

**Development Corporation of Mercedes, Inc.**

**Agenda**

**August 20, 2020 at 4:00PM**

**320 S. Ohio**

**Development Corporation of Mercedes, Inc.**

**Agenda**

**August 20, 2020 4PM**

**320 S Ohio**

NOTICE, is hereby given that the Development Corporation of Mercedes, Inc. will be holding a **VIRTUAL Special Called Meeting on Thursday, August 20, 2020 at 4PM at URL: <https://global.gotomeeting.com/join/113089045> /PHONE: 1 866 899 4679 / ACCESS CODE: 113-089-045**, for the purpose of considering and taking formal action regarding the following items:

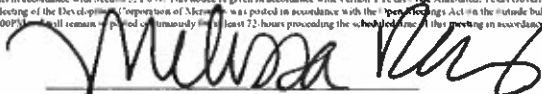
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1. Call meeting to order
2. Discussion and Action: Minutes for August 6, 2020 and August 13, 2020
3. Discussion and Action: Financial Report for July 2020
4. Discussion and Action: FY18-19 Audit Corrective Action
5. Discussion: FY20-21 Budget
6. Discussion and Action: Resolution Approving the Modification and Extension of the Development Corporation of Mercedes, Inc. Junior Lien Sales Tax Revenue Bonds, Taxable Series 2016
7. Discussion and Action: Recommendations for Mercedes Small Business Recovery Assistance Grant Program
8. Discussion and Action: Mercedes Small Business Recovery Grant- Marisa de Leon
9. Discussion and Action: Mercedes Small Business Recovery Grant- Raquel Pina
10. Discussion and Action: Mercedes Small Business Recovery Grant- Martha Adame
11. Discussion and Action: Mercedes Small Business Recovery Grant- Mario Dominguez
12. Discussion and Action: Mercedes Small Business Recovery Grant- Mario Dominguez, Jr.
13. Discussion and Action: Mercedes Small Business Recovery Grant- Alejandrina Telles
14. Discussion and Action: Mercedes Small Business Recovery Grant- Elida Rizo
15. Discussion and Action: Mercedes Small Business Recovery Grant- Chris Desiga
16. Discussion and Action: Mercedes Small Business Recovery Grant- Guadalupe Cano
17. Discussion and Action: Mercedes Small Business Recovery Grant- Jaime Perez
18. Discussion and Action: Mercedes Small Business Recovery Grant- Jesse Ledesma
19. Discussion and Action: Mercedes Small Business Recovery Grant-Fidel Bonilla
20. Executive Session: Section 551.087: Economic development negotiations with Project Tree and Project Salsa and Section 551.071: pending legal issues with Project Residency and Project CL Healthcare and on any regular agenda item requiring confidential, attorney-client advice necessitated by the deliberation or discussion of said item as needed.
21. Discussion and Action: item #20

## 22. Adjournment

The Board of Directors reserves the right to go into Executive Session at any time during the meeting to consult with its attorney in accordance with Section 551.071, deliberate the purchase or sale of real property in accordance with Section 551.072, deliberate personnel matters in accordance with Section 551.074, and/or deliberate economic development negotiations in accordance with Section 551.047. This notice is given in accordance with Vernon's Texas Code Annotated, Texas Government Code, Section 551.001 et seq. I hereby certify this Notice of a Meeting of the Development Corporation of Mercedes was posted in accordance with the Open Meetings Act on the outside bulletin board at City Hall of the City of Mercedes, located at 400 S. Olive, visible and accessible to the general public during and after working hours. This notice was posted on the 14th day of August, 2020 at 4:00PM. It will remain posted continuously for at least 72 hours preceding the scheduled time of this meeting in accordance with Chapter 551 of the Texas Government Code.

ATTEST:



Melissa Ramirez, Development Corporation of Mercedes

## **1. Call meeting to order**

## **2. Discussion and Action: Minutes for August 6, 2020 and August 13,2020**

**Development Corporation of Mercedes, Inc.**  
**Virtual Special Called Meeting**  
**Thursday, August 6, 2020 11:30AM**  
**globalgotomeetings.com**

**Board Members Present:**

Fred Gonzalez – President  
Joe Flores – Vice President  
Jaime Gonzales – Secretary  
Roel Villanueva- Member  
David Garza – Member

**Board Members Absent:**

Tony Garza – Treasurer

**EDC Staff Present:**

Melissa Ramirez – Executive Director  
Rose Saenz – Administrative Coordinator

**City Staff Present:**

Mark Sossi – DCM Interim Attorney

**Others Present:**

Roberto Carrillo – Givilancz & Martinez  
Aaron Rios – CRI CPAs and Advisors  
Carla Gomez – CRI CPAs and Advisors  
Ana Cadena Trevino – CRI CPAs and Advisors

**1. Call Meeting to order**

Fred Gonzalez called the meeting to order at 11:30 AM.

**2. Discusion and Action: FY18-19 Audit, Carr, Riggs & Ingram**

Joe Flores motioned to approve the FY18-19 Audit, Carr, Riggs & Ingram as presented. Seconded by Jaime Gonzales. All voted aye.

**3. Adjournment: 11:50 AM**

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Fred Gonzalez, President

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Joe Flores, Jr., Vice President

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Tony Garza, Treasurer

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Jaime Gonzales, Secretary

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Roel Villanueva, Member

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David Garza, Member

**Development Corporation of Mercedes, Inc.**  
**Virtual Special Called Meeting**  
**Thursday, August 13, 2020 11:30AM**  
**globalgotomeetings.com**

**Board Members Present:**

Fred Gonzalez – President  
Joe Flores – Vice President  
Tony Garza – Treasurer  
Jaime Gonzales – Secretary  
David Garza – Member

**Board Members Absent:**

Roel Villanueva- Member

**EDC Staff Present:**

Melissa Ramirez – Executive Director  
Rose Saenz – Administrative Coordinator

**City Staff Present:**

**Others Present:**

Frank San Martin – Hollis Rutledge and Associates

**1. Call Meeting to order**

Fred Gonzalez called the meeting to order at 11:31 AM.

**2. Discussion and Action: Mercedes Small Business Recovery Grant – Joe Longoria**

David Garza motioned to approve Mercedes Small Business Recovery Assistance Grant application in the amount of \$5,000 for Joe Longoria – DBA Wes-Mer Drive-in . Seconded by Jaime Gonzales. All voted aye.

**3. Discussion and Action: Mercedes Small Business Recovery Grant – Albaro de la Garza**

David Garza motioned to approve Mercedes Small Business Recovery Assistance Grant application in the amount \$5,000 for Albaro de la Garza – DBA De la Garza Bakery. Seconded by Tony Garza. All voted aye.

**4. Discussion and Action: Mercedes Small Business Recovery Grant – Jason Martinez**

Tony Garza motioned to approve Mercedes Small Business Recovery Assistance Grant application in the amount of \$3,000 for Jason Martinez – DBA The Grind. Seconded by David Garza. All voted aye.

**5. Discussion and Action: Mercedes Small Business Recovery Grant – Sonia A. Martinez**



Tony Garza motioned to table Mercedes Small Business Recovery Assistance Grant application for Sonia A. Martinez – DBA Valley Oak Tree Learning Center, Inc. and resubmit if application guidelines are amended. Seconded by Jaime Gonzales. All voted aye.

**6. Adjournment:** 11:52 AM

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Fred Gonzalez, President

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Joe Flores, Jr., Vice President

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Tony Garza, Treasurer

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Jaime Gonzales, Secretary

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Roel Villanueva, Member

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David Garza, Member

### **3. Discussion and Action: Financial Report for July 2020**

## June 2020 Sales Tax Allocation

City/County	City	Rate	Net Payment This Period	Comparable Payment	Prior Year	% Change	Payment YTD	Prior Year Payment YTD	% Change
Hidalgo	Alamo	2.00%	\$395,489.40	\$347,495.67	\$347,495.67	13.81%	\$2,826,603.92	\$2,556,812.14	10.55%
Hidalgo	Alton	2.00%	\$140,918.16	\$100,760.74	\$100,760.74	39.85%	\$981,799.39	\$782,972.78	25.39%
Hidalgo	Donna	2.00%	\$440,750.86	\$345,128.33	\$345,128.33	27.70%	\$2,998,352.50	\$2,621,827.99	14.36%
Hidalgo	Edcouch	2.00%	\$32,876.50	\$23,773.96	\$23,773.96	38.28%	\$221,055.62	\$172,709.83	27.99%
Hidalgo	Edinburg	2.00%	\$2,364,095.76	\$2,243,679.02	\$2,243,679.02	5.36%	\$17,335,903.84	\$16,932,199.83	2.38%
Hidalgo	Elsa	1.50%	\$142,123.19	\$167,448.27	\$167,448.27	-15.12%	\$940,199.39	\$1,133,307.31	-17.03%
Hidalgo	Granjeno	1.00%	\$3,769.13	\$2,806.81	\$2,806.81	34.28%	\$26,741.86	\$22,691.55	17.84%
Hidalgo	Hidalgo	2.00%	\$263,284.36	\$252,495.77	\$252,495.77	4.27%	\$2,095,036.95	\$1,984,994.48	5.54%
Hidalgo	La Joya	2.00%	\$69,717.30	\$55,682.00	\$55,682.00	25.20%	\$381,117.50	\$350,725.10	8.66%
Hidalgo	La Villa	1.50%	\$10,573.27	\$9,429.02	\$9,429.02	12.13%	\$75,007.46	\$78,405.29	-4.33%
Hidalgo	McAllen	2.00%	\$6,154,666.57	\$6,095,056.82	\$6,095,056.82	0.97%	\$44,421,067.66	\$46,399,047.47	-4.26%
Hidalgo	Mercedes	2.00%	\$446,753.21	\$529,631.90	\$529,631.90	-15.64%	\$3,726,733.85	\$4,259,369.57	-12.50%
Hidalgo	Mission	2.00%	\$1,679,262.51	\$1,484,658.81	\$1,484,658.81	13.10%	\$10,993,647.73	\$11,146,821.61	-1.37%
Hidalgo	Palmhurst	1.50%	\$204,535.97	\$181,626.51	\$181,626.51	12.61%	\$1,504,286.20	\$1,419,337.19	5.98%
Hidalgo	Palmview	1.00%	\$124,540.46	\$91,118.58	\$91,118.58	36.67%	\$757,687.05	\$676,877.19	11.93%
Hidalgo	Penitas	1.50%	\$101,729.04	\$70,221.14	\$70,221.14	44.86%	\$734,870.06	\$593,323.27	23.85%
Hidalgo	Pharr	2.00%	\$2,046,242.72	\$1,797,678.79	\$1,797,678.79	13.82%	\$14,127,438.91	\$14,280,773.22	-1.07%
Hidalgo	Progreso	2.00%	\$25,840.81	\$28,477.97	\$28,477.97	-9.26%	\$177,598.13	\$167,418.43	6.08%
Hidalgo	Progreso Lak	1.50%	\$4,528.03	\$4,469.35	\$4,469.35	1.31%	\$35,355.79	\$33,457.54	5.67%
Hidalgo	San Juan	2.00%	\$447,202.71	\$380,501.90	\$380,501.90	17.52%	\$3,038,038.37	\$2,645,304.54	14.84%
Hidalgo	Sullivan City	1.00%	\$17,818.65	\$20,266.39	\$20,266.39	-12.07%	\$151,717.67	\$150,435.10	0.85%
Hidalgo	Weslaco	2.00%	\$1,356,092.56	\$1,200,336.82	\$1,200,336.82	12.97%	\$9,329,305.08	\$8,941,433.55	4.33%

