major programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship/differences between them.

The City maintains 21 individual governmental funds for financial reporting purposes. 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, the debt service fund, and the bond fund, all of which are considered to be major funds. Data from the other funds is provided in the column labeled "other governmental funds."

Proprietary Funds - Proprietary Funds include the City's Enterprise and Internal Service Funds. Three types of enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. These are the Water and Wastewater Utility Fund, the Surface Water Utility Fund, the Missouri City Recreation and Leisure Local Government Corporation (LGC) which is a public, non-profit corporation, and the Solid Waste Collections Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses five internal service funds to account for asset replacement and maintenance activities for the vehicle fleet, management information services and equipment and buildings. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Because the services accounted for in the internal service funds benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Missouri City Council approved the fiscal year 2014 General Fund operating budget of \$35.5 million, a 7 percent increase from the previous year, with a .387 cent tax increase for residents. The adopted property tax rate will allocate 39.73 cents for maintenance and operations (M&O) and 18.62 cents for capital projects (Interest & Sinking). Given the recent economic conditions and their effect on the City's budget, it is of great importance to the City to continue the organizational strategies that have been in place for the last several years. The four main parts are:

- (1) Retain existing property values
- (2) Increase commercial development
- (3) Create value added services
- (4) Develop an organization for optimum performance

The last three fiscal year budgets have shown improvements in the City's financial conditions, as Missouri City has been fortunate to have avoided many budget impacts that other governmental entities have experiencing such as layoffs, furloughs or salary reductions, or the actual elimination of certain services or programs.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 27-63 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's General Fund budget compliance, its progress in funding its obligation to provide pension benefits to its employees, and condition and maintenance data regarding certain portions of the City's infrastructure. Required supplementary information (RSI) and notes to RSI can be found on pages 67-71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$178 million at year end.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

SUMMARY OF STATEMENT OF NET POSITION
As of June 30, 2014 and 2013
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 35,742	\$ 38,215	\$ 26,455	\$ 22,870	\$ 62,197	\$ 61,085
Capital assets, net	<u>202,862</u>	<u>201,762</u>	<u>72,460</u>	<u>71,100</u>	<u>275,322</u>	<u>272,861</u>
Total Assets	<u>238,604</u>	<u>239,977</u>	<u>98,914</u>	<u>93,969</u>	<u>337,518</u>	<u>333,947</u>
Deferred Outflows	508	-	34	-	542	-
Total Deferred Outflows	<u>508</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>542</u>	<u>-</u>
Long-term Liabilities	101,902	102,772	53,635	53,696	155,537	156,468
Other liabilities	<u>3,245</u>	<u>4,037</u>	<u>1,100</u>	<u>2,253</u>	<u>4,345</u>	<u>6,290</u>
Total Liabilities	<u>105,147</u>	<u>106,809</u>	<u>54,736</u>	<u>55,948</u>	<u>159,883</u>	<u>162,758</u>
Net Position:						
Net investment in capital assets	104,176	108,023	27,400	28,168	131,576	136,191
Restricted	15,155	19,198	5,065	640	20,220	19,838
Unrestricted	<u>14,634</u>	<u>5,947</u>	<u>11,748</u>	<u>9,213</u>	<u>26,382</u>	<u>15,160</u>
Total Net Position	<u>\$ 133,965</u>	<u>\$ 133,168</u>	<u>\$ 44,213</u>	<u>\$ 38,021</u>	<u>\$ 178,178</u>	<u>\$ 171,189</u>

Nearly 74 percent of the City's net position reflects its investment in capital assets (e.g., land, intangible assets - right of way, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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. Another major portion of the City's net position represents various restricted resources (11%) that are subject to specific external uses (capital projects, debt service, parkland dedication, community development and other).

The government's net position increased by \$7 million during the current fiscal year. Charges for services represented 32% of total revenues, property taxes were 33% of total revenues, sales taxes were 9% and capital grants and contributions were 16%. On the expense side, public works expenses were 36% of the total, while police was 22% and fire was 13%. Interest on long term debt was 8% of total expenses.

Statement of Activities

The following table provides a summary of the City's changes in net position:

CHANGES IN NET POSITION For the Fiscal Years Ended June 30, 2014 and 2013 (amounts expressed in thousands)

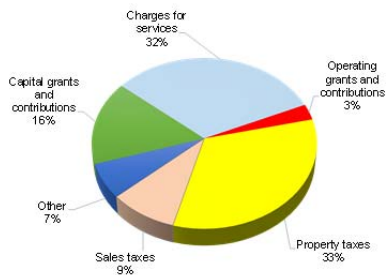
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for Services	\$ 5,988	\$ 6,104	\$ 20,719	\$ 17,517	\$ 26,708	\$ 23,620
Operating grants and contributions	2,467	2,503	-	-	2,467	2,502
Capital grants and contributions	4,027	6,479	494	13	4,522	6,490
General revenues:						
Property taxes	27,311	24,298			27,311	24,298
Sales taxes	7,709	7,166			7,709	7,166
Other	5,100	3,382	534	(295)	5,634	3,086
Total Revenues	52,604	49,931	21,748	17,234	74,351	67,164
Expenses						
General government	4,634	4,143			4,634	4,143
Finance	1,796	1,783			1,796	1,783
Police	13,380	12,173			13,380	12,173
Fire	7,769	7,665			7,769	7,665
Public works	12,742	16,084			12,742	16,084
Parks and recreation	4,014	3,892			4,014	3,892
Planning	2,629	2,638			2,629	2,638
Water and Wastewater Utilities			2,987	2,581	2,987	2,581
Surface Water Utility			5,339	5,085	5,339	5,085
Missouri City Recr. and Leisure LGC			3,859	3,790	3,859	3,790
Other			3,469	2,957	3,469	2,957
Interest on long-term debt	4,745	4,194			4,745	4,194
Total Expenses	51,709	52,570	15,654	14,412	67,363	66,983
Increase in Net Position Before Transfers	895	(2,640)	6,094	2,823	6,989	181
Transfers	(99)	236	99	(236)	-	-
Increase in Net Position	797	(2,404)	6,192	2,587	6,989	181
Net position, Beginning	133,168	135,572	38,021	35,434	171,189	171,008
Net Position, Ending	\$ 133,965	\$ 133,168	\$ 44,213	\$ 38,021	\$ 178,178	\$ 171,189

GOVERNMENTAL ACTIVITIES

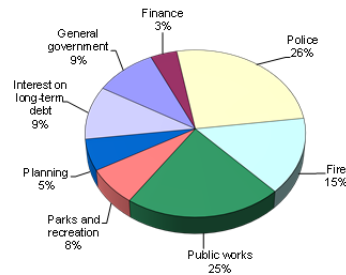
- Total governmental activities increased by \$797,000 during the year. Total revenues exceeded total expenses by \$895,000. Net transfers out of \$99,000 to enterprise funds decreased the government's net activities to the \$797,000.
- Total governmental revenues increased by \$2.7 million as compared to FY13. The largest majority of this increase was in property taxes of \$3 million (12%) as property values continued to remain strong.
- Sales taxes increased by \$543,000 (8%), and other revenues increased by \$1.7 million (51%) as a result of positive investment earnings and a generally improving economy.
- Total governmental activities expenses decreased by \$862,000. The majority of this decrease was in public works in the amount of \$3.3 million (21%) due to fewer development projects and less depreciation on capital assets this year. Police expenses increased by \$1.2 million (10%) as compared to FY13 due to an increase in operating costs and added patrol officers.
- Interest expense on long term debt increased by \$551,000 (13%) as overall principal and interest payments on debt increased during the prior year.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

Governmental Revenues



Governmental Expenditures



BUSINESS-TYPE ACTIVITIES

Business-type activities represent: (1) Water and Wastewater Utilities for the operations of the Northeast Oyster Creek (NEOC) service area and the Mustang Bayou service area, (2) Surface Water Utilities as part of the Groundwater Reduction Plan (GRP), the Missouri City Recreation and Leisure Local Government Corporation, and the Solid Waste Collection Fund.

- The Business-type Net Position increased by \$6.2 million during the current fiscal year primarily due to the Surface Water Utility Fund's increase of \$8.5 million. A transfer in from the Water and Wastewater Utility Fund of \$7 million was the majority of the increase. This will be used to fund Surface Water Utility construction costs over the next few years.
- Business-type charges for services increased by \$3.2 million (18%) as compared to FY13. The majority of this increase was due to a Steepbank/Flatbank WWTP final agreement billing of \$4.5 million to various utility districts.

- Business-type charges for services increased by \$3.2 million (18%) as compared to FY13. The majority of this increase was due to a Steepbank/Flatbank WWTP final agreement billing of \$4.5 million to various utility districts.
- Business-type operating expenses increased by \$1.2 million (9%) during the current fiscal year primarily due to additional expenses in the Solid Waste Collection Fund of \$513,000 (17%) as compared to FY13. Additional customers during the year allowed for an increase in operating costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The City's governmental funds reflect a combined fund balance of \$30.3 million at the end of the fiscal year. Of this, \$20.8 million is restricted for specific purposes, and \$9.5 million is unassigned and available for day-to-day operations of the City.

The general fund is the main operating fund of the City. At the end of the current fiscal year, the total general fund balance was \$9 million. As a measure of the general fund's liquidity, the City compares total fund balance to total fund expenditures. Total fund balance represents 26.9 percent of total general fund expenditures at the end of Fiscal Year 2014.

The fund balance of the City's General Fund increased by \$533,000 during the current fiscal year. The key factors related to this increase in financial performance are as follows:

- Total general fund revenues increased by \$1.5 million as compared to FY13 due to an increase in property taxes of \$1.6 million (5%) as a result of increased property values. Other portions of the total increase were \$543,000 (2%) in sales taxes and \$467,000 (1%) in franchise taxes.
- Total general fund expenditures increased during the current fiscal year by \$1.3 million as compared to FY13. The majority of this increase were police expenditures of \$244,000 (1%) and fire expenditures of 231,000 (1%) as a result of increased personnel costs.

The Debt Service Fund has a total fund balance of \$5.6 million, all of which is restricted for the payment of debt service. Total expenditures exceeded total revenues (excluding other financing sources and transfers) by \$354,000 as total debt service payments exceeded total revenues. In FY13, this deficiency was \$1.3 million. Principal and interest payments increased by \$80,000 as compared to FY13.

The Bond Fund has a total fund balance of \$2.9 million, which is a decrease of \$2.2 million from the prior year. This decrease can be attributed primarily to construction related costs (\$4.8 million). The Bond Fund issued a \$1.74 million GO bond during the year of which principal payments for this bond will begin in FY15.

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

Total net position of the Water and Wastewater Utility Fund and the Surface Water Utility Fund amounted to \$21.8 million and \$22.2 million, respectively. The Other Enterprise Funds amounted to \$221,143. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

CAPITAL ASSETS

The City of Missouri City's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$275 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment and infrastructure.

SCHEDULE OF CAPITAL ASSETS
(net of depreciation in thousands)

	Governmental Activities		Business-type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
Non-Depreciable Assets						
Land	\$ 11,788	\$ 11,788	\$ 4,741	\$ 4,741	\$ 16,529	\$ 16,529
Intangibles - Right of Way	2,713	2,712	11	11	2,724	2,723
Construction in progress	7,102	3,418	1,338	511	8,440	3,928
Other Capital Assets						
Infrastructure	114,214	120,025	62,387	61,622	176,601	181,647
Buildings	34,816	34,529	2,777	2,856	37,593	37,386
Improvements other than buildings	23,970	22,420	42	48	24,012	22,468
Machinery and equipment	8,260	6,870	1,162	1,310	9,423	8,181
Totals	<u>\$ 202,862</u>	<u>\$ 201,762</u>	<u>\$ 72,460</u>	<u>\$ 71,100</u>	<u>\$ 275,321</u>	<u>\$ 272,860</u>

Construction in progress for the governmental funds (\$7.1 million) at year-end represents numerous ongoing projects, the largest of which relates to the Fire Station# 5 (\$2.7 million) and the Sienna Plantation Management District TIRZ#3 project (\$2.5 million), the Hurricane Lane Extension project (\$524,000) and Trammel-Fresno Improvements (\$349,000).

The construction in progress balance for the enterprise funds (\$1.3 million) consists primarily of \$749,000 for the Mustang Bayou Wastewater Treatment Plant and Regional Water Treatment Plant Transmission Mains of \$330,000.

Additional information on the City's capital assets can be found in Note 7, page 40, of this report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total long-term debt outstanding of \$147 million. Of this amount, \$62 million is general obligation debt, Certificates of Obligation is \$77 million, Increment Revenue bonds is \$4.8 million, Taxes Notes of \$1.1 million, Developer Agreements for the Lakeview Business Park of \$2 million, and Capital Leases of \$118,000. Business-type activities debt is comprised of \$51.1 million in Certificates of Obligation.

SCHEDULE OF LONG-TERM LIABILITIES
(net of depreciation in thousands)

	Governmental Activities		Business-type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 62,032	\$ 62,985	\$ -	\$ -	\$ 62,032	\$ 62,985
Certificates of Obligation	26,213	28,529	51,070	52,601	77,283	81,130
Increment Revenue Bonds	4,825	5,100	-	-	4,825	5,100
Tax Notes	1,070	1,325	-	-	1,070	1,325
Developer Agreements	2,007	-	-	-	2,007	-
Capital Leases	118	153	-	-	118	153
Totals	<u>\$ 96,265</u>	<u>\$ 98,092</u>	<u>\$ 51,070</u>	<u>\$ 52,601</u>	<u>\$ 147,335</u>	<u>\$ 150,693</u>

The City’s total debt decreased by \$3.4 million (2 percent) from the prior fiscal year. Key factors in this decrease were the principal payment of \$4.9 million in general obligation bonds, \$2.7 million in certificates of obligation, \$275,000 in increment revenue bonds and \$255,000 in tax notes. The City also issued \$1.74 million in General Obligation Bonds during the year for transportation improvements and a \$990,000 Certificate of Obligation for a new fire truck. The City also incurred \$3 million in a three-year Developer Agreement of which \$1 million was paid. The City refunded \$8.7 million in general obligation and certificates of obligation bonds which resulting in \$85,000 of additional debt.

All general obligation debt is scheduled to be retired by 2033 and certificates of obligation is scheduled to be retired by 2038.

The City has earned an “AA-” rating from Standard and Poor’s and an “Aa2” rating from Moody’s Investor Service. The City generally insures its debt issues to receive an “AAA” rating.

More detailed information about the City's long-term liabilities is presented in Note 8, beginning on page 43 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The unemployment rate for Missouri City as of June 30, 2014, was 5.4 percent. The U.S. and Texas unemployment rates for June 2014 were 6.1 percent and 5.1 percent, respectively.

The city is expected to increase its population base over the next 5 years from 72,625 in 2014 to 81,151 in 2018 which as a 12% increase. Fort Bend County’s population is 652,365 and it is expected to grow to 749,253 by 2018 which is a 15% increase.

In the upcoming fiscal year of 2015, the City is expecting to maintain an adequate fund balance of 21%, which is well within the policy of 15%-25% of annual expenditures. The total General Fund budget for FY15 is \$40.3 million, with the majority of the spending for police and fire services of \$19.5 million or 50% of the total budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Missouri City's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to Wesley J. Vela, Finance Director, City Hall, 1522 Texas Parkway, Missouri City, TX 77489, telephone (281) 403-8610; or, for general City information, visit the City's website at www.missouricitytx.gov.

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BASIC FINANCIAL STATEMENTS

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City of Missouri City, Texas
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and investments	\$29,846,944	\$3,669,983	\$33,516,927
Receivables	5,054,882	5,452,929	10,507,811
Internal balances	733,881	(733,881)	-
Inventories	105,958	129,824	235,782
Restricted assets:			
Cash and cash equivalents	-	1,940,701	1,940,701
Investments	-	15,995,285	15,995,285
Capital assets not being depreciated:	21,602,569	6,090,644	27,693,213
Capital assets net of depreciation:	181,259,861	66,368,891	247,628,752
Total Assets	\$238,604,095	\$98,914,376	\$337,518,471
Deferred Outflows			
Deferred amount on refunding	507,688	34,150	541,838
Total Deferred Outflows	507,688	34,150	541,838
Liabilities			
Accounts payable and other current liabilities	\$3,103,233	\$1,001,145	\$4,104,378
Accrued interest payable	141,676	99,095	240,771
Non-current liabilities:			
Due within one year	7,139,455	1,647,503	8,786,958
Due in more than one year	94,762,561	51,987,964	146,750,525
Total Liabilities	105,146,925	54,735,707	159,882,632
Net Position			
Net Investment in capital assets	104,175,517	27,400,088	131,575,605
Restricted for:			
Capital projects	3,155,217	5,064,997	8,220,214
Debt service	6,108,078	-	6,108,078
Parkland dedication	1,253,642	-	1,253,642
Community development	3,488,541	-	3,488,541
Other purposes	1,149,692	-	1,149,692
Unrestricted	14,634,171	11,747,734	26,381,905
Total Net Position	\$133,964,858	\$44,212,819	\$178,177,677

See Notes to Financial Statements

City of Missouri City, Texas

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs				
Governmental activities:				
General government	\$ 4,634,444	\$ 280,813	\$ 8,048	\$ -
Finance	1,796,195	-	-	-
Police	13,380,007	1,640,668	918,103	-
Fire	7,768,603	1,197,436	12,120	-
Public Works	12,741,972	582,542	2,500	4,027,446
Parks and recreation	4,013,806	345,499	231,885	-
Planning	2,628,644	1,941,428	1,294,823	-
Interest on long-term debt	4,744,838	-	-	-
Total governmental activities	51,708,509	5,988,386	2,467,479	4,027,446
Business-type activities:				
Water and Wastewater Utilities	2,986,595	7,103,409	-	494,178
Surface Water Utility Fund	5,339,073	6,722,751	-	-
Missouri City Recreation and Leisure, LGC.	3,859,137	3,446,732	-	-
Other	3,469,203	3,446,411	-	-
Total business-type activities	15,654,008	20,719,303	-	494,178
Total Primary Government	67,362,517	26,707,689	2,467,479	4,521,624
 General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Investment earnings				
Other				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, beginning				
Net Position, Ending				

See Notes to Financial Statements

Net (Expense) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (4,345,583)	\$ -	\$ (4,345,583)
(1,796,195)	-	(1,796,195)
(10,821,236)	-	(10,821,236)
(6,559,047)	-	(6,559,047)
(8,129,484)	-	(8,129,484)
(3,436,422)	-	(3,436,422)
607,607	-	607,607
(4,744,838)	-	(4,744,838)
<u>(39,225,198)</u>	<u>-</u>	<u>(39,225,198)</u>
-	4,610,992	4,610,992
-	1,383,678	1,383,678
-	(412,405)	(412,405)
-	(22,792)	(22,792)
<u>-</u>	<u>5,559,473</u>	<u>5,559,473</u>
<u>(39,225,198)</u>	<u>5,559,473</u>	<u>(33,665,725)</u>
27,311,330	-	27,311,330
7,708,738	-	7,708,738
3,751,269	-	3,751,269
654,572	470,075	1,124,647
694,553	63,954	758,507
(98,574)	98,574	-
<u>40,021,888</u>	<u>632,603</u>	<u>40,654,491</u>
796,690	6,192,076	6,988,766
133,168,168	38,020,743	171,188,911
<u>\$ 133,964,858</u>	<u>\$ 44,212,819</u>	<u>\$ 178,177,677</u>

CITY OF MISSOURI CITY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2014

	General	Debt Service	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Current Assets:					
Cash and cash equivalents	\$ 835,930	\$ 601,983	\$ 335,780	\$ 1,765,900	\$ 3,539,593
Investments	6,847,509	4,961,554	2,767,501	10,424,324	25,000,888
Receivables	3,272,349	301,933	59,000	1,420,990	5,054,272
Due from other funds	1,210,471	-	-	-	1,210,471
Inventories	7,316	-	-	-	7,316
Total Assets	\$ 12,173,575	\$ 5,865,470	\$ 3,162,281	\$ 13,611,214	\$ 34,812,540
Liabilities:					
Accounts payable	\$ 2,039,648	\$ 4,250	\$ 125,392	\$ 117,231	\$ 2,286,521
Retainage payable	-	-	117,846	-	117,846
Due to other funds	-	-	-	428,580	428,580
Due to others	401,939	-	-	171,674	573,613
Total Liabilities	2,441,587	4,250	243,238	717,485	3,406,560
Deferred Inflows of Resources					
Unavailable revenues	779,819	301,933	-	28,875	1,110,627
Total Deferred Inflows of Resources	779,819	301,933	-	28,875	1,110,627
Fund Balances:					
Nonspendable:					
Inventory	7,316	-	-	-	7,316
Restricted for:					
Law enforcement	-	-	-	837,630	837,630
Facilities construction	-	-	2,919,043	902,936	3,821,979
Debt service	-	5,559,287	-	-	5,559,287
Parkland dedication	-	-	-	1,253,642	1,253,642
Community Development	-	-	-	6,207,825	6,207,825
Transportation	-	-	-	3,155,217	3,155,217
Unassigned:	8,944,853	-	-	507,604	9,452,457
Total Fund Balances	8,952,169	5,559,287	2,919,043	12,864,854	30,295,353
Total Liabilities and Fund Balances	\$ 12,173,575	\$ 5,865,470	\$ 3,162,281	\$ 13,611,214	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 200,912,481
Internal service funds are used by management to charge costs of management information services, fleet and building maintenance and asset replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,144,696
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds.	(101,498,299)
Revenues that do not provide current financial resources are reported as unavailable in the funds.	1,110,627
Net Position of Governmental Activities	\$ 133,964,858

See Notes to Financial Statements.

CITY OF MISSOURI CITY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Debt Service</u>	<u>Bond Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property taxes and penalties	\$ 16,099,595	\$ 8,159,495	\$ -	\$ 3,149,049	\$ 27,408,139
Other taxes	7,708,738	-	-	-	7,708,738
Licenses and permits	1,941,428	-	-	-	1,941,428
Fines and forfeitures	837,891	-	-	-	837,891
Franchise taxes	3,586,216	-	-	165,053	3,751,269
Intergovernmental revenues	178,996	-	675,698	4,515,711	5,370,405
Other revenue	2,199,991	184,957	143,108	900,102	3,428,158
Charges for services	389,398	-	-	776,499	1,165,897
Total revenues	<u>32,942,253</u>	<u>8,344,452</u>	<u>818,806</u>	<u>9,506,414</u>	<u>51,611,925</u>
Expenditures					
Current:					
General government	4,005,560	-	-	167,206	4,172,766
Finance	1,702,068	-	-	-	1,702,068
Police	11,451,776	-	-	694,152	12,145,928
Fire	7,327,756	-	-	314,917	7,642,673
Public works	4,089,968	-	-	2,023	4,091,991
Parks and recreation	2,737,533	-	-	28,003	2,765,536
Planning	1,745,614	-	-	228,660	1,974,274
Capital outlay	229,981	-	4,748,347	6,850,516	11,828,844
Debt service:				-	
Principal	-	5,723,391	-	925,000	6,648,391
Interest and fiscal charges	-	2,975,103	41,756	883,815	3,900,674
Total expenditures	<u>33,290,256</u>	<u>8,698,494</u>	<u>4,790,103</u>	<u>10,094,292</u>	<u>56,873,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(348,003)	(354,042)	(3,971,297)	(587,878)	(5,261,220)
Other Financing Sources (Uses)					
Transfers from other funds	1,355,417	-	-	698,544	2,053,961
Transfers (to) other funds	(474,669)	-	-	(1,160,406)	(1,635,075)
Issuance of debt	-	-	1,740,000	990,000	2,730,000
Proceeds of refunding bonds	-	8,293,500	-	-	8,293,500
Payment to bond escrow agent	-	(8,587,151)	-	-	(8,587,151)
Bond premium/discount	-	456,837	45,330	4,804	506,971
Total Other Financing Sources (Uses)	<u>880,748</u>	<u>163,186</u>	<u>1,785,330</u>	<u>532,942</u>	<u>3,362,206</u>
Change in Fund Balance	532,745	(190,856)	(2,185,967)	(54,936)	(1,899,014)
Fund Balances, Beginning	<u>8,419,424</u>	<u>5,750,143</u>	<u>5,105,010</u>	<u>12,919,790</u>	<u>32,194,367</u>
Fund Balances, Ending	<u>\$ 8,952,169</u>	<u>\$ 5,559,287</u>	<u>\$ 2,919,043</u>	<u>\$ 12,864,854</u>	<u>\$ 30,295,353</u>

See Notes to Financial Statements

CITY OF MISSOURI CITY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance-total governmental funds.	\$ (1,899,014)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,763,968)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(38,350)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of of activities. This amount represents the repayment of long-term debt (\$6,614,806), refunded debt (\$8,242,650), the proceeds of refunded debt (-\$8,293,500), the payment for developer agreements of (\$1,023,530), and the proceeds of new debt issued (-\$2,730,000).	4,857,486
Some expenses reported in the statement of activities do not require the use of current financial resources are therefore are not reported as expenditures in governmental funds. This adjustment reflects the net change in interest payable (-\$26,425), the change in net pension liability of (\$60,169), the change in compensated absences payable of (\$317,329), the Net OPEB Obligation accrual (\$197,109), the change in bond premium liability (\$382,024) and the deferred charge on refunding (-\$507,688).	(422,518)
The net income (loss) of certain activities of internal service funds is reported with governmental activities.	<u>63,054</u>
Change in Net Position of Governmental Activities	<u><u>\$ 796,690</u></u>

See Notes to Financial Statements.

