

OFFICIAL STATEMENT DATED AUGUST 21, 2025

NEW ISSUE - Book-Entry-Only

Insured Uninsured
Rating: S&P: "AA" "A"
(See "BOND INSURANCE,"
"BOND INSURANCE RISK
FACTORS," and "OTHER
PERTINENT INFORMATION –
Rating" herein)

Interest on the Bonds (defined below) is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of Interest on, the Bonds. See "TAX MATTERS" herein.

\$10,400,000
MISSION ECONOMIC DEVELOPMENT CORPORATION
(Hidalgo County, Texas)
SALES TAX REVENUE AND REFUNDING BONDS, TAXABLE SERIES 2025

Dated Date: Date of Delivery

Interest Accrual Date: Date of Delivery

Due: As shown on page ii

The Mission Economic Development Corporation (the "Corporation" or the "Issuer") is issuing its Sales Tax Revenue and Refunding Bonds, Taxable Series 2025 (the "Bonds") pursuant to certain provisions of the Development Corporation Act, Chapters 501 and 505, Texas Local Government Code, as amended, (formerly the Development Corporation Act of 1979, Article 5190.6, Vernon's Texas Civil Statutes Annotated, as amended) (the "Act"). The Bonds and their terms are governed by the provisions of a resolution (the "Resolution") which was adopted by the Corporation and approved by the City (as defined herein) on August 21, 2025 (see "THE BONDS - Authority for Issuance").

The Bonds, together with the Previously Issued Parity Obligations (as defined herein) and any Additional Obligations hereafter issued as Parity Obligations (as defined herein) are special obligations of the Corporation, payable from and secured by a lien on and pledge of certain Pledged Revenues (as defined in the Resolution) which include the proceeds of a 1/2 of 1% sales and use tax levied within the City of Mission, Texas (the "City") for the benefit of the Corporation (see "APPENDIX B - SELECTED PROVISIONS OF THE RESOLUTION").

The Bonds are payable solely from a pledge of and lien on the moneys described in the Resolution and not from any other revenues, properties, or income of the Corporation. Neither the State of Texas (the "State"), Hidalgo County, the City, nor any other political corporation, subdivision, or agency of the State shall be obligated to pay the Bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State, the City, Hidalgo County, the Corporation, or any other political corporation, subdivision, or agency of the State, except as authorized by the Act, is pledged to the payment of the principal of or interest on the Bonds (see "THE BONDS – Security and Source for Payment").

Interest on the Bonds accrues from the Date of Delivery (defined herein). Interest on the Bonds will be payable on February 15, 2026, and on each August 15 and February 15 thereafter until maturity or prior redemption, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Bonds will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Book-entry interests in the Bonds will be made available for purchase in principal amounts of \$5,000 or any integral multiple thereof within a maturity. Purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of the securities representing their interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, the principal of and interest on the Bonds will be payable by UMB Bank, N.A. Austin, Texas, as the initial Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its participants, which will in turn remit such principal and interest to the Beneficial Owners of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Proceeds from the sale of the Bonds will be used for the purpose of (i) making improvements to a Shary Municipal Golf Course located within the City; (ii) purchasing the Cimarron Golf Course located within the City; (iii) the purchase of approximately 4.5 acres of land within the City for future development; (iv) refunding certain outstanding debt obligations of the Corporation, as set forth on Schedule I attached hereto (the "Refunded Obligations"), in order to achieve debt service savings; and (v) paying costs of issuance associated with the issuance of the Bonds. (See "THE BONDS – Purpose of Financing" herein.)



The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY INC.

Maturity Schedule and Redemption Features on Page ii

The Bonds are offered for delivery when, as and if issued, and received by the Underwriters shown below (the "Underwriters") subject to the approval of legality by the Attorney General of the State of Texas and the opinion of Perez Law Firm, PLLC, McAllen, Texas, Bond Counsel, (see APPENDIX C, "Form of Legal Opinion of Bond Counsel"). Certain legal matters will be passed upon for the Underwriters by Jackson Walker LLP, San Antonio, Texas, as counsel to the Underwriters. The Bonds are expected to be available for initial delivery through the services of DTC on or about September 17, 2025 (the "Date of Delivery").

SAMCO CAPITAL

HILLTOP SECURITIES

\$10,400,000
MISSION ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE AND REFUNDING BONDS, TAXABLE SERIES 2025
Base CUSIP ⁽¹⁾ No.: 605148

\$5,330,000 Serial Bonds

(August 15) Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
2026	\$ 615,000	4.310%	4.310%	CB9
2027	575,000	4.250%	4.250%	CC7
2028	575,000	4.320%	4.320%	CD5
2029	580,000	4.440%	4.440%	CE3
2030	585,000	4.490%	4.490%	CF0
2031	590,000	4.790%	4.790%	CG8
2032	595,000	4.860%	4.860%	CH6
2033	605,000	5.100%	5.100%	CJ2
2034	610,000	5.130%	5.130%	CK9

(Interest to accrue from the Date of Delivery)

\$5,070,000 Term Bonds

\$1,195,000 5.410% Term Bond Due August 15, 2037 Priced to Yield 5.410%⁽³⁾ CUSIP Suffix: CN3
\$1,255,000 5.560% Term Bond Due August 15, 2040 Priced to Yield 5.560%⁽³⁾ CUSIP Suffix: CR4
\$2,620,000 5.910% Term Bond Due August 15, 2045 Priced to Yield 5.910%⁽³⁾ CUSIP Suffix: CS2

(Interest to accrue from the Date of Delivery)

⁽¹⁾ CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Corporation, the Financial Advisor, or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION AT PAR . . . The Corporation reserves the right to redeem the Bonds maturing on and after August 15, 2037 in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2035 or any date thereafter, at the redemption price of par plus accrued interest as further described herein (see “THE BONDS – Optional Redemption of the Bonds”).

MANDATORY REDEMPTION OF TERM BONDS . . . The Bonds maturing on August 15 in the years 2037, 2040, and 2045 are subject to mandatory sinking fund redemption (see “THE BONDS – Mandatory Redemption of Term Bonds”).

No dealer, broker, salesman, or other person has been authorized to give any information, or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer or the Underwriters.

This Official Statement, which includes the cover page, the Schedule and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

Certain information set forth herein has been provided by sources other than the Corporation that the Corporation believes to be reliable, but the Corporation makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Corporation's undertaking to provide certain information on a continuing basis.

This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or other matters described herein since the date hereof.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NONE OF THE CORPORATION, ITS FINANCIAL ADVISOR, OR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK- ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC, OR THE BOND INSURER OR ITS MUNICIPAL BOND INSURANCE POLICY AS DESCRIBED UNDER THE CAPTIONS "BOND INSURANCE" AND "BOND INSURANCE RISK FACTORS".

The cover pages contains certain information for general reference only and are not intended as a summary of this offering. Investors should read the entire Official Statement, including all appendices hereto, to obtain information essential to making an informed investment decision.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. SEE "OTHER PERTINENT INFORMATION - FORWARD-LOOKING STATEMENTS" HEREIN.

Assured Guaranty Inc. ("AG") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE" and "Appendix E - Specimen Municipal Bond Insurance Policy".

MISSION ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS

Name	Position	Initially Sworn into EDC Board	Term Expires
Richard Hernandez	President	8/16/2022	12/31/2026
Deborah Cordova	Vice President	1/25/2023	12/31/2026
Estella Saenz	Secretary	1/25/2023	12/31/2026
Julian Alvarez III	Treasurer	1/24/2024	12/31/2026
Jose G. Vargas	Director	1/25/2023	12/31/2026
Carl Davis	Director	1/25/2023	12/31/2026
Norie Gonzalez Garza	Mayor Position	Mayor Position	
Marissa Gerlach	Alternate for Mayor Position	Mayor Position Alternate	

CITY COUNCIL

Name	Length of Service	Term Expires	Occupation
Norie Gonzalez Garza Mayor	18 Years	May 2026	Realtor
Ruben Plata Mayor Pro-Tem /Council	18 Years	May 2028	Banker
Jessica Ortega Council	11 Years	May 2026	Educator
Marissa Ortega Gerlach Council	7 Years	May 2026	Business Owner
Jose Alberto Vela Council	6 Years	May 2028	Pharmacist

SELECTED CORPORATION STAFF

Name	Position	Length of Service
Joe Salazar	Financial Officer Mission EDC	1 Year
Belen Guerrero	Chief Operating Officer Mission EDC	2 Years
Teclo Garcia	Chief Executive Officer Mission EDC	3 Years

Consultants and Advisors

Bond CounselPerez Law Firm, PLLC
McAllen, Texas

Certified Public AccountantsBurton McCumber & Longoria, LLP*
McAllen, Texas

Financial AdvisorEstrada Hinojosa
Edinburg, Texas

* Carr, Riggs & Ingram, LLC, McAllen, Texas, Certified Public Accounts prepared the Audited Financial Statement for the Fiscal Year Ended September 30, 2023, which are provided in Appendix D of this Official Statement.

For additional information regarding the Corporation, please contact:

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Mission, TX 78572
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OFFICIAL STATEMENT

Relating to

MISSION ECONOMIC DEVELOPMENT CORPORATION (Hidalgo County, Texas)

\$10,400,000 SALES TAX REVENUE AND REFUNDING BONDS, TAXABLE SERIES 2025

INTRODUCTION

This Official Statement, which includes the cover pages, the Schedule and Appendices hereto, provides certain information regarding the issuance of the \$10,400,000 Mission Economic Development Corporation Sales Tax Revenue and Refunding Bonds, Taxable Series 2025 (the "Bonds"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution (defined herein), except as otherwise indicated herein (see "APPENDIX B - Selected Provisions of the Resolution").

The Mission Economic Development Corporation (the "Corporation") is a non-profit corporation duly organized and operating under the laws of the State of Texas (the "State"), particularly the Act (as defined herein). The Corporation was created following an election (the "Election") held by the City of Mission, Texas (the "City") on August 13, 1994 on the question of the levy of a 1/2 of 1% local sales and use tax in the City (the "Sales Tax") for the promotion and development of new and expanded business enterprises and the development and maintenance of projects authorized by the Act. The City Council of the City appoints the members of the Board of Directors (the "Board") of the Corporation and, under the provisions of the Act and the Corporation Bylaws, is required to approve certain actions of the Corporation, including the issuance of the Bonds by the Corporation.

There follows in this Official Statement descriptions of the Bonds and certain other information about the Corporation and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained upon request in writing to the Mission Economic Development Corporation, 801 Bryan Rd, Mission, TX 78572 and, during the offering period, from the Financial Advisor, Estrada Hinojosa, 600 N. Pearl St., Suite 2100, Dallas, TX 75201, upon request by electronic mail or upon payment of reasonable copying, mailing, and handling charges.

THE BONDS

General

The Bonds are dated the Date of Delivery (defined below). Interest will accrue on the Bonds from the date of their initial delivery, anticipated to be September 17, 2025 (the "Date of Delivery"). The Bonds are stated to mature on August 15 in the years and in the principal amounts set forth on the inside cover page hereof. The Bonds shall bear interest on the unpaid principal amounts, and the amount of interest to be paid each payment period shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on February 15, 2026, and on each August 15 and February 15 thereafter until maturity or prior redemption. The definitive Bonds will be issued as fully registered Bonds in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Book-entry interests in the Bonds will be made available for purchase in principal amounts of \$5,000 or any integral multiple thereof within a maturity. Purchasers of Bonds ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, the principal of and interest on the Bonds will be payable by UMB Bank, N.A. Austin, Texas, as the initial Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its participants, which will in turn remit such principal and interest to the Beneficial Owners of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" herein.) In the event the Book-Entry-Only System should be discontinued, interest will be paid by check mailed by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal will be paid to the registered owner at stated maturity or upon prior redemption upon presentation to the Paying Agent/Registrar at its designated office.

Purpose of Financing

Proceeds from the sale of the Bonds will be used for the purpose of (i) making improvements to a Shary Municipal Golf Course located within the City; (ii) purchasing the Cimarron Golf Course located within the City; (iii) the purchase of approximately 4.5 acres of land within the City for future development; (iv) refunding certain outstanding debt obligations of the Corporation, as set forth on Schedule I attached hereto (the "Refunded Obligations"), in order to achieve debt service savings; and (v) paying costs of issuance associated with the issuance of the Bonds.

Sources and Uses of Funds

The proceeds of the Bonds will be applied substantially as follows:

Sources of Funds:	
Par Amount of the Bonds	\$ 10,400,000.00
Total Sources of Funds	<u>\$ 10,400,000.00</u>
Uses of Funds:	
Deposit to Project Fund	\$ 7,138,487.02
Payment of Refunded Obligations	2,897,373.31
Costs of Issuance (including Bond Insurance premium)	266,059.92
Underwriters' Discount	<u>98,079.75</u>
Total Uses of Funds	<u>\$ 10,400,000.00</u>

Authority for Issuance

The Bonds are being issued pursuant to certain provisions of the Development Corporation Act, Chapters 501 and 505, Texas Local Government Code, as amended, (formerly the Development Corporation Act of 1979, Article 5190.6, Vernon's Texas Civil Statutes Annotated, as amended) (the "Act"). The Bonds and their terms are governed by the provisions of a resolution (the "Resolution") which was adopted by the Corporation and approved by the City on August 21, 2025.

Refunded Obligations

The Resolution provides that, on the Date of Delivery, the Paying Agent Registrar shall wire the owner of the Refunded Obligations the total outstanding amount of principal and interest due on the Date of Delivery as a result of such payment to the owner of the Refunded Obligations, the Refunded Obligations will be paid in full and no longer outstanding.

Security and Source for Payment

The Bonds are special obligations of the Corporation and are secured by a first lien on and pledge of certain Pledged Revenues which include the Sales Tax levied within the City, the levy for which was approved and authorized at the Election. **The Bonds do not constitute a debt of the City, the State or any agency, political corporation or subdivision thereof. Neither the full faith and credit of the State, Hidalgo County, the City or any agency, political corporation or subdivision thereof, has been pledged for the payment of the Bonds, except as described herein.**

Pledge Under Resolution

The Corporation covenants and agrees that the Pledged Revenues, with the exception of those in excess of the amounts required for the payment and security of the Parity Obligations (as defined herein), are irrevocably pledged to the payment and security of the Bonds, including the establishment and maintenance of the special funds created and established in the Resolution. The Resolution further provides that the Bonds shall constitute a lien on the Pledged Revenues in accordance with the terms of the Resolution, which lien shall be valid and binding and fully perfected from and after the date of adoption of the Resolution without physical delivery or transfer or transfer of control of the Pledged Revenues, the filing of the Resolution or any other act. Terms not otherwise defined in this section shall be defined as set forth in "APPENDIX B - SELECTED PROVISIONS OF THE RESOLUTION".

The Act contains provisions which would allow the voters of the City to either reduce or repeal the Sales Tax. On July 8, 1992, the Texas Attorney General issued an Attorney General's Opinion (Opinion No. DM-137), which held that a "reduction in the sales tax rate, or a limitation on the amount of time the tax may be collected, may not be applied to any bonds issued prior to the date of the rollback election". In so ruling, the Attorney General noted any "subsequent legislation which purports to permit the reduction or other limitation of that tax is ineffective to do so, because such alteration would impair the obligation of the contract between the city and such bondholders", and in effect be a violation of Article 1, Section 10 of the United States Constitution and Article 1, Section 16 of the Texas Constitution.

Sales Tax Fund

Prior to the Date of Delivery, the City and the Corporation will enter into a sales tax remittance agreement pursuant to which all Sales Tax revenues collected by the City for the benefit of the Corporation are to be deposited into a fund for the Sales Tax (the "Sales Tax Fund") at a depository of the City. On or before the 1st day of each month, funds on deposit in the Sales Tax Fund are to be transferred to the Revenue Fund (defined below) of the Corporation.

Revenue Fund

Pursuant to the Resolution, the Corporation has established the "Revenue Fund", and the City has agreed to promptly collect and remit to the Corporation the Sales Tax for the deposit in the Revenue Fund. Under the Resolution, the Corporation covenants and agrees to maintain such Revenue Fund for so long as any Parity Obligations, including the Bonds, remain outstanding. All Pledged Revenues deposited to the credit of such Revenue Fund shall be accounted for separate and apart from all other revenues, receipts and income of the Corporation. All revenues deposited to the credit of the Revenue Fund shall be appropriated and expended to the extent required by the Resolution for the following uses and in the order of priority shown below.

Flow of Funds

The Resolution provides for the establishment and maintenance of certain funds and accounts for the application of the proceeds of the Bonds and for the Pledged Revenues with all revenues flowing first to the Revenue Fund. See "APPENDIX B – SELECTED PROVISIONS OF THE RESOLUTION." Pursuant to the Resolution, monies in the Revenue Fund will be disbursed as follows:

REVENUE FUND PRIORITY FUND⁽¹⁾

First	To the payment of the amounts required to be deposited in the Debt Service Fund for the payment of debt service on the Parity Obligations as the same becomes due and payable.
Second	To the payment of the amounts required to be deposited to the Reserve Fund for the purpose of retiring the last of any Parity Obligations as they become due or paying principal of or interest on any Parity Obligations when and to the extent the amounts in the Debt Service Fund are insufficient for such purpose.
Third	To the payment of the amounts required for any lawful purpose.