\$446,753.21  
75%

City \$335,064.91

\$446,753.21  
25%

EDC \$111,688.30

**Economic Development Corporation of Mercedes, Texas (EDC)**

**Balance Sheet - EDC**

**As of July 31, 2020**

	Jul 31, 20	Jun 30, 20	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
Cash - Development Corporation	596,975.56	822,075.07	-225,099.51
Development Corp - TXCLASS	101,105.94	101,067.03	38.91
EDC 2006 Reserve - TXCLASS	298,897.78	298,782.69	115.09
VTX Bond 2016	200.00	200.00	0.00
Total Checking/Savings	997,179.28	1,222,124.79	-224,945.51
Accounts Receivable			
Sales Tax Receivable	247,651.00	247,651.00	0.00
Total Accounts Receivable	247,651.00	247,651.00	0.00
Other Current Assets			
Due from IRP	1,451.29	1,037.88	413.41
Total Other Current Assets	1,451.29	1,037.88	413.41
Total Current Assets	1,246,281.57	1,470,813.67	-224,532.10
Fixed Assets			
Accumulated Depreciation	-10,378.00	-10,378.00	0.00
Furniture and Equipment			
2 Televisions 04/13/19	1,309.78	1,309.78	0.00
Total Furniture and Equipment	1,309.78	1,309.78	0.00
Office Furniture	10,575.00	10,575.00	0.00
Redevelopment Asset	3,373,406.27	3,373,406.27	0.00
Total Fixed Assets	3,374,913.05	3,374,913.05	0.00
Other Assets			
Allowance - General	-1,425.36	-1,425.36	0.00
Def Outflow - OPEB	3,284.00	3,284.00	0.00
Def Outflow - Pension Plan	41,252.00	41,252.00	0.00
Investment In Assets	-4,529,199.12	-4,529,199.12	0.00
Loan Rec - Elias Gonzalez	2,850.72	2,850.72	0.00
Loan Rec - MD Int'l(Orb-Galvan)	130,937.21	132,017.10	-1,079.89
Note Receivable - City	292,968.00	292,968.00	0.00
Rsrs To be Prov 07 & EDC Buil	6,226,819.62	6,275,416.43	-48,596.81
Total Other Assets	2,167,487.07	2,217,163.77	-49,676.70
<b>TOTAL ASSETS</b>	<b>6,788,681.69</b>	<b>7,062,890.49</b>	<b>-274,208.80</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Accrued Interest Payable	18,506.00	18,506.00	0.00
Def Inflow - Pension Plan	21,119.00	21,119.00	0.00
Insurance Payable	-33.17	-33.17	0.00
Payroll Liabilities	2,415.40	2,252.57	162.83
Unavailable Rev/Gain From EDC	132,362.57	133,442.46	-1,079.89
Total Other Current Liabilities	174,369.80	175,286.86	-917.06
Total Current Liabilities	174,369.80	175,286.86	-917.06

**Economic Development Corporation of Mercedes, Texas (EDC)**

**Balance Sheet - EDC**

**As of July 31, 2020**

	<u>Jul 31, 20</u>	<u>Jun 30, 20</u>	<u>\$ Change</u>
<b>Long Term Liabilities</b>			
Bonds Payable 2007	1,840,000.00	1,840,000.00	0.00
Bonds Payable 2016	1,416,667.12	1,437,500.46	-20,833.34
Def Inflow OPEB	412.00	412.00	0.00
Estimated Mail Rebate Liability	2,054,830.47	2,064,036.28	-9,205.81
Net OPEB Liability	10,128.00	10,128.00	0.00
Net Pension Liability	139,538.00	139,538.00	0.00
Texas Leverage Fund Payable	540,955.96	559,513.62	-18,557.66
<b>Total Long Term Liabilities</b>	<u>6,002,531.55</u>	<u>6,051,128.36</u>	<u>-48,596.81</u>
<b>Total Liabilities</b>	<u>6,176,901.35</u>	<u>6,226,415.22</u>	<u>-49,513.87</u>
<b>Equity</b>			
Fund Balance - General	295,452.37	295,452.37	0.00
Unappropriated FDBL/RETAIN ERN	-4,297,469.71	-4,297,469.71	0.00
Unrestricted Net Assets	4,518,263.51	4,518,263.51	0.00
Net Income	95,534.17	320,229.10	-224,694.93
<b>Total Equity</b>	<u>611,780.34</u>	<u>836,475.27</u>	<u>-224,694.93</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>6,788,681.69</b></u>	<u><b>7,062,890.49</b></u>	<u><b>-274,208.80</b></u>

# Economic Development Corporation of Mercedes, Texas (EDC)

## Profit & Loss Budget vs. Actual

For the Period Ending July 31, 2020

	Oct '19 - Jul 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Miscellaneous</b>				
Interest - MD Int'l(Orb Galvan)	4,731.55	5,456.57	-725.02	86.7%
Interest - TX Class	4,610.87	6,000.00	-1,389.13	76.8%
Loan Principal Payments - EDC	4,277.65	9,000.00	-4,722.35	47.5%
N/R Prev Written Off-C Bertholf	5,608.50			
Other Financing Sources-Reserve	0.00	500,000.00	-500,000.00	0.0%
Other Income-City Pmt VTX	104,166.70	125,000.00	-20,833.30	83.3%
Other Income - Luis A. Muro	55,091.74	45,000.00	10,091.74	122.4%
<b>Total Miscellaneous</b>	<b>178,487.01</b>	<b>690,456.57</b>	<b>-511,969.56</b>	<b>25.9%</b>
<b>Taxes</b>				
Sales Tax	1,183,878.75	1,198,552.21	-14,673.46	98.8%
<b>Total Taxes</b>	<b>1,183,878.75</b>	<b>1,198,552.21</b>	<b>-14,673.46</b>	<b>98.8%</b>
<b>Total Income</b>	<b>1,362,365.76</b>	<b>1,889,008.78</b>	<b>-526,643.02</b>	<b>72.1%</b>
<b>Expense</b>				
<b>Capital Outlay</b>				
Furniture & Fixtures	0.00	3,000.00	-3,000.00	0.0%
<b>Total Capital Outlay</b>	<b>0.00</b>	<b>3,000.00</b>	<b>-3,000.00</b>	<b>0.0%</b>
<b>Maintenance</b>				
Maintenance	1,061.38	3,000.00	-1,938.62	35.4%
Office Equipment	324.74	6,000.00	-5,675.26	5.4%
<b>Total Maintenance</b>	<b>1,386.12</b>	<b>9,000.00</b>	<b>-7,613.88</b>	<b>15.4%</b>
<b>Other Services &amp; Charges</b>				
Audit	19,700.00	21,500.00	-1,800.00	91.6%
Automobile Mileage	150.34	500.00	-349.66	30.1%
Bldg Lease	14,283.50	15,582.00	-1,298.50	91.7%
Chamber	5,000.00	20,000.00	-15,000.00	25.0%
Contract Labor - Writer	4,000.00	6,000.00	-2,000.00	66.7%
Crime Insurance	700.00			
D & O Insurance	0.00	700.00	-700.00	0.0%
Electricity	2,943.04	3,000.00	-56.96	98.1%
Finance Charges	17.00	1,100.00	-1,083.00	1.5%
Janitorial	9,500.00	11,000.00	-1,500.00	86.4%
Legal	18,945.72	45,000.00	-26,054.28	42.1%
Loan Fees - EDC	870.00	0.00	870.00	100.0%
Marketing & Promotion	5,975.24	17,800.00	-11,824.76	33.6%
Meetings	774.85	3,500.00	-2,725.15	22.1%
Membership/Subs	1,025.20	4,000.00	-2,974.80	25.6%
Miscellaneous	208.96	1,000.00	-791.04	20.9%
Office Equipment - Lease	2,584.37	2,342.40	241.97	110.3%
Outlet Mall Oct 18' - Oct 28'	81,641.66	100,000.00	-18,358.34	81.6%
Postage	135.50	300.00	-164.50	45.2%
Professional Fees - Accounting	17,600.00	19,200.00	-1,600.00	91.7%
Project CL Healthcare	118,000.00	118,000.00	0.00	100.0%
Project Cortinos	0.00	58,302.50	-58,302.50	0.0%
Project Orchard Grove Apartment	0.00	100,000.00	-100,000.00	0.0%
Project Residency	0.00	150,000.00	-150,000.00	0.0%
Project RGV Livestock Show Park	25,000.00	50,000.00	-25,000.00	50.0%
Project Rios of Mercedes	50,800.00	50,800.00	0.00	100.0%
Project TRLA	25,000.00	25,000.00	0.00	100.0%
Project VIDA	15,000.00	15,000.00	0.00	100.0%
Projects	2,234.05	88,191.00	-85,956.95	2.5%
Receptionist	6,000.00	12,000.00	-6,000.00	50.0%
Series 2007 - Interest	83,392.65	83,720.00	-327.35	99.6%
Series 2007 - Principal	195,000.00	195,000.00	0.00	100.0%
Series 2010A- Int & Princ 8/21	63,733.83	64,856.00	-1,122.17	98.3%
Sponsorships	20,250.00	20,000.00	250.00	101.3%