City of Missouri City, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Wastewater Utilities	Surface Water Utility Fund	Missouri City Recreation and Leisure LGC	Solid Waste Collections	Total	
Assets						
Current Assets:						
Cash and cash equivalents	\$ 324,858	\$ -	\$ 667,643	\$ -	\$ 992,501	\$ 141,362
Investments	2,677,483	-	-	-	2,677,483	1,165,101
Other receivables, net of allowance	4,482,778	640,232	38,458	291,461	5,452,929	610
Inventories	-	-	129,824	-	129,824	98,642
Restricted cash, cash equivalents	62,997	1,877,704	-	-	1,940,701	-
Restricted investments	519,222	15,476,063	-	-	15,995,285	-
Total Current Assets	<u>8,067,338</u>	<u>17,993,999</u>	<u>835,925</u>	<u>291,461</u>	<u>27,188,723</u>	<u>1,405,715</u>
Noncurrent Assets:						
Capital assets:						
Land	531,113	4,210,313	-	-	4,741,426	-
Right of Way	600	10,700	-	-	11,300	-
Construction in progress	944,749	393,169	-	-	1,337,918	-
Buildings	3,946,598	-	-	-	3,946,598	-
Improvements	126,247	-	-	-	126,247	-
Equipment	2,553,865	11,997	5,898	-	2,571,760	9,769,747
Infrastructure	18,435,956	47,882,752	-	-	66,318,708	-
Less accumulated depreciation	(4,278,880)	(2,311,413)	(4,129)	-	(6,594,422)	(7,819,798)
Total Noncurrent Assets	<u>22,260,248</u>	<u>50,197,518</u>	<u>1,769</u>	<u>-</u>	<u>72,459,535</u>	<u>1,949,949</u>
Total Assets	<u>30,327,586</u>	<u>68,191,517</u>	<u>837,694</u>	<u>291,461</u>	<u>99,648,258</u>	<u>3,355,664</u>
Deferred Outflows						
Deferred amount on refunding	34,150	-	-	-	34,150	-
Total Deferred Outflows	<u>34,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,150</u>	<u>-</u>
Liabilities						
Current liabilities:						
Accounts payable and other current liabilities	484,930	441,180	174,085	46	1,100,241	125,252
Due (to) from other funds	-	-	663,609	70,272	733,881	48,010
Bond Premium Payable	19,784	-	-	-	19,784	-
Certificates of obligation bonds payable	357,719	1,270,000	-	-	1,627,719	-
Total Current Liabilities	<u>862,433</u>	<u>1,711,180</u>	<u>837,694</u>	<u>70,318</u>	<u>3,481,625</u>	<u>173,262</u>
Noncurrent Liabilities:						
Accrued compensation absences	-	-	-	-	-	37,706
Bond Premium Payable	-	2,545,888	-	-	2,545,888	-
Certificate of obligation bonds payable	7,687,076	41,755,000	-	-	49,442,076	-
Total Noncurrent Liabilities	<u>7,687,076</u>	<u>44,300,888</u>	<u>-</u>	<u>-</u>	<u>51,987,964</u>	<u>37,706</u>
Total Liabilities	<u>8,549,509</u>	<u>46,012,068</u>	<u>837,694</u>	<u>70,318</u>	<u>55,469,589</u>	<u>210,968</u>
Net Position						
Net Investment in capital assets	13,710,738	13,689,350	-	-	27,400,088	1,949,949
Restricted for capital projects	5,064,997	-	-	-	5,064,997	-
Unrestricted	3,036,492	8,490,099	-	221,143	11,747,734	1,194,747
Total Net Position	<u>\$21,812,227</u>	<u>\$22,179,449</u>	<u>\$ -</u>	<u>\$ 221,143</u>	<u>\$ 44,212,819</u>	<u>\$ 3,144,696</u>

See Notes to Financial Statements

CITY OF MISSOURI CITY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Wastewater Utilities	Surface Water Utility Fund	Missouri City Recreation and Leisure LGC	Solid Waste Collections	Total	
Operating Revenues						
Charges for services	\$ 7,103,409	\$ 6,722,751	\$ 3,446,732	\$ 3,446,411	\$ 20,719,303	\$ 5,481,108
Total Operating Revenues	<u>7,103,409</u>	<u>6,722,751</u>	<u>3,446,732</u>	<u>3,446,411</u>	<u>20,719,303</u>	<u>5,481,108</u>
Operating Expenses						
Personnel	-	-	1,000,154	-	1,000,154	928,880
Commodities	7,324	1,383,579	958,560	-	2,349,463	1,039,219
Contractual services	2,321,722	982,097	1,897,796	3,469,203	8,670,818	2,348,216
Other services	7,210	59,058	1,447	-	67,715	17,388
Depreciation	530,767	938,914	1,180	-	1,470,861	671,580
Total Operating Expenses	<u>2,867,023</u>	<u>3,363,648</u>	<u>3,859,137</u>	<u>3,469,203</u>	<u>13,559,011</u>	<u>5,005,283</u>
Operating Income (Loss)	<u>4,236,386</u>	<u>3,359,103</u>	<u>(412,405)</u>	<u>(22,792)</u>	<u>7,160,292</u>	<u>475,825</u>
Non-Operating Revenues (Expenses)						
Investment earnings	163,847	300,411	-	5,818	470,076	38,995
Interest expense	(119,573)	(1,975,426)	-	-	(2,094,999)	-
Gain/loss on disposal of capital assets	-	-	-	-	-	(23,668)
Insurance & misc. reimbursements	-	45,133	18,820	-	63,953	89,362
Total Non-Operating Revenues	<u>44,274</u>	<u>(1,629,882)</u>	<u>18,820</u>	<u>5,818</u>	<u>(1,560,970)</u>	<u>104,689</u>
Income (Loss) Before Contributions and Transfers	<u>4,280,660</u>	<u>1,729,221</u>	<u>(393,585)</u>	<u>(16,974)</u>	<u>5,599,322</u>	<u>580,514</u>
Contributions and Transfers						
Capital contributions	494,178	-	-	-	494,178	-
Transfers from other funds	-	7,021,325	393,585	-	7,414,910	-
Transfer (to) other funds	(7,047,325)	(269,011)	-	-	(7,316,336)	(517,460)
Total Contributions and Transfers	<u>(6,553,147)</u>	<u>6,752,314</u>	<u>393,585</u>	<u>-</u>	<u>592,752</u>	<u>(517,460)</u>
Change in Net Position	<u>(2,272,487)</u>	<u>8,481,535</u>	<u>-</u>	<u>(16,974)</u>	<u>6,192,075</u>	<u>63,054</u>
Net position, beginning	24,084,714	13,697,914	-	238,117	38,020,744	3,081,642
Net position, Ending	<u>\$ 21,812,227</u>	<u>\$ 22,179,449</u>	<u>\$ -</u>	<u>\$ 221,143</u>	<u>\$ 44,212,819</u>	<u>\$ 3,144,696</u>

See Notes to Financial Statements

City of Missouri City, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental
	Water and Wastewater Utilities	Surface Water Utility Fund	Missouri City Recreation and Leisure LGC	Solid Waste Collections	Total Enterprise Funds	Activities - Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 4,596,399	\$ 6,722,751	\$ 3,408,127	3,457,332	\$ 18,184,609	\$ 5,481,107
Disbursed for personnel services	-	-	(963,560)	-	(963,560)	(929,565)
Disbursed for good and services to suppliers	(2,137,410)	(2,287,431)	(2,452,961)	(3,681,063)	(10,558,865)	(3,530,737)
Net Cash Provided (Used) by Operating Activities	2,458,989	4,435,320	(8,394)	(223,731)	6,662,184	1,020,805
Cash Flows From Noncapital Financing Activities						
Transfer (to) from other funds	(7,047,325)	6,752,314	393,585	-	98,574	(517,460)
Net Cash Provided by Noncapital Financial Activities	(7,047,325)	6,752,314	393,585	-	98,574	(517,460)
Cash Flows from Capital & Related Financing Activities						
Proceeds from disposal of assets	-	-	-	-	-	(23,668)
Insurance & misc. reimbursements	-	45,133	18,820	-	63,953	89,362
Interest paid on capital debt	(119,573)	(3,308,150)	-	-	(3,427,723)	-
Acquisition and construction of capital assets	(792,978)	(2,266,670)	-	-	(3,059,648)	(505,377)
Capital contributions	494,178	-	-	-	494,178	-
Principal (paid) received on capital debt	(1,967,897)	-	-	-	(1,967,897)	-
Advances from other funds	326,410	730,706	25,000	-	1,082,116	126,119
Net Cash (Used) by Capital & Related Financing Activities	(2,059,860)	(4,798,981)	43,820	-	(6,815,022)	(313,564)
Cash Flows from Investing Activities						
Interest Received	163,847	300,412	-	5,819	470,078	38,994
Purchase of investments	4,290,109	(7,546,244)	-	162,030	(3,094,105)	(363,780)
Net Cash Provided by Investing Activities	4,453,956	(7,245,832)	-	167,849	(2,624,027)	(324,786)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,194,241)	(857,179)	429,011	(55,882)	(2,678,291)	(135,005)
Cash and cash equivalents, beginning	2,582,096	2,734,883	238,632	55,882	5,611,493	276,367
Cash and Cash Equivalents, Ending	\$ 387,855	\$ 1,877,704	\$ 667,643	-	\$ 2,933,202	\$ 141,362

See Notes to Financial Statements

City of Missouri City, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Wastewater Utilities	Surface Water Utility Fund	Missouri City Recreation and Leisure LGC	Solid Waste Collections	Total	
Reconciliation of Operating Income (Loss) to						
Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 4,236,386	\$ 3,359,103	\$ (412,405)	\$ (22,792)	\$ 7,160,292	\$ 475,825
Adjustments to reconcile operating income to net cash used by operating activities:						
Depreciation	530,767	938,914	1,180	-	1,470,861	671,580
(Increase) decrease in accounts receivable	(2,507,010)	-	(38,605)	10,921	(2,534,694)	-
(Increase) in inventories	-	-	83,332	-	83,332	9,350
Increase (Decrease) in accounts payable	198,846	137,303	(28,999)	(239)	306,911	(1,678)
Increase (decrease) in due to other funds	-	-	387,103	(211,621)	175,482	(134,272)
Total adjustments	<u>(1,777,397)</u>	<u>1,076,217</u>	<u>404,011</u>	<u>(200,939)</u>	<u>(498,108)</u>	<u>544,980</u>
Net Cash Provided by Operating Activities	<u><u>\$ 2,458,989</u></u>	<u><u>\$ 4,435,320</u></u>	<u><u>\$ (8,394)</u></u>	<u><u>\$ (223,731)</u></u>	<u><u>\$ 6,662,184</u></u>	<u><u>\$ 1,020,805</u></u>
Breakdown of Restricted and Unrestricted						
Cash and Cash Equivalents:						
Restricted	\$ 62,997	\$ 1,877,704	\$ -	-	\$ 1,940,701	\$ -
Unrestricted	324,858	-	667,643	-	992,501	141,362
Total	<u><u>\$ 387,855</u></u>	<u><u>\$ 1,877,704</u></u>	<u><u>\$ 667,643</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,933,202</u></u>	<u><u>\$ 141,362</u></u>
Noncash Investing, Capital and Financing Activities:						
Capital asset contributions from governmental funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

CITY OF MISSOURI CITY, TEXAS

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June 30, 2014**

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**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Missouri City, Texas, was incorporated March 12, 1956, and adopted the Home Rule Charter November 23, 1974, pursuant to the laws of the State of Texas. The City operates under a "Council-Manager" form of government and provides services authorized by its charter. Presently, these services include police and fire protection, drainage, building and code inspection, planning, zoning, engineering, street repair and maintenance, park maintenance, recreational activities for citizens, and general administrative services.

The financial statements of the City of Missouri City have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental 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:

A. Reporting Entity

The City is an independent political subdivision of the State of Texas, governed by an elected mayor and six-member council, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity.

The basic financial statements for the City of Missouri City include all activities, organizations and functions for which the City is financially accountable. The criteria considered include (1) whether the organization is part of the City's legal entity or (2) whether the City appoints the voting majority of the organization's governing body and either (a) the City is able to impose its will on the organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. In addition, an organization may be financially dependent on the City and also included in its reporting entity. Those criteria are based upon and are consistent with those set forth in the Codification of Governmental Accounting Standards, Section 2100, Defining the Financial Reporting Entity.

The Missouri City Development Authority and Tax Incremental Reinvestment Zones 1, 2 and 3, and Public Improvement Districts 2 and 4 have been included in the City's financial reporting. These legally separate entities are blended component units and are included as Special Revenue Funds of the City. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity. The City maintains all accounting records for the blended component units.

The Missouri City Recreation and Leisure Local Government Corporation (LGC) is a proprietary fund that also is a blended component unit that operates from user fees. Specifically, all the members of Missouri City's governing body (City Council) serve as board members of the Development Authority Board, both Public Improvement Districts and the Missouri City Recreation and Leisure LGC. The City Council appoints the majority of the directors of the Tax Incremental Reinvestment Zones. The City Council appoints six of the eight board members for TIRZ 1, and seven of the eleven board members for TIRZ 3. Both boards are substantively the same as the City. Contributions to the TIRZs, in the form of incremental tax revenues, come from the City and Fort Bend County, whom can each appoint one board member. The sole purpose of TIRZ 1, 2 and 3 is to finance capital assets that will be owned by the City.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Fort Bend Independent School District elected not to join the TIRZs. The boards of the zones/districts make recommendations to City Council regarding the administration of the zones/districts. The boards are not authorized to issue bonds, impose taxes or assess fees. The City approves the tax rate, and assumes obligation to finance deficits in the zones on a short-term basis until incremental improvements are made and the City Manager is authorized to hire consultants for the zones. The above-mentioned component units' services (providing infrastructure that will be owned by the City) almost exclusively benefit the City in that the development of these areas (economically depressed areas) increases the tax base, resulting in additional revenue to the City. Separate financial statements are not issued for the above-mentioned blended component units.

The City developed a regional wastewater treatment master plan to achieve economies of scale by requiring utility districts and new developments to share wastewater treatment plants. The plant is contractually operated by the Quail Valley Municipal Utility.

Presently, the City has nineteen (19) active municipal utility districts providing water and sewer services within the City. These districts are not considered a part of the City's legal entity since they are not fiscally dependent on the City, have taxing powers and set their own budgets.

B. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, deferred inflows, fund equity, revenues, and expenditure/expenses. 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 60 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 are recorded only when payment is due.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

The government reports the following major Governmental Funds:

General Fund

The General Fund is the government's primary operating fund. The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues of the general fund are property taxes, sales and use taxes, franchise fees, permit fees, and fines and forfeitures. Expenditures are for general government, finance, public safety, public works, park maintenance and recreation, planning and zoning, and engineering.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The primary source of revenue for debt service is property taxes.

Bond Fund

The Bond Fund is used to account for the proceeds from the sale of general obligation bonds and certificates of obligation and expenditures of these proceeds for the acquisition of capital assets as designated in each bond issue.

The government reports the following major Proprietary Funds:

Water and Wastewater Utilities Fund

The Water and Wastewater Utility Fund accounts for the provision of water and wastewater services to the citizens of the City of Missouri City who are not serviced by any municipal utility district (MUD). The two main areas included at this time in the Water and Wastewater Utilities Fund are Northeast Oyster Creek (NEOC) Service area and the Mustang Bayou (MB) Service area for both water and wastewater treatment, and wastewater treatment for Hightower High School. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing, debt service, billing and collection.

Surface Water Utility Fund

The Surface Water Utility Fund is used to account for the construction and operation of a surface water treatment plant to service the City (including twenty-two municipal utility districts and other special water districts). The surface water treatment plant is an integral part of the area's Groundwater Reduction Plan. A plan entered into by these districts legally obligates each participant for the repayment of the construction debt.

Missouri City Recreation and Leisure LGC

The Missouri City Recreation and Leisure Local Government Corporation (LGC) operates various services such as an 18-hole golf course, restaurant and pro shop. Private events are also held in the community rooms such as weddings, meetings and other events.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Additionally, the government reports Internal Service Funds to account for fleet management services, information technology services, building maintenance services, fleet asset replacement and information technology asset replacement provided to other City departments and functions of the government on a cost reimbursement basis.

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

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

C. Cash and Cash Equivalents

Cash and cash equivalents consist of amounts in a demand account, money market mutual fund, petty cash funds, Texas Local Government Investment Pool (TEXPOOL), the Local Government Investment Cooperative (LOGIC) and short-term investments with maturities of three months or less. Both TEXPOOL and LOGIC are external investment pools established by interlocal contracts under state law. Investments and securities are booked at cost and amortized monthly to reach par at maturity. Investments are generally held to maturity.

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various bearing securities and disclosed as part of the City's investments. The City pools excess cash of the various individual funds to purchase investments. These pooled investments are reported in the combined balance sheet as investments in each fund based on each fund's share of the pooled investments. Interest income is allocated to each respective individual fund monthly based on its respective share of pooled investments.

For the purpose of the Statement of Cash Flows, the City considers all investments with original maturities of three months or less from the date of acquisition to be cash equivalents. The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet

current operating requirements. Cash in excess of current requirements is invested in various bearing securities and disclosed as part of the City's investments. The City pools excess cash of the various individual funds to purchase investments. These pooled investments are reported in the combined balance sheet as investments in each fund based on each fund's share of the pooled investments. Interest income is allocated to each respective individual fund monthly based on its respective share of pooled investments.

For the purpose of the Statement of Cash Flows, the City considers all investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

D. Receivables

The City records certain revenues billed to other governmental agencies, residents, and others on a monthly basis. Adjustments to revenue were made for uncollectible accounts as needed. At June 30, 2014, an allowance of \$1,240,904 was provided for possible adjustments for uncollectible accounts.

E. Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part, eliminated from the government-wide Statement of Net Position and are classified as "due from other funds" or "due to other funds" in the fund financial statements.

F. Inventory

Inventory, which consists of gasoline and parts for use in the City's vehicles, is stated at cost (first-in, first-out method). Expenditures are recognized as the fuel and parts are used.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure items, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure is not held to the \$5,000 limit; all infrastructure is capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City of Missouri City's enterprise funds during the current fiscal year was \$2,091,349, of which none has been capitalized.

Land is not depreciated. Property, plant, equipment and infrastructure assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Years</u>
Building & Building Improvements	15-50
Land improvements	10-20
Infrastructure	10-65
Machinery & Equipment	4-25

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

H. Compensated Absences

Compensated absences, which include unpaid vacation and other employee benefit amounts, are accumulated during employment. Amounts accumulated are paid to employees upon separation from City service. At June 30, 2014, all amounts accrued for compensated absences have been included as liabilities in the Government-wide Statement of Net Position and as designated fund balances in the fund that pays the unpaid vacation and other employee benefits. Employees earn vacation leave at the rate of ten days per year from one to five years and up to sixteen days per year for service of fifteen years or more. Police and Fire employees, as defined under Section 142.010 of the Texas Local Government Code, receive fifteen days vacation after one full year of employment and sixteen days vacation for fifteen years and over.

The maximum accrual an employee may maintain is two times the annual rate. City employees receive eleven paid holidays per year. Employees may be paid or may elect to receive compensatory time off for the holiday. Overtime is earned at one and one-half times the regular rate of pay. Employees may be paid or receive compensatory time. The maximum accrual for holiday and overtime is 120 hours.

I. Long-Term Obligations

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term obligations as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts.

The fund financial statements report bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources at par. Premiums (discounts) associated with the debt are reported as other financing uses.

J. Fund Balance

As of these financial statements, the City has adopted GASB Statement No.54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the City Charter, City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts than can be used only for specific purposes determined by ordinances passed by City Council, the City’s highest level of decision making authority. This includes the budget reserve account. Commitments may be modified or rescinded only through ordinances approved by City Council.

Assigned – Amounts that are intended to be used for a specific purposes, but do not meet the definition of restricted or committed fund balance. Under the City’s policy, amounts can be assigned by the City Manager.

Unassigned – All amounts not included in other spendable classifications.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 19). As discussed in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the assignment has been changed by the City Manager. As of June 30, 2014, no amounts have been assigned. 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, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

As discussed in Note 14, as of June 30, 2014, the City has \$2,989,307 of encumbrances of operating funds in major and non-major funds that rolled over into the next fiscal year.

K. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates

L. Restricted Resources

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

M. Restricted Assets

The Enterprise Funds have restricted certain cash and investments for customer deposits, reserve and emergency expenditures, capital improvements, cash restricted for others, and revenue bond debt service. Because of certain bond covenants, the Enterprise Fund is required to maintain prescribed amounts of resources that can be used only to service outstanding debt. The proceeds from debt are restricted for use on capital projects.

N. Comparative Data and Reclassifications

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental funds as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, certification of obligation payable, and post employment benefits, are not due and payable in the current period and are therefore not reported in the funds.”

The details of this \$101,498,299 are as follows:

Total Governmental Activities Long Term Liabilities:	\$ 101,864,311
Plus accrued interest	141,676
Less deferred charge on refunding	<u>(507,688)</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 101,498,299</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as “depreciation expense.” The details of this (\$1,763,968) difference are as follows:

Capital Outlay	\$ 7,800,412
Loss on sale of assets	(50,966)
Depreciation Expense (less internal service funds)	<u>(9,513,414)</u>
Net adjustment to decrease net change in fund balance - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (1,763,968)</u>

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - DEPOSITS AND INVESTMENTS

The City's cash and investments are classified as cash and cash equivalents and investments. The cash and cash equivalents include cash on hand, deposits with financial institutions, short-term investments in external public funds investment pool accounts (LOGIC) and (TEXPOOL), and other investments, which have maturities at purchase date of less than three months. The investments, which have maturities at purchase date of greater than three months, consist mainly of commercial paper and U.S. government obligations. For better management of cash, the City pools the cash, based on the City's needs, into deposits in the bank, in short-term investments with LOGIC and TEXPOOL, or in longer term investments in commercial paper or U.S. Government securities. However, each fund's balance of cash and investments is maintained in the books of the City.

Cash and Cash Equivalents

The City's deposits are maintained under the provisions of a depository contract as a cash concentration account for use by all City funds. All receipts of City funds are deposited into a money market mutual fund account, and the depository bank transfers funds to a separate demand deposit checking account as checks are posted. The City bids out excess funds as necessary and awards the bid to the institution or agency offering the highest interest rate. Brokers/dealers must complete a questionnaire, submit financial statements, and be approved by City Council before being accepted to bid on investments of excess City funds.

At year-end, the City had cash on hand, bank deposits, deposits with LOGIC and TEXPOOL, and investments with maturities of three months or less at date of purchase as follows:

Fund	Cash on Hand	Bank Deposits	Cash Equivalent Investments	Total
General Fund	\$5,020	\$458,471	\$372,440	\$835,930
Debt Service Fund		361,563	240,421	601,983
Bond Fund		201,676	134,104	335,780
Nonmajor Governmental Funds		790,635	975,265	1,765,900
Internal Service Funds		84,904	56,457	141,362
Enterprise Funds	1,550	1,770,413	1,161,238	2,933,202
	<u>\$ 6,570</u>	<u>\$ 3,667,661</u>	<u>\$ 2,939,925</u>	<u>\$ 6,614,157</u>

Custodial Credit Risk - Deposits

For deposits, this is the risk that, in the event of bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Collateral is required for all bank deposits at 100 percent of deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Collateral pledged to cover the City's deposits is required to be held in the City's name by the trust department of a bank other than the pledging bank (the City's agent). Collateral securities must bear a Baa-1 or better rating to qualify for use in securing uninsured depository balances.

Deposits at year-end are representative of the types of deposits maintained by the City during the year. The City's deposits in banks at year-end were entirely covered by federal depository insurance or by acceptable collateral held by the City's agent in the City's name.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Investments

The Council has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act (Chapter 2256 Texas Government Code). The investments of the City are in compliance with the Council's investment policies. It is the City's policy to restrict its investments to direct obligations of the U.S. Government, commercial paper, fully collateralized certificates of deposit and other interest-bearing time and demand deposits, and other instruments and investments in public funds investment pools such as the Local Government Investment Cooperative (LOGIC) and Texas Local Government Investment Pool (TEXPOOL).