⁽¹⁾ All funds are held by the Corporation's approved Depository. See "APPENDIX B – SELECTED PROVISIONS OF THE RESOLUTION" herein for additional information relating to the flow of funds and other provisions related to the Bonds.

Debt Service Fund

Under the Resolution, the Corporation agrees and covenants to maintain a separate and special account or fund on the books and records of the Corporation for the purpose of providing funds to pay the principal of and interest on Parity Obligations (the "Debt Service Fund"), and all monies deposited to the credit of such fund shall be held in a special banking fund or account maintained at a depository of the Corporation. The Corporation further covenants to deposit into the Debt Service Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred percent (100%) of the interest on and the principal of the Bonds then falling due and payable, and such deposits to pay principal and accrued interest on the Bonds shall be made in substantially equal monthly installments on or before the 25th day of each month, beginning on or before the 25th day of the month next following the delivery of the Bonds to the Underwriter until (i) the total amount on deposit in the Debt Service Fund is equal to the amount required to fully pay and discharge all Parity Obligations (principal and interest) then Outstanding or (ii) the Parity Obligations (including the Bonds) are no longer outstanding.

Reserve Fund

The Resolution provides that the Corporation shall establish and maintain with the Depository Bank a Reserve Fund into which shall be deposited moneys equal to the lesser of either (i) the maximum annual debt service for all Parity Obligations or (ii) the average annual principal and interest requirements for all Parity Obligations. (See "APPENDIX B - SELECTED PROVISIONS OF THE RESOLUTION".)

By reason of the issuance of the Bonds, the total amount to be accumulated and maintained in the Reserve Fund has been determined to be \$1,158,832 (equal to the average annual principal and interest requirements for all Parity Obligations). The Reserve Fund currently contains \$1,242,239 and is thusly fully funded.

Additional Obligations

In addition to the right to issue obligations of inferior lien, the Corporation reserves the right in the Resolution to issue Additional Obligations which will be on a parity with the Bonds, payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues. Additional Obligations may not be issued unless and until the following conditions have been met:

(i) The President and the Secretary of the Board sign a written certificate to the effect that the Corporation is not in default as to any covenant, condition or obligation in connection with all outstanding Parity Obligations, and that the Debt Service Fund and the Reserve Fund each contains the amount then required to be therein; and

(ii) An independent certified public accountant ("CPA"), or independent firm of CPA's, acting by and through a CPA, signs a written certificate to the effect that, in his, her or its opinion, during any 12 consecutive calendar month period (out of the previous eighteen months), the Pledged Revenues were at least 1.50 times an amount equal to the average annual debt service requirements of the Parity Obligations which are scheduled to be outstanding after the delivery of the then proposed additional Parity Obligations.

Subordinate Debt

The Corporation retains the right in the Resolution to issue or create any debt payable from or secured by a lien on all or any part of the Pledged Revenues for any lawful purpose without complying with the provisions above under "THE BONDS – Additional Obligations", provided the pledge and the lien securing such debt is subordinate to the pledge and lien established, made and created in the Resolution with respect to the Pledged Revenues to the payment and security of the Parity Obligations.

General Covenants Regarding the Sales Tax

The Municipal Sales and Use Tax Act (Texas Tax Code, Chapter 321, as amended) provides that the Sales Tax does not apply to the sale of a taxable item unless the item is also taxable under the Texas Limited Sales, Excise and Use Tax Act. The Sales Tax is therefore subject to broadening and reduction in the base against which it is levied by action of the State Legislature without the consent of the City or the Corporation.

In the Resolution the Corporation covenants and agrees that, so long as the Bonds are Outstanding, the Corporation will take and pursue all legal means and actions permissible to cause the Sales Tax to be levied and collected continuously throughout the boundaries of the City, as such boundaries may change from time to time, at the rate of $\frac{1}{2}$ of 1% percent or, to the extent permitted by law, at a higher rate, and the Corporation will not cause a reduction, abatement or exemption in the Sales Tax.

The Corporation also covenants and agrees that, if, subsequent to the issuance of the Bonds, the City is authorized by applicable law to impose and levy the Sales Tax on any items or transactions that are not subject to the Sales Tax on the date the Resolution is adopted, then the Corporation will use its best efforts to cause the City to take such action as may be required by applicable law to subject such items or transactions to the Sales Tax.

Optional Redemption of the Bonds

The City reserves the right to redeem the Bonds maturing on and after August 15, 2037 in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2035 or any date thereafter, at the redemption price of par plus accrued interest as further described herein.

If less than all of the Bonds within a stated maturity are to be redeemed, the particular Bonds to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar.

At least 30 days prior to the date fixed for any such redemption of the Bonds, the Issuer shall cause a written notice of such redemption to be deposited in the United States mail, first class postage prepaid, addressed to each registered owner of a Bond to be redeemed at the address shown on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE OF REDEMPTION SO MAILED TO THE REGISTERED OWNERS WILL BE DEEMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE OF THE REGISTERED OWNERS FAILED TO RECEIVE SUCH NOTICE. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and, provided moneys sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Corporation, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption and if sufficient moneys are not received, such notice shall be of no force and effect, the Corporation shall not redeem the Bonds, and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Paying Agent/Registrar and the Issuer, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption for the Bonds, notice of proposed amendment to the Resolution or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of the Bonds called for redemption or any other action with respect to the Bonds premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement redemption of such Bonds from the beneficial owners. Any such selection of Bonds being redeemed will not be governed by the Resolution and will not be conducted by the Issuer or the Paying Agent/Registrar. Neither the Issuer nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Bonds for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

MANDATORY REDEMPTION OF TERM BONDS . . . The Bonds maturing on August 15 in the years, 2037, 2040, and 2045 (the “Term Bonds”), are subject to mandatory redemption in part prior to maturity on August 15, in the years shown below at 100% of the principal amount thereof plus accrued interest to the date of redemption from payments into the Interest and Sinking Fund which are required to be made in amounts sufficient to redeem on August 15 of each year the principal amount of such Term Bonds as follows:

Term Bonds Stated to Mature on August 15, 2037		Term Bonds Stated to Mature on August 15, 2040		Term Bonds Stated to Mature on August 15, 2045	
Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
2035	\$ 465,000	2038	\$ 395,000	2041	\$ 465,000
2036	355,000	2039	420,000	2042	495,000
2037 (maturity)	375,000	2040 (maturity)	440,000	2043	520,000
				2044	555,000
				2045 (maturity)	585,000

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption requirements may be reduced, at the option of the Corporation, by the principal amount of such Term Bonds which, prior to the date of the mailing of notice of such mandatory redemption, (1) shall have been acquired by the Corporation and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Corporation, or (3) shall have been redeemed pursuant to the optional redemption provisions described in the preceding paragraph and not therefore credited against a mandatory redemption requirement.

Payment Record

The Corporation has never defaulted in the payment of its obligations.

Legality

The Bonds are offered when, as and if issued, subject to the approval by the Attorney General of the State of Texas and the rendering of opinions as to legality by Perez Law Firm, PLLC, McAllen, Texas, Bond Counsel. The legal opinion of Bond Counsel will accompany the global certificates to be deposited with DTC or will be printed on the Bonds should the Book-Entry-Only System be discontinued. The form of the legal opinion of Bond Counsel appears in APPENDIX C attached hereto.

Defeasance

The Resolution provides for the defeasance of the Bonds when payment of the principal of and premium, if any, on the Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or an authorized escrow agent, in trust (1) money in an amount sufficient to make such payment or (2) Government Securities, that will mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money together with moneys deposited therewith, if any, to make such payment. The Resolution provides that “Government Securities” means (A) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (B) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the Corporation, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (C) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Corporation, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (D) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas. There is no assurance that the current law will not be changed in a manner that would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Resolution does not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used for defeasance purposes or that for any other Government Securities will be maintained at any particular rating category. The Corporation may modify the categories of obligations that are eligible to defease the Bonds with the sale of the Bonds to accommodate requests from potential investors. Any changes in the categories of such obligations will be reflected in the Official Statement and the applicable pricing certificate.

Amendments

The Corporation may amend the Resolution without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the Corporation may, with the written consent of the holders of a majority in aggregate principal amount of the then outstanding Bonds affected thereby, amend, add to, or rescind any of the provisions of the Resolution; except that, without the consent of the registered owners of all of the outstanding Bonds affected thereby, no such amendment, addition, or rescission may (1) extend the time or times of payment of the principal and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of its payment, or (2) give any preference to any Bonds over any other Bonds, or (3) reduce the aggregate principal amount of Bonds required for consent to any amendment, addition, or waiver.

REGISTERED OWNERS' REMEDIES

The Resolution does not establish specific events of default with respect to the Bonds. If the Corporation defaults in the payment of principal, interest or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Resolution, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Resolution, the registered owners may seek a writ of mandamus to compel Corporation officials to carry out their legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the Bonds or the Resolution and the Corporation's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Resolution does not provide for the appointment of a trustee to represent the interest of the owners of the Bonds upon any failure of the Corporation to perform in accordance with the terms of the Resolution, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the Corporation's sovereign immunity from a suit for money damages, owners of the Bonds may not be able to bring such a suit against the Corporation for breach of the Bonds or the Resolution. Even if a judgment against the Corporation could be obtained, it could not be enforced by direct levy and execution against the Corporation's property. Further, the registered owners cannot themselves enforce the levy and collection of the Sales Tax within the Corporation to pay the principal of and interest on the Bonds. Furthermore, the Corporation is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues (such as the Pledged Revenues), such provision is subject to judicial discretion. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or owners of the Bonds which has sought protection under Chapter 9. Therefore, should the Corporation avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and Bonds are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar of the Bonds is UMB Bank, N.A. Austin, Texas. The Issuer retains the right to replace the Paying Agent/Registrar for the Bonds. If the Paying Agent/Registrar is replaced by the Issuer, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the Issuer, shall be a commercial bank, a trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for any of the Bonds, the Issuer agrees to promptly cause written notice thereof to be sent to each registered owner of the respective Bonds by United States mail, first-class, postage prepaid.

The Bonds will be issued in fully registered form in multiples of \$5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. In the event the Book-Entry-Only System should be discontinued, interest will be paid by the Paying Agent/Registrar either (i) by check sent United States mail, first class postage prepaid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below) to the last known address as it appears on the Paying Agent/Registrar's registration books, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal will be paid to the registered owner at stated maturity or upon prior redemption upon presentation to the Paying Agent/Registrar at the Designated Payment/Transfer Office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "Book-Entry-Only System" below. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due. Currently, the Designated Payment/Transfer Office of the Paying Agent/Registrar is its Austin, Texas office.

Record Date

The record date (“Record Date”) for interest payable to the registered owner of a Bond on any interest payment date means the last business day of the month next preceding such interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment will be established by the Paying Agent/Registrar. (See “Special Record Date for Interest Payment” herein.)

Special Record Date for Interest Payment

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date”, which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Future Registration

The Bonds are initially to be issued utilizing DTC’s Book-Entry-Only System. In the event such Book-Entry-Only System for the Bonds should be discontinued, printed certificates will be issued to the registered owners of the Bonds and thereafter such Bonds may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar.

A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bonds being transferred or exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the new registered owner. New Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in denominations of \$5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Bonds surrendered for exchange or transfer. (See “BOOK-ENTRY-ONLY SYSTEM” herein for a description of the system to be initially utilized in regard to ownership and transferability of the Bonds.)

Limitation on Transfer of Bonds

Neither the Corporation nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

Replacement Bonds

In the Resolution, provisions are made for the replacement of mutilated, destroyed, lost, or stolen Bonds. In the case of a mutilated Bond, a new Bond in the same principal amount will be delivered only upon surrender to and cancellation of the mutilated Bond by the Paying Agent/Registrar. In the case of a destroyed, lost or stolen Bond, a new Bond will be delivered only upon the receipt by the Issuer and Paying Agent/Registrar of (i) satisfactory evidence of destruction, loss, or theft, and the ownership thereof, and (ii) the receipt of security or indemnity as may be required by either or both of them to hold them harmless. The person requesting the authentication and delivery of a new Bond must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Issuer, Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Issuer and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or the redemption price or redemption notices or other notices with respect to the Bonds, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or any redemption or other notice with respect to the Bonds, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each stated maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to herein as the "Participants". DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of the notices be provided directly to them.

Redemption notices for the Bonds shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent/Registrar on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Issuer or the Underwriters.

DTC may discontinue providing its services as securities depository with respect to one or both series of the Bonds, at any time by giving reasonable notice to the Issuer or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, printed certificates for the Bonds are required to be furnished and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, printed certificates will be furnished and delivered as provided in the Resolution. (See “REGISTRATION, TRANSFER AND EXCHANGE” herein.)

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, payment or notices that are to be given to registered owners under the Resolution, as applicable, will be given only to DTC.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (“AG”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (“AGM”), merged with and into AG, with AG as the surviving company (such transaction, the “Merger”). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG’s financial strength rating of “AA” (stable outlook).

On July 10, 2024, Moody’s, following Assured Guaranty’s announcement of the Merger, announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody’s and/or KBRA may take. For more information regarding AG’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

At June 30, 2025:

The policyholders' surplus of AG was approximately \$3,514 million.

The contingency reserve of AG was approximately \$1,453 million.

The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,437 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (filed by AGL with the SEC on August 8, 2025).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the Corporation which is recovered by the Corporation from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the provider of the policy (the "Bond Insurer") at such time and in such amounts as would have been due absent such prepayment by the Corporation unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Corporation or the Underwriters have made an independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given or will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Corporation to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

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Table 1 – Pro Forma Debt Service Requirements

Fiscal Year Ended	Existing Debt Service ⁽¹⁾			The Bonds			Total Debt Service Requirements			% of Principal Retired	Fiscal Year Ended
9/30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total		9/30
2025	\$ 809,802	\$ 451,947	\$ 1,261,749	\$ -	\$ -	\$ -	\$ 809,802	\$ 451,947	\$ 1,261,749		2025
2026	662,895	254,701	917,596	615,000	488,718	1,103,718	1,277,895	743,419	2,021,314		2026
2027	678,824	219,687	898,511	575,000	509,892	1,084,892	1,253,824	729,578	1,983,403		2027
2028	695,703	183,722	879,426	575,000	485,454	1,060,454	1,270,703	669,176	1,939,880		2028
2029	713,590	146,751	860,341	580,000	460,614	1,040,614	1,293,590	607,365	1,900,955	35.67%	2029
2030	589,925	110,086	700,011	585,000	434,862	1,019,862	1,174,925	544,948	1,719,873		2030
2031	395,957	87,226	483,183	590,000	408,596	998,596	985,957	495,822	1,481,778		2031
2032	395,957	68,141	464,098	595,000	380,335	975,335	990,957	448,476	1,439,432		2032
2033	395,957	49,056	445,013	605,000	351,418	956,418	1,000,957	400,474	1,401,430		2033
2034	395,957	29,971	425,928	610,000	320,563	930,563	1,005,957	350,533	1,356,490	66.82%	2034
2035	395,957	10,886	406,842	465,000	289,270	754,270	860,957	300,155	1,161,112		2035
2036	27,870	672	28,541	355,000	264,113	619,113	382,870	264,785	647,654		2036
2037	-	-	-	375,000	244,908	619,908	375,000	244,908	619,908		2037
2038	-	-	-	395,000	224,620	619,620	395,000	224,620	619,620		2038
2039	-	-	-	420,000	202,658	622,658	420,000	202,658	622,658	81.52%	2039
2040	-	-	-	440,000	179,306	619,306	440,000	179,306	619,306		2040
2041	-	-	-	465,000	154,842	619,842	465,000	154,842	619,842		2041
2042	-	-	-	495,000	127,361	622,361	495,000	127,361	622,361		2042
2043	-	-	-	520,000	98,106	618,106	520,000	98,106	618,106		2043
2044	-	-	-	555,000	67,374	622,374	555,000	67,374	622,374		2044
2045	-	-	-	585,000	34,574	619,574	585,000	34,574	619,574	100.00%	2045
	<u>\$ 6,158,392</u>	<u>\$ 1,612,847</u>	<u>\$ 7,771,238</u>	<u>\$10,400,000</u>	<u>\$ 5,727,580</u>	<u>\$16,127,580</u>	<u>\$ 16,558,392</u>	<u>\$ 7,340,426</u>	<u>\$ 23,898,818</u>		

⁽¹⁾ Excludes the Refunded Obligations.