**Economic Development Corporation of Mercedes, Texas (EDC)**

**Profit & Loss Budget vs. Actual**

**For the Period Ending July 31, 2020**

	Oct '19 - Jul 20	Budget	\$ Over Budget	% of Budget
Telephones	3,924.95	5,400.00	-1,475.05	72.7%
TLF Repayment - Interest	22,552.76	97,897.40	-75,344.64	23.0%
TLF Repayment - Principal	99,527.62	33,608.56	65,919.06	296.1%
Travel & Training	0.00	1,200.00	-1,200.00	0.0%
VTX Note	208,333.40	250,000.00	-41,666.60	83.3%
Water Bill	1,188.28	1,200.00	-11.72	99.0%
Web-Site	7,315.00	7,980.00	-665.00	91.7%
<b>Total Other Services &amp; Charges</b>	<b>1,133,307.92</b>	<b>1,700,679.86</b>	<b>-567,371.94</b>	<b>66.6%</b>
<b>Personnel Costs</b>				
Automobile Allowance	3,600.00	4,800.00	-1,200.00	75.0%
Cell Phone Allowance	450.00	600.00	-150.00	75.0%
Health/Life Insurance	9,704.86	13,896.00	-4,191.14	69.8%
Salaries	92,713.38	119,000.00	-26,286.62	77.9%
Social Security	7,342.60	9,470.70	-2,128.10	77.5%
TMRS Contribution	17,612.70	23,757.22	-6,144.52	74.1%
Unemployment Comp	0.00	1,500.00	-1,500.00	0.0%
Worker's Comp	0.00	305.00	-305.00	0.0%
<b>Total Personnel Costs</b>	<b>131,423.54</b>	<b>173,328.92</b>	<b>-41,905.38</b>	<b>75.8%</b>
<b>Supplies</b>				
Office Supplies	714.01	3,000.00	-2,285.99	23.8%
<b>Total Supplies</b>	<b>714.01</b>	<b>3,000.00</b>	<b>-2,285.99</b>	<b>23.8%</b>
<b>Total Expense</b>	<b>1,266,831.59</b>	<b>1,889,008.78</b>	<b>-622,177.19</b>	<b>67.1%</b>
<b>Net Ordinary Income</b>	<b>95,534.17</b>	<b>0.00</b>	<b>95,534.17</b>	<b>100.0%</b>
<b>Net Income</b>	<b>95,534.17</b>	<b>0.00</b>	<b>95,534.17</b>	<b>100.0%</b>

**Economic Development Corporation of Mercedes, Texas (EDC)**  
**Balance Sheet - R.B.E.G. Grant**  
As of July 31, 2020

	<u>Jul 31, 20</u>	<u>Jun 30, 20</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Checking/Savings			
Cash - EDC R.B.E.G. Grant	201,628.71	195,960.97	5,667.74
<b>Total Checking/Savings</b>	<u>201,628.71</u>	<u>195,960.97</u>	<u>5,667.74</u>
<b>Total Current Assets</b>	<u>201,628.71</u>	<u>195,960.97</u>	<u>5,667.74</u>
<b>Other Assets</b>			
Allowance - RBEG	-48,713.56	-48,713.56	0.00
Due From I.R.P.	0.00	1,243.04	-1,243.04
EDC RBEG Grant-TXCLASS	41,671.68	41,655.63	16.05
Loan Rec - DeLaGarza Bakery	124,478.61	125,939.44	-1,460.83
Loan Rec - First Nat'l B(Gomez)	27,471.69	27,471.69	0.00
Loan Rec - Jaime Gonzalez	33,944.58	34,669.98	-725.40
Loan Rec - Leticia Galvan.	6,599.43	6,599.43	0.00
Loan Rec - Longoria	9,387.22	9,387.22	0.00
Loan Rec - MD International	48,000.00	48,000.00	0.00
Loan Rec - Michael Salinas	55,888.47	56,353.39	-464.92
Loan Rec - Nora Martinez	6,685.97	6,685.97	0.00
Loan Rec - Reybotics, LLC (Adv)	150,378.07	150,378.07	0.00
Loan Rec - The Grind	52,959.35	53,788.11	-828.76
Loan Rec - Top Gym - San Miguel	59,900.74	59,900.74	0.00
Loan Rec - Werbiski Ashley & H	20,131.27	20,131.27	0.00
<b>Total Other Assets</b>	<u>588,783.52</u>	<u>593,490.42</u>	<u>-4,706.90</u>
<b>TOTAL ASSETS</b>	<u><u>790,412.23</u></u>	<u><u>789,451.39</u></u>	<u><u>960.84</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other Current Liabilities			
Unavailable Revenue	547,111.83	550,591.74	-3,479.91
<b>Total Other Current Liabilities</b>	<u>547,111.83</u>	<u>550,591.74</u>	<u>-3,479.91</u>
<b>Total Current Liabilities</b>	<u>547,111.83</u>	<u>550,591.74</u>	<u>-3,479.91</u>
<b>Total Liabilities</b>	<u>547,111.83</u>	<u>550,591.74</u>	<u>-3,479.91</u>
<b>Equity</b>			
Fund Balance	261,903.39	261,903.39	0.00
Unrestricted Net Assets	-13,834.73	-13,834.73	0.00
Net Income	-4,768.26	-9,209.01	4,440.75
<b>Total Equity</b>	<u>243,300.40</u>	<u>238,859.65</u>	<u>4,440.75</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>790,412.23</u></u>	<u><u>789,451.39</u></u>	<u><u>960.84</u></u>



**Economic Development Corporation of Mercedes, Texas (EDC)**

**Balance Sheet - I R P**

**As of July 31, 2020**

	<u>Jul 31, 20</u>	<u>Jun 30, 20</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Checking/Savings			
Cash - I R P	129,681.60	125,191.28	4,490.32
<b>Total Checking/Savings</b>	<u>129,681.60</u>	<u>125,191.28</u>	<u>4,490.32</u>
<b>Total Current Assets</b>	<u>129,681.60</u>	<u>125,191.28</u>	<u>4,490.32</u>
<b>Other Assets</b>			
Allowance - IRP	-17,803.00	-17,803.00	0.00
IRP Operating Reserv - TXCLASS	68,473.80	68,447.43	26.37
Loan Rec - 956Sports	32,222.19	32,222.19	0.00
Loan Rec - Castaneda Mario & M	93,160.26	93,708.54	-548.28
Loan Rec - First Nat'l (Gomez)	17,232.29	17,232.29	0.00
Loan Rec - Irma Cadena	3,383.91	3,383.91	0.00
Loan Rec - MD Int'l (Galvan)	134,502.59	135,612.07	-1,109.48
Loan Rec - Mid Valley Dental	51,014.45	52,051.36	-1,036.91
Loan Rec - R. Guerra	35,363.26	36,844.35	-1,481.09
Loan Rec - Raquel Moreno	11,150.71	11,150.71	0.00
Rsrcs To Be Provided	579,172.93	579,172.93	0.00
<b>Total Other Assets</b>	<u>1,007,873.39</u>	<u>1,012,022.78</u>	<u>-4,149.39</u>
<b>TOTAL ASSETS</b>	<u><b>1,137,554.99</b></u>	<u><b>1,137,214.06</b></u>	<u><b>340.93</b></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Other Current Liabilities</b>			
Due to EDC	1,451.29	1,037.88	413.41
Due To R.B.E.G.	0.00	1,243.04	-1,243.04
Note Payable - USDA - IRP	579,172.93	579,172.93	0.00
Unavailable Revenue - IRP	360,226.66	364,402.42	-4,175.76
<b>Total Other Current Liabilities</b>	<u>940,850.88</u>	<u>945,856.27</u>	<u>-5,005.39</u>
<b>Total Current Liabilities</b>	<u>940,850.88</u>	<u>945,856.27</u>	<u>-5,005.39</u>
<b>Total Liabilities</b>	<u>940,850.88</u>	<u>945,856.27</u>	<u>-5,005.39</u>
<b>Equity</b>			
Fund Balance - IRP	143,874.41	143,874.41	0.00
Unrestricted Net Assets	34,229.26	34,229.26	0.00
Net Income	18,600.44	13,254.12	5,346.32
<b>Total Equity</b>	<u>196,704.11</u>	<u>191,357.79</u>	<u>5,346.32</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>1,137,554.99</b></u>	<u><b>1,137,214.06</b></u>	<u><b>340.93</b></u>



## Summary Statement

July 2020

### Development Corporation of Mercedes Inc.

320 S. Ohio  
Mercedes, TX 78570

#### TXCLASS

Average Monthly Yield: 0.45%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
TX-01-0607-0001 DEVELOPMENT CORPORATION OF MERCEDES	101,067.03	0.00	0.00	38.91	668.18	101,088.77	101,105.94
TX-01-0607-0002 EDC 2006 RESERVE	298,782.69	0.00	0.00	115.09	1,975.37	298,846.99	298,897.78
TX-01-0607-0003 EDC RBEG FUND	41,655.63	0.00	0.00	16.05	275.37	41,664.60	41,671.68
TX-01-0607-0004 IRP FUND OPERATING/RESERVE	68,447.43	0.00	0.00	26.37	452.53	68,462.16	68,473.80
Total	509,952.78	0.00	0.00	196.42	3,371.45	510,062.52	510,149.20

**Blue Business<sup>SM</sup> Plus Credit Card**

DEVELOPMENT CORPORATION OF

MELISSA RAMIREZ

Closing Date 07/17/20 Next Closing Date 08/17/20

Account Ending 5-31009



p. 1/6

Customer Care: 1-800-521-6121

TTY: 1-800-221-9950

Website: americanexpress.com

**New Balance** \$120.06**Minimum Payment Due** \$35.00**Payment Due Date** 08/11/20<sup>‡</sup>

<sup>‡</sup>**Late Payment Warning:** If we do not receive your Minimum Payment Due by the Payment Due Date of 08/11/20, you may have to pay a late fee of up to \$39.00 and your APRs may be increased to the Penalty APR of 29.24%.

**Membership Rewards<sup>®</sup> Points**

Available and Pending as of 06/30/20

**39,928**For up to date point balance and full program details, visit [membershipewards.com](http://membershipewards.com)**Account Summary**

Previous Balance	\$981.44
Payments/Credits	-\$981.44
New Charges	+\$120.06
Fees	+\$0.00
Interest Charged	+\$0.00

**New Balance** \$120.06**Minimum Payment Due** \$35.00

Credit Limit \$13,000.00

Available Credit \$12,879.94

Days in Billing Period: 31

**Minimum Payment Warning:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges and each month you pay...	You will pay off the balance shown on this statement in about...	And you will pay an estimated total of...
Only the Minimum Payment Due	4 months	\$123

If you would like information about credit counseling services, call 1-888-733-4139.

 See page 2 for important information about your account. Please refer to the **IMPORTANT NOTICES** section on **pages 5 - 6**.

Continued on page 3

↓ Please fold on the perforation below, detach and return with your payment ↓

**Payment Coupon**

Do not staple or use paper clips

**Pay by Computer**[americanexpress.com/business](http://americanexpress.com/business)**Pay by Phone**

1-800-472-9297

**Account Ending 5-31009**Enter 15 digit account # on all payments.  
Make check payable to American Express.

MB 01 016420 35197 B 82 A

MELISSA RAMIREZ  
DEVELOPMENT CORPORATION OF  
DEVELOPMENT CORP OF  
320 S OHIO  
MERCEDES TX 78570

Payment Due Date

**08/11/20**

New Balance

**\$120.06**

Minimum Payment Due

**\$35.00**

See reverse side for instructions on how to update your address, phone number, or email.