Under provisions of state and local statutes, the City's investment policies, and provisions of the City's depository contracts with the area financial institutions, the City is authorized to place available deposits and investments in the following:

1. Obligations of the U.S., its agencies, and instrumentalities.
2. Direct obligations of the State of Texas or its agencies.
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.
4. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States or their agencies and instrumentalities.
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to the investment quality by a nationally recognized investment firm and having received a rating of not less than A or its equivalent.
6. Bonds issued, assumed, or guaranteed by the State of Israel.
7. Certificates of Deposit issued by state and national banks or a savings bank, state or federal credit union domiciled in this state that are:
 - guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or the National Credit Union or its successor;
 - secured by obligations that are described in 1-6 above, which are intended to include all direct federal agency or instrumentality issued mortgage backed securities that have a fair value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the investing entities.
8. Fully collateralized repurchase agreements having a defined termination date, secured by obligations of the United States, its agencies or instrumentalities, pledged with a third party selected or approved by the political entity, and placed through a primary government securities dealer, as defined by the Federal Reserve, or through a financial institution domiciled in the State of Texas.
9. Prime domestic banker's acceptances, defined as a banker's acceptance with a remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or equivalent by at least one nationally recognized credit rating agency.
10. Commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or State bank.
11. SEC-registered no-load money market mutual fund (MMMF), with a dollar weighted average portfolio maturity of 90 days or less, includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

12. SEC-registered, no-load money market mutual funds (MMMF) that have an average weighted maturity of less than two years, invests exclusively in obligations described above and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of no less than AAA or its equivalent.
13. Authorized guaranteed investment contracts that have a defined termination date, are secured by obligations described in 1-6 above, are pledged to the City and deposited with the City or with a third party selected and approved by the City.
14. Authorized government investment pools that invest solely in obligations of any of the above investments provided that the pools are rated no lower than AAA or AAA-m or an equivalent by at least one nationally recognized rating service.

All significant legal and contractual provisions for investments were complied with during the year.

As of June 30, 2014, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Percentage of Portfolio</u>
U.S. Government Agency Notes:			
Ginnie Mae Agency Notes	\$ 4,402,474	103	9%
Federal Home Loan Bank Agency Notes	15,656,286	427	33%
Municipal Bonds	6,372,015	66	13%
Fannie Mae Agency Notes	<u>18,784,406</u>	288	40%
Total U.S. Government Agency Notes	45,215,181		
TexPool	82,680	49	0%
LOGIC	<u>2,236,191</u>	52	5%
Total Investments per Balance Sheet	<u>\$ 47,534,052</u>	275	

The U.S. government securities were purchased through a broker/dealer and held for safekeeping by the City's depository bank (independent agent), registered for the account of Missouri City. The City generally holds all investments to maturity date. The City had no derivative investment products during the current year. The City did not have any reverse repurchase or repurchase agreement transactions. Fair values of investments are based on quoted market prices. The investments are reported by the City at fair values determined by quoted market prices. Investment interest is adjusted for changes in the fair values of U.S. government agencies.

The Local Government Investment Cooperative (LOGIC) and the Texas Local Government Investment Pool (TEXPOOL) amounts are not evidenced by securities that exist in physical or book entry form and, accordingly, are not categorized by risk. However, the nature of these funds requires that they be used to purchase investments authorized by the Public Funds Investment Act. The primary objective of these investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments. The City considers the holdings in LOGIC and TEXPOOL to be redeemable within one day although the weighted average maturity days are 52 and 49 respectively. Weighted average maturity is determined and defined by the nature of the deposits in the pools, not by the account holder.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

The State of Texas exercises oversight responsibility over TEXPOOL in accordance with state laws and the Public Funds Investment Act. Texpool is an external pool and operates in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. It is rated AAAM by Standard Poor's, the highest rating a local government investment pool can achieve. Net position is reported using amortized cost rather than fair value in computing share price. In accordance with TEXPOOL management policies, the net asset value will always be between .9965 and 1.0035. Accordingly, the fair value of the City's position in the pool is the same as the value of the shares in the pool.

If at any time, pursuant to its daily calculation, the deviation between the amortized cost and market-determined values per share of the Portfolio's assets exceeds \$0.0030, the Co-Administrators shall promptly notify the Board. In the event that the deviation from amortized cost per share exceeds \$0.0040, the Board shall promptly hold a meeting and the Co-Administrators shall take action as directed by the Board. However, absent contrary instructions, the Co-Administrators shall promptly sell portfolio holdings, or will take such other action as the Board, or their delegates, may direct to eliminate or reduce to the extent reasonably practicable any dilution or unfair results to existing Unit holders.

LOGIC is a local government investment fund that operates as a money market fund under the Public Funds Investment Act, which requires that it maintain an AAA, AAA-m or equivalent rating from a nationally recognized rating service. LOGIC is rated AAA and operates in full compliance with the PFIA and rating agency requirements. As a local government investment fund, LOGIC is exempted from SEC registration and the requirements of Rule 2a-7 pertaining to registered money market funds; however, consistent with Rule 2a-7, it seeks to maintain a stable net asset value of \$1.00 per unit. Pursuant to an action by the Board of Directors, LOGIC began reporting its investments using the fair value method, rather than at their amortized cost, on August 31, 2010. Currently, fixed income securities (other than short term investments maturing in less than 61 days) are valued each day based on readily available market quotations received from independent or affiliated pricing services or third party broker dealers. The net asset value per unit of LOGIC is calculated each business day by adding the fair value of LOGIC's securities and other assets, deducting accrued expenses and arrearages, and dividing by the number of units outstanding. As previously noted, it is the intention of LOGIC to maintain a net asset value of \$1.00.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than two years to meet cash requirements for ongoing operations.

Credit Risk - Investments

In accordance with its investment policy, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities. All of the City's U.S. Agency investments are insured, registered, or the City's agent holds the securities in the City's name; therefore the City is not exposed to custodial credit risk.

Concentration of Credit Risk

The City's policy does not allow for an investment in any one issuer that is in excess of five percent of the total investments. However, at June 30, 2014, the City held eight (8) securities totaling \$31,089,384, each of which had an investment balance greater than five percent of total investments at that time.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - PROPERTY TAXES

Property taxes for each year are levied on approximately August 1 and are due upon receipt of the City's tax bill and become delinquent on February 1 of the following year. On January 1 of each year, a tax lien is attached to the property to secure the payment of all taxes, penalties, and interest. The lien exists in the favor of the State and each taxing unit. Appraised values are established by the Fort Bend Central Appraisal District (CAD), through procedures established by the Texas Legislature. The County bills and collects property taxes on behalf of the City, and remits payment to the City on a frequent basis. The City bills its tax levies as soon as possible after certification of taxable values by the CAD, which is approximately August 1 as noted above. Additional tax bills are sent in December, February, April, and July (which includes a surcharge for legal costs associated with collection). In August, delinquent taxes are turned over to the City's delinquent tax attorneys for final collection or other disposition.

The City is permitted, by Article XI, Section 5, of the State of Texas Constitution and the City Charter, to levy property taxes up to \$2.50 per \$100 of assessed valuation for general governmental services. Within the \$2.50 maximum levy, there is no legal limit upon the amount of property taxes, which can be levied for debt service. The property tax rates to finance general governmental services and debt service for the 2013-14 fiscal year were \$.39727 and \$.18623 respectively, per \$100 of assessed valuation. The 2013 assessed value and total tax levy as adjusted through June 30, 2014, were \$4,460,013,503 and \$26,801,394, respectively. The allowance for uncollectible tax accounts as of June 30, 2014, is estimated at \$37,977.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government’s individual major and non-major funds, and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Bond Fund	Non-major Funds	Internal Service	Governmental Activities
Receivables						
Property Taxes	\$ 634,906	\$ 314,513	\$ -	\$ -	\$ -	\$ 949,419
Municipal court	1,325,398	-	-	-	-	1,325,398
Other	2,528,354	-	-	560,354	610	3,089,318
Due from other governments	1,189	-	59,000	871,462	-	931,651
Gross receivables	4,489,848	314,513	59,000	1,431,816	610	6,295,786
Less: allowance for uncollectable	(1,217,499)	(12,580)	-	(10,826)	-	(1,240,904)
Net Total Receivables	<u>\$ 3,272,349</u>	<u>\$ 301,933</u>	<u>\$ 59,000</u>	<u>\$ 1,420,990</u>	<u>\$ 610</u>	<u>\$ 5,054,882</u>

	Water and Wastewater Utilities	Surface Water Utility Fund	Other Enterprise Funds	Other Non Major Funds	Business-type Activities	Total
Receivables						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 949,419
Municipal court	-	-	-	-	-	1,325,398
Other	-	-	38,458	291,461	329,919	3,419,239
Due from other governments	4,482,778	640,232	-	-	5,123,010	6,054,659
Gross receivables	4,482,778	640,232	38,458	291,461	5,452,929	11,748,716
Less: allowance for uncollectable	-	-	-	-	-	(1,240,904)
Net Total Receivables	<u>\$ 4,482,778</u>	<u>\$ 640,232</u>	<u>\$ 38,458</u>	<u>\$ 291,461</u>	<u>\$ 5,452,929</u>	<u>\$ 10,507,811</u>

NOTE 6 - DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

	General Fund	Debt Service	Non-Major Governmental Funds	Total
Property taxes receivable	\$ 609,510	\$ 301,933	\$ -	\$ 911,443
Municipal court fines & fees	170,309	-	28,875	199,184
	<u>\$ 779,819</u>	<u>\$ 301,933</u>	<u>\$ 28,875</u>	<u>\$ 1,110,627</u>

CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2014:

	Balance			Balance
	July 1, 2013	Increases	(Decreases)	June 30, 2014
Governmental activities:				
Capital assets, not being depreciated				
Land	11,787,967	-	-	11,787,967
Intangibles - Right of Way	2,711,721	1,200	-	2,712,921
Construction in progress	3,417,702	4,075,302	(391,323)	7,101,681
Total capital assets, not being depreciated	<u>17,917,390</u>	<u>4,076,502</u>	<u>(391,323)</u>	<u>21,602,569</u>
Capital assets being depreciated:				
Buildings and Building Improvements	40,996,004	1,161,353		42,157,357
Improvements other than buildings	29,037,139	3,030,689		32,067,828
Infrastructure	191,395,528	493,487		191,889,015
Machinery and equipment	8,932,601	2,965,770	(956,905)	10,941,466
Total capital assets being depreciated	<u>270,361,273</u>	<u>7,651,300</u>	<u>(956,905)</u>	<u>277,055,667</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(6,466,545)	(875,144)		(7,341,688)
Improvements other than buildings	(6,617,429)	(1,480,180)		(8,097,609)
Infrastructure	(71,370,485)	(6,304,892)		(77,675,378)
Machinery and equipment	(2,062,293)	(1,524,778)	905,940	(2,681,131)
Total accumulated depreciation	<u>(86,516,751)</u>	<u>(10,184,994)</u>	<u>905,940</u>	<u>(95,795,806)</u>
Total capital assets being depreciated, net	<u>183,844,521</u>	<u>(2,533,694)</u>	<u>(50,966)</u>	<u>181,259,861</u>
Governmental activities capital assets, net	<u>201,761,911</u>	<u>1,542,808</u>	<u>(442,289)</u>	<u>202,862,430</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	4,741,426			4,741,426
Intangibles - Right of Way	11,000	300		11,300
Construction in progress	510,742	872,202	(45,025)	1,337,918
Total capital assets, not being depreciated	<u>5,263,168</u>	<u>872,502</u>	<u>(45,025)</u>	<u>6,090,644</u>
Business-type assets, being depreciated				
Buildings and Building Improvements	3,946,598	-		3,946,598
Improvements other than buildings	126,247	-		126,247
Infrastructure	64,315,367	2,003,341		66,318,708
Machinery and equipment	2,571,760	-		2,571,760
Total capital assets being depreciated	<u>70,959,973</u>	<u>2,003,341</u>	<u>-</u>	<u>72,963,313</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(1,090,253)	(78,944)		(1,169,197)
Improvements other than buildings	(78,252)	(6,338)		(84,590)
Infrastructure	(2,693,660)	(1,237,631)		(3,931,291)
Machinery and equipment	(1,261,398)	(147,946)		(1,409,344)
Total accumulated depreciation	<u>(5,123,563)</u>	<u>(1,470,860)</u>	<u>-</u>	<u>(6,594,423)</u>
Total capital assets being depreciated, net	<u>65,836,410</u>	<u>532,481</u>	<u>-</u>	<u>66,368,891</u>
Business Type activities capital assets, net	<u>71,099,577</u>	<u>1,404,982</u>	<u>(45,025)</u>	<u>72,459,535</u>

CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Depreciation expense for the year ended June 30, 2014 was distributed as follows:

Governmental activities:	
General Government	\$ 263,993
Finance	112,629
Police	674,128
Fire	514,728
Public Works	7,194,343
Parks and Recreation	1,398,271
Planning	<u>26,902</u>
Total depreciation expense - governmental activities	<u><u>10,184,994</u></u>
Business Type Activities:	
Water and wastewater	530,766
Surface Water	938,914
Missouri City Recreation & Leisure LGC	<u>1,180</u>
Total depreciation expense - business type activities	<u><u>1,470,860</u></u>
Total depreciation expense - all activities	<u><u>\$ 11,655,854</u></u>

Constructions in progress for the various projects and remaining commitments under these construction contracts as of June 30, 2014, are:

Governmental Activities	Total in Progress	Remaining Commitment
Lower Oyster Creek	193,542	-
Fire Station #5	2,725,093	42,092
Hurricane Lane Extension	524,025	49,933
Vicksburg Extension	225,683	-
Lexington Extension	252,553	13,050
Sienna Plantation Management District	2,463,488	-
Turtle Creek Reconstruction/Mission Valley to Hilton Head	206,447	25,000
Gregory Reconstruction	120,783	289,639
Trammel - Fresno Improvements	349,327	234,034
Other (Less than \$50,000)	40,740	145,672
	<u>\$ 7,101,681</u>	<u>\$ 799,420</u>
Business-type Activities		
Mustang Bayou Wastewater Treatment Plant 1.5 MGD	749,052	-
MB Water Plant #2 GST Replacement	195,696	17,515
Regional Water Treatment Plant Transmission Mains	329,585	455,915
Regional Water Treatment Plant 60 Acre Reservoir	63,585	165,165
	<u>\$ 1,337,918</u>	<u>\$ 638,595</u>

CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

The City issues general obligation bonds and certificates of obligation for the purpose of fulfilling its capital improvements programs. General obligation bonds and certificates of obligation are for both governmental and business-type activities. The bonds are reported in the Proprietary Funds only if they are expected to be repaid from proprietary revenues. The general long-term bonds, certificates of obligation and assumed obligations are paid through the Debt Service Fund from tax revenues. Generally these programs are classified in several broad areas: public safety, drainage, transportation, parks, facilities and utility construction.

The following is a summary of general obligation bonds, certificates of obligation, increment contract revenue bonds, tax notes and capital leases outstanding as of June 30, 2014:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Governmental Activities:				
General Obligation Bonds				
Series 2004 permanent improvement bonds	\$7,970,000	2024	4.3 - 5.0	\$805,000
Series 2005 permanent improvement bonds	5,440,000	2026	3.7 - 5.0	1,660,000
Series 2007 permanent improvement bonds	9,910,000	2027	3.75 - 4.25	7,340,000
Series 2008 permanent improvement bonds	5,700,000	2028	4.0 - 4.5	4,530,000
Series 2008A permanent improvement bonds	21,085,000	2028	2.25 - 5.0	16,510,000
Series 2009 refunding bonds	7,570,000	2016	2.393-3.58	1,210,000
Series 2010 permanent improvement bonds	9,500,000	2029	3.0 - 4.125	8,000,000
Series 2010 refunding bonds	4,755,000	2018	4.1 - 4.25	2,740,000
Series 2010A permanent improvement bonds	9,405,000	2038	2.00 - 4.00	7,990,000
Series 2012 permanent improvement bonds	1,400,000	2032	2.25 - 3.75	1,280,000
Series 2013 Refunding bonds	8,293,500	2026	2.00 - 4.00	8,227,000
Series 2014 permanent improvement bonds	1,740,000	2033	3.125-3.75	1,740,000
Total General Obligation Bonds				<u>\$62,032,000</u>
Certificates of Obligation				
Series 2004 certificates of obligation	\$1,500,000	2024	4.3 - 5.0	\$905,000
Series 2005 certificates of obligation	3,600,000	2026	3.25 - 5.25	945,000
Series 2008 certificates of obligation	2,395,000	2028	3.5 - 4.5	1,900,000
Series 2008A certificates of obligation	6,044,440	2029	2.75 - 5.0	5,303,205
Series 2009A certificates of obligation	5,630,000	2038	4.7 - 5.125	5,345,000
Series 2009C certificates of obligation	5,260,000	2028	3.0 - 4.125	3,885,000
Series 2010A certificates of obligation	6,235,000	2038	2.00 - 4.00	5,850,000
Series 2010B certificates of obligation	1,660,000	2021	.964 - 3.876	1,090,000
Series 2014 certificates of obligation	990,000	2033	1-3.75	990,000
Total Certificates of Obligation				<u>\$26,213,205</u>
Increment Contract Revenue Bonds				
Series 2006 increment revenue bonds	\$6,540,000	2027	4.0 - 4.625	\$4,825,000
Total Increment Contract Revenue Bonds				<u>\$4,825,000</u>
Tax Notes				
Series 2011 tax notes	\$1,730,000	2018	1.65	\$1,070,000
Total Tax Notes				<u>\$1,070,000</u>

CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Capital Leases				
2013 Defibrillators	\$164,983	2017	0.00	\$117,845
Total Capital Leases				<u>\$117,845</u>
Developer Agreements				
Lakeview Business Park	\$3,030,689	2016	0.00	\$2,007,159
Total Developer Agreements				<u>\$2,007,159</u>
Total Governmental Activities				<u><u>\$96,265,205</u></u>
Business-type Activities:				
Certificates of Obligation				
Series 2005 certificates of obligation	\$735,000	2026	3.25 - 4.25	\$180,000
Series 2008A certificates of obligation	8,470,560	2029	2.75 - 5.0	7,431,795
Series 2009B certificates of obligation	46,595,000	2035	2.0 - 5.0	43,025,000
Seris 2013 Refunding bonds	436,500	2026	2.00 - 4.00	433,000
Total Business-type Activities				<u><u>\$51,069,795</u></u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$4,373,250	\$2,075,340
2016	4,513,250	1,924,573
2017	4,246,750	1,768,105
2018	4,371,250	1,635,610
2019	3,660,750	6,271,113
2020 - 2024	21,900,750	5,629,638
2025 - 2029	17,346,000	2,006,363
2030 - 2033	1,620,000	66,375
	<u>\$62,032,000</u>	<u>\$21,377,115</u>

The annual requirements to amortize all certificates of obligation outstanding as of June 30, 2014, are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$1,169,031	\$1,191,928	\$1,627,719	\$2,392,927
2016	1,223,692	1,148,331	1,698,058	2,327,547
2017	1,280,103	1,100,905	1,778,147	2,272,615
2018	1,344,431	1,051,053	1,849,319	2,201,541
2019	1,417,924	997,657	1,941,326	2,113,345
2020 - 2024	6,634,094	4,125,613	11,110,156	9,077,098
2025 - 2029	7,075,522	2,440,525	13,618,478	6,323,429
2030 - 2034	3,520,152	1,042,247	14,294,842	2,917,372
2035 - 2038	2,548,256	299,819	3,151,751	157,500
	<u>\$26,213,205</u>	<u>\$13,398,079</u>	<u>\$51,069,796</u>	<u>\$29,783,374</u>

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

The annual requirements to amortize all increment revenue bonds outstanding as of June 30, 2014, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$285,000	\$213,505
2016	295,000	201,678
2017	310,000	189,288
2018	325,000	176,113
2019	335,000	162,300
2020 - 2024	1,910,000	576,863
2025 - 2028	1,365,000	127,569
	<u>\$4,825,000</u>	<u>\$1,647,314</u>

The annual requirements to amortize all tax notes outstanding as of June 30, 2014, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$260,000	\$17,655
2016	265,000	13,365
2017	270,000	8,993
2018	275,000	4,538
	<u>\$1,070,000</u>	<u>\$44,550</u>

The annual requirements to amortize all capital leases outstanding as of June 30, 2014, are as follows (Zero percent interest. No interest amounts imputed as deemed immaterial):

Year Ending June 30,	Governmental Activities
	Principal
2015	\$35,354
2016	35,354
2017	35,354
2018	11,783
	<u>\$117,845</u>

CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all Lakeview Business Park Developer Agreements outstanding as of June 30, 2014, are as follows (Zero percent interest.):

<u>Year Ending</u> <u>June 30,</u>	<u>Governmental</u> <u>Activities</u> <u>Principal</u>
2015	\$1,003,579
2016	1,003,580
	<u>\$2,007,159</u>

There is \$5,559,287 available in the Debt Service Fund to service the above obligations.

The principal and interest on the general obligation bonds, certificates of obligation, increment revenue bonds, tax notes and capital leases are payable solely from property taxes levied on taxable property within the City of Missouri City, Texas. The City is in compliance with all significant limitations and restrictions contained in the various bond ordinances.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2014, is as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	\$ 62,985,000	\$ 10,033,500	\$ (10,986,500)	\$ 62,032,000	\$ 4,373,250
Certificates of Obligation	28,528,807	990,000	(3,305,602)	26,213,205	1,169,031
Increment Revenue Bonds	5,100,000		(275,000)	4,825,000	285,000
Tax Notes	1,325,000		(255,000)	1,070,000	260,000
Developer Agreements		3,010,739	(1,003,580)	2,007,159	1,003,579
Capital Leases:	153,199		(35,354)	117,845	35,354
Plus:					
Issuance premiums	922,419	456,837	(74,812)	1,304,444	
Total bonds payable	<u>99,014,425</u>	<u>14,491,076</u>	<u>(15,935,847)</u>	<u>97,569,654</u>	<u>7,126,214</u>
Compensated absences	1,069,227	1,490,285	(1,135,252)	1,424,260	13,241
Net Pension Obligation	1,790,659	60,169		1,850,828	
OPEB Obligation	860,166	197,109		1,057,275	
Total Governmental Activities	<u>\$ 102,734,477</u>	<u>\$ 16,238,639</u>	<u>\$ (17,071,099)</u>	<u>\$ 101,902,016</u>	<u>\$ 7,139,455</u>
Business-type Activities:					
Certificates of obligation	\$ 52,601,193	\$ 436,500	\$ (1,967,897)	\$ 51,069,796	\$ 1,627,719
Plus:					
Issuance premiums	2,656,578	19,785	(110,691)	2,565,672	19,784
Total Business-type Activities	<u>\$ 55,257,771</u>	<u>\$ 456,285</u>	<u>\$ (2,078,588)</u>	<u>\$ 53,635,467</u>	<u>\$ 1,647,503</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds.

Compensated absences generally are paid by the General Fund for the governmental activities. Net pension obligation is liquidated by the general fund.

CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Current Year Issuances

During the current year, the City issued \$8,730,000 in General Obligation Refunding Bonds, Series 2013. The proceeds from this issue was to refund certain obligations of the city which included the Public Improvement Bonds, Series 2004 (\$3,950,000), the Public Improvement Bonds, Series 2005 (\$2,155,000), and the Combination Tax & Revenue Certificates of Obligation, Series 2005 (\$2,540,000). The transaction resulted in an economic gain of \$1,675,043, an increase of \$85,000 of future debt service principal payments, and net interest savings of \$823,500 in future debt service interest payments.

The City also issued \$1.74 million in General Obligation Bonds for transportation improvements and \$990,000 in Certificates of Obligation Bonds for a new fire truck. A developer agreement was established in the amount of \$3 million for infrastructure improvements in the Lakeview Business Park of which \$1 million was paid to the developer.

Subsequent Issuances

On November 3, 2014, the City issued \$4,995,000 in combination tax and revenue certificates of obligation, Series 2014A. The proceeds from this issue will be to provide for the construction of a water facilities project. The funds generated to pay for this this issue will be from Surface Water Treatment operations. The interest rate on the bonds will be between 2.00-3.15% and the maturity date will be FY2034.

On November 19, 2014, the City issued \$3,530,000 in General Obligation Refunding Bonds, Series 2014. The proceeds from this issue will be to refund certain obligations of the city which include the remaining balances of the Combination Tax and Revenue Certificates of Obligation, Series 2004 (\$830,000), Permanent Improvement Bonds, Series 2004 (\$410,000), Combination Tax and Revenue Certificates of Obligation, Series 2005 (\$950,000), and the Permanent Improvement Bonds, Series 2005 (\$1,415,000). The bond will mature in FY2024, and have an interest rate ranging from 2%-3%.

The City anticipates the issuance of additional general obligation bonds in the approximate amount of \$9,560,000 within the next six months.

Federal Tax Compliance (Arbitrage) for Long-term Debt

In accordance with provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the City's long-term debt obligations must meet certain minimum criteria to be considered and continue to be considered "tax exempt." This "tax exempt" status means that interest income earned by purchasers of the City's long-term debt instruments is not subject to federal income taxes. Related Treasury Regulations promulgated under Section 148 of the Code generally provide that the determination of whether these obligations are tax exempt is made as of the date such obligations are issued based on a reasonable expectations regarding the use of the proceeds of the bonds issued. Long-term debt that does not meet and continue to meet the minimum criteria of Section 148 of the Code and the related Treasury Regulations described above are considered "arbitrage bonds" and are not considered "tax exempt" as described above.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Rebate

Obligations will become arbitrage bonds (as described above) if certain arbitrage profits are not paid to the federal government as rebate under section 148(f) of the Code. The City's obligations to calculate and make rebate payments (if any) will continue as long as there are gross proceeds allocable to outstanding debt issues. The City has performed calculations required under section 148(f) of the Code and has no present liability nor has the City ever been required to make rebate payments for issued debt in past years.