THE CORPORATION

The Mission Economic Development Corporation (the "Corporation") is a non-profit corporation duly organized and operating under the laws of the State of Texas (the "State"), particularly the Act. The Corporation was created following an election held by the City of Mission, Texas (the "City") on August 13, 1994 on the question of the levy of a 1/2 of 1% local sales and use tax in the City for the promotion and development of new and expanded business enterprises. The City Council of the City of Mission (the "City Council") appoints the members of the Board of Directors (the "Board") of the Corporation and under the provisions of the Act and the Corporation Bylaws is required to approve certain actions of the Corporation, including the issuance of the Bonds by the Corporation.

The Sales Tax is a 1/2 of 1% limited sales and use tax imposed on all taxable transactions within the City as approved at a special election held on August 13, 1994, and became effective and has been allocated since January 1, 1995. The Corporation's Sales Tax revenues have averaged \$5,693,695 for the five year period including fiscal years 2020-2024 (see "TABLE 2 – Historical Corporation Receipts of ½% Sales Tax" for more detail). The Corporation saw an increase in Sales Tax revenues from 2023 to 2024 of 8.9%. Sales Tax revenues, however, may vary significantly from year to year (see "THE SALES TAX – Investor Considerations").

Management

The Corporation is subject to review by the City Council, which must approve each bond issue of the Corporation and the Corporation's annual budget. The Corporation is required by its bylaws to submit an annual report to the City Council and Texas Comptroller, and, subject to certain restraints, the City may change or alter the organization, programs or activities of the Corporation. The Corporation is overseen by a Board of Directors whose members serve without compensation and are appointed to staggered two-year terms by the City Council. Members may be removed at any time by the City Council. Bonds issued by the Corporation are subject to the adoption of an approving resolution by the City Council. (See "THE BONDS – Authority for Issuance" herein.)

THE SALES TAX

Source and Authorization

The Sales Tax is a 1/2 of 1% limited sales and use tax imposed on all taxable transactions within the City as approved at a special election held on August 13, 1994, and became effective on and has been allocated since January 1, 1995. The Sales Tax is authorized to be levied and collected against the receipts from the sale at retail of taxable items within the City. The Sales Tax also is an excise tax on the use, storage or other consumption of taxable tangible personal property purchased, leased or rented from a retailer within the City. Under State law, the maximum percentage of sales tax that may be levied in the City, including the State sales tax, municipal sales tax, and other sales taxes levied by the City, including the Sales Tax, may not exceed 8.25%. The City currently levies another sales and use tax for City purposes totaling 1% and 1/2 of 1% for property tax relief in accordance with State law and the combined state and municipal sales taxes levied within the City equals 8.25%. The imposition, computation, administration, governance, abolition and use of the Sales Tax is governed by the Texas Limited Sales, Excise, and Use Tax Act except to the extent that there is conflict with the Act, in which case the provisions of the Act control as to the Bonds, and by the Municipal Sales and Use Tax Act, and reference is made thereto for a more complete description of the Sales Tax.

In general, as applied to the Sales Tax, a taxable item includes any tangible personal property and certain taxable services. "Taxable services" include certain amusement services, cable television services, personal services, motor vehicle parking and storage services, the repair, remodeling, maintenance and restoration of most tangible personal property, certain telecommunication services, credit reporting services, debt collection services, insurance services, information services, real property services, data processing services, real property repair and remodeling services, security services, telephone answering services, Internet access service, and a sale by a transmission and distribution utility of transmission or delivery of service directly to an electricity end-use customer whose consumption of electricity is subject to taxation under Chapter 151 of the Texas Tax Code. Certain items are exempted by State law from sales and use taxes, including but not limited to, items purchased for resale, food products (except food products which are sold for immediate consumption, e.g. by restaurants, lunch counters, etc.), health care supplies (including prescription medicines, corrective lens and various therapeutic appliances and devices), agricultural items (if the item is to be used exclusively on a farm or ranch or in the production of agricultural products), gas and electricity purchased for residential use (unless a city has taken steps to repeal the exemption), certain telecommunications services, newspapers and magazines. In addition, items which are taxed under other State laws are generally exempted from sales taxes. These items include certain natural resources, cement, motor vehicles and insurance premiums. Alcohol and tobacco products are taxed under both State alcohol and tobacco taxes as well as through the sales taxes except that the following are exempt from the sales taxes: mixed beverages, ice or nonalcoholic beverages that are subject to State alcohol taxes (there is no local component of the State alcohol taxes and, thus, the City would not receive any revenue with respect to such sales) and alcoholic beverages when sold to the holder of a private club registration permit under certain circumstances. In addition, purchases made by various exempt organizations are not subject to the sales and use taxes. Such organizations include the federal and state governments, political subdivisions, Indian tribes, religious institutions and certain charitable organizations and nonprofit corporations. Also, State law provides an exemption from sales taxes on items purchased for the performance of certain bids and written contracts in effect when the legislation authorizing such tax (or the increase in the rate thereof) is enacted, up to a maximum of three years.

In general, a sale of a taxable item is deemed to occur within the municipality, county or special district in which the sale is consummated. The tax levied on the use, storage or consumption of tangible personal property is considered to be consummated at the location where the item is first stored, used or consumed. Thus, the use is considered to be consummated in a municipality, and the tax is levied there if the item is shipped from outside the state to a point within the municipality.

The Comptroller administers and enforces all sales tax laws and collects all sales and use taxes levied by the State, and levying counties, municipalities and other special districts having sales tax powers. Certain limited items are taxed for the benefit of the State under non-sales tax statutes, such as certain natural resources and other items described above, and are not subject to the sales tax base available to municipalities and counties, including the tax base against which the Sales Tax is levied. Municipalities may by local option determine to tax certain telecommunication services on the same basis as the State taxes such services (some aspects of telecommunication services, such as interstate telephone calls and broadcasts regulated by the FCC are not subject to either State or local taxation). The City has opted to repeal the local telecommunication services exemption. With respect to the taxation of the residential use of gas and electricity, the State is not authorized to collect a sales tax, while municipalities, on a local option basis, may tax such use. The City has opted to tax the residential use of gas and electricity.

With certain exceptions, sales and use taxes in the State are collected at the point of sale and are remitted to the Comptroller by the "taxpayer" who is, generally speaking, the business that collects the tax resulting from a taxable transaction. Taxpayers owing \$500 or more sales and use tax dollars in a calendar month submit their tax collections to the Comptroller on a monthly basis; taxpayers owing less than \$500 sales and use tax dollars in a calendar month but \$1,500 or more in a calendar quarter submit their tax collections quarterly; and taxpayers owing less than \$1,500 in a calendar quarter submit their tax collections annually. Taxpayers are required to report and remit to the Comptroller by the 20th day of the month following the end of the reporting period. The reporting period for yearly filers ends each December 31; for quarterly filers, the reporting period ends at the end of each calendar quarter; and monthly filers report and remit by the 20th of each month for the previous month. The Comptroller is required by law to distribute funds to the receiving political subdivisions periodically and as promptly as feasible but not less frequently than twice during each fiscal year of the State. Historically, and at the present time, the Comptroller distributes the funds monthly with the largest payments being made quarterly in February, May, August and November. The Comptroller has initiated a direct deposit program using electronic funds transfers to expedite the distribution of monthly allocation checks. If a political subdivision desires to participate in the electronic funds transfers, it may make application to the Comptroller. The City participates in this program. Otherwise, the Comptroller mails the monthly allocation check, which is typically received by the middle of the month following the month in which the taxpayer reports and remits payment on the tax.

The Comptroller is responsible for enforcing the collection of sales and use taxes in the State. Under State law, the Comptroller utilizes sales tax permits, sales tax bonds and audits to encourage timely payment of sales and use taxes. Each entity selling, renting, leasing or otherwise providing taxable goods or services is required to have a sales tax permit. Permits are required for each individual location of a taxpayer and are valid for only one year, requiring an annual renewal. As a general rule, every person who applies for a sales tax permit for the first time, or who becomes delinquent in paying the sales or use tax, is required to post a bond in an amount sufficient to protect against the failure to pay taxes. The Comptroller's audit procedures include auditing the largest 2% of the sales and use tax taxpayers (who report about 65% of all sales and use tax in the State annually), every three or four years. Other taxpayers are selected at random or upon some other basis for audits. The Comptroller also engages in taxpayer education programs and mails a report to each taxpayer before the last day of the month, quarter or year that it covers.

Once a taxpayer becomes delinquent in the payment of a sales or use tax, the Comptroller may collect the delinquent tax by using one or more of the following methods; (i) collection by an automated collection center or local field office, (ii) estimating the taxpayers' liability based on the highest amount due in the previous 12 months and billing them for it, (iii) filing liens and requiring a new or increased payment bond, (iv) utilizing forced collection procedures such as seizing assets of the taxpayer (e.g., a checking account) or freezing assets of the taxpayer that are in the custody of third parties, (v) removing a taxpayer's sales and use tax permit, and (vi) certifying the account to the Attorney General's Office to file suit for collection. A municipality may not sue for delinquent taxes unless it joins the Attorney General as a plaintiff or unless it first receives the permission of the Attorney General and the Comptroller.

The Comptroller retains 2% of the tax receipts for collection of the tax; additionally, under State law, a taxpayer may deduct and withhold 1/2% of the amount of taxes due on a timely return as reimbursement for the cost of collecting the sales and use taxes. In addition, a taxpayer who prepays its tax liability on the basis of a reasonable estimate of the tax liability for a month or quarter in which a prepayment is made, may deduct and withhold 1 1/4% of the amount of the prepayment in addition to the 1/2% allowed for the cost of collecting the sales and use tax.

Changes to Sales Tax Base

State sales and use tax laws are subject to change by the State Legislature and such changes may have the effect of either expanding or diminishing the scope of taxable items and services that are subject to the sales and use tax. Historically, the sales tax base has been expanded and reduced to add and remove certain goods or services from the tax base. The Corporation cannot predict whether the sales and use tax base will be modified in the future.

Investor Considerations

The primary source of security for the Bonds will be certain receipts of the Sales Tax received by the City for the benefit of the Corporation. The amount of revenues from the Sales Tax is closely related to the amount of economic activity in the City. Sales and use tax receipts, unlike other taxes levied by municipalities, immediately reflect changes in the economic conditions of a municipality. The City cannot predict such events, but they could arise from increased environmental regulations, downturns in finance and credit markets, cyclical housing and commercial development activity, and changes in federal and state tax policies, including the implementation of value-added taxation measures, among other factors.

The emergence of internet sales and services and issues related to taxation of such sales and services have been the subject of review and study at the State and national level. Internet sales have likely resulted in a decrease in Sales Tax revenue to the Corporation. In June of 2018, the U.S. Supreme Court, in reversal of a principle set out by the Court in 1992 (*Quill Corp. v. North Dakota*, 504 U.S. 298 (1992)), determined that the Commerce Clause of the U.S. Constitution would not prohibit state and local governmental entities from collecting sales tax on goods sold to buyers for delivery in a state, even though a business that made the sale didn't have a physical presence in the state. (See *South Dakota v. Wayfair, Inc.*, 2018 U.S. Lexis 3835 (2018)). During the 86th Texas Legislature, two bills were passed regarding the collection of sales taxes in response to the United States Supreme Court decision in *South Dakota v. Wayfair, Inc.* H.B. 1525, effective October 1, 2019, amended Chapters 151, 321 and 323, Texas Tax Code, by amending the definitions of "seller" and "retailer" to include a "Marketplace" provider and to require such Marketplace provider to collect and remit to the Comptroller sales and use taxes on items sold in Texas on electronic mediums, including internet websites and software applications. In other words, H.B. 1525 requires an online marketplace (e.g., Ebay, Amazon, or Walmart) to collect sales taxes on marketplace sales instead of potentially requiring each individual seller on that marketplace to do so. Additionally, it requires the sales taxes associated with marketplace sales to be sourced to the destination to which the marketplace goods are shipped. H.B. 2153, effective October 1, 2019, amended the Texas Tax Code by giving remote sellers the option to either: (1) collect and remit the actual sales taxes owed based upon the shipping destination; or (2) collect a simplified "single local use tax rate" of roughly 1.75 percent on all sales. Remote sellers who collect the single local use tax rate send the money to the comptroller, who remits the revenue to local taxing entities based upon their existing proportion of the local sales tax base.

In response to this legislation passed during the 86th Texas Legislature, the Texas Comptroller adopted rule changes affecting orders made on the Internet. The rule changes add Section 3.334(b)(5), Texas Administrative Code, which states "orders not received by sales personnel, including orders received by a shopping website or shopping software application...are received at locations that are not places of business of the seller." As a result, under the adopted regulations, when an order is placed over an Internet website, that order is sourced to the purchaser's address. The Comptroller delayed implementation of this rule until October 1, 2021. However, following a lawsuit from certain cities in the State, the Comptroller's office agreed to a temporary injunction (Cause No. D-1-GN-21-003198) enjoining the Comptroller from implementing or enforcing the rule change until a final hearing. At a hearing in August of 2022, the court found that the procedural requirements for implementing the change were not followed and charged the Comptroller with revising or readopting the rule change through established procedures. The Comptroller held a hearing in October 2022 regarding the proposed amendments to the rule, which was finalized on October 27, 2023. The rule provides the following where an order is received:

“The location where the order is received by or on behalf of the seller means the physical location of a seller or third party such as an established outlet, office location, or automated order receipt system operated by or on behalf of the seller where an order is initially received by or on behalf of the seller and not where the order may be subsequently accepted, completed or fulfilled. An order is received when all of the information from the purchaser necessary to the determination whether the order can be accepted has been received by or on behalf of the seller. The location from which a product is shipped shall not be used in determining the location where the order is received by the seller.”

The foregoing was subject to litigation between several cities and the Comptroller, as the cities were of the position that the location where an order is received should be the location where the vendor forwards the order for fulfillment, rather than the location where the order is received from the customer. Further litigation relating to these matters may be instituted, the Comptroller may hereafter adopt further amendments to such rules.

During the 88th Texas Legislative Regular Session, lawmakers approved Senate Bill 379 (“SB 379”), which eliminates the sales tax on certain essential items for many women and babies, among other items. SB 379 went into effect on September 1, 2023. At such time, the bill was expected to cost the State about \$227 million in general revenue funds over the next two years according to the Legislative Budget Board.

Historically, the Comptroller has remitted sales and use tax allocation checks to municipalities on a monthly basis, but State law currently requires that such allocation be made at least twice annually, and such procedures could change in the future. Additionally, the taxable items and services subject to State and local sales and use taxes are subject to legislative action and have been changed in recent years by the State Legislature. State law provides that the Sales Tax cannot be levied against any taxable item or service unless such item or service is also subject to the State sales and use tax.

In recent years the State Legislature has enacted laws permitting the State, together with its political subdivisions, to levy sales and use taxes of up to 8.25%, which is among the highest sales tax rates in the nation (although the State has no personal or corporate income tax), and the current total sales and use tax rate within the City’s boundaries is 8.25% (including State and City taxes as well as the Sales Tax). The rate of the sales and use taxes authorized in the State could be further increased by the State Legislature and the Corporation has no way of predicting any such increase or the effect that would have on the Sales Tax which secures the Bonds. State leaders have appointed committees to study methods of achieving greater tax equity within the State’s tax system. Any changes which may be enacted by the State Legislature could effect the tax base against which the Sales Tax is levied or the method in which the Sales Tax is levied and the City (and hence the Corporation as the beneficiary of the City’s action), except in certain limited instances described below, has no control over the components of the tax base. Neither the City nor the Corporation currently has statutory authority to increase or decrease the maximum authorized rate of the Sales Tax.

Tax receipts received by the Corporation are expected to be subject to seasonal variations and to variations caused by the State laws and administrative practices governing the remittance of sales and use tax receipts which authorize different taxpayers to remit the tax receipts at different times throughout the year.

The Sales Tax is collected by the Comptroller and remitted to the City along with other City sales and use tax receipts. The City allocates a portion of the receipts to the Corporation which represents the 1/2 of 1% tax rate of the Sales Tax. Generally, sales and use taxes in the State are collected at the point of a taxable transaction and remitted by the taxpayer to the Comptroller. The Comptroller has the primary responsibility for enforcing sales and use tax laws and collecting delinquent taxes. The collection efforts of the Comptroller are subject to applicable federal bankruptcy code provisions with respect to the protection of debtors.

Changes in the tax base against which a sales and use tax is assessed, as well as changes in the rate of such taxes, make projections of future tax revenue collections very difficult. No independent projections have been made with respect to the revenues available to pay debt service on the Bonds.

Historical information regarding the State’s sales tax base, gross sales within the City, and sales within the City which are subject to the State sales and use tax is included herein, and while the Corporation has no reason to expect that receipts of the Sales Tax will ever be insufficient to pay debt service on the Previously Issued Parity Obligations, the Bonds and Additional Obligations issued as Parity Obligations if any, it makes no representation that, over the term of the Bonds, sales and services within the City will provide sufficient Sales Tax receipts to pay debt service on the Previously Issued Parity Obligations, the Bonds and Additional Obligations, if any.