AMERICAN EXPRESS  
P.O. BOX 650448  
DALLAS TX 75265-0448\$ \_\_\_\_\_  
Amount Enclosed

000034992503945648 000012006000003500 13 4

**Blue Business<sup>SM</sup> Plus Credit Card**

DEVELOPMENT CORPORATION OF

MELISSA RAMIREZ

Closing Date 07/17/20

p. 3/6

Account Ending 5-31009



**Customer Care & Billing Inquiries**  
**International Collect**  
**Large Print & Braille Statements**  
**Cash Advance at ATMs inquiries**

1-800-521-6121  
 1-623-492-7719  
 1-800-521-6121  
 1-800-CASH-NOW

**Hearing Impaired**  
**TTY: 1-800-221-9950**  
**FAX: 1-623-707-4442**  
**In NY: 1-800-522-1897**



Website: americanexpress.com

**Customer Care  
& Billing Inquiries**  
 P.O. BOX 981535  
 EL PASO, TX  
 79998-1535

**Payments**  
 P.O. BOX 650448  
 DALLAS TX 75265-  
 0448

## Put More Time to Business and Less Time to Bills

Grant a member of your team access to your account to log in and securely handle expense management on your behalf. Terms apply.

Visit [www.AmericanExpress.com/enrollAM](http://www.AmericanExpress.com/enrollAM) to enroll an Account Manager now.

**Payments and Credits****Summary**

	Total
<b>Payments</b>	-\$981.44
<b>Credits</b>	\$0.00
<b>Total Payments and Credits</b>	-\$981.44

**Detail** \*Indicates posting date

<b>Payments</b>	<b>Amount</b>
07/02/20* PAYMENT RECEIVED - THANK YOU	-\$981.44

**New Charges****Summary**

	Total
<b>Total New Charges</b>	\$120.06

**Detail**

**MELISSA RAMIREZ**  
 Card Ending 5-31009

				Amount
06/17/20	LOOPNET COMMERCIAL P	888-567-7442	DC	\$69.00
06/24/20	LOGMEIN*GOTOMEETING ONLINE SVCS	LOGMEIN.COM	MA	\$51.06

*Marketing & Promotion*  
*Meetings.com*

**Fees**

	Amount
<b>Total Fees for this Period</b>	\$0.00






Continued on reverse

P.O. Box 4650, Edinburg, Texas 78540  
Return Service Requested

00002421 TT212S08012001435900 01 000000000 0002421 005

DEVELOPMENT CORPORATION OF MERCEDES INC  
320 S OHIO AVE  
MERCEDES TX 78570-3118

**Customer Service Information**

-  **24/7 Banking:** 1-888-862-1862
- Customer Support:** 1-855-862-1920  
Your Bank associates are available to assist you  
Monday through Friday from 8:00AM to 5:00PM
-  **Written Inquiries:**  
P.O. Box 4650, Edinburg, Texas 78540
-  **Visit us Online:** [www.texasnational.com](http://www.texasnational.com)
-  **Email Inquiries:** [customerservice@texasnational.com](mailto:customerservice@texasnational.com)
-  **Join us on Facebook!**

**PUBLIC FUNDS ANALYSIS**

Account Number: XXXXXX1873

Account Owner(s): DEVELOPMENT CORPORATION OF MERCEDES INC

**Balance Summary**

Beginning Balance as of 07/01/2020	\$836,740.11
+ Deposits and Credits (3)	\$81,595.42
- Withdrawals and Debits (30)	\$75,175.99
Ending Balance as of 07/31/2020	\$843,159.54
Service Charges for Period	\$0.00
Average Balance for Period	\$820,661.00

**DEPOSITS AND OTHER CREDITS**

Date	Description	Deposits
Jul 09	DEPOSIT	220.99
Jul 13	REF 8PWT1D5 FROM *1899 MD INTERNATIONAL	2,104.20
Jul 23	CITY OF MERCEDES/AP EFT 99-00245 DEVELOPMENT CORPORATIO	79,270.23

**DEBITS AND OTHER WITHDRAWALS**

Date	Description	Withdrawals
Jul 01	BENE:TEXAS LEVERAGE FUND TRN:P202007010014183	10,781.63
Jul 02	DEVELOPMENT CORP/PAYROLL 450542230 DEVELOPMENT CORP	900.00
Jul 09	BENE:SIMON PROPERTY GROUP LP TRN:P202007090039142	9,205.81
Jul 10	DEVELOPMENT CORP/PAYROLL 450542230 DEVELOPMENT CORP	3,780.66
Jul 13	REF 8PWVW1T TO *1899 MD INTERNATIONAL R	1,037.88
Jul 15	IRS/USATAXPYMT *****9794002839 DEVELOPMENT CORPORATIO	2,252.57
Jul 24	REF 95MFN84 TO *0691	10,416.67
Jul 24	DEVELOPMENT CORP/PAYROLL 450542230 DEVELOPMENT CORP	3,433.93
Jul 31	DEVELOPMENT CORP/PAYROLL 450542230 DEVELOPMENT CORP	900.00
Jul 31	BENE:TEXAS LEVERAGE FUND TRN:P202007310019168	10,781.63

*TLF*  
*Janitorial Services*  
*Outlet Mall Rebate*

*VTX Transfer*  
*Janitorial Services*  
*TLF*

# CHECKS PAID

\* Indicates a Skip in Check Number(s)

Date	Check No.	Amount	Date	Check No.	Amount	Date	Check No.	Amount
Jul 01	3541	61.90	Jul 14	Chamber 3550	5,000.00	Jul 14	Accounting 3557	1,800.00
Jul 15	*3544	120.00	Jul 07	3551	183.75	Jul 14	3558	665.00
Jul 13	3545	525.00	Jul 03	3552	239.61	Jul 14	3559	400.00
Jul 08	3546	282.47	Jul 03	3553	111.21	Jul 22	CRI 3560	3,000.00
Jul 09	3547	392.71	Jul 03	3554	915.43	Jul 27	3561	398.60
Jul 03	3548	981.44	Jul 07	TMRs 3555	2,259.59	Jul 21	3562	50.00
Jul 10	CRI 3549	3,200.00	Jul 14	Chamber 3556	1,298.50			

# DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
Jul 01	825,896.58	Jul 10	803,664.89	Jul 22	789,820.14
Jul 02	824,996.58	Jul 13	804,206.21	Jul 23	869,090.37
Jul 03	822,748.89	Jul 14	795,242.71	Jul 24	855,239.77
Jul 07	820,305.55	Jul 15	792,870.14	Jul 27	854,841.17
Jul 08	820,023.08	Jul 21	792,820.14	Jul 31	843,159.54
Jul 09	810,645.55				



## CHECK IMAGES

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Two Hundred and 20/100

Amount in Numbers 220.99

Check Date 07/09/2020

Check Number 0

Microprint Line: ⑆0150001873⑆

07/09/2020 Check 0 \$220.99

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Sixty and 90/100

Amount in Numbers 61.90

Check Date 07/01/2020

Check Number 3541

Microprint Line: ⑆0150001873⑆

07/01/2020 Check 3541 \$61.90

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words One Hundred and 20/100

Amount in Numbers 120.00

Check Date 07/15/2020

Check Number 3544

Microprint Line: ⑆0150001873⑆

07/15/2020 Check 3544 \$120.00

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Five Hundred and 25/100

Amount in Numbers 525.00

Check Date 07/13/2020

Check Number 3545

Microprint Line: ⑆0150001873⑆

07/13/2020 Check 3545 \$525.00

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Two Hundred and 82/100

Amount in Numbers 282.47

Check Date 07/08/2020

Check Number 3546

Microprint Line: ⑆0150001873⑆

07/08/2020 Check 3546 \$282.47

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Three Hundred and 92/100

Amount in Numbers 392.71

Check Date 07/09/2020

Check Number 3547

Microprint Line: ⑆0150001873⑆

07/09/2020 Check 3547 \$392.71

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Nine Hundred and 81/100

Amount in Numbers 981.44

Check Date 07/03/2020

Check Number 3548

Microprint Line: ⑆0150001873⑆

07/03/2020 Check 3548 \$981.44

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Three Thousand and 20/100

Amount in Numbers 3200.00

Check Date 07/10/2020

Check Number 3549

Microprint Line: ⑆0150001873⑆

07/10/2020 Check 3549 \$3,200.00

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Five Thousand and 00/100

Amount in Numbers 5000.00

Check Date 07/14/2020

Check Number 3550

Microprint Line: ⑆0150001873⑆

07/14/2020 Check 3550 \$5,000.00

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words One Hundred and 83/100

Amount in Numbers 183.75

Check Date 07/07/2020

Check Number 3551

Microprint Line: ⑆0150001873⑆

07/07/2020 Check 3551 \$183.75

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words Two Hundred and 39/100

Amount in Numbers 239.61

Check Date 07/03/2020

Check Number 3552

Microprint Line: ⑆0150001873⑆

07/03/2020 Check 3552 \$239.61

Development Corporation of Mercedes, Inc.  
300 S. Chas.  
Mercedes, TX 78570

Pay to the order of James Lee Adams

Amount in Words One Hundred and 11/100

Amount in Numbers 111.21

Check Date 07/03/2020

Check Number 3553

Microprint Line: ⑆0150001873⑆

07/03/2020 Check 3553 \$111.21



## CHECK IMAGES (Continued)

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/03/2020

Pay to the order of: C & J Motors, Inc.  
New Market, TN 37057

Amount: \$915.43

Signature: [Signature]

PO 3554 411490128C 0150001871P

07/03/2020 Check 3554 \$915.43

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/07/2020

Pay to the order of: J & B Motors, Inc.  
New Market, TN 37057

Amount: \$2,259.59

Signature: [Signature]

PO 3555 411490128C 0150001871P

07/07/2020 Check 3555 \$2,259.59

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/14/2020

Pay to the order of: Mercedes-Benz Financial Services  
Mercedes-Benz Financial Services  
230 South Ohio  
Memphis, TN 38102

Amount: \$1,298.50

Signature: [Signature]

PO 3556 411490128C 0150001871P

07/14/2020 Check 3556 \$1,298.50

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/14/2020

Pay to the order of: J & B Motors, Inc.  
New Market, TN 37057

Amount: \$1,600.00

Signature: [Signature]