Unexpended Debt Issuance Proceeds (Yield Restriction Requirements)

Section 148 of the Code also provides that in order for debt not to be considered arbitrage bonds (as described), proceeds of such debt must be invested at a yield that is not materially higher than the yield on the debt issued starting on the third anniversary of the issue date of such debt.

Accordingly, any unexpended proceeds of debt issued by the City that remain unexpended more than three years after such debt was issued should be yield restricted. The yield restriction may be accomplished by making yield reduction payments pursuant to Treas. Reg. Section 1.148-5(c). The City presently has unexpended proceeds from certain debt issues that require yield restriction as described above. The City is currently in compliance with these yield restriction requirements and does not anticipate associated significant noncompliance issues. The City is continuing to proceed with reasonable diligence to expend any remaining unexpended debt issuance proceeds on qualifying projects or to retire related debt issues still outstanding.

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is a summary of interfund balances as of June 30, 2014:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Missouri City Recreation and Leisure LGC	Loan for unreimbursed expenses	\$663,609
General	Grants Fund	Cash loan for expenses	358,703
General	CDBG Fund	Cash loan for expenses	69,877
General	Solid Waste Collections Fund	Cash loan for expenses	70,272
General	Fleet Maintenance Fund	Cash loan for expenses	48,010
			\$1,210,471

Amounts booked as due to/from are considered to be temporary loans and will be repaid during the following fiscal year.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

For the year ended June 30, 2014, interfund transfers consisted of the following:

Transfers in Fund	Transfers out Fund	Purpose	Amount
General Fund	Hotel Occupancy Tax Fund	Operating expenses	\$5,388
General Fund	Water and Wastewater Utilities	Reimbursement of expenses	26,000
General Fund	Surface Water Utility Fund	GRP admin, GCWA water option, and misc fee	269,011
Surface Water Utility Fund	Water and Wastewater Utilities	Operating expenses and new construction costs	7,021,325
Grant Fund	General Fund	Moved grant related activities to Grants Fund	58,708
Donations Fund	General Fund	Moved donation related activities to Donations	22,376
Missouri City Rec. & Leisure, LGC	General Fund	Operating expenses	393,585
Certificate of Obligation Fund	IT Maintenance Fund	Savings of software maintenance costs	517,460
General Fund	Metro Fund	Transferring intergovernmental revenues for transportation activities	800,000
General Fund	TIRZ #3 Fund	TIRZ expenses	29,559
General Fund	Court Technology Security Fund	Admin. Expenses	31,955
General Fund	TIRZ #1 Fund	TIRZ expenses	46,555
General Fund	TIRZ #2 Fund	TIRZ expenses	46,949
General Fund	Missouri City Devel. Auth. Fund	Operating Expenses	100,000
Missouri City Devel. Authority Fund	TIRZ #1 Fund	TIRZ expenses	20,000
Missouri City Devel. Authority Fund	TIRZ #2 Fund	TIRZ expenses	20,000
Missouri City Devel. Authority Fund	PID #2 Fund	PID Expenses	20,000
Missouri City Devel. Authority Fund	TIRZ #3 Fund	TIRZ expenses	20,000
Missouri City Devel. Authority Fund	PID #4 Fund	PID Expenses	20,000
			\$9,468,871

Transfers are used to move revenues from the fund with collection authorization to other funds that finance various programs in accordance with budgetary authorizations.

NOTE 10 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The plan's trust arrangements are established to protect deferred compensation amounts of employees under the plan from any other use than intended under the plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under plan provisions are disbursed monthly by the City to a third-party administrator. The third-party administrator handles all funds in the plan and makes investment decisions and disburses funds to employees in accordance with plan provisions.

The fair value of plan assets held and administered by the plan's third-party administrator were \$10,172,221.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - 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 (RS) 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 by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on 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 2012	Plan Year 2013	Plan Year 2014
Employee deposit rate	7.0%	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Ad Hoc, Transfers	100% Ad Hoc, Transfers	100% Ad Hoc, Transfers
Annuity Increase (to retirees)	70% of CPI Ad Hoc	70% of CPI Ad Hoc	70% of CPI Ad Hoc

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age.

Contributions:

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consist 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 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.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

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:

	<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/14</u>
1. Annual Required Contribution (ARC)	\$2,778,949	\$ 1,779,036	\$ 953,766
2. Interest on Net Pension Obligation	105,966	129,853	134,299
3. Adjustment to the ARC	<u>(51,398)</u>	<u>(70,562)</u>	<u>(74,130)</u>
4. Annual Pension Cost (APC)	2,833,517	1,838,327	1,013,935
5. Contributions Made	<u>2,515,034</u>	<u>1,779,036</u>	<u>953,766</u>
6. Increase (decrease) in net pension obligation	318,483	59,291	60,169
7. Net Pension Obligation/(Asset), beginning of year	<u>1,412,885</u>	<u>1,731,368</u>	<u>\$1,790,659</u>
8. Net Pension Obligation/(Asset), end of year	<u>1,731,368</u>	<u>\$1,790,659</u>	<u>\$1,850,828</u>
9. Percentage of APC contributed.	89%	97%	94%

The City’s total payroll in Fiscal Year 2014 was \$18.6 million and the City’s contributions were based on a payroll of \$18.3 million. Contributions made by employees totaled \$953,000 on during the fiscal year ended June 30, 2014.

The required contribution rates for Fiscal Year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, is as follows:

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	47 years; closed period	83.4 years; closed period	0 years; closed period
Amortization Period for new Gains/Losses	25 years	25 years	25 years
Asset Valuation method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return	7.00%	7.00%	7.00%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
# Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	2.10%	2.10%	0.00%

Funded Status and Funding Progress - In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

A schedule of funding status and progress for TMRS for the most recent valuation date follows:

Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	(UAAL) as a Percentage of Covered Payroll
2013	\$ 80,373,786	\$ 80,052,529	100.4%	\$ (321,257)	\$ 18,308,832	-1.8%

A schedule of funding progress for TMRS for the three most recent actuarial valuations may be found in the required supplementary information section of the City’s Annual Financial Report.

NOTE 12 - 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; injuries to employees; and natural disasters. The City's risk management program mainly encompasses obtaining property and liability insurance through Texas Municipal League (TML-IRP), an Intergovernmental Risk-Pool and through commercial insurance carriers. The City purchases commercial general insurance through the Texas Municipal League, an unincorporated association of political subdivisions of the State of Texas. This policy encompasses general liability, incidental, medical malpractice, automobile liability, law enforcement liability, errors and omissions liability, property, automobile vehicle liability, and damages with limits of liability for each occurrence at \$3,000,000. The City has not had any significant reduction in insurance coverage, and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in the TML-IRP is limited to payment of premiums.

Workers' Compensation

The City is a member of the Texas Municipal League (TML) Workers' Compensation Intergovernmental Risk Pool, an unincorporated association of political subdivisions of the State of Texas. The fund contracts with a third-party administrator for administration, investigation, and adjustment services in the handling of claims. Premiums are based on the estimated City payroll by risk factor and rates. The premiums are adjusted by the City's experience modifier. All loss contingencies, including claims incurred but not reported, if any, are recorded and accounted for by the TML Pool. The City’s liability is limited to payment of premiums as assessed by TML.

The City pays unemployment insurance claims filed by former employees on an actual reimbursement basis. The Texas Workforce Commission determines individual claim eligibility and bills the City for each eligible claim made. The City contracts with a third party, TALX Employer Services L.L.C., to administer its unemployment insurance/compensation program.

Long-Term Disability

The City provides long-term disability coverage for all full-time employees through Fort Dearborn Life Insurance Company. The City pays the entire amount of the premiums. After a 90-day waiting period, employees who become disabled through injury or sickness may receive 66-2/3 percent of basic monthly earnings, not to exceed maximum benefit less other income benefits.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Health/Dental/Life Insurance Plan

The City provides medical insurance, prescription card, dental, vision and life insurance programs for City employees. The City contracts with Blue Cross Blue Shield of Texas, which offers a H.S.A. high deductible medical plan and a P.P.O. medical plan for employees to choose from. The City also provides life insurance equal the employee's salary to a maximum of \$50,000 through Fort Dearborn Life Insurance Company.

NOTE 13 - COMMITMENTS AND CONTINGENCIES**Sick Leave**

Employees are credited with sick leave at the rate of one day per month with no maximum accumulation, one-half of which is set aside for major illness each year. Regular sick days may be used for ordinary sick days, caring for relatives, and doctor's appointments. Unused sick leave is credited to the major illness accumulation at the end of the year. Employees do not receive any pay or other compensation either for, or in lieu of, accrued sick leave time upon any type of employment termination except for retirement. Upon meeting retirement qualifications and retiring from the City, employees will be paid 25 percent of accumulated major illness sick leave exceeding sixty days up to a total of thirty days.

The unrecorded contingency associated with all accumulated sick leave of City employees at June 30, 2014, is approximately \$3,464,263.

NOTE 14 - PARK LAND DEDICATION

The City enacted an ordinance requiring open space, park, and recreational areas, which is intended to assure that within residential developments of the City, there is sufficient land dedicated for open space and neighborhood parks. The City subsequently amended this ordinance providing for cash to be remitted in lieu of park land. Cash received shall be restricted to an area established by zone. Presently, the City has established twelve zones. Cash received by the City under this agreement must be expended within five years for the acquisition or development of a neighborhood park.

If not expended within the time frame established, the current owner of the property for which money was paid in lieu of land dedication shall be entitled to a refund providing a refund request is made within a one-year period. The activities of this program are accounted for in a special revenue fund.

NOTE 15 - AGREEMENT WITH GULF COAST WATER AUTHORITY

On July 17, 1997, the City entered into an option agreement with Gulf Coast Water Authority (GCWA), a Texas conservation and reclamation district, to purchase surface water rights. The agreement allows the City the option to buy fifteen (15) million gallons per day of surface water from GCWA's canal system. The City paid for 18.53 million gallons per day adjusted yearly for the U.S. Department of Labor Utilities Index for Industries. The City has paid GCWA \$4,882,771 cumulatively for water options through June 30, 2014.

Beginning in March 2009, the City exercised its option to purchase raw surface water and began paying for approximately 52,000 gallons a day through the Surface Water Treatment Plant. This plant will be the key facilitator for the Ground Water Reduction Plan for the region.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - REGIONAL WASTEWATER TREATMENT FACILITIES

Steep Bank/Flat Bank Service Area

In March 1996, the City contracted with First Colony Municipal Utility District No. 9 (MUD 9) and Fort Bend County Municipal Utility District No. 42 (MUD 42) to construct a regional wastewater system to include a regional lift station, major transmission line, first phase of a treatment plant, and disposal. The project was completed and began operation in December 1999 with a treatment capacity of 1.5 million gallons per day (MGD), more than initially needed by MUDs 9 and 42. Between 2000 and 2010, the City signed regional wastewater facilities agreements with Fort Bend County MUDs No. 46, 115, 129 and 149 to utilize the temporary excess capacity in the Phase I plant, and to secure permanent capacity for these MUDs in future plant expansions. Construction of the Phase II plant expansion from 1.5 to 3.0 MGD began in 2009 and came on line in late 2010. This included a second aeration basin and clarifier, headworks improvements and ultraviolet disinfection system upgrades and expansion. Final cost shares are based on pro rata capacity allocations. The current discharge permit provides for future expansion of the plant to interim Phase III 4.5 MGD and final Phase IV 6.0 MGD phase. Sienna North, which is currently served by a temporary wastewater treatment plant owned by Sienna Plantation MUD 1, will be served by the Steep Bank/Flat Bank Plant either in the existing Phase II or the future Phase III.

The City owns the plant and is responsible for its operation and maintenance. Under interlocal agreement between the City and Quail Valley Utility District, District staff performs the operation and maintenance. Each of the MUDs pays monthly charges for their share of operations and maintenance expenses, which includes funding an operations and maintenance reserve.

MUDs 9, 42, 46, 115, 129 and 149 and the City have agreed that each district shall initially have the right to deliver, subject to agreed terms and conditions, wastewater to the plant in the following capacities:

<u>District</u>	<u>Percent</u>	<u>Reserved Capacity (MGD)</u>
First Colony MUD #9	44%	1.500
Fort Bend County MUD #42	20%	0.670
Fort Bend County MUD #115	12%	0.401
Fort Bend County MUD #46	9%	0.316
Fort Bend County MUD #129	14%	0.484
Fort Bend County MUD #149	2%	0.055
	<u>100%</u>	<u>3.427</u>

It is noted that MUD 9 and MUD 115 have purchased more capacity than needed and this capacity is being reassigned. The total assigned capacity will not exceed the permitted 3.0 MGD.

The City will provide funding for the expansion of the facility when needed and reserves the option to utilize package plants in the interim, if necessary, to provide services to all areas. The districts will pay their share of the debt service for expansion. The maintenance and operation of the plant will be prorated among the MUDs utilizing their average equivalent connections for the year.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Mustang Bayou Service Area

The Mustang Bayou Water Supply and Wastewater Treatment Service Area includes Fort Bend Municipal Utility Districts No. 47 and 48 (which serve the Vicksburg and Olympia Estates neighborhoods and Hightower High School), Tax Increment Reinvestment Zone No. 2 and Public Improvement Districts No. 2, 3 and 4. The area is attracting major retail and residential development as a result of the Fort Bend Toll Road, which opened in August 2004, connecting Highway 6 with Beltway 8. In 2004, the City and Fort Bend MUDs 47 and 48 executed a regional wastewater treatment and water supply agreement to provide integrated utility services to the area. The wastewater portion of that agreement was updated in 2010 when regional wastewater treatment facilities agreements between the City and MUDs 47 and 48 were executed. The water portion of the agreement was updated in 2011 with regional joint water facilities agreements between the City and MUDs 47 and 48 which are in the process of execution.

The City and the Vicksburg Joint Powers (MUDs 47 and 48) collectively constructed new wastewater facilities for the expansion of the Vicksburg Wastewater Treatment Plant (WWTP), located on the west side of the Toll Road, just north of Trammel-Fresno Road. The City now owns and operates the Vicksburg WWTP, and has since renamed the plant the Mustang Bayou Regional WWTP. The City's Mustang Bayou Regional WWTP provides treatment for the entire service area, including MUDs 47 and 48. This expansion was completed in December of 2009, and plant ownership transfer was completed in March of 2010.

Fort Bend MUDs 47 and 48 own and operate a water well and plant located in the north side of the Mustang Service Area. The City owns and operates a water well and plant in the south side of the service area, south of Highway 6 and east of the Fort Bend Toll Road. The City well and plant has increased water supply and improved water pressure available for fire flows for new and existing development. Under the 2011 water agreements, the ownership of the MUDs' water well and plant will be transferred to the City on January 1, 2012, and the two plants and will be permanently interconnected to jointly supply the entire service area.

The City projected a need for a water/wastewater master plan, capital improvement plan and an impact fee study as the City and the utility districts (MUDs 47, 48 and Vicksburg Joint Powers) proceed with coordination on utility service issues in the Mustang Bayou Service Area. This study is currently underway and will provide technical and financial information for the City to properly administer and provide utility service in the area.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 – DEVELOPMENT AGREEMENTS

Agreement with Sienna Plantation

In past years, it was the policy of City Council that before a reclamation district, water control improvement district or municipal utility district could be created, the landowners in the City's extra-territorial jurisdiction must petition for annexation into the City. As a result, the City approved the creation of several separate municipal districts in past years.

In 1995-96, the City began development of a regional water, sewer and storm drainage plan to determine future demands for water, sewer and storm drainage facilities for the entire City including these districts. With the City approximately one-third built, not including the City's extra-territorial jurisdiction, this was a good time to initiate the change. In conjunction with this, a Municipal Utility District Study was performed to assure that Regionalization versus separate MUDs was feasible.

As a result, the City determined to leave the existing districts in place at this time and review their Regionalization needs on an individual basis, when the need to sell new debt or expand the plant took place. For the rest of the City, the City is seeking Regionalization by requiring MUDs to go to a regionalized plant, and to develop contracts for Regionalization with existing MUDs. The Quail Valley MUD is a good example of this Regionalization effort.

In other areas, Public Improvement Districts are being formed to take care of the water, sewer, drainage and other needed improvements.

In 1995-96, several developers of Sienna Plantation, a 12,000-acre master planned community in the City's extraterritorial jurisdiction approached the City Council to allow development by agreement. As a result, a development agreement was proposed allowing development to take place outside the City limits.

The developers in Sienna Plantation entered into the Sienna Plantation Joint Development Agreement with the City of Missouri City (the "City") dated February 19, 1996, as amended (collectively, the "Development Agreement"), which stipulates the City's regulatory authority over the development of Sienna Plantation. The Development Agreement establishes certain restrictions and commitments related to the development of Sienna Plantation, sets forth detailed design and construction standards, stipulates a formula for determining the time of annexation of land within Sienna Plantation by the City, and identifies and establishes a master plan for the development of Sienna Plantation. The provisions of the Development Agreement govern the development of all land within Sienna Plantation.

In the Development Agreement, the City agrees not to annex the property in any district before such time as (i) at least 90 percent of the developable acreage within such district has been developed with water, wastewater treatment, and drainage facilities; and (ii) the Developer has been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement. The area is expected to add approximately 60,000 to the population of the City.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Wastewater Treatment Service Contract

In the fall of 2005, the City executed the First Supplement to the Fire Protection Agreement with Sienna Municipal Utility District (MUD) No. 1 for the purposes of outlining each entity's responsibility in the construction of a fifth fire station. Said station is to be located in Sienna Plantation. The agreement stipulates that once a certain number of homes within Sienna proper have been constructed, the City is then obligated to commence design of the fire station.

The district (MUD No. 1) is obligated to contribute toward the cost of the fire station comparable to the City's Fire Station No. 4, as well as the cost of an additional fire engine to be housed at the

new station. Furthermore, the district is to fund the operational costs of the fifth fire station, as its primary service area will be serving Sienna proper, which is located outside the City's corporate limits.

Contract with Sienna Plantation Municipal Utility District No. 1 (Master District)

The District, together with each conservation and reclamation district located within Sienna Plantation District, has contracted with Sienna Plantation Municipal Utility District No. 1 (the "Master District") to provide water supply and distribution, sewage collection and treatment services, major trunk storm sewer drain services, fire protection, and other services and facilities permitted by law for the entire Sienna Plantation development. The District has incurred, or incurs, the following expenditures with respect to this contract:

- the District's prorated share of the Master District's capital cost (connection charges) of which future costs will be capitalized by the District; and,
- monthly connection charges in an amount sufficient to meet the District's prorated share of the operational and maintenance costs of the central facilities, based on the relevant use of such facilities.

Fire Protection Agreements between City and Sienna Plantation MUDs

Fire Protection agreements have been entered into between the City and various Municipal Utility Districts as follows:

March 19, 2001 Sienna Plantation Municipal Utility District 1
 March 19, 2001 Sienna Plantation Municipal Utility District 2
 March 19, 2001 Sienna Plantation Municipal Utility District 3
 January 3, 2005 Sienna Plantation Municipal Utility District 4
 January 3, 2005 Sienna Plantation Municipal Utility District 5
 January 3, 2005 Sienna Plantation Municipal Utility District 6
 January 3, 2005 Sienna Plantation Municipal Utility District 7
 February 21, 2005 Sienna Plantation Municipal Utility District 10
 February 21, 2005 Sienna Plantation Municipal Utility District 12

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Each of these districts are outside the City's corporate limits, but within its extraterritorial jurisdiction. The agreements are to provide fire suppression and rescue services. The MUD districts agree to pay the City a monthly charge for each residential unit in the districts connected to the public water supply on or before the twentieth day of the preceding month. For non-residential properties, the districts agree to pay a monthly charge per 2,000 square feet of building floor space.

NewQuest Properties Economic 380 Agreement - Fort Bend Town Center

The Fort Bend Town Center is proposed commercial development located along both sides of the future extension of the Fort Bend Parkway south of State Highway 6. This particular property lacks some major infrastructure needed for development. As an incentive to have it develop sooner rather than later, the City executed an economic development agreement, reimbursing the developer for some of their cost incurred in developing the site. The total amount of the project is \$7,007,548.

As part of this development, the developer, with the City's assistance has been successful in working out an agreement to extend service lanes for the future Fort Bend Parkway south of its current terminus. Such an extension will be a critical component in encouraging the next phase of the parkway to Sienna Parkway to take place sooner and ultimately improve traffic circulation in the Sienna North area. As an added bonus, the Fort Bend Toll Road Authority has agreed to reimburse the cost incurred for a portion of the extension, once bonds are sold. To date, the amount total amount of sales tax reimbursements are \$149,588.

Interest on the reimbursement is capped at two (2) years.

Trammell Crow Development & Investment, Inc. Economic 380 Agreement - Lakeview Business Park

Lakeview Business Park is a commercial park located at the intersection of Buffalo Run and Fondren Road, on the south side of Buffalo Run. The business park is the largest of its type undertaken by Trammel Crow Development & Investment, Inc. in the Houston area. In an effort to make the development more competitive, the City executed an economic development agreement, reimbursing the developer for costs incurred in the installation of a public roadway and storm sewer system. The park will be developed in two phases, with Phase I consisting mainly of the eastern half of the property. The following is the reimbursement schedule for both phases:

Phase I

- The roadway and drainage improvements for Phase I have been completed and accepted by the City. The City has reimbursed Trammel Crow for two of the three annual payments as outlined in the development agreement.
- The developer constructed spec buildings simultaneously with the installation of Phase I public improvements.

Phase II

- Upon completion and acceptance by the City of the remaining roadway and drainage improvements, the City would reimburse Trammel Crow in three equal annual payments, if and only if, the taxable value of the park exceeded \$50 million.

CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS

Projected ad valorem tax revenue to be realized by the City is an estimated \$7.2 million over the first ten years of the project.

Reinvestment Zone Number Three Agreement – Sienna Plantation Management District (SPMD)

The Tax Increment Reinvestment Zone #3 (the “Zone”) was established by the City in December of 2007, is located within the city limits near the intersection of State Highway 6 and Sienna Parkway. Created under state law, the Zone is to promote private economic development of an area by investing in public infrastructure such as public roadways, water distribution, wastewater collection and storm drainage facilities. The improvements will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City. All of the land within the zone lies wholly within the boundaries of the City.

The base taxable assessed value of real property within the TIRZ is established when the TIRZ is created. Any incremental growth in the taxable assessed value of real property within the TIRZ is established when the TIRZ is created. Any incremental growth in the taxable assessed value of real property over the base is considered a “tax increment.” Taxing jurisdictions within the Zone have the option of contributing all or portions of tax collections attributed to the tax increment to the City for use in financing the public infrastructure improvements. The City has entered into separate tax participation agreements with the Sienna Plantation Levee Improvement District, Houston Community College, Fort Bend Drainage District and Fort Bend County, Texas, which obligates these entities to contribute all or a portion of property taxes collected on the tax increment (“TIRZ Revenues”) to the City.

The City of Missouri City, the Sienna Plantation Management District (the “District”), and the Missouri City Development Authority (the “MCDA”), entered into the Sienna Plantation Reinvestment Zone Development Plan Agreement (the “Agreement”) to provide for the unified development of all land within the Zone and to establish rules for development, financing and operation of improvements. The Agreement defines two categories of projects: District Improvements and TIRZ Improvements. The District is responsible for the acquisition, design, financing and construction of all District Improvements and TIRZ Improvements.

District Improvements are financed with bonds that the District is authorized to issue for any appropriate District purpose. Those bonds are payable from District collected property taxes and any other lawful revenue of the District. TIRZ Improvements are financed with TIRZ bonds which are payable from TIRZ revenues and District property taxes. In April 30, 2013, the District issued \$7,515,000 in TIRZ bonds. None of which is debt of the City of Missouri City.

On the first business day of each calendar quarter, the City pays the District from the TIRZ revenues the amount necessary (1) to pay debt service on District TIRZ Bonds and to (2) to pay the Direct costs of the development and construction of District TIRZ Improvements that are not funded through the issuance of District debt. As of June 30, 2014, the City has paid the District a total of \$1,426,681. Under the terms of the agreement, the District receives a METRO sales tax which is a portion of the sales tax rebated to the City by the Metropolitan Transportation Authority of Harris County which is derived from sales tax revenue generated within the Zone. The reimbursements will be based on the increase in taxable value of real property within the Zone and 50% of the total amount of Metro Tax generated from the District. As of June 30, 2014, the City has made \$416,000 in reimbursement to date. However, the City is also owed \$66,169 from the District as a result of sales tax overpayments made to the District.

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

The District Project budget for District TIRZ Improvements shall not exceed \$39 million, without the consent of the City. This includes new roadway construction (\$11.65 million), roadway and intersection improvements (\$7.15 million), a structured parking garage (\$13.5 million), decorative signage, landscaping, and enhancements (\$4.9 million), and zone administrative costs (\$1.8 million).