Table 2 - Historical Corporation Receipts of ½ of 1% Sales Tax

The Sales Tax is a 1/2 of 1% limited sales and use tax imposed on all taxable transactions within the City as approved at a special election held on August 13, 1994, which sales and use tax became effective on and has been collected since January 1, 1995. Following is a listing of the Corporation's monthly receipts from the Texas Comptroller of Public Accounts of its sales and use tax for its last five fiscal years:

Month	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
October	\$ 526,957	\$ 531,177	\$ 472,262	\$ 405,528	\$ 364,487
November	619,761	572,745	510,985	539,378	416,221
December	560,566	535,335	461,405	413,642	366,817
January	612,584	559,625	482,023	485,516	379,274
February	829,838	649,931	632,062	591,842	472,602
March	557,371	525,265	467,948	607,206	364,161
April	509,675	633,439	447,701	462,802	364,300
May	639,280	619,061	637,081	576,600	583,662
June	-	538,938	482,035	486,853	429,566
July	-	547,056	532,107	455,050	430,466
August	-	604,309	599,999	507,278	494,440
September	-	573,653	602,267	478,061	416,316
	<u>\$ 4,856,032</u>	<u>\$ 6,890,534</u>	<u>\$ 6,327,877</u>	<u>\$ 6,009,756</u>	<u>\$ 5,082,313</u>

Month	Fiscal Year Ended September 30,				
	2020	2019	2018	2017	2016
October	\$ 338,318	\$ 311,083	\$ 280,948	\$ 308,599	\$ 328,709
November	365,130	372,798	326,901	324,854	316,300
December	355,708	343,960	277,934	293,965	288,047
January	336,801	302,634	299,068	326,719	296,130
February	284,654	427,244	372,828	371,554	396,537
March	325,711	308,271	309,376	280,852	288,136
April	330,758	319,915	279,424	272,188	275,884
May	363,187	358,526	371,514	337,071	366,712
June	315,264	348,758	291,313	292,439	284,446
July	372,222	350,193	297,898	288,142	293,234
August	419,816	371,165	347,628	323,154	356,821
September	350,425	356,227	318,104	295,356	296,889
	<u>\$ 4,157,993</u>	<u>\$ 4,170,774</u>	<u>\$ 3,772,937</u>	<u>\$ 3,714,893</u>	<u>\$ 3,787,843</u>

Table 3 - Calculation of Coverage for the Issuance of Additional Obligations

2024 Fiscal Year Sales Tax Receipts	\$6,890,534
Maximum Principal and Interest Requirements, 2026	\$2,021,314 ⁽¹⁾
Coverage of Maximum Annual Debt Service by 2024 Fiscal Year Sales Tax receipts	3.41 Times
Average Annual Principal and Interest Requirements	\$1,138,039 ⁽¹⁾
Coverage of Average Annual Debt Service by audited 2024 Fiscal Year Sales Tax receipts	6.05 Times

⁽¹⁾ Includes the Bonds and existing obligations which include private placements with PNC Bank and KS State Bank.

Table 4 – Historical Corporation Revenues and Expenditures

	Fiscal Year Ending September 30,				
	2024 ⁽¹⁾	2023	2022	2021	2020
<u>Revenues</u>					
Taxes	\$ 6,994,694	\$ 6,504,552	\$ 6,103,050	\$ 5,306,710	\$ 4,279,297
Intergovernmental	937,369	995,307	2,157,230	255,140	463,124
Charges for services	554,697	282,164	263,682	226,048	122,093
Interest	88,600	872	-	-	-
Miscellaneous	5	1,602,225	615,873	126,676	441,405
Total Revenue	<u>\$ 8,575,364</u>	<u>9,385,120</u>	<u>9,139,835</u>	<u>5,914,574</u>	<u>5,305,919</u>
<u>Expenditures</u>					
General/Administrative	2,020,961	-	-	-	-
Economic development	2,567,456	3,370,892	2,811,242	2,806,069	2,849,386
Texas workforce commission grant	-	6,346	351,403	49,927	448,124
Debt service					
Principal	-	8,410	-	-	-
Interest and fiscal charges	-	63	-	-	-
Total expenditures	<u>\$ 4,588,417</u>	<u>3,385,711</u>	<u>3,162,645</u>	<u>2,855,996</u>	<u>3,297,510</u>
Excess (deficiency) of revenue over expenditures	<u>3,986,947</u>	<u>5,999,409</u>	<u>5,977,190</u>	<u>3,058,578</u>	<u>2,008,409</u>
<u>Other Financing Sources (Uses)</u>					
Sale of land held for sale	-	763,703	-	-	-
Operating transfers	<u>(1,278,184)</u>	<u>(3,486,798)</u>	<u>(2,067,555)</u>	<u>(2,469,544)</u>	<u>(1,900,718)</u>
Net other financing sources (uses)	<u>(1,278,184)</u>	<u>(2,723,095)</u>	<u>(2,067,555)</u>	<u>(2,469,544)</u>	<u>(1,900,718)</u>
Net change in fund balances	2,708,762	3,276,314	3,909,635	589,034	107,691
Beginning fund balance	12,749,024	9,360,369	5,449,551	4,860,517	76,700
Prior period adjustment	<u>31,732</u>	<u>112,341</u> ⁽²⁾	<u>1,183</u>	<u>-</u>	<u>4,676,126</u> ⁽³⁾
Ending fund balance	<u><u>\$ 15,489,518</u></u>	<u><u>\$ 12,749,024</u></u>	<u><u>\$ 9,360,369</u></u>	<u><u>\$ 5,449,551</u></u>	<u><u>\$ 4,860,517</u></u>

⁽¹⁾ Unaudited.

⁽²⁾ Revenue and receivables related to the Shary Park Project were not recorded on the books in the prior year. As a result, there was an increase to fund balance/net position in the amount of \$112,341.

⁽³⁾ Fund balance was restated for the General Fund in order to record a non-current liability for repayment of sales tax owed to the City of Mission, Texas in the amount of \$58,819 and to reclassify land held for resale to other assets in the amount of \$4,734,945 for a net reclassification of \$4,676,126.

INVESTMENT POLICIES

The Corporation is a nonprofit corporation acting on behalf of the City and is subject to the provisions of the Public Funds Investment Act (V.T.C.A., Government Code, Ch. 2256, as amended) with respect to the investment of its funds. The Corporation invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the Board. Both State law and the Corporation's investment policies are subject to change.

Investment Authority and Investment Practices of the Corporation

Under State law the Corporation is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (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 of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the Corporation selects from a list the governing body or designated investment committee of the Corporation adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the Corporation selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the Corporation's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the Corporation appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) (the "PFIA") that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, and are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for Corporation deposits, or (ii) certificates of deposits where (a) the funds are invested by the Corporation through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the Corporation as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the Corporation, (b) the broker or the depository institution selected by the Corporation arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Corporation, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the Corporation appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the Corporation with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1), require the securities being purchased by the Corporation or cash held by the Corporation to be pledged to the Corporation, held in the Corporation's name, and deposited at the time the investment is made with the Corporation or with a third party selected and approved by the Corporation, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the 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 the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the SEC that provide the Corporation with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; and (15) aggregate repurchase agreement transactions entered into by an investing entity in conformity with the provisions of subsections (a-1), (f), and (g) of Section 2256.011 of the Public Funds Investment Act. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the Corporation and deposited with the Corporation or a third party selected and approved by the Corporation.

A political subdivision such as the Corporation may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Corporation, held in the Corporation's name and deposited at the time the investment is made with the Corporation or a third party designated by the Corporation; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

An eligible political subdivision such as the Corporation may enter into hedging transactions, including hedging contracts, related security, credit, and insurance agreements in connection with commodities used by the political subdivision in its general operations, with the acquisition or construction of a capital project, or with an eligible project. A hedging transaction must comply with the regulations of the Commodity Futures Trading Commission and the SEC. The political subdivision may pledge to such contracts or agreements any general or special revenues or funds it is authorized by law to pledge to the payment of any other obligations. The political subdivision's cost under such contract or agreement may be considered an operations and maintenance expense, an acquisition cost, a project cost, or a construction expense.

The Corporation may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-" or an equivalent by at least one nationally recognized rating service. The Corporation may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the Corporation retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Corporation must do so by order, ordinance, or resolution.

The Corporation is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under State law, the Corporation is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for Corporation funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All Corporation funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the Corporation's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the Corporation's investment officers must submit an investment report to the Board detailing: (1) the investment position of the Corporation, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest Corporation funds without express written authority from the Board.

Under State law, the Corporation is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance, or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the Corporation to disclose the relationship and file a statement with the Texas Ethics Commission and the Corporation, (4) require the registered principal of firms seeking to sell securities to the Corporation to: (a) receive and review the Corporation's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Corporation and the business organization that are not authorized by the Corporation's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the Corporation's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement attesting to these requirements, (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the Corporation's investment policy, (6) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement, (7) restrict the investment in no-load money market mutual funds in the aggregate to no more than 15% of the Corporation's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, (9) provide specific

investment training for the treasurer, the chief financial officer (if not the treasurer) and the investment officer, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Corporation.

The Corporation's current investment policy is in compliance with the State law requirements described above.

Table 5 - Current Investments

The Corporation's investments as of June 30, 2025 were as follows:

<u>Fund and Investment Type</u>	<u>Amount</u>	<u>Percentage of Portfolio</u>
TexPool	\$ 3,702,232	100.00%
Total Investments	<u>\$ 3,702,232</u>	<u>100.00%</u>

TAX MATTERS

The following is a general summary of the United States federal income tax consequences of the purchase and ownership of the Bonds. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached in this Official Statement. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Bonds in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax-exempt organizations, financial institutions, broker-dealers, and persons who have hedged the risk of owning the Bonds). The summary is therefore limited to certain issues relating to initial investors who will hold the Bonds as "capital assets" within the meaning of section 1221 of the Internal Revenue Service Code of 1986, as amended (the "Code"), and acquire such Bonds for investment and not as a dealer or for resale. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

Payments of Stated Interest on the Bonds

The stated interest paid on the Bonds will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Original Issue Discount

If a substantial amount of the Bonds of any stated maturity is purchased at original issuance for a purchase price (the "Issue Price") that is less than their stated redemption price at maturity by more than one quarter of one percent times the number of complete years to maturity, the Bonds of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the stated redemption price at maturity of such bonds over its Issue Price, and the amount of the original issue discount on the Bonds will be amortized over the life of the Bonds using the "constant yield method" provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, the beneficial owners of the Bonds, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of the Bonds that exceeds actual cash distributions to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on the Bonds each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds the Bonds will increase the adjusted tax basis of the Bonds in the hands of such beneficial owner.

Premium

If a beneficial owner purchases a Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Bond with “amortizable bond premium” equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Bond and may offset interest otherwise required to be included in respect of the Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. However, if the Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Medicare Contribution Tax

Pursuant to section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Bonds should consult with their tax advisor concerning this additional tax, as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

Disposition of Bonds and Market Discount

A beneficial owner of Bonds will generally recognize gain or loss on the redemption, sale or exchange of a Bond equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner’s adjusted tax basis in the Bonds. Generally, the beneficial owner’s adjusted tax basis in the Bonds will be the beneficial owner’s initial cost, increased by the original issue discount previously included in the beneficial owner’s income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner’s holding period for the Bonds.

Under current law, a purchaser of Bonds who did not purchase the Bonds in the initial public offering (a “subsequent purchaser”) generally will be required, on the disposition of the Bonds, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued “market discount.” Market discount is the amount by which the price paid for the Bonds by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Bonds. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Bonds could have a material effect on the market value of the Bonds.

Legal Defeasance

If the Corporation elects to defease the Bonds by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Bonds (a “legal defeasance”), under current tax law, a beneficial owner of Bonds may be deemed to have sold or exchanged its Bonds. In the event of such a legal defeasance, a beneficial owner of Bonds generally would recognize gain or loss in the manner described above. Ownership of the Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Bonds.

Backup Withholding

Under section 3406 of the Code, a beneficial owner of the Bonds who is a United States person, as defined in section 7701(a)(30) of the Code, may, under certain circumstances, be subject to “backup withholding” on payments of current or accrued interest on the Bonds. This withholding applies if such beneficial owner of Bonds: (i) fails to furnish to payor such beneficial owner’s social security number or other taxpayer identification number (“TIN”); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other “reportable payments” as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Bonds. Beneficial owners of the Bonds should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations

Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8 BEN, Form W-8 EXP or Form W-8 IMY, as applicable, provided the payor does not have actual knowledge that such person is a United States person.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain United States persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial United States owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Reporting of Interest Payments

Subject to certain exceptions, interest payments made to beneficial owners with respect to the Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of a Bond for U.S. federal income tax purposes.

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the Issuer has made the following continuing disclosure agreement for the benefit of the holders and beneficial owners of the Bonds. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). The information will be available free of charge from the MSRB's Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org.

Annual Reports

The Issuer will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the Corporation of the general type included in this Official Statement under Tables numbered 2 through 5 and in Appendix D. The Issuer will update and provide the information shown in Tables numbered 2 through 5 within six months after the end of each fiscal year ending in and after 2025, audited financial statements within six months after the end of each fiscal year ending in and after 2025, and should audited financial statements not be available within six months after any such fiscal year end, the Issuer will provide unaudited financial statements within such six month period and audited financial statements for the applicable fiscal year when the audit report on such statements becomes available. The Issuer will provide the updated information to the MSRB.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's EMMA site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements for the Issuer, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements cannot be provided by the required time, the Issuer will provide unaudited financial information until the audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in the Issuer's annual financial statements, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

The Issuer's current fiscal year end is September 30. Accordingly, it must provide updated information by the last day in March in each year, unless the Issuer changes its fiscal year. If the Issuer changes its fiscal year, it will notify the MSRB of the change.

Notice of Certain Events

The Corporation will file with the MSRB notice of any of the following events with respect to each series of the Bonds in a timely manner (and not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Corporation, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material; (15) incurrence of a financial obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Corporation, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Corporation, any of which reflect financial difficulties. In addition, the Corporation will provide timely notice of any failure by the Corporation to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports". The Corporation will provide each notice described in this paragraph to the MSRB.

For these purposes, any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of 19 the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation. As used in clauses (15) and (16) above, the phrase "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided, however, the phrase shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule and the Corporation intends the other words used in such clauses to have the meanings ascribed to them in SEC Release No 34-83885, dated August 20, 2018.

Availability of Information

The Corporation has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Issuer has agreed to update information and to provide notices of specified events only as described above. The Issuer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Issuer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Issuer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the Issuer to comply with its agreement.

The Issuer may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The Issuer may also repeal or amend these provisions if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of the Resolution in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Agreements

During the last five years, the Corporation has complied in all material respects with continuing disclosure agreements made by it in accordance with the Rule.

OTHER PERTINENT INFORMATION

Registration and Qualification

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Issuer assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Cybersecurity

The Corporation's operations are increasingly dependent on information technologies and services, which are exposed to cybersecurity risks and cyber incidents or attacks. While the Corporation continually assesses and monitors its cybersecurity risks, the Corporation has been (and may be in the future) subject to cyber-attacks from time to time. In response to such assessments and monitoring, the Corporation takes actions it deems appropriate in response to cybersecurity risks, including, but not limited to, implementing cybersecurity training programs, obtaining technology improvements to mitigate cybersecurity risks, and taking other similar measures. To date, the Corporation has not been the victim of any cyber-attack that has had a material adverse effect on its operations or financial condition. However, no assurance can be given that the Corporation will fully prevent or successfully remediate the operational and/or financial impact of any cybersecurity incursions or incidents arising from events wholly or partially beyond the Corporation's control, including electrical telecommunications outages, natural disasters or cyber-attacks initiated by criminal activities of individuals or organizations. Any such occurrence could materially and adversely affect the Corporation's operations and/or financial condition.

Litigation

In the opinion of certain officials of the Issuer, the Issuer is not a party to any litigation or other proceeding pending or to their knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the Issuer, would have a material adverse effect on the financial condition or operations of the Issuer.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act, as amended, provides that public securities such as the Bonds are (i) negotiable instruments, (ii) investment securities to which Chapter 8, Texas Business and Commerce Code, as amended, applies and (iii) legal and authorized investments for insurance companies, fiduciaries or trustees and sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. The Texas Finance Code also contains provisions that, subject to the prudent investor standard, provide for the Bonds to be legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. For the Bonds to be eligible investments for municipalities, political subdivisions or public agencies of Texas, the PFIA provides a rating of not less than "A" or its equivalent as to investment quality must be assigned by a national rating agency. Furthermore, the Bonds are eligible to secure the deposits of any public funds of the State of Texas, its agencies and its political subdivisions and are legal security for those deposits to the extent of their market value.