PO 3557 411490128C 0150001871P

07/14/2020 Check 3557 \$1,600.00

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/14/2020

Pay to the order of: J & B Motors, Inc.  
New Market, TN 37057

Amount: \$665.00

Signature: [Signature]

PO 3558 411490128C 0150001871P

07/14/2020 Check 3558 \$665.00

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/14/2020

Pay to the order of: J & B Motors, Inc.  
New Market, TN 37057

Amount: \$400.00

Signature: [Signature]

PO 3559 411490128C 0150001871P

07/14/2020 Check 3559 \$400.00

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/22/2020

Pay to the order of: J & B Motors, Inc.  
New Market, TN 37057

Amount: \$3,000.00

Signature: [Signature]

PO 3560 411490128C 0150001871P

07/22/2020 Check 3560 \$3,000.00

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/27/2020

Pay to the order of: J & B Motors, Inc.  
New Market, TN 37057

Amount: \$398.60

Signature: [Signature]

PO 3561 411490128C 0150001871P

07/27/2020 Check 3561 \$398.60

DEVELOPMENT CORPORATION OF MERCEDES, INC.  
330 S. Ohio,  
Memphis, TN 38102

Check Date: 07/21/2020

Pay to the order of: J & B Motors, Inc.  
New Market, TN 37057

Amount: \$50.00

Signature: [Signature]

PO 3562 411490128C 0150001871P

07/21/2020 Check 3562 \$50.00





P.O. Box 4650, Edinburg, Texas 78540  
Return Service Requested






00000470 TT212S08012001435900 01 000000000 0003937 001

DEVELOPMENT CORPORATION OF MERCEDES INC  
RBEG  
320 S OHIO AVE  
MERCEDES TX 78570-3118



Account Number	XXXXXX1881
Statement Date	07/31/2020
Statement Thru Date	08/02/2020
Check/Items Enclosed	0
Page	1

### Customer Service Information

-  **24/7 Banking:** 1-888-862-1862
- Customer Support:** 1-855-862-1920  
Your Bank associates are available to assist you  
Monday through Friday from 8:00AM to 5:00PM
-  **Written Inquiries:**  
P.O. Box 4650, Edinburg, Texas 78540
-  **Visit us Online:** [www.texasnational.com](http://www.texasnational.com)
-  **Email Inquiries:** [customerservice@texasnational.com](mailto:customerservice@texasnational.com)
-  **Join us on Facebook!**

## PUBLIC FUNDS ANALYSIS

Account Number: XXXXXX1881

Account Owner(s): DEVELOPMENT CORPORATION OF MERCEDES INC

### Balance Summary

<b>Beginning Balance as of 07/01/2020</b>	<b>\$195,960.97</b>
+ Deposits and Credits (3)	\$5,667.74
- Withdrawals and Debits (0)	\$0.00
<b>Ending Balance as of 07/31/2020</b>	<b>\$201,628.71</b>
Service Charges for Period	\$0.00
Average Balance for Period	\$198,108.00

### DEPOSITS AND OTHER CREDITS

Date	Description	Deposits
Jul 13	REF 8PX8STO FROM *1899 GOMEZ	1,243.04
Jul 14	INVESTOR LOAN SE/ILS REMITT 985-002 DEV COR MERCEDES RBEG	1,803.24
Jul 28	INVESTOR LOAN SE/ILS REMITT 985-002 DEV COR MERCEDES RBEG	2,621.46

### DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
Jul 13	197,204.01	Jul 14	199,007.25	Jul 28	201,628.71





P.O. Box 4650, Edinburg, Texas 78540  
Return Service Requested

00000471 TT212S08012001435900 01 000000000 0003938 001

DEVELOPMENT CORPORATION OF MERCEDES INC  
IRP  
320 S OHIO AVE  
MERCEDES TX 78570-3118

Account Number  
Statement Date  
Statement Thru Date  
Check/Items Enclosed  
Page

XXXXXX1899  
07/31/2020  
08/02/2020  
0  
1

#### Customer Service Information

**24/7 Banking:** 1-888-862-1862

**Customer Support:** 1-855-862-1920  
Your Bank associates are available to assist you  
Monday through Friday from 8:00AM to 5:00PM

**Written Inquiries:**  
P.O. Box 4650, Edinburg, Texas 78540

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#### PUBLIC FUNDS ANALYSIS

Account Number: XXXXXX1899

Account Owner(s): DEVELOPMENT CORPORATION OF MERCEDES INC

#### Balance Summary

Beginning Balance as of 07/01/2020	\$125,266.28
+ Deposits and Credits (3)	\$7,837.56
- Withdrawals and Debits (2)	\$3,347.24
Ending Balance as of 07/31/2020	\$129,756.60
Service Charges for Period	\$0.00
Average Balance for Period	\$125,750.00

#### DEPOSITS AND OTHER CREDITS

Date	Description	Deposits
Jul 13	REF 8PWW1T FROM *1873 MD INTERNATIONAL	1,037.88
Jul 14	INVESTOR LOAN SE/ILS REMITT 985-003 DEV COR MERCEDES IRP	2,263.37
Jul 28	INVESTOR LOAN SE/ILS REMITT 985-003 DEV COR MERCEDES IRP	4,536.31

#### DEBITS AND OTHER WITHDRAWALS

Date	Description	Withdrawals
Jul 13	REF 8PX8STO TO *1881 GOMEZ	1,243.04
Jul 13	REF 8PWT1D5 TO *1873 MD INTERNATIONAL	2,104.20

#### DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
Jul 13	122,956.92	Jul 14	125,220.29	Jul 28	129,756.60



00000471 0000471 0001-0001

**Security Holder  
Remittance Report for  
8/10/2020**

Start Date:	7/24/2020	12:00:00A
End Date:	8/10/2020	11:59:00P
Print Date:	08/10/2020	
Print Time:	5:21:52 pm	

**Security Holder**      **Development Corporation of Mercedes**

<b>Investor Number</b>		<b>Investor Name</b>									
<b><u>01-985-002</u></b>		<b><u>Development Corp of Mercedes RBEG</u></b>									
<u>Loan No</u>	<u>Borrower</u>	<u>Trans Desc</u>	<u>*Paid Dt</u>	<u>Pmt Amt</u>	<u>Principal</u>	<u>Interest</u>	<u>Ser Fee</u>	<u>Lt Chrg</u>	<u>Rcvr'd Fee</u>	<u>Net Remit</u>	
										<u>Am</u>	
98554876	Jom Investme	Regular Pymnt	08/06/2020	999.25	756.16	243.09	18.00	0.00	0.00	981.25	
98554876	Jom Investme	Regular Pymnt	08/06/2020	(999.25)	(756.16)	(243.09)	-18.00	0.00	0.00	(981.25)	
98554876	Jom Investme	Regular Pymnt	08/06/2020	999.24	756.15	243.09	18.00	0.00	0.00	981.24	
98557444	Gonzalez	Regular Pymnt	08/10/2020	839.00	733.39	105.61	18.00	0.00	0.00	821.00	
<b>Investor/Bank/Group Total</b>				<b>1,838.24</b>	<b>1,489.54</b>	<b>348.70</b>	<b>36.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,802.24</b>	

<b>Investor Number</b>		<b>Investor Name</b>									
<b><u>01-985-003</u></b>		<b><u>Development Corporation of Mercedes</u></b>									
<u>Loan No</u>	<u>Borrower</u>	<u>Trans Desc</u>	<u>*Paid Dt</u>	<u>Pmt Amt</u>	<u>Principal</u>	<u>Interest</u>	<u>Ser Fee</u>	<u>Lt Chrg</u>	<u>Rcvr'd Fee</u>	<u>Net Remit</u>	
										<u>Am</u>	
98553940	Mid Valley Der	Regular Pymnt	08/03/2020	1,186.24	1,025.25	160.99	18.00	0.00	0.00	1,168.24	
98560836	Castaneda	Regular Pymnt	08/04/2020	1,113.14	797.47	262.66	18.00	0.00	0.00	1,042.13	
<b>Investor/Bank/Group Total</b>				<b>2,299.38</b>	<b>1,822.72</b>	<b>423.65</b>	<b>36.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,210.37</b>	

<b>Total Security Holder</b>				<b>4,137.62</b>	<b>3,312.26</b>	<b>772.35</b>	<b>72.00</b>	<b>53.01</b>	<b>0.00</b>	<b>4,012.61</b>	
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Data Date	08/10/2020
Data Time	5:26:59 pm
Print Date	08/10/2020
Print Time	5:29:31 pm

Investor Number: <u>01-985-001</u>		Investor Name: <u>Development Corporation of Mercedes</u>								
<u>Loan No</u>	<u>Loan Amt</u>	<u>Prin Bal</u>	<u>Total Pmt</u>	<u>Unpaid Lt Chrg</u>	<u>Int Pd to Dt</u>	<u>Total Due</u>	<u>Due Date</u>	<u>Dt Last Pmt</u>	<u>Days Late</u>	<u>#PmtDue</u>
98560940	4,900.00	2,850.72	110.64	11.06	03/07/2019	2,075.98	03/01/2019	03/07/2019	528	18
Gonzalez , Elias										

<u>Loan No</u>	<u>Loan Amt</u>	<u>Prin Bal</u>	<u>Total Pmt</u>	<u>Unpaid Lt Chrg</u>	<u>Int Pd to Dt</u>	<u>Total Due</u>	<u>Due Date</u>	<u>Dt Last Pmt</u>	<u>Days Late</u>	<u>#PmtDue</u>
98556404 Longoria , Daniel	12,000.00	9,387.22	215.62	10.78	09/28/2016	9,387.22	10/01/2016	09/28/2016	1409	47
98561444 Martinez , Nora	6,816.80	6,685.97	152.40	7.62	07/31/2017	5,753.10	08/28/2017	07/31/2017	1078	36
98562372 Galvan , Leticia	8,075.00	6,599.43	236.61	11.83	06/25/2018	6,599.43	06/10/2018	06/25/2018	792	27
98554876 Jom Investn, 7013 E. Expressway 83 Suite E.	98,691.90	52,203.20	999.24	1,398.88	08/06/2020	5,196.04	03/15/2020	08/06/2020	148	5
98563684 REYBOTIC,	150,400.00	150,378.07	2015.98	100.80	04/24/2020	6,249.54	05/24/2020	05/08/2020	78	3

<u>Loan No</u>	<u>Loan Amt</u>	<u>Prin Bal</u>	<u>Total Pmt</u>	<u>Unpaid Lt Chrg</u>	<u>Int Pd to Dt</u>	<u>Total Due</u>	<u>Due Date</u>	<u>Dt Last Pmt</u>	<u>Days Late</u>	<u>#PmtDue</u>
98552764	75,000 00	32,222.19	1421.24	426.36	10/17/2016	32,222.19	10/15/2016	11/18/2016	1395	47
Sports2Niqf, 325 West Second St.										