NOTE 18 - REIMBURSEMENTS DUE TO CITY AND DEVELOPERS

The City has entered into agreements with developers and newly created governmental entities for purposes of developing areas that otherwise would not be developed. The planned resources for these developments are property tax increments in established zones within the City. Currently, the City’s financial statements include two Tax Increment Reinvestment Zones (Zones 1 and 2) as blended component units along with a Development Authority created for these purposes. On July 20, 2006, the Missouri City Development Authority issued tax increment contract revenue bonds in the amount of \$6,540,000, the proceeds of which were used to reimburse certain developer costs relating to land development within TIRZ #1. The interest rates on the bonds ranged from 4.0 – 4.625 percent and mature in 2027. The City expects approximately \$1.6 million will be spent in the upcoming fiscal year for development activities within Zone 2.

The City has also worked with area developers in the creation of Public Improvement Districts (PIDs) for development purposes that will use property assessments within their boundaries to create additional resources for development purposes. Costs associated with the PIDs’ creation have been included in the Public Improvement District #2 and #4 Funds. The City expects approximately \$5.3 million will be spent in the upcoming fiscal year for development activities within Districts 2 and 4.

The City and developers have pre-funded certain creation costs for these entities and expect reimbursement of these costs in the future, once development has taken place and property values are at a level that will create the resources for repayment of these costs. The reimbursements will include interest at agreed-upon rates at the time the reimbursements are calculated and made.

In addition, the City has pre-funded capital costs for a regional wastewater treatment plant. These pre-funded costs have included over-sizing of sewer lines funded by the proceeds of City issued certificates of obligation (see Note 16). The City has also pre-funded additional costs from operating funds related to the over-sizing and engineering costs related to plant expansion for new users. These pre-funded costs are expected to be paid back as new or existing customers pay for capacity in the current and expanded plant.

The City plans to receive interest on these pre-funded costs at the time of reimbursement at agreed-upon rates at the time the reimbursements are calculated and made.

The amounts currently due to the City and developers by project and excluding interest costs at June 30, 2014, are shown below. These amounts do not include the over-sizing costs funded through City-issued certificates of obligation discussed in Note 16.

	Public Improvement Districts	Tax Incremental Reinvestment Zones	Totals
City	\$ 209,997	\$ 5,169,759	\$ 5,379,756
Developers	51,512	146,044	197,556
	<u>\$ 261,509</u>	<u>\$ 5,315,803</u>	<u>\$ 5,577,312</u>

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

**NOTE 19 - AGREEMENT WITH HARRIS COUNTY METROPOLITAN TRANSIT
AUTHORITY**

The City entered into a Congestion Mitigation/Traffic Management Agreement with the Harris County Metropolitan Transit Authority (METRO) to address ongoing mobility needs through the further development of regional transportation systems. Under this agreement, METRO will make payments to the City to fund eligible transportation projects as defined in the agreement. The agreement is effective through September 30, 2014. These payments will generally be limited to one-half (1/2) of all METRO sales tax collections within the City during the agreement. These payments will be in addition to payments for previously approved METRO projects within the City. The City received approximately \$2.6 million pursuant to this agreement for eligible transportation projects in the current fiscal year.

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description - In addition to pension benefits, it has been the City's practice that retired employees who were at least sixty-five years of age at the time of retirement from the City and who have had at least ten years of service with the City would be provided medical, dental, and vision insurance coverage by the City to the extent and subject to the conditions of such coverage that is provided to non-retired employees of the City. Similarly, employees who become disabled, while on duty, may also be eligible for insurance or similar retirement benefits from the City. The dependents of these individuals may also be eligible to access the City's insurance plan. The City contracts with Blue Cross Blue Shield of Texas, which offers a H.S.A. high deductible medical plan and a P.P.O. medical plan for employees to choose from. The City funds premiums to its health insurance plan for eligible retirees in the same manner as it funds similar premiums for current employees on a pay-as-you-go basis.

Actuarial Methods and Assumptions - The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computer to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to the point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Inflation rate	3% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary Growth	3% per annum
Healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.50% after 12 years

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$3,265,249 at December 31, 2012. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 19.2%.

Actuarial Valuation Date December 31	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll	Ratio of UAAL to Annual Covered Payroll
2013	-	\$3,410,033	\$3,410,033	\$0	\$18,308,832	18.6%

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the City's executive branch. The City recognizes its share of the costs of providing these benefits when paid, on a "pay-as-you-go" basis. These payments are budgeted annually. The City contributed approximately \$144,736 for the fiscal year ending June 30, 2014. At June 30, 2014, there were approximately 38 participants eligible to receive such benefits.

Commencing in fiscal 2009, the City has implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions."

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB cost for the fiscal year ending June 30, 2014, is as follows:

	6/30/12	6/30/13	6/30/14
Annual required contribution	\$299,068	\$308,040	\$339,000
Interest on OPEB obligation	22,352	30,995	38,707
Adjustment to ARC	(12,996)	(28,716)	(35,862)
Annual OPEB cost (expense) end of year	<u>308,424</u>	<u>310,319</u>	<u>341,845</u>
Net estimated employer contributions	(116,353)	(138,928)	(144,736)
Increase in net OPEB obligation	192,071	171,391	197,109
Net OPEB obligation - as of beginning of the year	<u>496,704</u>	<u>688,775</u>	<u>860,166</u>
Net OPEB obligation (asset) - as of end of year	<u>\$688,775</u>	<u>\$860,166</u>	<u>\$1,057,275</u>
Percentage of OPEB Costs Contributed	38%	45%	42%

**CITY OF MISSOURI CITY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2014 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
6/30/2012	\$300,727	\$116,353	38.7%	\$688,775
6/30/2013	\$310,319	\$138,928	44.8%	\$860,166
6/30/2014	\$341,845	\$144,736	42.3%	\$1,057,275

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MISSOURI CITY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes and penalties	\$ 17,036,724	\$ 16,193,673	\$ 16,099,595	\$ (94,078)
Sales taxes	7,330,000	7,503,033	7,708,738	205,705
Licenses and permits	1,366,800	1,835,664	1,941,428	105,764
Fines and forfeitures	1,115,700	889,065	837,891	(51,174)
Franchise Fees	3,140,000	3,731,576	3,586,216	(145,360)
Intergovernmental revenues	1,481,953	1,258,416	178,996	(1,079,420)
Other revenue	2,696,950	2,637,517	2,589,389	(48,128)
Total Revenues	<u>34,168,127</u>	<u>34,048,944</u>	<u>32,942,253</u>	<u>(1,106,691)</u>
Expenditures:				
Current:				
General government	4,619,318	4,382,663	4,091,154	291,509
Finance	1,739,870	1,785,429	1,707,934	77,495
Police	12,297,406	12,373,517	11,733,990	639,527
Fire	7,960,799	7,752,466	7,436,115	316,351
Public works	4,118,055	4,207,054	4,143,076	63,978
Parks and recreation	2,862,662	2,946,022	2,859,228	86,794
Planning	1,869,050	1,485,012	1,760,591	(275,579)
Total Expenditures	<u>35,467,160</u>	<u>34,932,163</u>	<u>33,732,088</u>	<u>1,200,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,299,033)</u>	<u>(883,219)</u>	<u>(789,835)</u>	<u>93,384</u>
Other financing sources (uses)				
Transfers from other funds	1,359,074	1,380,417	1,355,417	(25,000)
Transfers (to) other funds	-	(81,732)	(474,669)	(392,937)
Budgetary reserve	(1,015,000)	(1,015,000)	-	1,015,000
Total Other Financing Sources	<u>344,074</u>	<u>283,685</u>	<u>880,748</u>	<u>597,063</u>
Net Change in Fund Balance - Budgetary Basis	<u>(954,959)</u>	<u>(599,534)</u>	<u>90,913</u>	<u>690,447</u>
Net adjustments to reflect operations in accordance with generally accepted accounting principals		-	441,832	441,832
Net Change in Fund Balance - GAAP Basis	<u>(954,959)</u>	<u>(599,534)</u>	<u>532,745</u>	<u>1,132,279</u>
Fund Balances - Beginning	8,419,424	8,419,424	8,419,424	-
Fund Balances - Ending	<u>\$ 7,464,465</u>	<u>\$ 7,819,890</u>	<u>\$ 8,952,169</u>	<u>\$ 1,132,279</u>

City of Missouri City, Texas
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETS AND BUDGETARY ACCOUNTING

Budgets are prepared on a basis other than generally accepted accounting principles (GAAP). The modified accrual basis of accounting, which is in accordance with GAAP, is used for financial reporting purposes. An annual operating budget is prepared on the “budgetary basis” and is approved annually by City Council. Encumbrance accounting is utilized for all governmental fund types. Any encumbered appropriation does not lapse at year-end and is included in budgetary expenditures for budget comparison purposes. In the current year, General Fund budgetary expenditures were \$441,832 more than for GAAP as a result of this inclusion of encumbrances for budgetary reporting purposes. Encumbrances are documented by purchase orders or contracts. Encumbrances outstanding at year-end do not constitute expenditures or liabilities under GAAP. The City honors these commitments and records GAAP expenditures in the subsequent year as the transactions are completed.

Fund Balance for the General Fund was originally budgeted with expenditures exceeding revenues by \$955,000. The final budget was \$600,000 in expenditures over revenues. The actual change in Fund Balance, after the net adjustment of \$441,832 for encumbrances, was \$533,000 in revenues over expenditures, which is a positive budget variance of \$1.1 million.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets are adopted for all funds annually. Annual budgets are adopted for the General, Special Revenue, Debt Service, Enterprise and Internal Service Funds. The Proprietary Fund budgets are used primarily as financial plans for control purposes. Accordingly, no budgetary comparisons are presented for these funds. Budgetary control for capital projects funds is achieved through legally binding construction contracts and project length budgets.

These budgets are created by ordinance and include all sources and uses of funds as approved by Council. All annual budgets are prepared on a budgetary basis that differs from GAAP. In accordance with the City’s Charter, budgetary expenditures in governmental funds include encumbrances outstanding at year-end.

The appropriated budget is prepared by fund, function and department. The City’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. The City Council made several supplementary budgetary appropriations, which were not considered material, throughout the year.

Encumbrance accounting is utilized in all governmental fund types. Any encumbered appropriation does not lapse at year-end and is included in budgetary expenditures for budget comparison purposes. In the current year, General Fund budgetary expenditures were \$1.2 million less than for GAAP as a result of this inclusion of encumbrances for budgetary reporting purposes.

City of Missouri City, Texas
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Encumbrances for materials, other goods, and purchased services are documented by purchase orders or contracts. Encumbrances outstanding at year-end do not constitute expenditures or liabilities under GAAP. The City honors these commitments and records GAAP expenditures in the subsequent year as the transactions are completed.

	Budgeting		GAAP
	Basis	Encumbrances	Basis
Revenues	\$ 35,429,361		\$ 35,429,361
Expenditures	36,028,895	441,832	36,470,727
	\$ (599,534)	(441,832)	\$ (1,041,366)

During the year, the General Fund had an original revenue budget of \$34,168,127, and a final revenue budget of \$34,048,944, resulting in a decreased revenue budget of \$119,183, or (.3%). There were no significant revenue budgetary adjustments made during the year. Actual total revenues of \$32,942,253 were \$1.1 million less than the final budget. Intergovernmental revenues were \$1.1 million less than budget as \$305,000 in budgeted police grant related revenues were recorded in the newly created Grants Fund, and \$721,000 budgeted for Fire Station #5 was not received in FY14.

The General Fund originally budgeted expenditures of \$35,467,160, and had a final budget of \$34,932,163, resulting in an expenditure budget decrease of \$534,997, or (2%). The majority of this decrease was due to reduced expenditures in planning (\$384,000) and general government (\$237,000) as final budgeted personnel costs were less than originally budgeted. Actual expenditures were \$33,732,087, which is a \$1.2 million favorable variance, or 3%. The City had savings of \$640,000 in police and \$316,000 in fire as a result of vacant positions during the year, and did not spend the \$1.1 million reserved for unexpected uses.

CITY CHARTER

The City's Charter contains the following budgeting requirements:

The City Manager, on or before the first day of June of each year, shall submit to Council a proposed budget. The Council shall review the proposed budget and revise as deemed appropriate prior to circulation for public hearing.

After the public hearing, the Council may adopt the budget with or without amendment. In amending the budget, Council may add or increase programs or amounts and may delete or decrease any amount, except expenditures required by law or for debt or for estimated cash deficits, provided no amendments to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

The Council shall adopt the budget by the 25th of June of each year. Adoption of the budget shall constitute appropriation of the amounts specified therein as expenditures and shall constitute a levy of the property tax therein proposed.

City of Missouri City, Texas
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Encumbered appropriations do not lapse at year-end and are included in budgetary expenditures. Budgetary expenditures may not legally exceed appropriations at the department level. Department heads are authorized to transfer budgeted amounts within a department. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered

The following funds budgets were exceeded during the year: Radio Communications Fund, Community Development Fund, TIRZ#1 Fund, and the PID#2 Fund.

City of Missouri City, Texas
TEXAS MUNICIPAL RETIREMENT SYSTEM AND THE CITY OF MISSOURI CITY OPEB -
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)

The City's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because TMRS adopted a new actuarial cost method and assumptions in 2007 the city's net pension obligation was created due to eight (8) year phase-in period to fund annual required contributions. The information presented below represents the City's TMRS Schedule of Funding Progress.

Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	(UAAL) as a Percentage of Covered Payroll
2013	\$ 80,373,786	\$ 80,052,529	100.4%	\$ (321,257)	\$ 18,308,832	-1.8%
2012	76,797,067	73,038,275	105.1%	(3,758,792)	17,001,420	-22.1%
2011	72,995,245	69,898,156	104.4%	(3,097,089)	16,327,276	-19.0%
2010	68,563,332	66,518,979	103.1%	(2,044,353)	16,297,028	-12.5%
2009	38,309,280	57,334,378	66.8%	19,025,098	16,681,946	114.0%
2008	37,113,058	54,773,891	67.8%	17,660,833	16,630,535	106.2%

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

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 information presented below represents the City's OPEB Schedule of Funding Progress.

Actuarial Valuation Date December 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Percentage Funded	Unfunded AAL (UAAL) (b-a)	Annual Covered Payroll	(UAAL) as a Percentage of Covered Payroll
2013	\$0	\$3,410,033	0%	\$3,410,033	\$18,308,832	18.6%
2012	\$0	\$3,265,249	0%	\$3,265,249	\$17,001,420	19.2%
2011	\$0	\$3,265,249	0%	\$3,265,249	\$16,327,276	20.0%
2010	\$0	\$2,721,182	0%	\$2,721,182	\$16,297,028	16.7%
2009	\$0	\$2,721,182	0%	\$2,721,182	\$16,681,946	16.3%
2008	\$0	\$2,721,182	0%	\$2,721,182	\$16,630,535	16.4%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

Non-major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

Park Land Dedication Fund

This fund is used to account for cash payments in lieu of land donated for parks as established by the Park Land Dedication Ordinance. Funds must be expended within five years from the date of the receipt for acquisition or development of a neighborhood park.

Law Enforcement Fund

This fund is used to account for monies resulting from narcotics contraband seized within the County as a result of a final conviction or forfeiture by the State. The funds are to be used solely for law enforcement purposes. The Law Enforcement Block Grant is also accounted for in this fund.

Radio Communications Fund

This fund is used to account for the operations and maintenance of the radio communications facilities, a portion of which is paid by other area users.

Court Security, Technology, and Juvenile Case Funds

These funds are used to account for monies resulting from court fee assessments. The funds are to be used solely for security, technology and case management of the court.

Missouri City TV Facility and Equipment Fund

This fund is used to account for Public, Educational, and Governmental Access (PEG) fees collected from cable TV subscribers. The funds are to be used solely for technology, furniture and equipment related to the City's cable TV station programming.

Grants Fund

This fund is used to account for the administering of all federal, state and local grants received by the City, excluding CDBG related funds.

Donations Fund

This fund is used to account for all miscellaneous donations received by the City. Donations are recorded and administered based on the departmental purpose that receives the donation.

Community Development Block Grant Funds

These funds are used to account for revenues to be received from the Community Development Block Grant Entitlement Fund.

Missouri City Development Authority Fund

This fund is used to account for the Development Authority, which is made up of City Council with ex-officio members including the City Manager, Director of Public Works, City Attorney, Director of Planning, Finance Director, and may also include representatives of the Fort Bend Independent School District as non-voting members. The board will act for the City to develop policies, implement project and financing plans with the planned improvement districts and tax incremental reinvestment zones.

Tax Incremental Reinvestment Zone (TIRZ) #1 (Fifth Street) Fund

This fund is used to account for the TIRZ which covers the Fifth Street area of the City, which is located near an unincorporated area in the City of Stafford's extra-territorial jurisdiction. The Fort Bend Economic Development Commission developed the plan to improve the area noted for substandard housing, a lack of public infrastructure and crime.

Tax Incremental Reinvestment Zone (TIRZ) #2 (Vicksburg) Fund

This fund is used to account for the TIRZ which covers the Fifth Street area of the City, which is located near an unincorporated area in the City of Stafford's extra-territorial jurisdiction. The Fort Bend Economic Development

Commission developed the plan to improve the area noted for substandard housing, a lack of public infrastructure and crime.

Tax Incremental Reinvestment Zone (TIRZ) #3 (Sienna) Fund

This fund is used to account for the TIRZ in the Sienna Plantation area of the City. The land within this TIRZ is prime for development has been limited for years due to drainage problems. By forming the TIRZ, drainage problems can be addressed on a regional basis and quality growth can occur.

Public Improvement District (PID) #4 (Creekmont) Fund

This fund is used to track the sources and uses of funds for the Public Improvement District in the Creekmont area. As improvements are made in this district, a special assessment fee will be charged to property owners.

Capital Projects Funds

Capital Projects Funds are used to account for all resources used for the acquisition and/or construction of all buildings, equipment, rights of way, and street and drainage improvements.

Metro Fund

This fund is used to account for the reimbursement of one-half (1/2) of the one cent sales tax collected by the Harris County Metropolitan Transit Authority (METRO) within the City during the term of the Congestion Mitigation/Traffic Management Agreement which is effective through September 30, 2014. The funds are to be used to fund eligible transportation projects as defined in the agreement to address ongoing mobility needs through the further development of regional transportation systems.

Certificates of Obligation Fund

This fund is used to account for the purchase of certain capital equipment, city vehicles and certain professional services.

City of Missouri City, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	<u>Park Land Dedication Fund</u>	<u>Law Enforcement Fund</u>	<u>Radio Communications Fund</u>	<u>Court Security Fee Fund</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 135,646	\$ 39,986	\$ 6,816	\$ 22,869
Investments	1,117,996	329,566	56,181	188,488
Receivables:				
Other net of allowance account	-	-	(14,476)	6,865
Due (to) from other governments	-	-	-	-
Total assets	<u><u>\$ 1,253,642</u></u>	<u><u>\$ 369,552</u></u>	<u><u>\$ 48,521</u></u>	<u><u>\$ 218,222</u></u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 702	\$ 3,658	\$ 352
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Total Liabilities	<u>-</u>	<u>702</u>	<u>3,658</u>	<u>352</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	6,865
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,865</u>
Fund Balances				
Restricted for:				
Law enforcement	-	368,850	44,863	211,005
Facilities construction	-	-	-	-
Parkland dedication	1,253,642	-	-	-
Community Development	-	-	-	-
Transportation	-	-	-	-
Other services	-	-	-	-
Unassigned:	-	-	-	-
Total Fund Balances	<u>1,253,642</u>	<u>368,850</u>	<u>44,863</u>	<u>211,005</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,253,642</u></u>	<u><u>\$ 369,552</u></u>	<u><u>\$ 48,521</u></u>	<u><u>\$ 218,222</u></u>

<u>Court Technology Fee Fund</u>	<u>Missouri City TV Facility & Equip. Fund</u>	<u>Court Juvenile Case Fund</u>	<u>Grants Fund</u>	<u>Hotel Motel Occupancy Tax Fund</u>
\$ 19,430	\$ 32,858	\$ 218	\$ -	\$ 15,995
160,144	270,819	1,793	-	131,831
9,864	-	12,146	389,297	-
-	43,409	-	-	-
<u>\$ 189,438</u>	<u>\$ 347,086</u>	<u>\$ 14,157</u>	<u>\$ 389,297</u>	<u>\$ 147,826</u>
\$ 1,046	\$ 1,500	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	358,703	-
-	-	1,151	-	-
<u>1,046</u>	<u>1,500</u>	<u>1,151</u>	<u>358,703</u>	<u>-</u>
9,864	-	12,146	-	-
<u>9,864</u>	<u>-</u>	<u>12,146</u>	<u>-</u>	<u>-</u>
178,528	-	860	30,594	-
-	345,586	-	-	-
-	-	-	-	-
-	-	-	-	147,826
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>178,528</u>	<u>345,586</u>	<u>860</u>	<u>30,594</u>	<u>147,826</u>
<u>\$ 189,438</u>	<u>\$ 347,086</u>	<u>\$ 14,157</u>	<u>\$ 389,297</u>	<u>\$ 147,826</u>

City of Missouri City, Texas
COMBINING BALANCESHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Donations Fund	Community Development Block Grant Fund	TIRZ #1 Fund	TIRZ #2 Fund	TIRZ #3 Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 8,046	\$ -	\$ 555,824	\$ 370,398	\$ 176,655
Investments	66,314	-	450,850	3,052,828	1,455,995
Receivables:					
Other net of allowance account	-	-	-	-	-
Due (to) from other governments	-	102,424	3,610	7,709	11,659
Total assets	\$ 74,360	\$ 102,424	\$1,010,284	\$3,430,935	\$1,644,309
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 9,010	\$ 28,277	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	-	69,877	-	-	-
Due to others	-	-	-	170,523	-
Total Liabilities	9,010	98,154	-	170,523	-
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Restricted for:					
Law enforcement	2,930	-	-	-	-
Facilities construction	-	-	-	-	-
Parkland dedication	-	-	-	-	-
Community Development	62,420	4,270	1,010,284	2,752,808	1,644,309
Transportation	-	-	-	-	-
Other services	-	-	-	-	-
Unassigned:	-	-	-	507,604	-
Total Fund Balances	65,350	4,270	1,010,284	3,260,412	1,644,309
Total Liabilities and Fund Balances	\$ 74,360	\$ 102,424	\$1,010,284	\$3,430,935	\$1,644,309

Development Authority Fund	PID #3 Fund	PID #4 Fund	Metro Fund	Certificates of Obligation Fund	Total Nonmajor Government al Funds
\$ -	\$ 44,626	\$ 18,770	\$ 257,457	\$ 60,306	\$ 1,765,900
-	367,811	154,701	2,121,963	497,044	10,424,324
-	-	-	-	-	403,696
-	-	-	848,483	-	1,017,294
\$ -	\$ 412,437	\$ 173,471	\$3,227,903	\$ 557,350	\$ 13,611,214
\$ -	\$ -	\$ -	\$ 72,686	\$ -	\$ 117,231
-	-	-	-	-	-
-	-	-	-	-	428,580
-	-	-	-	-	171,674
-	-	-	72,686	-	717,485
-	-	-	-	-	28,875
-	-	-	-	-	28,875
-	-	-	-	-	837,630
-	-	-	-	557,350	902,936
-	-	-	-	-	1,253,642
-	412,437	173,471	-	-	6,207,825
-	-	-	3,155,217	-	3,155,217
-	-	-	-	-	-
-	-	-	-	-	507,604
-	412,437	173,471	3,155,217	557,350	12,864,854
\$ -	\$ 412,437	\$ 173,471	\$3,227,903	\$ 557,350	\$ 13,611,214

City of Missouri City, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2014

	Parkland Dedication Fund	Law Enforcement Fund	Radio Communications Fund	Court Security Fee Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	185,400	-	-	-
Charges for services	-	-	196,775	18,842
Franchise taxes	-	-	-	-
Other revenue	24,713	132,665	771	4,255
Total revenues	210,113	132,665	197,546	23,097
Expenditures				
Current:				
General government	-	-	-	9,825
Police	-	17,766	198,434	-
Fire	-	-	-	-
Public works	-	-	-	-
Parks and recreation	8,825	-	-	-
Planning	-	-	-	-
Capital Outlay	-	179,131	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	8,825	196,897	198,434	9,825
Excess (Deficiency) of Revenues Over (under) expenditures	201,288	(64,232)	(888)	13,272
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Issuance of debt	-	-	-	-
Bond premium	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balance	201,288	(64,232)	(888)	13,272
Fund Balances, Beginning	1,052,354	433,082	45,751	197,733
Fund Balances, Ending	\$ 1,253,642	\$ 368,850	\$ 44,863	\$ 211,005

<u>Court Technology Fee Fund</u>	<u>Missouri City TV Facility & Equip. Fund</u>	<u>Court Juvenile Case Fund</u>	<u>Grants Fund</u>	<u>Hotel Motel Occupancy Tax Fund</u>
\$ -	\$ -	\$ -	\$ -	
-	-	-	304,138	
25,147	-	32,687	-	
-	165,053	-	-	
3,746	6,052	128	449,838	81,027
<u>28,893</u>	<u>171,105</u>	<u>32,815</u>	<u>753,976</u>	<u>81,027</u>
27,122	93,652	-	-	-
-	-	-	477,952	-
-	-	-	304,138	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>27,122</u>	<u>93,652</u>	<u>-</u>	<u>782,090</u>	<u>-</u>
<u>1,771</u>	<u>77,453</u>	<u>32,815</u>	<u>(28,114)</u>	<u>81,027</u>
-	-	-	58,708	
-	-	(31,955)	-	(5,388)
-	-	-	-	
-	-	-	-	
<u>-</u>	<u>-</u>	<u>(31,955)</u>	<u>58,708</u>	<u>(5,388)</u>
1,771	77,453	860	30,594	75,639
176,757	268,133	-	-	72,187
<u>\$ 178,528</u>	<u>\$ 345,586</u>	<u>\$ 860</u>	<u>\$ 30,594</u>	<u>\$ 147,826</u>