Legal Opinions and No-Litigation Certificate

Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the Corporation payable from the sales and use tax. Issuance of the Bonds is also subject to the legal opinions of Perez Law Firm, PLLC, McAllen, Texas ("Bond Counsel"), based upon examination of transcripts of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and binding obligations of the Corporation payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the Corporation. Bond Counsel was not requested to participate, and did not take part, in the preparation of this Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the statements and information contained in this Official Statement under the captions "PLAN OF FINANCING" (excluding the information under the subcaption "Sources and Uses of Funds," as to which no opinion will be expressed), "THE BONDS" (except for the information under the subcaption "Payment Records", as to which no opinion will be expressed), "REGISTRATION, TRANSFER AND EXCHANGE," "SELECTED PROVISIONS OF THE RESOLUTION," and "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subcaption "Compliance With Prior Agreements," as to which no opinion will be expressed), and Bond Counsel is of the opinion that the statements and information contained therein fairly and accurately reflect the provisions of the Resolution; further, Bond Counsel has reviewed the statements and information contained in this Official Statement under the captions

“TAX MATTERS,” and the subcaptions “Legal Investments and Eligibility to Secure Public Funds in Texas”, “Legal Opinions” (excluding the last sentence of the first paragraph thereof) and “Registration and Qualification” under the caption “OTHER PERTINENT INFORMATION,” and Bond Counsel is of the opinion that the statements and information contained therein are correct as to matters of law. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of Bonds actually issued, sold and delivered, and therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriters by Jackson Walker LLP, San Antonio, Texas, and the fees of such firm as counsel to the Underwriters is contingent upon the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Rating

The Bonds are expected to be assigned an insured rating of “AA” (stable outlook) by S&P Global Ratings (“S&P”) by virtue of the bond insurance policy to be issued and delivered by Assured Guaranty Inc. at the time of delivery of the Bonds. The Bonds have been assigned an underlying rating of “A” (Negative Outlook) by S&P Global Ratings, Inc. (“S&P”). An explanation of the significance of such ratings may be obtained from the rating agency. The rating of the Bonds by S&P reflects only the views of said company at the time the rating is given, and the Corporation makes no representations as to the appropriateness of the ratings. There is no assurance that ratings will continue for any given period of time, or that the rating will not be revised downward or withdrawn entirely by either rating agency if, in the judgment of said company, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

Financial Advisor

Estrada Hinojosa is contracted as Financial Advisor to the Corporation and the City in connection with the issuance of the Bonds. The fee for services rendered by the Financial Advisor with respect to the sale of the Bonds is contingent upon the issuance and delivery of such Bonds. Estrada Hinojosa has relied on the opinions of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Financial Advisor may from time to time sell investment securities to the Corporation for the investment of bond proceeds or other funds of the Corporation upon the request of the Corporation.

The Financial Advisor to the Corporation has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Corporation and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Effective August 2, 2024, Texas State Bankshares, Inc., the registered bank holding company for Texas Regional Bank (collectively, “TRB”), completed its acquisition of Dallas-based investment banking group Estrada Hinojosa & Company, Inc. (“Estrada Hinojosa”). Estrada Hinojosa operates under TRB Capital Markets, LLC, a wholly-owned subsidiary of TRB, using the assumed name of “Estrada Hinojosa.”

Underwriting

The Underwriters have agreed, subject to certain customary conditions, to purchase the Bonds at a price equal to the initial offering prices to the public, as shown on the inside cover page hereof, less an Underwriters’ discount of \$98,079.75 on the Bonds. The Underwriters’ obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Bonds, if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws but the Underwriters do not guarantee the accuracy or completeness of such information.

SAMCO Capital Markets Inc., an Underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, SAMCO Capital Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, SAMCO Capital Markets Inc. will compensate Fidelity for its selling efforts.

Forward Looking Statements

The statements contained in this Official Statement, and in any other information provided by the Corporation, that are not purely historical, are forward-looking statements, including statements regarding the Corporation's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available to the Corporation on the date hereof, and the Corporation assumes no obligation to update any such forward-looking statements.

It is important to note that the Corporation's actual results could differ materially from those in such forward-looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Corporation. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Concluding Statement

The financial data and other information contained in this Official Statement have been obtained from the Corporation's records, audited financial statements and other sources, which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

/s/ Richard Hernandez
President
Mission Economic Development Corporation

/s/ Estella Saenz
Secretary
Mission Economic Development Corporation

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

<u>Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	<u>Call Price</u>
Frost Bank Loan					
Dated August 24, 2016	8/1/2026	7.000%	\$ 300,000	9/17/2025	100.00
	8/1/2027	7.000%	300,000	9/17/2025	100.00
	8/1/2028	7.000%	300,000	9/17/2025	100.00
	8/1/2029	7.000%	300,000	9/17/2025	100.00
	8/1/2030	7.000%	300,000	9/17/2025	100.00
	8/1/2031	7.000%	300,000	9/17/2025	100.00
	8/1/2032	7.000%	300,000	9/17/2025	100.00
	8/1/2033	7.000%	300,000	9/17/2025	100.00
	8/1/2034	7.000%	300,000	9/17/2025	100.00
	8/1/2035	7.000%	139,409	9/17/2025	100.00
			<u>\$ 2,839,409</u>		

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND THE CORPORATION

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The Corporation

The Mission Economic Development Corporation (the “Corporation”) is a non-profit corporation duly organized and operating under the laws of the State of Texas, particularly the Development Corporation Act, Chapters 501 and 505, Texas Local Government Code, as amended (the “Act”).

The Corporation was created following an election held by the City of Mission, Texas (the “City”) on August 13, 1994 on the question of the levy of a 1/2 of 1% local sales and use tax in the City for the promotion and development of new and expanded business enterprises in accordance with the Act. The City Council of the City appoints the members of the Board of Directors of the Corporation and is required to approve certain actions of the Corporation, including the issuance of the bonds by the Corporation.

The Corporation is dedicated to supporting business growth, innovation, and entrepreneurship in Mission, Texas. Through strategic programs, partnerships, and initiatives — including the Center for Education and Economic Development (CEED) — Mission EDC helps attract investment, create jobs, and build a stronger local economy.

The City

The City of Mission is located in the Lower Rio Grande Valley on the U.S. Highway 83, approximately 7 miles west of downtown McAllen, 66 miles west of Brownsville, 250 miles south of San Antonio, and 158 miles southwest of Corpus Christi. The City derives its name from the tiny La Lomita Mission built in 1845 by the Oblate Order of Catholic Priests. Used as a chapel and way-station for traveling priests, the mission grew and remained active until the Fathers moved into the established town of Mission in 1911.

As part of the Mission/McAllen/Edinburg Metropolitan Statistic Area (the “MSA”), Mission is located right on the Texas- Mexico border, offering international access in minutes. With first rate highways, rail access, and an MSA population of over a million, Mission provides the perfect balance of big city living, small town charm, border accessibility and business savvy.

Demographics

The City of Mission had a 2020 Census of 85,778 a 60.91% increase since 2000.

Below is a comparison of the population trends for the City of Mission and Hidalgo County.

City of Mission	Calendar Year	Hidalgo County
<u>Population</u>	<u>Ended</u>	<u>Population</u>
13,508	1970	209,289
22,653	1980	283,323
28,653	1990	383,545
47,889	2000	569,463
77,058	2010	774,769
85,778	2020	870,781

Economy

The City’s economy is diversified by tourist industry, agribusiness, petroleum, and international trade with Mexico. The City is a commercial center for citrus crops with more than 30 industrial plants. The City advertises itself as the “Home of the Grapefruit”, with the famed Texas Ruby Red the referenced grapefruit.

The City is the winter home to thousands of “Winter Texans” who travel primarily from the Mid-West and Canada to the Rio Grande Valley. Many drive their Recreational Vehicles (“RVs”), while others rent apartments, condos or homes during their stay in the Mission area. The City has 74 RV parks which house the approximately 22,000 Winter Texans that winter there.

Major Employers

<u>Name</u>	<u>Classification</u>	<u>Employees</u>
Mission Consolidated Independent School District	Education	2,400
Sharyland Independent School District	Education	1,638
Mission Regional Medical Center	General and Surgical Hospital	980
T-Mobile	Telecommunications	830
City of Mission	City Government	725
Wonderful Citrus	Agriculture	700
H.E. Butt Grocery	Retail Grocer	622
Stanley Black and Decker	Manufacturer	400
Wal Mart Supercenter	Discount Center	328
Home Depot	Construction Supplier	180

Source: City's Certified Annual Financial Report for the Fiscal Year Ended September 30, 2023.

Transportation

International Crossings - The City of Mission is currently served by three International Crossings. The Hidalgo International Bridge which is only ten minutes from Mission, the Pharr International Bridge which is around 20 miles from Mission and the Anzalduas International Bridge is immediately south of Mission on Bryan Road.

Highways – Ideally located along the U.S. / Mexican Border, Mission gives access north to the United States via U.S. 83, U.S. 281 and U.S. 77 connecting to Interstate 35 to Interstate 37. Mission is less than ten miles from the U.S. 83/281 interchange and less than 40 miles from the U.S. 83 and 77 interchange. Interstate 37 and 35 are approximately 150 miles away. U.S. 281 is the future I-69.

Three miles to the south, lies the Mexican Border. Directly across the Rio Grande River is Reynosa, Mexico. Monterrey, with a metropolitan area population of 3,864,331 is less than 140 miles to the southwest.

Rail Service – Southern Pacific offers daily freight service to the north. Rio Valley Switching Co., has 49 miles of track from Mission to Harlingen with a spur into the Mission Expressway Business Park.

Education

The Mission Consolidated Independent School District serves Mission and the neighboring town of Alton with an annual budget of more than \$200 million and more than 2,000 personnel. The District operates 14 elementary schools, four junior high schools, tree high schools and an alternative campus.

La Joya Independent School District's 226 square miles covers the surrounding communities of La Joya, Palmview, Penitas, Sullivan City, Los Ebanos, Abram and Cuevas. The district includes; 22 elementary schools, 8 middle schools, 3 high schools, and 2 early college high schools and one alternative site. The district employs over four thousand employees and has an operating budget of approximately \$383 million. La Joya ISD boasts an enrollment of over 24,000 students in grades Pre-K through 12 and is one of the fastest growing school districts.

The Sharyland Independent School District is comprised of parts of Mission and McAllen. It offers a solid base of broad range of extra-curricular activities from sports to academic competition. With over 600 teachers, the District is well-equipped to administer its special programs, such as Help One Student to Succeed (HOSTS), designed to provide reading instruction, health services, the Gifted and Talented Program, and vocational courses.

	Hidalgo County			State of Texas		
	April 2025	April 2024	April 2023	April 2025	April 2024	April 2023
Civilian Labor Force	405,767	395,535	384,209	15,922,661	15,523,969	15,126,829
Total Employment	383,247	374,685	363,656	15,334,972	14,972,359	14,591,410
Total Unemployment	22,520	20,850	20,553	587,689	551,610	535,419
Percentage Unemployment	5.5%	5.3%	5.3%	3.7%	3.6%	3.5%

Source: Texas Workforce Commission.

APPENDIX B
SELECTED PROVISIONS OF THE RESOLUTION

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SECTION 1. DEFINITIONS. As used in this Resolution, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Act” shall mean the Development Corporation Act of 1979, now codified in Chapters 501, 502, and 505 of the Texas Local Government Code, as amended.

“Additional Obligations” shall mean those obligations hereafter issued by the Issuer pursuant to Section 19 of this Resolution.

“Board” shall mean the Board of Directors of the Issuer.

“Series 2025 Bonds” shall mean the Mission Economic Development Corporation Sales Tax Revenue and Refunding Bonds, Taxable Series 2025, in the aggregate principal amount of \$10,400,000, authorized to be issued by this Resolution.

“City” shall mean the City of Mission, Texas.

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas, and any successor official or officer thereto.

“Cost” shall mean with respect to the Projects, the cost of acquisition, construction, reconstruction, improvement, and expansion of the Projects as provided in the Act, including, without limitation, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest prior to and during construction, and for one year after completion of construction whether or not capitalized, necessary reserve funds, cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving, and expanding any such Projects, administrative expense, and such other expense as may be necessary or incident to the acquisition, construction, reconstruction, improvement, and expansion thereof, the placing of the same in operation, and the financing or refinancing of the Projects.

“Depository Bank” shall mean the official depository bank of the City.

“Fiscal Year” shall mean the fiscal year of the Issuer, being the twelve-month period beginning October 1 of each year.

“Insured Bonds” shall mean the Series 2025 Bonds.

“Insurance Policy” shall mean the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal and interest on the Insured Bonds when due.

“Insurer” shall mean Assured Guaranty, Inc., or any successor thereto or assignee thereof.

“Investment Act” shall mean the Public Funds Investment Act. Chapter 2256. Texas Government Code.

“Issuer” or **“MEDC”** shall mean the Mission Economic Development Corporation.

“Parity Obligations” shall mean the Previously Issued Parity Obligations, the Series 2025 Bonds, and any Additional Obligation.

“Paying Agent/Registrar” shall mean the financial institution so designated in accordance with the provisions of Section 4 of this Resolution.

“Pledged Revenues” shall mean the Sales Tax plus any interest earnings thereon, less any amounts due or owing to the Comptroller as charges for collection or retention by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

“Previously Issued Parity Obligations” shall mean the Issuer's previously issued and outstanding obligations secured by and payable from a first lien on and pledge of the Pledged Revenues.

“Projects” shall have the meaning assigned in the recitals hereto.

“Required Reserve Amount” shall mean the lesser of either (i) the maximum annual debt service for all Parity Obligations or (ii) the average annual principal and interest requirements for all Parity Obligations.

“Sales Tax” shall mean the one-half of one percent sales and use tax levied by the City within the boundaries of the City as they now or hereafter exist, together with any increases in the aforesaid rate if provided and authorized by the laws of the State of Texas. including specifically the Act, and collected for the benefit of the Issuer, all in accordance with the Act, including particularly Section 505 thereof.

“Sales Tax Remittance Agreement” shall mean the Sales Tax Remittance Agreement, dated as of August 20, 2025, between the City and the Issuer.

SECTION 2. PLEDGE.

(a) The Parity Obligations, and any interest payable thereon, are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund and the Reserve Fund as hereinafter provided. The Parity Obligations are and will be secured by and payable only from the Pledged Revenues and are not secured by or payable from a mortgage or deed of trust on any real, personal, or mixed properties constituting the Projects.

(b) Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of Pledged Revenues granted by the Corporation under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Corporation is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in this pledge, the Board agrees to take such measures as it determines are reasonable and

necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

SECTION 3. REVENUE FUND. There shall be established and maintained on the books of the Issuer and accounted for separate and apart from all other funds of the Issuer, a special fund entitled the "*Mission Economic Development Corporation Sales Tax Revenue Fund*" (hereinafter called the "**Revenue Fund**"). All Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt. Monies in said Fund shall be maintained at an official depository bank of the City.

SECTION 4. DEBT SERVICE FUND. For the sole purpose of paying the principal of and interest on the Parity Obligations, as the same come due, there shall be established and maintained on the books of the Issuer a separate fund entitled the "*Mission Economic Development Corporation Sales Tax Revenue Bonds Debt Service Fund*" (hereinafter called the "**Debt Service Fund**"). Monies in said Fund shall be maintained at an official depository bank of the City.

SECTION 5. RESERVE FUND. There shall be established and maintained on the books of the Issuer a separate fund entitled the "*Mission Economic Development Corporation Sales Tax Revenue Bonds Reserve Fund*" (hereinafter called the "**Reserve Fund**"). Monies in said Fund shall be used solely for the purpose of retiring the last of any Parity Obligations as they become due or paying principal of and interest on any Parity Obligations when and to the extent the amounts in the Debt Service Fund are insufficient for such purpose. Monies in said Fund shall be maintained at an official depository bank of the City.

SECTION 6. PROJECT FUND; APPROVAL OF SALES TAX REMITTANCE AGREEMENT.

(a) There shall be created and established on the books of the Issuer a separate fund entitled the "*Mission Economic Development Corporation Series 2025 Project Fund*" (hereinafter called the "**Project Fund**"). The Project Fund shall be held by an official depository bank of the City and shall be subject to and charged with a lien in favor of the registered owners of the Series 2025 Bonds until said monies on deposit therein are paid out as herein provided. The proceeds from the sale of the Series 2025 Bonds, other than any accrued interest and capitalized interest, if any (which shall be deposited to the credit of the Debt Service Fund), and any proceeds to be deposited to the credit of the Reserve Fund, if any, shall be credited to the Project Fund. All interest and profits from investments made with moneys in the Project Fund shall remain on deposit in the Project Fund and as a part thereof unless the President or Treasurer of the Issuer directs that all or a portion of such interest earnings are to be deposited to the Debt Service Fund. All funds on deposit in the Project Fund shall be deposited into the Debt Service Fund upon completion of the Projects (i.e., until the Projects are finally completed).