# Delinquency Report

## As Of August 10, 2020

Data Date: 08/10/2020  
Data Time: 5:26:59 pm  
Print Date: 08/10/2020  
Print Time: 5:29:31 pm

### Security Holder Development Corporation of Mercedes

98564764	4,717.17	3,383.91	205.11	30.78	05/13/2019	3,220.29	06/01/2019	05/13/2019	436	15
Cadena , Irma										
98560836	107,362.25	92,362.79	1060.13	106.02	08/04/2020	5,458.93	04/01/2020	08/04/2020	131	5
Castaneda , Mario										
		1201 S. Rio Rico Rd.								
98550182	100,000.00	44,703.99	690.58	34.53	05/28/2020	2,140.80	06/06/2020	05/28/2020	65	3
Gomez , Roy										
		334 South Texas Blvd.								

Mortgage Servicer System  
Investor Trial Balance For Development Corp of Mercedes RBEG

Bk	Inv	Grp	Inv Loan #	Loan #	Loan Name	Due Date	Int Rate	P&I	Prin Bal	Net Prin Bal	T&I Bal	Unapplied	Subsidy
01	985	002	98550030	98550030	De La Garza, Al	08/01/20	5.00000	1,976.98	124,478.61	124,478.61	0.00	0.00	0.00
01	985	002	98550038	98550038	Salinas, Michael	08/10/20	4.00000	680.48	55,888.47	55,888.47	0.00	0.00	0.00
01	985	002	98554876	98554876	Jom Investmen	03/15/20	4.00000	999.24	52,203.20	52,203.20	0.00	0.00	0.00
01	985	002	98556404	98556404	Longoria, Daniel	10/01/16	3.00000	215.62	9,387.22	9,387.22	0.00	0.00	0.00
01	985	002	98557444	98557444	Gonzalez, Jaim	09/01/20	3.50000	838.59	33,211.19	33,211.19	0.00	0.00	0.00
01	985	002	98561444	98561444	Martinez, Nora	08/28/17	3.50000	152.40	6,685.97	6,685.97	0.00	0.00	0.00
01	985	002	98562372	98562372	Leticia Galvan	06/10/18	3.50000	236.61	6,599.43	6,599.43	0.00	0.00	0.00
01	985	002	98563684	98563684	REYBOTICS, LLC	05/24/20	3.50000	2,015.98	150,378.07	150,378.07	0.00	0.00	0.00
01	985	002	98564204	98564204	Werbiski, Ashle	08/03/20	3.50000	545.75	20,131.27	20,131.27	0.00	0.00	0.00
01	985	002	98567980	98567980	San Miguel, Ju	12/05/20	3.00000	1,167.96	59,900.74	59,900.74	0.00	0.00	0.00
<b>Total :</b>								<b>8,829.61</b>	<b>518,864.17</b>	<b>0.00</b>			
									<b>518,864.17</b>	<b>0.00</b>		<b>0.00</b>	

Item Count = 10

Mortgage Servicer System  
Investor Trial Balance For Development Corporation of Mercedes IRP

Bk	Inv	Grp	Inv Loan #	Loan #	Loan Name	Due Date	Int Rate	P&I	Prin Bal	Net Prin Bal	T&I Bal	Unapplied	Subsidy
01	985	003	98550182	98550182	Gomez, Roy G.	06/06/20	3.00000	690.58	44,703.99	44,703.99	0.00	0.00	0.00
01	985	003	98550297	98550297	R. GUERRA CO	08/21/20	6.00000	1,665.31	35,363.26	35,363.26	0.00	0.00	0.00
01	985	003	98552764	98552764	Sports2Night, I	10/15/16	5.00000	1,421.24	32,222.19	32,222.19	0.00	0.00	0.00
01	985	003	98553940	98553940	Mid Valley Der	09/01/20	3.50000	1,186.24	49,989.20	49,989.20	0.00	0.00	0.00
01	985	003	98560836	98560836	Castaneda, Ma	04/01/20	3.50000	1,060.13	92,362.79	92,362.79	0.00	0.00	0.00
01	985	003	98564764	98564764	Cadena, Irma P	06/01/19	4.00000	205.11	3,383.91	3,383.91	0.00	0.00	0.00
01	985	003	98564988	98564988	Hinojosa, Raqu	08/23/20	3.50000	282.52	11,150.71	11,150.71	0.00	0.00	0.00
01	985	003	98569300	98569300	MD Internatio	12/18/20	1.00000	2,938.50	313,439.80	313,439.80	0.00	0.00	0.00
<b>Total :</b>								<b>9,449.63</b>	<b>582,615.85</b>	<b>0.00</b>			
									<b>582,615.85</b>	<b>0.00</b>		<b>0.00</b>	

Item Count = 8

## **4. Discussion: FY Audit 18-19 Corrective Action**



# Memo

**To:** DCM Board of Directors  
**From:** Melissa Ramirez, Executive Director  
**CC:** File  
**Date:** 8/14/2020  
**Re:** FY18-19 Audit Internal Control Findings Corrective Action

---

The following measures will address the internal control findings:

2019-001: Updated travel policy to include "All travel form templates will include the signature approval of one person above person traveling".- See attachment.

2019-002: Bank reconciliations will be forwarded each month. The Executive Director will initial each page and file.

2019-003: Done

2019-004: Will evaluate delinquent notes and estimate an uncollectible allowance of August of every year.

2019-005: Adjusted

2019-006: Formal action will be taken on the TXCLASS investment report every September, December, March and June. The Board president will sign the investment report.

2019-007: Adjusted

2019-008: Management and DCM Board are fiscally conservative when evaluating borrowing capacity.

2019-009: CPA will backup QuickBooks at the end of the fiscal year and provide a copy to the DCM.

## Internal Control Findings

The following legend should be used in conjunction with reviewing the "Rating" of each of the identified internal control items:

<b>IP =</b> <b>Improvement Point</b>	<b>D =</b> <b>Control Deficiency</b>	<b>SD =</b> <b>Significant Deficiency</b>	<b>MW =</b> <b>Material Weakness</b>
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2019-001	D	Travel approval	A travel approval form was not approved by one person above person traveling.	All travel form templates should include the signature approval of one person above person traveling.
2019-002	D	Bank reconciliations	Although bank reconciliations appear correctly prepared, no signature to evidence timely review from the executive director was noted.	Bank reconciliations prepared by external accountant should be reviewed on a monthly basis and should include a visual evidence of review such as name, initials, date and checkmark of executive director.
2019-003	D	Capital assets / Depreciation Expense	No capital assets listing is maintained by DCM's management to support the capital assets balance reported in the financial statements.	DCM should maintain a listing of capital assets with its depreciation to support the capital assets balance presented in the financial statement.
2019-004	D	Allowance for uncollectible notes receivable	When evaluating notes receivable supporting documentation, no methodology was noted to be in place to determine an allowance for uncollectible notes receivable.	Board and management of the DCM should develop a methodology to estimate allowance for uncollectible notes receivable and adjust the balance on a yearly basis.

## Internal Control Findings

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2019-005	D	Expenditures	During testing of expenditures an issue was noted where expenditures of current year under audit were recorded as expenditures of subsequent year instead. Also, accounts payable beginning balance needed to be adjusted to reflect expenses in the proper fiscal year.	Expenditure and account payable transactions subsequent to year end should be reviewed to consider if the transaction or effect of a transaction has been recorded in the proper accounting period.
2019-006	D	Investments	Investment quarterly reports were not signed and not include specific information such as beginning market value, accrued interest, maturity date, as required by State of Texas's Public Funds Investment Act (Gov't Code title 10, Subtitle F, Chapter 2256, Subchapter A).	Although management provides monthly updates to the board about investments, management should develop a template to summarize on a quarterly basis the necessary information to comply with the requirements noted in the Act.
2019-007	D	Sales tax receivable	Sales tax receivable presented in financial audit report as of September 30, 2018 did not agree to the beginning balance of sales tax receivable recorded in the general ledger.	Beginning balances as per general ledger detail should be reconciled to the audit report of the prior year to verify all balance sheet account balances have rolled forward correctly from one period to another.
2019-008	IP	Notes receivable acceptance process	During testing, it was noted that several borrowers are currently defaulting on making timely payments. Also, some of these loans appear to be unsecured or include a collateral that cannot be claimed in case borrower becomes delinquent for an extended period of time.	Management and the board should consider possible methods to decrease the possibility of approving a loan to a borrower who has a high probability of defaulting and should verify that the collateral included as part of the borrower's loan agreement do not have a first lien prior to approving the loans.

## Internal Control Findings

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2019-009	IP	QuickBooks backups	Although accounting services are outsourced, management is responsible of maintaining QuickBooks backups not only at the external CPA server location but also at a DCM location/DCM protected computer folder.	Even though a QuickBooks license is not required to be purchased to have in house access to the QuickBooks file of DCM, it is recommended that, at least annually, management requests a copy of the adjusted QuickBooks backup from the external CPA to ensure data integrity and recovery process can be done successfully in case a system or server failure at the CPA location occurs.

## Travel Policy

### POLICY:

It is the policy of the Development Corporation of Mercedes (DCM) to reimburse employees, members of the Board of Directors and others who incur travel expenses while conducting business for the (DCM) upon presentation of approved documentation subject to the following:

- A. Travel by DCM employees shall be approved by the Executive Director before travel is undertaken.
- B. All travel should be accomplished in the most economical method reasonably possible.

### PROCEDURE:

- A. Employees and others traveling on DCM business may be advanced money for travel expenses by the DCM prior to travel based on estimated expenses and per diem.
- B. Within ten (10) working days of completing travel or cancellation of travel the person traveling on DCM business shall file with the DCM a complete and accurate report of travel expenses incurred. Receipts for all expenses incurred other than for meals within the per diem rate and mileage for personal motor vehicles shall be included with such report. Reimbursement shall only be made for the most economical mode of travel available unless good cause as determined by Board of Directors exists to justify a higher rate. Any excess amount advanced over expenses actually incurred shall be refunded to the Development Corporation at the same time that the travel report is filled.
- C. Reimbursements shall be made in accordance with the following guidelines:

1. Mileage on personal motor vehicles shall be reimbursed at the rate established by the Internal Revenue Service, or such higher rate as approved by the Board of Directors.
2. Per diem both for in-state and out-of-state travel shall be up to the rate established by GSA. The Executive Director may approve lodging at a higher rate if all available room rates exceed the rate established by the GSA. Lodging will be paid directly by the DCM.
3. Per diem for meals shall be based on GSA established rates.
4. Other necessary travel related expenses such as taxi fare, bus fare, vehicle rental, and/or vehicle parking shall be reimbursed at the actual rate charged as documented by the receipts.
5. An authorized employee shall normally be reimbursed for travel from their normally assigned work station, not from their residence.
6. Falsification of travel expense reports shall be grounds for disciplinary action, including termination of employment.
7. All travel form templates will include the signature approval of one person above the person traveling.