City of Missouri City, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2014

	Donations Fund	Community Development Block Grant Fund	TIRZ #1 Fund	TIRZ #2 Fund	TIRZ #3 Fund
Revenues					
Property taxes	\$ -	\$ -	\$ 786,763	\$ 1,474,777	\$ 887,509
Intergovernmental revenues	42,804	250,080	-	-	54,742
Charges for services	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Other revenue	32,150	3	8,972	65,707	23,389
Total revenues	<u>74,954</u>	<u>250,083</u>	<u>795,735</u>	<u>1,540,484</u>	<u>965,640</u>
Expenditures					
Current:					
General government	-	-	1,855	34,752	-
Police	-	-	-	-	-
Fire	10,779	-	-	-	-
Public works	2,023	-	-	-	-
Parks and recreation	19,178	-	-	-	-
Planning	-	224,810	-	3,350	-
Capital Outlay	-	25,355	-	1,401,409	613,123
Debt service:					
Principal	-	-	275,000	430,000	-
Interest and fiscal charges	-	-	224,779	162,562	-
Total Expenditures	<u>31,980</u>	<u>250,165</u>	<u>501,634</u>	<u>2,032,073</u>	<u>613,123</u>
Excess (Deficiency) of Revenues Over (under) expenditures	<u>42,974</u>	<u>(82)</u>	<u>294,101</u>	<u>(491,589)</u>	<u>352,517</u>
Other Financing Sources (Uses)					
Transfers from other funds	22,376	-	-	-	-
Transfers (to) other funds	-	-	(66,555)	(66,949)	(49,559)
Issuance of debt	-	-	-	-	-
Bond premium	-	-	-	-	-
Total Other Financing Sources	<u>22,376</u>	<u>-</u>	<u>(66,555)</u>	<u>(66,949)</u>	<u>(49,559)</u>
Net Change in Fund Balance	65,350	(82)	227,546	(558,538)	302,958
Fund Balances, Beginning	-	4,352	782,738	3,818,950	1,341,351
Fund Balances, Ending	<u>\$ 65,350</u>	<u>\$ 4,270</u>	<u>\$ 1,010,284</u>	<u>\$ 3,260,412</u>	<u>\$ 1,644,309</u>

Development Authority Fund	PID #2 Fund	PID #4 Fund	Metro Fund	Certificates of Obligation Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,149,049
-	-	397,995	3,280,552	-	4,515,711
-	503,048	-	-	-	776,499
-	-	-	-	-	165,053
-	12,371	4,407	41,025	8,883	900,102
-	515,419	402,402	3,321,577	8,883	9,506,414
-	-	-	-	-	167,206
-	-	-	-	-	694,152
-	-	-	-	-	314,917
-	-	-	-	-	2,023
-	-	-	-	-	28,003
-	-	500	-	-	228,660
-	1,000,000	-	2,497,491	1,134,007	6,850,516
-	95,000	125,000	-	-	925,000
-	234,175	262,299	-	-	883,815
-	1,329,175	387,799	2,497,491	1,134,007	10,094,292
-	(813,756)	14,603	824,086	(1,125,124)	(587,878)
100,000	-	-	-	517,460	698,544
(100,000)	(20,000)	(20,000)	(800,000)	-	(1,160,406)
-	-	-	-	990,000	990,000
-	-	-	-	4,804	4,804
-	(20,000)	(20,000)	(800,000)	1,512,264	532,942
-	(833,756)	(5,397)	24,086	387,140	(54,936)
-	1,246,193	178,868	3,131,131	170,210	12,919,790
\$ -	\$ 412,437	\$ 173,471	\$ 3,155,217	\$ 557,350	\$ 12,864,854

City of Missouri City, Texas
PARKLAND DEDICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Intergovernmental	\$ 202,958	\$ 185,400	\$ (17,558)
Other revenue	.	24,713	24,713
Total Revenues	<u>202,958</u>	<u>210,113</u>	<u>7,155</u>
Expenditures			
Current:			
Parks and recreation	229,525	8,825	220,700
Total Expenditures	<u>229,525</u>	<u>8,825</u>	<u>220,700</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(26,567)</u>	<u>201,288</u>	<u>227,855</u>
Fund Balances, Beginning	<u>1,052,354</u>	<u>1,052,354</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 1,025,787</u></u>	<u><u>\$ 1,253,642</u></u>	<u><u>\$ 227,855</u></u>

City of Missouri City, Texas
LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Other revenue	\$ 91,400	\$ 132,665	\$ 41,265
Total Revenues	<u>91,400</u>	<u>132,665</u>	<u>41,265</u>
Expenditures			
Current:			
Police	25,680	17,766	7,914
Capital outlay	147,875	179,131	(31,256)
Total Expenditures	<u>173,555</u>	<u>196,897</u>	<u>(23,342)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(82,155)</u>	<u>(64,232)</u>	<u>17,923</u>
Fund Balances, Beginning	<u>433,082</u>	<u>433,082</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 350,927</u></u>	<u><u>\$ 368,850</u></u>	<u><u>\$ 17,923</u></u>

City of Missouri City, Texas
RADIO COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Charges for Services	\$ 196,315	\$ 196,775	\$ 460
Other revenue	1,000	771	(229)
Total Revenues	<u>197,315</u>	<u>197,546</u>	<u>231</u>
Expenditures			
Current:			
Police	197,692	198,434	(742)
Total Expenditures	<u>197,692</u>	<u>198,434</u>	<u>(742)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(377)</u>	<u>(888)</u>	<u>(511)</u>
Fund Balances, Beginning	<u>45,751</u>	<u>45,751</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 45,374</u></u>	<u><u>\$ 44,863</u></u>	<u><u>\$ (511)</u></u>

City of Missouri City, Texas
COURT SECURITY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Charges for Services	\$ 19,052	\$ 18,842	\$ (210)
Other revenue	4,167	4,255	88
Total Revenues	<u>23,219</u>	<u>23,097</u>	<u>(122)</u>
Expenditures			
Current:			
General government	23,039	9,825	13,214
Total Expenditures	<u>23,039</u>	<u>9,825</u>	<u>13,214</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>180</u>	<u>13,272</u>	<u>13,092</u>
Fund Balances, Beginning	<u>197,733</u>	<u>197,733</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 197,913</u></u>	<u><u>\$ 211,005</u></u>	<u><u>\$ 13,092</u></u>

City of Missouri City, Texas
COURT TECHNOLOGY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Charges for Services	\$ 25,419	\$ 25,147	\$ (272)
Other revenue	3,758	3,746	(12)
Total Revenues	29,177	28,893	(284)
Expenditures			
Current:			
General government	42,280	27,122	15,158
Total Expenditures	42,280	27,122	15,158
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(13,103)	1,771	14,874
Fund Balances, Beginning	176,757	176,757	-
Fund Balances, Ending	\$ 163,654	\$ 178,528	\$ 14,874

City of Missouri City, Texas
MISSOURI CITY TV FACILITY & EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Franchise fees	\$ 149,510	\$ 165,053	\$ 15,543
Other revenue	5,610	6,052	442
Total Revenues	<u>155,120</u>	<u>171,105</u>	<u>15,985</u>
Expenditures			
Current:			
General government	92,000	93,652	(1,652)
Total Expenditures	<u>92,000</u>	<u>93,652</u>	<u>(1,652)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>63,120</u>	<u>77,453</u>	<u>14,333</u>
Fund Balances, Beginning	<u>268,133</u>	<u>268,133</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 331,253</u></u>	<u><u>\$ 345,586</u></u>	<u><u>\$ 14,333</u></u>

City of Missouri City, Texas
COURT JUVENILE CASE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Charges for Services	\$ 31,765	\$ 32,687	\$ 922
Other revenue	190	128	(62)
Total Revenues	<u>31,955</u>	<u>32,815</u>	<u>860</u>
Expenditures			
Current:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources			
Transfers (to) from other funds	31,955	31,955	-
Total Other Financing Sources	<u>31,955</u>	<u>31,955</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>-</u>	<u>860</u>	<u>860</u>
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ -</u></u>	<u><u>\$ 860</u></u>	<u><u>\$ 860</u></u>

City of Missouri City, Texas
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Intergovernmental revenues	\$ 304,138	\$ 304,138	\$ -
Other revenue	582,589	449,838	(132,751)
Total Revenues	<u>886,727</u>	<u>753,976</u>	<u>(132,751)</u>
Expenditures			
Current:			
Police	640,901	477,952	162,949
Fire	227,479	304,138	(76,659)
Total Expenditures	<u>868,380</u>	<u>782,090</u>	<u>86,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,347</u>	<u>(28,114)</u>	<u>(46,461)</u>
Other Financing Sources			
Transfers (to) from other funds	58,708	58,708	-
Total Other Financing Sources	<u>58,708</u>	<u>58,708</u>	<u>-</u>
Net Change in Fund Balance	77,055	30,594	(46,461)
Fund Balances, Beginning	-	-	-
Fund Balances, Ending	<u>\$ 77,055</u>	<u>\$ 30,594</u>	<u>\$ (46,461)</u>

City of Missouri City, Texas
DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Intergovernmental revenues	\$ 39,485	\$ 42,804	\$ 3,319
Other revenue	42,428	32,150	(10,278)
Total Revenues	<u>81,913</u>	<u>74,954</u>	<u>(6,959)</u>
Expenditures			
Current:			
General government	16,146	-	16,146
Fire	12,120	10,779	1,341
Public works	2,500	2,023	477
Parks and recreation	18,472	19,178	(706)
Police	5,000	-	5,000
Total Expenditures	<u>54,238</u>	<u>31,980</u>	<u>22,258</u>
Other Financing Sources			
Transfers (to) from other funds	22,376	22,376	-
Total Other Financing Sources	<u>22,376</u>	<u>22,376</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>50,051</u>	<u>65,350</u>	<u>15,299</u>
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 50,051</u></u>	<u><u>\$ 65,350</u></u>	<u><u>\$ 15,299</u></u>

City of Missouri City, Texas
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Intergovernmental revenues	418,503	250,080	\$ (168,423)
Other revenue	-	3	3
Total Revenues	<u>418,503</u>	<u>250,083</u>	<u>(168,420)</u>
Expenditures			
Current:			
Planning	250,165	224,810	25,355
Capital outlay	168,338	25,355	142,983
Total Expenditures	<u>418,503</u>	<u>250,165</u>	<u>168,338</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>0</u>	<u>(82)</u>	<u>(82)</u>
Fund balances, beginning	<u>4,352</u>	<u>4,352</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 4,352</u></u>	<u><u>\$ 4,270</u></u>	<u><u>\$ (82)</u></u>

City of Missouri City, Texas
TAX INCREMENT REINVESTMENT ZONE #1 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Property taxes	\$ 803,623	\$ 786,763	\$ (16,860)
Other	-	8,972	8,972
Total Revenues	<u>803,623</u>	<u>795,735</u>	<u>(7,888)</u>
Expenditures			
Current:			
General government	1,855	1,855	-
Debt Service:			
Principal	275,000	275,000	-
Interest & Fiscal Charges	224,779	224,779	-
Total Expenditures	<u>501,634</u>	<u>501,634</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>301,989</u>	<u>294,101</u>	<u>(7,888)</u>
Other Financing Sources			
Transfers (to) other funds	(66,555)	(66,555)	-
Total Other Financing Sources (Uses)	<u>(66,555)</u>	<u>(66,555)</u>	<u>-</u>
Change in Fund Balance	235,434	227,546	(7,888)
Fund Balances, Beginning	<u>782,738</u>	<u>782,738</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,018,172</u>	<u>\$ 1,010,284</u>	<u>\$ (7,888)</u>

CITY OF MISSOURI CITY, TEXAS
TAX INCREMENT REINVESTMENT ZONE #2 (VICKSBURG) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance with Final Budget Positive (Negative)
	Final Budget	GAAP Actual	
Revenues:			
Property taxes and penalties	\$ 1,470,287	\$ 1,474,777	\$ 4,490
Other revenue	26,000	65,707	39,707
Total Revenues	<u>1,496,287</u>	<u>1,540,484</u>	<u>44,197</u>
Expenditures:			
Current:			
General government	35,752	34,752	1,000
Planning	3,350	3,350	-
Capital outlay	1,401,409	1,401,409	-
Debt service:			
Principal	437,563	430,000	7,563
Interest and fiscal charges	155,000	162,562	(7,562)
Total Expenditures	<u>2,033,074</u>	<u>2,032,073</u>	<u>1,001</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(536,787)</u>	<u>(491,589)</u>	<u>45,198</u>
Other financing sources (uses)			
Transfers (to) other funds	(66,949)	(66,949)	-
Total Other Financing Sources	<u>(66,949)</u>	<u>(66,949)</u>	<u>-</u>
Change in Fund Balance	(603,736)	(558,538)	45,198
Fund Balances - Beginning	3,818,950	3,818,950	-
Fund Balances - Ending	<u><u>\$ 3,215,214</u></u>	<u><u>\$ 3,260,412</u></u>	<u><u>\$ 45,198</u></u>

City of Missouri City, Texas
TAX INCREMENT REINVESTMENT ZONE #3 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Property taxes	\$ 870,962	\$ 887,509	\$ 16,547
Intergovernmental revenues	57,742	54,742	(3,000)
Other	15,000	23,389	8,389
Total Revenues	<u>943,704</u>	<u>965,640</u>	<u>21,936</u>
Expenditures			
Current:			
Capital Outlay	613,123	613,123	-
Total Expenditures	<u>613,123</u>	<u>613,123</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>330,581</u>	<u>352,517</u>	<u>21,936</u>
Other Financing Sources			
Transfers (to) from other funds	(49,559)	(49,559)	-
Total Other Financing Sources (Uses)	<u>(49,559)</u>	<u>(49,559)</u>	<u>-</u>
Change in Fund Balance	281,022	302,958	21,936
Fund Balances, Beginning	<u>1,341,351</u>	<u>1,341,351</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 1,622,373</u></u>	<u><u>\$ 1,644,309</u></u>	<u><u>\$ 21,936</u></u>

City of Missouri City, Texas
DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Intergovernmental revenues	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources			
Transfers from other funds	100,000	100,000	-
Transfers (to) other funds	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Missouri City, Texas
PUBLIC IMPROVEMENT DISTRICT #2 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Charges for Services	\$ 506,149	\$ 503,048	\$ (3,101)
Other	10,500	12,371	1,871
Total Revenues	<u>516,649</u>	<u>515,419</u>	<u>(1,230)</u>
Expenditures			
Current:			
Planning	500	-	500
Capital outlay	1,000,000	1,000,000	-
Debt Service			
Principal	95,000	95,000	-
Interest and fiscal charges	234,175	234,175	-
Total Expenditures	<u>1,329,675</u>	<u>1,329,175</u>	<u>500</u>
Excess of Revenues Over Expenditures	<u>(813,026)</u>	<u>(813,756)</u>	<u>(730)</u>
Other Financing Sources			
Transfers (to) other funds	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Change in Fund Balance	(833,026)	(833,756)	(730)
Fund Balances, Beginning	<u>1,246,193</u>	<u>1,246,193</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 413,167</u></u>	<u><u>\$ 412,437</u></u>	<u><u>\$ (730)</u></u>

City of Missouri City, Texas
PUBLIC IMPROVEMENT DISTRICT #4 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)
	Final Budget	GAAP Actual	
Revenues			
Intergovernmental revenues	\$ 400,605	\$ 397,995	\$ (2,610)
Other	1,700	4,407	2,707
Total Revenues	<u>402,305</u>	<u>402,402</u>	<u>97</u>
Expenditures			
Current:			
Planning	500	500	-
Debt service:			
Principal	125,000	125,000	-
Interest and fiscal charges	262,299	262,299	-
Total Expenditures	<u>387,799</u>	<u>387,799</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>14,506</u>	<u>14,603</u>	<u>97</u>
Other Financing Sources			
Transfers (to) other funds	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Change in Fund Balance	(5,494)	(5,397)	97
Fund Balances, Beginning	<u>178,868</u>	<u>178,868</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 173,374</u></u>	<u><u>\$ 173,471</u></u>	<u><u>\$ 97</u></u>

CITY OF MISSOURI CITY, TEXAS
METRO FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental revenues	\$ 3,000,000	\$ 3,280,552	\$ 280,552
Other revenue	32,255	41,025	8,770
Total revenues	<u>3,032,255</u>	<u>3,321,577</u>	<u>289,322</u>
Expenditures			
Current:			
Capital outlay	3,780,349	2,497,491	1,282,858
Total expenditures	<u>3,780,349</u>	<u>2,497,491</u>	<u>1,282,858</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(748,094)	824,086	1,572,180
Other Financing Sources (Uses)			
Transfers (to) other funds	(800,000)	(800,000)	-
Total Other Financing Sources (Uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,548,094)	24,086	1,572,180
Fund Balances, Beginning	<u>3,131,131</u>	<u>3,131,131</u>	<u>-</u>
Fund balances, Ending	<u>\$ 1,583,037</u>	<u>\$ 3,155,217</u>	<u>\$ 1,572,180</u>

CITY OF MISSOURI CITY, TEXAS
CERTIFICATES OF OBLIGATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Other revenue	\$ 6,270	\$ 8,883	\$ 2,613
Total revenues	<u>6,270</u>	<u>8,883</u>	<u>2,613</u>
Expenditures			
Current:			
Capital outlay	1,577,693	1,134,007	443,686
Total expenditures	<u>1,577,693</u>	<u>1,134,007</u>	<u>443,686</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,571,423)	(1,125,124)	446,299
Other Financing Sources (Uses)			
Transfers from other funds	517,460	517,460	-
Issuance of debt	990,000	990,000	-
Bond Premium	-	4,804	(4,804)
Total Other Financing Sources (Uses)	<u>1,507,460</u>	<u>1,512,264</u>	<u>(4,804)</u>
Change in Fund Balance	(63,963)	387,140	451,103
Fund Balances, Beginning	<u>170,210</u>	<u>170,210</u>	<u>-</u>
Fund balances, Ending	<u><u>\$ 106,247</u></u>	<u><u>\$ 557,350</u></u>	<u><u>\$ 451,103</u></u>

City of Missouri City, Texas
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014

	2014		Variance Positive (Negative)	2013 Actual
	Final Budget	Actual		
Revenues				
Property Taxes and Penalties:				
Property taxes - current	\$ 7,724,372	\$ 7,974,929	\$ 250,557	\$ 7,343,881
Property taxes - delinquent	153,555	124,982	(28,573)	108,327
Penalties and interest	53,475	59,584	6,109	61,670
Total Property Taxes and Penalties	<u>7,931,402</u>	<u>8,159,495</u>	<u>228,093</u>	<u>7,513,878</u>
Other Revenues				
Investment earnings	151,510	184,957	33,447	(175,482)
Total Other Revenues	<u>151,510</u>	<u>184,957</u>	<u>33,447</u>	<u>(175,482)</u>
Total Revenues	<u>8,082,912</u>	<u>8,344,452</u>	<u>261,540</u>	<u>7,338,396</u>
Expenditures				
Debt Service:				
Principal retirement	5,723,406	5,723,391	15	5,393,464
Interest and fiscal agent fees	3,481,216	2,975,103	506,113	3,225,858
Total Expenditures	<u>9,204,622</u>	<u>8,698,494</u>	<u>506,128</u>	<u>8,619,322</u>
Excess of Revenues Over Expenditures	<u>(1,121,710)</u>	<u>(354,042)</u>	<u>767,668</u>	<u>(1,280,926)</u>
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	326,160
Proceeds of refunding bonds	-	8,293,500	8,293,500	-
Payment to bond escrow agent	-	(8,587,151)	(8,587,151)	-
Bond premium/discount	439,215	456,837	17,622	-
Total Other Financing Sources (Uses)	<u>439,215</u>	<u>163,186</u>	<u>(276,029)</u>	<u>326,160</u>
Change in Fund Balance	(682,495)	(190,856)	491,639	(954,766)
Fund Balances - Beginning	<u>5,750,143</u>	<u>5,750,143</u>	<u>-</u>	<u>6,704,909</u>
Fund Balances - Ending	<u><u>\$ 5,067,648</u></u>	<u><u>\$ 5,559,287</u></u>	<u><u>\$ 491,639</u></u>	<u><u>\$ 5,750,143</u></u>

City of Missouri City, Texas
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2014

	Fleet Maintenance Fund	IT Maintenance Fund	Building Maintenance Fund	Fleet Replacement Fund	IT Replacement Fund	Total
Assets						
Current Assets:						
Cash and cash equivalents	\$ -	\$ 8,119	\$ 3,969	\$ 90,637	\$ 38,637	\$ 141,362
Investments	-	66,919	32,709	747,030	318,443	1,165,101
Receivables, other net of allowance	610	-	-	-	-	610
Inventories	98,642	-	-	-	-	98,642
Total Current Assets	99,252	75,038	36,678	837,667	357,080	1,405,715
Noncurrent Assets:						
Capital assets net of depreciation:						
Equipment	-	-	-	6,784,715	2,985,032	9,769,747
Less accumulated depreciation	-	-	-	(5,062,845)	(2,756,953)	(7,819,798)
Total Capital Assets	-	-	-	1,721,870	228,079	1,949,949
Total Assets	\$ 99,252	\$ 75,038	\$ 36,678	\$ 2,559,537	\$ 585,159	\$ 3,355,664
Liabilities						
Current liabilities:						
Accounts payable	\$ 40,094	\$ 63,888	\$ 21,270	\$ -	\$ -	\$ 125,252
Due to other funds	48,010	-	-	-	-	48,010
Total Current Liabilities	88,104	63,888	21,270	-	-	173,262
Noncurrent Liabilities:						
Accrued compensation absences	11,148	11,150	15,408	-	-	37,706
Total Noncurrent Liabilities	11,148	11,150	15,408	-	-	37,706
Total Liabilities	99,252	75,038	36,678	-	-	210,968
Net Position						
Invested in capital assets	-	-	-	1,721,870	228,079	1,949,949
Unrestricted	-	-	-	837,667	357,080	1,194,747
Total Net Position	-	-	-	2,559,537	585,159	3,144,696
Total Liabilities and Net Position	\$ 99,252	\$ 75,038	\$ 36,678	\$ 2,559,537	\$ 585,159	\$ 3,355,664

City of Missouri City, Texas
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2014

	Fleet Maintenance Fund	IT Maintenance Fund	Building Maintenance Fund	Fleet Replacement Fund	IT Replacement Fund	Total
Operating Revenues						
Charges for Services	\$ 1,024,340	\$ 2,601,499	\$ 1,098,428	\$ 498,663	\$ 258,178	\$ 5,481,108
Total Operating Revenues	<u>1,024,340</u>	<u>2,601,499</u>	<u>1,098,428</u>	<u>498,663</u>	<u>258,178</u>	<u>5,481,108</u>
Operating Expenses						
Personnel	214,858	539,380	174,642	-	-	928,880
Commodities	660,460	250,186	128,573	-	-	1,039,219
Contractual services	184,618	1,286,218	840,566	36,814	-	2,348,216
Other services	1,806	14,284	1,298	-	-	17,388
Depreciation	-	-	-	529,436	142,144	671,580
Total Operating Expenses	<u>1,061,742</u>	<u>2,090,068</u>	<u>1,145,079</u>	<u>566,250</u>	<u>142,144</u>	<u>5,005,283</u>
Operating Income (Loss)	(37,402)	511,431	(46,651)	(67,587)	116,034	475,825
Non-Operating Revenues						
Investment Earnings	171	6,029	7,775	19,257	5,763	38,995
Gain (loss) on sale of capital assets	4,026	-	-	(27,714)	20	(23,668)
Insurance reimbursements	33,205	-	38,876	17,281	-	89,362
Total Non-Operating Revenues	<u>37,402</u>	<u>6,029</u>	<u>46,651</u>	<u>8,824</u>	<u>5,783</u>	<u>104,689</u>
Income (Loss) Before Contributions	-	517,460	-	(58,763)	121,817	580,514
Contributions						
Transfers (to) from other funds	-	(517,460)	-	-	-	(517,460)
Total Contributions	-	(517,460)	-	-	-	(517,460)
Change in Net Position	-	-	-	(58,763)	121,817	63,054
Net position, beginning	-	-	-	2,618,300	463,342	3,081,642
Net position, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,559,537</u>	<u>\$ 585,159</u>	<u>\$ 3,144,696</u>