(b) Money in the Project Fund shall be subject to disbursement by the Issuer for payment of any Costs of the Projects and in accordance with the provisions of the Sales Tax Remittance Agreement, (which is hereby approved in substantially the form attached hereto as Exhibit B). Disbursements from the Project Fund shall be made in accordance with the financial policies and procedures established between the Issuer and the City and in accordance with the provisions of the Sales Tax Remittance Agreement. Such disbursements shall be made only for valid Costs of the Projects.

SECTION 7. TRANSFER OF SALES TAX REVENUES.

(a) Pursuant to the provisions of the Sales Tax Remittance Agreement, the City has agreed to do any and all things necessary to accomplish the transfer of the Sales Tax collected for the benefit of the Issuer to the Revenue Fund on a monthly basis. The Sales Tax Remittance Agreement governs matters with respect to the collection of sales taxes from the Comptroller, credits and refunds due and owing to the Comptroller, and other matters with respect to the collection and transfer of the Sales Tax. The City shall maintain the proceeds from the collection of the Sales Tax in an account to be maintained at an official depository bank of the City.

(b) The President and the Treasurer of the Board are hereby ordered to do any and all things necessary including mandamus, and any action at law or in equity to accomplish the transfer of monies to the Debt Service Fund in ample time to pay the principal of and interest on the Parity Obligations.

SECTION 8. DEPOSITS OF PLEDGED REVENUES; INVESTMENTS.

(a) The Pledged Revenues shall be deposited in the Debt Service Fund and the Reserve Fund.

(b) Money in any Fund established by this Resolution may, at the option of the Board, be invested in eligible investment securities as described in the Investment Act; provided that all such deposits and investments shall have a par value (or market value when less than par) exclusive of accrued interest at all times at least equal to the amount of money credited to such Funds, and shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Money in the Reserve Fund shall not be invested in securities maturing later than five years from the date such investment is made. Such investments shall be valued in terms of current market value as of the last day of each year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at their par or face principal amount. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

SECTION 9. FUNDS SECURED. Money in all Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the City.

SECTION 10. DEBT SERVICE REQUIREMENTS.

(a) Promptly after the delivery of the Series 2025 Bonds the Issuer shall cause to be deposited to the credit of the Debt Service Fund any accrued interest and any capitalized interest received from the sale and delivery of the Series 2025 Bonds and any such deposit shall be used to pay the interest next coming due on the Series 2025 Bonds.

(b) The Issuer shall transfer or cause to be transferred Pledged Revenues on deposit in the Revenue Fund, and deposit to the credit of the Debt Service Fund the amounts, at the times, as follows:

(1) Such amounts, in substantially equal monthly installments, deposited on or before the 25th day of each month hereafter, as will be sufficient, together with other amounts, if any, then on hand in the Debt Service Fund and available for such purpose, to pay the

interest scheduled to accrue and come due on the Series 2025 Bonds on the next succeeding interest payment date.

(2) Such amounts, in substantially equal monthly installments deposited on or before the 25th day of each month hereafter, as will be sufficient, together with other amounts, if any, then on hand in the Debt Service Fund and available for such purpose, to pay the principal scheduled to mature and come due on the Series 2025 Bonds on the next succeeding principal payment date.

SECTION 11. RESERVE REQUIREMENTS.

(a) The average annual principal and interest requirements for all outstanding Parity Obligations, being the Required Reserve Amount, upon issuance and delivery of the Series 2025 Bonds, equals \$ _____. After accounting for the amount currently maintained in the Reserve Fund, the reserve fund requirement equals \$ _____. The Issuer shall deposit, in monthly installments made on or before the 29th day of each month following the delivery of the Series 2025 Bonds, 1/60th of said amount in the Reserve Fund. Subject to the preceding sentence, when and if the Reserve Fund at any time contains less than the Required Reserve Amount due to any cause or condition other than the issuance of any Additional Obligations, then, subject and subordinate to making the required deposits to the credit of the Debt Service Fund, the Issuer shall transfer or cause to be transferred Pledged Revenues on deposit in the Revenue Fund, and deposit to the credit of the Reserve Fund an amount equal to 1/12th of such deficiency, or from any other sources available for such purpose. When and if the Reserve Fund at any time contains less than the Required Reserve Amount due to the issuance of any Additional Obligations, then, subject and subordinate to making the required deposits to the credit of the Debt Service Fund, the Issuer shall transfer or cause to be transferred Pledged Revenues on deposit in the Revenue Fund, and deposit to the credit of the Reserve Fund an amount equal to 1/60th of such deficiency, or from any other sources available for such purpose. The Issuer may withdraw and use, for any purpose not inconsistent with the provisions of the Act, all surplus in the Reserve Fund over the Required Reserve Amount which are not considered as proceeds of the Series 2025 Bonds; provided however that to the extent such replenishment or restoration is required to occur by virtue of a draw upon the Credit Facility such replenishment or restoration shall take place to the full extent of Pledged Revenue after deposits to the Debt Service Fund.

SECTION 12. DEFICIENCIES; EXCESS PLEDGED REVENUES.

(a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Debt Service Fund and the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

(b) Subject to making the required deposits to the credit of the Debt Service Fund and the Reserve Fund when and as required by this Resolution, or any resolution authorizing the issuance of Additional Obligations, the excess Pledged Revenues may be used by the Issuer for any lawful purpose not inconsistent with the Act.

SECTION 13. PAYMENT. On or before February 15, 2026, and semiannually on or before each August 15 and February 15 thereafter while any of the Parity Obligations are outstanding and unpaid, the

Issuer shall make available to the paying agents therefor (including the Paying Agent/Registrar), out of the Debt Service Fund, and the Reserve Fund (if necessary), money sufficient to pay such interest on and such principal of the Parity Obligations as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The aforesaid paying agents (including the Paying Agent/Registrar) shall destroy all paid Parity Obligations and furnish the Issuer with an appropriate certificate of cancellation or destruction.

SECTION 14. ADDITIONAL PARITY OBLIGATIONS.

(a) The Issuer shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue, and deliver additional Parity Obligations, in accordance with law, and this Resolution, in any amounts, for any lawful purpose, including the refunding or refinancing the Bonds, or other obligations. Such additional Parity Obligations shall be secured by and made payable equally and ratably on a parity with the Bonds and all other outstanding Parity Obligations, from an irrevocable first lien on and pledge of the Pledged Revenues.

(b) Additional Parity Obligations shall be issued only in accordance with the following requirements:

1. The President and the Secretary of the Board of Issuer sign a written certificate to the effect that Issuer is not in default as to any covenant, condition, or obligation in connection with any of the outstanding and unpaid Parity Obligations, and that the Debt Service Fund and the Reserve Fund each contains the amount then required to be therein.

2. An independent certified public accountant (“**CPA**”), or independent firm of CPA’s, acting by and through a CPA, signs a written certificate to the effect that, in his, her or its opinion, during any 12 consecutive calendar month period (out of the previous eighteen months), the Pledged Revenues were at least 1.50 times an amount equal to the average annual principal and interest requirements of the Parity Obligations which are scheduled to be outstanding after the delivery of the then proposed additional Parity Obligations.

3. Provision shall be made in the resolution authorizing their issuance for increasing the Reserve Fund to the Required Reserve Amount as required by Section 16 hereof with the proceeds of the additional Parity Obligations, or other available source or combination of sources including Pledge Revenues, or both.

4. All calculations of the Required Reserve Amount made pursuant to this section shall be made as of and from the date of the additional Parity Obligations then proposed to be issued.

SECTION 15. GENERAL COVENANTS. The Issuer further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, each resolution authorizing the issuance of Additional Obligations, and in each and every Parity Obligation; it will promptly pay or cause to be

paid the principal of and interest on every Parity Obligation, on the dates and in the places and manner prescribed in such resolutions and Parity Obligations; and it will, at the times and in the manner prescribed, deposited or cause to be deposited the amounts required to be deposited into the Debt Service Fund and the Reserve Fund; and any registered owner of the Parity Obligations may require the Issuer, its officials and employees to carry out, respect or enforce the covenants and obligations of this Resolution, or any resolution authorizing the issuance of Additional Obligations, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its officials and employees, or by the appointment of a receiver in equity.

(b) Legal Authority. It is a duly created and existing economic development corporation, and is duly authorized under the laws of the State of Texas, including the Act, to create and issue the Series 2025 Bonds; that all action on its part for the creation and issuance of the Series 2025 Bonds has been duly and effectively taken, and that the Series 2025 Bonds in the hands of the registered owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

(c) Further Encumbrance. It, while the Parity Obligations are outstanding and unpaid, will not additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with Additional Obligations, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Resolution; but the right of the Issuer to issue revenue bonds payable from a subordinate lien on the Pledged Revenues, in accordance with the provisions of the Act, is specifically recognized and retained.

(d) Collection of Sales Tax. The Issuer will take all steps necessary in any action at law or in equity to ensure that, for so long as the Parity Obligations are outstanding, that the City will levy, charge and collect the Sales Tax as required by the Sales Tax Remittance Agreement and the Act.

(e) Records. It will keep proper books of record and account in which full, true and correct entries will be made of all dealings, activities and transactions relating to the Projects, the Pledged Revenues and the Funds created pursuant to this Resolution, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholders.

SECTION 16. DEFEASANCE OF PARITY OBLIGATIONS. (a) Any Parity Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Parity Obligation") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Parity Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Parity Obligations shall have

become due and payable. At such time as a Parity Obligation shall be deemed to be a Defeased Parity Obligation hereunder, as aforesaid, such Parity Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Parity Obligations that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Parity Obligations for redemption; (2) gives notice of the reservation of that right to the owner of the Defeased Parity Obligations immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Parity Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Parity Obligations may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Parity Obligations, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditional all guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until all Defeased Parity Obligations shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Parity Obligations the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Resolution.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Parity Obligations of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Parity Obligations by such random method as it deems fair and appropriate.

(f) Notwithstanding the foregoing, no defeasance shall be deemed to occur until all costs (including draws, expenses, and accrued interest) due to a Credit Facility Provider for a draw on a Credit Facility have been paid in full.

SECTION 17. RESOLUTION A CONTRACT; AMENDMENTS.

(a) This Resolution shall constitute a contract with the registered owners of the Parity Obligations, binding on the Issuer and its successors and assigns, and shall not be amended or repealed by the Issuer as long as any Parity Obligations remain outstanding except as permitted in this Section.

The Issuer may without the consent of or notice to any registered owners, amend, change, or modify this Resolution (i) as may be required by the provisions hereof, (ii) as may be required for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change (other than any change described in clauses (i) through (iv) of the first sentence in subsection (c) below) with respect to which the Issuer receives written confirmation from each rating agency then maintaining a rating on the Parity Obligations at the request of the Issuer that such amendment would not cause such rating agency to withdraw or reduce its then current rating on the Parity Obligations.

(b) In addition, the Issuer may, with the written consent of the registered owners of at least a majority in aggregate principal amount of the Parity Obligations then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Resolution; provided that without the consent of all of the registered owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Parity Obligations, reduce the principal amount thereof or the rate of interest thereof, (ii) give any preference to any Parity Obligations over any other Parity Obligation, (i) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Parity Obligations required for consent to any such amendment, change, modification, or rescission.

(c) Whenever the Issuer shall desire to make any amendment or addition to or rescission of this Resolution requiring consent of the registered owners of the Parity Obligations, the Issuer shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the registered owners (if the registered owners of all Parity Obligations or at least a majority in aggregate principal amount of the Parity Obligations are required to consent) at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the Issuer shall receive an instrument or instruments in writing executed by the registered owners of all or a majority (as the case may be) in aggregate principal amount of the Parity Obligations then outstanding affected by any such amendment, addition, or rescission requiring the consent of the registered owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such amendment, addition, or rescission in substantially such form, except as herein provided.

(d) No Registered Owner may thereafter object to the adoption of any amendment, addition, or rescission which is accomplished pursuant to and in accordance with the provisions of this Section, or

to any of the provisions thereof. and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 18. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED SERIES 2025 BONDS.

(a) Replacement Series 2025 Bonds. In the event any outstanding Series 2025 Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Series 2025 Bond, in replacement for such Series 2025 Bond in the manner hereinafter provided.

(b) Application for Replacement Series 2025 Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Series 2025 Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Series 2025 Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Series 2025 Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2025 Bond, as the case may be. In every case of damage or mutilation of a Series 2025 Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Series 2025 Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Series 2025 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Series 2025 Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Series 2025 Bond) instead of issuing a replacement Series 2025 Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Series 2025 Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Series 2025 Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2025 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Series 2025 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2025 Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Series 2025 Bonds. In accordance with Chapter 1201, Texas Government Code, as amended, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Series 2025 Bonds in the form and manner and with the effect, as provided in Section 4(d) of this Resolution, for Series 2025 Bonds issued in conversion and exchange for other Series 2025 Bonds.

SECTION 19. CUSTODY, APPROVAL, AND REGISTRATION OF SERIES 2025 BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND BOND INSURANCE, IF OBTAINED. The President of the Board of the Issuer is hereby authorized to have control of each Series 2025 Bond issued hereunder and all necessary records and proceedings pertaining to each Series 2025 Bond pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of each Series 2025 Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on each Series 2025 Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each Series 2025 Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers, if any, may, at the option of the Issuer, be printed on each Series 2025 Bond or on any Series 2025 Bonds issued and delivered in conversion of and exchange or replacement of any Series 2025 Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Series 2025 Bonds. In addition, the printer of the Series 2025 Bonds is hereby directed to print on the Series 2025 Bonds the form of bond counsel's opinion relating thereto, and is hereby authorized to print on the Series 2025 Bonds an appropriate statement of insurance supplied by a municipal bond insurance company providing insurance, if any, covering all or any part of the Series 2025 Bonds.

SECTION 20. RULE UNDERTAKING; ANNUAL FINANCIAL STATEMENTS.

(A) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“**EMMA**” means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

“**MSRB**” means the Municipal Securities Rulemaking Board.

“**Rule**” means SEC Rule 15c2-12, as amended from time to time.

“**SEC**” means the United States Securities and Exchange Commission.

(B) Annual Reports. The Corporation shall file with the MSRB pursuant to EMMA the information described in Exhibit C hereof within six (6) months after the end of each Fiscal Year ending in or after 2025. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Corporation may be required to employ from time to time pursuant to state law or regulation and (ii) audited, if the Corporation commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Corporation shall file unaudited statements within such period and audited financial statements for the applicable Fiscal Year with the MSRB, when and if the audit report on such statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the Corporation must have its records and

accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the Executive Director within 180 days after the last day of the Corporation's Fiscal Year. The Corporation's fiscal records and audit reports are available for public inspection during the regular hours of the Executive Director. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552. Thereafter, any person may obtain copies of these documents upon submission of a written request to the Treasurer at Mission Economic Development Corporation, 801 Bryan Road, Mission, Texas, 78572 and upon paying the reasonable copying, handling, and delivery charges for providing this information.

If the Corporation changes its Fiscal Year, it will file notice thereof with the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Corporation otherwise would be required to provide financial information and operating data pursuant to this Section.

(C) Notice of Certain Events. The Corporation shall file notice of any of the following events with respect to the Bonds, to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701- TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds (the Bonds are issued as "taxable obligations" pursuant to the Internal Revenue Code of 1986, as amended);
7. modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership, or similar events of the Corporation, which shall occur as described below;
13. the consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to

covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

The Corporation shall file notice with the MSRB, in a timely manner, of any failure by the Corporation to provide financial information or operating data in accordance with this Section by the time required by this Section.

(D) Limitations, Disclaimers, and Amendments. The Corporation shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Corporation remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Corporation in any event will give notice of any deposit made in accordance with the laws of the State of Texas that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Corporation undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Corporation's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Corporation does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CORPORATION BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CORPORATION, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN

CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Corporation in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Corporation under federal and state securities laws.

The provisions of this Section may be amended by the Corporation from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Corporation, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Corporation (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The Corporation may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Corporation also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Corporation so amends the provisions of this Section, the Corporation shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(E) Information Format- Incorporation by Reference. The information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

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PEREZ LAW FIRM, PLLC
208 Lindberg Avenue
McAllen, Texas 78501
956-782-2700 Telephone
956-782-2703 Fax

September 17, 2025

We have acted as bond counsel to the Mission Economic Development Corporation (the "Corporation") in connection with the issuance of \$10,400,000 aggregate principal amount of bonds designated as "Mission Economic Development Corporation Sales Tax Revenue and Refunding Bonds, Taxable Series 2025" (the "Bonds"). The Bonds are authorized by a resolution adopted by the Board of Directors of the Corporation (the "Board") on August 21, 2025 (the "Resolution"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

In such connection, we have reviewed the Resolution, certificates of the Corporation and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Corporation. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution. We call attention to the fact that the rights and obligations under the Bonds and the Resolution and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against issuers in the State of Texas. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Corporation is a duly created and validly existing body corporate and politic and a public instrumentality of the State of Texas with the power to enter into and perform under the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the Corporation and are valid, binding, and enforceable special obligations of the Corporation in accordance with the terms thereof.