## **5. Discussion: FY 20-21 Budget**

**DEVELOPMENT CORPORATION OF MERCEDES  
BUDGET FY19-20**

<b>SOURCES OF CASH</b>		<b>FY 19-20</b>	<b>FY 20-21</b>	
<b>TAXES</b>				
25-40040	SALES TAX	\$1,521,903.47	\$ 1,141,427.56	Assumption 25% decrease in sales tax revenue
<b>TOTAL TAXES</b>		<b>\$1,521,903.47</b>	<b>\$ 1,141,427.56</b>	
<b>MISCELLANEOUS</b>				
25-44020	INTEREST- TXCLASS	\$ 6,000.00	\$ 2,352.00	Decrease in interest rate
25-44026	INTEREST-L&G CONCRETE	\$ -		
25-44027	INTEREST-MD INT'L (ORBIT)	\$ 5,456.57		
25-44041	LOAN PRINCIPAL PAYMENTS	\$ 30,000.00		Covid-19
25-44097	CARRY OVER FUNDS	\$ 500,000.00	\$ 377,126.76	Assumption of \$50K for September
	TXCLASS		\$ 127,519.63	
	INTEREST- ELIAS GONZALEZ	\$ 102.00	\$ -	
<b>REAL ESTATE SALES</b>				
<b>OTHER INCOME- CITY REIMBURSEMENTS</b>				
	OTHER INCOME- CITY PMT VTX	\$ 125,000.00	\$ 95,000.00	Deffered 3 months, Payments start Jan 2021
<b>TOTAL MISCELLANEOUS</b>		<b>\$ 666,558.57</b>	<b>\$ 601,998.39</b>	
<b>TOTAL REVENUE</b>				
		<b>\$2,188,462.04</b>	<b>\$ 1,743,425.95</b>	



**DEVELOPMENT CORPORATION OF MERCEDES  
BUDGET FY 19-20**

<b>USES OF CASH</b>		<b>FY19-20 BUDGET</b>	<b>FY20-21 BUDGET</b>
<b>PERSONNEL COSTS</b>			
25-510-1010	SALARIES	\$ 119,000.00	\$ 119,000.00
25-510-1015	AUTOMOBILE ALLOWANCE	\$ 4,800.00	\$ 4,800.00
25-510-1100	TMRS CONTRIBUTION	\$ 23,757.22	\$ 23,757.22
25-510-1120	SOCIAL SECURITY	\$ 9,470.70	\$ 9,470.70
25-510-1140	UNEMPLOYMENT COMP	\$ 1,500.00	\$ 1,500.00
25-510-1160	HEALTH/LIFE INSURANCE	\$ 13,896.00	\$ 13,896.00
25-510-1180	WORKER'S COMP	\$ 305.00	\$ 305.00
25-510-xxxx	CELL PHONE ALLOWANCE	\$ 600.00	\$ 600.00
<b>TOTAL PERSONNEL COSTS</b>		<b>\$ 173,328.92</b>	<b>\$ 173,328.92</b>
<b>OTHER SERVICES &amp; CHARGES</b>			
25-510-2020	Audit	\$ 21,500.00	\$ 21,500.00
25-510-2012	Automobile Mileage	\$ 500.00	\$ 200.00
25-510-2014	Billboards	\$ -	\$ -
25-510-2134	Bld Lease	\$ 15,582.00	\$ 15,582.00
25-510-2340	Chamber	\$ 20,000.00	\$ 5,000.00
	Texas Street Festival	\$15,000	
	Dues	\$5,000	
25-510-2011	Contract Labor- Writer	\$ 6,000.00	\$ -
25-510-2102	Crime Insurance	\$ 700.00	\$ 700.00
25-510-2036	Downtown Development	\$ -	\$ -
25-510-2165	Electricity	\$ 3,000.00	\$ 3,000.00
25-510-xxxx	Home Development Incentive Program	\$ -	\$ -
25-510-2142	Janitorial	\$ 11,000.00	\$ 11,000.00
25-510-2125	Legal	\$ 45,000.00	\$ 35,000.00
25-510-2021	Loan Fees- EDC	\$ 1,100.00	\$ 750.00
25-510-2010	Marketing & Promotion	\$ 17,800.00	\$ 6,500.00
	Step & See	\$5,000	Ask Rose for sponsorship for GeoTours



<b>TOTAL OTHER SERVICES &amp; CHARGES</b>		\$ 1,700,679.86	\$ 1,563,097.03
<b>MAINTENANCE</b>			
25-510-2520	OFFICE EQUIPMENT	\$ 6,000.00	\$ 3,000.00
25-510-2540	MAINTENANCE	\$ 3,000.00	\$ 2,000.00
<b>TOTAL MAINTENANCE</b>		<u>\$ 9,000.00</u>	<u>\$ 5,000.00</u>
25-510-3050	OFFICE SUPPLIES	\$ 3,000.00	\$ 1,000.00
<b>TOTAL SUPPLIES</b>		<u>\$ 3,000.00</u>	<u>\$ 1,000.00</u>
<b>CAPITAL OUTLAY</b>			
25-510-4005	FURNITURE & FIXTURES	\$ 3,000.00	\$ 1,000.00
<b>TOTAL CAPITAL OUTLAY</b>		<u>\$ 3,000.00</u>	<u>\$ 1,000.00</u>
<b>TOTAL 10-DEVELOPMENT CORP. OF MERC</b>			
<b>TOTAL EXPENDITURES</b>		<u>\$ 1,889,008.78</u>	<u>\$ 1,743,425.95</u>
			1743425.95 \$

**6. Discussion and Action: Resolution Approving the  
Modification and Extension of the Development  
Corporation of Mercedes, Inc. Junior Lien Sales Tax  
Revenue Bonds, Taxable Series 2016**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING THE MODIFICATION AND EXTENSION OF THE  
DEVELOPMENT CORPORATION OF MERCEDES, INC. JUNIOR LIEN  
SALES TAX REVENUE BONDS, TAXABLE SERIES 2016.**

WHEREAS, on February 17, 2020 the Board of Directors (the "Board") of The Development Corporation of Mercedes, Inc. (the "Corporation") passed and adopted Resolution No. 2016-02 (the "2016 Bond Resolution") authorizing the issuance of The Development Corporation of Mercedes, Inc. Junior Lien Sales Tax Revenue Bonds, Taxable Series 2016; and

WHEREAS, The Development Corporation of Mercedes, Inc. Junior Lien Sales Tax Revenue Bonds, Taxable Series 2016, dated March 1, 2016, was issued as one fully registered bond numbered T-1 (the "Bond"), bears no interest and was sold to Valley Telephone Cooperative, Inc. ("VTCI") with such Bond amortizing and maturing on the same maturity schedule as the loan agreement, and related promissory note, executed between VTCI and the United States Department of Agriculture ("USDA") under the Rural Economic Development Loan and Grant Program ("REDLG"); and

WHEREAS, the sole holder of the Bond is VTCI; and

WHEREAS, as a result of wide-spread economic hardships resulting from the emergence of COVID-19 pandemic, a respiratory disease caused by a new strain of coronavirus, the Corporation has requested that VTCI defer the Corporation's obligations to make the principal payments under the Bond which are due and payable on the 28<sup>th</sup> day of October 2020, November 2020 and December 2020 (the "Deferred Payments") and to make such payments due and payable on the 28<sup>th</sup> day of April 2026, May 2026 and June 2026, respectively; and

WHEREAS, VTCI is now willing to approve the Deferred Payments until the 28<sup>th</sup> day of April 2026, May 2026 and June 2026, respectively and extend the maturity of the Bond accordingly; and

WHEREAS, such action is in the best interest of the Corporation, and the Corporation desires to approve the same and to reaffirm all of its obligations in regard to the Bond;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEVELOPMENT CORPORATION OF MERCEDES, INC.:

1. That the above recitals are true and correct and any capitalized but undefined terms set forth herein shall have the meaning assigned to such terms in the 2016 Bond Resolution.

2. That the Corporation hereby approves the 2020 Bond Modification and Extension Agreement (the "Modification Agreement") by and between the Corporation and VTCI.

3. That the Corporation hereby expressly reaffirms all of its previous obligations in regard to the Bond, including but not limited to, those obligations set out in the 2016 Bond

Resolution authorizing the issuance of the Bonds, including the pledge of the Pledged Revenues, the Financing/Use Agreement between the Corporation and the City of Mercedes, Texas dated March 1, 2016; the Cooperative Agreement Between the Corporation and the City dated March 1, 2016 and all other obligations whatsoever originally entered into by the Corporation in regard to the Bond.

4. That it is officially found and determined that the only change being made in regard to the Bond is to defer the payments under the Bond which are due and payable on the 28<sup>th</sup> day of October 2020, November 2020 and December 2020 and to make such payments due and payable on the 28<sup>th</sup> day of April 2026, May 2026 and June 2026, respectively and to extend the maturity date of the Bond accordingly.

5. That the President, Vice President and Secretary of the Corporation be and are hereby authorized to execute such additional documents as are necessary to carry out the intents and purposes of this Resolution including the Modification Agreement or other agreement required by VTCI to carry out the terms of this Resolution.

6. That it is officially found and determined that this meeting was open to the public as required by law, and that notice of the time, place and subject matter of this meeting has been posted in the manner required by law.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2020.

THE DEVELOPMENT CORPORATION OF  
MERCEDES, INC.

By: \_\_\_\_\_  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Secretary, Board of Directors

**2020 BOND MODIFICATION AND EXTENSION AGREEMENT**

**THE DEVELOPMENT CORPORATION OF MERCEDES, INC.**

**and**

**VALLEY TELEPHONE COOPERATIVE, INC.**

Effective Date of Modification: October 1, 2020

Junior Lien Sales Tax Revenue Bond, Taxable Series 2016:

Dated Date of Issue: March 1, 2020

Original Principal Amount: \$2,000,000

Principal Amount Outstanding: \$1,375,009.40

Issuer: The Development Corporation of Mercedes, Inc.

Registered Owner: Valley Telephone Cooperative, Inc.