City of Missouri City, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Fleet Maintenance Fund	IT Maintenance Fund	Building Maintenance Fund	Fleet Replacement Fund	IT Replacement Fund	Total
Cash Flows from Operating Activities						
Disbursed for personnel services	\$ (214,142)	\$ (533,591)	\$ (181,832)	\$ -	\$ -	\$ (929,565)
Disbursed for goods and services to suppliers	(973,718)	(1,513,291)	(1,006,914)	(36,814)	-	(3,530,737)
Receipts from customers	1,024,339	2,601,499	1,098,428	498,663	258,178	5,481,107
Net Cash Provided (Used) by Operating Activities	<u>(163,521)</u>	<u>554,617</u>	<u>(90,318)</u>	<u>461,849</u>	<u>258,178</u>	<u>1,020,805</u>
Cash Flows From Noncapital Financing Activities						
Transfer (to) from other funds	-	(517,460)	-	-	-	(517,460)
Net Cash Provided by Noncapital Financial Activities	<u>-</u>	<u>(517,460)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(517,460)</u>
Cash Flows from Capital & Related Financing Activities						
Advances from other funds	126,119	-	-	-	-	126,119
Insurance reimbursement	33,205	-	38,876	17,281	-	89,362
Proceeds from disposal of assets	4,026	-	-	(27,714)	20	(23,668)
Purchases of equipment	-	-	-	(505,377)	-	(505,377)
Net Cash (Used) by Capital & Related Financing Activities	<u>163,350</u>	<u>-</u>	<u>38,876</u>	<u>(515,810)</u>	<u>20</u>	<u>(313,564)</u>
Cash Flows from Investing Activities						
Interest received	171	6,029	7,775	19,256	5,763	38,994
(Purchase) Sale of Investments	-	(43,235)	27,031	(98,371)	(249,205)	(363,780)
Net Cash Provided by Investing Activities	<u>171</u>	<u>(37,206)</u>	<u>34,806</u>	<u>(79,115)</u>	<u>(243,442)</u>	<u>(324,786)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>-</u>	<u>(49)</u>	<u>(16,636)</u>	<u>(133,076)</u>	<u>14,756</u>	<u>(135,005)</u>
Cash and Cash Equivalents, Beginning	-	8,168	20,605	223,713	23,881	276,367
Cash and Cash Equivalents, Ending	<u>\$ -</u>	<u>\$ 8,119</u>	<u>\$ 3,969</u>	<u>\$ 90,637</u>	<u>\$ 38,637</u>	<u>\$ 141,362</u>
Reconciliation of Operating Income (Loss) to						
Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ (37,402)	\$ 511,431	\$ (46,651)	\$ (67,587)	\$ 116,034	\$ 475,825
Adjustments to reconcile operating income to net cash used by operating activities:						
Depreciation	-	-	-	529,436	142,144	671,580
(Increase) in inventories	9,350	-	-	-	-	9,350
Increase (Decrease) in accounts payable	(1,197)	43,186	(43,667)	-	-	(1,678)
Increase (decrease) in due to other funds	(134,272)	-	-	-	-	(134,272)
Total adjustments	<u>(126,119)</u>	<u>43,186</u>	<u>(43,667)</u>	<u>529,436</u>	<u>142,144</u>	<u>544,980</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (163,521)</u>	<u>\$ 554,617</u>	<u>\$ (90,318)</u>	<u>\$ 461,849</u>	<u>\$ 258,178</u>	<u>\$ 1,020,805</u>
Noncash Investing, Capital and Financing Activities:						
Capital asset contributions from governmental funds	-	-	-	-	-	-

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STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	106
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	117
Debt Capacity These schedules present 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.	122
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	128
Operating Information 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.	130

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

City of Missouri City, Texas
NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007*</u>	<u>2008</u>	<u>2009</u>
Governmental Activities					
Investment in capital assets	\$ 26,653,131	\$ 31,755,001	\$ 89,856,930	\$ 81,581,383	\$ 61,284,054
Restricted	5,983,012	7,416,005	14,204,539	11,734,443	13,202,591
Unrestricted	7,754,289	8,461,730	4,333,557	11,181,519	16,348,076
Total Governmental Activities Net Position	<u>\$ 40,390,432</u>	<u>\$ 47,632,736</u>	<u>\$ 108,395,026</u>	<u>\$ 104,497,345</u>	<u>\$ 90,834,721</u>
Business-type Activities					
Investment in capital assets	\$ 179,633	\$ 822,294	\$ 1,201,161	\$ 6,282,426	\$ 8,561,629
Restricted				1,174,084	14,749,488
Unrestricted				171,021	1,320,290
Total Business-type Activities Net Position	<u>\$ 179,633</u>	<u>\$ 822,294</u>	<u>\$ 1,201,161</u>	<u>\$ 7,627,531</u>	<u>\$ 24,631,407</u>
Primary Government					
Net investment in capital assets	\$ 26,832,764	\$ 32,577,295	\$ 91,058,091	\$ 87,863,809	\$ 69,845,683
Restricted	5,983,012	7,416,005	14,204,539	12,908,527	27,952,079
Unrestricted	7,754,289	8,461,730	4,333,557	11,352,540	17,668,366
Total Primary Government Net Position	<u>\$ 40,570,065</u>	<u>\$ 48,455,030</u>	<u>\$ 109,596,187</u>	<u>\$ 112,124,876</u>	<u>\$ 115,466,128</u>

* - 2007 includes the phase-in of street infrastructure.

** - 2012 includes the adjustment for deferred charges and bond issuance costs. Only FY12 was restated as the changes were minimal.

Table 1

	<u>2010</u>	<u>2011</u>	<u>2012**</u>	<u>2013</u>	<u>2014</u>
\$	83,919,838	\$ 90,854,187	\$ 112,072,157	\$ 108,022,705	\$ 104,175,517
	15,252,973	15,820,812	17,692,029	19,198,630	15,155,170
	<u>9,244,344</u>	<u>8,465,006</u>	<u>6,554,873</u>	<u>5,946,833</u>	<u>14,634,171</u>
\$	<u><u>108,417,155</u></u>	<u><u>115,140,005</u></u>	<u><u>136,319,059</u></u>	<u><u>133,168,168</u></u>	<u><u>133,964,858</u></u>
\$	9,847,115	\$ 16,338,112	\$ 19,054,462	\$ 28,168,337	\$ 27,400,088
	12,560,142	10,223,549	10,361,178	639,682	5,064,997
	<u>4,822,761</u>	<u>3,222,763</u>	<u>6,019,700</u>	<u>9,212,724</u>	<u>11,747,734</u>
\$	<u><u>27,230,018</u></u>	<u><u>29,784,424</u></u>	<u><u>35,435,340</u></u>	<u><u>38,020,743</u></u>	<u><u>44,212,819</u></u>
\$	93,766,953	\$ 107,192,299	\$ 131,126,619	\$ 136,191,042	\$ 131,575,605
	27,813,115	26,044,361	28,053,207	19,838,312	20,220,167
	<u>14,067,105</u>	<u>11,687,769</u>	<u>12,574,573</u>	<u>15,159,557</u>	<u>26,381,905</u>
\$	<u><u>135,647,173</u></u>	<u><u>144,924,429</u></u>	<u><u>171,754,399</u></u>	<u><u>171,188,911</u></u>	<u><u>178,177,677</u></u>

City of Missouri City, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses					
Governmental Activities					
General government	\$ 2,455,859	\$ 2,919,470	\$ 4,354,109	\$ 993,549	\$ 6,422,236
Finance	1,865,724	1,747,296	1,637,097	2,305,040	2,663,164
Police	7,311,441	7,950,860	8,900,695	11,339,922	10,980,913
Fire	5,210,712	5,222,855	5,603,426	7,023,058	6,608,560
Public works	8,851,534	6,107,027	10,404,096	9,176,624	7,828,700
Parks and recreation	2,143,237	2,128,682	2,374,541	3,624,273	5,028,950
Planning	2,019,227	2,340,174	2,093,565	2,706,843	2,565,530
Interest and fiscal agent fees on long-term debt	1,740,479	1,777,061	1,917,013	2,404,604	3,639,743
Total Governmental Activities Expenses	<u>31,598,213</u>	<u>30,193,425</u>	<u>37,284,542</u>	<u>39,573,913</u>	<u>45,737,796</u>
Business-type activities					
Water and Wastewater Utilities			30,665	280,567	2,952,601
Surface Water Utility Fund					2,398,963
Missouri City Recreation and Leisure, LGC					2,034,704
Other					
Total Business-type Activities Expenses			<u>30,665</u>	<u>280,567</u>	<u>7,386,269</u>
Total Primary Government Expenses	<u>\$ 31,598,213</u>	<u>\$ 30,193,425</u>	<u>\$ 37,315,207</u>	<u>\$ 39,854,480</u>	<u>\$ 53,124,065</u>
Program Revenues					
Governmental Activities					
Charges for services					
General government	\$ 322,310	\$ 311,999	\$ 309,828	\$ 1,020,687	\$ 293,690
Police	903,071	796,261	1,048,633	1,692,839	1,477,773
Fire				555,284	331,350
Public works	565,385	542,290	797,821	2,854,138	23,870
Parks and recreation				366,368	1,718,336
Planning	2,428,923	1,927,532	1,989,589	2,088,559	1,417,340
Operating grants and contributions	4,603,575	5,587,507	5,572,183	1,404,913	3,650,069
Capital grants and contributions			13,773,226		2,588,969
Total Governmental Activities Program Revenues	<u>8,823,264</u>	<u>9,165,589</u>	<u>23,491,280</u>	<u>9,982,788</u>	<u>11,501,397</u>
Business-type Activities					
Charges for services:					
Water and Wastewater Utilities				606,350	1,503,578
Surface Water Utility Fund					2,823,077
Missouri City Recreation and Leisure, LGC					1,591,869
Other					
Operating grants and contributions					194,767
Capital grants and contributions					3,827,735
Total Business-type Activities Program Revenues				<u>606,350</u>	<u>9,941,026</u>
Total Primary Government Program Revenues	<u>\$ 8,823,264</u>	<u>\$ 9,165,589</u>	<u>\$ 23,491,280</u>	<u>\$ 10,589,138</u>	<u>\$ 21,442,423</u>
Net (Expense)/Revenue					
Governmental activities	\$ (22,774,949)	\$ (21,027,836)	\$ (13,793,262)	\$ (29,591,125)	\$ (34,236,400)
Business-type activities			(30,665)	325,783	2,554,757
Total Primary Government Net Expense	<u>\$ (22,774,949)</u>	<u>\$ (21,027,836)</u>	<u>\$ (13,823,927)</u>	<u>\$ (29,265,342)</u>	<u>\$ (31,681,642)</u>

Table 2 (Page 1 of 2)

	2010	2011	2012	2013	2014
\$	4,656,737	\$ 4,257,336	\$ 4,005,420	\$ 4,142,781	\$ 4,634,444
	2,514,696	1,811,994	1,727,595	1,782,997	1,796,195
	10,292,595	11,357,484	12,359,028	12,172,891	13,380,007
	6,607,916	6,535,135	7,123,068	7,664,736	7,768,603
	8,027,165	9,613,495	9,804,954	16,084,371	12,741,972
	3,074,830	3,194,143	3,603,491	3,891,667	4,013,806
	1,709,211	2,680,243	2,886,938	2,636,886	2,628,644
	3,720,409	4,534,779	4,353,598	4,193,716	4,744,838
	<u>40,603,559</u>	<u>43,984,609</u>	<u>45,864,092</u>	<u>52,570,045</u>	<u>51,708,509</u>
	1,922,907	2,706,585	2,700,461	2,580,551	2,986,595
	2,073,770	3,113,792	4,173,978	5,085,212	5,339,073
	2,257,164	2,595,108	2,654,844	3,789,856	3,859,137
		1,514,934	2,522,659	2,956,836	3,469,203
	<u>6,253,841</u>	<u>9,930,419</u>	<u>12,051,942</u>	<u>14,412,455</u>	<u>15,654,008</u>
\$	<u>46,857,400</u>	<u>53,915,028</u>	<u>57,916,034</u>	<u>66,982,500</u>	<u>67,362,517</u>
\$	382,880	\$ 412,808	\$ 276,584	\$ 274,073	\$ 280,813
	1,394,146	1,326,178	1,851,731	2,081,156	1,640,668
	1,191,994	1,189,702	1,006,196	1,044,976	1,197,436
	71,292	748,294	61,365	548,122	582,542
	252,510	173,665	192,867	286,702	345,499
	1,413,497	1,449,621	2,484,365	1,868,943	1,941,428
	2,613,329	1,423,400	1,977,220	2,502,684	2,467,479
	14,787,403	8,522,316	24,370,740	6,478,849	4,027,446
	<u>22,107,051</u>	<u>15,245,984</u>	<u>32,221,069</u>	<u>15,085,505</u>	<u>12,483,311</u>
	1,461,042	1,996,039	2,345,137	2,475,142	7,103,409
	4,716,891	6,114,915	7,315,810	8,661,397	6,722,751
	2,046,588	2,640,130	2,709,168	3,320,262	3,446,732
		1,695,948	2,528,097	2,988,082	3,446,411
	44,478	784,711	735,558		
		251,532	1,931,950	12,520	494,178
	<u>8,268,999</u>	<u>13,483,274</u>	<u>17,565,720</u>	<u>17,457,403</u>	<u>21,213,481</u>
\$	<u>30,376,051</u>	<u>28,729,258</u>	<u>49,786,788</u>	<u>32,542,908</u>	<u>33,696,792</u>
\$	(18,496,508)	\$ (28,738,626)	\$ (13,643,024)	\$ (37,484,539)	\$ (39,225,198)
	2,015,159	3,552,856	5,513,778	3,044,948	5,559,473
\$	<u>(16,481,348)</u>	<u>(25,185,771)</u>	<u>(8,129,245)</u>	<u>(34,439,591)</u>	<u>(33,665,725)</u>

City of Missouri City, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 17,168,429	\$ 18,288,341	\$ 19,916,531	\$ 21,151,989
Sales taxes	4,796,724	5,513,169	5,475,943	5,621,917
Franchise taxes	2,539,919	2,922,538	2,576,179	2,583,352
Investment earnings	615,235	1,274,266	1,886,671	1,813,450
Other	116,858	356,576	138,346	1,109,680
Transfers	(40,000)	(84,750)	(44,024)	288,520
Total Governmental Activities	<u>25,197,165</u>	<u>28,270,140</u>	<u>29,949,646</u>	<u>32,568,908</u>
Business-type Activities				
Investment earnings	16,782	51,175	82,342	101,007
Other revenues	122,851	506,736	283,166	666,288
Transfers	40,000	84,750	44,024	(288,520)
Total Business-type Activities	<u>179,633</u>	<u>642,661</u>	<u>409,532</u>	<u>478,775</u>
Total Primary Government	<u>\$ 25,376,798</u>	<u>\$ 28,912,801</u>	<u>\$ 30,359,178</u>	<u>\$ 33,047,683</u>
Change in Net Position				
Governmental activities	\$ 2,422,216	\$ 7,242,304	\$ 16,156,384	\$ 2,977,783
Business-type activities	179,633	642,661	378,867	804,558
Total Primary Government	<u>\$ 2,601,849</u>	<u>\$ 7,884,965</u>	<u>\$ 16,535,251</u>	<u>\$ 3,782,341</u>

Table 2 (Page 2 of 2)

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 23,404,548	\$ 25,175,634	\$ 24,693,069	\$ 24,054,499	\$ 24,297,769	\$ 27,311,330
6,170,586	5,910,970	5,926,280	6,249,961	7,165,628	7,708,738
2,762,379	3,045,855	2,957,632	3,128,028	3,270,712	3,751,269
1,486,422	998,930	59,195	830,936	(555,974)	654,572
252,985	745,745	417,443	98,530	667,096	694,553
773,010	201,809	1,407,857	460,124	236,366	(98,574)
<u>34,849,930</u>	<u>36,078,942</u>	<u>35,461,476</u>	<u>34,822,078</u>	<u>35,081,597</u>	<u>40,021,888</u>
456,135	785,261	344,470	565,070	(234,259)	470,075
-	-	64,937	31,274	11,082	63,954
<u>(773,010)</u>	<u>(201,809)</u>	<u>(1,407,857)</u>	<u>(460,124)</u>	<u>(236,366)</u>	<u>98,574</u>
<u>(316,875)</u>	<u>583,452</u>	<u>(998,450)</u>	<u>136,220</u>	<u>(459,543)</u>	<u>632,603</u>
<u>\$ 34,533,055</u>	<u>\$ 36,662,394</u>	<u>\$ 34,463,026</u>	<u>\$ 34,958,297</u>	<u>\$ 34,622,054</u>	<u>\$ 40,654,491</u>
\$ 613,530	\$ 17,582,434	\$ 6,722,850	\$ 21,179,054	\$ (2,402,942)	\$ 796,690
2,237,884	2,598,611	2,554,406	5,650,000	2,585,405	6,192,076
<u>\$ 2,851,414</u>	<u>\$ 20,181,045</u>	<u>\$ 9,277,255</u>	<u>\$ 26,829,054</u>	<u>\$ 182,463</u>	<u>\$ 6,988,766</u>

City of Missouri City, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Nonspendable	\$ 771	\$ 583	\$ 5,879	\$ 7,182	\$ 3,424
Restricted					
Committed					
Assigned					
Unassigned	<u>8,204,747</u>	<u>9,776,228</u>	<u>10,107,459</u>	<u>9,322,941</u>	<u>7,638,590</u>
Total General Fund	<u>\$ 8,205,518</u>	<u>\$ 9,776,811</u>	<u>\$ 10,113,338</u>	<u>\$ 9,330,123</u>	<u>\$ 7,642,014</u>
All Other Governmental Funds					
Nonspendable					
Restricted					
Parks and trail systems					354,301
Law enforcement	177,862	369,537	243,055	203,759	225,786
Facilities construction	10,596,460	16,258,775	16,463,385	17,698,303	24,708,417
Debt service	1,895,423	1,912,298	2,566,460	3,669,370	3,577,337
Parkland dedication	739,138	775,297	959,691	1,144,256	1,174,842
Community development	640,030	947,609	2,329,857	3,151,844	4,463,669
Drainage					
Transportation	2,086,638	2,200,772	2,548,905	3,305,463	2,664,621
Sidewalk construction					
Assigned					
Unassigned					
Total All Other Governmental Funds	<u>\$ 16,135,551</u>	<u>\$ 22,464,288</u>	<u>\$ 25,111,353</u>	<u>\$ 29,172,995</u>	<u>\$ 37,168,973</u>

Table 3

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 6,022	6,022	6,022	8,134	7,316
	383,302			
		585,417	163,151	
<u>8,351,416</u>	<u>8,676,401</u>	<u>7,823,805</u>	<u>8,248,141</u>	<u>8,944,853</u>
\$ <u>8,357,438</u>	\$ <u>9,065,725</u>	\$ <u>8,415,244</u>	\$ <u>8,419,426</u>	\$ <u>8,952,169</u>
	447,007			
305,823	418,334	655,162	853,324	837,630
18,361,758	22,178,384	11,632,664	5,543,353	3,821,979
4,908,681	6,286,812	6,704,909	5,750,142	5,559,287
1,151,998	1,210,395	939,144	1,052,354	1,253,642
6,518,100	5,468,888	6,261,304	7,444,638	6,207,825
	71,007			
2,138,046	3,439,451		3,131,131	3,155,217
223,435	234,972			
				507,604
\$ <u>33,607,841</u>	\$ <u>39,755,250</u>	\$ <u>26,193,183</u>	\$ <u>23,774,942</u>	\$ <u>21,343,184</u>

City of Missouri City, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Taxes	\$ 21,865,583	\$ 23,967,336	\$ 25,246,301	\$ 26,746,159	\$ 29,630,556
Licenses and permits	2,428,923	1,927,532	1,989,589	2,088,559	1,441,210
Fines and forfeitures	903,071	796,261	1,048,633	1,065,439	1,248,034
Franchise taxes	2,539,919	2,610,539	2,576,179	2,583,352	2,762,379
Intergovernmental	2,975,536	3,761,097	3,877,259	4,704,479	2,003,432
Other revenues	2,889,750	3,927,746	4,404,646	4,645,672	3,943,321
Charges for services	322,310	311,999	309,828	292,612	293,690
Total Revenues	<u>33,925,092</u>	<u>37,302,510</u>	<u>39,452,435</u>	<u>42,126,272</u>	<u>41,322,622</u>
Expenditures					
General government	4,971,945	3,993,864	10,169,736	4,516,436	5,542,848
Finance	1,796,662	1,671,829	1,559,165	2,051,702	2,344,433
Police	7,030,591	8,110,481	8,899,084	9,205,922	9,755,727
Fire	4,959,307	4,981,593	5,413,565	6,496,014	6,294,528
Public works	4,132,408	4,405,748	4,412,631	4,577,472	4,352,584
Parks and recreation	1,920,459	1,903,299	2,209,177	2,384,739	2,587,699
Planning	1,962,882	2,313,228	2,045,548	2,298,832	2,489,090
Capital outlay	4,930,656	5,930,821	13,056,030	9,248,373	12,287,900
Debt service					
Principal	3,220,000	3,290,000	3,221,500	3,821,500	4,211,514
Interest, fiscal charges and other	1,728,880	1,767,606	1,888,383	2,511,643	4,212,872
Other charges				107,130	
Total Expenditures	<u>36,653,790</u>	<u>38,368,469</u>	<u>52,874,819</u>	<u>47,112,633</u>	<u>54,079,195</u>
(Deficiency) of Revenues					
(Under) Expenditures	(2,728,698)	(1,065,959)	(13,422,384)	(4,986,361)	(12,756,573)
Other Financing Sources (Uses)					
Transfers from other funds	2,243,438	1,281,097	2,528,608	1,829,103	1,395,535
Transfers (to) other funds	(2,163,744)	(1,355,108)	(2,572,632)	(1,540,583)	(708,194)
Issuance of debt		9,040,000	16,450,000	8,095,000	21,084,994
Proceeds of refunding bonds					
Refunding bonds paid to escrow					
Bond premium/discount				62,130	242,464
Total Other Financing Sources (Uses)	<u>79,694</u>	<u>8,965,989</u>	<u>16,405,976</u>	<u>8,445,650</u>	<u>22,014,799</u>
Net Change in Fund Balances	<u>\$ (2,649,004)</u>	<u>\$ 7,900,030</u>	<u>\$ 2,983,592</u>	<u>\$ 3,459,289</u>	<u>\$ 9,258,226</u>
Debt service as a percentage of noncapital expenditures	18.5%	18.5%	14.7%	20.1%	25.2%

Table 4

	2010	2011	2012	2013	2014
\$	31,150,613	\$ 30,726,604	\$ 30,181,806	\$ 32,120,862	\$ 35,116,877
	1,441,394	1,675,038	1,417,337	1,868,943	1,941,428
	1,167,287	1,094,903	1,202,259	1,080,019	837,891
	3,045,855	2,957,632	3,128,027	3,270,712	3,751,269
	5,398,020	9,859,462	7,840,755	9,419,782	5,066,267
	4,202,067	1,415,240	2,383,676	1,602,429	3,732,296
	298,084	1,639,127	1,440,874	1,139,516	1,165,897
	<u>46,703,320</u>	<u>49,368,006</u>	<u>47,594,734</u>	<u>50,502,263</u>	<u>51,611,925</u>
	4,253,742	3,939,181	3,988,853	3,959,679	4,172,766
	2,498,124	1,703,528	1,665,912	1,700,717	1,702,068
	9,734,061	10,673,346	11,416,463	11,402,549	12,145,928
	6,335,680	6,275,501	6,281,297	7,096,264	7,642,673
	4,213,970	3,795,224	3,832,721	3,878,658	4,091,991
	2,401,477	2,269,798	2,489,545	2,615,376	2,765,536
	2,200,941	2,032,676	1,948,329	1,939,311	1,974,274
	29,901,641	20,357,036	21,512,507	11,365,928	11,828,844
	4,930,424	5,598,893	6,571,174	6,288,464	6,648,391
	4,130,980	4,694,709	4,290,606	4,180,418	3,900,674
	<u>70,601,040</u>	<u>61,339,892</u>	<u>63,997,407</u>	<u>54,427,364</u>	<u>56,873,145</u>
	(23,897,720)	(11,971,886)	(16,402,673)	(3,925,101)	(5,261,220)
	2,105,563	2,310,617	1,571,128	1,646,589	2,053,961
	(1,527,736)	(1,059,888)	(1,111,004)	(1,591,091)	(1,635,075)
	20,390,000	17,300,000	1,730,000	1,400,000	2,730,000
	12,325,000				8,293,500
	(12,506,000)				(8,587,151)
	265,185	276,852		55,551	506,971
	<u>21,052,012</u>	<u>18,827,581</u>	<u>2,190,124</u>	<u>1,511,049</u>	<u>3,362,206</u>
\$	<u>(2,845,708)</u>	<u>6,855,695</u>	<u>\$ (14,212,549)</u>	<u>\$ (2,414,052)</u>	<u>\$ (1,899,014)</u>
	28.6%	33.5%	34.3%	32.1%	30.6%

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Table 5

City of Missouri City, Texas
ASSESSED VALUE AND ESTIMATED VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential Property	Commercial Property	Personal Property	Less: Tax-Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate
2005	2,831,974,571	558,095,710	178,718,122	252,005,517	3,316,782,886	0.5017
2006	3,086,658,725	621,795,390	186,273,880	273,020,297	3,621,707,698	0.4980
2007	3,242,481,797	681,368,221	192,448,831	276,526,487	3,839,772,362	0.4945
2008	3,373,152,110	853,848,571	224,503,642	328,282,481	4,123,221,842	0.4993
2009	3,556,035,984	995,874,085	219,067,020	356,586,213	4,414,390,876	0.5172
2010	3,553,265,304	1,079,112,582	222,974,938	402,163,149	4,453,189,675	0.5284
2011	3,507,174,930	1,042,709,883	249,976,257	420,384,596	4,379,476,474	0.5284
2012	3,380,198,444	1,035,957,512	253,710,761	414,654,210	4,255,212,507	0.5284
2013	3,408,987,167	1,088,870,799	274,878,700	478,290,353	4,294,446,313	0.5448
2014	3,501,328,319	1,235,164,588	356,499,475	589,463,716	4,503,528,666	0.5737

Source - Tax assessor/collector's records.