Very truly yours,

APPENDIX D

AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mission Economic Development Corporation
Mission, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund of the Mission Economic Development Corporation, a component unit of the City of Mission, Texas, as of September 30, 2023, and the related notes to the financial statements, which collectively comprise Mission Economic Development Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Mission Economic Development Corporation, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Correction of Error

As discussed in note 3 to the financial statements, revenue and receivables related to the Shary Park Project were not recorded on the books in the prior year. As a result, there was an increase to fund balance/net position in the amount of \$112,341. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mission Economic Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mission Economic Development Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 4-10 and 35-41, respectively, 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

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

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

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report April 24, 2024, on our consideration of Mission Economic Development Corporation's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mission Economic Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mission Economic Development Corporation's internal control over financial reporting and compliance.

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

McAllen, Texas

April 24, 2024

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Mission Economic Development Corporation Management's Discussion and Analysis

As management of the Mission Economic Development Corporation (MEDC), we offer readers of MEDC's financial statements this narrative overview of the financial activities of MEDC for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the financial statement and disclosures following this section.

Financial Highlights

- The assets of MEDC exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,085,927 (net position).

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all MEDC's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the MEDC is improving or deteriorating.

The statement of activities presents information showing how the government's net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Both of the government-wide financial statements present governmental activities of MEDC that are principally supported by sales taxes and operating grants and contributions.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MEDC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of MEDC are governmental.

Mission Economic Development Corporation Management's Discussion and Analysis

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

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

MEDC maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, the Capital Projects Fund and the Special Revenue Fund.

MEDC adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

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 to the financial statements begin on page 17 of this report.

Other information. A budgetary comparison schedule is included as Required Supplementary Information (RSI) for the General Fund and Special Revenue Fund on pages 35-37 and 38, respectively. Budgetary comparison schedule for the Debt Service Fund and Capital Projects Fund are provided as other supplementary information on pages 40 and 41, respectively.

Mission Economic Development Corporation Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of MEDC, assets exceeded by liabilities \$13,085,927 at the close of the fiscal year. Compared to the prior year, net position increased by \$6,057,278.

	Governmental Activities	
	2023	Restated 2022
Current and other assets	\$ 15,083,027	\$ 12,044,217
Capital assets	7,331,468	7,641,233
Total assets	22,414,495	19,685,450
Long-term liabilities	8,230,961	11,676,487
Other liabilities	1,047,385	980,314
Total liabilities	9,278,346	12,656,801
Deferred inflow of resources		
Deferred inflow of resources related to leases	50,222	-
Total deferred inflow of resources	50,222	-
Net position:		
Net investment in capital assets	2,594,080	910,976
Restricted	1,131,272	1,726,736
Unrestricted	9,360,575	4,390,937
Total net position	<u>\$ 13,085,927</u>	<u>\$ 7,028,649</u>

At the end of the current fiscal year, MEDC reported a positive balance in unrestricted net position. Restricted net position is restricted for the purpose of debt service and net investment in capital assets.

Mission Economic Development Corporation Management's Discussion and Analysis

The following table presents detail on revenues and expenses for the governmental activities that affected net position.

	Governmental Activities	
	2023	Restated 2022
Revenues:		
Program revenues:		
Charges for services	\$ 282,164	\$ 263,682
Operating grants and contributions	6,346	351,403
Capital grants and contributions	2,298,596	2,404,565
General Revenues:		
Other taxes	6,504,552	6,103,050
Issuance and filing fees	207,099	122,976
Interest revenue	6,197	-
Investment gains/(losses)	11,245	(28,670)
Miscellaneous	849,194	6,500
Total revenues	<u>10,165,393</u>	<u>9,223,506</u>
Expenses:		
Economic development	3,703,400	3,541,917
Interest on long-term debt	404,715	490,904
Total expenses	<u>4,108,115</u>	<u>4,032,821</u>
Changes in net position	6,057,278	5,190,685
Beginning net position, as restated	<u>7,028,649</u>	<u>1,837,964</u>
Ending net position	<u><u>\$ 13,085,927</u></u>	<u><u>\$ 7,028,649</u></u>

Governmental activities. Governmental activities for the fiscal year increased MEDC's net position by \$6,057,278.

Total revenues reflect an increase of \$941,887, or 10.2% compared to last year. This is attributed to the increase in other taxes and sale of land in FY 22-23. As a result, MEDC experienced an increase in net position.

Mission Economic Development Corporation Management's Discussion and Analysis

Financial Analysis of Government's Funds

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

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

At the end of the current fiscal year, MEDC's governmental funds reported combined ending fund balances of \$14,030,545 an increase of \$3,019,966 in comparison with the prior year. Unassigned fund balance for all governmental funds, which is available for spending at MEDC discretion, reflects a positive \$449,093 balance. The nonspendable fund balance of \$8,280,706 consists of redevelopment assets, land held for sale, prepaids, and lease receivable. In accordance with GASB No. 54; \$1,176,527, is restricted for debt service; and \$4,124,219 is committed, the majority, for various economic development projects, which will be funded over a period of five to 10 years; however, funds are considered committed at the end of the fiscal year.

The General Fund is the chief operating fund of MEDC. At the end of the current fiscal year, unassigned fund balance was a positive \$449,093 and the total fund balance of the general fund was \$12,749,024. This was an increase of \$3,388,655 compared to the prior year.

During the current fiscal year, MEDC general revenues increased by \$1,374,431, partially due to an increase of \$401,502 from Sales Tax revenue and gain on sale of land in the amount of \$763,703. Total expenses increased by \$75,294 partially due to an increase in salaries and related expenses from filling open positions.

Starting in the 2021 fiscal year, MEDC undertook a grant which allowed for redevelopment of property as a private-sector investment. This investment will fund a capital project which will benefit the City. Once completed, this project is conveyed to the City and becomes part of the City's capital assets. During the construction phase, these assets are considered redevelopment assets of MEDC. At end of the current fiscal year the redevelopment asset was \$4,915,504.

The Debt Service Fund has a total fund balance of \$1,176,527, all of which is reserved for the payment of debt service. Sufficient funds were available in the Debt Service Fund to meet principal and interest due for fiscal year 2023.

Mission Economic Development Corporation Management's Discussion and Analysis

General Fund Budgetary Highlights

During the year, the MEDC Board amended the budget twice. All budget amendments must be approved by both the MEDC Board and City Council.

Two budget amendments for expenditures totaling \$1,869,771 during the year were for roof repairs, the transfer to the debt service fund for additional principal payments to be made on outstanding loans and increase in salaries for the Texas Workforce Commission Grant.

Capital Asset and Debt Administration

Long-term debt. At the end of the current fiscal year, MEDC had total long-term debt outstanding of \$8,230,961.

Mission Economic Development Corporation Outstanding Sales Tax Revenue Bonds and Lease Liabilities September 30, 2023

	Governmental Activities	
	2023	2022
Sales Tax Refunding Bonds Series 2010	\$ -	\$ 640,000
2016 Lone Star National Bank	-	941,688
2016 Frost Loan	3,439,409	3,739,409
2018 BBVA Compass Loan	4,779,349	6,335,305
	8,218,758	11,656,402
Lease Liabilities	12,203	20,085
Total	\$ 8,230,961	\$ 11,676,487

Additional information on MEDC's long-term debt can be found on pages 30-31 of this report.

Mission Economic Development Corporation Management's Discussion and Analysis

Economic Factors and Next Year's Budget

Sales tax is the major revenue source for MEDC and changes in the economy for the City of Mission will have an impact on MEDC's financial situation. Another major economic factor that can affect MEDC's financial situation is the unemployment rate.

- According to the Texas Labor Market Review, the unemployment rate for the McAllen-Edinburg-Mission MSA as of November 30, 2023 was 5.3 percent, which represents a decrease compared to 6.3 percent from prior year. The state average rate is reported at 3.5 percent and the national average rate is at 3.5 percent.
- The 2023 General Fund operating budget was prepared using \$9,299,762 as the estimated restricted fund balance at September 30, 2023. The actual total fund balance for the general fund was \$12,749,024. A \$10,724,535 fund balance is projected at September 30, 2024.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS



Mission Economic Development Corporation
Statement of Net Position
Exhibit A-1

<i>September 30, 2023</i>	Governmental Activities
Assets	
Cash and cash equivalents	\$ 939,163
Receivables, net	1,787,720
Due from primary government	3,252,054
Prepaid expenses	517
Land held for resale	3,314,462
Lease receivable	50,222
Redevelopment assets	4,915,504
Restricted assets	823,385
Capital assets	
Land	2,100,959
Leases, net of amortization	12,161
Capital assets, net of accumulated depreciation	5,218,348
Total assets	22,414,495
Liabilities	
Accounts payable	705,978
Accrued interest payable	46,255
Retainage payable	221,904
Due to primary government	72,598
Unearned revenue	650
Noncurrent liabilities	
Due within one year	704,564
Due in more than one year	7,526,397
Total liabilities	9,278,346
Deferred Inflows of Resources	
Deferred inflows related to leases	50,222
Total deferred inflows of resources	50,222
Net Position	
Net investment in capital assets	2,594,080
Restricted for	
Debt service	1,131,272
Unrestricted	9,360,575
Total net position	\$ 13,085,927

The accompanying notes are an integral part of this financial statement.

Mission Economic Development Corporation
Statement of Activities
Exhibit A-2

<i>For the year ended September 30, 2023</i>		Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Component unit:					
Governmental activities					
Economic development	\$ 3,703,400	\$ 282,164	\$ 6,346	\$ 2,298,596	\$ (1,116,294)
Interest and fiscal charges on long-term debt	404,715	-	-	-	(404,715)
Total governmental activities	\$ 4,108,115	\$ 282,164	\$ 6,346	\$ 2,298,596	(1,521,009)
General revenues					
Sales taxes					6,504,552
Issuance and filing fees					207,099
Interest revenue					6,197
Investment gains					11,245
Miscellaneous					849,194
Total general revenues					7,578,287
Change in net assets					6,057,278
Net position, beginning of year					6,916,308
Prior period adjustment (see Note 3)					112,341
Net position, beginning of year as restated					7,028,649
Net position, end of year					\$ 13,085,927

The accompanying notes are an integral part of this financial statement.

Mission Economic Development Corporation
Balance Sheet - Governmental Funds
Exhibit A-3

<i>September 30, 2023</i>	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 834,169	\$ -	\$ -	\$ 104,994	\$ 939,163
Restricted cash and cash equivalents	-	346,832	-	-	346,832
Investments	-	476,553	-	-	476,553
Prepaid expenses	517	-	-	-	517
Receivables					
Sales taxes	1,106,137	-	-	-	1,106,137
Accounts-other	310,231	-	-	-	310,231
Accrued interest receivable	-	560	-	-	560
Due from other governments	370,662	-	-	-	370,662
Due from primary government	2,898,472	353,582	-	-	3,252,054
Lease receivable	50,222	-	-	-	50,222
Land held for resale	3,314,462	-	-	-	3,314,462
Redevelopment assets	4,915,504	-	-	-	4,915,504
Total assets	13,800,376	1,177,527	-	104,994	15,082,897
Liabilities					
Accounts payable	705,978	-	-	-	705,978
Accrued interest payable	-	1,000	-	-	1,000
Retainage payable	221,904	-	-	-	221,904
Due to primary government	72,598	-	-	-	72,598
Unearned revenue	650	-	-	-	650
Total liabilities	1,001,130	1,000	-	-	1,002,130
Deferred inflows of resources					
Deferred inflows related to leases	50,222	-	-	-	50,222
Total deferred inflows of resources	50,222	-	-	-	50,222
Fund balances					
Nonspendable	8,280,706	-	-	-	8,280,706
Restricted for					
Debt	-	1,176,527	-	-	1,176,527
Committed	4,019,225	-	-	104,994	4,124,219
Unassigned	449,093	-	-	-	449,093
Total fund balances	12,749,024	1,176,527	-	104,994	14,030,545
Total liabilities and fund balances	\$13,800,376	\$1,177,527	\$ -	\$ 104,994	\$ 15,082,897

The accompanying notes are an integral part of this financial statement.

Mission Economic Development Corporation
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
Exhibit A-4

September 30, 2023

Total fund balances - governmental funds	\$ 14,030,545
--	---------------

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

Capital assets used in governmental activities are not reported in the funds.	7,319,307
---	-----------

Lease assets of \$28,873 net of accumulated amortization of \$16,712 are not financial resources, and therefore are not reported as assets in governmental funds.	12,161
---	--------

Receivables for non current assets not due in the current period and not reported in the funds.	130
--	-----

Payables for lease liabilities and bond principal which are not due in the current period are not reported in the funds.	(8,230,961)
---	-------------

Interest payable on bonds is not accrued in the governmental funds, but rather recognized as an expenditure when due.	(45,255)
--	----------

Net position of governmental activities	\$ 13,085,927
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The accompanying notes are an integral part of this financial statement.

Mission Economic Development Corporation
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Exhibit A-5

<i>For the year ended September 30, 2023</i>	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
Revenues					
Taxes	\$ 6,504,552	\$ -	\$ -	\$ -	\$ 6,504,552
Intergovernmental	995,307	-	-	-	995,307
Charges for services	282,164	-	-	-	282,164
Interest	872	4,881	-	314	6,067
Investment gains	-	11,245	-	-	11,245
Miscellaneous	1,602,225	-	-	-	1,602,225
Total revenues	9,385,120	16,126	-	314	9,401,560
Expenditures					
Current					
General government					
Economic development	3,370,892	-	15,869	-	3,386,761
Texas workforce commission grant	6,346	-	-	-	6,346
Debt service					
Principal	8,410	3,437,644	-	-	3,446,054
Interest and fiscal charges	63	418,414	-	-	418,477
Total expenditures	3,385,711	3,856,058	15,869	-	7,257,638
Excess (deficiency) of revenue over (under) expenditures	5,999,409	(3,839,932)	(15,869)	314	2,143,922
Other Financing Sources (Uses)					
Sale of land held for sale	763,703	-	-	-	763,703
Operating transfers	(3,486,798)	3,486,798	-	-	-
Net other financing sources (uses)	(2,723,095)	3,486,798	-	-	763,703
Net change in fund balances	3,276,314	(353,134)	(15,869)	314	2,907,625
Fund balances, beginning of year	9,360,369	1,529,661	15,869	104,680	11,010,579
Prior period adjustment (Note 3)	112,341	-	-	-	112,341
Fund balances, end of year	\$ 12,749,024	\$ 1,176,527	\$ -	\$ 104,994	\$ 14,030,545

The accompanying notes are an integral part of this financial statement.

Mission Economic Development Corporation
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
Exhibit A-6

For the year ended September 30, 2023

Net change in fund balances - total governmental funds	\$ 2,907,625
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in governmental activities on the statement of net position.	6,194
The depreciation of capital assets used in governmental activities is not reported in the fund financial statements, but should be shown as a decrease in governmental activities on the statement of net position.	(308,011)
Principal payments related to lease liabilities of \$8,410 and the amortization of lease assets of (\$8,476) were reported in the statement of activities.	(66)
Repayment of bond principal is an expenditure in the fund financial statements, but is not an expense in the Statement of Activities. The net effect of these debt principal repayments is to increase net position.	3,437,644
(Increase) decrease in accrued interest from beginning of period to end of period.	13,892
Change in net position of governmental activities	<u>\$ 6,057,278</u>

The accompanying notes are an integral part of this financial statement.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 1: THE REPORTING ENTITY

The accompanying financial statements include Mission Economic Development Corporation (MEDC) and its blended component unit, Mission Education Development Council, Inc., collectively referred to as “the financial reporting entity.” The component unit has been included in the MEDC’s reporting entity because of the nature and significance of its operational relationship with MEDC.

On September 12, 1994, the Mission Economic Development Corporation was issued a Certificate of Incorporation by the State of Texas as a nonprofit corporation under the Development Corporation Act of 1979 Vernon's Ann Civ. St. Art. 5190.6 as amended. The Mission Economic Development Corporation was organized on behalf of the City of Mission, Texas for the specific public purpose of the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare. Funding for MEDC comes from an additional ½ of 1% sales tax approved by the voters of the City of Mission. MEDC is operated and governed by a seven member board of directors, six of whom are appointed by the City Council. The seventh member is the mayor of the City of Mission, Texas. The City Council also appoints an alternate board member to serve in instances when the mayor is unable to serve. Any director may be removed from office by the City Council for cause or at will. In addition, the City approves the programs and expenditures of MEDC and must approve amendments to MEDC's bylaws and Articles of Incorporation. Therefore, these accompanying financial statements are not intended to present fairly the financial position, results of operations and cash flows, where appropriate, for the City of Mission, Texas. These financial statements are included in the comprehensive annual financial report for the City of Mission, Texas as a discretely presented component unit.