Issuer's Mailing Address:

320 South Ohio  
Mercedes, Texas 78570

Registered Owner's Mailing Address:

881 East Hidalgo Street  
Raymondville, Texas 78580

Terms of Modification:

1. The Development Corporation of Mercedes, Inc. Junior Lien Sales Tax Revenue Bond, Taxable Series 2016, numbered T-1, (the "Bond") is modified as follows:

- (a) The payments of principal and accrued interest due on the 28<sup>th</sup> day of October 2020, November 2020 and December 2020 are deferred and shall now be due and payable as set forth in the Bond on the 28<sup>th</sup> day of April 2026, May 2026 and June 2026 respectively and the maturity of the Bond is extended accordingly.

Issuer agrees to pay the Bond and to comply with the obligations under the Bond, both as originally stated and as the same are modified herein as authorized by the resolution of the Board of Directors of the Issuer dated \_\_\_\_\_, 2020 (the "Modification Resolution").

For value received, Issuer renews the Bond and promises to pay to the Registered Owner of the Bond, according to the Terms of Modification, the unpaid principal and accrued interest on the Bond; Issuer also extends the liens, security interests, and assignments described in the Note and the resolution of the Board of Directors of the Issuer adopted on February 16, 2016 authorizing the issuance of the Bond (the "2016 Bond Resolution"). In particular, but without limiting the generality of the foregoing, the Issuer agrees that its pledge of the Pledged Revenues

contained in the 2016 Bond Resolution and the Bond remains in full legal force and effect to secure payment of the Bond as modified and extended herein.

The Bond and 2016 Bond Resolution continue as written, except as provided in this instrument and the Modification Resolution. All documents evidencing, securing the payment of or delivered in connection with the Bond remain in full force and effect as modified herein. The Issuer expressly confirms the validity and enforceability of all such documents, that no event of default exists thereunder, and that all such documents are not subject to offset, rescission, or other claims.

The Issuer agrees to (i) provide notice of the Terms of Modification and a copy of this Agreement and the Modification Resolution to The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (the "Paying Agent/Registrar") in accordance with the Paying Agent/Registrar Agreement executed and delivered in connection with the issuance of the Bond necessary to effectuate the Terms of Modification contained herein and (ii) take all such action as may be required by the Registered Owner and the United States Department of Agriculture ("USDA") under the related loan agreement and promissory note executed by the Registered Owner and USDA under the Rural Economic Development Loan and Grant Program to effectuate the Terms of Modification contained herein.

There are no oral agreements between the parties regarding the Bond, the Modification Resolution, or the transaction evidenced thereby.

Issuer represents and warrants to Registered Owner of Bond that the Bond constitutes a valid and binding legal obligation of the Issuer; that, as modified, the Bond is valid and enforceable; and that the Bond is not subject to rights or claims by Issuer of offset, rescission, or other claims.

When the context requires, singular nouns and pronouns include the plural.



VALLEY TELEPHONE COOPERATIVE, INC.  
as Registered Owner

By: \_\_\_\_\_  
Dave Osborn, Chief Executive Officer

THE DEVELOPMENT CORPORATION OF  
MERCEDES, INC.

By: \_\_\_\_\_  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Secretary, Board of Directors

## **CERTIFICATE FOR RESOLUTION**

THE UNDERSIGNED HEREBY CERTIFY AS FOLLOWS:

1. The Board of Directors (the "Board") of The Development Corporation of Mercedes, Inc. (the "Corporation") convened in Regular Meeting on \_\_\_\_\_, 2020 at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board of Directors, to wit:

Fred Gonzalez	President
Joe Flores	Vice President
Jamie Gonzales	Secretary
Tony Garza	Treasurer
Roel Villanueva	Director
David Garza	Director

and all of said persons were present, except the following absentees: \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

### **RESOLUTION APPROVING THE MODIFICATION AND EXTENSION OF THE DEVELOPMENT CORPORATION OF MERCEDES, INC. JUNIOR LIEN SALES TAX REVENUE BONDS, TAXABLE SERIES 2016**

was duly introduced for the consideration of said Board of Directors and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the Board of Directors shown present above voted "Aye" except as shown below.

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board of Directors' minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Directors' minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board of Directors as indicated therein; that each of the officers and members of said Board of Directors was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose,

and that said Meeting was open to the public and public notice of the time, place and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially, this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Secretary, Board of Directors,  
The Development Corporation of Mercedes,  
Inc.

## **7. Discussion and Action: Recommendations for Mercedes Small Business Recovery Assistance Grant Program Application**

# Mercedes Small Business Recovery Assistance Grant Program

## APPLICATION

*Please complete the application and answer every question shown below. The Mercedes DCM requests that each business enter a response in EACH of the required fields below.*

### CONTACT INFORMATION

First/Last Name of person completing this application: \_\_\_\_\_  
Name of Business: \_\_\_\_\_  
Business Type: \_\_\_\_\_  
Address of Business: \_\_\_\_\_  
Email Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

### BUSINESS OWNERSHIP

Tax ID #: \_\_\_\_\_  
Entity Name: \_\_\_\_\_  
Name of business owner (if different from above): \_\_\_\_\_  
Number of years in business: \_\_\_\_\_

### BUSINESSES THAT ARE INELIGIBLE TO APPLY

- Businesses that are restricted to patrons above the age of 18 (e.g. bars, smoke shops, and sexually oriented businesses and other similar businesses);
- Finance Institutions;
- Businesses owned by the members of the Board of Directors of the Mercedes EDC; or
- Businesses owned by employees or Mercedes elected officials of the City of Mercedes.

### PERSONNEL

How many total employees were employed at your business on February 1, 2020?

Full-time Employees #: \_\_\_\_\_ (Part-time # employees: \_\_\_\_\_)

Does your business have furloughed employees who are receiving unemployment benefits?

Yes \_\_\_\_\_ No \_\_\_\_\_

Is your business operated as a sole proprietorship?

Yes \_\_\_\_\_ No \_\_\_\_\_

## USE OF FUNDS

How will your business use the loan funds? *Please check all that apply.*

_____ Rent/mortgage payment. List specific amount.	\$ _____
_____ Purchases supplies to offer alternative business access (i.e. curbside pickup, delivery, website upgrades for online sales, etc.)	\$ _____
_____ Employee support (salaries, insurance, paid leave)	\$ _____
_____ Utilities (i.e. electricity, water, phone, internet, etc.)	\$ _____
_____ Expenses associated with increased material costs from suppliers or alternate suppliers.	\$ _____
_____ Purchase of COVID-19 supplies for business protection/cleaning.	\$ _____
<b>Total Amount</b> \$ _____	

**Total Grant amount requested from Mercedes DCM:** \$ \_\_\_\_\_

(amount shown above may not exceed:  
\$3,000 for business with 1-3 employees,  
\$5,000 for business with 4-9 employees)

**You must attach cancelled checks, payroll reports and/or bank statements to substantiate the amount shown above.**

*Business owners may request less and/or only what is needed if receipts cannot be produced to show proof of payment on the list above, under **USE OF FUNDS**. The Development Corporation of Mercedes is the sole and final authority in determining eligibility and amount of funding. Funds not used as indicated, or documented, shall be due back immediately.*

## FINANCIAL ASSISTANCE (Currently pending or received)

Name of your primary financial institution: \_\_\_\_\_

Name of your Bank Officer: \_\_\_\_\_

Have you met with your financial institution (bank) about financial assistance? Yes \_\_\_ No

If no, why not?

\_\_\_\_\_  
\_\_\_\_\_

Have you applied for any of the following Federal programs that are currently available?

\_\_\_\_\_ Paycheck Protection Program (PPP) Requested amount: \_\_\_\_\_  
\_\_\_\_\_ Economic Injury Disaster Loan (EIDL) Requested amount: \_\_\_\_\_

*\*Provide proof of application provided via attachment.*

If not, why not?

## ACKNOWLEDEMENTS/SIGNATURES

Please check each statement acknowledging that you have read and affirm the information you have submitted within this application is true and accurate to the best of your knowledge. **USE YOUR INITIALS IN THE BLANK.**

\_\_\_\_\_ My business has 1-9 full time (or full time equivalent) employees.

\_\_\_\_\_ I affirm that my business has experienced or is projected to experience a decline in employment between February 1, 2020 and May 15, 2020. (including sole proprietors.)

\_\_\_\_\_ The Tax ID and Entity Name of my business shown above, are true and accurate.

\_\_\_\_\_ My business is located in the incorporated city limits of Mercedes, in a commercial setting with a Certificate of Occupancy issued by the City of Mercedes.

\_\_\_\_\_ By signing this document, I am attesting that I am the majority owner of the business applying for this loan.

\_\_\_\_\_ I will provide proof of efforts to obtain current Federal stimulus grants/loans: EIDL, PPP, etc.

\_\_\_\_\_ I affirm this business is in good standing with the City of Mercedes with respect to taxes, fees, utility payments, or other financial obligations.

Business Legal Name \_\_\_\_\_

Written: \_\_\_\_\_  
Legal Representative

\_\_\_\_\_  
Title

Signed: \_\_\_\_\_  
Legal Representative

\_\_\_\_\_  
Title

Signed as Individual: \_\_\_\_\_

Date \_\_\_\_\_

## DOCUMENTS TO BE ATTACHED

Summary of documents that must be provided at time of application. Please attach in order and/or clearly label the document:

1. **W-9 Form; and copy of the applicants' ID.**
2. Receipt or cancelled check of most recent lease/mortgage payment.
3. Receipt or cancelled check of most recent utility payment (water, electric, phone, gas, etc.).
4. Receipt or cancelled check for salary payments made to furloughed employees, *if applicable*.
5. Receipts for expenses associated with increased material costs from suppliers or alternate suppliers.
6. Receipts for the purchase of COVID-19 supplies for business protection/cleaning.
7. Receipts for purchases supplies to offer alternative business access (i.e. curbside pickup, delivery, website upgrades for online sales, etc.)
8. Proof of application for COVID-19 Federal grant/loan programs.

*We are requesting supporting documentation at this time and reserve the right to request and receive any such back-up documentation within 24 hours' notice by the DCM. Please make sure you maintain your business records and receipts to support your answers to the application.*

## Directions for Submitting the Mercedes Small Business Recovery Assistance Grant Application

1. Save the completed application as [BUSINESS NAME] Mercedes DCM Grant Application
2. Submit the completed application and ALL documents to:

**Email: [smallbuscares2020@cityofmercedes.com](mailto:smallbuscares2020@cityofmercedes.com) OR**

**Deliver to: DCM Office (NE Ohio/4<sup>th</sup> Street)** and drop in the mail box in the foyer of the building between the hours of 8:00 am to 5:00 pm during the week of August 4<sup>th</sup> onward (until funds are exhausted).

- **print the application**
- **hand write answers and responses into the application**
- **scan the application and all related documents and email the completed the file to: [smallbuscares2020@cityofmercedes.com](mailto:smallbuscares2020@cityofmercedes.com).**