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
Tax rates are per \$100 of assessed value.

City of Missouri City, Texas
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS (1)
Last Ten Fiscal Years

FORT BEND COUNTY

Fiscal Year	Blue Ridge West MUD		Fort Bend MUD #26		Fort Bend Co. WCID #2		Meadowcreek MUD		Quail Valley UD		Palmer Plant. MUD #1		First Colony MUD #9		Palmer Plant. MUD #2		MUD #49	
	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate
2005	0.49	3.32	0.77	3.60	0.18	3.01	0.41	3.24	0.27	3.10	0.78	3.61	0.38	3.42	0.68	3.51	0.84	3.67
2006	0.45	3.26	0.73	3.54	0.18	2.99	0.38	3.19	0.00	2.81	0.74	3.55	0.35	3.35	0.55	3.36	0.80	3.61
2007	0.44	3.09	0.73	3.38	0.18	2.83	0.10	2.75	0.00	2.65	0.70	3.35	0.32	3.15	0.50	3.15	0.80	3.45
2008	0.43	2.79	0.72	3.08	0.18	2.54	0.10	2.46	0.00	2.36	0.68	3.04	0.30	2.85	0.49	2.85	0.80	3.16
2009	0.42	2.80	0.67	3.05	0.18	2.56	0.10	2.48	0.00	2.38	0.68	3.06	0.30	2.87	0.49	2.87	0.95	3.33
2010	0.42	2.84	0.70	3.13	0.18	2.61	0.10	2.53	0.00	2.43	0.69	3.12	0.30	2.91	0.50	2.92	0.95	3.38
2011	0.41	2.87	0.71	3.17	0.18	2.64	0.10	2.56	0.00	2.46	0.74	3.20	0.31	2.96	0.52	2.98	0.95	3.41
2012	0.41	2.88	0.86	3.33	0.18	2.65	0.10	2.57	0.00	2.47	0.74	3.20	0.32	2.98	0.52	2.98	0.95	3.42
2013	0.41	2.82	0.86	3.27	0.18	2.59	0.10	2.51	0.00	2.41	0.74	3.14	0.03	2.63	0.54	2.95	0.95	3.36
2014	0.41	2.85	0.91	3.35	0.18	2.62	0.10	2.54	0.00	2.44	0.76	3.19	0.32	2.91	0.54	2.98	0.95	3.39

HARRIS COUNTY

Fiscal Year	Harris County WC & ID (Fondren Road)		Southwest Harris County MUD #1		Harris County MUD #122		Missouri City	Houston ISD	Houston Comm. College	(3) Harris County
	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate				
2005	0.71	3.56	0.66	3.51	1.06	3.91	0.50	1.60	0.10	0.65
2006	0.68	3.55	0.63	3.50	1.04	3.91	0.50	1.62	0.10	0.65
2007	0.58	3.29	0.61	3.32	1.00	3.71	0.49	1.48	0.10	0.65
2008	0.58	2.96	0.61	2.99	0.90	3.28	0.50	1.16	0.09	0.64
2009	0.54	2.94	0.61	3.01	0.87	3.27	0.52	1.16	0.09	0.64
2010	0.54	2.95	0.71	3.12	0.87	3.28	0.53	1.16	0.09	0.64
2011	0.54	2.95	0.71	3.12	0.87	3.28	0.53	1.16	0.09	0.64
2012	0.54	2.96	0.71	3.13	0.87	3.29	0.53	1.16	0.10	0.64
2013	0.58	3.02	0.82	3.26	0.84	3.28	0.54	1.16	0.10	0.64
2014	0.60	3.09	0.82	3.31	0.80	3.29	0.57	1.19	0.10	0.64

Note - Property Tax rates based on per \$100 of assessed valuation.

Table 6

Fort Bend MUD #46		Thunderbird MUD		Fort Bend MUD #42		Fort Bend MUD #47		Fort Bend MUD #48		Fort Bend MUD #115		(2)		Fort Bend ISD	Fort Bend County	Houston Comm. College
MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	First Colony LID	M.o. City			
1.00	3.83	0.00	2.83	0.48	3.31	1.15	3.98	0.98	3.81	0.97	3.80	0.21	0.50	1.71	0.52	0.10
0.95	3.76	0.00	2.81	0.46	3.27	1.15	3.96	0.96	3.77	0.97	3.78	0.19	0.50	1.69	0.52	0.10
0.90	3.55	0.00	2.65	0.44	3.09	1.13	3.78	0.92	3.57	0.65	3.30	0.19	0.49	1.54	0.52	0.10
0.90	3.26	0.00	2.36	0.43	2.79	1.09	3.45	0.89	3.25	0.59	2.95	0.19	0.50	1.25	0.52	0.09
0.90	3.28	0.00	2.38	0.42	2.80	1.04	3.42	0.88	3.26	0.53	2.91	0.19	0.52	1.27	0.50	0.09
0.88	3.31	0.00	2.43	0.42	2.85	1.04	3.47	0.88	3.31	0.50	2.93	0.19	0.53	1.31	0.50	0.09
0.88	3.34	0.00	2.46	0.43	2.89	1.04	3.50	0.88	3.34	0.50	2.96	0.19	0.53	1.34	0.50	0.09
0.88	3.35	0.00	2.47	0.43	2.90	1.04	3.51	0.88	3.35	0.50	2.97	0.19	0.53	1.34	0.50	0.10
0.90	3.30	0.00	2.41	0.43	2.84	1.17	3.58	0.88	3.29	0.50	2.91	0.19	0.54	1.34	0.42	0.10
0.90	3.33	0.00	2.44	0.43	2.87	1.12	3.56	0.88	3.32	0.50	2.94	0.16	0.57	1.34	0.43	0.10

(1) - Total overlapping tax rate per property is determined by adding county tax rate, school rate, applicable utility district rate, and Missouri City tax rate. Entities created with no tax rates are: Fort Bend County MUD #'s 36, 45, 54, 55, 56, 60 and Colony Bay Levy Improvement District. The overlapping rates include direct and overlapping tax rates.

(2) - Serves only First Colony MUD #9.

(3) - Harris County tax rate includes Harris County, Harris County Flood Control District, Port of Houston Authority, Harris County Department of Education, Harris County Hospital District, and Harris County Toll Road District.

Table 7

City of Missouri City, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Five Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Ben E. Keith Company	\$ 44,576,960	1	0.99 %			
Warren Alloy Valve & Fitting CO LLC	38,809,080	2	0.86			
Centennial Sienna LP	26,835,840	3	0.60			
Inland American Missouri City Riverstone Ltd Partnership	25,399,860	4	0.56			
CenterPoint Energy Electric	23,920,370	5	0.53	\$ 20,810,390	2	0.47 %
Wal-Mart Stores Texas LLC	15,963,930	6	0.35			
Colony Lakes Center Ltd	15,942,420	7	0.35	15,796,270	5	0.36
IIT Beltway Crossing DC LP	15,622,140	8	0.35			
Global Geophysical Services Inc.	14,254,970	9	0.32			
Wal-Mart Real Estate Business Trust	14,047,620	10	0.31	13,005,840	4	0.29
Riverstone Retail Partners Ltd.				39,464,490	1	0.89
MF/WM Sienna LTD				16,593,460	3	0.38
Target Corporation				15,162,860	5	0.34
Comcast of Houston				10,149,240	7	0.23
Opus West LP				8,943,680	8	0.20
La Paloma Blanca LC				8,740,650	9	0.20
Vicksburg Estates Ltd				8,417,120	10	0.19
Subtotal	235,373,190		5.23	157,084,000		3.56
Other taxpayers	4,268,155,476		94.77	4,254,306,876		96.44
Total	\$ 4,503,528,666		100.00 %	\$ 4,411,390,876		100.00 %

Source - Tax assessor/collector's records.

Table 8

City of Missouri City, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Tax Rate	Total Tax Levy and Adjust.	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2005	0.50165	16,688,681	15,876,776	95.13	793,290	16,670,066	99.89
2006	0.49800	18,036,185	17,125,657	94.95	884,627	18,010,284	99.86
2007	0.49450	18,987,956	18,188,477	95.79	760,601	18,949,078	99.80
2008	0.49926	20,596,110	19,781,831	96.05	761,690	20,543,521	99.74
2009	0.51724	22,835,266	22,076,370	96.68	696,697	22,773,067	99.73
2010	0.52840	23,507,100	22,834,605	97.14	607,072	23,441,677	99.72
2011	0.52840	23,145,280	22,611,412	97.69	458,205	23,069,617	99.67
2012	0.52840	22,491,150	22,066,951	98.11	314,008	22,380,959	99.51
2013	0.54480	23,400,790	22,933,338	98.00	-	22,933,338	98.00
2014	0.57375	25,846,014	25,401,743	98.28	-	25,401,743	98.28

Source - Tax assessor/collector's records.

Table 9

City of Missouri City, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		Total Primary Government	% of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Certificates of Obligation	Increment Contract Revenue Bonds	Tax Notes	Capital Leases	Certificates of Obligation			
2005	\$27,820,000	\$6,620,000		-	-	\$1,175,000	\$35,615,000	2.27%	\$585
2006	31,400,000	8,790,000		-	-	1,865,000	42,055,000	2.63%	663
2007	39,185,000	7,693,500	\$6,540,000	-	-	1,811,500	55,230,000	2.36%	856
2008	42,180,000	9,187,000	6,325,000	-	-	1,758,000	59,450,000	2.49%	894
2009	59,640,000	21,870,108	6,100,000	-	-	3,169,889	90,779,997	3.93%	1,343
2010	66,575,000	23,449,494	5,865,000	-	-	55,770,500	151,659,994	6.48%	2,226
2011	71,425,000	30,602,810	5,620,000	-	-	55,582,189	163,229,999	7.26%	2,376
2012	66,235,000	29,640,486	5,365,000	\$1,575,000	-	54,124,513	156,939,999	6.47%	2,249
2013	62,985,000	28,528,807	5,100,000	1,325,000	\$153,199	52,601,193	150,693,199	6.03%	2,095
2014	\$62,032,000	\$26,213,205	\$4,825,000	\$1,070,000	\$117,845	\$51,069,796	\$145,327,846	5.93%	\$2,001

Source - Tax assessor/collector's records.

(1) See the Schedule of Demographic and Economic Statistics (Table 15) for personal income and population data.

City of Missouri City, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	% of Estimated Actual Taxable Value of Property	Per Capita
2004	\$29,725,000	\$2,002,045	\$27,722,955	0.91%	\$466
2005	27,820,000	1,895,423	25,924,577	0.78%	426
2006	31,400,000	1,912,298	29,487,702	0.81%	465
2007	39,185,000	2,566,460	36,618,540	0.95%	567
2008	42,180,000	3,630,482	38,549,518	0.93%	579
2009	59,640,000	3,577,337	56,062,663	1.27%	829
2010	66,575,000	4,908,681	61,666,319	1.38%	905
2011	71,425,000	6,286,811	65,138,189	1.49%	948
2012	66,235,000	6,704,909	59,530,091	1.40%	853
2013	62,985,000	5,750,142	57,234,858	1.33%	796
2014	62,032,000	5,559,287	56,472,713	1.25%	778

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Table 11

City of Missouri City, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	City of Missouri City Share of Debt
Blue Ridge West MUD	\$ None	100.00 %	\$ 0
First Colony Levee Improvement District	None	49.37	0
First Colony MUD No. 9	15,035,000	100.00	15,035,000
Fort Bend County	441,905,000	8.30	36,678,115
Fort Bend County MUD No. 26	13,245,000	100.00	13,245,000
Fort Bend County MUD No. 42	7,850,000	97.35	7,641,975
Fort Bend County MUD No. 45	None	100.00	0
Fort Bend County MUD No. 46	12,000,000	100.00	12,000,000
Fort Bend County MUD No. 47	3,700,000	100.00	3,700,000
Fort Bend County MUD No. 48	11,600,000	100.00	11,600,000
Fort Bend County MUD No. 49	1,970,000	100.00	1,970,000
Fort Bend County MUD No. 54	None	100.00	0
Fort Bend County MUD No. 56	None	100.00	0
Fort Bend County MUD No. 60	None	100.00	0
Fort Bend County MUD No. 115	12,605,000	100.00	12,605,000
Fort Bend County WCID No. 2	62,185,000	8.56	5,323,036
Fort Bend Independent School District	863,467,852	16.27	140,486,219
Harris County	1,717,368,704	0.06	1,030,421
Harris County Department of Education	7,410,000	0.06	4,446
Harris County Flood Control District	89,990,000	0.06	53,994
Harris County MUD No. 122	2,300,000	100.00	2,300,000
Harris County Toll Road	0 ⁽²⁾	0.06	0
Harris County WCID (Fondren Road)	2,220,000	100.00	2,220,000
Houston Community College System	661,385,000	3.39	22,420,952
Houston Independent School District	2,352,841,858	0.15	3,529,263
Meadowcreek MUD	None	100.00	0
Palmer Plantation MUD #1	2,875,000	100.00	2,875,000
Palmer Plantation MUD #2	7,750,000	100.00	7,750,000
Port of Houston Authority	717,624,397	0.06	430,575
Quail Valley Utility District	None	100.00	0
Sienna Plantation Levee Imp. District	78,105,000	6.35	4,959,668
Sienna Plantation Management District	18,145,000	100.00	18,145,000
Sienna Plantation MUD #10	41,195,000	0.22	90,629
Sienna Plantation MUD #12	14,910,000	24.55	3,660,405
Southwest Harris County MUD #1	2,085,000	100.00	2,085,000
Thunderbird Utility District	None	100.00	0
Total Overlapping Debt			331,839,697
City of Missouri City			<u>145,327,846</u>
Total Direct and Overlapping Debt			<u>\$ 477,167,543</u>
		Population	72,625
		Per Capita Debt-Direct and Overlapping	\$ 6,570

Source: First Southwest Company and Texas Municipal Advisory Council.

Note - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the overlapping government's total taxable assessed value.

(2) Harris County Toll Road debt is supported by toll revenue. No tax is levied to pay debt service.

City of Missouri City, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Debt limit	\$ 82,919,572	\$ 90,542,692	\$ 95,994,309	\$ 103,080,546	\$ 110,359,772
Total net debt applicable to limit	<u>25,924,577</u>	<u>29,487,702</u>	<u>36,618,540</u>	<u>38,549,518</u>	<u>56,062,663</u>
Legal debt margin	<u>\$ 56,994,995</u>	<u>\$ 61,054,990</u>	<u>\$ 59,375,769</u>	<u>\$ 64,531,028</u>	<u>\$ 54,297,109</u>
Total net debt applicable to the limit as a percentage of debt limit	45.49%	48.30%	61.67%	59.74%	103.25%
Legal Debt Margin Calculation by Fiscal Year					
Assessed value	3,316,782,886	3,621,707,698	3,839,772,362	4,123,221,842	4,414,390,876
Debt limit (2.5% of assessed value)	82,919,572	90,542,692	95,994,309	103,080,546	110,359,772
Debt applicable to limit:					
General obligation bonds	27,820,000	31,400,000	39,185,000	42,180,000	59,640,000
Less: amount set aside for repayment of general obligation debt	<u>(1,895,423)</u>	<u>(1,912,298)</u>	<u>(2,566,460)</u>	<u>(3,630,482)</u>	<u>(3,577,337)</u>
Total net debt applicable to limit	<u>25,924,577</u>	<u>29,487,702</u>	<u>36,618,540</u>	<u>38,549,518</u>	<u>56,062,663</u>
Legal debt margin	<u>\$ 56,994,995</u>	<u>\$ 61,054,990</u>	<u>\$ 59,375,769</u>	<u>\$ 64,531,028</u>	<u>\$ 54,297,109</u>

Note: The City has no general obligation legal debt limit other than a ceiling on the tax rate as specified by the State of Texas. The prescribed maximum is \$2.50 per \$100 of the appraised value.

Table 12

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 111,329,742	\$ 109,486,912	\$ 106,380,313	\$ 107,361,158	112,588,217
<u>61,666,319</u>	<u>65,138,189</u>	<u>59,530,091</u>	<u>57,234,858</u>	<u>56,472,713</u>
<u>\$ 49,663,423</u>	<u>\$ 44,348,723</u>	<u>\$ 46,850,222</u>	<u>\$ 50,126,300</u>	<u>56,115,504</u>
124.17%	146.88%	127.06%	114.18%	100.64%
4,453,189,675	4,379,476,474	4,255,212,507	4,294,446,313	4,503,528,666
111,329,742	109,486,912	106,380,313	107,361,158	112,588,217
66,575,000	71,425,000	66,235,000	62,985,000	62,032,000
<u>(4,908,681)</u>	<u>(6,286,811)</u>	<u>(6,704,909)</u>	<u>(5,750,142)</u>	<u>(5,559,287)</u>
<u>61,666,319</u>	<u>65,138,189</u>	<u>59,530,091</u>	<u>57,234,858</u>	<u>56,472,713</u>
<u>\$ 49,663,423</u>	<u>\$ 44,348,723</u>	<u>\$ 46,850,222</u>	<u>\$ 50,126,300</u>	<u>\$ 56,115,504</u>

City of Missouri City, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income (4)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2005	60,845	1,568,000,000	25,770	35	62,953	4.8%
2006	63,400	1,600,000,000	25,237	35	65,996	4.8%
2007	64,558	2,339,600,000	36,240	36	67,209	4.4%
2008	66,525	2,391,920,100	35,955	36	67,631	4.5%
2009	67,600	2,307,818,000	34,139	36	68,707	7.0%
2010	68,125	2,339,812,000	34,346	36	69,030	8.5%
2011	68,691	2,247,019,992	32,712	36	68,805	7.6%
2012	69,774	2,426,251,302	34,773	38	69,343	6.7%
2013	71,935	2,498,806,095	34,737	39	69,570	7.8%
2014	72,625	2,451,093,750	33,750	38	72,625	5.4%

Data sources:

- (1) Fort Bend Economic Development Council Quick Stats and Facts.
- (2) Fort Bend Independent School District.
- (3) Texas Workforce Commission, for Fort Bend County Labor Force.
- (4) Personal income information is a total for the year.

City of Missouri City, Texas

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	2014			2005		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Fort Bend ISD	975	1	1.79 %	730	1	1.90 %
Wal-Mart Texas Stores, LP	650	2	1.20	403	2	1.05
City of Missouri City	321	3	0.59	256	5	0.67
Ben E. Keith Company	301	4	0.55			
HEB	210	5	0.39	200	6	0.52
Super Target	208	6	0.38	150	7	0.39
Kroger Stores	156	7	0.29	210	4	0.55
Global Geophysical Services	150	8	0.28			
Emerson Process Management Valve Actuation (formerly EIM Company)	136	9	0.25			
Home Depot	133	10	0.24	107	9	0.28
Memorial Hermann - Fort Bend				350	3	0.91
YMCA				130	7	0.34
HM Co., Inc.				115	8	0.30
Total	3,240		5.96 %	2,651		6.90 %

Source - Missouri City Economic Development.

City of Missouri City, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30				
	2005	2006	2007	2008	2009
General government	28	40	45	42	43
Finance	17	15	15	15	16
Public safety					
Police					
Officers	66	77	78	78	78
Civilians	22	26	27	25	30
Fire					
Firefighters	56	57	63	63	64
Civilians	1	1	1	1	1
Public works					
Streets and sanitation	18	18	18	15	15
Administration and maintenance	15	17	17	23	23
Parks and recreation	21	20	20	21	21
Development Services	23	23	24	28	28
Total	<u>267</u>	<u>294</u>	<u>308</u>	<u>311</u>	<u>319</u>

Source - City personnel records.

Table 15

Full-time Equivalent Employees as of June 30				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
44	41	40	40	45
16	16	16	16	17
78	86	94	94	95
30	27	27	27	30
64	64	64	64	78
1	1	1	1	1
15	13	13	13	9
23	20	25	26	18
21	21	15	17	22
28	22	23	23	23
<u>320</u>	<u>311</u>	<u>318</u>	<u>321</u>	<u>338</u>

City of Missouri City, Texas

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008
Police					
Number of stations	1	1	1	1	1
Arrests	1,190	1,434	1,219	1,491	1,517
Accidents investigated	990	873	1,147	1,279	967
Citations	7,664	9,985	9,309	11,464	13,642
Alarm response calls	8,034	7,506	6,215	5,949	5,885
Calls for service	29,890	28,055	27,884	27,515	27,295
Fire					
Number of stations	4	4	4	4	4
Emergency responses	2,950	3,046	3,403	3,491	5,045
Fire incidents	178	205	293	185	246
EMS First Responder incidents	1,914	2,092	2,358	2,761	3,354
Average response time	5.78 min	5.80 min	5.93 min	6.11 min	6.19 min
Public Works					
Lane miles of streets maintained	522.00	539.00	547.00	552.00	562.10
Flexible pavement repairs	100	131	62	60	40
Rigid pavement repairs	48	40	119	486	75
Wastewater Treatment (million gallons)	343	343	374	403	435
Fleet Operations					
Vehicles maintained	91	98	108	121	130
Equipment maintained	316	303	302	355	239
Vehicle preventive maintenance	553	1,227	661	859	958
Vehicle repairs	2,650	1,591	1,710	2,463	1,928
Parks and recreation					
Number of parks	31	31	31	31	33
Acres	697	697	697	697	910
Park pavillion reservations	587	616	304	273	370
Athletic field reservations	239	393	469	1,283	2,213
Community center reservations	446	257	246	503	552
Planning					
Permits issued	5,655	5,112	4,010	4,840	4,395
Inspections performed	23,135	22,935	14,494	12,254	11,006
Commercial plans reviewed	85	89	90	128	161
Residential plans reviewed	818	711	442	345	439

Source - Various City departments.

Table 16

2010	2011	2012	2013	2014
1	1	2	2	2
1,690	2,019	1,794	1,903	1,499
1,338	910	778	1,071	998
12,145	13,637	12,591	12,385	8,238
5,814	5,901	5,273	5,295	5,325
26,635	26,841	26,133	66,332	104,504
4	4	4	4	4
5,244	4,696	4,620	5,262	5,331
199	258	216	201	215
2,845	2,485	2,607	3,008	3,108
6:47 min	6:29 min	6:32 min	6:43 min	6:51 min
605.00	636.50	636.50	636.50	636.50
40	5	11	5	2
50	75	51	155	143
460	530	762	750	821
145	142	144	159	162
287	295	336	306	306
950	1,006	733	800	768
2,200	2,470	2,751	2,650	2,832
33	35	35	35	35
1,021	1,095	1,095	1,095	1,095
659	965	1,013	362	397
3,714	1,453	2,197	1,081	176
393	1,110	289	558	177
2,681	3,263	3,256	2,544	5,089
11,712	12,816	11,991	14,220	15,545
87	167	288	337	446
248	182	302	515	622

City of Missouri City, Texas

CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	33	33	38	42	36
Fire					
Stations	4	4	4	4	4
Public works					
Streets (miles)	522	539	547	552	562
Parks and recreation					
Parks acreage	697	697	697	697	910
Parks	31	31	31	31	33
Water and sewer					
Water mains (miles) *	n/a	n/a	11	12	17
Fire hydrants *, **	n/a	n/a	105	139	209
Maximum water storage capacity (millions of gallons)	n/a	n/a	n/a	n/a	n/a
Sanitary sewers (miles) *, ***	n/a	n/a	13	15	15
Storm sewers (miles) *, ***	n/a	n/a	41	43	45
Maximum daily sewer treatment capacity (millions of gallons)	1.500	1.500	1.500	1.500	1.500

n/a - information not available.

* Due to the nature of the City being serviced by various Municipal Utility districts who provide these services directly to our citizens, the City owns very few water mains, fire hydrants, sanitary sewers or storm sewers at this time.

** Fire hydrant calculation refined due to a GPS mapping project during 2010.

*** Due to duplicate counting of sanitary & storm sewer miles, a data base refinement by our GIS Department took place during 2011.

Source - Various City departments.

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

Table 17

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1	1	1	2	2
42	42	43	46	44
4	4	4	4	4
556	636	636	641	664
910	1,021	1,095	1,095	1,095
33	33	35	35	35
17	35	35	45	48
209	370 **	370 **	417 **	433
0.550	0.550	0.550	2.826	2.826
15	33	22	26	28
45	45	23	30	30
1.500	1.500	3.950	3.950	3.950

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