The authority to enact the sales and use tax for economic development is outlined in the Development Corporation Act of 1979, including subsequent amendments. Under Section 4B of the Act, cities may use the funds raised by this sales tax for purposes related to economic development.

These purposes include:

- Purchasing land, building and equipment;
- Facilities including public safety facilities;
- Targeted infrastructure and improvements for the creation or retention of primary jobs that the Mission Economic Development Corporation's board deems suitable for manufacturing and industrial facilities, research and development facilities, transportation facilities, sewage or solid waste disposal facilities;
- Funding other projects found in the Act that are in the best interests of the City.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 1: THE REPORTING ENTITY (*Continued*)

Blended Component Unit

Mission Education Development Council, Inc. is a non-profit corporation developed to assist and support MEDC by promoting MEDC's education initiatives and Center for Education and Economic Development in order to create a 21st century ready workforce. The Board of Directors consist of seven directors, one of whom is the Mayor of the City of Mission, Texas. The remaining six are appointed by the Mayor and City Council of the City of Mission, Texas. At September 30, 2023, the board of directors and chief executive for Mission Education Development Council, Inc. were the same as those for MEDC.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the reporting entity. The effect of interfund activity has been removed from these statements. Governmental activities generally are supported by taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who benefit from privileges provided by a given function or segment such as issuance fees and annual fees assessed on conduit debt.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

A. Government-Wide and Fund Financial Statements (*Continued*)

MEDC reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the MEDC. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – The Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Fund – The Special Revenue Fund is used to account for resources restricted to, or committed for, a specific purpose by the Corporation or a grantor. Most federal and some state financial award programs are accounted for in these funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, MEDC considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as claims and judgments, are recorded only when payment is due. Sales taxes collected and held by the intermediary collecting governments at year end on behalf of the MEDC are also recognized as revenue.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

C. Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund, capital projects fund, and special revenue fund. The capital projects fund is appropriated on a project-length basis. The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board of Directors as well as the City of Mission, Texas' City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Cash and Cash Equivalents

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

2. Investments

At September 30, 2023, MEDC had investments comprised of certificates of deposit and government bonds which are reported at fair market value.

The Mission Economic Development Corporation can legally invest in adequately secured investments in accordance with the Public Funds Investment Act. In general, MEDC's investment policy allows MEDC to invest in certificates of deposit, repurchase agreements, obligations of the U.S. Government and its Agencies or instrumentalities and State obligations.

3. Receivables

Receivables consist of uncollected sales tax revenue, accrued interest and developer and grant related receivables. For additional information see note 4.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

4. Interfund Activities and Transactions

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line of the government-wide statement of net position.

5. Order of Expenditure of Funds

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, MEDC considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, MEDC considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

6. Capital Assets

Capital assets are reported in the government-wide Statement of Net Position. Capital assets are defined by the MEDC as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. All capital assets are recorded at historical cost and depreciated using the straight line method over their estimated useful lives unless they are inexhaustible, such as land. Depreciation is not recorded on items classified as construction in progress. Depreciation expense is recorded in the government-wide Statement of Activities.

Assets	Estimated useful lives
Buildings and improvements	9-46
Furniture and equipment	3-20
Vehicles	3-20

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

7. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. *Deferred outflow of resources* represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from leases. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

8. Fund Balance Reporting

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

8. Fund Balance Reporting (*Continued*)

Assigned Fund Balance – Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

9. Land Held for Resale

MEDC holds commercial real estate lots available for sale within an economically depressed area. These lots will be sold to attract development to further benefit the City of Mission.

10. Restricted Assets

Certain proceeds of long-term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable debt covenants. The "interest and sinking fund" account is used to segregate resources accumulated for debt service payments over the next twelve months.

11. Long-Term Obligations

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities net of any related premiums or discounts. Bond premiums and discounts are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received and discounts incurred on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

12. Leases

Lease contracts that provide the MEDC with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The leased asset is recorded for the same amount as the related lease liability plus prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

13. Use of Estimates

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

14. Rounding Adjustments

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

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 24, 2024 and determined that there were no events that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

16. Recently issued and implemented accounting pronouncements

The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The GASB has issued the following statements that may be applicable to MEDC.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

16. Recently issued and implemented accounting pronouncements (*Continued*)

Current Accounting Standards

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

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. This Statement was adopted in the current year, resulting in no material effect.

In April 2022, GASB issued Statement No. 99, Omnibus 2022, enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Clarification of provisions in statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives. Clarification of provisions in Statement No. 96,

Subscription-Based Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. This Statement was adopted in the current year, resulting in no material effect.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

16. Recently issued and implemented accounting pronouncements (*Continued*)

Future Accounting Standards

Future accounting standards possibly applicable to the MEDC that have been issued by the Governmental Accounting Standards Board are:

- Statement No. 100, *Accounting Changes and Error Corrections-an Amendment*

In June 2022, GASB Statement No. 100, Accounting Changes and Error Corrections, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

NOTE 3: PRIOR PERIOD ADJUSTMENT

Revenue and receivables related to the Shary Park Project were not recorded on the books in the prior year. As a result, there was an increase to fund balance/net position in the amount of \$112,341.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits – At September 30, 2023, the carrying value was \$1,285,495 and the bank balance of MEDC's deposits was \$1,290,379. Deposits include demand accounts and certificate of deposits with an initial maturity of three months or less. At September 30, 2023, all deposits were fully insured or collateralized. See custodial credit risk below.

Investments – At September 30, 2023, MEDC had investments comprised of certificates of deposit and government bonds.

MEDC is required by Government Code Chapter 2256, The Public Funds Investment Act (the “Act”), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowed stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

MEDC’s investments reported at fair value, in restricted assets, are as follows at September 30, 2023:

Investments

Certificate of deposit (fair value - level 2)	\$ 239,413
Government bonds (fair value - level 2)	237,140
Total investments	<u>\$ 476,553</u>

At September 30, 2023, MEDC had deposits collateralized by pledged securities of \$1,007,446; all deposits were insured by the FDIC or were fully collateralized.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

A reconciliation of cash and cash equivalents and restricted assets as shown on the statement of net position (Exh. A-1) for MEDC is as follows:

Cash and cash equivalents	\$ 939,163
Restricted assets	823,385
Cash and cash equivalents and restricted assets (Exh. A-1)	\$ 1,762,548
<hr/>	
Cash on hand	\$ 500
Carrying amount of deposits	1,285,495
Investments	476,553
Cash and cash equivalents and investments	\$ 1,762,548

*\$353,582 in due from primary government and \$560 in accrued interest receivable are also restricted. However, for presentation purposes it is not included in the restricted amount shown above.

B. Receivables

	Taxes	Accounts- Other	Accrued Interest Receivable	Due from Other Governments	Net
Governmental Activities					
General	\$ 1,106,137	\$ 310,231	\$ 130	\$ 370,662	\$ 1,787,160
Debt Service	-	-	560	-	560
Total	\$ 1,106,137	\$ 310,231	\$ 690	\$ 370,662	\$ 1,787,720

C. Interfund Transfers

Transfers out of the general fund in the amount of \$3,486,798 to the debt service fund were for the sale of three properties and the increased required payments for debt due within the fiscal year.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS (Continued)

D. Land Held for Resale

MEDC holds commercial real estate lots available for sale within an economically depressed area. At September 30, 2023 the remaining properties are stated at a cost of \$3,314,462, which is less than their estimated fair value. These lots will continue to be sold to attract development to further benefit the City of Mission.

E. Redevelopment assets

Redevelopment assets had a year-end balance of \$4,915,504. This project will be conveyed to the City of Mission or other governmental entities upon completion.

Water and Sewer Improvements	\$ 3,450,922
Streets	1,435,832
Right-of-Way	28,750
<hr/>	
Total Revelopment Assets	\$ 4,915,504
<hr/>	

F. Restricted Assets

Restricted assets held by Mission Economic Development Corporation at September 30, 2023 consisted of the following:

	Cash and Cash Equivalents	Investments	Total Restricted Assets
Debt service fund	\$ 346,832	\$ 476,553	\$ 823,385
Total	\$ 346,832	\$ 476,553	\$ 823,385
<hr/>			

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS (Continued)

G. Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2023:

	Balance at September 30, 2022	Increases	Decreases	Balance at September 30, 2023
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 2,100,959	\$ -	\$ -	\$ 2,100,959
Capital assets, not being depreciated	2,100,959	-	-	2,100,959
Capital assets, being depreciated				
Machinery and equipment	1,275,892	6,194	-	1,282,086
Building	6,368,101	-	-	6,368,101
Capital assets, being depreciated	7,643,993	6,194	-	7,650,187
Less accumulated depreciation for				
Machinery and equipment	(1,109,424)	(61,611)	-	(1,171,035)
Building	(1,014,404)	(246,400)	-	(1,260,804)
Total accumulated depreciation	(2,123,828)	(308,011)	-	(2,431,839)
Total capital assets being depreciated, net	5,520,165	(301,817)	-	5,218,348
Lease assets, being amortized				
Lease assets	28,345	528	-	28,873
Less accumulated amortization	(8,236)	(8,476)	-	(16,712)
Total lease assets, being amortized, net	20,109	(7,948)	-	12,161
Governmental activities capital assets, net	\$ 7,641,233	\$ (309,765)	\$ -	\$ 7,331,468

Depreciation & amortization expense charged to governmental activities totaled \$316,487 for the year ended September 30, 2023.

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS (Continued)

H. Long – Term Debt Payable

Sales tax revenue notes payable at September 30, 2023 for the MEDC is comprised of the following:

\$6,000,000 - Sales and Use Tax Revenue Note, Series 2016-A due in semi-annual installments of \$300,000 including interest at 2.85% payable to Frost Bank. Note matures August 1, 2036. Note is collateralized by sales tax revenues collected. \$ 3,439,409

\$7,919,131 - Sales and Use Tax Revenue Note, due in annual installments of \$395,957, including interest at 4.82% payable to BBVA Compass Bank. Note matures on February 15, 2038. Note is collateralized by sales tax revenues collected. 4,779,349

\$ 8,218,758

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

<i>Year ending September 30,</i>	Principal	Interest	Total
2024	\$ 695,957	\$ 320,479	\$ 1,016,436
2025	695,957	292,453	988,410
2026	695,957	264,699	960,656
2027	695,957	236,945	932,902
2028	695,957	209,369	905,326
2029-2033	3,479,783	629,730	4,109,513
2034-2038	1,259,190	62,294	1,321,484
Total	8,218,758	2,015,969	10,234,727
Current portion	(695,957)	(320,479)	(1,016,436)
Payable after one year	\$ 7,522,801	\$ 1,695,490	\$ 9,218,291

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS (Continued)

H. Long – Term Debt Payable (Continued)

The following is a summary of changes in long-term debt obligations for MEDC for the year ended September 30, 2023:

	September 30, 2022	Additional Obligations and Net Increase	Retirements and Net Decreases	September 30, 2023	Due Within One Year
Bonds and notes:					
Sales Tax Refunding Bond	\$ 640,000	\$ -	\$ (640,000)	\$ -	\$ -
Sales Tax Revenue Note - LSNB	941,688	-	(941,688)	-	-
Sales Tax Revenue Note - Frost	3,739,409	-	(300,000)	3,439,409	300,000
Sales Tax Revenue Note - BBVA	6,335,305	-	(1,555,956)	4,779,349	395,957
Total bonds and notes	11,656,402	-	(3,437,644)	8,218,758	695,957
Other Liabilities:					
Lease Liabilities	20,085	528	(8,410)	12,203	8,607
Total other liabilities	20,085	528	(8,410)	12,203	8,607
Total long-term debt obligations	\$ 11,676,487	\$ 528	\$ (3,446,054)	\$ 8,230,961	\$ 704,564

As of September 30, 2023, MEDC does not have any direct borrowings.

I. Leases - Lessee Obligations

MEDC has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 Leases and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

MEDC has a lease agreement with Kyocera Document Solutions Southwest, LLC. for multifunction printers with a fixed monthly payment of \$1,309. The lease has an interest rate of 0.408% which is the stated rate in the lease agreement. The lease liability as of September 30, 2023 is \$12,203.

<i>Year ending September 30,</i>	Principal	Interest	Total
2024	\$ 8,607	\$ 34	\$ 8,641
2025	3,596	4	3,600
Total	12,203	38	12,241
Current portion	(8,607)	(34)	(8,641)
Long term	\$ 3,596	\$ 4	\$ 3,600

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS (Continued)

J. Leases – Lessor

MEDC entered into a 36 month lease as Lessor for the use of the of office space. The lessee is required to make monthly fixed payments of \$1,800. The lease has an interest rate of 3.113%. MEDC recognized lease revenue of \$11,728. The lessor receivable as of September 30, 2023 is \$50,222.

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30, 2023 are as follows:

<i>Year ending September 30,</i>	Principal	Interest	Total
2024	\$ 20,325	\$ 1,275	\$ 21,600
2025	20,967	633	21,600
2026	8,930	70	9,000
Total	\$ 50,222	\$ 1,978	\$ 52,200

K. Conduit Debt Obligations

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

To further economic development in the City, Mission Economic Development Corporation has issued Industrial Development Bonds to provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

Neither the City of Mission, Texas, the State of Texas, nor any political corporation, subdivision nor agency of the State of Texas is obligated in any manner to pay the principal of, premium, if any, interest on, or the purchase price of the bonds, and neither the faith and credit nor the taxing power of the State of Texas, Mission, Texas or any other political corporation, subdivision, or agency thereof, is pledged to the payment of the principal of, premium, if any, interest on, or the purchase price of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2023 there were ten series of Industrial Development Bonds outstanding. There was one issuance in the current fiscal year. The aggregate principal amount payable for the ten series issued prior to October 1, 2023 was \$692.39 million. Issuance dates for the ten series range from May

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 4: DETAILED NOTES ON ALL FUNDS (Continued)

K. Conduit Debt Obligations (Continued)

2007 to June 2023 and interest rates range from 2.9% to 10.88%. Maturity dates range from December 2025 to May 2050.

In connection with the process which ultimately may lead to the issuance of conduit debt, MEDC charges an application fee of \$2,500 per application of which \$1,250 is paid to the financial advisor for local access fees. During the year ended September 30, 2023, there were three applications submitted, one of which was completed.

Upon issuance of conduit debt, an issuance fee is assessed based on the terms of the agreements. For the year ending September 30, 2023, MEDC received \$160,000 of which \$80,000 was paid to local advisor for local access fees.

After conduit debt has been issued, MEDC charges an annual fee based upon the original par value of the bonds which ranges from 2 basis points to 5 basis points depending on the type of project and the rating of the bonds being issued. For the year ended September 30, 2023, MEDC received \$251,698 of which \$125,849 was paid to the advisor for local access fees.

I. Net Position

Net position as of September 30, 2023 consists of :

	Governmental Activities
Net investment in capital assets:	
Capital assets, net of accumulated depreciation/amortization	\$ 7,331,468
Less related liabilities	(4,737,388)
Total net investment in capital assets	2,594,080
Restricted net position consists of the following:	
Debt service	1,131,272
Restricted net position - total	1,131,272
Unrestricted net position	9,360,575
Total net position	\$ 13,085,927

Mission Economic Development Corporation
Notes to Financial Statements
September 30, 2023

NOTE 5: RISK MANAGEMENT

MEDC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which it obtains commercial insurance through the City of Mission, Texas, of which it is a component unit. There have been no significant reductions in insurance coverage from the previous year and there were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE 6: RELATED PARTY TRANSACTIONS

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

The City of Mission provides personnel services to carry out the daily operating activities of MEDC. MEDC does not reimburse the City of Mission for the services provided as well as accounting and overhead costs.

NOTE 7: COMMITMENTS AND CONTINGENCIES

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

Incentives	Committed	Expended to Date	Remaining Commitment
Wonderful Citrus	\$ 3,000,000	\$ 2,400,000	\$ 600,000
Cantu Bungalows	500,000	250,000	250,000
IHOP Incentive	338,000	67,600	270,400
RODCO	165,000	-	165,000
Brand Geniuz	55,000	35,000	20,000
Bettcher Manufacturing	74,000	-	74,000
Scooters	100,000	-	100,000
Harbor Freight	150,000	-	150,000
Olive Garden	125,000	-	125,000
New Quest	1,750,000	-	1,750,000
MMC Equity	125,000	-	125,000
Shops at 495	250,000	-	250,000
Other Infrastructure Projects	252,325	112,500	139,825
	<u>\$ 6,884,325</u>	<u>\$ 2,865,100</u>	<u>\$ 4,019,225</u>

APPENDIX E
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

**Financial Advisory Services
Provided By**

ESTRADA  HINOJOSA
A DIVISION OF TRB CAPITAL MARKETS